



TESTIMONY ON BEHALF OF THE MARYLAND MEDICAL DISPENSARY ASSOCIATION

House Bill 581—Labor and Employment-Employment Standards During an Emergency (Maryland Essential Workers' Protection Act)

SUPPORT with AMENDMENTS
House Economic Matters Committee
February 5, 2021

The Maryland Medical Dispensary Association (MDMDA) was established in May, 2017 in order to promote the common interests and goals of the Medical Cannabis Dispensaries in Maryland. MDMDA advocates for laws, regulations and public policies that foster a healthy, professional and secure medical cannabis industry in the State. MDMDA works on the State and local level to advance the interests of licensed dispensaries as well as to provide a forum for the exchange of information in the Medical Cannabis Industry.

The MDMDA understands and appreciates the intent of House Bill 581. Worker and patient safety are of utmost importance to us. As such, during the COVID-19 pandemic, we have served as a resource for our members, providing them with timely, updated information on CDC, state and local regulations, guidance and recommendations, including on how to comply with such things. We have worked closely with the Maryland Medical Cannabis Commission on identifying additional ways to keep employees and patients safe while still accessing medication. This has led to the approval of regulations allowing for drive-through dispensing as well curbside dispensing.

Unfortunately, we have concerns about the impact of some of the proposed language on licensed medical cannabis dispensaries in the state, especially independent licensees. Because marijuana remains a Schedule I drug, medical cannabis dispensaries have been unable to participate in any of the federal relief programs, like the Paycheck Protection Program (PPP). Similarly, we are unable to apply for and receive funding from state grant programs/small business assistance programs. We are unable to write normal operating business expenses off on our taxes as a result of the 280e IRS tax provision. Finally, many members, and especially small and independent members with less access to capital, have high levels of debt due to factors such as delayed openings due to state and jurisdictional inconsistencies, stigma from landlords unwilling to lease to our members and more. All of these factors, which affect specifically medical cannabis businesses, combine to result in high overhead costs for our members. Even when there are revenue increases, associated expenses increase. This means that higher revenues do not lead to higher profitability, and many of our members are not profitable or barely profitable. This leaves them in a challenging financial position amid an economic downturn.

While we do not have any specific amendments to offer, we would appreciate the opportunity to work with the bill sponsor and the members of the House Economic Matters committee on potential language that takes into consideration the unique nature of our specific industry.

We appreciate the opportunity to offer comments on this legislation.