



Carrington & Associates, LLC

“Continuing A Tradition of Excellence”

HB 1449 – Health – Medical Cannabis Reauthorization Act – SUPPORT w/AMENDMENTS

Bloom Medicinals and Carrington & Associates, LLC. are testifying in support of HB1449 with several amendments. We would like to thank Delegate Darryl Barnes and the Legislative Black Caucus (LBC) for staying on top of these issues.

The bill as currently written would not correct the problems associated with the 2019 application process. As detailed in the attached letter sent to both Senator Brian Feldman and the Maryland Medical Cannabis Commission (MMCC), there were significant, yet predictable, problems that caused mass confusion, panic and stress as applicants attempted to apply for one of the few grower and processor licenses available. This is not meant as a criticism of the MMCC, in fact, Delegate Julian Ivey proffered a bill last Session, HB1424, that would have given the Commission parameters in how to proceed with the application process. Regrettably, that bill never received a hearing.

There are numerous concerns regarding the exact methods used by the 3rd party reviewers in this process. If our understanding is accurate based on the information provided by the MMCC at a meeting with the LBC and applicants; this review was not done using the best scientific methods. It calls into question the ranking of the applicants and their respective scores. It is noteworthy that we have yet to see the scores posted from 2016 yet alone 2019. To be perfectly clear, Maryland is the only state we have applied for licensure that did not release the raw scores that correspond to the rankings. This is not transparent and completely inconsistent with state standards across the country. Maryland must do better. Maryland can do better and it starts with amending this bill and promoting fairness. The following are the amendments we believe would make this legislation stronger:

- Remove caps on grower and processor licenses for the Maryland Medical Cannabis Program allowing 2019 Applicants that meet criteria Stage 1 Pre-Award Status
- Applicants would have to follow all regulations and inspections to move to Stage 2 Award/Operations
- Applicants would have 365 days to implement their plan, Commission would have discretion as to extension
- Applicants cannot sell and/or enter into management style license agreements for 5 years after Stage 2 Award

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- Award Stage 1 Pre-Approval to Grower Applicants from 2016 thank ranked in the top 25 of all scored applicants

We are aware of the strong opposition from the current growers and processors and their private, membership restricted trade association. We know that the intent of the General Assembly was to allow the first awardees of the medical cannabis licenses 2 years to operate without competition. As written into the original law, the Commission was to conduct a market analysis to determine the number of licenses necessary for patients in Maryland. The number 15 was pulled out the air and was a compromise to move the legislation forward. The Body did not want the perfect to be the enemy of the good. Fast forward to 2018 and the industry suddenly got amnesia. The ratio of patients to growers in Maryland is largest anywhere in the Country. The artificially low number of growers and processors in the state have contributed to the shortages and high prices patients routinely complain about. We have to remember this is all out of pocket for patients, as much as \$300-\$400 a month on average. That is significant and we all need to do whatever we can to help drive down prices and most importantly, improve quality. That is a natural benefit of a free market and competition, better products at a lower cost. What we have now is frankly unamerican.

We are also acutely aware of the “cloud” that hangs over the program. That should not stop any of us who have worked diligently to improve the program and make it the best in the Country. We are not there yet and this bill will not correct every issue we have in the program, however, this bill will respect the millions of dollars people of color and other minorities invested to apply for a license in this program. If we do nothing this session, we have essentially thrown their money and applications in the trash can. That is not fair.

For the ongoing reasons, we respectfully request a FAVORABLE report for HB 1449 with the recommended amendments.

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