

# *Voices*

## Town Times • *Voices Weekender*

Prime Publishers, Inc.

P.O. Box 383, Southbury, CT 06488

203-262-6631 • Fax: 203-262-6665

The Marijuana and Controlled Substances Tax, an optional tax, "may" (not shall) exclude "Marijuana" without changing the original statute. That possible future exclusion for "medical or other reasons" would effectively remove any further hesitation from the passage of Senate Bill 295 AN ACT AUTHORIZING MUNICIPALITIES TO COLLECT THE MARIJUANA AND CONTROLLED SUBSTANCES TAX.

I have included the May 29, 1991 House of Representatives discussion and passage of House Bill 5033, AN ACT IMPOSING A TAX ON MARIJUANA AND ANY CONTROLLED SUBSTANCE PRODUCED TRANSPORTED OR ACQUIRED BY A DEALER.

I have included the June 4, 1991 Senate discussion and passage of House Bill 5033, AN ACT IMPOSING A TAX ON MARIJUANA AND ANY CONTROLLED SUBSTANCE PRODUCED TRANSPORTED OR ACQUIRED BY A DEALER.

FACT: In 2008 the DRS collected about \$60,000 of this tax. (Attachment A)

FACT: In 2011 the DRS collected \$ 36,000 of this tax. (Attachment B)

TESTED PROJECTION: Should only one ounce ( 28.35 grams ) of controlled substances be taxed per drug-related arrest within the communities of 25,000 population or less and should only 50% of those taxes be collected, approximately \$100,000,000.00 would have been collected within and for these towns in the year 2011.

The Office of the Medical Examiner has provided the record of drug related deaths in Connecticut for the period 2004 through May 2012. This consists of 1,199 spread sheet pages with approximately 50 recorded deaths per page. Here is our CD to duplicate in its entirety their privacy-maintained record. The 2004 commencement date coincides with the initial year these records were to be both recorded and available by the OME.

It is important to every family in Connecticut to be free of the scourge of drug abuse and drug traffickers. Please pass this bill to let them know their wish is here.



Rudy Mazurosky, Publisher





Attachment A

State of Connecticut

SENATE

STATE CAPITOL  
HARTFORD, CONNECTICUT 06106-1591

SENATOR ROBERT J. KANE  
THIRTY-SECOND DISTRICT

LEGISLATIVE OFFICE BUILDING  
SUITE 3400  
HARTFORD, CONNECTICUT 06106-1591  
CAPITOL: (860) 240-8875  
TOLL FREE: 1-800-842-1421  
FAX: (860) 240-8306  
E-mail: Rob.Kane@cga.ct.gov

DEPUTY MINORITY LEADER

RANKING MEMBER  
APPROPRIATIONS COMMITTEE

MEMBER  
EDUCATION COMMITTEE  
PUBLIC HEALTH COMMITTEE

February 18, 2011

Testimony in Favor of HB 6293

Senator Cassano, Representative Gentile and members of the Planning and Development Committee, thank you for the opportunity to testify today in favor of HB 6293, *AN ACT AUTHORIZING MUNICIPALITIES TO COLLECT THE MARIJUANA AND CONTROLLED SUBSTANCES TAX.*

Connecticut has had a marijuana and controlled substances tax on the books since 1991, but the state is not getting rich from it. In Fiscal Year 2008, this tax only raised about \$60,000. If we're serious about using it as a way to discourage and penalize drug dealers - and, incidentally, reap some financial benefit for law abiding taxpayers - we have to do better than that.

That is why I once again proposed this legislation to give municipalities a financial incentive for stepping up their involvement in the war on drugs. I thank you for adopting my proposal and making it a committee bill. Under existing state law, the state Department of Revenue Services has the authority to collect revenues that result from drug arrests. However, municipal officials, who are already buried under paper work and the obligation to carry out scores of unfunded and underfunded mandates, do not reap any financial benefit for referring their drug arrests for state tax collection purposes.

