



March 2, 2023

The Honorable C.T. Wilson Chairman, House Economic Matters Committee 231 House Office Building Annapolis, MD 21401

RE: Opposition to House Bill 1204 – Hemp Farming Program – Refined Hemp and Hemp Extract Products - Requirements

Dear Chairman Wilson:

The Maryland Wholesale Medical Cannabis Trade Association (CANMD) and the Maryland Medical Dispensary Association (MDMDA) oppose House Bill 1204 – Hemp Farming Program – Refined Hemp and Hemp Extract Products - Requirements.

CANMD represents the majority of companies licensed to grow and/or process medical cannabis in Maryland. CANMD members have worked closely with Maryland policymakers and regulators to make our medical program a safe and well-regulated one. MDMDA was established in May 2017 to promote the common interests and goals of the Medical Cannabis Dispensaries in Maryland. MDMDA advocates for laws, regulations and public policies that foster a healthy, professional, and secure medical cannabis industry in the State. MDMDA works on the State and local level to advance the interests of licensed dispensaries as well as to provide a forum for the exchange of information in the Medical Cannabis Industry.

CANMD and MDMDA have no opposition to the Hemp Farming Program and the continued production and sale of hemp products that are non-intoxicating and have been produced for several years. Our organizations do, however, object to the creation of an alternative regulatory system for

the production and sale of intoxicating products that are permitted under House Bill 1204. The history of the State's hemp Program is clear - the purpose was not to allow the production of intoxicating products, a point made repeatedly in the legislative hearings that were held over many years.

Regulation of intoxicating cannabis. Maryland spent many years putting together a regulatory structure for medical cannabis, and many more years refining the medical program. Two weeks ago, this committee heard House Bill 556 – Cannabis Regulation, which creates a regulatory structure for an adult use cannabis program; similar legislation has been introduced and considered for many years. In considering medical cannabis and adult use cannabis bills, legislators made deliberate decisions to authorize the use of intoxicating products derived from the Cannabis sativa L. plant, and tightly regulate the industry. In the instance of adult use, the legislature went so far as to pass a Constitutional Amendment - ratified by the voters in November 2022 - to legalize adult use cannabis.

Regulation of intoxicating hemp-derived products. Contrast this history with the issue you are discussing today. No one in this General Assembly has ever voted to approve the sale and use of the products that are the subject of this bill. This issue is only before this Committee because of a loophole created in the 2018 Farm Bill, and Congress and the U.S. Food and Drug Administration have yet to provide clarity to States.

To be clear - the products we are concerned about are intoxicating. Rather than creating an alternative regulatory system for these intoxicating products, these intoxicating substances should be under the regulatory structure laid out in House Bill 556.

<u>Delta-9 THC products</u>. House Bill 1204 allows the production and sale of hemp-derived products that contain THC-9 in a concentration that does not exceed 0.3% on a dry weight basis. The 0.3% measurement is the amount of THC-9 that can be in a Cannabis sativa L. plant and still be considered as hemp.

While a 0.3% weight standard may be appropriate when applied to a dried plant, allowing an equivalent amount of THC-9 in a consumable product constitutes an amount that is clearly intoxicating and, in many instances,

more intoxicating than products available in the adult use markets in other states and in Maryland's medical program.¹

For purposes of illustration, the Cannabis Regulators Association² have converted the 0.3% weight measurement standard to milligrams of THC in a consumable product:

One teaspoon of liquid (5.7 g) contains 17 mg of THC A small pack of fruit snacks (20 g) contains 60 mg of THC A typical chocolate bar (50 g) contains 150 mg of THC

It is worth noting that while House Bill 1204 includes several notice and labelling provisions, it does not establish a per serving or per package THC content standard for delta-9 products or the products described below.

<u>Delta-8 THC products</u>. House Bill 1204 also permits the manufacturing and sale of products containing other cannabinoids and isomers of delta-9 through the definition of "refined hemp." The most prominent of these are commonly referred to as delta-8 products (products also may contain derivates such as THCO, HHC, and HHCO).

Delta-8 occurs only in small amounts in a Cannabis sativa L. plant. Some substances that are produced are compounds that are not naturally occurring. However, delta-8 and other semi-synthetic hemp-derived cannabinoids can be produced in much greater amounts through simple chemical processes. Delta-8 is considered less intoxicating than delta-9, but it is clearly an intoxicant. The FDA has advised that "[d]elta-8 THC has psychoactive and intoxicating effects, similar to delta-9 THC."³

<u>Provisions in current Maryland law.</u> To the extent the Maryland General Assembly has considered the possibility of the manufacturing and sale of hemp-derived intoxicating products, the clear intent has been to regulate them through the cannabis regulatory system. This is evidenced by language in the current hemp law and regulations adopted by the Medical Cannabis Commission and approved by the legislature's Administrative, Executive and Legislative Review Committee.

¹ The <u>National Institute on Drug Abuse (NIDA)</u> has established a "standard dose" of THC as 5mg for research purposes.

² The fact sheet can be found on the CANNRA website.

³ FDA consumer update "5 Things to Know about Delta-8 Tertrahydrocannabinol - Delta-8 THC"

Current "hemp" definition. The General Assembly has worked for many years to encourage the production of hemp plants and hemp-derived products. Section 14-101(c)(2) of the Agriculture Article excludes from the "hemp" definition "any plant or part of a plant intended for a use that is regulated under Title 13, Subtitle 33 of the Health-General Article [the Maryland Medical cannabis program]." Hemp-derived products that have psychoactive or intoxicating effects are clearly used for a purpose intended to be available to patients in the medical program. The legislature intended to draw a line between traditional, non-intoxicating hemp products and intoxicating products that were authorized and tightly regulated by the Medical Cannabis Commission.

Existing medical cannabis regulations. Maryland's medical cannabis regulations⁴ currently allow a medical processor licensee to purchase hemp from a Maryland farmer and manufacture hemp-derived products. The regulations clearly state that "[a]ny product derived from hemp shall comply with the testing requirements established in COMAR 10.62.23 prior to distribution to a licensed medical cannabis dispensary." The product is also subject to other regulatory provisions applicable to medical cannabis products, including inventory tracking, labelling, packaging, and advertising requirements.

<u>Conclusion</u>. The hemp-derived products described in House Bill 1204 are intoxicating products and should be regulated through the cannabis licensing and regulatory structure established by the General Assembly. In fact, existing law and regulations draw a distinction between intoxicating and non-intoxicating hemp-derived products and allow the sale of Maryland hemp to medical processors for the production and sale of intoxicating hemp-derived products through the medical cannabis program.

Intoxicating products are intoxicating products. Creating a separate regulatory structure and allowing the widespread sale of these intoxicating products is unnecessary and undermines the State's longstanding and well thought out efforts to regulate products from the Cannabis sativa L. plant that have psychoactive or intoxicating effects.

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⁴ COMAR 10.62.22.03