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HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY RODERICK K. BECKER
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEES ON HEALTH AND PUBLIC SAFETY,
VETERANS, AND MILITARY AFFAIRS
ON
HOUSE BILL NO. 434

February 5, 2019

9:00 a.m.

Room 329

RELATING TO MARIJUANA

House Bill (H.B.) No. 434 proposes to establish the Alcohol and Drug Abuse Division Special Fund within the Department of Health where fines from non-criminal marijuana violations shall be deposited and used for public education and awareness programs aimed at reducing the use of harmful drugs. The bill also decriminalizes the possession and distribution of small amounts of marijuana by reclassifying these offenses as non-criminal violations, while retaining criminal classifications of certain specific, higher-level marijuana offenses, such as those relating to commercial promotion and cultivation.

As a matter of general policy, the department does not support the creation of any special or revolving fund which does not meet the requirements of Sections 37-52.3 and 37-52.4, HRS, respectively. Special and revolving funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users

or beneficiaries or a clear link between the program and the sources of revenue;

3) provide an appropriate means of financing for the program or activity; and

4) demonstrate the capacity to be financially self-sustaining. In regards to H.B. No. 434,

it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTIETH LEGISLATURE, 2019**

ON THE FOLLOWING MEASURE:

H.B. NO. 434, RELATING TO MARIJUANA.

BEFORE THE:

HOUSE COMMITTEES ON HEALTH AND ON PUBLIC SAFETY, VETERANS & MILITARY AFFAIRS

DATE: Tuesday, February 5, 2019 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Room 329

TESTIFIER(S): Clare E. Connors, Attorney General, or
Kory W. Young, Deputy Attorney General

Chairs Mizuno and Takayama and Members of the Committees:

The Department of the Attorney General submits testimony in opposition to this bill.

The purpose of the bill is to decriminalize the possession and distribution of smaller amounts of marijuana by reclassifying these offenses as non-criminal violations, and to establish the alcohol and drug abuse division special fund within the Department of Health where fines from non-criminal marijuana violations shall be deposited and used for public education and awareness programs aimed at reducing the use of harmful drugs.

The Department opposes this bill for the following reasons:

1. Marijuana possession, cultivation, and distribution is illegal under federal law.

Marijuana is currently classified by the federal government as a Schedule I controlled substance. It is a violation of federal law to grow, distribute, or use marijuana. Although this bill could legalize conduct that is currently prohibited under state law, federal laws regarding the nonmedical use of marijuana cannot be ignored.

Importantly, the United States Department of Justice (Department of Justice) issued a memorandum withdrawing earlier directives and instructing prosecutors to enforce federal laws related to marijuana activities (Sessions Memo). Although the Blumenauer amendment to the continuing resolution extending the appropriations act

restricts funding for federal law enforcement actions by the Department of Justice, this limitation applies only to the medical use of cannabis.

Unless and until the federal government changes its laws regarding marijuana, the State should not expand decriminalization of this drug.

2. Specific legal concerns with the bill.

The bill provides that “[e]xpenditures from the special fund shall not require a specific legislative appropriation but may be spent directly by the department in accordance with the purpose of the special fund.” (page 2, line 19 to page 3, line 2)

This provision appears to violate Haw. Const. art. VII, § 5, which states:

Provision for the control of the rate of expenditures of appropriated state moneys, and for the reduction of such expenditures under prescribed conditions, shall be made by law.

No public money shall be expended except pursuant to appropriations made by law. General fund expenditures for any fiscal year shall not exceed the State's current general fund revenues and unencumbered cash balances, except when the governor publicly declares the public health, safety or welfare is threatened as provided by law.

We therefore recommend deletion of this wording in the bill.

The bill’s proposed change to section 712-1247 HRS, promoting a detrimental drug in the first degree, would make the sale or barter of marijuana in any amount a violation subject to a fine of not more than five-hundred dollars (\$500.00). (page 7, lines 8 to 14) At present, the bill has no specific provisions regarding the sale or barter of marijuana to a minor, allowing individuals selling or bartering marijuana to children to be fined a maximum of five-hundred dollars (\$500.00).

The bill’s proposed change to section 712-1248 HRS, promoting a detrimental drug in the second degree, would make the distribution of marijuana in any amount a violation subject to a fine of no more than two-hundred and fifty dollars (\$250.00). (page 8, lines 10 to 16) At present, the bill has no specific provisions regarding the distribution of marijuana to a minor, allowing individuals distributing marijuana to children to be fined a maximum of two-hundred and fifty dollars (\$250.00).

The bill's proposed change to section 712-1249 HRS, promoting a detrimental drug in the third degree, would make possession of marijuana in any amount a violation subject to a fine of no more than one-hundred dollars (\$100.00). (page 9, lines 5 to 10) At present, the bill has no specific provisions regarding the possession of marijuana by minors. A specific provision that would allow the courts to order substance abuse classes or counseling, in lieu of fines in the case of children caught in possession of marijuana, may be advisable.

For the foregoing reasons, the Department respectfully requests that this bill be held.

