

**Testimony of Daniel W. Walker, Preti Flaherty,
On behalf of Wellness Connection of Maine,
In Support of
LD 525, An Act to Allow Medical and Adult Use Marijuana Stores to Share a Common
Space,
LD 605, An Act to Amend the Marijuana Legalization Act, and
LD 939, An Act to Support Maine’s Medical Marijuana Program and to Ensure Patient
Access.**

Joint Standing Committee on Veterans and Legal Affairs

March 29, 2021

Senator Luchini, Representative Caiazzo, and Members of the Veterans and Legal Affairs Committee,

My name is Dan Walker, and I provide testimony in support of LDs 525 and 605, and portions of LD 939. Wellness Connection operates a retail store in South Portland in the Adult Use Marijuana Program, three medical marijuana dispensaries under the Medical Use of Marijuana Program, which include retail operations in Portland, Gardiner, and Brewer, a cultivation and processing facility in Auburn, and a commercial kitchen at the Gardiner facility. The cultivation and processing facility in Auburn and the commercial kitchen at the Gardiner facility all incorporate the co-location of licenses for both the Adult Use and medical programs.

Wellness employs over 80 people, pays well, and has a generous and competitive benefits package.

Wellness Connection supports the following four issues, some of which overlap between these bills.

1. Co-location of Adult Use and Medical Program Retail Licenses

As dispensaries and caregivers transition to the adult use program, they should be able to sell adult use products out of existing registered dispensaries or caregiver storefronts that are municipally approved. And, the converse should also be true – Adult Use retail facilities should be able to sell medical products. Of course, all of these facilities will need to receive the appropriate Adult Use license and medical program registrations.

We understand that having two programs with two tax rates and different regulatory structures in one store has the potential to cause confusion, especially for compliance efforts of the Office of Marijuana Policy. However, owners of convenience stores deal with these issues every day without confusion. C-stores sell products with vastly different tax rates (or none at all), including cigarettes, gasoline, prepared food, alcohol, lottery tickets, etc. They also sell products that only may be purchased by person 21 years of age or older.

Once the new Medical Program rules are adopted, much of the confusion between the two programs will be relieved, as both programs will have similar tracking, security, and packaging and labelling standards. Additionally, if a label includes the product's cannabinoid profile, THC percentage, or a statement regarding the lack of potential contaminants, then this information must be verified by a state licensed marijuana testing facility. Additionally, no one under 21 would be allowed in the store. The different tax rates of the products could be handled with one point of sale system (as is done in convenience stores) but two point of sale systems would be acceptable, as well. Therefore, one store could handle products from both programs and easily maintain compliance.

LD 525 supports co-location within a retail store, and Wellness supports this version. LD 605 would allow Adult Use and Medical retail within the same building, as long as the stores were separate. However, Wellness believes the stores can easily be integrated into the same facility.

2. Supports Allowing Unlimited Wholesale within the Medical Market

Wellness supports allowing registered caregivers and dispensaries to transfer and accept unlimited amounts of plants and harvested marijuana at wholesale. This would entail repealing the 75% wholesale limit for caregivers. There is a diversity of participants in the medical program, including those who only want to specialize in cultivation, and the law should allow for this. LD 939 includes this provision.

3. Supports Allowing More Flexibility of Marketing Both Programs within Common Marketing Materials.

Wellness supports repealing the prohibition on marketing marijuana to any adult use marijuana market within the same marketing material. Wellness additionally supports allowing OMP to adopt rules allowing advertising or marketing using location-based services if such marketing includes a permanent and easy opt-out feature and the owner of the device is 21 years of age or older. This would be necessary, especially if the Legislature supports the co-location of the two programs.

4. Does Not Support Removing the Audit Requirement before the Adoption of the Track and Trace Program

Seed to Sale tracking is required in every jurisdiction with legal cannabis. It is the State's best tool to prevent participants in both of its legal programs from also participating in illegal markets. It also ensures that state tax revenues will be collected to the fullest extent. Such a program seeks to level the playing field between those who seek to act in compliance with state law and those that do not, under the cover of a state program. The annual audit is a backstop necessary until the tracking program is widely adopted.

Thank you for the opportunity to provide this testimony.

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