

# **Public Comment Before the Joint Standing Committee on Veterans and Legal Affairs Neither For Nor Against L.D. 939**

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**March 29, 2021**

Senator Luchini, Representative Caiazzo and members of the Committee on Veterans and Legal Affairs:

My name is Hannah King. I am a partner at the law firm of Drummond Woodsum, a full service law firm located in Portland, Maine. I am the founder and chair of the firm's Regulated Substances Practice. In that capacity, I represent over 300 cannabis businesses. I also advise investors, financial institutions, accounting firms, municipalities, and tribal nations on issues related to the marijuana industry. I have represented stakeholders before the Marijuana Legalization Implementation Committee and the Health and Human Services Committee since 2016, and was before this Committee when it took up its first marijuana bills last session. I was appointed to the Marijuana Advisory Commission by former Speaker of the House Sara Gideon as representative of the adult use marijuana industry. That appointment was recently renewed by Speaker of the House Ryan Fecteau.

I am here today on behalf of Maine Organic Therapy and Remedy Compassion Center, two of the eight registered medical marijuana dispensaries in the State of Maine, and Curaleaf Maine, which has several pending adult use licenses. Their operations and prospective operations are located in Biddeford, Auburn, Ellsworth, South Portland, Wells, and Bangor; communities which many of you represent. Once fully operational, their investment in these locations will be around 30 million dollars. Together, they currently employ 75 Maine residents in positions ranging from administrators such as Director of Human Resources, Director of Operations, and President to employees running the day to day operations, such as cultivators, store managers, and extraction technicians. These are good paying jobs with benefits. Curaleaf Maine anticipates employing an additional 75 Maine residents once its adult use licenses are operational.

## L.D. 939 "An Act To Support Maine's Medical Marijuana Program and Ensure Patient Access"

We fully support amending the law to allow caregivers and dispensaries to wholesale 100% of the marijuana they cultivate and take no position on the remainder of what is included in this bill. However, I am testifying neither for nor against LD 939, because that support and non-opposition is contingent on the adoption of rules implementing seed to sale and basic packaging and labeling standards. We also would strongly encourage that wholesale medical marijuana be subject to mandatory testing for molds, mildews, E.coli, pesticides, and heavy metals.

By way of relevant background, in 2018, when the caregivers asked that the law be changed to allow them to sell the marijuana they cultivated wholesale—which had been prohibited since the inception of the program—members of the HHS committee were legitimately concerned that all of marijuana produced in the state would be wholesaled to retail stores in southern Maine limiting patient access to medical marijuana in the more rural parts of the state. Requiring that a percentage be sold directly to patients was intended to ensure patients in rural communities continued to have access to medical marijuana.

As I have said all along, we support sensible growth as long as the larger public health and safety impacts of these changes are considered and such changes are accompanied by regulations necessary to protect patient health and prevent participation in the illicit market.

This is relevant here, because the reason the medical marijuana law did not initially require caregivers to track their marijuana, test their marijuana, or meet any health or safety packaging was because, by law, they were vertically very small operations (30 flowering plants; one employee, 5 patients that had one of a handful of qualifying conditions (epilepsy, cancer, etc.)). These restriction on the size and scope of caregiver operations made it unnecessary to impose other health and safety regulations.

For example, testing was not necessary because the personal relationship between caregiver and patient and the limited number of serious conditions for which marijuana could be used, meant it was less likely that a caregiver would sell to a patient—a neighbor or a friend with cancer, for example—marijuana with pesticides or mold. Further, the caregiver who grew and manufactured the marijuana had direct knowledge about how the product was produced and what was in the product and could share that information with the patient at the time of sale, making labeling requirements unnecessary. Similarly, mandatory vertical integration—requiring that a single registrant oversee the entire supply chain from cultivation to retail—is one way that states prevent against diversion (sales to illicit market, sales over state lines, sales to minors) meaning that seed to sale tracking was not necessary.

With changes that expand the size and scope of caregiver operations, companies start mass producing marijuana that goes through many hands (increasing the risk of diversion) before it gets to a patient, an individual that the caregiver will never have to look in the eye or have a conversation with. When the protections built in to the small, vertically integrated, direct sale caregiver model are no longer there, other regulatory provisions—seed to sale tracking, mandatory testing, and labeling—are required to protect public health. This is why, in 2018, when the HHS committee amended the law to allow for wholesale sales, they also amended the law to require caregivers and dispensaries to track their product seed to sale and meet packaging and labeling requirements.

It is particularly concerning that this request for expand to 100% wholesale is accompanied by an effort to stop the pending medical marijuana regulations from being implement. Thereby, stopping public health and safety protections that the legislature in 2018 deemed necessary in light of the changes in the law to allow for caregiver to access an expanded market—unlimited patients—and new commercial opportunities—wholesale, standalone manufacturing, retail stores. If the new rules are allowed to go into effect and the law is amendment to require health

and safety testing of medical marijuana, this should be sufficient to allow for 100% wholesaling by caregivers and dispensaries without jeopardizing public health and safety.