



EVANS & ASSOCIATES

March 19th, 2024

Senator Pamela Beidle, Chair
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, Maryland 21401

RE: House Bill 253 – Cannabis Reform – Alterations – FAVORABLE WITH AMENDMENTS

Dear Madam Chair and Members of the Senate Finance Committee:

Please accept this letter on behalf of Holistic Industries as our support with suggested amendments to **House Bill 253 – Cannabis Reform – Alterations**. By way of background, Holistic Industries operates one cultivation, one processor, and three dispensary licenses in Maryland, in Prince George’s County, Baltimore County, and Montgomery County. As you are aware, last year’s cannabis legalization bill included a prohibition that all licenses, including those converted licenses (who had been operating as medical licensees), could not transfer ownership or control for 5 years from new licensure. We strongly believe this is unduly burdensome, particularly to the licensees who have been operating for years, like Holistic. They already went through a waiting period when they received initial licensure, which was three (3) years. Holistic’s cultivation and processing licenses were issued in August 2017 and their dispensary license in January 2018. The other two dispensaries they currently own were purchased from previous licensees in 2021, after the three year moratorium period.

While we understand that the moratorium from selling is to prevent larger nationwide companies from coming in and buying up all of the minority licenses, this moratorium has real consequences on businesses seeking out investments. Cannabis investments have slowed tremendously, and as a private company, Holistic, along with many other cannabis businesses, are always looking for capital investment. Other companies, including those new minority licenses who will be entering the market soon, will need access to capital almost immediately and barring them from transferring any ownership prevents them growing and being successful in Maryland.

For your consideration, we would like to offer the following amendment options below. Option 1 applies to all licensees, both new and converted. Option 2 applies only to converted licenses.

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OPTION 1

Page 72 of HB 556 from 2023: Remove the word “not” and add new language below in caps.

36-503 (C) (1) A cannabis licensee, including a cannabis licensee whose license was converted in accordance with Section 36-401 of this title, may ~~not~~ transfer ownership or control of the license **ONE YEAR FOLLOWING LICENSURE OR CONVERSION.**

OPTION 2:

Page 72 of HB 556 from 2023

Add the word “new” after cannabis and remove: “including a cannabis licensee whose license was converted in accordance with Section 36-401 of this title”

36-503 (C) (1) A **NEW** cannabis licensee, ~~including a cannabis licensee whose license was converted in accordance with Section 36-401 of this title,~~ may not transfer ownership or control of the license for a period of 5 years following licensure.

We appreciate your consideration of our amendment suggestions and we look forward to working together to come to a resolution that makes the cannabis business owners in Maryland fruitful and long-lasting for many years to come. I am available anytime to discuss further at (410) 703-6262 or gevans@lobbymd.com.

Sincerely,

Gerard E. Evans
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