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## Senate of Pennsylvania

July 9, 2020

The Honorable Tom Wolf Governor of Pennsylvania 225 Main Capitol Building Harrisburg, PA 17120 Senator Joseph B. Scarnati, III President Pro Tempore 292 Main Capitol Harrisburg, PA 17120 Senator Jake Corman Republican Leader 350 Main Capitol Harrisburg, PA 17120

Senator Jay Costa Democratic Leader 535 Main Capitol Building Harrisburg, PA 17120 Senator Pat Browne Appropriations Chair 281 Main Capitol Building Harrisburg, PA 17120 Senator Vincent Hughes Democratic Appropriations Chair 545 Main Capital Building Harrisburg, PA 17120

## Dear Colleagues:

We are living in unprecedented times. Recently, the Independent Fiscal Office released a report on the projected revenue impact of COVID-19 on state General Fund revenues, and it is dire. During the current 2019-2020 fiscal year, the IFO estimated the General Fund would lose \$3.9 billion due to COVID-19, including \$2.1 billion that would be shifted to the next fiscal year and a \$1.8 billion permanent revenue loss from a contraction of economic activity. We should do absolutely everything we can to raise revenue. That is why we come together as a committed group of Pennsylvania Senators to urge our leaders to take up the bi-partisan issue of adult-use cannabis legalization.

For starters, cannabis legalization is immensely popular. Polls show that nearly two-thirds of likely voters in the Commonwealth support the sale of adult-us cannabis. It is popular in every region of Pennsylvania. It is popular among Democrats and Republicans, men and women, every age group, and every ideology. Not only is it popular, but it will help raise desperately needed revenue to support Pennsylvanians. Polling also consistently shows that the citizens of our Commonwealth overwhelmingly prefer raising new revenue through the regulation of legalized adult-use cannabis rather than increasing broad-based taxes. We are amid a historic crisis, and we should be doing everything possible to avoid raising taxes that could have far seen and unintended consequences on so many of our communities who are struggling to get by right now.

We should also avoid spending cuts when possible. The emergency we face right now is historic yes, but first and foremost, it is a health crisis. Cutting programs now would endanger the lives of Pennsylvanians, many of whom rely so much on our assistance. We need to ensure our spending on healthcare, education, housing, and small businesses continues unabated throughout this crisis. Legalizing adult-use cannabis will raise revenue and help mitigate the possible need for cuts, and additionally can serve as a revenue saving tool in agencies such as the Department of Corrections.

While it is common knowledge that we spend far too much on cannabis related offenses, it is equally true that these offenses disproportionally fall on our black and brown citizens. While the rate of cannabis usage holds steady across racial lines, black Americans are arrested at nearly 4 times the rate of white Americans for cannabis related offenses and in some areas, it is even higher. Hispanic Americans, too, face disproportionate arrest rates, and in terms of sentencing both black and Hispanic Americans face average sentences longer than those of white Americans convicted of the same wrongdoing. This is damaging to communities and families and a waste of valuable resources. Legalizing adult use cannabis will not only save the Commonwealth money but will bring much needed justice to those who have suffered the most under the impact of prohibition.

Legalization would also bring benefits to other industries, giving a significant boost to our agricultural sector while creating new jobs at a time when millions of people could use them. New jobs revolving around cultivating, growing and extracting, bud-tending, and dispensary management have popped up by the thousands all around the country where legalization has been implemented. Prior to the onset of COVID-19, cannabis-related occupations were among the fastest growing in the United States, with a nearly 50% increase throughout 2018, and were expected to reach upwards of 200,000 new jobs by 2020. Pennsylvanians deserve to be involved in this growing industry and the Commonwealth will reap the rewards of our participation.

Furthermore, we can look at our successful medical marijuana program as a roadmap to success. We saw a 500% increase in medical marijuana sales during year two of our program, and we expect that number to increase. The number of active dispensaries increased 50% last year, and the number of patients crossed the 150,000 mark. This has translated into millions of dollars in tax revenue that would never have existed before legalizing medical marijuana. We know medical marijuana works, we know medical marijuana raises revenues, and we know adult-us cannabis will as well.

Naturally, there are still some questions around adult-use legalization, and we would like to address a few of those. First, legalizing cannabis will not create a gateway to other drugs. In fact, studies have shown that in states with legalization, the average number of fatal opioid overdoses has decreased by roughly 20-35%. We can look to those numbers with hope and expect legalization to literally save lives. Second, legal cannabis for adults does not increase underage use. In studies of teenage cannabis use, it is shown in states where cannabis has been legalized, due to black-market supply chain disruptions and proof of identification being required at licensed dispensaries, it is harder for underage people to acquire marijuana. Legalizing adult-use cannabis would bring strengthened protections to keep it out of our kids' hands.

Finally, while we already know that legalizing cannabis will raise revenue, it is just as important to know how much. Thanks to a report from our Auditor General, we know that legalization would raise around \$581 million per year through taxation and regulation. This is no small sum and would be instrumental as we navigate this hundred-year crisis.

Once again, the single most important goal we should have right now is ensuring we can continue to provide for the communities of Pennsylvania. Through legalizing adult-use cannabis, we can protect Pennsylvanians from harmful tax hikes and spending cuts and raise new revenue to continue providing vital services and assistance for our constituents. We urge you to consider this issue during this year's budget negotiations, and work with us to enact a responsible budget that will benefit all Pennsylvanians.

Sincerely,

Sharif T. Street

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**Anthony Hardy Williams** 

Senator, 8th District

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Senator, 38th District

CC: Senator Elder Vogel, Chair of the Senate Agriculture & Rural Affairs Committee
Senator Judy Schwank, Democratic Chair of the Senate Agriculture & Rural Affairs Committee