

House Bill 132 - Cannabis - On-Site Consumption Establishments and Cannabis Events House Economic Matters Committee February 18, 2025

Thank you for the opportunity to express the concerns of the Maryland Wholesale Cannabis Trade Association (CANMD) regarding House Bill 132 – Cannabis – On-Site Consumption Establishments and Cannabis Events. CANMD represents a majority of the cannabis processor and grower licensees in Maryland and has worked with the General Assembly to ensure a well-regulated cannabis market.

House Bill 132 provides further structure to the on-site consumption license category created in the Cannabis Reform Act of 2023. It also establishes new policy on cannabis events.

CANMD does not oppose the creation of on-site consumption establishments. In fact, consumption lounges can perform a valuable function for people who, for various reasons, cannot consume cannabis where they live. However, House Bill 132 goes further and grants a <u>processor</u> license to an on-site consumption licensee. Many of the recent processor license awardees are not yet operational and the second round of licenses outlined in the 2023 legislation has not occurred. Sufficient processor licenses were created in the Cannabis Reform Act, and the receipt of an on-site consumption license should not provide a shortcut to a processor license.

CANMD also supports the creation of a cannabis event license. CANMD members welcome the opportunity to participate in these events and believe all licensees should be allowed to obtain a vendor permit. If the Committee intends to pass a bill, it may be necessary to identify what types of events are anticipated and carefully review the bill to make sure those events could be held under the provisions of HB 132. For example, the language regarding what "premises" means when distinguishing between alcohol permitted and non-permitted areas is not clear. Additionally, the fee for a vendor permit is too high to encourage licensees to participate in an event that is temporary.

CANMD appreciates the work this committee has done to ensure that Marylanders can safely and responsibly consume cannabis and cannabis products. We look forward to working with the Committee as it considers House Bill 132.

Christina B. Johnson Chair, Maryland Wholesale Cannabis Trade Association