



April 29, 2019

Re: Testimony in support of SB 1138, the Community Restoration Bill

Dear Chair Fonfara, Chair Rojas, and members of the Joint Committee on Finance, Revenue and Bonding:

We are the director of state policies and the New England political director for the Marijuana Policy Project, the largest marijuana policy reform organization in the United States. MPP has been working to improve marijuana policy for more than 20 years. MPP is also the convening organization of the Connecticut Coalition to Regulate Marijuana, a diverse group of organizations that acknowledge that cannabis prohibition has failed and are working to support a better solution — regulating and taxing cannabis similarly to alcohol.<sup>1</sup>

We are grateful to Chairs Fonfara and Rojas for their leadership in proposing SB 1138, which would set the gold standard for reparative justice in cannabis tax policy, and we respectfully urge the committee to pass it. SB 1138 is one of a package of bills that would legalize, tax, and regulate cannabis for adults 21 or older in Connecticut. Two other bills — SB 1085 and HB 7371 — would legalize marijuana for adults 21 and older and establish a regulatory framework for adult-use cannabis businesses, with a strong dual focus on equity and public health.

SB 1138 would levy taxes on adult-use (but not medical) cannabis and distribute the revenue to distressed communities, early literacy programs, and — in the case of a 3% local sales tax — to localities with retailers. Because marijuana prohibition was borne of racism, and because it continues to be enforced in a grossly inequitable manner, it is appropriate that cannabis tax proceeds be used to improve the lives of those communities that have suffered most from prohibition. We heartily support this thoughtful proposal.

**I. SB 1138 would establish a reasonable tax structure that ensures steady revenue over time.**

SB 1138 would establish a hybrid system of taxation. A weight-based tax would be levied when cannabis is sold from a grower at a rate of \$35 for cannabis flowers (or “buds”) and \$13.50 for trim (which requires about three times as much volume for the same amount of THC). In addition, a 6.35% gross receipts and 3% local option tax will be levied at the point of sale. These rates would be within the range of other states.

For background, MPP has created comparisons of each adult-use state’s tax rates and tax revenue, year-by-year.<sup>2</sup> The nine adult-use states are taking a variety of approaches to taxation. Four states — Massachusetts, Michigan, Oregon, and Washington — only impose an *ad valorem* tax, a tax at the point of sale as a percent of the price. In neighboring Massachusetts, the rate is 20% per ounce. Alaska imposes only a weight-based tax on transfers from growers, at \$50/ounce. Four states have a hybrid approach, with taxes both at the wholesale and retail levels. As is the case under SB 1138, California and Maine use hybrid systems that include per-ounce taxes on sales from cultivators, in addition to *ad valorem* taxes on retail sales.

Including a weight-based tax has advantages if goals include outcompeting the illicit market and maintaining steady revenues even as prices drop significantly. In the first couple of years of legal, adult-use marijuana

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<sup>1</sup> A note on terminology: marijuana is the term more often used to refer to the cannabis plant. The terms are used interchangeably throughout this document.

<sup>2</sup> “Breakdown of Taxes in Adult-Use States” and “Marijuana Tax Revenue In States that Regulate Marijuana for Adults Use,” Marijuana Policy Project.

sales, the prices of legal cannabis tend to be high because of the initial costs of establishing the businesses and regulatory compliance and because it takes time to produce enough legal supply to satisfy demand. Thus, a reasonable, weight-based tax tends to result in a lower total price to the consumer at the outset, when legal prices are high. This helps legal sales outcompete the illicit market.

Illicit market prices for cannabis vastly exceed the cost of producing marijuana and result from its illegality. Provided a state authorizes enough growers, retailers, and delivery, in time legal cannabis prices drop significantly.<sup>3</sup> At that point, legal cannabis has no trouble outcompeting illegal sales due to the far lower prices and other advantages (such as safety and convenience). If the only taxes levied are on the price of cannabis, tax revenues can be expected to drop significantly as well when prices drop. In comparison, including a weight-based tax ensures the tax revenues don't plummet if prices do.

