March 2, 2020
Judiciary Committee
Legislative Office Building
via email: JUDtestimony@cga.ct.gov

Re: P.S.B. No 16 An Act Concerning the Adult-Use of Cannabis

Honorable Committee Members:

As a long-time Connecticut resident, military combat veteran, taxpayer, and the Executive Director of Connecticut NORML, I am asking that you support P.S.B. 00016 with modification.

NORML is an organization that has been promoting the regulation of adult use of cannabis since 1972 and has chapters throughout the country. The Connecticut chapter is the voice of the 39,000 + patients in the State’s medical cannabis program and the 71% of citizens who approve of legalization.

Our organization and its members support the legalization and regulation of cannabis for adult use, as well as correcting the War on Drugs. We are making the following recommendations for the pending legislation:

1. Personal Cultivation

Personal cultivation is a critical component to legalization, cannabis cannot be legal if people are not allowed to grow the plant for personal use. To date, all 11 States and the District of Columbia, who have legalized the Adult-Use of cannabis, have granted their residents the right to personal cultivation. Personal cultivation is imperative if expectations of legalization are to minimize illegal activities. Personal cultivation provides three key important factors.

- It ensures all residents can have access, independent of any financial factors.
- As in the case of the current medical program, a legal market does not guarantee consumer needs are always met. As with any industry, supply is determined by demand and profitability.
- Personal cultivation minimizes illegal activity.

Personal cultivation for Adult-use should be regulated similarly in regards to the personal right to home brew alcohol.

2. Possession Limits and the Judicial Process

The limits discussed in Section 2 and 3 for the bill, set complex regulation and violations which would overburden the judicial system unnecessarily. Proposed regulations limits on possession would place
residents into the court system for violating limits which are less than half the amount being authorized for automatic expungement.

Similar to other states, keep the laws easier to understand. Recommend 2 ounces of cannabis to include 5 grams of concentrates. Do not apply added stress onto the judicial system.

3. Elevated THC Levels and Economic Impact

Language listed in sections 11-12 is confusing and could have an extremely adverse effect on our youth. An individual under 21 who tests positive for 0.5 ng/dL of THC or more after an impaired driving arrest will be deemed to have committed a per se violation. It should be clear that the intent is not to charge individuals under 21 with criminal DUIs in these situations. We believe in protecting our youth and understand the importance of the “zero-tolerance” policy for under 21 serves an important deterrent. However, there is no universally accepted test for THC impairment. Policies like these could have an adverse impact on young families and their ability to provide for their children.

4. Displacement of Illegal Activities

Section 24, Establishes online ordering and delivery. Delivery will be important to meet market demand and to displace the black market. This is a foundational pillar for any legalization effort. The policy should be designed to eliminate incentives for illegal activities. This should be an immediate concern for the state. Effective policies must include home cultivation for personal consumption over the age of 21, public access to laboratory facilities, allow for delivery and micro-businesses, and effective tax policy.

5. Taxation

Sections 51-54: Establishes the taxation and revenue structure for cannabis. The taxes include excise taxes at the wholesale level and sales taxes at retail.

Taxation policies based on cultivation (wholesale) activities are not an effective way to generate tax revenues and are fundamentally flawed. Regulating a cultivation tax is cost-prohibitive for the state. The idea that a grower will start and end with the same number of plants that they seeded or that plants will uniformly produce the same quantity of product is unrealistic and problematic. Nature is not easily predictable and we are discussing a plant that from seed has a 50% chance of being unusable from the start. Let us not start to mention the multitude of adverse growing conditions that could occur as well.

In addition, any cultivation-based tax creates an incentive for false reporting activities.

The idea that THC can only be produced by growing a plant is potentially a thing of the past. Current science is already testing the feasibility to cultivate THC production in yeast cultures.

For reasons like these, we recommend a flat-rate exercise tax on retail sales. Industries of scale operate best when the market sets the cost of the good. Attempting to manipulate the market even before the first day of sale will only undermine the industry’s ability to meet consumer supply and demand. Some industry analysts are reporting the largest consumable product segment in emerging legal recreational cannabis markets is not high THC offerings, but in fact, products that are more balanced between THC and CBD percentages. If this industry trend stays true and Connecticut votes to have a weighted tax scale based on THC percentages, the state will miss a large economic opportunity.

We urge the General Assembly to adopt the proposed changes listed above so that legalization that addresses the impact on the criminal justice system, safe personal consumption, fair regulation regarding personal cultivation, proportionate punishment for violations of the regulations, economic growth within the cannabis industry and an acknowledgment of the racially discriminatory origins of prohibition and its effect.
I will be more than willing to elaborate on any of these issues and can be reached at 203-645-4031 for any further comments.

Best regards,
Paul Kirchberg
Executive Director
Executive Board
Connecticut NORML