



February 13, 2025

Chairperson C. T. Wilson

Maryland House Economic Matters
Committee
230/231 Taylor House Office Building
Annapolis, MD 21401

Vice Chair Brian M. Crosby

Maryland House Economic Matters
Committee
230/231 Taylor House Office Building
Annapolis, MD 21401

cc: all members of the Maryland House Economic Matters Committee

Re: HB0132 - On-Site Consumption Establishments and Cannabis Events

Dear Chairperson Wilson, Vice Chair Crosby, and members of the Maryland House Economic Matters Committee:

My name is Caroline Phillips and I am the Founder and Executive Producer of the National Cannabis Policy Summit and Festival (NCF). NCF is the nation's largest annual ticketed cannabis event. Taking place annually since 2016, NCF has hosted nearly 150,000 attendees – including more than 55,000 Maryland residents – for a week of dynamic programs capped by a 2-day music and advocacy festival in Washington, D.C. I am penning this letter alongside Queen Adesuyi, a long-time cannabis justice advocate and partner at Reframe Health and Justice.

We write to express excitement about HB0132, a bill that would authorize and regulate on-site cannabis consumption at certain establishments and cannabis events. This effort presents an opportunity for the state of Maryland to regulate on-site cannabis consumption and sales in a way that maximizes the benefits of cannabis regulation through harm reduction, consumer safety, and social equity measures. **As currently drafted, HB0132 is a step forward in the right direction. However, we have two critical recommendations that would significantly improve the bill's impact across public health, harm reduction, and economic opportunities – especially for Black small businesses and social equity licensees.** We have outlined these recommendations below.

Background: Throughout 2024, we have worked to develop a [proposal](#) for a “[Maryland Small Business and Social Equity Outdoor Live Events Retail Sales Program](#),” in consultation with the Equity Trade Network. This [proposed program](#) is informed by 18 years of our collective experience hosting large-scale cannabis events and advancing evidence-based cannabis policy and harm reduction efforts. Our proposed harm reduction-focused, regulated, outdoor live events cannabis retail sales program is designed to benefit social equity licensees, offering a lucrative lifeline to historically disadvantaged entrepreneurs. In addition to the economic benefits of this proposed program, regulating sales and consumption of cannabis at outdoor, live events would reduce harm by making tested and regulated cannabis products accessible in venues where unregulated products, and sales, would otherwise be present. Our proposed program offers three robust, harm reduction-focused models for controlled consumption of cannabis, designed with all qualifying

event attendees – cannabis consuming or not – in mind. You can find more information and details on our proposed program [here](#).

With that, our recommendations for HB0132 are focused on the bill's sections related to on-site consumption and sales of cannabis products at cannabis events:

Recommendation #1: There is a harm reduction and consumer safety gap left by only regulating cannabis beverages and edibles at cannabis events. Authorize consumption and sale of inhalable cannabis, such as cannabis flower and concentrate, at qualifying outdoor cannabis events.

Only regulating the consumption and sale of drinkable and edible cannabis products at cannabis events – while banning the consumption and sale of inhalable cannabis products – leaves a vast harm reduction and consumer safety gap that undermines the benefits of cannabis regulation. Smoking cannabis flower is the most common method of consumption for Maryland adults.¹ This includes Maryland's medical cannabis patients, many of whom consume daily (or almost daily) to treat various chronic conditions, from chronic pain and PTSD to epileptic seizures.² According to sales data from the Maryland Cannabis Administration, cannabis flower sales make up 60% of all cannabis products sold, while concentrates (vapes) and edibles represent 28% and 12% of retail sales, respectively.³ **Carving out cannabis flower and concentrates from authorized consumption and sales at cannabis events leaves the door open to unregulated sales of untested products, which undercuts the consumer safety benefits of comprehensive cannabis regulatory policies.** Conversely, more comprehensively regulating cannabis products at cannabis events, including cannabis flower and concentrates, allows for limitations on product potency, product type and number of product purchases per consumer. Omitting cannabis flower and concentrates from outdoor live event regulations will not make the presence of these products disappear, as unregulated use is already prevalent at venues.⁴

