

NATIONAL OVERVIEW OF ADULT-USE CANNABIS POLICIES AND COLORADO'S LESSONS LEARNED

PRESENTATION FOR NORTH DAKOTA JUDICIARY COMMITTEE

KARMEN HANSON, MA
PROGRAM DIRECTOR, BEHAVIORAL HEALTH & PHARMACEUTICALS

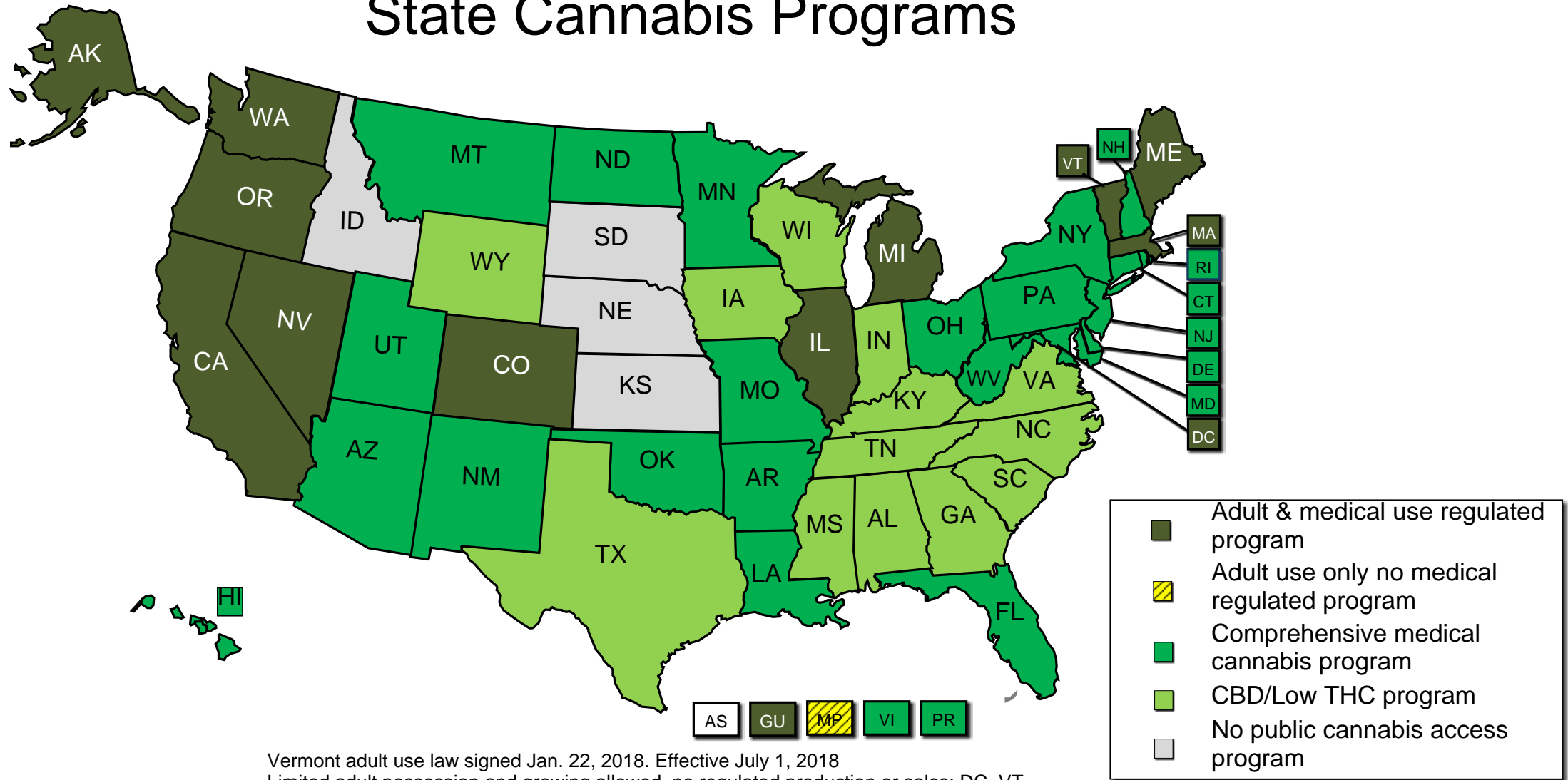
NORTH DAKOTA LEGISLATIVE ASSEMBLY LIAISON

KARMEN.HANSON@NCSL.ORG 303-856-1423

SEPTEMBER 25, 2019



State Cannabis Programs



August 1, 2019

LEGALIZED ADULT USE IN 11 STATES, DC, GUAM, NO. MARIANA ISLANDS

- 2012: Colorado (A 64-2012) and Washington (I 502-2012)
- 2014: Alaska, Oregon, DC-limited personal growing and sharing allowed (not regulated)
- 2014: Oregon
- 2016: California, Maine, Massachusetts, Nevada (all at ballot box)
- 2018: Vermont* limited personal growing starting July 1, until further notice (by legislature, no commercial regulation yet)
- 2018: Commonwealth of Northern Mariana Islands (by legislature, NO MEDICAL program)
- 2018: Michigan, Nov. 2018
- 2019: Guam, Illinois

SIGNIFICANT LEGISLATION*

- States/territories with legislation to legalize and regulate adult use: “similar to alcohol” in 2019 : 28~
AZ, CT, DE*, FL, HI, IL, IN, IA, KY, LA, MD, MN, MS, MO, MT, NH*, NJ, NM, NY*, NC, PA, RI, TN*, VA, WV, WI, N. Mariana Isl., Guam.
- States with bills to create comprehensive medical marijuana programs in 2019: 15~
AL, GA, IA (vetoed), IN, KS*, KY, MS, NE*, NC, SC*, TN*, TX, WI, WY, USVI,
- 2018-2019 Ballot Initiatives
Adult-use: MI, ND Medical: MO, OK, UT
- 2019-2020 Bills or Ballot Estimates: Adult- 15+: AZ, AR, CT, DE, FL, MD, MN, MS, NE, NJ, ND, PA, RI, SD, VT
Medical- 10+: ID, KS, KY, MS, NE, NC, SC, SD, TN, WI

**new and/or potential for carry-over as of Sept.1, 2019
Does NOT include bills to change current programs.*

REGULATIONS AND OVERSIGHT- ADULT USE

- Colorado: Dept. of Revenue, Marijuana Enforcement Division (MED)
- Washington: Washington State Liquor and Cannabis Control Board