Massachusetts only has 16 open retail stores statewide and does not yet allow home delivery for adults' use. Sales began in the fall, and prices remain high. The current price at a sample Massachusetts retailer is \$15 per gram, pre-tax.<sup>4</sup> At Connecticut's proposed tax rate, a total of \$2.75 in taxes would be collected for each \$15, one-gram sale. Massachusetts levies \$3 on the \$15 sale.

Compared to Massachusetts, the two states' tax rates would be the equivalent when cannabis is selling for about \$11 per gram.

Once prices drop to Colorado's rates, where the market has had five years to develop, a gram will cost an average of about \$6 pre-tax at retail.<sup>5</sup> In Massachusetts, the state's tax revenue would then be \$1.20 per one-gram sale, while under SB 1138 it would total \$1.90.<sup>6</sup>

It will be important to keep an eye on any possible cross-border issues if prices drop, in case taxes need to be adjusted. However, thus far, states with developed legal markets don't seem to be seeing significant revenue loss even with higher prices. Washington's 43.5% *ad valorem* tax rate<sup>7</sup> far exceeds Oregon's 17-20% rate, but we are not aware of any prevalence of cross-border smuggling to avoid taxes. Washington generated more than \$430 million in cannabis tax revenue in 2018, which would not be the case if there were widespread losses to cannabis purchased at lower costs.

## **II. Once the market is mature, Connecticut can expect roughly \$170 million in state cannabis tax revenues and \$22 million in local tax revenue annually.**

In order to predict tax revenue, we would need to know how much cannabis would be consumed in Connecticut, how much of that will be for medical use (and thus not subject to the tax), and the total price of cannabis sales.

In 2017, 665,134 pounds of cannabis were produced in Colorado for sale.<sup>8</sup> Adjusted for Connecticut's population, that would be about 37% lower, or 419,034 pounds. Adjusting for Connecticut's lower marijuana use rate, that would be 360,370 pounds of cannabis.<sup>9</sup>

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<sup>3</sup> See, i.e, Jacob Laxen, "Growing supply of marijuana in Colorado leads to lower prices," *Coloradoan*, June 21, 2018.

<sup>4</sup> <https://s3.amazonaws.com/netacare-1t/wp-content/uploads/2019/04/27183311/Northampton-QuickView.pdf>

<sup>5</sup> <https://www.coloradopotguide.com/colorado-marijuana-blog/article/marijuana-prices-in-denver-and-colorado-winter-20172018-and-spring-2018-update/>. Chart: Average Retail Price Per Gram (Pre-Tax)

<sup>6</sup> In comparison, Massachusetts taxes cigarettes at \$3.51 per pack, while Connecticut levies \$4.35 per pack. That is a difference of \$0.71 per pack.

<sup>7</sup> This includes both the state's 37% sales tax and its standard 6.5% sales tax.

<sup>8</sup> <https://www.westword.com/marijuana/colorado-sold-nearly-700000-pounds-of-legal-weed-in-2017-but-how-much-did-it-consume-10614406>

<sup>9</sup> This compares Coloradoans' self-reported marijuana use rates for 2011-2012 (12.24%) with Connecticut's 2018 rate (10.59%). It uses pre-legalization data in Colorado because self-reports may understate use when marijuana is illegal, and

Just under 1% of Connecticut residents, or about 10% of Connecticut's admitted cannabis consumers, are registered medical cannabis patients. Since medical cannabis would not be subject to the excise tax, that reduces the total amount by 10%, to an estimated 324,323 pounds.

In Alaska, 52.4% of sales from cultivators were trim and 47.5% were flower.<sup>10</sup> That would mean Connecticut cultivators could be expected to sell approximately 154,058 pounds of flower for adults' use in a mature market. At a \$35 per ounce tax rate, that would bring in \$86,272,483 million in tax revenue. Meanwhile, Connecticut cultivators could be expected to sell approximately 169,950 pounds of trim. At a \$13.50 per ounce tax rate, that would generate \$36,709,266 in tax revenue. In all, the weight-based excise taxes would bring in about \$122,981,748 per year in a mature market.

