

State Representative Jake Wheatley, Jr.

THE CHAIRMAN'S

REPORT

Adult-Use Cannabis

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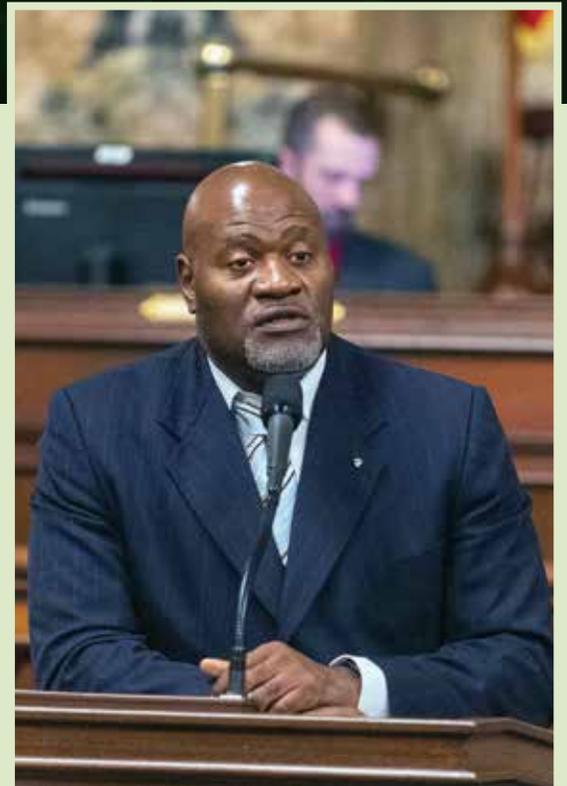
I am offering this report to you in order to provide the most up-to-date information concerning the effort to legalize adult-use cannabis. My staff and I have been working hard to create legislation that is wide in scope, addressing the myriad related issues. It is my hope that you can use this report as a tool to educate yourselves and others.

Today, 33 states and the District of Columbia have legalized cannabis in some way. Eleven states have fully legalized the use of cannabis for adults 21 or older, while 22 states permit the use of medical cannabis. These states have listened to their constituents and polls.

Perhaps the most overlooked aspect of cannabis legalization is the accompanying social and criminal justice reforms. Last year, 610,000 people were arrested for possession of a small amount of cannabis. These senseless arrests are not only harmful to the individual, but weigh down our already stressed criminal justice system. Our law enforcement officers should be pursuing dangerous criminals, not everyday people.

An October 2019 Gallup poll shows 66% of Americans surveyed support legal cannabis. Moreover, 51% of those individuals who identified as Republican favored legalization. An October 2019 Franklin & Marshall Poll showed 59% of Pennsylvanians support the legalization of cannabis. Legalization is a popular idea that has wide appeal, necessitating action on the part of members of the Pennsylvania General Assembly.

Contained within this report is a side-by-side comparison of three pieces of adult-use cannabis legislation. More specifically, it highlights the differences and similarities between HB 2050, HB 1899 and SB 350. You will also



find a section dedicated to debunking the misinformation being proliferated by House Republican Leadership.

State legislators need to enact popular legislation aimed at making the commonwealth a better place to live. By passing cannabis legalization, we can do this and more.

CANNABIS BILL COMPARISON

	HOUSE BILL 2050	HOUSE BILL 1899	SENATE BILL 350
<u>Permitting</u>			
Allows for private sector permits for growers?	Yes. Initial and renewal fees have been lowered compared to Act 16 and HB 50.	Maybe? The text of the bill is unclear and based solely on the discretion of the Liquor Control Board.	Yes.
Allows for private sector processor permits?	Yes. Initial and renewal fees have been lowered compared to Act 16 and HB 50.	Maybe? The text of the bill is unclear and based solely on the discretion of the Liquor Control Board.	Yes.
Allows for private sector dispensary permits?	Yes. Initial and renewal fees have been lowered compared to Act 16 and HB 50.	No. The state will control all aspects of the retail sale of adult-use cannabis, much like state-controlled liquor stores.	Yes.
Allows for craft cannabis permits?	No. But, creates an environment in which small growers, processors, and dispensaries will be able to inexpensively enter the adult-use cannabis market.	No.	Yes, but only for growers.
Does the bill allow for homegrown cannabis?	Yes. An individual may grow on an area no more than 50 sq. ft in size which is secured. No one may sell their homegrown cannabis.	Yes. Allows for 6 plants to be grown with no more than 3 being mature at any time.	Yes. May grow no more than 10 plants at any time and must pay a \$50 registration fee.
Which state department or agency oversees adult-use?	The Department of Health, which currently oversees the Medical Cannabis Program.	The Pennsylvania Liquor Control Board.	A new bureaucracy would be created within the Department of Agriculture.
<u>Cannabis Tax</u>			
Provides money for the After-School Program?	Yes.	No. All collected taxes would be deposited into the General Fund.	No.
Provides money for a Mixed Income Housing Program?	Yes.	No. All collected taxes would be deposited into the General Fund.	No.
Provides money for minority and women owned businesses?	Yes. Grants through DCED would be available to these groups w/ cannabis-related businesses.	No. All collected taxes would be deposited into the General Fund.	Yes, but only minority-owned businesses.

