



NEW YORK STATE SENATOR

Liz Krueger

## Senator Krueger, Assemblymember Peoples-Stokes Hold Public Forum on NYS Marijuana Regulation & Taxation Act

LIZ KRUEGER April 28, 2014

| ISSUE: **CRIME, CONTROLLED SUBSTANCES, DRUGS**



Sen. Krueger and Assemblymember Crystal Peoples-Stokes (D-Buffalo) today held a public forum at the state Capitol on their Marijuana Regulation and Taxation Act (MRTA; S. 6005 / A. 8341) and the need for marijuana law reform in New York State. The forum was held in Hearing Room A of the Legislative Office Building, and featured testimony from advocates and policy experts representing community, law enforcement, and health policy perspectives.

(Video of the forum is embedded below.)

Starting shortly after 9:30 A.M. and lasting several hours, the public forum was the first opportunity for public comment on the legislation, introduced last December. Experts, advocates, and members of the public offered testimony for several hours on the real characteristics of cannabis as a substance, the effects of marijuana-related incarceration on communities in New York State. Among those offering testimony and comment were:

- Ari Hoffnung, former Deputy Comptroller of the City of New York for Budget and Public Affairs
- Patricia Warth, Center for Community Alternatives (Syracuse)
- Lt. Joanne Naughton, NYPD (Ret.), Law Enforcement Against Prohibition (LEAP)
- Gabriel Sayegh, Drug Policy Alliance
- Shapriecce Townsend, VOCAL-NY
- Professor Mitch Earlywine, University at Albany (SUNY) Department of Psychology
- Dr. Divine Pryor, Center for New Leadership
- Douglas Greene and Laura Notini, Empire State NORML and the NORML Women's Alliance

Last December, Sen. Krueger and Assemblymember Peoples-Stokes introduced the MRTA to lay the first stone in New York's path beyond its current costly, discriminatory, and ultimately failed policy of prohibition and incarceration. If passed, this legislation would make New York the most populous state in the country to regulate and tax marijuana for general use.

The legislation would legalize, regulate, and tax marijuana under state law along lines similar to the state's current system regulating alcohol, and would place marijuana regulation under the purview of the existing State Liquor Authority.

### **Wasted Resources, Discriminatory Effects**

In New York, more than 97 percent of marijuana arrests are just for possession, and in 2010, there were more than 100,000 of these arrests in New York State. The Bronx has the fourth highest per-capita arrest rate for marijuana possession of any county-level jurisdiction in the country.

The enforcement of the present law has disproportionately affected African-American and Latino communities. Government health surveys find that young whites use marijuana at higher rates than young blacks and Latinos, but the NYPD has arrested blacks for marijuana possession at seven times the rate of whites and Latinos at nearly four times the rate of whites.

“On their face, the racial disparities in these statistics represent a grave injustice, while the sheer volume of arrests shows just how gross a waste of city and state resources our current policy has become. We’re spending taxpayer money to ruin lives, disproportionately for those from communities of color, with no real public policy goal to be found in any of it,” said Sen. Krueger.

“After decades of arresting marijuana users, we’ve seen that the drug war has failed to prevent marijuana use. Existing marijuana laws have created a violent, illegal drug market that consumes \$675 million of New York’s dollars in criminal justice resources each year. Regulating, controlling, and taxing marijuana will save time, court costs, and unnecessary incarceration expenses. In addition, and perhaps more importantly, regulating marijuana will reduce the human toll the War on Drugs has taken, especially as it relates to the

disparate and inherently racially skewed enforcement on minorities," said Assemblymember Peoples-Stokes.

Testimony presented by retired NYPD Lt. Joanne Naughton emphasized that the misallocation of law enforcement resources for the war on drugs has directly contributed to a drop in case closure rates for violent crimes such as homicide and rape, despite advances in technology and investigative methods. While narcotics policing is increasingly prioritized, Lt. Naughton pointed out, many states have developed significant backlogs in processing rape kits.

### **The Thriving and Violent Illegal Drug Market**

While Sen. Krueger and Assemblymember Peoples-Stokes reject arguments that marijuana prohibition is desirable, they also point to the practical reality that law enforcement agencies operating under the current law have not been able to make a significant dent in the sale of marijuana in the United States. Meanwhile, the domestic and international criminal organizations that thrive on the illegal drug trade have only become more frightening. Legalization and regulation, they argue, should therefore be seen as a practical alternative whose time has come, even from the perspective of those who would otherwise prefer marijuana remain illegal.

According to 2012 census data, New York State's population is about 19.6 million, with about 15.3 million age 18 or older. The federal Substance Abuse and Mental Health Administration (SAMHSA) estimates 12.2 percent of the state population, or approximately 1.9 million New Yorkers, have used marijuana in the past year. If based on then-New York City Comptroller John Liu's 2013 estimate of per capita adult consumption and data on current marijuana prices, the New York State marijuana market could represent as much as a \$3 billion industry.

## **The Marijuana Regulation and Taxation Act**

The MRTA would regulate marijuana in a manner similar to New York's current treatment of alcohol, and would empower the State Liquor Authority to act as the primary regulatory agency. In brief, the bill:

- Removes penalties for possession of 2 ounces of marijuana or less;
- Makes 18 the minimum legal age for marijuana possession and consumption;
- Establishes that smoking marijuana in public and possession of marijuana by persons under the age of 18 are violations;
- Allows for home cultivation of up to six marijuana plants;
- Empowers the State Liquor Authority to grant licenses for marijuana production, transport and retail sale;
- Prohibits sale of marijuana to persons under 21;
- Allows communities to opt out of retail sale for off-premises consumption through a referendum process similar to what is now in place for alcohol sales;
- Allows communities to opt in to allow retail sales for on-premises consumption through a vote of the local legislature, in addition to the local community board in the case of New York City;
- Establishes an excise tax of \$50.00 per ounce of marijuana, and authorizes localities to charge a sales tax on retail sales; and
- Directs a portion of the state tax revenue collected to be directed to re-entry programs, substance abuse programs, and job training programs in low-income, high-unemployment communities.

## **Initiatives in Other States**

Washington State's Initiative 502 went into effect on Dec. 6, 2012. The Washington State Liquor Control Board is currently accepting license applications for producers, processors and retailers, with retail stores expected to open by June 2014. Colorado's Regulate Marijuana Like Alcohol Act of 2012 (Amendment 64) went into effect on Dec. 10, 2012, and licensees have begun operating, with state revenue exceeding projections.

### **Video of the Forum**

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