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CITY AND COUNTY OF HONOLULU

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THE HONORABLE ROSALYN H. BAKER, CHAIR
SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawai`i

February 1, 2017

RE: S.B. 325; RELATING TO MEDICAL MARIJUANA.

Chair Baker, Vice-Chair Nishihara, and members of the Senate Committee on Commerce, Consumer Protection, and Health, the Department of the Prosecuting Attorney of the City and County of Honolulu (“Department”) submits the following testimony, supporting the intent and suggesting amendments to Senate Bill 325.

The purpose of Senate Bill 325 is to direct ten percent of tax revenues collected from medical marijuana dispensaries to the mental health and substance abuse special fund. While our Department appreciates the intent to provide additional funding for mental health and substance abuse programs in Hawaii, we strongly believe that a significant portion of tax revenues from medical marijuana dispensaries should be directed to law enforcement. Specifically, we believe fifteen per cent of tax revenues collected from medical marijuana dispensaries should be directed to law enforcement. Please see S.B. 319, for potential language.

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. Indeed, the cost of alcohol-attributable crime is estimated to be over six times more than the combined state, local and federal tax revenues generated by alcohol sales.¹ In anticipation of increased or enhanced needs for law enforcement services, both directly and indirectly 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 law enforcement.

For the foregoing reasons, the Department of the Prosecuting Attorney of the City and County of Honolulu urges this Committee to adopt the language in S.B. 319, either lieu of or in addition to the current language of S.B. 325. Thank you for the opportunity to testify on this.

¹ Ellen E. Bouchery, Henrick J. Harwood, Jeffrey J. Sacks, Carol J. Simon, Robert D. GBrewer. *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)

 **the Drug Policy Forum**
of hawai'i

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Dedicated to safe, responsible, humane and effective drug policies since 1993

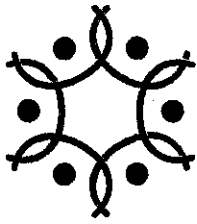
TO: Senate Committee on Commerce, Consumer Protection and Health
FROM: Carl Bergquist, Executive Director
HEARING DATE: 1 February 2017, 9 AM
RE: SB325, Relating to Medical Marijuana, [REDACTED]

Dear Chair Baker, Vice Chair Nishihara, Members of the Committee:

The Drug Policy Forum of Hawai'i (DPFHI) supports the proposal that ten percent of tax revenues from medical cannabis ("marijuana") dispensaries be deposited into the mental health and substance abuse fund as established under section 334-15.

We note that the moneys transferred into this fund are normally used to pay for the "operating expenses" of the originating certification programs and treatment services. In the case of tax revenues from the medical cannabis dispensaries, we assume the moneys will be left in the general fund and thus available for any allowed purpose. As such, we suggest that some portion of those moneys be used to help bring awareness to the potential use of medical cannabis as an alternative pain management medicine, especially in lieu of prescription opioids.

Mahalo for the opportunity to testify.



Hawaii
Children's Action Network
Building a unified voice for Hawaii's children

January 31, 2017



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

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

Re: **SB 325 – Medical Marijuana**
Hawaii State Capitol, Room 229, February 1, 2017, 9:00 AM

On behalf of Hawaii Children's Action Network (HCAN), we are writing to offer comments on SB 325 – Medical Marijuana.

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.

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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.

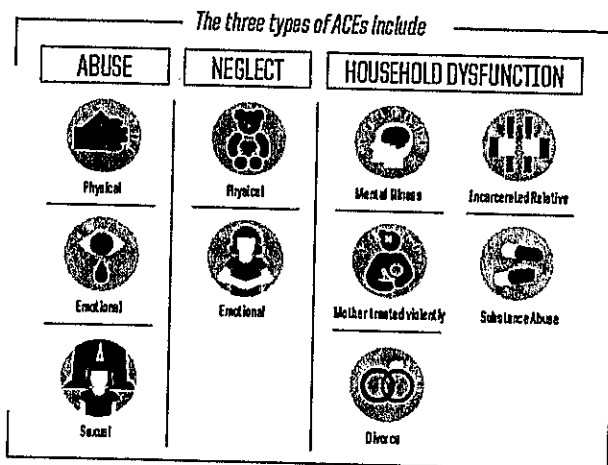
HCAN respectfully requests that the committee AMEND this bill to deposit 20% of the tax revenues into the Hawaii Children's Trust Fund, to focus on the prevention of ACEs. Funds would be used for programs such as maternal addiction services, evidenced based home visiting for high-risk babies, and family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



Hawaii Children's Action Network is a community based non-profit, dedicated to building a unified voice advocating for Hawaii's children by improving their safety, health, and education.