

March 4, 2021

I am writing today in support of SB 900.

I am an owner of Ritual Dispensary, a Medical Cannabis Dispensary in Anne Arundel County. We employ 15 people, ages 24 to 52. We believe that a living wage should be the starting point of a salary, therefore employee salaries start at \$15/hour. We made it a priority to offer medical, dental and vision benefits to all employees – which we did three months after opening. We prioritized this expense because health coverage is a top-line concern of our employees. We offer paid time off, sick leave and holiday pay because we believe that time away from work is regenerative and you should not suffer financially for being sick. We believe these are basic benefits that should be afforded to all employees.

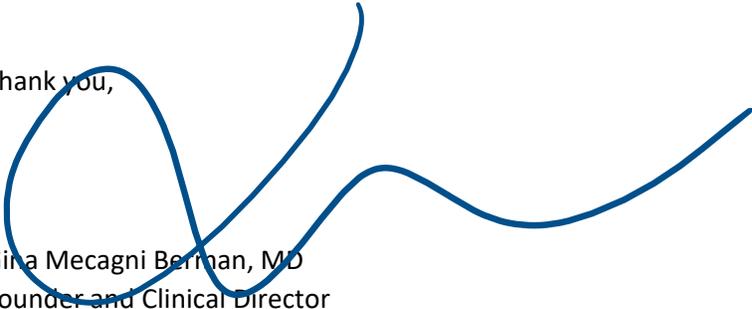
I tell you these things to highlight that, despite our industry, we are no different than any other “mom and pop” small business. We operate on tight margins, a skeleton crew and do what we can to provide the best working environment for our greatest asset: our employees.

Many headlines in the news boast about the millions in cannabis sales. What the headlines overlook are the more important number to the business owner: net income. Normally, companies pay taxes on *net income*, which are profits remaining after expenses (such as rent, payroll, etc.). Cannabis companies are required to pay taxes on their *gross profit*, which are profits before expenses. The result is that our tax burden is over double the amount it would be in any other industry – oftentimes, the tax burden is greater than the profits themselves, which means we go into debt solely to pay taxes.

The consequence of this is that many cannabis companies are struggling to survive. Many, like us, try to do the best we can for our employees. However, this comes at the expense of us wearing many hats, working 60+ hour weeks and not taking any income ourselves. I argue that this is fundamentally unfair and unsustainable.

I hope the committee will take our financial reality into consideration and vote to support HB 217. We are asking for nothing more than to be treated like any other legally operating business in the state of Maryland.

Thank you,



Gina Mecagni Bernan, MD
Founder and Clinical Director
Ritual Dispensary