We recognize that not all events desire or need a cannabis presence. We recommend that guidelines be established for venues and live event operators that offer clear criteria for when and where cannabis sales are allowed/appropriate, along with when/where/how consumption is permitted. Our previously mentioned proposed program encompasses [three different harm reduction-focused sales models](#) that ensure cannabis sales and consumption are controlled in a way that prioritizes the health and experience of guests, amplifies Maryland's licensed social equity brands, and drives revenue back to the State. The harm reduction-focused sales models include (1) the *Open Sales and Consumption Model*, (2) the *Designated Retail and Controlled Smoking Area Model*, and (3) the *Drinks and Edibles-Only Bar Program*. Developing comprehensive, controlled

¹ Maryland Medical Cannabis Commission, "Maryland Cannabis Use Baseline Study."

² Ibid.

³ Maryland Cannabis Administration, MCA Medical and Adult-Use Cannabis Data Dashboard.

<https://cannabis.maryland.gov/Pages/Data-Dashboard.aspx>

⁴ Drug Policy Alliance, Safer Supply Toolkit, December 2, 2024. <https://drugpolicy.org/resource/safer-supply-toolkit/>

consumption models for qualifying events that opt-in to including a cannabis presence can create a healthier and more enjoyable environment for *all* guests.

We strongly recommend authorizing the consumption and sale of inhalable cannabis at qualifying outdoor cannabis events. Outdoor events do not have the same intensive infrastructure requirements necessary to reduce the harm of smoking due to natural, unlimited ventilation outdoors.⁵ To manage air quality and learn more about the impacts of outdoor consumption of cannabis flower and vapes, we recommend that venues interested in hosting cannabis events that may include inhalable cannabis products and consumption engage an air quality professional from a third-party company to develop and implement an Odor Control Plan and conduct continuous air quality monitoring.⁶ Air quality monitoring is not only a way to ensure healthier spaces, but it also allows us to gather valuable data to inform future policy and assure host communities have transparency around activities in event spaces in their neighborhoods.⁷ Furthermore, Maryland would not be the first state to authorize and regulate consumption of inhalable cannabis in outdoor spaces. States, including but limited to, New York, New Mexico, Nevada, and New Jersey already do this. In fact, some of these states have also authorized and actively regulate indoor consumption of inhalable cannabis – while balancing public health concerns – in recognition of the need for people to have safe spaces to consume.

Recommendation #2: Social equity licensees represent cannabis entrepreneurs and businesses most impacted by the inequitable enforcement of cannabis law violations under prohibition. Establish a lucrative, sustainable lifeline for social equity and small businesses by limiting vendor permits to social equity applicants indefinitely.

As currently drafted, this bill limits vendor permits that authorize a holder to sell single-serving products at cannabis events to social equity licensees until July 1, 2028. We applaud the intention behind this restriction as it is a creative way to offer lucrative opportunities that benefit social equity licensees at *no cost to the state*. Throughout the cannabis industry, social equity licensees are small businesses, single locations, and brick-and-mortar store owners. In Maryland, to qualify as a social equity applicant and licensee, 65% of a business' ownership must be held by one or more individuals who have either:

⁵ Jiyeon Yang, Shervin Hashemi, et al. "Risk assessment and estimation of controlling safe distance for exposure to particulate matter from outdoor secondhand tobacco smoke," *Air Qual Atmos Health* 17, 139–154 (2024). <https://doi.org/10.1007/s11869-023-01435-9>; "Is outdoor exposure to secondhand smoke/aerosol comparable to indoors?," *U.S. Environmental Protection Agency*. <https://www.epa.gov/indoor-air-quality-iaq/outdoor-exposure-secondhand-smokeaerosol-comparable-indoors>; "Harm Reduction Services for Anyone who Smokes or Inhales Drugs," *Public Health Ontario*, July 2023, https://www.publichealthontario.ca/-/media/Documents/H/2023/harm-reduction-services-smoking-inhaling-drugs.pdf?rev=255f0227310e46448c8c30ace7b6ef02&sc_lang=en

⁶ Paul Schafer and Pat Sullivan, "Odor Monitoring and Control," <https://www.scsengineers.com/services/clean-air-act-services/odor-monitoring-and-control/>

⁷ "What is air quality monitoring and why is it important?," *Clarity*, March 21, 2023. <https://www.clarity.io/blog/what-is-air-quality-monitoring-why-is-it-important>

