



March 2, 2021

Re: Favorable With Amendments, SB 708: Cannabis – Legalization and Regulation

Dear Chair Kelley, Vice Chair Feldman, and members of the Finance Committee:

Thank you for the opportunity to testify on SB 708, Cannabis – Legalization and Regulation. My name is Karen O’Keefe. I’m an attorney and the director of state policies at the Marijuana Policy Project, where I’ve worked for 17 years. MPP is the nation’s largest organization working to replace cannabis prohibition with equitable legalization.

We strongly support the goals of SB 708 and much of the language. As my colleague Olivia Naugle’s testimony explains in more detail, we urge the committee to revise S.B. 708 to mirror the February 16 reprint of HB 32,¹ which represents a middle ground between the two bills and would harmonize them into a single unity bill. The reprint of HB 32 includes more robust provisions to ensure a diverse, equitable industry, with more opportunities for small businesses and those hardest hit by cannabis prohibition. It also would result in more funding for communities hardest hit by the war on drugs, HBCUs, to create an equitable industry, and for other state needs.

According to Gallup, more than two-thirds of Americans support legalizing marijuana.² In Maryland, Civiqs Research found 73% support.³ Voters realize that, like alcohol prohibition before it, cannabis prohibition has been a destructive and wasteful failure. It squanders billions of dollars, tears families apart, derails dreams, and has been unequally enforced. Prohibition also makes control impossible. Only legalization and regulation allows for protections for communities, the environment, cannabis consumers, and workers.

Penalizing adults for using cannabis is also offensive to one of our core values — liberty. Cannabis is far safer than alcohol,⁴ tobacco,⁵ and many medications, and

¹ Our summary is available here: <https://www.mpp.org/states/maryland/summary-of-hb-32-the-cannabis-legalization-and-regulation-inclusion-restoration-and-rehabilitation-act-of-2021/>

² "Support for Legal Marijuana Inches Up to New High of 68%," Gallup, November 9, 2020.

³ https://civiqs.com/results/cannabis_legal?annotations=true&uncertainty=true&zoomIn=t

⁴ For details and citations, see <https://www.mpp.org/marijuana-is-safer/>.

⁵ Tobacco kills 480,000 Americans per year. (CDC, "Smoking & Tobacco Use.") Cannabis has not been shown to increase mortality. "The Health Effects of Cannabis and Cannabinoids: The Current State of Evidence and Recommendations for Research," *The National Academies of Sciences, Engineering, and Medicine*, January 2017. ("There is no or insufficient evidence to support or refute a statistical association between cannabis use and: All-cause mortality (self-reported cannabis use)")

grown-ups should be allowed to make their own decisions about whether to consume it.

Thus far, 15 states and D.C. have legalized cannabis for adult use. The sky hasn't fallen in states that have legalized. There has been no serious effort to repeal the laws, and their popular support has increased substantially.⁶ Teen use has not increased, graduation rates are up, and costs related to workplace injuries are down.⁷ Meanwhile, in Colorado alone, there are nearly 40,000 badged cannabis workers,⁸ and the state brought in \$362 million in cannabis tax revenue in 2020. Since 2014, Colorado has generated more than \$1.4 billion in cannabis tax revenue.

We have calculated tax projections based on Colorado's year-by-year adult-use cannabis sales, which were then adjusted for Maryland's population, its pre-legalization cannabis use rate, and the tax rates in the HB 32 reprint.

We project the following amounts of tax revenue:

Year of Sales	State Tax Rate	State Tax Revenue	Local Tax Revenue (3%)
1 (begins 3/22)	15%	\$45,033,039	\$9,006,608
2 (begins 3/23)	15%	\$83,954,425	\$16,790,885
3 (begins 3/24)	20%	\$165,026,447	\$24,753,967
4 (begins 3/25)	20%	\$209,679,967	\$31,451,995
5 (begins 3/26)	25%	\$296,220,747	\$35,546,490
6 (begins 3/27)	25%	\$423,551,755	\$50,826,211

In all, we project nearly \$800 million in state cannabis tax revenue over the first five years of legal sales, and \$1.2 billion over the first six years. In addition, we project localities would generate \$117.5 million over five years and \$165.8 million over six years.