- Oregon: Oregon Liquor Control Commission
- Alaska: Alcoholic Beverage Control Board/Marijuana Control Board
- California- Bureau of Marijuana Control within the Dept. of Consumer Affairs
- Maine- Dept. of Agriculture, Conservation and Forestry
- Massachusetts- The Cannabis Control Commission
- Nevada- Department of Taxation
- Michigan- Marijuana Regulatory Agency, Department of Licensing and Regulatory Affairs
- DC & Vermont- limited personal growing currently allowed (not regulated YET)
- Similarities: ALL 21+, lot of variations otherwise

State	Limits: Possession, Cultivation, \$Purchase	Businesses Allowed & Restrictions	Tracking & Security	Local Role & Limits	License Determination
AK	P- 1 oz. C- 6 plants (3 mature) \$- 1 oz.	Cultivation, Manufacturers, Testing Labs, Retail Stores No state limits	Potency, warnings, contamination	Time, place, manner and #. Can prohibit through ordinance or voter initiative	Min. requirements established in rules by MCB
CO	P- 1 oz. (public) C- 6 plants \$- 1oz & ¼ oz.	Cultivation, Product Manuf. Testing Labs, Retail Stores No state limits	Seed to sale, video, alarms and locks	May limit, license, restrict, tax	Any qualified applicant through the state, locals may limit
OR	P- 1 oz. (public) or 8 oz. (private) C- 4 plants per residence \$- ¼ oz. until 1/1/17	Producers (growers), Processors (manuf.) Wholesalers and Retailers	Plants and products tested for contaminants, potency, detailed labeling	Time, place, zoning, Local election, or ordinance (varies)	Meet OLCC criteria, meet standards
WA	P- 1 oz. (public) C- N/A \$- 1 oz. (varies)	Producers, Processors and Retailers 556 limit, sq. ft.	Analytic tests on products, moisture, potency, etc.	Locals can advise state board on license. Prohibition being appealed.	If more applicants than allotted, state selects by lottery