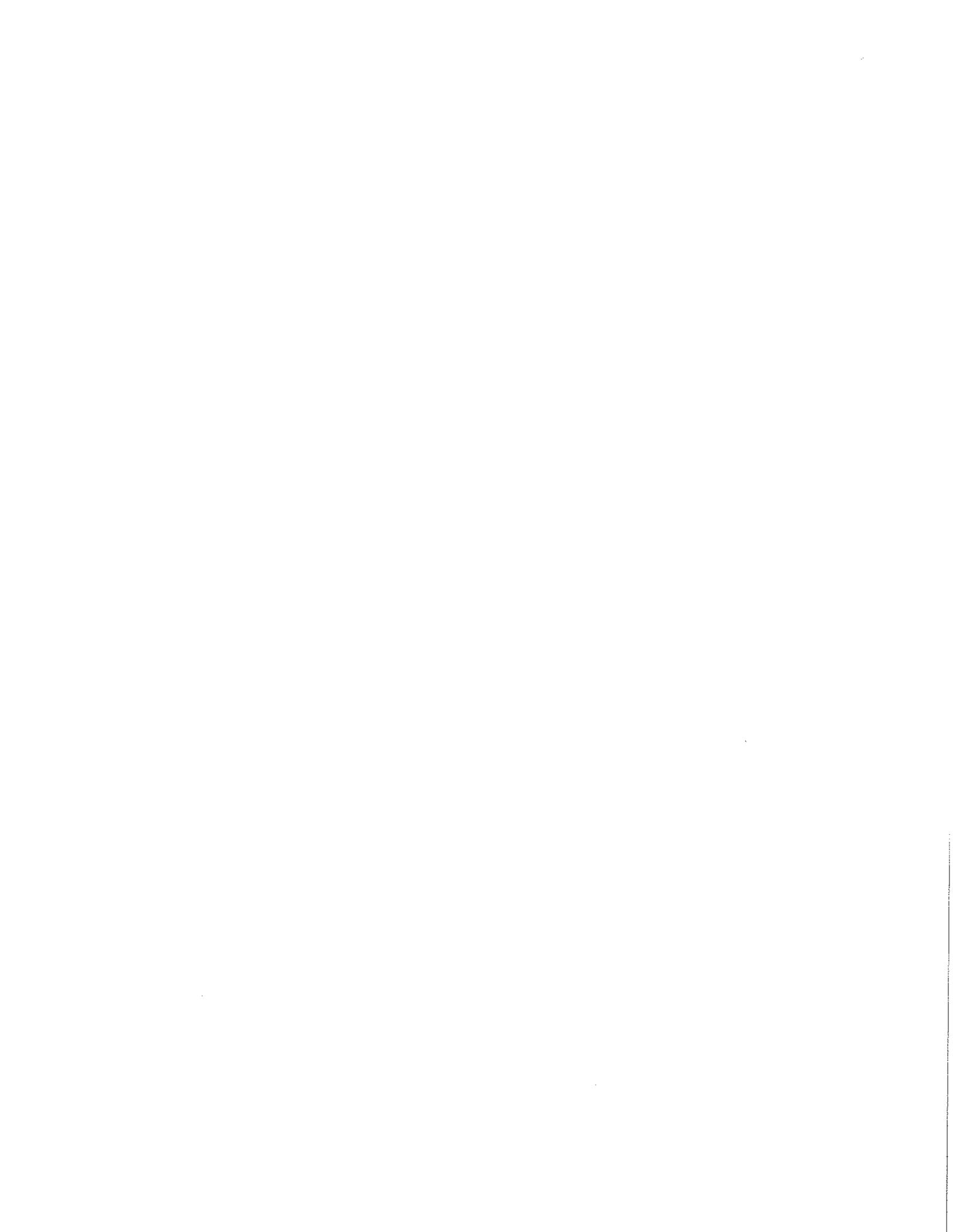
Under previous proposals, a municipality that reported a local drug arrest to the state Department of Revenue Services would have received 40 percent of the tax revenues collected as a result of that arrest. This time, I am proposed legislation that would permit municipalities to bypass the state and collect *all* of the tax revenues that result



from a local drug arrest. It makes sense to assume that the possibility of a significant financial reward would act as an incentive for towns and cities to routinely take advantage of the state marijuana and controlled substances tax law. Hopefully, the revenues collected by municipalities under this law would increase over time. Everyone but the drug dealers would benefit.

