HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO CONDUCT A STUDY ON THE POTENTIAL REVENUE TO BE GENERATED FOR THE STATE THROUGH THE LEGALIZATION AND REGULATION OF RECREATIONAL CANNABIS.

WHEREAS, recreational cannabis has been legalized in fifteen states and the District of Columbia; and 3 WHEREAS, Colorado was the first state to remove the 5 prohibition on commercial production of cannabis for general use; and 8 WHEREAS, Colorado collected \$67,594,323 from medical and 9 retail cannabis taxes and fees during its first year of retail cannabis sales in 2014 and \$302,458,426 in 2019; and 10 11 WHEREAS, since it legalized and started to regulate 12 recreational cannabis in 2014, Colorado has collected a total of 13 \$1,456,299,835 in state tax revenues as of February 2021; and 14 15 16 WHEREAS, according to the Marijuana Policy Project, other 17 states have also generated significant state tax revenues from adult-use sales, with Washington generating \$2,269,633,880, 19 California generating \$1,811,300,000, and Oregon generating \$497,279,214 to date, excluding medical cannabis tax revenue; 20 21 and 22 WHEREAS, according to the Marijuana Policy Project, as of 23 24 February 2021, states reported a combined total of 25 \$6,900,000,000 in tax revenue from legal, adult-use marijuana sales; and 26

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WHEREAS, the COVID-19 pandemic disrupted Hawaii's economy, resulting in an anticipated budget shortfall of \$1,400,000,000 per year for the next four years; and

WHEREAS, it is necessary to create new sources of revenue to allow the State to meet its strategic goals, preserve essential services, and prevent program cuts and pay reductions for working families; and

WHEREAS, the legalization of cannabis for personal or recreational use is a natural, logical, and reasonable outgrowth of the current science of and public attitude toward cannabis; now, therefore,

BE IT RESOLVED by the House of Representatives of the Thirty-first Legislature of the State of Hawaii, Regular Session of 2021, the Senate concurring, that the Department of Business, Economic Development, and Tourism is requested to conduct a study on the potential revenue to be generated for the State through the legalization and regulation of recreational cannabis; and

BE IT FURTHER RESOLVED that the Department of Business, Economic Development, and Tourism is requested to consult with the Hawaii Strategic Development Corporation, University of Hawaii Economic Research Organization, and Hawaii Cannabis Industry Association in conducting the study; and

BE IT FURTHER RESOLVED that the Department of Business, Economic Development, and Tourism is requested to submit a report of its findings and recommendations from the study, including any proposed legislation, to the Legislature no later than twenty days prior to the Regular Session of 2022; and

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BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Director of Business, Economic Development, and Tourism; Chairman of the Board of Directors of the Hawaii Strategic Development Corporation; Executive Director of the University of Hawaii Economic Research Organization; and Executive Director of the Hawaii Cannabis Industry Association.

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OFFERED BY:

