

ACADEMY OF MEDICAL MARIJUANA DISPENSARIES

**Testimony Before the General Law Committee
February 25, 2020**

Regarding

HB 5174 AN ACT CONCERNING ANTI-TRUST ISSUES AND THE PALLIATIVE USE OF MARIJUANA.

Representative D'Agostino, Senator Maroney and members of the Committee:

The Academy of Medical Marijuana Dispensaries (AMMD) is a special interest academy within the Connecticut Pharmacists Association and represents the majority of the 17 active medical marijuana dispensaries in the state. Together, Connecticut's dispensaries serve the health and wellness of nearly 40,000 patients. Medical marijuana is currently approved for 36 qualifying conditions in adults and 10 for patients under 18. Connecticut's medical marijuana program is widely considered the gold standard for such initiatives.

However, HB 5174, which requires review by the Attorney General's office for "any proposed changes in ownership" of a medical marijuana business, presents an unnecessary intrusion into the business workings of the industry and threatens to impede the natural development of an industry that is already highly regulated and subject to intense oversight. We therefore must express strong opposition to HB 5174.

The medical marijuana business in Connecticut is a small entity comprising just 18 approved dispensaries and four producers. Since its inception in 2013, there has been some consolidation among those businesses, as would be expected of any growing industry. This consolidation has been driven by natural business development forces, including the significant investment required to launch and build an organization in a highly-regulated industry and the uncertainty of federal interference. Indeed, the small amount of ownership consolidation has created a more competitive and innovative landscape, rather than less.

Further, the possibility of adult-use marijuana legalization represents a major potential disruption to the medical program; medical marijuana businesses must be prepared should such a major change to the landscape occur.

Finally, there are already regulatory safeguards in place protecting against abuse of the current schema and changes of ownership are already reviewed by the Department of Consumer Protection and Drug Control.

Clearly, there is no imminent threat of anti-competitive practices. Given the small size of the industry, the significant concomitant costs to dispensary owners, and the fact that current consolidation is driven by intense competition among a significant number of entities, mandatory anti-trust review seems intrusive and premature.

The Academy of Medical Marijuana Dispensaries believes that HB 5174 will negatively impact the current success of Connecticut's medical marijuana program. We appreciate the opportunity to comment.

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