Meanwhile, the total marijuana sales in Colorado were \$1,507,702,219 in 2017. Reducing for Connecticut's lower population, lower cannabis use rate, and for the percent of cannabis consumers that are patients, that would be \$735,185,756 in adult-use sales in Connecticut. A 6.35% tax on those sales would generate around \$46,684,295, while a 3% local sales tax would be \$22,055,572.

In all, once the cannabis market is mature, Connecticut can expect approximately \$169,666,043 in annual state revenue from cannabis taxes and \$22,055,572 in local option taxes. The figures could be substantially higher if Connecticut has higher rates of purchases from visitors than Colorado does.

### **III. SB 1138 appropriately allocates cannabis tax revenue to distressed communities, early literacy in areas that most need it, and localities that host cannabis retailers.**

While white and black Connecticut residents consume cannabis at similar rates, the same cannot be said of the rate at which they are arrested. Prior to decriminalization, black Connecticut residents were arrested or cited for marijuana possession 3.3 times more often than were white Connecticut residents despite similar usage rates.<sup>11</sup> There is no reason to think the disparity has disappeared when it comes to citations or to those who possess more than the half-ounce covered by decriminalization.

Michelle Alexander's *The New Jim Crow* documents how drug laws have been enforced unequally at every step of the process. Nationwide, there are staggering disparities in demeaning searches, arrests, prosecutions, and sentencing depending on the race.

The racially disparate impact is hardly surprising given the history of marijuana prohibition in our country. Rather than being a thoughtful, evidence-based policy, early arguments in favor of prohibition were based on unscientific and blatantly racist claims. For example, Henry Anslinger, the architect of federal prohibition, said: "There are 100,000 total marijuana smokers in the U.S., and most are Negroes, Hispanics, Filipinos, and entertainers. Their satanic music, jazz and swing, result from marijuana use. This marijuana causes white women to seek sexual relations with Negroes, entertainers, and any others."<sup>12</sup> He also warned that cannabis "leads to pacifism and communist brainwashing."

Decades later, a top advisor to Richard Nixon explained, "The Nixon campaign in 1968, and the Nixon White House after that, had two enemies: the antiwar left and black people. You understand what I'm saying? We

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some people may use cannabis in lieu of alcohol or prescriptions once it is legal who would not under prohibition. Connecticut's rate is 14% lower. The rates are from the National Survey on Drug Use and Health.

<sup>10</sup> <https://www.ganjapreneur.com/alaska-cannabis-sales-decline-in-november-still-mark-second-highest-totals/>

<sup>11</sup> ACLU of Connecticut, *The War on Marijuana in Black and White*, available at <https://www.aclu.org/report/report-war-marijuana-black-and-white>.

<sup>12</sup> See Nick Wing, "Marijuana Prohibition was racist from the start. Not much has changed," *The Huffington Post*, November 14, 2014, at [http://www.huffingtonpost.com/2014/01/14/marijuana-prohibition-racist\\_n\\_4590190.html](http://www.huffingtonpost.com/2014/01/14/marijuana-prohibition-racist_n_4590190.html).

knew we couldn't make it illegal to be either against the war or black, but by getting the public to associate the hippies with marijuana and blacks with heroin. And then criminalizing both heavily, we could disrupt those communities. We could arrest their leaders, raid their homes, break up their meetings, and vilify them night after night on the evening news. Did we know we were lying about the drugs? Of course we did."

Given this inequality of cannabis prohibition, it makes sense that the benefits of cannabis taxes should flow to those communities that were most impacted.

SB 1138 would direct the state tax portion of tax revenues to a Community Development Corporation Trust Fund to fund early literacy programs, and to community development corporations that focus on improving the lives of people living in economically distressed and underserved communities. There would be one approved, non-profit community development corporation per distressed municipality, subject to oversight. The services would include — in order of priority — free or low-cost early childhood education; supplementing per-student funding to increase achievement at public elementary and middle schools; building or fixing community resources like playgrounds, parks, community centers, senior centers, and public libraries; increasing owner-occupancy of residential buildings; supporting pathways to home ownership; creating pipelines to employment; expanding access to programs at community centers and senior centers; and providing low-cost transportation alternatives.