State	Limits: Possession, Cultivation, \$Purchase	Businesses Allowed & Restrictions	Tracking & Security	Local Role & Limits	License Determination
CA	P- 2.5 oz., concentrates C- 6 plants \$- 1 oz., ¼ oz. concentrates	Cultivation, Manufacturers, Testing Labs, Retail Stores No state limits but localities may restrict or ban	Seed to sale	May limit by ordinance until 2019, then by popular vote	Priority for applicants with experience since Sept. 2016
ME	P- 2.5 oz. C- 6 plants \$- 2 1/2oz & ¼ oz.	Cultivation, Manufacturers, Testing Labs, Retail Stores, Social Clubs.	Seed to sale	Must have “local approval”	Medical experience given priority for retail
MA	P- 10 oz. or 5 grams concentrate C- 6 plants \$- 1 oz. or 5 grams concentrate	Cultivation, Manufacturers, Testing Labs, Retail Stores.	Seed to sale	May limit location and times	Medical experience given priority, then lottery
NV	P- 1 oz. (public) or 1/8 oz of concentrate C- 6 plants \$- 1 oz. or 1/8 oz concentrate	Cultivation, Manufacturers, Testing Labs, Retail Stores	Seed to sale	Locals may adopt measures to enforce zoning and land use regs	Medical experience priority for first 18 months

STATE CANNABIS TAX RATES - ADULT USE (AS OF SEPT. 1 2019)

- Alaska- Wholesale Flower: \$50/oz, Trim \$15/oz, NO retail or state sales tax
- California- \$9.25 per oz. cultivation tax for flowers and \$2.75 per oz. for leaves. 15% sales tax on gross receipts, some state tax of 7.25% returned to localities with sales
- Colorado- Wholesale excise 15%, Retail excise 15%, local sales taxes vary up to 6%
- Illinois-Wholesale excise 7%, Retail excise flower 10%, products 20%, (higher potency 25%)
- Maine- Flower/mature plants: \$335/lb, Trim \$94/lb, Seedlings \$1.50, Seed: \$.30, retail sales tax 10%
- Massachusetts- 10.75% state excise tax, 6.25% state sales tax, up to 3% local sales tax
- Michigan- Retail excise tax 10%, sales tax 6%.
- Nevada- 15% excise tax on wholesale, 10% retail excise tax, sales tax 6.85%, local sales up to 1.25%
- Oregon- Retail excise 17%, local sales up to 3%.
- Washington- Retail excise 37%, state sales tax 6.5%, local sales taxes up to 3.9%
- Vermont and DC- commercial sales not regulated/taxed (YET)

OTHER CONCERNS AND QUESTIONS

- Influence on driving while impaired statistics
- Roadside sobriety test for THC/impairment
- Training Drug Recognition Experts
- Financial Services for Industry
- Impact on youth, crime, social and other health issues
 - Calculating any financial gains vs. social costs
 - Colorado's third report on monitored health effects:
<https://www.colorado.gov/pacific/cdphe/news/2018-marijuana-report>
- Which states will be next?



COLORADO'S LESSONS LEARNED, AS REPORTED BY STATE

- Evolution and improvement of public education campaigns and youth prevention programs
- Regulation of specific products (edibles) and packaging for safety
- Need consistent, reliable data for research
 - Pre-legalization data, consistency of data measurement and methods of comparison
- Educating the public about tax revenues, “Where does the money go?” (see later slides)
- People driving soon after using marijuana, which increases the risk of accidents, has not changed among adult or adolescent users (state reports)
- Youth use rates are generally flat since legalization

MONITORING HEALTH CONCERNS RELATED TO MARIJUANA IN COLORADO: 2018

Includes the Retail Marijuana Public Health Advisory Committee's review of scientific literature on the health effects of marijuana use, survey data about marijuana use in Colorado, and data from hospitals and the Rocky Mountain Poison and Drug Center about potential marijuana-related health effects.

Key findings

- Though the percentage of **women who use marijuana during pregnancy has remained stable** since data were first collected in 2014, the percentage is **higher among younger women, women with less education, and women with unintended pregnancies**. Marijuana exposure in pregnancy is **associated with decreased cognitive function and attention problems in childhood**.
- Although **not significantly increased from 2016, unintentional marijuana consumption among children under age 9 continues a slow upward trend, as do emergency department visits** due to marijuana. Additionally, an estimated 23,000 homes with children in Colorado have marijuana stored potentially unsafely. Marijuana exposures in children can lead to significant clinical effects that require medical attention.
- Though marijuana **use among high school students remains stable and is less than alcohol and nicotine vaping use, there have been significant increases in dabbing and edible use**. There is **substantial evidence that marijuana use among adolescents and young adults is associated with cannabis use disorder (addiction) and other health effects**.



