

It is imperative that legal Maine businesses have access to the financial tools they need to safely, securely and effectively operate, grow, and contribute to our economy. The cannabis industry is a legitimate state licensed trade but is treated unfairly. Having safe access to financial institutions allows them to operate in a more efficient, compliant, and fiscally responsible manner. Providing access to financial institutions is a step in the right direction to support these businesses and their employees. It would increase safety for our communities and decrease discrimination against these businesses.

In my experience, the biased treatment of the adult-use/recreational cannabis industry has led to financial hardships that the State of Maine needs to recognize. Cannabis-related businesses are unfairly targeted by high fees due to limited competition for financial options and the adult-use/recreational side of the industry has an overstated gross value due to the inability to record business expenses when filing taxes.

Having increased opportunities to access financial institutions would decrease public safety threats; robberies, illegal use of funds (i.e. money-laundering, terrorist financing etc.), tax evasion, stigma against the industry, costs associated with the few banks willing to work with businesses in this industry and would help decrease some of the financial hurdles that are a barriers to entry for most small businesses.

Banking opportunities would also increase safe, regulated, transparent financial business practices as well as provide affordable access to financial services for state licensed businesses which would increase the physical safety for customers, employees, communities and neighborhoods by decreasing the amounts of cash on hand, in-turn helping our local law enforcement.

Banking would also increase business investments and donations to local communities, higher accuracy in record keeping and tax compliance for sales and income. It would also help increase respect and legitimacy. Increasing competition amongst banks for accounts within the industry would help lower the costs and fees currently associated with few banks in Maine that are willing to work with cannabis related businesses. It would also help provide loan opportunities for startup businesses and to employees that may want to purchase homes etc., It would also help increase the willingness of indirect businesses to work with cannabis establishments (i.e. fuel companies, landlords etc.) that may otherwise not want to jeopardize their owns businesses through their relationship with a cannabis establishment or an employee.

As a legitimate state licensed adult-use cannabis business owner, I feel that we are unsupported and underappreciated by our state. We operate in the most regulated industry in Maine, receive the least amount of support, and are the most discriminated against.

In 2022, on the Office of Cannabis Policy website, the adult use/recreational cannabis industry had almost \$160 Million recorded sales (which was mostly in cash) and the state's tax share and revenues from licensing and fees will be about \$26,216,280. There was a total of 267 adult use establishments (cultivation, manufacturing, retail stores, testing sites) with 3,496 active Individual Identification Cards issued. (These I.I.C's are generated by the State of Maine after the individual successfully passes a federal background and fingerprinting check).

The sales amount for the medical use side for 2022 is unavailable, however in 2021 it was \$6.6 Million. Currently, there are 7,083 registered caregivers, employees/assistants and medical providers, with 8,419 printed patient certificates.

If looking at the number of state licensed businesses and individuals in this industry including the employees and assistants, there are over 10,500 people involved in the trade. Not including the 8400 patients and all of the transactions on the adult use side.

This is a staggering safety issue. Imagine the amount of cash that is transferred one to another, directly/indirectly and the havoc not having access to banking can cause.

According to the State of Maines Bureau of Financial Institutions, currently, there are 91 operating financial institutions in Maine. There are only 2 that will serve the cannabis industry. 1 of the 2 can only serve the 5 most southern counties out of 13 in the state due to their charter. Fees associated are 1.5% on all deposits (an agreement between the bank and the business stipulates that all funds that come into the business is deposited and financials are given to the bank monthly to provide verification). This could equate to an annual fee of \$8900/yr if all 267 of the adult use businesses throughout the stated grossed an equal share of the \$160M sales. If all these adult use establishments were doing business with these banks, those financial institutions would be making almost \$2.5M just in deposit fees.

Limited banking options in this cash-based industry is unacceptable.

Thank you for your time and your due diligence.

Natasha Johnson
Meristem LLC
Cannabis Business Owner
Southwest Harbor, Maine

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Southwest Harbor
LD 788

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