

Testimony by David Borden, Executive Director of StoptheDrugWar.org  
Maryland Senate Finance Committee, hearing on SB 516 Cannabis Reform bill  
March 9, 2023, Annapolis

Thank you, committee members, for advancing this legislation. I am the founder and executive director since 1993 of StoptheDrugWar.org. We support SB 516, but urge adding language to Subtitle 15 to make it extra clear that payment processor transactions for purchasing cannabis are protected and welcome in Maryland. Our advisors in cannabis law believe the general terms used in current language, "service providers" and "financial services," are too broad.

Our concern here is worker safety. In December we published a report analyzing a surge of armed robberies of cannabis stores that took place in Washington State between November 2021 and April of last year. This time period saw nearly 100 documented armed robberies affect roughly 80 cannabis stores, and ended with three people dead.

Our analysis found that cash from purchase transactions was the primary target of these robberies. We also found that robberies targeting the back of a store, which in all but a few cases were done to obtain cash from a safe, exhibited greater average aggression levels than robberies targeting only the front.

Note that Washington has a stable depository system for the cannabis sector, through the state's credit unions. This is critically important, but as these tragic events show, is not enough.

Maryland regulators may fully accept cannabis payment processing. But if top-level transaction processors like Visa and Mastercard don't respond in kind, it will limit the availability, affordability, and in some cases legal viability of payment systems in the sector. Those top processors in turn have the least need to take on even unlikely risks, due to their sheer scale.

Hence our suggestion of making the relevant language extra clear. As an example I note Pennsylvania's SAFE Banking Act of 2022, SB 1167. We also urge direct engagement with credit unions, or state-chartered banks generally, to ensure success with depository services.

We commend the inclusion of financial services protections in SB 516, and hope our suggestions may be of use. Thank you.