OTHER FINDINGS REPORTED BY “MONITORING HEALTH CONCERNS” REPORT

Adult use

- The report also shows, **for the first time**, that **more adults of all ages are using marijuana, they are using it more frequently, and they are increasingly using multiple methods.**
 - Among adults: Marijuana use in the **past 30 days increased from 13.6% in 2016 to 15.5% in 2017.**
 - **Daily or near-daily use increased from 6.4% in 2016 to 7.6% in 2017, but it is lower than binge drinking and daily or near-daily tobacco use.**
- In 2017, **50% of adults who reported using marijuana in the past 30 days reported multiple methods of use, compared to 43.1% in 2016.**

Other trends

- The majority of homes in Colorado with children do not have marijuana present or being used inside the home. **Most homes that have marijuana store it safely.**
- **Driving soon after using marijuana, which increases the risk of accidents, has not changed among adult or adolescent users.**
- The **overall rate of emergency department visits due to marijuana slightly increased, and hospitalization rates decreased.**
- Though the report identified **no new disparities in adult marijuana use, there continue to be disparities based on age, sex, race/ethnicity and sexual orientation among adolescents and adults, pointing to health inequities in certain populations and the importance of culturally and linguistically appropriate educational materials.**

COLORADO DIVISION OF PUBLIC SAFETY REPORT: IMPACTS OF MARIJUANA LEGALIZATION IN COLORADO, OCT. 2018

Executive Summary statement:

“The information presented here should be **interpreted with caution**. The majority of the data should be considered baseline and preliminary, in large part because **data sources vary considerably in terms of what exists historically**. Consequently, it is **difficult to draw conclusions about the potential effects of marijuana legalization and commercialization on public safety, public health, or youth outcomes, and this may always be the case due to the lack of historical data**. Furthermore, the measurement of available data elements can be affected by very context of marijuana legalization. For example, the **decreasing social stigma regarding marijuana use could lead individuals to be more likely to report use on surveys and also to health workers in emergency departments and poison control centers, making marijuana use appear to increase when perhaps it has not**. Finally, law enforcement officials and prosecuting attorneys **continue to struggle with enforcement of the complex and sometimes conflicting marijuana laws that remain**.

In sum, then, the lack of pre-commercialization data, the decreasing social stigma, and challenges to law enforcement combine to make it difficult to translate these preliminary findings into definitive statements of outcomes. ”

250 page report http://cdpsdocs.state.co.us/ors/docs/reports/2018-SB13-283_Rpt.pdf

COLORADO DIVISION OF PUBLIC SAFETY REPORT: IMPACTS OF MARIJUANA LEGALIZATION IN COLORADO, OCT. 2018

Arrests:

- Total number of MJ arrests decreased by 52% between 2012 and 2017, down to 6,153
 - Possession arrests (the majority of arrests) cut in half -54%
 - Sales arrests decreased by 17%
 - Production arrests increased by 51%
 - Unspecified arrests, down by 45%
 - Decreased arrests for Whites (56%), Hispanics (39%), Blacks (51%)
 - 9 largest counties showed arrest decreases between -8% and -67%, averaging -46%
 - Denver Police specific data: 81% decrease in total MJ arrests, from 1605 in 2012 to 302 in 2017

250 page report http://cdpsdocs.state.co.us/ors/docs/reports/2018-SB13-283_Rpt.pdf

COLORADO DIVISION OF PUBLIC SAFETY REPORT: IMPACTS OF MARIJUANA LEGALIZATION IN COLORADO, OCT. 2018

Court filings:

- Total number of MJ court filings declined 55% between 2012 and 2017, down to 5,288
 - Number of cases with a MJ-related felony as the top charge declined initially (by half) but rebounded to near pre-legalization levels in 2017
 - Decline in misdemeanors (down 13%) and petty offenses (down 62%) between 2012-2017.
 - Filings down 1% for juveniles 10-17, by 28% for young adults 18-20, and by 67% for adults 21 or older

Organized crime:

- CO Organized Crime Control Act-related cases with a MJ charge increased from 31 in 2012 to 119 in 2017, typically for manufacturing of MJ or products and possession with intent to sell.

http://cdpsdocs.state.co.us/ors/docs/reports/2018-SB13-283_Rpt.pdf

COLORADO DIVISION OF PUBLIC SAFETY REPORT: IMPACTS OF MARIJUANA LEGALIZATION IN COLORADO, OCT. 2018

Traffic Safety:

- Drug Recognition-trained law enforcement officers: 129 in 2012 to 214 in 2018, who can increase drug detection rates apart from any changes in driver behavior
- Traffic safety data obtained from a variety of sources, may be incomplete because alcohol detection may stop additional and more time consuming drug testing
- DUI citations by CO State Patrol decreased from 5,705 in 2014 to 4,849 in 2017.
 - Prevalence of MJ or MJ in combination identified by officers as impairing substance increased from 12% of all DUIs in 2014 to 15% in 2017.
 - 3,946 DUI blood samples from DUI arrests showed 73.2% had positive cannabinoid screen and a follow up for other cannabis metabolites. 47.5% detected Delta-9 THC at 5.0 ng/mL or above.
 - According to CO Dept. of Transportation, number of fatalities where driver was positive for Delta-9 THC at or above 5 ng/mL declined from 13% of all fatalities in 2016 to 8% of all fatalities in 2017.
 - # of fatalities with cannabinoid-only or cannabinoid in combination positive drivers increased 153% from 55 in 2013 to 139 in 2017.



SAMPLE RESOURCES

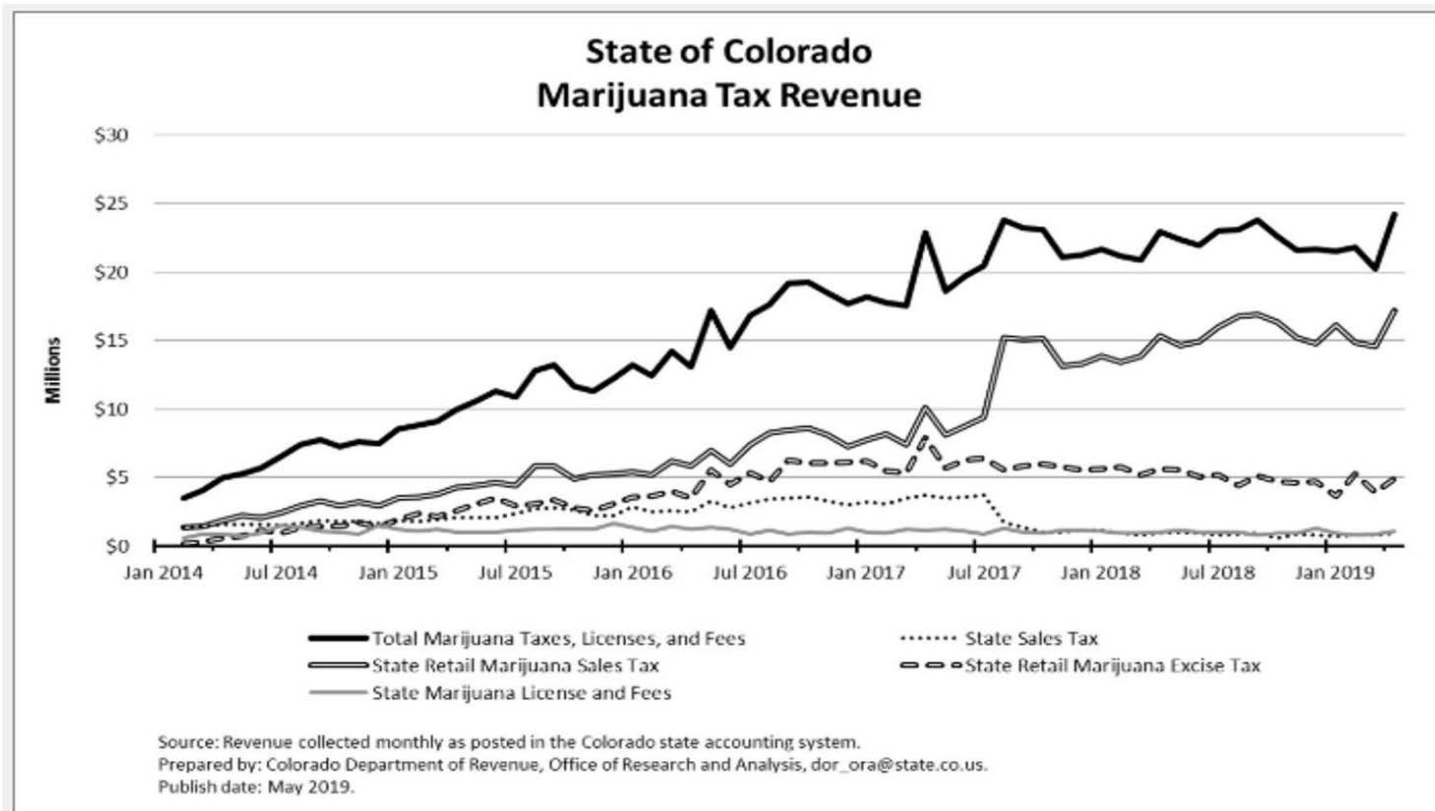
- NCSL Legislative Summit 2019 session: The Straight Dope on Marijuana Revenues
<https://www.ncsl.org/meetings-training/legislative-summit-19/schedule/agenda.aspx#>
- NCSL Legislative Summit 2017 session: Banking, Federalism, New Learning from Old
www.ncsl.org/summit2017
- Medical and Adult-use Programs:
www.ncsl.org/research/health/state-medical-marijuana-laws.aspx
- Criminal Justice and Civil issues:
www.ncsl.org/research/civil-and-criminal-justice/marijuana-overview.aspx
- LegisBriefs: (all at NCSL.org)
Regulating Hemp and Cannabis-Based Products
Regulating MJ-Taxes, Banking and Federal Laws
Regulating MJ- A Year and a Half In

