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Testimony in Support of Senate Bill 221 - Cannabis Wholesaler License

We are pleased to submit this testimony on behalf of our clients in support of Senate Bill 221, which aims to establish a wholesaler cannabis license within Maryland's regulated cannabis market. This legislation is essential for creating a sustainable and efficient cannabis industry in Maryland, ensuring that it operates in a safe, secure, and compliant manner.

Our clients, who represent various stakeholders within the cannabis industry, understand the significant role wholesalers will play in ensuring a smooth, transparent, and regulated cannabis supply chain. By introducing a wholesaler license, Senate Bill 221 ensures that cannabis products can be distributed securely and effectively between licensed producers and retailers, facilitating responsible access to the marketplace.

This bill addresses an important gap in the current framework by authorizing wholesalers to store, transport, and distribute cannabis products, while restricting their ability to engage in cultivation or direct consumer sales. This clear delineation of responsibilities helps to ensure that the wholesaler function remains focused on distribution, preventing any conflicts of interest that could arise from wholesalers becoming involved in cultivation or retail activities.

The proposed 15 wholesaler licenses included in this bill will maintain a balanced and competitive market, avoiding over-saturation that could disrupt the supply chain or negatively impact product quality. The bill also establishes a reasonable fee structure for licensing and renewal, promoting fair access for qualified entities seeking to participate in the market. Importantly, Senate Bill 221 incorporates provisions to support social equity applicants and micro-licenses by reducing licensing fees for these groups, ensuring that those most affected by past cannabis policies have an opportunity to participate in the industry.

In addition to promoting safe and secure distribution, the introduction of this wholesaler license category will enhance Maryland's reputation as a state committed to building an equitable and diverse cannabis market. By addressing both operational efficiency and equity considerations, Senate Bill 221 helps foster an industry that benefits all stakeholders, from producers to consumers.

On behalf of our clients, we respectfully urge the Committee to pass Senate Bill 221. This legislation represents a critical step toward establishing a well-regulated, transparent, and inclusive cannabis market in Maryland, and we are confident it will bring lasting benefits to both the industry and the public.

Thank you for your consideration of this important matter.

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