1. lived in a disproportionately impacted area, which is defined as a geographic area that had above 150% of the State's 10-year average for cannabis possession charges;
2. attended a public school in a disproportionately impacted area for at least 5 years; or
3. attended a Maryland four-year institution of higher education where at least 40% of the individuals who attended the institution received a Pell Grant.⁸

Not only are social equity licensees subject to the tax burdens and other associated costs of being a cannabis business owner, but they are regularly fighting for brand awareness against larger operators with substantial budgets for marketing, access, and community outreach. **We recommend that the State indefinitely limit access to vendor permits in the spirit of ensuring a lucrative, economic benefit to social equity entrepreneurs and small businesses.**

In addition to consumer safety issues, carving out cannabis flower and concentrates from this initiative will significantly impact the economic opportunities that social equity licensees stand to gain. As previously noted, cannabis flower and concentrates (vapes) account for 88% of cannabis product sales in Maryland.⁹ Only including edible and drinkable cannabis products encourages a direct-to-venue concessions model, significantly undercutting the economic benefits to small business and social equity retailers. This carve-out ignores the evidenced consumer demand amongst Maryland adults, and will have unintended consequences for Maryland's medical cannabis patients who rely on cannabis flower and/or concentrates for medicinal purposes. **A robust, outdoor live events retail sales program is a vehicle to redirect adult consumers and patients from unregulated markets, sending millions of dollars in annual revenue into the regulated markets and the State.** It also provides qualifying venues a way to meet changing consumer trends while prioritizing harm reduction and consumer safety.

To sum up, we applaud current efforts to expand how cannabis is regulated for adult use in Maryland. We believe that this legislative initiative by the MCA is needed, and opens up the door to actualizing the true public health, harm reduction, and economic opportunities of cannabis regulation. According to projections by industry experts, Maryland's cannabis industry will generate \$1.1B in revenue and \$100M in sales tax in 2025 via licensed cannabis retail storefronts.¹⁰ However, social equity licensees and small business owners continue to disproportionately struggle to generate the capital to open doors and create sustainable business models.¹¹ An outdoor events cannabis sales program benefitting only small business and social

⁸ Maryland Office of Social Equity, "Licensing & Eligibility," <https://ose.maryland.gov/Pages/licensing-and-eligibility.aspx>

⁹ Maryland Cannabis Administration, MCA Medical and Adult-Use Cannabis Data Dashboard.

¹⁰ Point 7 Group, "The History of Cannabis in Maryland," <https://pointsevengroup.com/post/history-of-cannabis-in-maryland/>

¹¹ Point 7 Group, "The History of Cannabis in Maryland."; Rosalind Adams, "Marijuana Entrepreneur Who Was Once Face Of New York's Social Equity Loan Fund Now Fears Foreclosure," *Marijuana Moment*. November 30, 2024. <https://www.marijuanamoment.net/marijuana-entrepreneur-who-was-once-face-of-new-yorks-social-equity-loan-fund-now-fears-foreclosure/>; Benjamin Adams, "Only 27% Of U.S. Cannabis Businesses Are Profitable, Survey Shows," *Forbes*, July 26, 2024.

equity entrepreneurs is a vehicle to help shrink the unregulated sales market, and a way for qualifying venues to meet changing consumer needs while prioritizing harm reduction and consumer safety. Moreover, this proposed program would provide a fruitful and sustainable economic lifeline to historically disadvantaged cannabis entrepreneurs who bore the brunt of cannabis prohibition.

We would appreciate you taking our recommendations into consideration. We welcome the opportunity to discuss our proposed program and recommendations further. Please feel free to contact us with any questions or concerns by reaching out to caroline@nationalcannabisfestival.com and queen@reframehealthandjustice.com.

Thank you for your consideration and time.

Sincerely,



Caroline Phillips
Founder
National Cannabis Festival



Queen Adesuyi
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<https://www.forbes.com/sites/benjaminadams/2024/07/26/only-27-of-us-cannabis-businesses-are-profitable-survey-shows/>; Chris Casacchia, “Progress not happening fast enough for marijuana social equity entrepreneurs,” November 14, 2023, <https://mjbizdaily.com/progress-not-happening-fast-enough-for-cannabis-social-equity-entrepreneurs/>