The fact is that Connecticut's fiscal situation is dire. The state has lost more than 100,000 jobs since the beginning of this national recession. State government is facing a \$1.5 billion budget deficit this year, and the possibility of much larger deficits in the next couple of years. Everyone - families, businesses, municipalities and state government - are looking for ways to make ends meet. Providing an incentive to make better use of the marijuana and controlled substances tax already on the books would not come even close to solving our fiscal problems - but every little bit helps. Certainly, any revenue collected would help towns and cities control local property taxes.

Thank you again for the opportunity to testify today.





Attachment B

State of Connecticut  
SENATE  
STATE CAPITOL  
HARTFORD, CONNECTICUT 06106-1591

SENATOR ROBERT J. KANE  
THIRTY-SECOND DISTRICT

LEGISLATIVE OFFICE BUILDING  
SUITE 3400  
HARTFORD, CONNECTICUT 06106-1591  
Capitol: (860) 240-8875  
Toll Free: (800) 842-1421  
E-mail: Rob.Kane@cga.ct.gov  
Website: www.SenatorKane.com

DEPUTY MINORITY LEADER PRO TEMPORE AND  
CAUCUS CHAIRMAN FOR POLICY

RANKING MEMBER  
APPROPRIATIONS COMMITTEE

MEMBER  
PUBLIC HEALTH COMMITTEE  
REGULATIONS REVIEW COMMITTEE

Dear Senator Cassano, Representative Rojas, Senator Fasano, Representative Aman and members of the Planning and Development Committee,

Thank you for the opportunity to testify in support of Senate Bill 295 AN ACT AUTHORIZING MUNICIPALITIES TO COLLECT THE MARIJUANA AND CONTROLLED SUBSTANCES TAX.

The state of Connecticut has had a marijuana and controlled substances tax in statute since 1991, but our state has not been capitalizing on its revenue potential. In the last three fiscal years, the state has collected an average of just over \$30,000 a year using this tax. If we are truly serious about trying to discourage and penalize drug dealing – which was the specific reason this tax was enacted – then we have to do better than that.

I have proposed this legislation before, and I believe it gives municipalities a financial incentive for stepping up their work to keep drugs out of our neighborhoods. Currently, state law allows the Department of Revenue Services to collect revenues that result from drug arrests. However, municipal officials who are already buried under paperwork and unfunded and underfunded mandates do not reap any financial benefit for referring their local drug arrest to the state for tax collection purposes.

Since the state is not making a great effort to collect this tax, I propose that we allow municipalities to do so, and allow them to collect 100 percent of the tax revenues. Not only could we see a greater effort to clamp down on drug dealing but towns and cities could see some extra revenue in a time where budgets have never been tighter. To put it simply: everyone but the drug dealers will benefit from this proposal.

In this economy, our towns and municipalities are looking to be as lean and efficient as possible. Providing an incentive to make better use of the marijuana and controlled substances tax already on the books would not solve our financial problems but would allow a little extra revenue to help towns make ends meet.

Thank you again for allowing me to testify on this bill and for considering this legislation.

Rob Kane  
Deputy Minority Leader Pro Tempore



HT 05-29 Lines 1 - 12

\*Long Document Name: 91HTR00529.TRN;1

Document Text:

THE CONNECTICUT GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
MAY 29, 1991

The House was called to order at 10:07 o'clock  
a.m., Speaker Balducci in the Chair.

HT 05-29 Lines 3893 - 4189

CLERK:

Please turn to Page 13 where you will find Calendar  
\*603, House bill 5033, AN ACT IMPOSING A TAX ON  
MARIJUANA AND ANY CONTROLLED SUBSTANCE PRODUCED,  
TRANSPORTED OR ACQUIRED BY A DEALER.

Favorable Report of the Committee on Judiciary.

REP. THOMPSON: (13th)

Mr. Speaker.

SPEAKER BALDUCCI:

Representative Thompson of the 13th.

REP. THOMPSON: (13th)

Thank you, Mr. Speaker. I move acceptance of the  
Joint Committee's Favorable Report and passage of the  
bill.

SPEAKER BALDUCCI:

The question is on passage. Will you remark,  
Representative Thompson.

REP. THOMPSON: (13th)

Yes, Mr. Speaker. I think most of the members of  
the Chamber are familiar with this legislation. It's  
been before us several times in the past few years.  
Last session, as a matter of fact, it was passed 139 to  
10. It's gone through several committees and so I  
think most people are very familiar, but to bring you  
up to date, reading from the summary, the bill imposes  
an excise tax on marijuana and other controlled  
substances. The tax varies from \$3.50 per gram of  
marijuana to \$200 per gram of a controlled substance.