These are worthy services that would be a credit to the state of Connecticut.

SB 1138 would direct the local portion of the tax to those localities with retailers. This is important to serving the goal of displacing the illicit market. If localities do not allow retail stores, cannabis prohibition will not end. And the fewer that do so, the more the illicit market will persist. This offsets any costs that the city may have, such as traffic mitigation and parking, and provides an incentive to participate.

#### **IV. It is time for Connecticut to replace marijuana prohibition with thoughtful regulation.**

The issue before this committee is not whether marijuana should be legal and regulated — the bills on those two policy issues have already passed the Judiciary and General Law committees. SB 1138 deals solely with the question of *if* and *how* to tax cannabis if it is legalized and what do to with the revenue. However, we recognize the backdrop of the wider discussion and wanted to opine on that topic as well.

##### **A. Prohibition has clearly failed, regulation is a better approach.**

Despite the vast sums spent on hundreds of thousands of marijuana arrests made in the U.S. every year, prohibition hasn't stopped adults or youth from accessing cannabis. Marijuana remains readily available in Connecticut and across the United States. Prior to any state permitting sales to adults, 40% of American high schoolers reported that they had a peer who sold marijuana at school, compared with less than 1% who knew a peer selling alcohol in school.<sup>14</sup> This is probably because unlike licensed liquor stores, drug dealers do not check ID. Regulating cannabis would move sales into safe, licensed retail stores where workers check ID, instead of schools. Criminalizing the production and distribution of cannabis only serves to enrich and empower the criminals that control this lucrative market. It does nothing to keep drugs away from young people.

Further, the public recognizes the harm associated with marijuana prohibition. Popular support for legalization has increased significantly over time. Nationwide, an October 2018 Gallup poll found that 66% support making cannabis use legal for adults, up from 60% in 2016, 48% in 2008, and 36% in 2005. Meanwhile, a 2017 poll

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<sup>14</sup> Columbia University, National Center on Addiction and Substance Abuse Survey, 2012.

conducted by the Sacred Heart University and GreatBlue Research found that 71% of Connecticut residents support legalizing cannabis for adults and taxing it to help address the state's budget crisis.<sup>15</sup>

This is not about being “pro-marijuana.” Marijuana is a drug, as is alcohol, and it can be abused, like alcohol. This is about being anti-prohibition, because the prohibition of marijuana creates far more harm to individuals and society than marijuana consumption itself ever could. Connecticut has a rich history of resisting alcohol prohibition — it was one of two states that never approved the 18<sup>th</sup> Amendment, which ushered in prohibition. It should use that same wisdom today.

As it became increasingly obvious that prohibition was not working, states have begun to choose a more sensible approach – taxing and regulating cannabis similarly to alcohol. This trend began with Colorado and Washington in 2012, then Alaska and Oregon in 2014, then California, Maine, Massachusetts, and Nevada in 2016, and most recently Michigan in 2018. (Other states are considered likely to follow suit this year.)

Connecticut can learn from the nine states that have paved the way. Those states also illustrate the benefits of replacing prohibition with taxation and regulation.

For example, according to Gov. Jay Inslee and Attorney General Bob Ferguson of Washington state:

Our state's efforts to regulate the sale of marijuana are succeeding. A few years ago, the illegal trafficking of marijuana lined the pockets of criminals everywhere. Now, in our state, illegal trafficking activity is being displaced by a closely regulated marijuana industry that pays hundreds of millions of dollars in taxes. This frees up significant law enforcement resources to protect our communities in other, more pressing ways.<sup>16</sup>

Former Gov. John Hickenlooper of Colorado — who strongly opposed to the 2012 initiative that legalized marijuana in his state — has said that, while implementation was challenging, it was “also one of the things I'm most proud of.”<sup>17</sup> He also said that, from a “35,000-foot level,” things in Colorado have gone well, citing things like the fact that health officials have not seen increased teen use or a dramatic increase in overall consumption and that polls show residents are increasingly in favor of continued legalization.<sup>18</sup>