CONTACT INFORMATION

Karmen Hanson, MA
Program Director, Behavioral Health & Pharmaceuticals
North Dakota Legislative Assembly Liaison
303-856-1423
karmen.hanson@ncsl.org

APPENDIX:

DETAILED COLORADO TAX REVENUE INFORMATION AND SPENDING EXPLANATION

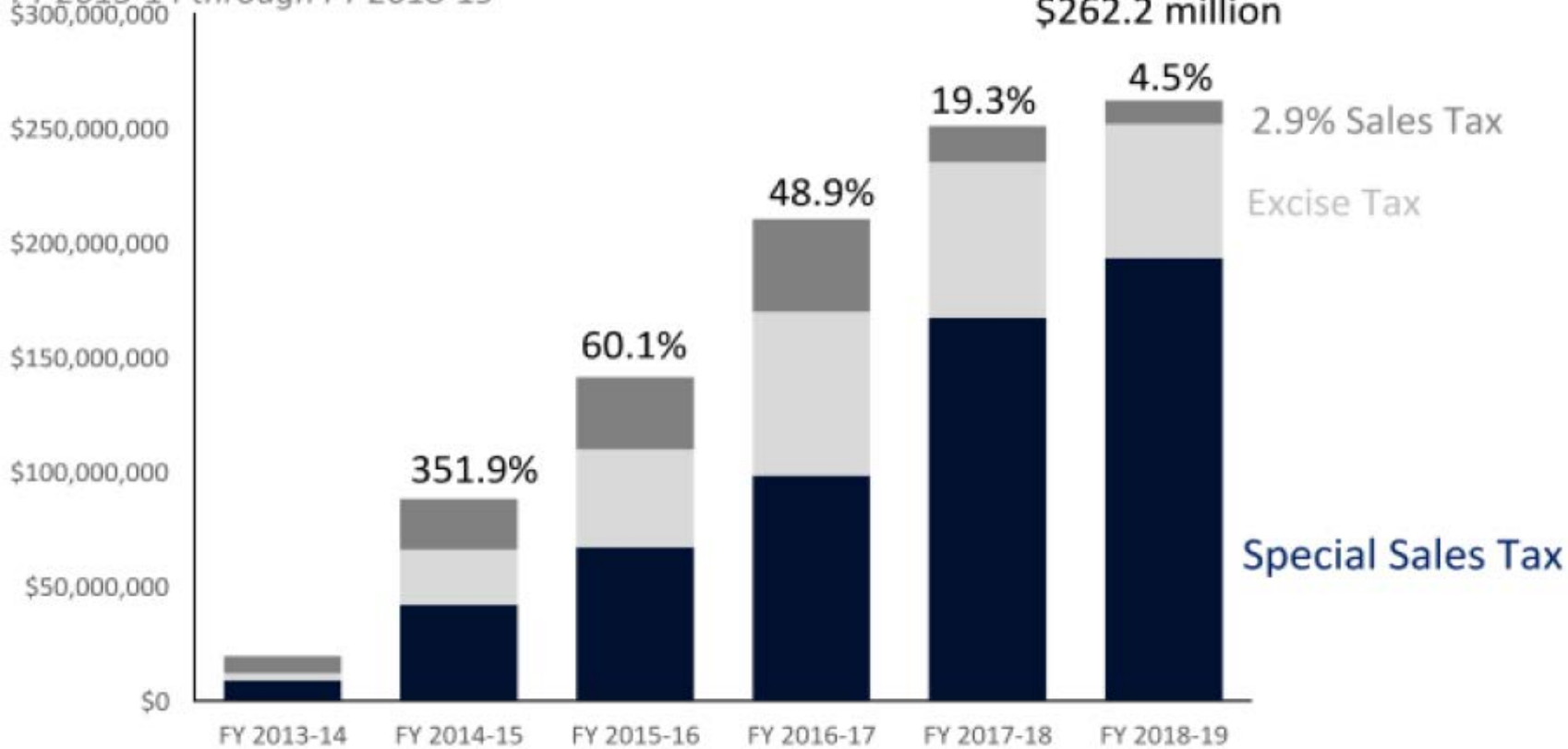


Source: Presentation by
Jim Burack, Director of
