



February 15, 2023

House Economic Matters Committee

Delegate C.T. Wilson, Chair

Delegate Brian M. Crosby, Vice Chair

Subject: Strong Opposition - H.B. 0556 Cannabis Reform, Favorable with Amendments

Dear Chair Wilson, Vice Chair Crosby, and Members of the Committee,

My name is Levi Sellers. I hold a seat on the MD Ag. Commission as a representative of the hemp industry, I am President of the Maryland Hemp Coalition and also an owner/operator of my family's farm South Mountain MicroFARM, a state licensed hemp farm located just outside the town of Boonsboro in Washington County.

I am deeply concerned that specific language in this bill will be catastrophic to the Maryland Hemp Industry and could eliminate it completely. Unless amended this same language is in direct violation of federal law and could cause the implementation of the Adult-Use Cannabis Industry to be tied up in unnecessary litigation, further wasting state tax payer dollars and time. While it is the legislatures duty to establish regulations for the adult-use cannabis industry, in response to the passing of the ballot referendum, it is not sensible to make the federally legal hemp industry illegal, while making the federally illegal cannabis industry legal.

History provides adequate evidence that the Hemp Industry has undergone significant damage by the imposition of misguided legislation by rule makers who were subject to powerful special interest groups. Sadly, this is what we are witnessing today as well. Large cannabis operators in this state, currently licensed as medical cannabis operations, in collaboration with out of state entities are actively working with lobbyists to influence legislation that would effectively shut down the Maryland Hemp Industry to further consolidate the cannabinoid market in their favor. This is evident by the concerning language in this bill, as well as multiple interviews of cannabis operators published in local papers and personal interactions between hemp industry stakeholders and large cannabis operators.

I have attached, to this letter, the concerning language and amendments to address these issues in a way that is supportive of both the Maryland Hemp Industry and the Maryland Cannabis Industry. Promoting a collaborative venture between Hemp and Cannabis market entities best serves the public and industry stakeholders.

For these reasons I urge that you oppose House Bill 0556 as written and favorable with amendments, as laid out in the attached document. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew W. Sellers".

Matthew W. "Levi" Sellers

Hemp Industry Amendment Requests

This document was created through a collaborative effort by the Maryland Farm Bureau, Maryland Hemp Coalition and the Maryland Healthy Alternatives Association.

Our Associations suggest that a cooperative venture between the Hemp and Cannabis market entities be promoted. Such an approach would best serve the public and industry stakeholders. Provided language below is to assist with establishing a foundation for this effort. Below are amendments to HB0556. Our requests for amendments and additions are in **RED-BOLD** font.

Amendments to Cannabis Reform Bill- HB0556

Amendments (Non-Negotiables)

36-101.

• AMEND Page 18, lines 16-20: **(C) (1) “CANNABIS” MEANS THE PLANT CANNABIS SATIVA L. AND ANY PART OF THE PLANT, INCLUDING ALL DERIVATIVES, EXTRACTS, CANNABINOIDS, ISOMERS, ACIDS, SALTS, AND SALTS OF ISOMERS, WHETHER GROWING OR NOT, WITH A DELTA-9-TETRAHYDROCANNABINOL CONCENTRATION GREATER THAN ~~0.3%~~ 1% ON A DRY WEIGHT BASIS.**

- **NOTE:** The 0.3% limit is in violation of the USDA’s Final Rule that establishes that “the THC threshold for a negligent violation [was changed] from 0.5 percent under the IFR to 1.0 percent”. Currently, federal law states that “hemp” with a delta-9- THC concentration greater than 0.3% and less than 1% is considered “non-compliant” and can be remediated. As stated in the Final Rule “Remediation” refers to techniques utilized to transform non-compliant cannabis into something useful and compliant.

36-1103.

