

Senate Finance

04/09/2024 02:00 PM

SB24-181 Alcohol Impact & Recovery Enterprise

Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
<p>Cory Gaines Against themselves</p>	<p>My name is Cory Gaines. I am a lifelong resident of Colorado.</p> <p>I am writing today in opposition to SB24-181. I hope to testify against this bill as well during the hearing, but wanted to write in case my teaching schedule doesn't allow it.</p> <p>I am in opposition to this bill not because of what it wants to do, but the way in which it does it.</p> <p>There are two things I would like to remind everyone reading this email about. The first is Coloradans' repeated affirmation and support of our rights under TABOR. Chief among these rights is the fact that we citizens need to be asked whether or not we want to give you more of our money prior to you taking it.</p> <p>Let me repeat that because I think it is all too often the case that legislators under the gold dome forget: this is our money, it is not yours. You didn't work to earn it, and when you take from me, no matter how sympathetic you think your cause is, I have less for my family (a group I am most definitely sympathetic to).</p> <p>I would also like to remind everyone of the passage of Prop 117 not more than 4 short years ago. With the passage of that initiative, citizens across this state said that they wanted definite limits on the size of enterprises.</p> <p>And here we are, again not more than 4 years past that vote, and you are already trying to sneak past the stated wishes of voters. Again.</p>

I am Laura Madeline. My husband, Jonathan, and I live in Denver. We adopted our son, through domestic infant adoption, in 2020. He is a wonderful, sweet child. We have learned so much since then, and all of it the hard way. At 9 months gross motor delays became apparent and prompted a referral to Early Intervention. He then had PT OT SLP and nutrition all offered to him at home. What wonderful services. He began to make progress but there was a piece missing. Why did he forget things he has learned? Like the word tree. How can a kid forget the word tree? Why can he not eat like other kids his age? Why does he still need a bottle and a parent in the room to sleep? Why does he seem like a one-year-old in many ways, even today as a three-year-old? Questions to well-intentioned professionals including pediatricians, therapists and providers at Children's Hospital, and to the early intervention team were all dismissed, citing that a diagnosis was not needed as he was making progress and had interventions in place. In my heart, I knew he had something related to his prenatal exposure. His diagnosis of FASD was confirmed Fall of 2022. We are at the beginning of what will be decades of advocating for him.

There are pockets of expertise and support. The Circle of Parents FASD Support group has already helped us not feel alone. Illuminate Colorado's online list of providers able to evaluate and diagnosis was key in our journey. We might feel alone in our house in the day in day out of parenting a child with special needs, but we are not alone. We are parenting one of the 1 in 20 children in the US with FASD.

It's up to parents to seek, actually push, for a diagnosis. It is also up to parents often to private pay for a diagnosis. As a social worker, I have the skills needed to seek a diagnosis and coordinate all of his care and therapies. While working a full-time job as a social worker and being a mom of 2. While waking up 5 times a night with his sleep disturbances, while providing line of sight supervision at all times, while bring within arm's reach because he can't regulate himself and needs physical intervention. Some weeks he has 5 appointments. It comes a cost-both directly through cost of services and high-quality childcare and indirectly through hundreds of hours of unpaid, missed work for me. It comes at a cost socially and relationally as well. The daily realities- appointments, sensory issues, trouble eating and sleeping- have changed our lives. I think of those parents who might not have the skills and privilege to take off work, navigate complex systems not build for your child, or being the birth parents who might have the stigma of having consumed alcohol in utero... they would be less likely to get a diagnosis until getting kicked out of 5 schools or a psych inpatient stay or other major life disruptions.