POLICE DEPARTMENT
CITY AND COUNTY OF HONOLULU

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KIRK CALDWELL
MAYOR

SUSAN BALLARD
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JOHN D. McCARTHY
JONATHAN GREMS
DEPUTY CHIEFS

OUR REFERENCE CT-TA

February 5, 2019

The Honorable John M. Mizuno, Chair
and Members
Committee on Health
The Honorable Gregg Takayama, Chair
and Members
Committee on Public Safety, Veterans,
and Military Affairs
House of Representatives
415 South Beretania Street, Room 329
Honolulu, Hawaii 96813

Dear Chairs Mizuno and Takayama and Members:

SUBJECT: House Bill No. 434, Relating to Marijuana

I am Major Calvin Tong of the Narcotics/Vice Division of the Honolulu Police Department (HPD), City and County of Honolulu.

The HPD strongly opposes House Bill No. 434, Relating to Marijuana. This bill, in part, seeks to decriminalize the possession and distribution of marijuana by removing from the Hawaii Revised Statutes (HRS) existing criminal penalties related to marijuana.

As an example, the bill is seeking to change the penalty for distribution of marijuana concentrates under HRS 712-1245 from a Class B felony to a violation subject to a fine of not more than \$750.

The majority of those who distribute marijuana and marijuana concentrates do so strictly for profit and with complete disregard to the dangers these drugs can cause, especially to our youth. An important fact to keep in mind is that marijuana concentrates can have a Tetrahydrocannabinol (THC) level of more than 80 percent. The current penalties that are in place should remain as is.

The Honorable John M. Mizuno, Chair
and Members
The Honorable Gregg Takayama, Chair
and Members
February 5, 2019
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The HPD urges you to oppose House Bill No. 434, Relating to Marijuana.

Thank you for the opportunity to testify.

Sincerely,



Calvin Tong, Major
Narcotics/Vice Division

APPROVED:



Susan Ballard
Chief of Police

HB-434

Submitted on: 1/29/2019 10:07:06 PM

Testimony for HLT on 2/5/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brett Kulbis	Honolulu County Republican Party	Oppose	No

Comments:

The Honolulu County Republican Party OPPOSES this bill.



Submitted Online: February 1, 2019

Hearing: Tuesday, February 5, 2019

TO: House Committee on Health
Rep. John Mizuno, Chair
Rep. Bertrand Kobayashi, Vice Chair

FROM: Eva Andrade, President

RE: Opposition to HB 434 Relating to Marijuana

Aloha and thank you for the opportunity to provide our testimony in opposition to the decriminalization of marijuana. Hawaii Family Forum is a non-profit, pro-family education organization committed to preserving and strengthening families in Hawaii, representing a network of various Christian Churches and denominations. As such, we have serious concerns about this bill and its ultimate ramifications on the wider community – especially with regards to our keiki. Although we leave the discussion as to the regulatory functions and applicability of its passage to the experts, we do offer these reasons why many in our community are opposed to the decriminalization of marijuana:

Marijuana is still illegal under federal law.

There exists a vague “truce” between the federal government and states that have legalized marijuana for medical and/or recreational use, whereby federal law enforcement will only prosecute marijuana activity that would be illegal under state law.

Legalization will directly impact our keiki.

According to the Hawaii State Department of Health, an estimated 45 percent of high school students and 26 percent of middle schoolers across the state said they have used e-cigarettesⁱ. In fact, a report by Hawaii Public Radio indicated that it was higher than the national average. If they are already dabbling in an illegal substance, do we really believe that marijuana will somehow escape their attention and use?

A recent news story in Washington reported that more kids are now using drugs since marijuana was legalized.ⁱⁱ There is no doubt that if marijuana were legalized and/or decriminalized, more people, including our keiki, would consume it. In Colorado, where recreational use is legal for 21 year olds and older, there is a lag in reporting statistics relating to health concerns. That means it may take years to really understand marijuana’s effect on teenage drug useⁱⁱⁱ. Even though proponents have tried to dismiss this argument, clinical studies continue to prove that marijuana’s easy access can and will hurt our keiki^{iv}.



Page Two
HB 434

Hawai'i's roads could very well become a testing ground for legal limits

Marijuana use affects driving because it stays in the system way longer than alcohol. It is the most prevalent illegal drug detected in impaired drivers, fatally injured drivers and motor vehicle crash victims. That number increases when you add other factors like alcohol consumption. The process for determining if a driver is intoxicated by marijuana is far more complex and costly than the roadside breathalyzer. In its 2019 testimony to the Senate Judiciary Committee, Hawaii State Department of Transportation reported that "22 percent of fatal crashes that occurred during calendar years 2013 to 2017 resulted in positive findings for marijuana in drivers, bicyclists or pedestrians."

Destruction of the Family Unit

Family factors can serve both protective and risk functions in adolescents' substance use. There is considerable evidence that individuals who have a close family member with a substance use history are at an increased risk of later problematic substance use^v

The bottom line is that by decriminalizing marijuana, we believe it will affect adolescents' use by increasing its availability through social connections, by creating a message within social norms that show marijuana use as a normal thing, or by reinforcing beliefs that marijuana use is not harmful.

Decriminalization of marijuana will open a door that can't be shut once opened and most assuredly will pave the way for recreational usage. Surely Hawai'i deserves better than that!

Mahalo for the opportunity to submit our concerns.