- AMEND Page 69, lines 23-27: **(A) (1) A PERSON MAY NOT SELL OR DISTRIBUTE A PRODUCT INTENDED FOR HUMAN CONSUMPTION OR INHALATION THAT CONTAINS MORE THAN 0.5 MILLIGRAMS OF TETRAHYDROCANNABINOL PER SERVING OR 2.5 MILLIGRAMS OF TETRAHYDROCANNABINOL 0.3% DELTA-9- TETRAHYDROCANNABINOL ON A DRY WEIGHT BASIS...**

- **NOTE:** The following language criminalizes federally legal hemp CBD products. Products that comply with the 0.3% delta-9-THC limits are criminalized by this clause. This would effectively kill the Hemp CBD Industry.

- STRIKE OUT Page 70, lines 8-10: ~~**(B) A PERSON MAY NOT SELL OR DISTRIBUTE A CANNABINOID PRODUCT THAT IS NOT DERIVED FROM NATURALLY OCCURRING BIOLOGICALLY ACTIVE CHEMICAL CONSTITUENTS.**~~

- **NOTE:** We have a model for regulation of these products that incorporates the MMCC recommendations. **SEE REFINED HEMP PRODUCT REGS DOCUMENT.**

- **NOTE:** It is well known in both the hemp industry as well as the medical/adult-use cannabis industry that not all cannabinoids, in the plant *Cannabis sativa* L., can be isolated or tested for, using current technology and testing standards, to determine if said cannabinoids are naturally occurring or not. There are approximately 160 known naturally occurring cannabinoids, but independent testing laboratories can only test for up to 21 cannabinoids. That means **only 13% of the known naturally occurring cannabinoids can be tested for using current technology and testing standards.**

Refined Hemp Product Regs

This document was created through a collaborative effort by the Maryland Hemp Coalition, the Maryland Healthy Alternatives Association and incorporates results from the Maryland Medical Cannabis Commission summer study report mandated by Chapter 511/512 of the acts of 2022. **Our Associations suggest that a cooperative venture between the Hemp and Cannabis market entities be promoted.** Such an approach would best serve the public and industry stakeholders. Provided language below is to assist with establishing a foundation for this effort. Our requests for amendments and additions are in **RED-BOLD** font.

AMEND HB0556

1-303.

- Page 6, lines 16-17: **TWO SHALL BE KNOWLEDGEABLE AND EXPERIENCED IN THE CANNABIS INDUSTRY; AND TWO SHALL BE KNOWLEDGEABLE AND EXPERIENCED IN THE HEMP INDUSTRY**

1-309.2.

- Page 14, line 2: **ADD - (VI) THREE REPRESENTATIVES FROM THE HEMP INDUSTRY;**
- Page 14, line 3: ~~(VI)~~ **(VII)**
- Page 14, line 6: ~~(VII)~~ **(VIII)**
- Page 14, line 3: ~~(VII)~~ **(IX)**

ADDITIONS (to appropriate sections)

DEFINITIONS

(a) “Acceptable hemp thc level” means a delta-9-tetrahydrocannabinol concentration of less than 0.3%.

(b) “Commission” means the same as defined in 1-101. Article- Alcoholic Beverages (as defined in HB0556)

(c) “Contaminants unsafe for human consumption” means any microbe, fungus, yeast, mildew, herbicide, pesticide, fungicide, residual solvent, heavy metal, or other contaminant found in an amount that exceeds the acceptable limitations established under State law or regulation.

(d) “Distribute” means to sell or hold for future sale, offer for sale, barter, or otherwise supply to a consumer.

(e) (1) “Hemp Extract Product” means a hemp product intended for consumption.

(2) “Hemp Extract Product” includes a hemp product intended for consumption that is manufactured or distributed in the State or for interstate commerce that is:

(i) produced, stored, transported, or processed in a facility bonded in accordance with this subtitle; and

(ii) labeled with a brand name and descriptors including flavor, size or volume, and specific cannabinoid content.

(f) (1) “Refined hemp” means a derivative of hemp in which a cannabinoid other than delta-9-tetrahydrocannabinol, or an isomer derived from such a cannabinoid, is found in a concentration greater than 0.3%.

