

MDECS

Delegate Julian Ivey
217 House Office Building
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Annapolis, MD 21401

As introduced, HB 1317 impairs the efforts of the Maryland Legislature to advance minority interests in the Maryland Cannabis sector while also undermining the existing legislated initiative to promote minority participation in the industry. Here are our specific concerns:

- As noted in the Current Law/ Background section, the issuance of grower and processor licenses has been delayed. To create a special class of owners in the midst of a dispute in awarding licenses to a legislatively targeted minority application pool, subverts the intentions of lawmakers who recognized the unjust circumstances pertaining to diversity in the cannabis industry. This legislation creates an exception with displaces all current and prospective applicants who have already exhausted significant resources.
- This legislation creates a special license type only available to those who currently hold one of the 102 dispensary licenses. These dispensary licenses were issued in 2016 prior to the passage of HB 2, which expanded the number of grower and processor licenses with the express intent to provide increased opportunity for minority owners. As written, HB 1317 creates a loophole to bypass current application criteria and gives an unfair advantage largely majority owned dispensaries to dramatically grow their businesses providing them to create vertical integration that will further hinder any advancement of minority controlled license applicants whose applications are delayed by administrative and legal issues related to the Maryland Medical Cannabis Commission (MMCC).
- The proposed new license application evaluation requirements for Dispensary-Grower-Processors grants pre-approval to all applications that score within the 50th percentile, yet the 2016 competitive process issued licenses to those applicants scoring in approximately the 95th percentile. Further, although the stage 1 approval licenses from the 2019 have yet to be awarded, MMCC has indicated that this process was just as competitive. Allowing the dispensary owners to have access to a special license type, while not holding them to the standard created by the competition is also unfair.

As a business trade organization, working to create a more diverse cannabis sector in the state of Maryland, we are very concerned that this legislation creates a loophole that further diminishes the opportunity for minority and small business ownership in the

industry. We believe that working together, amends could be offered to address these concerns but as is creates concern.

We look forward to working with you on this legislation, as we collectively seek to promote opportunities for minority communities who have disproportionately born the negative impacts of cannabis laws.

Thank you for your consideration.

Sincerely,



Holli Holliday

Marylanders for the Diverse and Equitable Cannabis Sector