

**Witness Statement for Senate Bill 299**  
**Maryland Senate Finance Committee**  
**Date: 28-01-2025**

Dear Chair and Members of the Finance Committee,

My name is Taylor Green, and I am submitting this testimony on behalf of Ember DMV LLC (Ember), a newly established micro dispensary and social equity applicant preparing to launch operations. We are deeply invested in Maryland's cannabis industry's success and are committed to ensuring equitable opportunities for businesses like ours. Thank you for the chance to provide witness testimony on Senate Bill 299, titled *Cannabis Agents Registration Security Guard*.

Ember's concerns regarding Senate Bill 299 focus on the operational and regulatory challenges associated with the staffing cap for micro dispensaries, particularly security personnel. As a social equity applicant, we can only employ 10 individuals under current Maryland Cannabis Administration (MCA) regulations. This cap already restricts our ability to adequately staff our dispensary and the requirement that security guards register as cannabis agents further compounds these limitations.

Upon reviewing Senate Bill 299, we noted the following language in **Article – Alcoholic Beverages and Cannabis, Section 36–501**:

“(a) A cannabis agent must be registered with the Administration before the agent may volunteer or work for a cannabis licensee or cannabis registrant.

(b) A cannabis agent registration is valid for 2 years.

(c) (2) A cannabis agent who is **employed** to provide security services for a cannabis licensee or cannabis registrant as a security guard or by a security guard agency... is not required to obtain a State or national criminal history records check...”

While this provision removes certain burdens for security guards, it still mandates their registration as cannabis agents, potentially including them within the staffing cap. This creates significant operational hurdles for micro dispensaries like Ember. If security guards are counted within the 10-employee cap, it limits our ability to hire critical staff such as delivery drivers, virtual budtenders, compliance staff, and other essential personnel. Owners are also included in the cap as well. Furthermore, the requirement for owners to register as cannabis agents further reduces the number of employees available to us. It is also unclear whether independent contractors count in this 10-employee cap, as the regulations state that we may only “Employ 10 individuals.” This language includes part-time employees. Separately, other reports and documents from the MCA state that micro-dispensaries can only have 10 agents, which causes conflict regarding the interpretation of the statutes. Therefore, if micro dispensaries can only have 10 agents, then a security guard would count in this cap and further handicap us from

being profitable. As a micro dispensary, we essentially have close to all the same expenses as a standard dispensary.

To address these challenges, I respectfully propose the following amendments and clarifications to Senate Bill 299:

1. **Exemption of Security Guards from Staffing and/or Agent Caps:** Security guards, while required to register as cannabis agents, should not count toward the 10-employee limit or 10-agent cap imposed on micro dispensaries. This exemption would enable businesses like Ember to allocate staff more effectively, ensuring both compliance and operational viability.
2. **Clarification of Independent Contractor Status:** The bill should explicitly state whether security guards employed as independent contractors are excluded from staffing or agent caps. Allowing independent contractors to provide security services without impacting the staffing cap would offer much-needed flexibility for micro dispensaries.
3. **Consistent Definitions and Regulatory Language:** The MCA, related legislation, and other publications by the MCA should provide clear, consistent definitions of terms such as "independent contractor" and "employee." This would prevent conflicting interpretations and allow businesses to plan their operations with greater certainty.

The social equity program was designed to level the playing field in Maryland's cannabis industry. However, barriers such as the 10-employee staffing or agent cap and including security guards within that limit disproportionately hinder social equity applicants. These restrictions directly impact our ability to achieve profitability, especially given that the operational needs of micro dispensaries are almost no different from those of a standard dispensary. We have conducted research and have a conservative estimate that the business will cost us 1M dollars to run for the first year, and we have not even factored in salaries. We estimate the actual cost to run this business within the first year is between \$1.5 – 2 Million dollars.

For example, our pro forma analysis already highlights significant challenges in staffing delivery drivers and ensuring we have enough personnel at the micro dispensary's business location to handle compliance issues, answer customer inquiries via phone or email, ensure compliance with monitoring, packaging deliveries, and more, who are critical for our business model. We already have an issue with covering shift rotations and breaks. Including security guards in the staffing cap further limits our capacity to hire sufficient personnel to sustain operations, cover shift rotations, and meet customer demand.

I urge the Committee to adopt these recommendations and ensure Senate Bill 299 supports, rather than undermines, the success of micro dispensaries and social equity applicants. Thank you for your attention to this matter. I can provide further information or participate in additional discussions as needed.

Sincerely,  
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Chief Operating Officer, Ember  
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Attachment A: Screenshot of Regulations Regarding 10 Employee Cap

Attachment B: Report Stating 10 Agent Cap

## **Attachment A: Screenshot of Regulations Regarding 10 Employee Cap**

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### **.07 Micro Dispensary License.**

A. A micro dispensary license authorizes the licensee to operate a delivery service as defined in COMAR 14.17.01.

B. A micro dispensary may not:

- (1) Operate a physical storefront; or
- (2) Employ more than 10 individuals.

## Attachment B: Report Stating 10 Agent Cap



01\_Interim Report\_  
The Ability of Micro

Direct link to the report:

[https://cannabis.maryland.gov/Documents/2024\\_PDF\\_Files/Legislative%20Reports/01\\_Interim%20Report\\_%20The%20Ability%20of%20Micro%20Dispensaries%20to%20Safely%20and%20Securely%20Deliver%20Cannabis%20in%20Maryland-FINAL.pdf](https://cannabis.maryland.gov/Documents/2024_PDF_Files/Legislative%20Reports/01_Interim%20Report_%20The%20Ability%20of%20Micro%20Dispensaries%20to%20Safely%20and%20Securely%20Deliver%20Cannabis%20in%20Maryland-FINAL.pdf)

***Please note that the relevant text has been highlighted in the attachment. However, if the attachment does not open, we have provided screenshots of the report's language below.***

A micro dispensary license is a license issued in accordance with § 36–401(c)(2), Alcoholic Beverages and Cannabis Article, Annotated Code of Maryland. A micro dispensary license authorizes the holder to operate a service that sells and delivers cannabis or cannabis products without a physical storefront, **provided that the business employs not more than 10 employees.**

### *Limit on Delivery Agents*

- **The CRA limits micro dispensaries to 10 or fewer agents.**
- **Due to the limits on number of licenses (10) and employees per licensee (10), a total of 100 or fewer delivery agents may be in operation statewide. The small number of potential businesses and agents will make the new operations easier for MCA to oversee in the short term.**