As one example of where Connecticut can learn from other states, some concerns were raised about edibles not being clearly marked under initial regulations. In response, Colorado developed additional rules related to edible products.<sup>19</sup> These made edibles easier to distinguish from non-infused foods, and made it easier for consumers to determine how much THC they were consuming.<sup>20</sup> Under HB 7371, the Cannabis Control Commission

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<sup>15</sup> See <https://www.wtnh.com/news/politics/poll-finds-majority-of-connecticut-residents-support-marijuana-legalization/1097524713>

<sup>16</sup> February 15, 2017 Letter from Gov. Inslee and AG Ferguson to U.S. Attorney General Jeff Sessions, *available at* <https://www.documentcloud.org/documents/3474339-Gov-AG-Ltr-to-Sessions-Re-Marijuana-002.html>.

<sup>17</sup> Alicia Wallace, “Colorado gov's weed advice for California: Focus on edibles, home grows, pesticides,” *The Cannabist, The Denver Post*, February 14, 2017, *available at* <http://www.thecannabist.co/2017/02/14/colorado-marijuana-advice-california-governor-john-hickenlooper/73656/>.

<sup>18</sup> *Id.*

<sup>19</sup> The complete rules are available here: [https://www.colorado.gov/pacific/sites/default/files/1CCR212-1\\_Retail.pdf](https://www.colorado.gov/pacific/sites/default/files/1CCR212-1_Retail.pdf)

<sup>20</sup> They did so by requiring each serving of the edible marijuana product (including baked goods), which may contain a maximum of 10mg of active THC, to be “marked, stamped, or otherwise imprinted with the Universal Symbol,” which contains the “!” and letters “THC” (Rule 604 C5-5). If it is a liquid, powder, or other product that cannot be stamped or imprinted, each portion containing 10mg of active THC must be in a separate childproof container. (Rule 604 C5-6). In addition, the manufacturer “must ensure that each single Standardized Serving Of Marijuana of a Multiple-Serving Edible Retail Marijuana Product is physically demarked in a way that enables a reasonable person to intuitively determine how much of the product constitutes a single serving of active THC.” (Rule 604 C5-9a). For example, the manufacturer could make a chocolate bar that was breakable into single serving squares.

would develop comprehensive rules regarding packaging and labeling from the very beginning. These requirements include that cannabis products' labels must include; the length of time it typically takes for a cannabis product to take effect, the amount of cannabis the cannabis product is equivalent to, a nutritional fact panel on the cannabis product, and disclosing ingredients and possible allergens of the cannabis product. Additionally, it requires that edible products be clearly identifiable, when practicable, with a standard symbol indicating that the product contains cannabis, and that cannabis products are to be packaged in opaque, child-resistant packaging with numerous warnings, including that it should be kept away from children.

Unsurprisingly, the vast majority of marijuana sales have shifted to the legal market. A report commissioned by the Colorado Department of Revenue and published in 2018 found that, "the illicit market for resident and visitor marijuana has been largely, if not entirely, absorbed into the legal market, where it is regulated and taxed for the protection of public health and safety."<sup>21</sup> Colorado 12+ 12.24% in 2011/2012 market (*i.e.* marijuana grown legally at home by adults or licensed medical marijuana caregivers).<sup>22</sup> With the change in the Colorado medical marijuana program that dramatically reduces the amount of cannabis that can be grown in homes, even more sales will be moving into the legal market.<sup>23</sup>

## **B. Legalizing adult-use marijuana will improve public safety.**

The way marijuana prohibition is enforced erodes trust between police and minority communities at a time when such trust is sorely lacking. As Washington, D.C.'s former police chief bluntly put it: "All these [marijuana] arrests do is make people hate us." In addition to being valuable in itself, positive police/community relationships improve public safety. A Department of Justice study found that trusting relationships with the local community was one of the most important factors in whether police were effective in solving violent crimes.<sup>26</sup>

Ending prohibition will help police solve violent crimes in another way — by freeing up time and resources currently wasted in prosecuting adults for low-level cannabis offenses. Ending prohibition will allow these resources to be redirected to solving crimes that victimize others.

