



State of Connecticut

SENATE

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Senator Osten, Representative Miller, Senator Linares, Representative Aman, and members of the Planning and Development Committee:

I am Sen. Rob Kane and I am testifying in favor of Proposed S.B. No. 462 *AN ACT CONCERNING MUNICIPAL COLLECTION OF 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. 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 have 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. State government is facing a massive 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 consideration of SB-462.

Sincerely,

State Senator Rob Kane

32nd District