ⁱ <http://www.hawaiipublicradio.org/post/hawaii-youth-vape-more-national-average> (January 29, 2019)

ⁱⁱ <http://www.kings5.com/story/news/local/2015/02/12/washington-student-marijuana-infractions/23288183/> (King TV, February 2015)

ⁱⁱⁱ http://www.nytimes.com/2014/06/01/us/after-5-months-of-sales-colorado-sees-the-downside-of-a-legal-high.html?_r=0

^{iv} <http://www.drugabuse.gov/publications/drugfacts/marijuana> (National Institute of Drug Abuse revised January 2014)

^v Ewing et al., 2014; Kuntsche & Kuendig, 2006; Latendresse et al., 2008; Stone et al., 2012



ADA

HAWAII

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P.O. Box 23404
Honolulu
Hawaii

Feb. 1 , 2018

TO: Honorable Chair Mizuno/Takayama & HTL/PVM Committee Members

RE: HB 434 Relating to Marijuana

Support for hearing on Feb. 5

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We support the intent of HB 434 as it would decriminalize cannabis and therefore reduce the use of our tax dollars to prosecute and punish people whose crime is perhaps no more dangerous than those who drink alcohol or smoke tobacco. We would look favorably on an amendment to protect completely people using small amounts in their home.

Thank you for your favorable consideration.

Sincerely,

John Bickel President





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

TO: House Committees on Health and Public Safety, Veterans & Military Affairs
FROM: Carl Bergquist, Executive Director
HEARING DATE: February 5, 2019, 9AM
RE: HB434, RELATING TO MARIJUANA, **COMMENTS**

Dear Chairs Mizuno & Takayama, Vice Chairs Kobayashi & Gates, Committee Members:

The Drug Policy Forum of Hawai'i (DPFHI) offers **comments** to this measure to decriminalize several offenses related to cannabis ("marijuana") and use fines collected for a Special Fund to be established within the Alcohol and Drug Abuse Division (ADAD) in the Department of Health (DOH). In general, we applaud the intent of this bill to reverse the brutal impact of the decades' long, needless criminalization of this substance. We also appreciate the bill's usage of cannabis offense fines to conduct public education and awareness campaigns, we believe that monies for such would be more reliably secured in a tax-and-regulate legalization scheme as envisioned in e.g. [HB1581](#).

Just last week, on January 29th, [the Baltimore, Maryland prosecutor, Marilyn Mosby, said her office would stop prosecuting cannabis possession](#) no matter the person's criminal history. Going even further, she also requested that the courts vacate some 5,000 convictions. Juxtapose that with how our county prosecuting attorneys are likely reacting to this very bill. Mosby is doing this in a state that has already *decriminalized* cannabis possession. It is the continued disparate impact on specific minority communities that compels her office to act. It is our hope that the

decriminalization envisioned by this bill will take into account the lingering injustice seen in Maryland and here in Hawai'i.

Some numbers:

- From 2008-16, nearly **8,000 adult Hawai'i residents were arrested for simple cannabis possession**. Many others are arrested for growing for, or selling to, those charged with possession. During the same period, thousands of juveniles were also arrested. The collateral consequences in terms of denied student loans, housing, jobs and for some immigrants, deportation, are devastating for an individual, their family and ultimately the community;
- [Just a few weeks ago, we finally got the crime numbers for 2017](#), and contrary to [public sentiment](#), the [opinions of our candidates for electoral office](#) and [the national trend](#), enforcement continues and the number of **arrests for adults at 630 and juveniles at 380 per year** remains steady. Every one of these arrests is one life severely harmed;
- *Beyond sheer volume*, the disparate impact of cannabis criminalization is most keenly felt by the enforcement in the Native Hawaiian and Filipino communities. While studies show that cannabis use is nearly uniform across groups, e.g. at **130, the number of Native Hawaiians youth arrested in 2017 for cannabis possession was the same as the number of white youth arrestees**;

If we do not address the inequities created by the criminalization in the first place, then history has taught us nothing. It is therefore of the essence that any cannabis legislation such as this bill include [social justice policies](#), which like the proposed

Special Fund aim to help those most impacted. While inclusion in a cannabis legalization measure has been the trend elsewhere, they could also worked into a decriminalization bill such as this one. Such policies include:

- Expungement of convictions, dismissal of charges - These ideas are addressed in at least one Senate bill, [SB606](#) and two House bills, [HB1383](#) & [HB1581](#) introduced this session. While they contemplate a simplified application process, [California last year enacted a law that automates the expungement](#) when it emerged that existing obstacles preventing many from even applying;
- Reinvesting in Impacted Communities – California’s Proposition 64 that legalized adult use cannabis included [Community Reinvestment Grants](#), funded by cannabis taxes (or fines under the scheme of this bill), for local governments and non-profits to support communities disproportionately affected by past federal and state drug policies by helping with:
 - Job placement;
 - Mental health treatment;
 - Substance use disorder treatment;
 - System navigation services;
 - Legal services to address barriers to reentry;
 - Linkages to medical care.

We also wish to comment on *the level of fines* suggested. These are on the lower end compared with several other states that have decriminalized, and this is commendable. However, the fines suggested for HRS Sections 712-1247 through 1249 are

unnecessarily high. We do not believe that selling, distributing or possessing the smallest amounts of cannabis should be fined at \$500, \$250 and \$100 respectively. A fine at the level of a parking violation, e.g. \$25, would be more commensurate with the offense and more collectable.

Finally, we believe it is wise to connect a *decriminalization* scheme of this nature to the next step, a tax-and-regulate scheme for *legal* adult use cannabis. **Delays in beginning that conversation means lost tax revenue for the state.** [HB1383](#) creates this link by convening an evaluation working group to discuss the future of cannabis in Hawai'i. Another option would to legalize the offenses decriminalized in this bill by e.g. Jan 1, 2021. Then, this bill could be amended to instruct the appropriate agencies to draft rules for adult use cannabis retail that could initially leverage the existence of the current medical cannabis dispensaries before opening up the market to new actors.

