

DEPARTMENT OF THE PROSECUTING ATTORNEY
CITY AND COUNTY OF HONOLULU

LATE TESTIMONY

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**THE HONORABLE ROSALYN H. BAKER, CHAIR
SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH**

**THE HONORABLE KEITH S.C. KEITH-AGARAN, CHAIR
SENATE COMMITTEE ON JUDICIARY AND LABOR**

**Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawai`i**

February 10, 2017

RE: S.B. 319; RELATING TO MARIJUANA DISPENSARY GENERAL EXCISE TAX REVENUES.

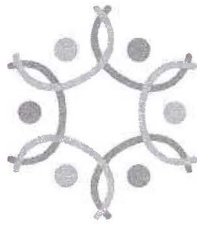
Chair Baker, Chair Keith-Agaran, Vice-Chair Nishihara, Vice-Chair Rhoads, members of the Senate Committee on Commerce, Consumer Protection, and Health, and members of the Senate Committee on Judiciary and Labor, the Department of the Prosecuting Attorney of the City and County of Honolulu ("Department") submits the following testimony in support of Senate Bill 319.

The purpose of S.B. 319 is to transfer fifteen (15) percent of all general excise tax revenues collected from medical marijuana dispensaries, collectively to the department of the attorney general, county police departments and county prosecutors' offices, for law enforcement purposes related to the medical marijuana dispensary system.

Although alcohol does not provide an exact parallel to marijuana, prior studies weighing the social impacts of alcohol with the tax revenue generated by alcohol sales may provide some guidance. Nationwide, the cost of alcohol-attributable crime is estimated to be over six (6) times as much as the combined state, local and federal tax revenues generated by alcohol sales.¹ In anticipation of increased or enhanced needs for law enforcement services, related to the establishment of medical marijuana dispensaries in Hawaii, it is both imperative and fitting that a portion of tax revenues from the dispensaries be directed to additional funding for local law enforcement agencies.

For the foregoing reasons, the Department of the Prosecuting Attorney of the City and County of Honolulu supports the passage of S.B. 319. Thank you for the opportunity to testify on this bill.

¹ Ellen E. Bouchery, Henrick J. Harwood, Jeffrey J. Sacks, Carol J. Simon, Robert D.G. Brewer. *Economic Costs of Excessive Alcohol Consumption in the U.S.*, 2006. American Preventative Medicine – November 2011 (Vol. 41, Issue 5, Pages 516-524) Available [http://www.ajpmonline.org/article/S0749-3797\(11\)00538-1/fulltext](http://www.ajpmonline.org/article/S0749-3797(11)00538-1/fulltext)



February 9, 2017

To: Senator Rosalyn Baker, Chair
Senator Clarence Nishihara, Vice Chair
Committee on Commerce, Consumer Protection, and Health

Senator Gilbert S.C. Keith-Agaran, Chair
Senator Karl Rhoads, Vice Chair
Committee on Judiciary and Labor

From: Deborah Zysman, Executive Director
Hawaii Children's Action Network

Re: **SB 319 –Marijuana Dispensary Special Fund**
Hawaii State Capitol, Room 016, February 10, 2017, 8:30 AM

On behalf of Hawaii Children's Action Network (HCAN), we are writing to offer comments on SB 319 – Marijuana Dispensary Special Fund.

We respectfully request that 20% of the new General Excise Tax (GET) revenue collected from Hawaii's medical marijuana dispensaries be deposited into the Hawaii Children's Trust Fund to be used for programs that reduce Adverse Childhood Experiences (ACEs)

Conservatively, Hawaii's medical marijuana dispensaries could generate between \$7 million and \$10 million annually in new General Excise Tax Revenue.

Marijuana tax collections in Colorado and Washington have exceeded initial tax estimates, and a nationwide legalization-and-tax regime could see states raising billions of dollars per year in marijuana tax revenue. Other states are dedicating this new revenue stream to programs that help address early childhood development, education, and maternal addiction services. We encourage Hawaii to do the same.

Linking tax revenues from medical marijuana sales to services supporting maternal addiction services, child abuse and neglect prevention programs, family strengthening, and early childhood development is good public health policy. These programs should be targeted towards at-risk communities, particularly those living at or below poverty and homeless families.

The long-term impacts of "Adverse Childhood Experiences" (ACEs) such as child abuse, neglect, and substance abuse in the home have been well researched. Numerous studies show a direct correlation to a person with a high number of ACEs and detrimental impacts to both early childhood development and adult outcomes.

Adverse Childhood Experiences have been linked to:

- risky health behaviors,
- chronic health conditions,
- low life potential, and
- early death.

As the number of ACEs increases, so does the risk for these outcomes. Focusing on our most vulnerable keiki has a high rate of economic return for our community.

HCAN respectfully requests that the committee AMEND this bill to deposit 20% of the tax revenues into the Hawaii Children’s Trust Fund, to focus on the prevention of ACEs. Funds would be used for programs such as evidenced based home visiting for high-risk babies, and family strengthening programs such as Family Child Interactive Learning programs.

Background on The Hawaii Children’s Trust Fund

In 1993, the state of Hawaii through legislation created the Hawaii Children’s Trust Fund (HCTF). This public/private partnership addresses the prevention of child abuse and neglect through strategies that strengthen all families. HCTF promotes public awareness and advocacy on the issues of child abuse and neglect and on addressing the needs of families at risk of becoming involved in child abuse and neglect and also the systems with which families interact. See: <http://www.hawaiichildrenstrustfund.org>

Background on Adverse Childhood Experiences

See: https://www.cdc.gov/violenceprevention/acestudy/about_ace.html

