

RES 21-027

Wilmington, Delaware
April 15, 2021

#0052

Sponsor:

Council
Member
Oliver

WHEREAS, fifteen states have legalized recreation marijuana sales. Neighboring New Jersey passed its law in February 2021 and New York passed its in March 2021. The experiences of these locales around regulation, taxation and public health can be instructive as Delaware moves to enact similar legislation. However, the recent actions of our neighboring states will likely have market implications if action is not taken in Delaware; and

Co-Sponsors:

Council
Members
Darby
Fields
Walsh
Gray
Cabrera
Johnson
Dixon
Spadola

WHEREAS, legalization of recreational marijuana and the creation of the Office of Marijuana Control Commissioner would eliminate the dangerous black market. The industry would move into tightly regulated and standardized State-operated safety controls. No longer would drug cartels control marijuana sales in Delaware; and

Council
President
Congo

WHEREAS, funds from marijuana sales are estimated to yield tens of millions of dollars to the State's general fund. Marijuana sales are not a stable revenue source. We agree with Delaware's Auditor Kathleen McGuinness that the roughly \$43 million estimate (though based on 20% tax from the Substance Abuse and Mental Health Administration's review) "could be used to plug budget holes in the short term and would continue to provide revenue for all kinds of important initiatives in the long term. While House Bill 150 suggests a 15% tax rate, the yield to the state in a single year could still be significant. We request that Delaware strongly consider following in the footprint of New York which grants the distribution of marijuana revenue (at 14%) thusly: 9% to the state, 4% to the city, town or village where the sale is made and 1% to the county; and

WHEREAS, legalizing recreational marijuana would create desperately needed new jobs. Delaware's unemployment rate in March and April 2020 during the height of the pandemic was 13%. It has dropped to 6.3% in February 2021 with greater job recovery and creation sorely needed. Wilmington suffers from 6.6% unemployment rate, slightly higher than that of the state.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WILMINGTON that Wilmington City Council strongly supports House Bill 150 and encourages the Delaware General Assembly to support the legalization of recreational marijuana.

Passed by City Council,
April 15, 2021

Attest: Maribel Seijo
City Clerk

SYNOPSIS: This Resolution is urging the Delaware General Assembly and Governor to support the legalization of recreational marijuana.