We are hopeful that this bill, if passed and particularly if amended as suggested, can mark the start of a serious conversation on the future of cannabis in Hawai'i. Working together, we will get there.

Mahalo for the opportunity to testify.



O`ahu County Committee on Legislative Priorities

COMMITTEE ON HEALTH
Rep. John M. Mizuno, Chair
Rep. Bertrand Kobayashi, Vice Chair

COMMITTEE ON PUBLIC SAFETY, VETERANS & MILITARY AFFAIRS
Rep. Gregg Takayama, Chair
Rep. Cedric Asuega Gates, Vice Chair

DATE: Tuesday, February 5, 2019
TIME: 9:00 a.m.
PLACE: Conference Room 329, State Capitol

RE: HB 434 Relating to Marijuana

Aloha mai kakou Chair Mizuno, Vice Chair Kobayashi, and Members of the Committee on Health; Chair Takayama, Vice Chair Gates, and Members of the Committee on Public Safety, Veterans & Military Affairs:

The O`ahu County Committee on Legislative Priorities (OCCLP) of the Democratic Party of Hawai`i (DPH) hereby submits its testimony in **SUPPORT with Amendments of HB 434 relating to Marijuana.**

HB 434 establishes the Alcohol and Drug Abuse Division Special Fund (Special Fund) within the Department of Health. HB 434 reclassifies specific low-level marijuana offenses as non-criminal violations subject to a fine, which shall be deposited into the Special Fund for public education and awareness programs aimed at reducing the use of harmful drugs.

OCCLP supports HB 434 with amendments. The amendment requested is regarding legalization of marijuana as defined in SB 686. SB 686 legalizes the personal use, possession, and sale of marijuana in a specified quantity. SB 686 also requires licensing to operate marijuana establishments and subjects marijuana establishments to excise taxes and income taxes.

Legalization of recreational cannabis is emphasized in the DPH Platform under “Legislative Priorities Action Planks.” *Democratic Party of Hawai`i Platform (2018)*, p. 2, ln. 19.

Further, the Democratic Party of Hawai`i's Platform (2018) makes it abundantly clear: "DPH supports legalization and regulation of cannabis and other cannabis derivatives. DPH supports research and adoption of successful crime reduction strategies currently implemented in other States and Nations." *Democratic Party of Hawai`i Platform (2018)*, p. 13, In. 44-45.

Currently, all of the Western States and a few central and Eastern States of the United States have legalized and regulated recreational cannabis and other cannabis derivatives. The Nation of Canada has legalized recreational cannabis as the second Nation after Uruguay.

Drug Enforcement Administration (DEA) Administrative Law Judge Francis L. Young ruled on September 6, 1988, that the DEA improperly classified cannabis as a "Schedule I" drug. For this reason, the Federal government should remove cannabis from the list of "Schedule I" Federal controlled substances and to appropriately regulate recreational cannabis to provide a reasonable pathway for future legalization.

Currently, there are enough policies on adult-use recreational cannabis and laws that allow for legal retail cannabis businesses to exist without uncertainty in many sister states in the United States, and in the nations of Uruguay and in as recent as 2018, Canada. *Democratic Party of Hawai`i Platform 2018*, p. 8, Lines 46-49.

For more than 40 years the "War on Drugs" has fostered violence, increased criminal activity and imposed criminal records on otherwise law-abiding citizens. The prohibition of cannabis serves no public good which incarcerates potentially productive people solely for the use of the natural intoxicant, cannabis, and causes huge disruption to innocent families, and has resulted in corruption of the law enforcement mission to serve and protect. The prohibition has been totally ineffective at keeping cannabis away from our youth and has tragically criminalized and needlessly exposed many of them to the prison system. More than 750,000 individuals in the United States are arrested every year for simple possession. *Resolution GOV 2012-04 Proposed Resolution to Repeal the Prohibition of Cannabis, Democratic Party of Hawai`i (2012)*.

Medical cannabis has currently been legalized in thirty-three (33) states and the District of Columbia, Guam and Puerto Rico, including 11 which allow recreational (non-medical) cannabis use, with New York soon to be included making the number at twelve (12) states. The thirty-three states that have legalized medical cannabis are: Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Hawaii, Illinois, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Utah, Vermont, Washington, and West Virginia. In addition, the following States allow restricted use of medical cannabis including: Alabama, Florida, Georgia, Iowa, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Virginia, Wisconsin and Wyoming rounding the number of medical cannabis states and three Territories to increase the number to forty-nine (49) states and territories. *Bhandari, Smitha, reviewed on November 14, 2018, WebMd., retrieved from <https://www.webmd.com/a-to-z-guides/qa/what-us-states-have-legalized-medical-marijuana> on*

January 7, 2019; National Conference of State Legislators (2028), retrieved from <http://www.ncsl.org/research/health/state-medical-marijuana-laws.aspx> on January 7, 2019.

The eleven (11) States that have legalized recreational cannabis are: Alaska, California, Colorado, Maine, Massachusetts, Michigan, Nevada, Oregon, Vermont, Washington, Washington D.C., and soon to include New York. *Which States Have Legalized Medical Marijuana in 2018? Cannabis Health (2018)*, *Marijuana Legalization 2018: A State-by-State Guide to Legal Weed*, (April 18, 2018), retrieved from <https://www.cannahealth.org/medical-marijuana/states/> on January 7, 2019; *Litman-Navarro*, Kevin, (April 2018), updated by Jeung, Tiffany (Dec. 2018) *Inverse*, retrieved from <https://www.inverse.com/article/43850-marijuana-legal-weed-states-in-2018> on January 7, 2019.