With support of SB24-181 parents could have a different experience, an experience of support and validation, and children would get the help they need quicker. Professionals including EL, pediatrician, specialists at Children's hospital could have the education and training needed to address rather than dismiss concerns about FASD. Resources provided to these vulnerable children are well worth it as they can prevent many costly issues down the line including trouble with the law, substance use, and high costs to the state through Medicaid and other human services. It could be the start of reducing stigma, which is one of my hopes for my son's life that he could live as himself without stigma that he was exposed to alcohol in utero. Please

support SB24-181 for the sake of families like ours, children like our son, and for his future.
Thank you for your time today.

	<p>I don't know how voters could have been clearer, and yet the sponsors of this measure blithely ignore it. Just as many of you have done with TABOR, we now have these four legislators plainly telling voters that they know better.</p> <p>Your yes vote on this measure will clearly indicate your beliefs to voters.</p> <p>It will clearly show that you feel that it's your money, to do with as you wish without our consent.</p> <p>It will clearly show that you feel as though you don't need to heed what those who supposedly are calling the shots think best.</p> <p>Vote no and say to voters that they and their wishes are what should be driving policy.</p> <p>Cory</p>
<p>Joseph Pero Against themselves</p>	<p>I oppose more fees/taxes whether I pay them directly or if levied against a business. I am certain you are aware that a price increase for the business means a price increase for the buying public.</p> <p>It is simple – I am tired of carrying the tax burden for yet another “enterprise” made up of unelected bureaucrats. I am very tired of carrying the tax burden for elected officials who are supposed to be representing us. It is not your money, it belongs to us citizens. Please spend it wisely, not on another “enterprise” with more “fees.”</p> <p>Also, this seems to be an end-around for TABOR.</p> <p>I strongly urge you to OPPOSE this bill and move on to something like lowering crime or repairing the infrastructure.</p> <p>Feeling Unrepresented, Joseph Pero Lakewood</p>
<p>Adam Hoffer None Tax Foundation</p>	<p>Senate Bill 24-181 would triple the state’s tax on beer, wine, and spirits. By calling the tax increase a fee, the legislation seeks to circumvent the TABOR process of taking the issue to the voters, where such a large tax hike would likely face strong opposition.</p>

	<p>These tax increases would have a disproportionate impact on Colorado’s low-income households. Higher tax rates will also give drinkers in Colorado greater incentives to shop across state lines or participate in a growing illicit alcohol market. Empirical evidence also suggests that excise tax increases encourage consumers to switch to more potent consumption, potentially exacerbating current challenges.[1]</p> <p>Alcohol addiction and alcohol-related deaths are a serious problem. Higher alcohol tax rates are unlikely to solve that problem, however. Nationally, there is no statistical relationship between a state’s alcohol tax rate and deaths related to alcohol. Alcohol taxes are not a panacea. They act as a mild deterrent to consumption but do almost nothing to address underlying issues linked to alcoholism and drunk driving. Alcohol taxes also target the wrong kind of drinkers.</p> <p>Heavy drinkers are far less responsive to (tax-induced) alcohol price increases than moderate drinkers.[1] Alcohol taxes are also regressive, with low-income drinkers spending more of their household budgets on excise taxes than high-income households. Greater alcohol tax rates hurt low-income households the most.</p> <p>SB 24-181 would direct the additional alcohol tax revenues to be spent on programs related to alleviating the harm caused by alcohol consumption. Aligning spending on harm prevention and remediation programs is a key principle in creating the most effective excise tax policies.</p> <p>Colorado already brings in more than \$55 million a year from alcohol taxes, however. Only a small fraction of those funds are spent on alcohol prevention or on regulating alcohol purchases. The state could substantially increase its efforts on alcohol harm reduction by better directing the funds it already collects.</p> <p>Policymakers should consider policies that improve the lives of Colorado citizens and decrease the toll of alcohol-related deaths. But dramatic increases in alcohol excise taxes are harmful and should not be a part of the policy solution. If such a dramatic increase in tax policy is proposed, voters should have the option to decide if the tax policy goes into effect.</p>
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	[1] References available upon request
Kevin Webber Against Carboy Winery	<p>As a co-owner of Carboy Winery, I'm reaching out with deep concern regarding Senate Bill 181. This bill proposes an unjust fee (essentially a tax) solely on the alcohol industry. While we fully support addressing substance abuse issues, the rushed nature of this bill and its lack of accountability troubles us deeply. The impact of a 200% increase in excise fees puts an unfair burden on our industry and potentially risks the jobs of our 200+ employees. Additionally, the creation of the Enterprise Board without proper oversight raises red flags about possible corruption. It's not right to single out alcohol producers for taxation when other industries contributing to similar societal challenges aren't held to the same standard. Furthermore, focusing solely on alcohol ignores the broader picture of substance abuse, including drug addiction and mental health struggles. Craft wineries like ours are not just businesses; we're woven into the fabric of Colorado's economy and communities. Yet, this fee hike threatens our very existence. Evidence has proven that tax hikes won't stop heavy drinking but will unfairly burden responsible producers and consumers. I ask the Committee to reconsider and seek a more compassionate and fair approach to address substance abuse. Thank you for your attention and understanding.</p>



