

February 17, 2023

Testimony of Amran Pasha

HB 556 ADULT USE CANNABIS

Dear Chair Wilson:

My name is Amran Pasha. I'm the Managing Member of the Dispensary, a medical cannabis dispensary, located in Westminster, Maryland. I support the legalization of cannabis for adult use. Legalization will lead to the creation of thousands of jobs in Maryland; result in substantial increase in tax revenue; shutter the black market; and finally, and perhaps most importantly, bring economic benefits to communities which have been disproportionately impacted by the "war on drugs. While HB 556 provides a reasonable framework for the legalization of cannabis, I have a number of concerns regarding the phasing of the licenses.

Opening an adult use cannabis dispensary is a complex undertaking. Medical cannabis pre-approvals were sent out December 9, 2016. Out of the 95 pre-approved licenses granted, 23 opened in 2017; 50 opened in 2018 with the balance, 22 opening in 2019 and 2020. The weighted average time to open a medical dispensary was 21 months.

As a medical cannabis licensee, I went through the process of licensing, leasing, zoning, permitting, build-out and finally stocking and hiring staff. . In my case, it took a year to find a landlord willing to permit this use. Then it took another 6 months to gain local zoning approval; 6 months for building permits; 8 months to buildout; and another 4 months for final MMCC approval, purchasing inventory and hiring staff. Based on the history of medical cannabis licensing we need to give the social equity licensees enough time to achieve success.

As drafted, the Bill currently provides the social equity licenses to commence issuance on January 1, 2024, and four months later start round 2. This is not enough time to give the social equity licensees time get up and running. Therefore, I want to urge changes to section 36-402(E) to provide for the Attorney General to make a determination that social equity licensees are on a path to success prior to the commencement of the second round licenses to give the social equity licensees enough time to become operational, stabilize their business and become successful.

Thank you for your consideration.

Mr. Chair, committee members, Thank you for the opportunity to hear my voice.

My name is Michael Ben-Yosef .

I'm the owner of "the dispensary", a small business in Carroll county.

I've immigrated to this country because I believe in hard work, equal rights and following the law.

I'd like to suggest 3 amendments to this bill that will affect the future of my business and the future of my 50 employees and their families.

Section 36-403 subsection E (2), states that the renewal fee, may not exceed 10% of the annual gross revenue.

This fee is equivalent to the conversion fee but due every year.

with the current tax laws, I WILL NOT be able to afford to pay it every year.

As a small business owner, I will have to close down my doors and let all my employees go.

I suggest, respectfully, keeping the \$40,000 licensing fee same as it is now.

My conversion fee, calculated in this bill, should be \$1M.

I feel that this fee is proportionately high compare to my net income.

I will not be able to afford this kind of fee and it'll put me in a big disadvantage competing with the new licensees that require to pay ONLY \$25000.

Therefore, as a small business owner, I'll have to close down my doors and let all my employees go.

I suggest matching conversion fee to new license fee in the amount of \$25000

The bill is offering to add 200 more dispensaries and 200 micro dispensaries which designate to convert over time to regular licenses.

Having 400 MORE dispensary licenses will reduce everyone's sales and profitability drastically.

having so much new competition, combining with all other fees, will make it impossible for me to stay in business.

As a small business owner, I'll have to close down my doors and let all my employees go.

I suggest to have a study done, by the committee, after the first round of licenses, to reevaluate the need of more licenses before the second round of licenses is being distributed.

Thank you for your time.