Marijuana Enforcement
Division

How much revenue does Colorado receive?

Colorado Tax Revenue from Marijuana

FY 2013-14 through FY 2018-19

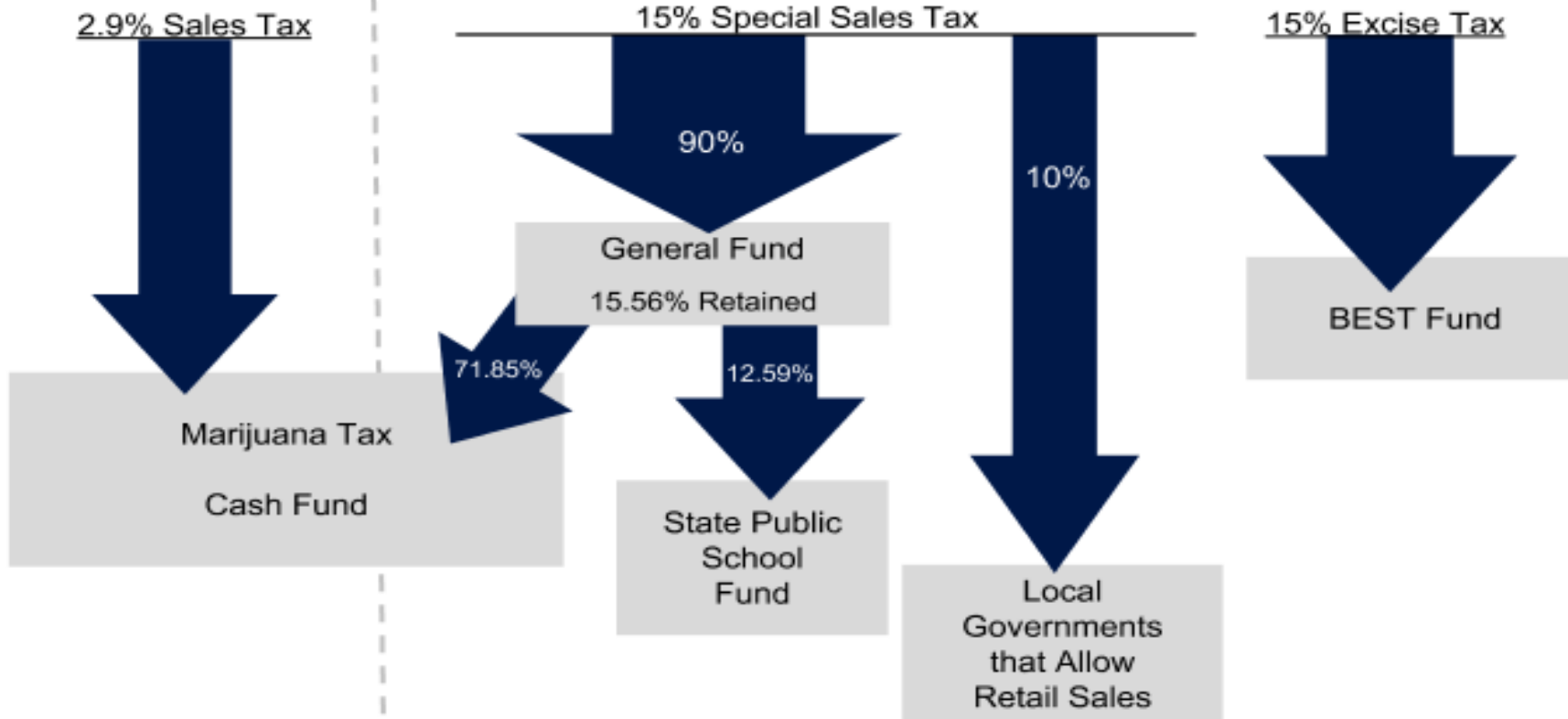


Source: Presentation at
NCSL Legislative Summit
2019
by Larson Silbaugh,
Principal Economist,
CO Legislative Council
Staff

How is this revenue distributed?