Finally, ending prohibition will improve public safety by removing this lucrative business from criminal gangs. As with alcohol prohibition in the 1920s, since drug-related disputes can't be solved lawfully, violence is inevitable. As a result, cannabis users and sellers face dangers due to prohibition. That is not a reason decriminalization is bad — it's an argument for legalization and regulation. The demand for cannabis was there before Connecticut decriminalized it, and it's there now. Allowing legal businesses to meet that demand will eliminate the vast majority of the criminal market's sales and improve public safety.

## **C. Connecticut should move forward this year, before it becomes an island of prohibition.**

There is no good reason to continue with a destructive and wasteful policy of prohibition that tears families apart, deprives the state of revenue, and wastes law enforcement time. Instead, Connecticut should act now to replace prohibition with adult-use legalization and sensible regulation.

Massachusetts, Maine, and Vermont have already legalized marijuana for adults, and sales began in Massachusetts in November. There are now 16 retail stores open in Massachusetts, and they sold over \$76

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<sup>21</sup> [www.colorado.gov/pacific/sites/default/files/MED%20Demand%20and%20Market%20%20Study%20%20082018.pdf](http://www.colorado.gov/pacific/sites/default/files/MED%20Demand%20and%20Market%20%20Study%20%20082018.pdf)

<sup>22</sup> "Legalising cannabis: Reefer regulatory challenge," *The Economist*, February 13, 2016.

<sup>23</sup> Collen Sikora, "Medical marijuana caregivers face new grow limits in 2017," *News Channel 13*, December 26, 2017.

Some patients were given authorization to grow as many as 99 plants. Connecticut's law will allow four or fewer cannabis plants, which is on the low end of what is allowed in other states.

<sup>26</sup> See "Getting Away with Murder," *The Economist*, July 4, 2015.

million worth of cannabis as of April 7, 2019.<sup>27</sup> Most Connecticut residents are a relatively short drive from legal, regulated cannabis stores.

Meanwhile, under former Gov. Paul LePage, Maine dragged its feet at implementing the adult-use law voters approved in 2016. However, with a new governor, the state is moving quickly to make up for lost time. Regulators in Maine have released draft regulations and expect the first retail stores will be open by the end of this year.

Vermont's legislature and governor legalized simple possession and cultivation of cannabis for adult-use last January. A bill to regulate and tax cannabis sales passed the Vermont Senate in a 23-5 vote earlier this year, and it is currently being considered by the House. In New Hampshire, the House passed a similar bill, which is currently being considered by the Senate.

Meanwhile, the governors of New York, New Jersey, and Rhode Island support replacing prohibition with regulation and are working with their state legislatures in support of legislation.

Connecticut polls consistently show voters would legalize and regulate cannabis if they had the power to do so. But only the legislature has that authority in Connecticut. Connecticut should treat adults like grown-ups and stop punishing them for using cannabis.

Connecticut is not an island, and its residents will continue to use and access cannabis whether or not the legislature acts. The real question is whether they will do so under a regulatory and tax structure crafted by and benefitting their state, or if their cannabis use will benefit its neighbors and the illicit market.

#### **D. The opposition is making outrageously misleading claims to try to defeat this package of bills.**

It would take a tome to address all the misrepresentations and misconceptions that have been presented to oppose cannabis regulation, so for the purposes of this testimony, we will focus on one in particular that is related to tax revenue. You may have heard that Colorado Christian University's Centennial Institute issued a report claiming that legalizing and regulating marijuana will cost \$4.50 in social costs for each \$1.00 in revenue it brings in. The report is absurd.<sup>28</sup>

First, it ignores that fact that people are already using marijuana and attributes all of the supposed costs of marijuana to *legalization* — as if marijuana use would start at zero.

