

Date: 2-12-2021

Regarding: Senate Bill 708 – Testimony of Robert Davis R.Ph

Owner hi Tide dispensary/OC botanicals LLC (SD 38) Ocean City Maryland.

Good afternoon,

I would like to voice my support with amendments to Senate Bill 708.

The taxation structure proposed is a bit confusing as it discusses excise tax and or a sales tax to the final consumer? Please provide some clarity in the definition as that would be helpful. I believe it is particularly important that the tax rate be realistic and manageable. The proposed tax structure I think is reasonable but please ensure that a fair tax structure makes it to the final draft. My concerns would be a tax that would make the final price of the product too cost prohibitive, allowing black-market and the illegal cannabis market to not only survive but to thrive. Other states such as California, Oregon and Colorado have found over taxation has created a robust black-market and made it extremely difficult for legitimate regulated cannabis businesses to compete with the illicit black market.

The regulatory agency that oversees the medical cannabis program should also be the regulatory agency that oversees the adult use program. This makes complete sense as operators both on the medical cannabis side and the adult use program still have the same duties of protecting public safety and welfare and ensuring compliance with state regulations.

A micro-licensing grow program allowing dispensaries the ability to grow a small amount of their own product would be extremely beneficial for the patients within the state of Maryland by helping to supply the medical needs of our patients in each senatorial district. By being able to create and grow a small predictable supply of medical cannabis to be dispensed by that licensed dispensary will ensure patients within the state of Maryland will receive the medicine they need without severe supply chain issues arising. My business OC botanicals LLC/ hi Tide dispensary is an independently owned operation. A small micro grow will allow me to produce a small amount of medical cannabis that would directly benefit my patients in the area I serve. As the industry develops, we are seeing a tremendous number of multistate operators moving into

Maryland and these operators are buying up many dispensaries, processors and grow licenses. This type of business model, if it is left to continue unchecked will force me out of operation as I am dependent on the grows and processors selling product to my business. I am already experiencing shortages of product not being allocated to my business because multistate operators are utilizing the product, they are creating, for their own dispensaries to distribute and denying me the ability to purchase. Also, I am completely at the mercy of whatever price structure they offer as my purchase price. The intent from the beginning in the original application for the state of Maryland's medical cannabis program was to give an incentive for instate ownership thus providing jobs and wealth to the residents of Maryland state directly. We are all seeing that intent erode drastically. If I am to have hope to survive and not being forced to sell to one of these multistate operators, allowing independently owned in state dispensaries the opportunity to have a micro grow would be one of the few avenues available to correct this grave issue. Please, review this issue before it is too late, as the future will be Maryland patients money, being spent on medical cannabis, will be sent out of state to the multistate operators and ultimately will be at the detriment of the state of Maryland and all Maryland citizens.

Thanks for your time and the opportunity to present this statement.

Sincerely,

Robert H Davis R.Ph

Owner/Clinical Director

hi Tide Dispensary