Furthermore, cannabis has had a long history of positive spiritual and medical use and has caused far fewer negative health and social impacts than alcohol or tobacco. In the state auditor's December 2010 report, *Management Audit of the Department of Public Safety's Contracting for Prison Beds and Services* stated, "In Hawaii, spending on incarceration has soared in recent years, despite the economic problems that have been haunting the state." Also saying the corrections budget has increased from \$128 million in 2000 to \$225 million in 2009 and "Higher education has been a clear loser in the nation's choice to fund bars not books." This 2010 report also stated that "there are serious management and procurement problems with the state's contract to hold some 2,000 inmates at Corrections Corporation of America facilities in Arizona."

In June 2011, an alliance of World Leaders declared that the War on Drugs was "a resounding failure" and recommended ending the criminalization of drug users who "do no harm to others!" This alliance included former Secretary of State George Shultz, former Chairman of the Federal Reserve Paul Volcker, the late former UN Secretary General Kofi Annan, and former presidents of Columbia and Mexico.

Legalization would reduce Hawai'i's over-crowded prison population as many inmates were incarcerated for the use of cannabis, incorrectly classified as a dangerous drug, while widely used by the general public, and is legal for its many health benefits as medical cannabis. *Resolution GOV 2012-02 Reducing Prison Population and Pardoning Inmates with Cannabis Charges, Democratic Party of Hawai'i (2012)*.

In as early as 2008, 53% of Hawai'i County voters passed an ordinance making the possession of cannabis the lowest law enforcement priority.

An effective distribution system could be set in place to tax, regulate and control cannabis as are alcohol and cigarettes. The enormous amount of resources currently spent trying to control cannabis could be better spent on public education and on education to reduce the demand on all drugs and to treat those that have additions. *Resolution GOV 2012-04 Proposed Resolution to Repeal the Prohibition of Cannabis, Democratic Party of Hawai'i (2012)*.

Hawaii and thirty-three other states, the District of Columbia, and the United States territories of Guam and Puerto Rico have legalized the use of medical cannabis for the treatment of certain qualifying medical conditions; and the states of Alaska, California, Colorado, Maine, Massachusetts, Michigan, Nevada, Oregon, Vermont, Washington, Washington D.C., have approved the legalization of adult recreational cannabis. These states that have legalized the adult recreational use of cannabis generated approximately \$655,000,000 in combined state tax revenue in 2017.

Beginning in 2011, polls consistently show that a majority Americans are supportive of legalizing cannabis, and many states have already passed legalization ballot initiatives or legislative measures and many more are legalizing cannabis in consistent frequency.

In those states that have fully legalized cannabis, revenue collections have far exceeded initial estimates, Colorado anticipated \$70 million in cannabis tax collections per year, and after a slow initial start, Colorado collections in 2017 were at \$247,368,473, and in 2018 (Jan. to Nov.) the tax collections were at \$244,907,128. *Colorado Department of Revenue (2018), retrieved from <https://www.colorado.gov/pacific/revenue/colorado-marijuana-tax-data> on December 18, 2018.*

In Washington, after a slow start to bring the licensing system online, sales are now averaging over \$2 million a day with a revenue possibly reaching \$270 million per year.

If all states legalized and taxed cannabis, states could collectively expect to raise between \$5 billion and \$18 billion per year. It is estimated that the current size of the cannabis market nationally is \$45 billion per year, approximately 0.28 percent of gross domestic product and comprising some 26 million pounds of cannabis consumed per year. *Ekins, Gavin; Bishop-Henchman, Joseph, (2016) Marijuana Legalization and Taxes: Federal Revenue Impact, Tax Foundation. retrieved from <http://taxfoundation.org/marijuana-tax-legalization-federal-revenue> on November 10, 2018.*

In California, Proposition 64 – officially known as the Control, Regulate and Tax Adult Use of Marijuana Act, predicts that cannabis sales in California which could be the biggest market for recreational cannabis in the country, is expected to generate more than \$1 billion in tax revenue annually. The law, which took effect in January 2018, states that the proportion must be spent on youth education, prevention and early intervention programs.

Eleven (11) states and Washington D.C. have legalized recreational – or adult use – of cannabis. Most of them have dedicated or planned to allocate a portion of the tax revenue to education or programs that benefit children and youth or both.

In Colorado, one the first of two states to legalize recreational use in 2012, the first \$40 million in excise taxes on wholesale sales annually go to Colorado's Building Excellent Schools Today (BEST) program, a competitive grant program providing funds to district and charter schools for construction and renovation of facilities. Since fiscal year 2015, 110 Colorado schools

have received funds from cannabis revenue through a BEST grant. Revenue from a separate 15% retail sales tax supports early literacy, school health, bullying prevention and dropout prevention programs.

In Nevada, sales tax on wholesale and retail cannabis flow to schools through the state's Distributive School Account – Nevada's school funding formula – instead of to special programs. In Oregon, revenue from recreational cannabis also provides basic funding for schools for expenses such as textbooks and teachers' salaries. In Washington, which legalized recreation use the same year as Colorado in 2012, more than half of the revenue is dedicated toward public health programs, such as expanding Medicaid and preventing substance abuse program.