Second, the supposed costs are often not only proven, but are often directly contrary to the evidence. The biggest supposed “cost” the Centennial Institute found — \$423 million of the \$1.1 billion projection — was the costs of lost productivity related to more teens supposedly dropping out of school. But legalization isn't causing drop out rates to increase. In fact, government data shows no increase or a decrease in marijuana use among young people in Colorado since legalization, along with an increase in graduation rates.<sup>29</sup>

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<sup>27</sup> [https://mass-cannabis-control.com/wp-content/uploads/2019/04/Sales\\_04082019\\_S2S\\_v2.pdf](https://mass-cannabis-control.com/wp-content/uploads/2019/04/Sales_04082019_S2S_v2.pdf)

<sup>28</sup> See, i.e. Jacob Sullum, “Laughable but Widely Cited Report on the Cost of Legalizing Pot Does Not Even Try to Measure the Cost of Legalizing Pot,” Reason.com.

<sup>29</sup> “Colorado Division of Criminal Justice Publishes Report on Impacts of Marijuana Legalization in Colorado,” (Graduation rates are up and drop out rates are down since 2012. The graduation rate rose steadily from a 10-year low point of 72 percent in the 2009-2010 school year to 79 percent in the 2016-2017 school year. Over that same time period, the drop out rate decreased from 3.1 percent to 2.3 percent. The youth marijuana rate reported via NSDUH for the 2015/2016 school year (9.1%) was the lowest it's been since 2007/2008 (9.1%).).

<https://www.colorado.gov/pacific/publicsafety/news/colorado-division-criminal-justice-publishes-report-impacts-marijuana-legalization-colorado>

Third, it ignores the benefits of legalizing and regulating cannabis. What is the dollar value on the indignity and delay caused by thousands of intrusive searches that find nothing? (Searches — which rarely found any contraband — have plummeted after legalization in Colorado and Washington.<sup>30</sup>) Or what is the value of the trauma caused by arrests, incarceration, and court supervision? The Centennial Institute doesn't even factor in the *direct* savings from the drops in marijuana arrests and prosecutions.<sup>31</sup>

No government agency tracks how many deaths result from pushing marijuana sales underground where both sellers and buyers are at risk of armed robberies gone wrong. But it happens, including in Connecticut.<sup>32</sup> And we have no way of quantifying the harm that has been done by cannabis consumers ingesting untested pesticides and heavy metals. We don't know if it's caused cancers or kidney problems, but we know there is that risk.<sup>33</sup> The Centennial Institute ignores all these benefits and the other economic, health, and social benefits that will flow from replacing a policy disaster with a thoughtful system of regulation that focuses on public health and social justice.

## V. Conclusion

In conclusion, we urge the committee to pass SB 1138. It is a thoughtful, just approach to taxing cannabis and distributing the revenue. By providing early education, literacy, and other services to distressed communities, it invests in the future where that investment is most desperately needed and helps repair some of the communities that have been most harmed by cannabis prohibition.

If you have any questions or need any additional information, we would be happy to help and can be reached at the number or email address below.

Sincerely,



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<sup>30</sup> States that legalized marijuana see dramatic drop in police traffic searches. See <https://www.alternet.org/2019/04/states-that-legalized-marijuana-see-dramatic-drop-in-police-traffic-searches/>

<sup>31</sup> Marijuana arrests are down 52% since 2012 in Colorado, with a 39% decrease for Hispanics, 51% decrease for blacks, and 56% for whites. While total felony charges have decreased, they have not dropped as substantially. Colorado was the first legalization state in the country, and demand from the 41 prohibition states has continued to drive the illicit market in many other states.

<sup>32</sup> "Robbery-gone-wrong blamed for Sharon marijuana dealer's death," *The Register Citizen*, September 26, 2013, <https://www.registercitizen.com/news/article/Robbery-gone-wrong-blamed-for-Sharon-marijuana-12004778.php>

<sup>33</sup> Don Thompson, "Toxic pesticides found at most illegal California pot farms," *Associated Press*, August 28, 2018.