

Good afternoon my name is Robert Davis R.Ph owner of OC botanicals LLC doing business as hi-tide dispensary licensed under the Department of Health in Maryland.

The proposed bill HB 0556 has many overwhelming flaws that will be extremely detrimental to the Maryland cannabis industry and the citizens of Maryland, if major changes are not addressed. I will lay out my top five concerns. Many of the issues that have been created by HB 0556 are very similar to the mistakes that were made in multiple other states such as California, Oregon, New York etc. addressing these issues properly will ensure a robust Maryland cannabis industry and protect the public safety and welfare from the gray market moving in with illegal marijuana products thus endangering public safety.

1. The quantity of licenses that will be made active per bill HB 0556 will be devastating to the current and future legal Maryland cannabis licensees. Currently there are approximately 15 grows, 20 processors and 90 dispensaries operating in the state of Maryland. All of the current licensees operating are struggling to stay in business today. The regulatory burdens along with federal 280 E taxation makes operating in this industry extremely difficult. Even with an uptick in potential business with the adult use market coming online there is no way the proposed 950 total licenses will be able to operate profitably which would cause a collapse of the entire Maryland industry allowing for only the black and gray market to move in and operate spreading their illegal marijuana across the state, as licensed entities will not be able to operate profitably. A great example would be what's happening in California and New York where illegal non licensed persons are renting strip malls setting them up as shops selling illegal un regulated marijuana to the public with no recourse as the decriminalization makes police enforcement unavailable. Just Google any information on this as it is rampant in many states that did not take precautions to avoid this type of collapse. The issuance of too many licenses in every marketplace prior in the United States has led to devastating outcomes such as Colorado, California, Oregon, New York ETC. I'm sure the committee will have many people testify that the profitability today is in jeopardy let alone adding this extreme amount of licensees to an already struggling market.
2. The new licensee class of micro dispensary, Has no constraints or guidance of how they can operate, where they can operate and in what conditions they can operate. There needs to be very specific conditions under how those micro dispensaries can and will operate. I don't believe anybody wants to see ice cream truck style delivery to the citizens of Maryland. All new licensees need to have specific regulations overseeing their operation and restrictions. For instance, each new licensee should be only be allowed to operate within a specified senatorial district or districts, if these new licensees are allowed to congregate and focus in a few senatorial districts and or cities it will be devastating to the citizens living in those districts and on the businesses trying to operate legal legitimate cannabis businesses in those areas. All new licensees should be issued senatorial districts of operation as that was a great success in the rollout of the medical cannabis program and evenly distributed the licensees throughout the state based on capitation of their citizens.

3. All dispensaries that are licensed standard and micro dispensaries should be allowed to do delivery to their patient and adult use customers. It specifically states micro dispensaries are delivery only. I want to ensure that there is no intention of stopping standard licenses from being able to do delivery to their patients and customers. Delivery to our clients will continue to be very important and all customers and patients within the state should have their choice of how they receive their medicine and products from a dispensary that they are familiar with and that they trust.
4. The conversion Fee proposed to convert a license from medical to adult use is completely out of line and is punitive. The arbitrary and ridiculous figures of 250,000 up to \$2 million is completely ridiculous. All licensees currently are struggling to keep their employees payroll met and stay in business as all are struggling with the downturn in the market place. Not only is the amount intolerable but then giving only five months to try to figure out how to budget this insane amount of capital to be handed over will probably put most licensees out of business and will be forced to sell to out-of-state operators with deep pockets. Speaking for myself, I am one of the last independent operators in the state who actually lives in the state of Maryland and raises my family. I have lived in Maryland for almost 24 years and legislation like this will force me to sell my business to a multistate operator (MSO) with deep investor pockets, thus taking the money out-of-state to wherever that corporation is located. If the intent is to force the last independent licensed cannabis operators out of business this type of legislation will do that.
5. My business OC botanicals LLC has been operating in the state of Maryland for five years. I have been running this business since day one as I am also the person who wrote the application for licensure. We have no blemishes on our record from the MMCC through all the years of inspections. I have been a pharmacist for over 30 years and also serve as the Clinical Director at my Dispensary store. The legislation states that if I'm able to afford and convert my license, that I will not be able to sell my dispensary for an additional five years. This makes absolutely no sense myself and my business should not be put under any constraint in this manner as I've been running a flawless business for the past five years, serving my patients and the community with their healthcare needs. My family personally has been experiencing health issues and it should not be up to the state legislature to determine my families forced work environment. There should be no constraints as I've already run a flawless business under extremely difficult times for the past five years.

Sincerely,

Robert H Davis R. Ph

OC Botanicals LLC
Owner / Clinical Director