Senate testimony for Bill SB 0214

Good afternoon my name is Robert Davis R.Ph owner of OC botanicals LLC doing business as hi-tide dispensary fully licensed in the State of Maryland.

Opposition to SB 0214. The Language specifically on Page 5 -Decriminalizing the sale of Cannabis.

(E) (1<mark>) IF A PERSON WHO IS NOT A CANNABIS LICENSEE VIOLATES 15 SUBSECTION (B) OR (C) OF THIS SECTION, THE PERSON:</mark>

(I) MAY BE CHARGED BY A CITATION; AND (II) IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$5,000.

The above language would open the door to illegal Cannabis sales as it would be extremely profitable for unlicensed groups to sell illegal cannabis to the tune of hundreds of thousands of dollars a month or more. Given this language in the Bill The penalty for such would be a <u>misdemeanor</u> and a maximum of <u>\$5000 if and when</u> a conviction was to take place years later.

The language in this Bill aims to weaken Maryland's position on the illicit cannabis market. We know the impact this will have on what has thus far been a highly successful legal industry as regulated by the state of Maryland because we have seen what relaxed laws on the illicit market have done to states like Nevada, New York and California. According to an article written last month and published in the Nevada Independent, the illegal market generated roughly 30 to 45% of the revenue that the legal market did last fiscal year in Nevada. That's hundreds of millions of dollars that were taken away from legal business owners and the state because of a flourishing illicit market.

While this bill looks to loosen its grip, New York has done the opposite and seen great success. A news report cited in 2024 -- New York conducted over 1-thousand inspections and seized more than \$68-million-dollars worth of illegal cannabis. The Empire State is expected to generate \$161.8 million in tax revenue from its legal Cannabis business for the fiscal year ending March 31st -- that's four times more than what it raked in last year and a direct result of its crack down on the illicit market. Democratic Governor Kathy Hochul was quoted yesterday in the New York Post saying "Now, legal entrepreneurs are thriving while lawbreakers are being held accountable."

This bills Language would ensure lawbreakers are NOT held accountable and it would undermine the incredibly successful industry this state has built. In due course, we would look just like New York did a year ago. My business would be left in peril and the state's revenue from our industry would be cut significantly.

Sincerely,

Robert & Davis R. Ph

OC Botanicals LLC Owner / Clinical Director