

February 18th, 2025

The Honorable C.T. Wilson Chair, House Economic Matters Committee 230 Taylor House Office Building Annapolis, MD 21401

House Bill 132 – Cannabis - On-Site Consumption Establishments and Cannabis Events FAVORABLE WITH AMENDMENTS

Dear Chair Wilson, Vice Chair Crosby, and Members of the House Economic Matters Committee:

The Maryland Cannabis Administration (MCA) supports House Bill 132 – Cannabis - On-Site Consumption Establishments and Cannabis Events (HB0132) and respectfully requests a favorable report, with one technical amendment.

HB0132 is an MCA departmental proposal and makes necessary amendments and clarifications to the current provisions pertaining to on-site consumption establishments. MCA is authorized to award on-site consumption licenses in the second round of licensure and believes the current statutory provisions do not provide a consistent or viable business model for these license types. In HB0132, MCA is proposing a new model of consumption establishments that rely on smoke-free consumption options and present what the MCA believes is an exciting opportunity for social equity applicants.

Additionally, HB0132 creates a pathway for event registration with the Administration for the purposes of hosting an event that may permit consumption or sell certain cannabis products to consumers. MCA believes that this registration is important to continue to regulate the State's cannabis industry, and presents opportunities for further market development for the new licensees.

Throughout this proposal, MCA worked to maintain levels of local control within each structure, allowing for jurisdictions to further regulate the consumption operations within their boundaries. MCA additionally includes provisions for ensuring public health and safety at registered events by expanding enforcement authority to all sworn law enforcement in the State.

HB0132 provides an innovative structure for on-site consumption establishment operations, in advance of their issuance in the second-round of licensing. It also establishes registration pathways for cannabis-friendly events. These measures promote new market opportunities for social equity licensees, while also ensuring safe and responsible cannabis sales by requiring compliance with MCA manufacturing, testing, packaging and labeling, and single-serving dispensing standards. Finally, they empower local governments by authorizing them to impose additional restrictions for licensees and events as appropriate for their jurisdictions.

MCA respectfully requests a technical amendment to clarify the intent regarding on-site consumption establishments ability to process cannabis products. The only processing ability the MCA wishes to grant to consumption licensees is for single-serving products, as defined. Striking "CANNABIS OR CANNABIS-INFUSED PRODUCTS" on page 4, in line 11 and replacing with "<u>SINGLE-SERVING</u> <u>PRODUCTS</u>" would clarify the MCA's intent under this proposal.

The MCA is committed to working with the House Economic Matters Committee on these license types and business models to ensure that public health and safety can be maintained while providing a path forward for further growth and development in the State's cannabis industry.

If you have any questions or would like to discuss this further, please contact me at <u>andrew.garrison@maryland.gov</u> or Alison Butler at alison.butler@maryland.gov.

Sincerely,

Andrew C. Garrison Chief of Policy & Government Affairs, Maryland Cannabis Administration