

SB516 Favorable with Amendments
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I support SB516 with the following amendments.

Amendment 1: Affordability

The ATC should consider affordability as a criteria for awarding cultivation licenses. A target price for affordability could be defined by statute in relation to the 2022 average price reported by MMCC. On page 39, title 36-402 A) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO PRESERVE PRODUCTION AVAILABILITY FOR NEW ADULT-USE CANNABIS CULTIVATION LICENSES ISSUED UNDER THIS SUBTITLE.

Amend to read

A) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO PRESERVE PRODUCTION AVAILABILITY FOR NEW ADULT-USE CANNABIS CULTIVATION LICENSES ISSUED UNDER THIS SUBTITLE while licensing enough canopy capacity to balance the need for affordable market prices against the health of the industry.

Amendment 2: Dispensary conversion assistance

The dispensaries most harmed by the inequities in the design of the medical market are the ones least likely to have the cash to pay for the conversion fee. It is in the best interest of the public to have all current medical dispensaries convert to a standard license. This bill should have a provision to ensure that all dispensaries are able to convert. Support House amendment 6.

Amendment 3: Don't run out of medicine

BEGINNING JULY 1, 2023, A CANNABIS LICENSEE THAT IS OPERATING A DISPENSARY SHALL: (1) ENSURE THAT IT HAS ADEQUATE SUPPLY FOR QUALIFYING PATIENTS AND CAREGIVERS; AND (2) SET ASIDE OPERATING HOURS TO SERVE ONLY QUALIFYING PATIENTS AND CAREGIVERS.

This amendment requests that the operating hours condition be temporary for a period of 6 months. Further a detailed industry wide plan needs to be developed to ensure adequate supplies. Also regulators need to have temporary discretion to wave regulations to assist with resolving critical shortages. Finally, delay sales to out of state residents for 6 months. For HB1172 MMCC requested reciprocal sales to out of state medical patients be delayed until 2024 in order to not run out of cannabis. Why should out of state recreational purchasers have priority over out of state medical patients?

Amendment 4: Digital access to COAs

(Page 28) Title 36-203 (A) 2) v) 4) assigns responsibility for developing cannabis regulations to the ATC.

PACKAGING AND LABELING OF CANNABIS AND CANNABIS PRODUCTS, INCLUDING CHILD-RESISTANT PACKAGING;

Current packaging requirements require the terpene content of cannabis product to be printed on the labels. This information is not required for product safety reasons. It is extremely valuable for purchasing decisions, but it is impractical to make purchasing decisions at the dispensary counter. This information is often not available or incorrect on online menus due to the fact that the data must be reentered. This amendment requests adding a requirement for the ATC to develop regulations requiring a digital COA to be incorporated into packaging and online menus so that terpene information is available and accurate at the point where purchasing decisions are made.

PACKAGING AND LABELING OF CANNABIS AND CANNABIS PRODUCTS, INCLUDING CHILD-RESISTANT PACKAGING and digital COA access to the public and online menus;

Amendment 5: Don't ban public use

On page 68, title 36-1102 says

(A) THIS TITLE MAY NOT BE CONSTRUED TO AUTHORIZE AN INDIVIDUAL TO:

(1)

(2) USE CANNABIS IN A PUBLIC PLACE;

If this title does not authorize an individual to use cannabis in a public place, what does this line authorize? It appears to authorize local jurisdictions to ban all forms of public use, including topical use and consumption prior to entering a public place. This amendment requests that 36-1102 A) (2) be struck and 36-1102 A) (3) be amended to read USE CANNABIS IN A MOTOR VEHICLE on a public roadway;

Amendment 6: End the medical allotment system

This bill does not specify any sales limits for retail sales, nor tracking of retail purchases. Presumably, this means that medical patients can exceed their 30 day allotment by purchasing retail and paying tax. Unless there are limits on sales more restrictive than the personal limit, the medical allotment system no longer functions as a limit on what patients can purchase. Currently, the only sales limits that the allotment system effectively imposes upon medical patients are via outages and errors. How many accounts go negative every day? Shouldn't that be impossible? There are patients with allotments >500 grams/30 days compared to the standard 120 grams. A 1.5 oz/purchase limit is 42.5 grams. What is the purpose of a rolling 30 day limit of 120 grams when you can purchase that much in 3 visits? When an allotment increase is readily available to anyone, price is a more effective limit on the amount purchased and diversion from the medical program is not economically practical at scale when one purchases at retail. Ask yourself how the math works at \$8 gram at 300 grams per month. Make the purchase limit 120 grams per purchase for all medical patients. Keep the possession limit at the 30 day allotment value, but don't use the allotment system. Page 35, title 36-302 Section G states:

A QUALIFYING PATIENT MAY POSSESS UP TO: (1) 120 GRAMS OF USABLE CANNABIS; OR (2) 36 GRAMS OF DELTA-9-TETRAHYDROCANNABINOL (THC) IN THE CASE OF A CANNABIS-INFUSED PRODUCT.