The Department of Revenue Services will administer  
the new tax. Penalties will be levied against those  
who will sell such substances without the appropriate  
tax having been paid in advanced as evidenced by a  
stamp or other official indicia.

To explain it a little bit further, Mr. Speaker, we  
live in a society with an underground economy. A major  
part of that underground economy is the illegal sale of  
drugs and the sale of illegal drugs. This has meant a  
great deal of income to those dealing in illegal drugs  
and has promoted other forms of crimes and  
objectionable behavior in our society.

We have various drug and seizure laws which, to  
explain it very briefly, is if a drug dealer is  
arrested in commitment of a crime, in possession of  
drugs and the drugs are found in a house, a boat, a  
car, for example, the law enforcement officials may

seize that house, drug or boat and that becomes property of the state.

However, the law does not permit law enforcement officials to reach beyond that to whatever resources those individuals may have, such as cash resources, other businesses and so on. This bill would allow law enforcement officials to reach beyond the immediate seizure and to attack criminals' assets, bank accounts, homes, property and so on.

The bill is patterned on a bill that was passed some years ago in Minnesota. It's worked effectively there. It is the law in about 25 other states, including in New England, Maine, and I believe Massachusetts now has this legislation.

Some people object to the idea to in any way give a hint of legality to an illegal drug. The Supreme Court has addressed this issue in the past and has opined that the taxing of illegal drugs is constitutionally correct.

As a matter of fact, and we used this example last year. I'll repeat it again, is that the case against Al Capone was made on the basis of his failure to pay income tax on gains illegally made.

So, Mr. Speaker, that brief synopsis, I urge the House to approve this bill. Thank you, Mr. Speaker.  
SPEAKER BALDUCCI:

Will you remark further? Representative Metsopoulos of the 132nd.

REP. METSOPOULOS: (132nd)

Thank you, Mr. Speaker, a question to the proponent of the bill please.

SPEAKER BALDUCCI:

Proceed.

REP. METSOPOULOS: (132nd)

On the fiscal note the state cost of administering the program is going to be \$87,000 in 1992-93 and the possible revenue that the state may bring in is going to be \$100,000. That's an approximation. What worries me is that those numbers are fairly close and what we could end up doing is spending more money than actually -- the taxpayers will end up spending more money than they will be bringing in, in going after these drugs dealers.

My question to you is was there any thought of also charging the drug dealers for the cost of administering the program, through you, Mr. Speaker?

SPEAKER BALDUCCI:

Representative Thompson.

REP. THOMPSON: (13th)

Through you, Mr. Speaker, no, in honestly, that was not given any thought. However, the ballpark figure of \$100,000 is based on an estimate that was supplied to us from the State of Minnesota as their first year experience.

In Minnesota they employed a part-time revenue investigator and a part-time clerk. The investigator, working for the Minnesota Revenue Department, our counterpart Tax Department, informed us that his immediate efforts were to make contact with police departments throughout the State of Minnesota. As soon as an arrest was made, he had a working relationship with these departments so that they would contact him immediately and then he would be able to go down and attach bank accounts and whatever else he could find at that point.

So much of the work depends upon cooperation of

local law enforcement officials. In the second year of the Minnesota experience, the income grew to be about \$450,000 with roughly the same expenditure. In a state such as Florida with the same type of law, however, where the stakes are much greater, they actually open five or six, I think, branch offices and justified it on the basis that the income derived from their enforcement was sufficient to afford that kind of operation, so we would be -- actually have to operate within our budget limitations.

We do not see any great expansion of manpower or office staff and we think that the initial expenditures of one person and clerical assistance will be satisfactory for two or three years to come.

REP. METSOPOULOS: (132nd)

Through you, Mr. Speaker, is there a legal problem with administering the program so that in essence the drug dealer would be charged in addition to the tax collected for the administration of the program, through you, Mr. Speaker?

SPEAKER BALDUCCI:

Representative Thompson.

