



House Bill 204: Cannabis-Wholesaler License--Establishment

On behalf of the Maryland Dispensary Association (MDDA)
House Economic Matters Committee

Oppose

February 18, 2025

The Maryland Dispensary Association (MDDA), formerly the Maryland Medical Dispensary Association (MDMDA), was established in May, 2017 in order to promote the common interests and goals of the Medical Cannabis Dispensaries in Maryland. MDDA advocates for laws, regulations and public policies that foster a healthy, professional and secure medical cannabis industry in the State. MDDA works on the State and local level to advance the interest of licensed dispensaries as well as to provide a forum for the exchange of information in the Medical Cannabis Industry. We appreciate the opportunity to provide comments on House Bill 204.

Two years ago, the Maryland General Assembly passed legislation, setting up both a policy and taxing framework for cannabis for adult use. This bill focused on increasing diversity in the cannabis industry while at the same time setting up a taxing structure so as to greatly minimize the illicit market. We commend you for the work you did to create a successful cannabis program in Maryland, and we are proud to be your partners in that.

House Bill 204 establishes an additional licensing category—a wholesaler license—that would transport cannabis products between licensees. We are concerned that adding another license type and, therefore, another layer into the current structure would add additional costs to cannabis products that, ultimately, would be passed along to the consumer. We are sensitive to anything that increases prices as we do not want to inadvertently push people to the illicit market, where products may be cheaper.

A recent report conducted by the Maryland Cannabis Administration assessing the need for wholesale licenses contemplates two scenarios: the current market scenario as well as the future interstate market scenario. While the report concludes that the immediate need for wholesale licenses is limited, it does recognize potential benefits. The discussion about wholesale licenses should not happen in a vacuum,

though, and should be contemplated along with other statutory and regulatory changes necessary to ensure the success of this license type.

We appreciate the opportunity to provide comments on this proposal. Thank you for your support of the cannabis industry. We urge an unfavorable report on House Bill 204.