Technically, concentrates are not cannabis infused products. This title does not appear to rescind the current law that allows medical patients to possess their allotment value. The current wording for the allotment limit is:

The standard amount certification issued by a provider for a patient identifies **the quantity of dried flower and/or THC** that the patient can purchase in a given 30-day period.

This amendment proposes that Section G read:

A QUALIFYING PATIENT MAY purchase UP TO: (1) 120 GRAMS OF dried CANNABIS flower; and/OR (2) 36 GRAMS OF DELTA-9-TETRAHYDROCANNABINOL (THC) contained in CANNABIS PRODUCTS. The requirement to limit patient purchases through the allotment system ends as of the effective date of this bill.

Amendment 7: Home grow provisions

(Page 36) Title 36-302 (B) says

- (1) A QUALIFYING PATIENT WHO IS AT LEAST 21 YEARS OLD MAY NOT CULTIVATE MORE THAN FOUR CANNABIS PLANTS.
- (2) IF TWO OR MORE QUALIFYING PATIENTS WHO ARE AT LEAST 21 YEARS OLD RESIDE AT THE SAME RESIDENCE, NOT MORE THAN FOUR CANNABIS PLANTS MAY BE CULTIVATED AT THAT RESIDENCE.

The home grow provisions are not sufficient for medical patients. This amendment requests the following provisions:

- (1) A QUALIFYING PATIENT WHO IS AT LEAST 21 YEARS OLD MAY NOT CULTIVATE MORE THAN six flowering CANNABIS or hemp PLANTS and 6 non-flowering cannabis or hemp plants.
- (2) IF TWO OR MORE QUALIFYING PATIENTS WHO ARE AT LEAST 21 YEARS OLD RESIDE AT THE SAME RESIDENCE, NOT MORE THAN twelve flowering CANNABIS or hemp PLANTS and twelve non-flowering cannabis or hemp plants MAY BE CULTIVATED AT THAT RESIDENCE.
- (3) Any home cultivator may possess any amount of cannabis flower or cannabis product produced from cannabis cultivated the property. Such cannabis may either be consumed on the property or distributed via sharing of personal use amounts.
- (4) Any home cultivator may access cannabis testing services
- (5) Sales of cannabis seeds and clones are allowed to adults over 21 years of age by licensed dispensaries. (House Amendment 9)

Amendment 8: new edibles rules

(Page 69) Title 36-1103 (A) (1) states:

(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 PER PACKAGE UNLESS THE PERSON IS LICENSED UNDER 27 § 36–401 OF THIS TITLE AND THE PRODUCT COMPLIES WITH THE:

- (I) MANUFACTURING STANDARDS ESTABLISHED UNDER § 29 36–203 OF THIS TITLE;
- (II) LABORATORY TESTING STANDARDS ESTABLISHED UNDER § 2 36–203 OF THIS TITLE; AND
- (III) PACKAGING AND LABELING STANDARDS ESTABLISHED 4 UNDER § 36–203 OF THIS TITLE.

This title is intended to stop the marketing of hemp derived products capable of intoxication. At the least it needs to be clear that this title does not apply to sharing. The hemp industry has already objected strenuously to this title banning products that are currently legal. This amendment requests that title 36-1103 A) 1) be struck.

It should be noted that this bill does not restrict the selling of high dose (>10mg/serving) edibles to adult use customers. Presumably that will be done by regulation, but a statute should be considered to formalize the intent of the edibles regulations that were implemented for medical.

Amendment 9: Consistent weight measurement system

All weight references should use one measurement system consistently. This amendment requests the weight limit for processors to be defined as 454 KG instead of 1,000 pounds. (page 37) Title 36-401 C) 1) ii) and C) 2) ii)

Amendment 10: Jail use – allow topical use

(page 69) Title 36-1102 A) (5)

POSSESS CANNABIS, INCLUDING CANNABIS PRODUCTS, IN A LOCAL DETENTION FACILITY, COUNTY JAIL, STATE PRISON, REFORMATORY, OR OTHER CORRECTIONAL FACILITY, INCLUDING A FACILITY FOR THE DETENTION OF JUVENILE OFFENDERS.

