

February 12, 2021

Eric Spencer  
Washington DC 20015

Judiciary Committee  
Maryland General Assembly  
Annapolis Maryland

**RE: Testimony in House Bill 032, The Maryland Cannabis Inclusion, Restoration,  
and Rehabilitation Act of 2020**

Good Morning Chairman Clippenger, Vice Chair Atterbeary and Members of the Committee:

My name is Eric Spencer and while I support the idea of legalization of recreational cannabis in Maryland, House Bill 032 needs to be amended and revamped to focus on equity. In its current form, true equity is wanting.

As this committee is fully aware, Maryland has had great difficulty in achieving equity in its medical marijuana program and seems to be going down that road again in the creation of its recreational program.

First, Maryland's legislative body seems to have adopted the model of Illinois per se by crafting language which ensures that current Cannabis Companies get to pay a fee to sell recreational marijuana first. If this transpires, any thoughts of a robust Social Equity Program (SEP) will be just that, A THOUGHT. Maryland must be intentional by appropriating adequate funding of \$15-\$20 Million to a cannabis loan fund instead of funds given by the current Cannabis Companies already operating medical cannabis businesses in order for a sound SEP. Current medical cannabis retailers should have to wait for at least 6 months after the law takes effect to allow Social Equity Participants to apply first and get approved for recreational licenses of all types especially Retailers licenses.

Second, the Cannabis Industry is fully aware of the lucrateness of Retailers Licenses. Without setting aside retailer licenses exclusively for Social Equity Participants like HB 032 does in regards to cultivator, delivery service, processor, and transporter licenses, equity will be lacking. Illinois had over \$1 Billion in cannabis sales last year. However, NOT ONE Social Equity Participant (SEPt) was able to take advantage of this growth. As a matter of fact, No SEPt has been granted a retailer license. SEPts cannot even get out of the Application phase in Illinois. HB 032 mimics Illinois Application process in regards to Retailer licenses by simply offering a mere 50 points for having social equity status. The end result will be the same unless there is legislation that intentionally puts SEPt in a position to acquire Retailers Licenses that are specifically set aside for them. SEPt should not be forced to compete with "any qualified applicant" for a Retailers License. "Any Qualified Participant" entails professionals with decades of experience in various aspects of running a business. Maryland's legislature must keep in mind the reasoning behind Social Equity and its application to its recreational cannabis legislation.

Virginia's proposed recreational cannabis law that passed both chambers in its general assembly gets it right. Their legislators were intentional in formulating an industry leading SEP. BIG BOY Cannabis Companies WILL NOT be in line first to sell recreational marijuana. SEP will get the opportunity to sign up FIRST when the law takes effect and the infrastructure is set up. Virginia also budgeted \$15 million for a cannabis loan fund which will grow. The proposed Virginia legislation calls for 66% SEP ownership and not 51%.

Colorado, Washington, Oregon, and California are considered trailblazers in recreational cannabis. Illinois is deemed the new standard because it put forth a cannabis loan fund partially funded by current marijuana companies. However, Maryland must ask itself WHY SEPs are failing miserably in each of these states? HB 032 in its current form only adds to problems plaguing the industry in light of Social Equity. I believe Maryland should follow Virginia's lead in truly putting those directly and indirectly harmed by the War on Drugs and not be held hostage by the Big Boy Cannabis companies. I will leave this Committee with the wise words of Virginia Delegate Paul E. Krizek in an exchange with a policy representative for Multistate Cannabis Operator Columbia Care during the crafting of their industry leading legislation, "we will not be a RUBBER STAMP to the cannabis industry." I encourage Maryland to do the same especially since its medical marijuana program was taken hostage by the Big Boys with all due respect.

Thank You.  
Eric Spencer

[https://www.politico.com/news/2021/01/24/illinois-marijuana-industry-diversity-461476?mc\\_cid=91b3ea0f53&mc\\_eid=d805aba755](https://www.politico.com/news/2021/01/24/illinois-marijuana-industry-diversity-461476?mc_cid=91b3ea0f53&mc_eid=d805aba755)

<https://420intel.com/articles/2020/09/15/cannabis-equity-applicants-still-face-barriers>

<https://mjbizdaily.com/minority-cannabis-ownership-negligible-in-colorado-but-new-law-aims-to-spur-progress/>

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