April 9, 2024

Dear Members of the Senate Finance Committee,

On behalf of Mental Health Colorado, we are writing in the amend position of SB24-181: Alcohol Impact & Recovery Enterprise. We hope to move to a support position with the adoption of the proposed amendments. We want to thank the sponsors for bringing this work forward.

Alcohol is a quiet killer in Colorado. Our state has the [6th highest rate](#) of alcohol-related deaths in the country, which has more than doubled from 2009 to 2021. However, alcohol is one of the most socially acceptable and widely accessible substances to Coloradans. In combination with ineffective warnings about the health risks, limited spending on prevention, and hurdles to obtaining treatment, Coloradans are vulnerable to the risks of alcohol use.

SB24-181 is an upstream approach to reducing the harm of alcohol use in our state by leveraging the [excise tax](#) on alcohol. Compared to the rest of the country, Colorado's taxes on alcohol have not been raised in decades, leaving beer and wine as the third lowest in the nation, with liquor ranking the fourth lowest. This has had direct consequences on the health and safety of Coloradans across the country.

Mental Health Colorado is supportive of many aspects of the bill, including the focus across the continuum of care for individuals with substance use conditions and the ways in which the enterprise funnels funds fit within the existing structure of our behavioral health system. The changes we are asking for include:

- Increased funds toward prevention programs;
- Eliminating the sections on enforcement so as not to further criminalize individuals with substance use needs but get them access to care, not cuffs.

We believe that the proposed amendment will address these concerns.

We cannot continue to ignore this growing yet unaddressed crisis in our state. SB24-181 takes a significant step in bridging a large gap to improve the health of Coloradans.

Thank you for the opportunity to submit testimony on this critical bill.

Sincerely,

Lauren Snyder
Vice President of Government Affairs
Mental Health Colorado

Thank you, Mr. Chair and members of the committee, for allowing me to submit my written testimony today. My name is Kevin DeLange and I'm co-founder of Dry Dock Brewing Company. I'm here to testify in opposition of Senate Bill 181. I am sorry I am not able to attend in person today.

Dry Dock Brewing started as a small taproom in 2005 in southern Aurora, alongside our homebrew shop, The Brew Hut. Dry Dock was one of the first breweries in the state to be a taproom only brewery. My partner and I grew Dry Dock from a tiny tasting room to a brewery that distributes statewide and to Nebraska, Kansas, and soon will be in Missouri.

Due to the changing nature of the craft beer industry, we have recently decided to partner with Great Divide Brewing in downtown Denver for increased efficiencies. However, we maintain our original taproom, small batch brewing system, and homebrew shop in southern Aurora.

While well intentioned, this legislation will negatively impact Dry Dock and Great Divide's recent decision to co-produce our beer. While we recognize there is an exemption for small producers, there is real potential for our two breweries to grow over 60,000 barrels per year. Because of how we have structured our new business model, this could create a tax bill of \$300,000 overnight. This will certainly limit our aspirations for growth and will force us to keep our production below the threshold.