	HOUSE BILL 2050	HOUSE BILL 1899	SENATE BILL 350
<u>Cannabis Tax</u>			
Provides money for a Student Loan Reimbursement Program?	Yes.	No. All collected taxes would be deposited into the General Fund.	No.
At what rate is cannabis taxed?	It will be a graduated rate as follows: Years 1-2 = 6% Years 3-4 = 12% After year 5 = 19%	35%. HB 1899 uses HB 50 language.	Taxes Adult-Use at 17.5%.
Does the bill exempt medical cannabis sales from sales tax?	Yes, HB 2050 continues to exempt medical cannabis sales from the sales tax.	Yes. But creates retail competition with the medical cannabis program.	No. SB 350 dismantles Act 16.
Does the bill provide tax breaks for growing cannabis on a PA Farm?	Yes. HB 2050 provides a 10% tax break to growers who partner with PA farms.	Yes. HB 1899 uses HB 2050's language.	Yes, borrows language from HB 50/2050.
Does the bill provide counties the ability to levy a tax on adult-use cannabis?	No. HB 2050 allows municipalities to levy a tax of no more than 3% on retail cannabis within their municipality.	Yes.	No.
<u>Criminal & Social Justice</u>			
Does the bill provide for Cannabis Clean Slate?	Yes.	Yes. HB 1899 uses HB 2050's language.	No.
Does the bill decriminalize the possession of cannabis?	Yes.	Yes. HB 1899 uses HB 2050's language.	No.
Does the bill reinstate professional licenses that were lost due to a cannabis related offense?	Yes. Once someone has had their record expunged, professional licenses and registrations shall be reinstated.	Yes. HB 1899 uses HB 2050's language.	No.
Does the bill reinstate motor vehicle operation privileges that were lost due to a cannabis related offense?	Yes. Once someone has had their record expunged, motor vehicle operation privileges would be reinstated.	Yes. HB 1899 uses HB 2050's language.	No.
Does the bill provide for the release of inmates who were imprisoned due to a cannabis-related incarceration?	Yes. Once someone has had their record expunged, they would be immediately released or discharged from their correctional facility.	House Bill 1899 uses HB 2050's language.	No.
Does the bill provide for expungement of cannabis-related offenses?	Yes. A person whose record reflects a cannabis-related offense would have their record expunged.	Yes.	Yes.

HOUSE REPUBLICAN LEADERSHIP FICTION OR FACT

“If adult-use cannabis is legalized, our teens will begin using cannabis more frequently.”

FACT – In states where cannabis is fully legal, teens are no more likely to use cannabis. Nationwide studies show year after year that teens already have access to unregulated underground cannabis that is not tested for safety.

“Cannabis is addictive.”

FACT – This statement is not based on or rooted in any scientific finding.

“Employers will have no way of knowing if their employees are high.”

FACT – To suggest employees aren't already making the responsible choice not to come to work high, but just because cannabis would be safer and legally purchased means they suddenly would make irresponsible choices is insulting.

“Legal cannabis will lead individuals to use harder drugs.”

FACT – Not only has the gateway drug argument been thoroughly debunked, study after study continues to show that alcohol and stress are more likely to cause individuals to use heavier/harder drugs, not cannabis.

“Cannabis is dangerous.”

FACT – Cannabis, to date, has never singularly lead to anyone's death. If we are being honest, we know that cannabis is as close to harmless as it gets. The legal substance alcohol is responsible for tens of thousands of deaths each year, yet Republicans have tried to expand access to alcohol.

WHY ADULT-USE LEGALIZATION IS DECRIMINALIZATION AND MUCH MORE

Small Amount of Marijuana (SAM) Legislation – A growing number of states and localities, including many here in PA, are passing measures to “decriminalize” the possession of cannabis using the SAM approach. While many may see this as a good way to stop people from being affected by the criminal justice system, the facts do not support this.

The SAM approach focuses on trying to take incarceration off the table but replaces it with fines. The first problem is if someone is ever unable to pay the potentially significant fine(s), they could still just as easily be facing jail. Additionally, without some type of expungement component, SAM laws may reduce future convictions or incarceration, but do nothing to address the damage already done to all those still facing unnecessary barriers to employment, family and education as the result of our failed cannabis policies. Moreover, SAM measures may have an influence on convictions or incarceration, but arrests have not declined, and that impact still negatively follows individuals for far too long.

The unfortunate reality is SAM policies still leave hundreds of thousands of cannabis users incarcerated or just as confined by their existing conviction or arrest records. Despite those increasing number of states and localities moving toward decriminalization, there were 663,367 cannabis-related arrests in 2018, 92% of which were simple possession. That is 3,667 more arrests than 2017, and 10,118 more arrests than in 2016. Those numbers should tell us that despite the genuine intentions of the SAM approach, it's an unneeded incremental

step toward the more effective economic and social justice policies of adult-use legalization.

It's worrisome that SAM legislation may also provide the opportunity for opponents of adult-use to frame it as a better alternative when we know that isn't true. The current majority leadership has already abrogated its responsibility by denying any meaningful dialogue on adult-use legalization. It's concerning they would publicly state it's off the table while they're in control, but on the other hand haven't appeared unwilling to consider SAM legislation. We should resist the temptation to support passing half measures that do nothing to move the needle toward full legalization or heal the scars of decades of inequitable drug policy.