Massachusetts Revenue Commissioner [Christopher Harding](#) testified before a Joint Ways and Means Committee that Massachusetts should earn between \$44 million and \$82 million in cannabis taxes during fiscal year 2019. *Blake Andrew (2018) Massachusetts expects Marijuana Taxes to meet projections despite delayed start to Retail Sales. The Washington Times., retrieved at <https://www.washingtontimes.com/news/2018/dec/5/massachusetts-expects-marijuana-taxes-meet-project/> on November 18, 2018.*

Public preschool models for using the funds already exist in counties in California where voters approved additional taxes on retail cannabis cultivation or manufacturing. In Santa Cruz County, on the central coast, a cannabis business tax will help fund home-visiting programs and improvements in child-care facilities and quality. In Humboldt County, near Oregon, cannabis tax revenue is going toward parent education programs, playgroups and early-childhood mental health consultation. *Jacobson, Linda (2018) Marijuana sales creating new revenue for schools, children's programs, EducationDive. retrieved from <https://www.educationondive.com/news/marijuana-sales-creating-new-revenue-for-schools-childrens-programs/516468>. November 26, 2018.*

Currently, all the West Coast States are devoting some of the revenue to education or programs for children and youth or both. Because of this new potential revenue source for Hawai'i, there comes the ability to finally fund programs intended to improve the well-being of children and families, such as home visiting, preschool quality enhancements and efforts to strengthen young children's resilience.

Furthermore, the State's main economic engine is tourism, and visitor numbers continue to increase year-over-year with a record-breaking 9,900,000 visitors to Hawaii in 2018 (missing the 10M benchmark by 45,452 visitors); and visitors from states with legal adult recreational cannabis account for approximately one-third of the total annual visitors to Hawaii. For this reason, the State's need for a major source of tax revenue for public preschool or public K-12 education or both could partially be funded through our visitor industry. *Schaefer, Allison, Isle tourism hit nearly 10M arrivals in 2018, Star Advertiser, Feb, 1, 2019, p. B1.*

For the foregoing reasons, OCCLP supports HB 434 with amendments and urges its passage out of the Committee on Health and Committee on Safety, Veterans & Military Affairs with amendments for legalization as defined in SB 686.

Mahalo nui loa.

Me ka `oia`i`o,

/s/ *Melodie Aduja*

Melodie Aduja

Chair, O`ahu County Committee on Legislative Priorities

Democratic Party of Hawai`i

Email: legislativepriorities@gmail.com

Ph. (808) 258-8889

HB-434

Submitted on: 1/30/2019 10:40:39 AM

Testimony for HLT on 2/5/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ron Klapperich	Individual	Support	No

Comments:

I support the decriminalization of marijuana (except for high potency). The taxation of recreational marijuana could easily pay for the light rail.

HB-434

Submitted on: 1/30/2019 7:42:30 AM

Testimony for HLT on 2/5/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Victor K. Ramos	Individual	Oppose	No

Comments:

Strongly disagree with said bill.

HB-434

Submitted on: 1/31/2019 7:14:20 PM

Testimony for HLT on 2/5/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
James Gauer	Individual	Support	No

Comments:

HB-434

Submitted on: 2/2/2019 12:20:31 AM

Testimony for HLT on 2/5/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Tippens	Individual	Oppose	Yes

Comments:

Creating another special fund is wasteful and premature. The cannabis industry is restricted to medical use currently and is highly regulated. It is counter productive to create yet more bureaucracy as it further burdens an already overly bloated system.

HB-434

Submitted on: 2/3/2019 8:50:02 PM

Testimony for HLT on 2/5/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Gordon	Individual	Support	No

Comments:

"Please "Support and Bring to the Legislature HB 434.

Marijuana, regardless of the amount should not involve any violation of the Law. As we know, in many States, Marijuana already can be sold commercially. Many more States will adopt similar regulations.

State Funds should definitely be used for education and rehab and not for criminalizing or incarceration.

Marijuana is being used to treat successfully many medical conditions. Its effects are far less harmful than alcohol, which is legal.

Thank your allowing me to share my Testimony and Comments.

Mark Gordon, Waikoloa, HI. "

HB-434

Submitted on: 2/3/2019 10:56:06 PM

Testimony for HLT on 2/5/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Poulos	Individual	Oppose	No

Comments:

TESTIMONY to the HOUSE COMMITTEE on Health and HOUSE COMMITTEE on
Public Safety, Veterans, & Military Affairs

HB 434 RELATING TO MARIJUANA

Tuesday, February 5, 2019 9:00 AM

State Capitol Conference Room 329

Submitted in **OPPOSITION** by: Mary Smart, Mililani, HI

Chairmen Mizuno and Takayama, Vice Chairs Kobayashi and Gates, and Members:

1. OPPOSE HB 434.
2. The statement Section 1 that converting the penalty for possession of small amounts of marijuana into non-criminal violations is beneficial is completely false. There is no benefit to this action. It is still a federal crime to have any marijuana and our state should adhere to federal laws. It is a bad idea to pick and choose which federal laws with which the state will comply. Residents would ask, if the state can violate the laws they don't happen to like – why can they?
3. The offense should remain a criminal violation. I am in agreement, that the punishment could be a hefty fine for the first couple of incidents. However, if the individual has total disregard for our laws, more severe punishment is warranted after repeated incidents/violations. The use of these products is harmful to people's health and jeopardizes the safety and well-being of other residents.
4. In no instance should another "special fund" be created. Residents who have lived in Hawaii for any period of time have come to learn that "special fund" means "slush fund". We don't need another one of those mismanaged pot of money. The fines for these criminal acts should go into the general fund which should be used to cover the cost of enforcement of our drug laws and to cover the costs to the community incurred a result of marijuana use.
5. Many people will deny it, but marijuana is a gateway drug to even more lethal products. We don't need that here. Those who break the law should pay the price.
6. This bill is an implementation nightmare. Leave the drug laws they way they are for the good of our community. When you start counting the number of pills to decide the degree of the offense you are complicating the process. If someone has any – they broke the law. There is no essential difference between 49 and 50 capsules/units but this bill says there would be significant differences in

consequences (page 3). Stop wasting our time and tax dollars of these distinctions.

7. Do not equate drug use with alcohol use. Alcohol and marijuana/cannabis are different. There are many more negative effects of marijuana than alcohol.
8. Do not allow marijuana to be added to food products. Some foods attract young people who may unknowingly ingest some of the marijuana laced products and become sick and possibly over-dose. The effects when put in food products have a slower reaction period, therefore individuals can unwittingly find themselves in a medical emergency for eating too much of the drug.
9. I have testified AGAINST other marijuana related bills (HB 1383, SB 686). In those testimonies I provided references regarding the negative effects of allowing recreational use of marijuana. I won't repeat those details. Suffice it to say, legalizing the recreational use of marijuana will most greatly harm our community and residents, especially the youth.
10. Do not pass HB 434. **Vote NO.**

Representative John M. Mizuno, Chair
Representative Bertrand Kobayashi, Vice Chair
Committee on Health

Representative Gregg Takayama, Chair
Representative Cedric Asuega Gates, Vice Chair
Committee on Public Safety, Veterans, and Military Affairs

Ryan Ramsey
731 Nunu St.
Kailua, HI 96734

Date: Wednesday, February 19, 2019

Support for H.B. No. 434, Relating to Marijuana

I am a Master's of Social Work student at the University of Hawaii Manoa, and am currently working as residential counselor at a Substance Use Disorder treatment facility. I strongly support H.B. No. 434, Relating to Marijuana, which would establish the Alcohol and Drug Abuse Division Special Fund (Special Fund) within the Department of Health, and reclassify specific low-level marijuana offenses as non-criminal violations subject to a fine, which would be deposited into the Special Fund for public education and awareness programs aimed at reducing the use of harmful drugs.

According to the 2016 Crime in Hawaii Report, the overwhelming majority of marijuana related arrests in Hawaii were for possession only, 95%, while the remaining 5% were for the sale or manufacture. When Hawaiians are arrested for possession of small amounts of marijuana, they are sucked into the quicksand of the criminal justice system, whether or not a prosecution is pursued, a conviction is obtained, or jail time is served. Not to mention the average cost of \$29,425 a year to house a prisoner in Hawaii. That comes to nearly \$20 million a year if every marijuana possession arrest resulted in a conviction.

In decriminalizing the possession of marijuana, we reduce the number of marijuana related arrests, which in turn, reduces the potential cost to incarcerate, and with the introduction of fines, increases the amount of funds needed to educate our keiki. I urge the committees to pass H.B. No. 434. Thank you for this opportunity to testify.



Ryan Ramsey
731 Nunu St.
Kailua, HI 96734
214-454-9548

HB-434

Submitted on: 2/4/2019 10:02:47 AM

Testimony for HLT on 2/5/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
R. L. Souza	Individual	Oppose	No

Comments:

LATE



HB 434, RELATING TO MARIJUANA

FEBRUARY 5, 2019 · HOUSE PUBLIC SAFETY,
VETERANS, AND MILITARY AFFAIRS COMMITTEE ·
CHAIR REP. GREGG TAKAYAMA

POSITION: Support.

RATIONALE: IMUAlliance supports HB 434, relating to marijuana, which establishes the Alcohol and Drug Abuse Division Special Fund (Special Fund) within the Department of Health. Reclassifies specific low-level marijuana offenses as non-criminal violations subject to a fine, which shall be deposited into the Special Fund for public education and awareness programs aimed at reducing the use of harmful drugs.

It is high time that Hawai'i stopped criminalizing people for smoking small amounts of a plant. While marijuana remains illegal under federal law, where it is classified as a Schedule I substance, the facts about cannabis consumption are clear. To begin, marijuana has a lower organic toxicity and addictive risk than alcohol, along with fewer correlating incidents of influence-related accidents and violence. More than half of all traffic fatalities in Hawai'i involve alcohol, yet no one seriously discusses the possibility of prohibition because of path dependence. In other words, alcohol is ingrained in our culture in a way that marijuana consumption is not, despite the former being more dangerous, statistically speaking, than the latter.

Similarly, marijuana abuse and dependence afflicts approximately 1.7 percent of the U.S. population, while alcohol abuse afflicts roughly 7.5 percent—over four times as many individuals. Marijuana is also not conclusively linked to an increase in violent behavior. Rather, reports

supposedly linking marijuana to violent crimes typically rely on information gathered by the Office of National Drug Control Policy, which, in turn, relies on source material that a) does not account for drug-trafficking and dispositional or psychological disorders; and b) fails to account for levels of deviancy (increased usage beyond average consumption rates). A more stark statistical correlation exists between increased alcohol consumption and violent crime, including child and intimate partner abuse, yet, again, no one is introducing, much less considering the merits of, limiting the personal consumption of alcohol.