Over the first five years of legal sales, we project the following amounts of funding for the earmarks in HB 32/SB 708:

Five-Year Projected Total	Earmark
\$213.5 million	Community Reinvestment and Repair Fund
\$197.7 million	Maryland General Fund

⁶ Current poll numbers in each state are available here:

https://civiqs.com/results/cannabis_legal?annotations=true&uncertainty=true&zoomIn=t. For example, in the first two legalization states, Washington and Colorado, voters enacted legalization initiatives by 55% to 56%. Now, Civiqs shows 76% of Coloradans and 79% of Washington residents support legalization.

⁷ For citations and more details, see: <https://www.mpp.org/issues/legalization/teen-marijuana-use-does-not-increase/> and <https://www.mpp.org/issues/legalization/colorado-and-washington-life-after-legalization-and-regulation/>.

⁸ <https://sbg.colorado.gov/med-resources-and-statistics>

Five-Year Projected Total	Earmark
\$158.2 million	Endowments for Maryland's four HBCUs
\$79.1 million	Social Equity Start-Up Fund
\$23.7 million	Work-based learning programming
\$23.7 million	Technical assistance for social equity applicants
\$55.4 million	Substance abuse treatment and prevention
\$15.8 million	Public education about alcohol, tobacco, and cannabis
\$15.8 million	Cannabis research
\$7.9 million	Training for law enforcement to recognize impaired driving

In addition to the social justice and economic benefits of legalization, legal cannabis has also improved the wellbeing of large numbers of people. Research shows most adult-use consumers are using cannabis as an over-the-counter medication. In Denver, 65% of surveyed adult-use customers reported taking cannabis to relieve pain, and 74% used it as a sleep-aid.⁹ More than 80% of these people were able to stop or reduce their use of prescription or over-the-counter medications.

My husband, Mark, and I relocated to California from Maryland in 2011, and I have witnessed this firsthand. Mark has suffered from chronic back pain for decades. For years, he took substantial amounts of over-the-counter pain medicines, which can cause liver and kidney damage and stomach bleeding.¹⁰ After legalization, he switched to cannabis. I no longer have to worry that he may be destroying his organs to reduce his pain. Thanks to cannabis, he didn't even take the opiates he was prescribed after kidney surgery.

Many individuals are like Mark and use legal cannabis as over-the-counter medicine, although they were never enrolled in their state's medical cannabis programs. Many doctors are not knowledgeable about cannabis or are unwilling to sign certifications. Some people don't even have a primary care physician or don't want to spend time or money to get on a government list before being allowed to see if cannabis might help. Others have conditions that don't qualify for medical cannabis.

While cannabis is not without risks for some individuals, regulation and education — not prohibition — is the best way to address and minimize those risks. SB 708 would include robust labeling, testing, and educational requirements, along with funding for education about the risks and substance abuse treatment.

The longer Maryland waits to pass this legislation, the more unnecessary harm will be inflicted. Legalizing cannabis will create tens of thousands of new jobs, hundreds of millions of dollars in revenue, and will reduce unnecessary, fraught police-civilian

⁹ Marcus Bachhuber, et al., "Use of Cannabis to Relieve Pain and Promote Sleep by Customers at an Adult Use Dispensary," *Journal of Psychoactive Drugs*, Volume 51, 2019.

¹⁰ See: <https://www.healthline.com/health/pain-relief/ibuprofen-vs-acetaminophen-side-effects>

interactions. It will also include automatic expungement, release for cannabis prisoners, and reinvestment in communities hardest hit by the war on drugs.

We appreciate your time and urge you to favorably report SB 708, with amendments we outlined.

Feel free to reach out to Olivia Naugle and myself if there is any other information we can provide as you consider this issue.

Sincerely,

A handwritten signature in black ink that reads "Karen O'Keefe". The signature is written in a cursive, flowing style.

Karen O'Keefe
323-568-1078
Karen@mpp.org