

March 21, 2019

General Law Committee Legislative Office Building

via email: GLtestimony@cga.ct.gov

Re: <u>Testimony in Opposition to House Bill 7371: An Act</u> Concerning the Retail Sale of Cannabis

Honorable Committee Members:

I have been authorized to offer this testimony on behalf of the Connecticut chapter of the National Organization for Reform of Marijuana Laws (CT NORML) in opposition to HB. 7371 regarding the regulation/legalization of cannabis. 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 20,000 + patients in the State's medical cannabis program and the 71% of citizens who approve of legalization.<sup>1</sup>

Our organization and its members support the legalization and regulation of cannabis for adult use. For the reasons articulated below, we are opposed to the current bill as proposed.

The principle behind legalization is a recognition that we have had a cruel, irrational and expensive policy on cannabis for more than 80 years. Prohibition has destroyed countless lives, disparately affected the black community, and has cost our taxpayers millions of dollars. We believe fundamental changes must be made to the text of the bill to ameliorate past harm, provide an economic benefit to the State, and prevent future harm from occurring. Our criticism is as follows:

Section 1(1) needs to be changed to exclude CBD and other cannabanoids that are non-pyschoactive. See subsection (7) and (29) of 21a-240.

Section 1(11) is over-broad as if fails to distinguish CBD.

1http://www.courant.com/politics/hc-pol-sacred-heart-poll-connecticut-budget-20171023-story.html



Section 4(1) fails to identify an incentive for potential owners to establish "equity applicant status." Will there be lower fees? Will there be only one equity applicant status?

Section 4(2) requires yearly reporting, but to what end? Are there tax incentives or other monetary incentives?

Section 4(3), what is the purpose of giving existing licensees preference? Are they comprised of populations who have been harmed by prohibition. If you recall the exorbitant application and bond fees required to obtain the medical licenses and to whom those licenses were ultimately awarded, this seems to undermine the entire concept of equity applicants. The current licensees are not members of minorities who have been subject to disproportionate arrests.

Sections 4(4) and (5) have no teeth. "Not prohibiting" and "encouraging" are passive and unenforceable.

Section 4(6) fails to specify what employment opportunities will be guaranteed. Providing employment for part-time menial labor is not the equivalent of a full-time skilled position.

Section 4(7) is unintelligible. Is the intention to establish a scaled fee-structure?

Section 6(1) fails to explain how micro business retailing could not be feasible. This statute merely delays small business development. Instead, the rich will continue to obtain their licenses and maintain a monopoly. Every state that has legalized cannabis has approved cultivation of cannabis for personal use. What study needs to be done? This is an excuse to force citizens into being consumers and not honor their now expanded rights. If I want to brew beer at home, I can do so. Why should I not be able to grow cannabis? This is an unabashed attempt to ensure monopoly control of the cannabis market.

Section 6(A), (B), (C) provides no basis for a dilatory study. Every other State that has legalized cannabis has figured this out; there is no need for Connecticut to reinvent the wheel.

Section 7(a) does not include gifting.

Section 7(d)(1), do these fees reflect the actual cost of administering the program? Further, the fees seem cost prohibitive to many small business owners who want to be involved in the cannabis industry.



Section 8(b)(3), there is no need for a numerical cap on licenses. Let the free market determine who succeeds and who fails. The statutory language "does not exceed the need appropriate to meet the needs of the consumer" cannot be reconciled with the limit of 1.5 ounces for personal possession. How can the needs of the consumer truly be assessed if the consumer is limited to 1.5 ounces?

Section 8(C), an application fee of \$25,000.00 is cost prohibitive for small business owners. Why should small business owners be excluded from the cannabis market?

Section 8 (D), an application fee of \$75,000 is cost prohibitive for small business owners. Why should small business owners be excluded from the cannabis market?

Section 8(D)(12)(d), the language that the statute "shall not prohibit an agricultural or farming operation...from obtaining a cannabis cultivation license" is meaningless. The farm industry in Connecticut is struggling. Cannabis is an invaluable opportunity to save Connecticut farms and preserve open space. Farmers should have a special license that permits vertical integration and/or discount fees. Consumers should be able to assign their grow rights and register with a farmer who grows for them and sells the end product to the registered consumer (Cannabis CSA). Cannabis is an agricultural crop and farmers should have a protected right to obtain licenses.

Section 9(b)(B)(3), again a \$25,000.00 application fee will only discourage small businesses from participating. That money could be used for start up costs or paying salaries. The more jobs that can be generated, the more everyone will benefit. What is the justification for such a high application fee? Is this equivalent to an application fee breweries must pay?

Section 10(c)(3), the fees just went from \$75,000.00 to a \$200.00 fee for labs. Who is calculating these fees and what is the factual basis for this figure? This makes no sense.

Section 15(a)(17), why is it a civil penalty for licensees when they violate the law, but a criminal penalty for citizens of the State? In what other context would this be constitutional?

Section 17, what is the purpose of giving existing licensees preference? Are they comprised of populations who have been harmed by prohibition. If you recall the exorbitant application and bond fees required to obtain the medical licenses and to whom those licenses were ultimately awarded, this seems to undermine the entire



concept of equity applicants. None of the licensees who would be given preference are minorities affected by prohibition. This Section invalidates any equity. Section 1(1) needs to be changed to exclude CBD and other cannabanoids that are non-pyschoactive. See subsection (7) and (29) of 21a-240.

Section 1(11) is over-broad as if fails to distinguish CBD.

Section 4(1) fails to identify an incentive for potential owners to establish "equity applicant status." Will there be lower fees? Will there be only one equity applicant status?

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We urge the General Law Committee to not approve the bill as presented until the above-referenced issues are resolved. Any bill must appropriately address the fair regulation regarding personal cultivation, actively support economic growth of small and minority businesses within the cannabis industry.

I will be more than willing to elaborate on any of these issues an can be reached at 860-286-9026 for any further comment.

Sincerely,

/s/ Aaron J. Romano

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