REP. THOMPSON: (13th)

Through you, Mr. Speaker, I believe if the person apprehended for violation would be treated as would any other tax offender and that is that costs incurred in collecting would be chargeable to that person, so I imagine in that respect, including court costs, if it went to that point, would also be part of the state's claim against the resources of the individual, through you, Mr. Speaker.

REP. METSOPOULOS: (132nd)

Mr. Speaker, I guess -- I understand what Representative Thompson is saying, but here we're talking about somebody who is operating in a legal business and while I -- you know, I think the concept is good because what you're doing is you're double-whacking the offender. You're getting him with the jail term and you're getting him with any fines that he may incur through civil or legal offenses. You're then getting him with the tax that "he would have to pay" if he was selling this substance.

I do believe, though, to in essence it looks like the taxpayers are going to have to pick up the bill for this when in essence I believe you could have had the individual pay for the administration of the cost of the program and if there's somebody in the Chamber who could answer me that question, I believe that that would be a much more wise way to do this. Is there anybody?

SPEAKER BALDUCCI:

Representative Thompson.

REP. THOMPSON: (13th)

Well, I think the Representative addressed the question to anyone in the Chamber. I would, by way of response, however, suggest to my colleague that the collection of money is part of the process, that's true. A more important part of this legislation is really to put a crimp in the operation of the drug dealer.

We do not expect to get rich on this traffic, however, we do expect to impede the operations of the dealer and hopefully to obtain funding. Certainly the experience in every other state has been that it's cost effective from the perspective of it, no state is spending money more than what it takes in on the

program and we would have a very limited initial operation here.

REP. METSOPOULOS: (132nd)

Thank you, Mr. Speaker.

SPEAKER BALDUCCI:

Will you remark further? Representative Andrews of the 88th.

REP. ANDREWS: (88th)

Thank you, Mr. Speaker. A question, through you, to the proponent please.

SPEAKER BALDUCCI:

Proceed.

REP. ANDREWS: (88th)

Thank you. Representative Thompson, through you, Mr. Speaker, a quick question on how this legislation would coincide with the current federal legislation with forfeiture and seizure, through you, Mr. Speaker?

REP. THOMPSON: (13th)

Through you, Mr. Speaker, I guess I can best quote the chief state's attorney who has testified in support of this legislation and actually sought this legislation in the past and that it would really be a supplement to the seizure laws as we know them now. The problem with the seizure laws is that it cannot go beyond seizing actual property, actual money used in the transaction, anything visible and tangible. It does not reach into the dealer's bank accounts or other businesses and so on. By placing a tax on this illegal drug, it opens up the door to prosecutors to pursue any assets or any resources the arrested person may have, including bank accounts and personal property, so in their judgment and my agreement, it goes beyond and it compliments current seizure laws, through you, Mr. Speaker.

REP. ANDREWS: (88th)

Well, through you, Mr. Speaker, to follow-up, if I may, one question is if we already have seizure and forfeiture and then the state and federal government and local governments are able to sell these properties and then to reap the financial benefits, would not those benefits then be reduced by the amount of tax liability, through you, Mr. Speaker?

SPEAKER BALDUCCI:

Representative Thompson.

REP. THOMPSON: (13th)

To that, no, I believe the seizure laws would take some precedence, and as I understand it from those people actively engaged in the enforcement of this law in other states, it goes beyond present seizure laws and would not impede or impinge upon current seizure laws which I support as well.

REP. ANDREWS: (88th)

Thank you, Mr. Speaker. Thank you, Representative.

SPEAKER BALDUCCI:

Will you remark further? Representative Rell of the 107th.

REP. RELL: (107th)

Thank you, Mr. Speaker. A question to Representative Thompson please and I apologize if you've answered this and I think you touched on it when Representative Metsopoulos was asking. What is the true intent of this piece of legislation? One, is it to collect to money or is it, two, to make a dent in the actual trafficking in drugs, through you, Mr. Speaker?

REP. ANDREWS: (88th)

Through you, Mr. Speaker, I think it's primarily a law enforcement tool. Secondly, it's a revenue raiser, but it is primarily a law enforcement tool.

SPEAKER BALDUCCI:

Representative Rell.

REP. RELL: (107th)

Mr. Speaker, another question, through you. I guess I would ask you, as a law enforcement tool, would the individual who is apprehended have to be convicted first before we could collect the tax?

REP. THOMPSON: (13th)

Through you, Mr. Speaker.