This amendment requests an exception for cannabis products designed for topical use.

Amendment 11: On site consumption

(Page 50) Title 36-407 F) 6)

AN ON–SITE CONSUMPTION ESTABLISHMENT MAY NOT:

6) ALLOW THE USE OR CONSUMPTION OF CANNABIS BY A PATRON WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION;

The purpose of onsite consumption is to get intoxicated. A safety plan to prevent overserving customers should be regulated like establishments that serve alcohol. House Amendment 12 requests a study on

onsite regulations. This bill should not preclude the results of that study. This amendment requests that this line be stricken.

Amendment 12: Non-profit cultivation license.

This amendment requests a new subclass of micro cultivation license to allow non-profit organizations to cultivate and distribute cannabis products free of charge to those in need (e.g. veterans)

Amendment 13: Public education –5% for public health fund for 3 years

We are about to turn cannabis loose among the public in a move that is equivalent to handing a new driver the keys to a Maserati and telling them to go learn how to drive on the Beltway. New cannabis users need to have mentors to guide them through a safe introduction to cannabis. Currently dispensaries have medical directors and training for dispensary staff to assist new patients, but new patients have little awareness of these resources and few dispensaries reach out to push this information to new customers. We need a massive consumer outreach program to begin educating the public about cannabis. Delegate Grammar asked the question “What does legalization tell our kids?” Answering that question is going to cost a lot more than 1.5%. This amendment requests that funding allocation for the Cannabis Public Health Fund be set at 5% of revenues for the first 3 years.

Page 80 title 2-1302.2 amend item 4 to read

FOR FISCAL YEARS 2024 THROUGH 2026 5% to the 1.5% TO THE CANNABIS PUBLIC HEALTH FUND ESTABLISHED UNDER § 13–4505 OF THE HEALTH – GENERAL ARTICLE and 1.5% TO THE CANNABIS PUBLIC HEALTH FUND thereafter;

Amendment 14: Remove license caps

There are thousands of locations that are licensed to sell alcohol, tobacco or prescription drug products. The license caps have no practical value as a permanent cap that can never be reached. This amendment requests (page 37) title 36-401 Section D be stricken. Concurrent with amendment 1, this section is not necessary.

Amendment 14: Farm license

Cannabis farms should be able to host events equivalent to winery tours. This requires a license type that allows cultivation, processing and retail sales. There are several provisions in this bill that would prohibit such events. This amendment requests a “farm” type license that would allow the cannabis equivalent of winery tours.

Amendment 15: D8 ban

(page 70) Title 36-1103. B

) A PERSON MAY NOT SELL OR DISTRIBUTE A CANNABINOID PRODUCT THAT IS NOT DERIVED FROM NATURALLY OCCURRING BIOLOGICALLY ACTIVE CHEMICAL CONSTITUENTS.

This text does not make a distinction between Delta-8 products made directly from naturally occurring constituents and Delta-8 products that are derived from natural constituents (i.e. unnaturally altered). If the intent was to ban hemp products spiked with chemically created D8 distillate, this title will not do that. This is a complex topic that is difficult to address from this angle. An alternative is to address D8 products specifically and synthetic "production" more generally. I offer to work with the sponsors to develop specific language if this section gets modified.

Delta 8 products have medical use. Delta 8 products should be tested, not banned. Licensed dispensaries should be allowed to sell D8 products. Licensed hemp farmers should be given special licenses to allow them to continue to sell D8 products.

Amendment 16: - Remove shelf space requirement

House Amendment #9 contains the following additional text

On page 55, in line 2, after "CAREGIVERS" insert "; AND
(3) ENSURE THAT SHELF SPACE IN THE DISPENSARY IS AVAILABLE
FOR CANNABIS AND CANNABIS PRODUCTS FROM GROWERS AND PROCESSORS
THAT DO NOT SHARE COMMON OWNERSHIP WITH THE DISPENSARY";

This language is vague, easily circumvented, is attempting to prevent a problem that does not exist and is a problem that cannot be created under round 1 licensing. Since it was introduced on the floor as "other technical fixes", either further clarification should be required or this amendment should be stricken.

Thank you,
Rusty Carr