Not only am I concerned about the financial consequences of this legislation, I am extremely concerned that the legislation would tax craft breweries like mine to pay for recovery from addictions to opioids or fentanyl, offered by for-profit treatment centers. It will also create a disadvantage for Colorado breweries compared to out of State breweries who will not have the same tax burden.

For this reason, I ask that you vote NO on Senate Bill 181, and I am happy to answer any questions the Committee may have. Thank you.

Kevin DeLange
Co-Owner/Co-Founder
Dry Dock Brewing





Colorado Society of Addiction Medicine

A Chapter of American Society of Addiction Medicine

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April 9, 2024

The Honorable Kyle Mullica
Chair
Senate Committee on Finance
200 E Colfax Avenue, SCR 357
Denver, CO 80203

Re: COSAM's Support for SB24-181, Alcohol Impact & Recovery Enterprise

Dear Chair Mullica:

On behalf of the Colorado Society of Addiction Medicine (COSAM), the medical specialty society representing physicians and clinicians in Colorado specializing in the prevention and treatment of addiction, we write today in support of SB24-181. This important legislation would enact measures to enhance the prevention of alcohol misuse and other substance use disorders (SUD) throughout our state, including by imposing new fees on alcohol manufacturers and wholesalers.

Harmful use of alcohol is one of the leading causes of preventable death in the United States.¹ Alcohol is responsible for an average of 2,600 deaths annually in Colorado.² Further, it is estimated that excessive alcohol use costs Colorado taxpayers an average of \$5 billion.³ As we continue to face significant challenges related to harmful substance use, enhanced investment in the prevention of SUD is a critical policy goal. One effective method to reduce alcohol consumption is by raising prices of the product.⁴ SB24-181 imposes new fees on manufacturers and wholesalers which could in turn reduce alcohol consumption in our state, saving both lives and taxpayer funds.

Further, ASAM notes in its policy statement on prevention, effective prevention measures can reduce serious injury and death associated with substance use, misuse, and SUD and improve quality of life.⁵ Additionally, evidence-based prevention measures can increase productivity and potentially save taxpayers money. Simply put, pursuing effective prevention measures is a sound financial investment that saves lives. As such, SB24-181 could reduce harmful substance use on both the front end and the back end through wise long-term investments in prevention.

In sum, this legislation is a positive step that will help reduce harmful alcohol use and secure key investments in prevention. COSAM strongly supports SB24-181 and urges its advancement through the committee. We commend the sponsors for bringing forward this important proposal. Please do not hesitate to contact me if there is any other assistance that we can provide.

Sincerely,
Stephanie Stewart MD, MPHS, FASAM
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CC: The Honorable Chris Kolker
The Honorable Janet Buckner
The Honorable Chris Hansen
The Honorable Cleave Simpson
The Honorable Jim Smallwood
The Honorable Kevin Van Winkel

¹ National Institute on Alcohol Abuse and Alcoholism. (2024). *Understanding Alcohol's Adverse Impact on Health*. <https://www.niaaa.nih.gov/publications/brochures-and-fact-sheets/understanding-alcohol-adverse-impact-health#:~:text=The%20Alcohol%2DRelated%20Disease%20Impact,United%20States%2C%20behind%20tobacco%2C%20poor>

² National Center for Drug Abuse Statistics. (2023). *Alcohol Abuse Statistics: National & State Data*. NCDAS. <https://drugabusestatistics.org/alcohol-abuse-statistics/#colorado>

³ Ibid

⁴ ASAM - American Society of Addiction Medicine. (2023, *Prevention*. asam.org. <https://www.asam.org/advocacy/public-policy-statements/details/public-policystatements/2023/09/27/prevention>

⁵ Ibid.