

Date: 2-12-2021

Regarding: House Bill 32– 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 House Bill 32. The first area of great concern would be taxation and excise tax that is proposed. See below.

12.5–101. 7

(A) THIS SECTION IS NOT APPLICABLE TO MEDICAL CANNABIS SOLD UNDER 8 TITLE 23 OF THE HEALTH – GENERAL ARTICLE. 9

(B) A 20% EXCISE TAX IS IMPOSED ON THE SALE OR TRANSFER OF CANNABIS 10 FROM A CANNABIS ESTABLISHMENT LICENSED UNDER TITLE 23 OF THE HEALTH – 11 GENERAL ARTICLE TO A CONSUMER. 12

(C) SALES OF CANNABIS BY A CANNABIS ESTABLISHMENT TO A CONSUMER 13 ARE SUBJECT TO A 20% SALES AND USE TAX TO BE COLLECTED IN THE MANNER 14 PROVIDED UNDER TITLE 11 OF THIS ARTICLE. 15

12.5–102.

A taxation structure such as this or anything even close to this would guarantee that the black market would continue to thrive and that legal managed cannabis businesses would suffer tremendously along with the legal cannabis industry. States such as California, Oregon and others have proven that over taxation of the legal state managed licensed entities has led to a robust black-market remaining in place. This black-market being allowed to stay in place not only brings crime to the state in which it operates but also puts at risk all citizens that purchase from the black market not only by pesticides, but as we had seen in the past six years adulterated products such as vitamin E laced black-market cartridges which caused the deaths of many US citizens. A taxation base of combined taxes, in my opinion, should not breach 25% for adult use cannabis.

A second area of concern, would be over licensing within the state of Maryland. In many other states that have gone to adult use cannabis an excess of licenses were placed into the market which caused a relative collapse of the market. Three examples would be Colorado, California and Oregon just to name a few. Licenses should be controlled by the state and kept to a manageable amount

so that oversight of the license holders could be done efficiently. Another point that should be taken into account would be the even distribution of licenses per senatorial district as was done in the medical cannabis program based on capitation of citizens living within each district. This would allow access throughout the state to all customers as well as service areas that could potentially be underserved such as socioeconomic depressed areas that could lead to social equity issues.

The regulatory agency that oversees the medical cannabis program should also be the regulatory agency that oversees the adult use program.

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

Sincerely,

Robert H Davis R.Ph

Owner/Clinical Director

hi Tide Dispensary