



March 1, 2021

Chairwoman Kelley and Members of the Maryland Senate Finance Committee,

I am writing today in support of SB 708.

I am an owner of a Medical Cannabis Dispensary in Anne Arundel County. I have read the proposed bill and I have a few comments:

1. Section 23-301 (A)(3)(III) states "Include procedures for suspending a dual license for a medical cannabis business that has failed to maintain reasonable prices and product availability for qualifying patients during the period of expedited licensing."

As Dispensary-only licenses, we have no control over the product supply and pricing – those are determined by the processors and cultivators. Therefore, the responsibility should be placed on those businesses who determine pricing and availability to meet standards set in this legislation.

2. Allowing small cultivation licenses for Dispensary-only licenses would go a long way to help with the product availability issues expressed in #1, above. It would also allow us to have a small number of strains that consumers can depend on at our establishment.
3. The tax section 12.5-101 is unclear as to where the tax is imposed.
4. The excise tax increase being decided now for up to 7 years in the future might hamstring the program – the decision as to whether to raise taxes and by how much would be better decided closer to the time of the tax increase. The amount of tax increase should be dependent on how the program is doing and how that tax increase would impact diversion to the illicit market. There is no way to know this in 2021. If prices have not settled by 2025, a lower tax might be more prudent. I would recommend wording that, for example, would reflect that the tax rate would be reassessed starting April 1, 2025 and could go up to 15% depending on the supply of product, current pricing versus the illicit market and potential for diversion of current legal consumers to the illicit market. I would recommend the same for the proposed tax increase in 2027.

Thank you for your time and consideration,

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