Additionally, only 30 percent of frequent (every other day or more) cannabis users report symptoms suggesting dependence, in contrast to nearly 70 percent for nicotine and 88 percent for harder drugs, like cocaine, calling into question legal opinions asserting that marijuana and hard drugs can be readily correlated to one another. If we do not criminalize overconsumption of the more dangerous drug of alcohol, in and of itself, why, once more, do we unduly criminalize cannabis consumption, particularly in small amounts?

Furthermore, decriminalizing marijuana possession is an issue of restorative justice. As the visitor industry reaps record profits and supports expansion of the local prison-industrial complex, people of Native Hawaiian ancestry, who comprise approximately 25 percent of the state's population, suffer the pangs of a biased criminal (in)justice system. Approximately 39 percent of incarcerated detainees are Hawaiian, according to a comprehensive study by the Office of Hawaiian Affairs, with the proportionality gap being even greater for Hawaiian women, who comprise 19.8 percent of the state's female population, but 44 percent of the state's female inmate population. Researchers also found that, on average, Hawaiians receive longer sentences, more parole revocations, and, importantly for this measure, harsher drug-related punishments than other ethnic groups, including for marijuana possession. Therefore, passage this measure is a step toward reforming and preventing more people from becoming victims of our unjust and racially coded prison system.

We would prefer that marijuana be legalized, which would generate an estimated \$70-\$100 million in tax revenue annually for our state. That said, we support recreational decriminalization as a fine first step toward the ultimate goal of legalization.

HB-434

Submitted on: 2/4/2019 12:09:23 PM

Testimony for HLT on 2/5/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Marcia Kirk	Individual	Oppose	No

Comments:

HB-434

Submitted on: 2/4/2019 12:20:59 PM

Testimony for HLT on 2/5/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Stephen A. Kirk	Individual	Oppose	No

Comments:

HB-434

Submitted on: 2/4/2019 2:14:54 PM

Testimony for HLT on 2/5/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Fern Mossman	Individual	Oppose	No

Comments:

LATE

HB-434

Submitted on: 2/4/2019 3:32:36 PM

Testimony for HLT on 2/5/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kerrie Villers	Individual	Oppose	No

Comments:

Date: Feb. 4, 2019

LATE

To: Chair John M. Mizuno
Members of the Committee on Health
Chair Gregg Takayama
Committee on Public Safety, Veterans and Military Affairs
Hawaii State Legislature
State Capitol
Honolulu, HI 96813

From: Sandra Young, Esq.
P.O. Box 2897
Aiea, HI 96701

Re: Strong Opposition to HB 434 Relating to Marijuana/Cannabis Decriminalization

Dear Chair Mizuno, Members of the Committee on Health, Chair Takayama and Members of the Committee on Public Safety, Veterans and Military Affairs:

I write in strong opposition to HB 434.

I practice family law, and do not see marijuana/cannabis/drug use as having a positive impact on families and children. In fact, substance abuse is often the cause of the breakup of marriages. One spouse will waste limited family resources on marijuana/cannabis/drugs, rather than paying for basic family necessities such as rent, utilities, food, clothing and other needs. The drug user frequently comes home late after work, and is not available or interested in caring for the children and fulfilling his/her responsibilities in the home. In some cases, it has an adverse effect on their job performance as well.

Beyond the effects on families, studies show there are societal costs: increased traffic accidents, increased police involvement, increased emergency room visits, increased danger to the public when a user is driving a motor vehicle, costs of drug treatment/education, increased illegal drug activity, etc.

By decriminalizing the use of marijuana/cannabis, you are giving keiki, the drug user and our community the idea that marijuana/cannabis use is acceptable and safe. Drug users will have little/no motivation to decrease usage or to cease the use of marijuana/cannabis if this bill becomes law. There is no mention of requiring substance abuse treatment, particularly those who are caught multiple times with the drugs.

Have you reviewed the adverse impact of the legalization/decriminalization of marijuana in states that have passed such laws? If not, please do so.

Again, please vote against this bill. Thank you for your time and consideration of this request.

Very truly yours,

Sandra Young

SANDRA YOUNG

LATE

HB-434

Submitted on: 2/4/2019 11:12:27 PM

Testimony for HLT on 2/5/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alex	Individual	Oppose	No

Comments:

Aloha Chair and Members of the Committee,

Mahalo for your time and attention to matters related to responsible adult use of cannabis in the State of Hawaii.

I understand it is with a positive intention that this bill was created, however it is apparent that the writers of this draft are not knowledgeable about the wholistic and biological benefits of a medicinal plant and the respective varieties of extracts that can be obtained from it. By failing to remove all penalties related to mere possession of the plant/flower/extracts/etc. you are failing to truly decriminalize what is essentially a naturally growing remedy.

Frankly, this House bill contradicts SB686 and I DO NOT SUPPORT it. The language in which this bill was written demonstrates not only a lack of knowledge of the cannabis plant, but a move to continue the political perpetuation of the negative stigma and criminalization of many responsible, functioning Hawaii residents. It is apparent that fear is the root of this misguided piece of legislative work. I humbly ask you to reexamine your preconceived notions, be open minded, and consider how this bill does not produce any new solutions that will result in progress for Hawai'i.

Mahalo,

Alex