

3/2/2021

Honored Delegates,

My name is Ezra Gray, General Manager at Greenlight Therapeutics in Gambrills, MD, and I am writing this testimony in regards to Senate Bill 708. Let me start by thanking you for taking steps towards legalizing Adult Use. Adult Use has the potential to be hugely beneficial for the State of MD not only because of the tax revenue but also due to the many jobs this bill will take part in creating. However, as it is written currently there are multiple points that will prevent most of the small businesses like us from making this transition.

First, we have the tax rate. The original tax rate seems very reasonable. However, having a progressive tax structure makes assumptions about the market and its customer base that may not reflect reality in Maryland. It assumes that market prices will decrease significantly over that relatively short period of time and it also assumes that customers will not pull away from the legal market if prices do not come down as taxation goes up. Once the tax rate hits 20%, many of the small businesses will suffer and likely collapse. This serves to bolster the big businesses from out of state that have the money to take this hit, while muscling out the smaller, Maryland-based businesses.

Second, we come to ownership caps. If the cap remains as written, all small businesses in the industry will suffer. There will be nothing preventing the big businesses from consolidating licenses and muscling all of us out.

Finally, it seems to me that the medical market and adult use market should both be regulated by the same regulatory body and this entity should be governed by the state. Including local authority in the licensing process will only serve to slow down the licensing process. Putting the authority under one state-run regulatory body will allow for expedience and will cut down on the layers of possible bureaucratic delays. Licensing should be an equal opportunity venture and should not be impacted by local biases.

I cannot deny that this bill needs to pass, but without revision, the above points will serve to discourage a multitude of the small businesses from making the transition to adult use and will ensure the dominance of big business in the cannabis industry. Therefore, in conclusion I support this bill with the following revisions: Taking away the progressive tax rate; Decreasing the number of licenses each owner can be involved in; Taking licensing out of the hands of local authorities.

Thank you for your consideration,

Ezra Gray

General Manager

Greenlight Therapeutics