
Adult-Use Marijuana Working Group Report

Representative Hugh Bartels, Chair

Members: Senators Helene Duhamel and Arthur Rusch, and Representatives Kirk Chaffee and Mike Derby

Areas of Discussion for Adult-Use Subcommittee Meeting 9.1.2021

- 1) Safety of minors
 - a) Childproofing
 - b) Advertising
 - c) Possession and Distribution
- 2) Ensuring that the product is safe for consumers
 - a) Independent testing of all products
 - b) Seed to sale tracking
- 3) Repeal SDCL chapter 34-20G and provide a medical marijuana program for those under the age of twenty-one.
- 4) Which department should be in charge? Department of Revenue for licensing, regulation, and taxation; Department of Health for issuing medical cards to those under twenty-one
- 5) Ownership of businesses
 - a) Trying to encourage that local (in-state) businesses are handling this and not national chains that are monopolizing the business
 - b) Private ownership in both establishment and license, not governmental
 - c) Background checks - state and federal
 - d) Three-tiered licenses
 - e) Could cultivation and manufacturing licenses be together and retail licenses separate?
- 6) Local governments
 - a) Assuring that local governments can control when and where marijuana can be sold in their communities
 - b) Local input where possible
 - c) That local governments can vote not to have marijuana
 - d) Limit the numbers but keep it accessible. Take a balanced approach as to not promote black market endeavors.
 - e) Unlimited numbers to not make the license valuable
 - f) Can cities or counties own the licenses?
- 7) Taxation
 - a) How will taxes be collected and distributed?
 - b) Fair and equitable – where should revenue be allocated (local governments, law enforcement, treatment and social issues, property tax); must be transparent where revenue goes
 - c) Should tax dollars not be ear tagged right now?
 - d) Licensing fee should cover cost of the program

- e) Should 15% excise tax be at the wholesale or retail level?
- f) Should there be a sales tax?
- 8) Look to create or promote places for social consumption, like cigar bars
- 9) Home grow not allowed
- 10) Limits on sale and distribution for adults
- 11) Rulemaking authority versus codification
- 12) Authorizing limitations by employers and schools