SPEAKER BALDUCCI:

Representative Thompson.

REP. THOMPSON: (13th)

Not necessarily. It opens another door to law enforcement on the civil side, failure to pay a tax and the dealer would be treated as any other delinquent taxpayer and if they didn't pay the tax. So it does expand the opportunity for law enforcement officials to go after these people, not only through criminal proceedings, but also through civil action.

REP. RELL: (107th)

Thank you, Mr. Speaker.

SPEAKER BALDUCCI:

Further remarks? Will you remark further on the bill? If not, staff and guests to the well. Members please be seated. The machine will be opened.

CLERK:

The House of Representatives is voting by roll. Members to the Chamber. Members to the Chamber please. The House is voting by roll.

SPEAKER BALDUCCI:

Have all the members voted? If all the members have voted, the machine will be locked. The Clerk take a tally.

REP. MIGLIARO: (80th)

Mr. Speaker.

SPEAKER BALDUCCI:

Representative Migliaro of the 80th.

REP. MIGLIARO: (80th)

Can I change my vote to the negative please?

SPEAKER BALDUCCI:

Representative Migliaro in the negative.

The Clerk please announce the tally.

CLERK:

\* House Bill 5033  
Total Number Voting 147  
Necessary for Passage 74  
Those voting Yea 136  
Those voting Nay 11  
Those absent and not Voting 4

SPEAKER BALDUCCI:

The bill is passed.



-----  
ST 06-04            Lines 1 - 16  
-----

\*Long Document Name: 91STR00604.TRN;1

Document Text:

1991 GENERAL ASSEMBLY  
SENATE

TUESDAY  
June 4, 1991

The Senate was called to order at 1:13 p.m., the President in the Chair.

-----  
ST 06-04            Lines 1086 - 1154  
-----

THE CLERK:

\* Calendar Page 8, Calendar 600, File 720, HB5033, AN ACT IMPOSING A TAX ON MARIJUANA OR ANY CONTROLLED SUBSTANCE PRODUCED, TRANSPORTED OR ACQUIRED BY A DEALER. Favorable Report of the Committee on JUDICIARY.

THE CHAIR:

Thank you. Is Senator DiBella here? Senator Jepsen.

SENATOR JEPSEN:

Madam President, I move acceptance of the Joint Committee's Favorable Report and passage of the bill in conformity with the House.

THE CHAIR:

Do you wish to remark further?

SENATOR JEPSEN:

Yes, Madam President. This bill very simply imposes one more burden on drug dealers in our state by imposing a tax of \$3.50 a gram on marijuana an \$200 per gram on other controlled drugs and substances, as it more than it pays as it goes and it is our belief that it would produce money for the state while imposing a burden on those who deal drugs.

THE CHAIR:

Thank you very much. Would anyone else care to remark on Calendar 600? Senator Fleming.

SENATOR FLEMING:

Only a question. If somebody is using marijuana for a medical reason, say they are a chemo-patient. It seems to me a couple of years ago we authorized that in our statute, would this tax...this tax would not apply in that instance is that correct?

THE CHAIR:

Senator Jepsen.

SENATOR JEPSEN:

We do not tax medicines in this State. Presumably if somebody is using it legally for medicinal purposes therefore would not be taxed.

THE CHAIR:

Any other questions?

SENATOR JEPSEN:

I don't know whether it qualifies for the ConnPace program.

THE CHAIR:

Are there any other comments or questions on Senate Calendar 600? If not, Senator Jepsen would you like to put this on Consent. Oops, Senator Freedman.

SENATOR FREEDMAN:

I object.

THE CHAIR:

Alright. Mr. Clerk, would you make the necessary announcement for a roll call vote.

THE CLERK:

Immediate roll call has been ordered in the Senate.  
Will all Senators please return to the Chamber.  
Immediate roll call has been ordered in the Senate.  
Will all Senators please return to the Chamber.

THE CHAIR:

Thank you very much. The issue before the Chamber  
\*is Senate Calendar 600, HB5033. The machine is open.  
You may record your vote. Thank you very much. All  
Senators have voted that wish to vote. The machine is  
closed.

The result of the vote.

30 Yea  
6 Nay  
0 Absent

The bill is passed.

Mr. Clerk.

-30-