(2) “Refined hemp” does not include:

(i) Cannabidiol (CBD);

(ii) Cannabidivarin (CBDV);

(iii) Cannabichromene (CBC);

(iv) Cannabichromivarin (CBCV);

(v) Cannabigerivarin (CBGV);

(vi) Cannabigerol (CBG);

(vii) Cannabinol (CBN);

(viii) Delta-9-Tetrahydrocannabinol (Δ^9 - THC);

- (ix) Tetrahyrdocannabivarin (THCV); and
- (x) Their acidic forms, including but not limited to cannabidiolic acid, Cannabigerolic acid and tetrahydrocannabinolic acid.

TESTING REQUIREMENTS

- (a) A person shall receive a certificate of analysis prepared by an independent testing laboratory prior to distributing refined hemp or a hemp extract product.
- (b) The certificate of analysis required under subsection (a) of this section shall state that the:
 - (1) refined hemp or hemp extract product is a product of a batch tested by the independent testing laboratory;
 - (2) batch tested contains an acceptable hemp THC level after testing a random sample of the batch; and
 - (3) batch does not contain contaminants unsafe for human consumption.
- (c) The Commission may conduct an analysis of a sample of refined hemp or a hemp extract product and the associated label to ensure the product:
 - subtitle;
 - (1) meets the label requirements established under § 14–303.2 of this subtitle;
 - (2) contains an acceptable THC level;
 - (3) has not been tampered with or misbranded; and
 - (4) meets all other requirements established under this subtitle.

ADD LABELING REQUIREMENTS

- (a) The Commission shall establish minimum packaging and labeling requirements for refined hemp and hemp extract products.

(b) The packaging required under subsection (a) of this section shall:

- (1) be clear, legible, and printed in English;**
- (2) include a warning statement governing safe use and secure storage of the product that includes:**
 - (i) the intended serving size;**
 - (ii) a warning to not operate a motor vehicle while under the influence;**
 - (iii) a warning to not use the product while nursing or pregnancy warning;**
 - (iv) an advisory to keep out of reach of children and pets; and**
 - (v) a warning that the use of product make cause a positive THC result on a toxicology screening;**
- (3) include a primary label that:**
 - (i) contains the generic or common name of the product**
 - (ii) specifies whether the product contains CBD or THC or both; and**
 - (iii) the net weight or volume of the contents of the product in United States customary units and metric units in accordance with § 11–301 of this Article;**
- (4) include an information label that:**
 - (i) contains the name and contact information of the manufacturer or distributor;**
 - (ii) contains the date the product was manufactured or packaged;**
 - (iii) the batch or lot number for the product;**
 - (iv) instructs the consumer on how to use and prepare the product;**

- (v) lists THC, other cannabinoid ingredients or additives, and non-cannabinoid ingredients in the product in descending order by weight or volume;
- (vi) lists any potential allergens;
- (vii) contains an expiration date and refrigeration instructions; and
- (viii) lists the sodium, sugar, carbohydrate, and fat content per serving, if applicable; and

(5) a certificate of analysis displaying the laboratory test results of the product.

(c) Refined hemp or a hemp extract product packaging may not:

- (1) be labeled as a product grown in the State unless at least 51% of the hemp used in the product was grown in the State;
- (2) be targeted at minors, including the use of cartoons, popular images used to advertise to children, or designs substantially resembling ones associated with any commercial product sold to minors;
- (3) include false or misleading information, including unproven or unverifiable statements;
- (4) include the word “organic” unless the product is certified as organic in accordance with the National Organic Program administered by the United States Department of Agriculture; or
- (5) include disease or drug claims that are not approved by the United States Food and Drug Administration.

ADDITIONAL LICENSING REQUIREMENTS

- A retailer license that allows a person or entity operating a business to sell direct to the consumer, refined hemp products.

- **The Commission shall require as a condition to receive a retailer license under this section that a person sign a declaration stating that the licensee will not sell refined hemp products to an individual under the age of 21 years or be subject to penalties under § 10–108 of the Criminal law Article.**