

Tuesday, January 19th, 2021

Support for House Bill No. 217

Dear Honorable Members of the House Committee,

My name is Brittani Bailey and I live in Leonardtown, Maryland. For the past three years, I have managed Southern Maryland Relief, a licensed medical cannabis dispensary in Mechanicsville, Maryland. I am submitting this written testimony in support of House Bill 217.

Since opening in December 2017, Southern Maryland Relief has served over 3,000 Maryland medical cannabis patients and earned a reputation for building a healthier community. Over the past three years, thousands of patients have found relief from physical and mental ailments through cannabis, allowing them to discontinue their use of addictive pharmaceuticals, alcohol, and other drugs. Southern Maryland Relief provides natural medicine for people such as cancer patients, veterans suffering from PTSD, children with seizure disorders, people with mental illness, and people struggling with addiction. It is clear why the State of Maryland deemed cannabis companies essential businesses during the COVID-19 pandemic; Maryland residents need access to their safe and legal medicine.

Maryland cannabis companies improve the quality of life for veterans and community members, yet these companies face a plethora of obstacles that ignore the legitimacy of their business. The tax code 280E in particular prevents the profitability of our store and denies us the ability to operate like other businesses. Southern Maryland Relief is a locally-owned and operated small business, and we support our community through charity drives, fundraisers, and donations. Unfortunately, as our business grows and revenue increases, so do our tax liabilities. Maryland cannabis businesses deserve the opportunity for growth and the ability to write off expenses just like any other small business. The current tax code prevents us from making a profit because we are denied the ability to write off labor, rent, insurance, and other expenses.

Ultimately, this tax code inflicts the most harm on the patients for which the program was created. Since medical cannabis is not covered by insurance, many patients struggle to pay for their medicine. Because cannabis stores cannot write off normal business expenses, dispensaries must raise prices to stay afloat. These high tax rates also prevent companies from providing employees with increased wages.

Since the State of Maryland deemed medical cannabis legal for qualifying patients, it is crucial that the State provides these businesses with the opportunity to operate as any other industry. I have seen firsthand how cannabis has positively impacted the lives of individuals, families, and entire communities. Since the first Maryland Medical cannabis dispensaries opened in December 2017, Maryland has seen a decline in prescribed opioid deaths. [According to National Institute on Drug Abuse](#), "In Maryland, Nearly 90% of drug overdose deaths involved opioids in 2018; a total of 2,087 deaths. Deaths

involving prescription opioids and heroin continued to decline in 2018 with a respective 576 to 356 deaths.” Maryland cannabis companies are denied the ability to write off normal business expenses, but companies selling much more dangerous substances – such as alcohol – enjoy that privilege.

This industry has grown substantially in the past four years and shows no signs of slowing down; now is the time to support our local cannabis companies and treat them as the legitimate businesses that they are. Once the state tax code is decoupled from the federal tax code – specifically in regard to 280E – medical cannabis will become more affordable, cannabis workers will receive increased wages, and cannabis businesses will finally begin to see real profits, thus greatly benefiting Maryland residents and the overall economy. I urge the committee to pass House Bill 217. Thank you for this opportunity to testify.