

April 29, 2019

Connecticut General Assembly
Finance, Revenue, and Bonding Committee
300 Capitol Ave.
Hartford, CT 06106

RE: Letter in support of HB 1138

Dear Finance, Revenue, & Bonding Committee Members,

We write to you today to request your support for the end of marijuana prohibition in the state and the creation of a fair and legal marketplace to create tax revenue, jobs and economic activity in Connecticut. Our businesses manufacture, distribute, and sell equipment and supplies that can be used in the cultivation and production of plants. This equipment can also be used for indoor, greenhouse, or outdoor production of marijuana for professional and at home growers.

Legalizing cannabis would increase our sales and allow us to expand our businesses to new locations, create new jobs and provide an economic boost to local communities. We feel that legalization would bring millions of dollars in additional sales of taxable growing equipment and supplies.

Licensing That Creates Opportunities

A system to tax and regulate marijuana would create new legal businesses that will create hundreds of new jobs in the state and purchase goods and services from ancillary businesses like ours. Our businesses collectively sell several million dollars of goods and services in the state today to support hydroponic and other plant cultivation operations, and we estimate several more millions post legalization that the state would be able to collect sales taxes on in addition to the taxes on the sale of cannabis.

We encourage you to develop a system that affords the members of our communities access to cultivation and other business licenses allowing participation in a legal system. Without such a system, licensed cultivation will end up in the hands of a few large corporations and we feel that our communities would miss out on the economic benefits currently being discussed by the Legislature. Evidence also suggests that arbitrary limits on license holders issued in legalized states increase the demand for cannabis grown illegally by limiting the availability of legal cannabis, inflating prices, and diminished consumer protections.

Allow Cultivation For Personal Use

We also encourage you to allow personal cultivation for adults so that consumers and medical patients have access to safe and legal products. Personal cultivation will also allow the

state to collect additional sales tax revenue from what we project to be several million dollars in hydroponic and other types of growing supplies.

Personal cultivation also provides a safer way to grow plants for patients and consumers allowing them to control the inputs used on the plant ensuring they are not exposed to pests or additives they do not desire. Personal cultivation also becomes even more essential as a legal access point if the state permits local control, which has led to bans or overly restrictive zoning rules in other states that limit commercial market access. These policies create large geographic distances between consumers and dispensaries resulting in no legal access point. Without personal cultivation these consumers are left only with the black market as their access point. Legalization cannot effectively fight the black market without both commercialization and personal cultivation as consumer options.

Conclusion

A 2016 study of the impacts of legalization in Colorado by the Marijuana Policy Group found that slightly more than 5,000 full time jobs, or about 23% of direct employment in the cannabis industry, had been generated through the marijuana industry's purchase of goods and services and from the spending of industry employees. Ancillary job creation occurred across a spectrum of industries including real estate, construction, consulting, legal, and other sectors. The study also noted that employees and business owners were spending their incomes on food, housing, entertainment and other services that generated economic benefits beyond direct marijuana tax revenues. We have attached this study for your review.

Thank you for taking up this important issue that can have real economic benefits to the State of Connecticut. Please do not hesitate to reach out to us if we can help provide additional information for your committee to consider.

Sincerely,
HTG Supply of Orange Connecticut
Rhode Island Hydroponics, Inc.
The Scotts Miracle-Gro Company
Hawthorne Gardening Company