Medical Marijuana

Retail Marijuana

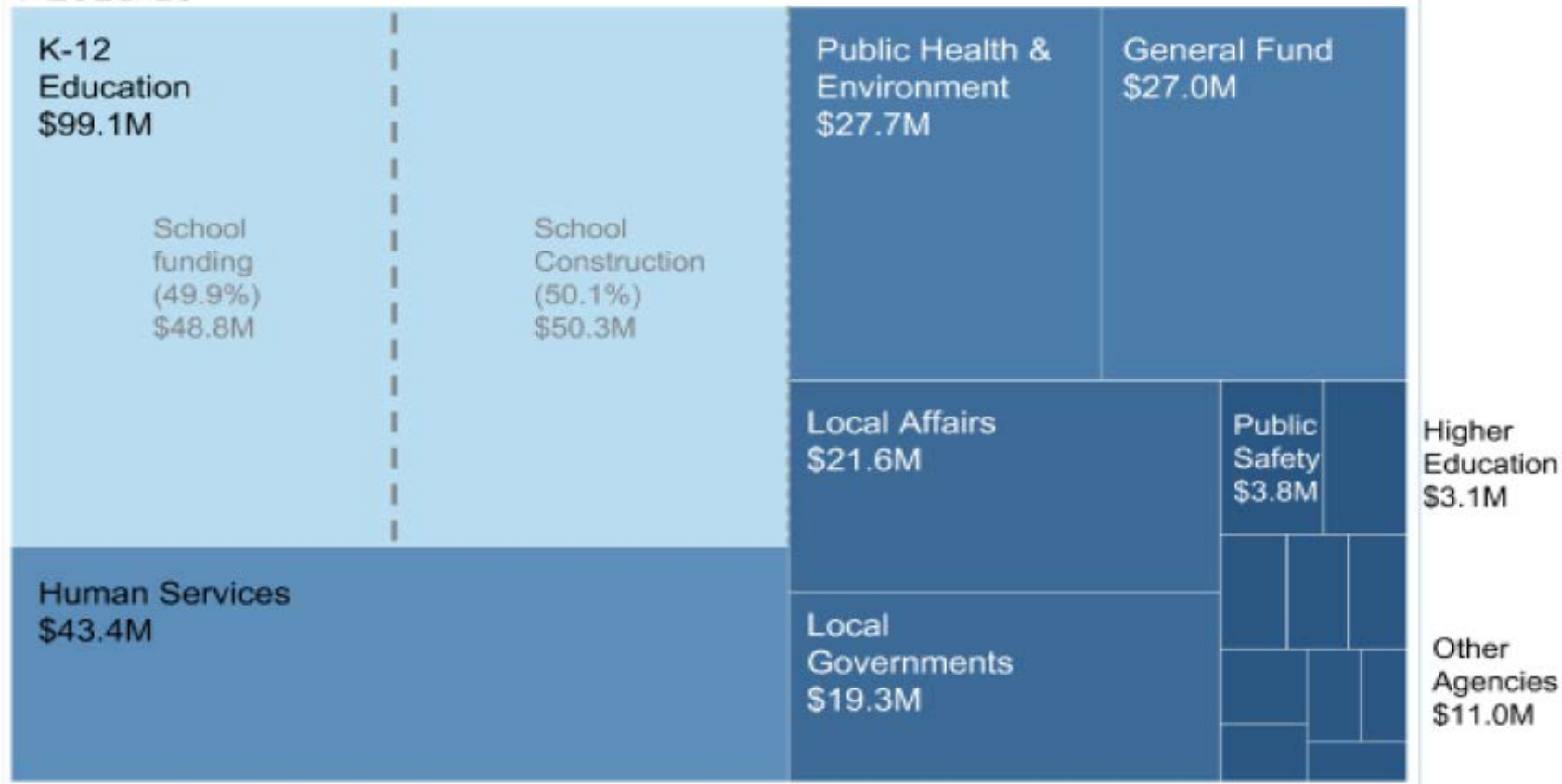


Source: Presentation at NCSL
Legislative Summit 2019
by Larson Silbaugh,
Principal Economist,
CO Legislative Council Staff

And where does it go?

Marijuana Tax Revenue Distribution

FY 2018-19



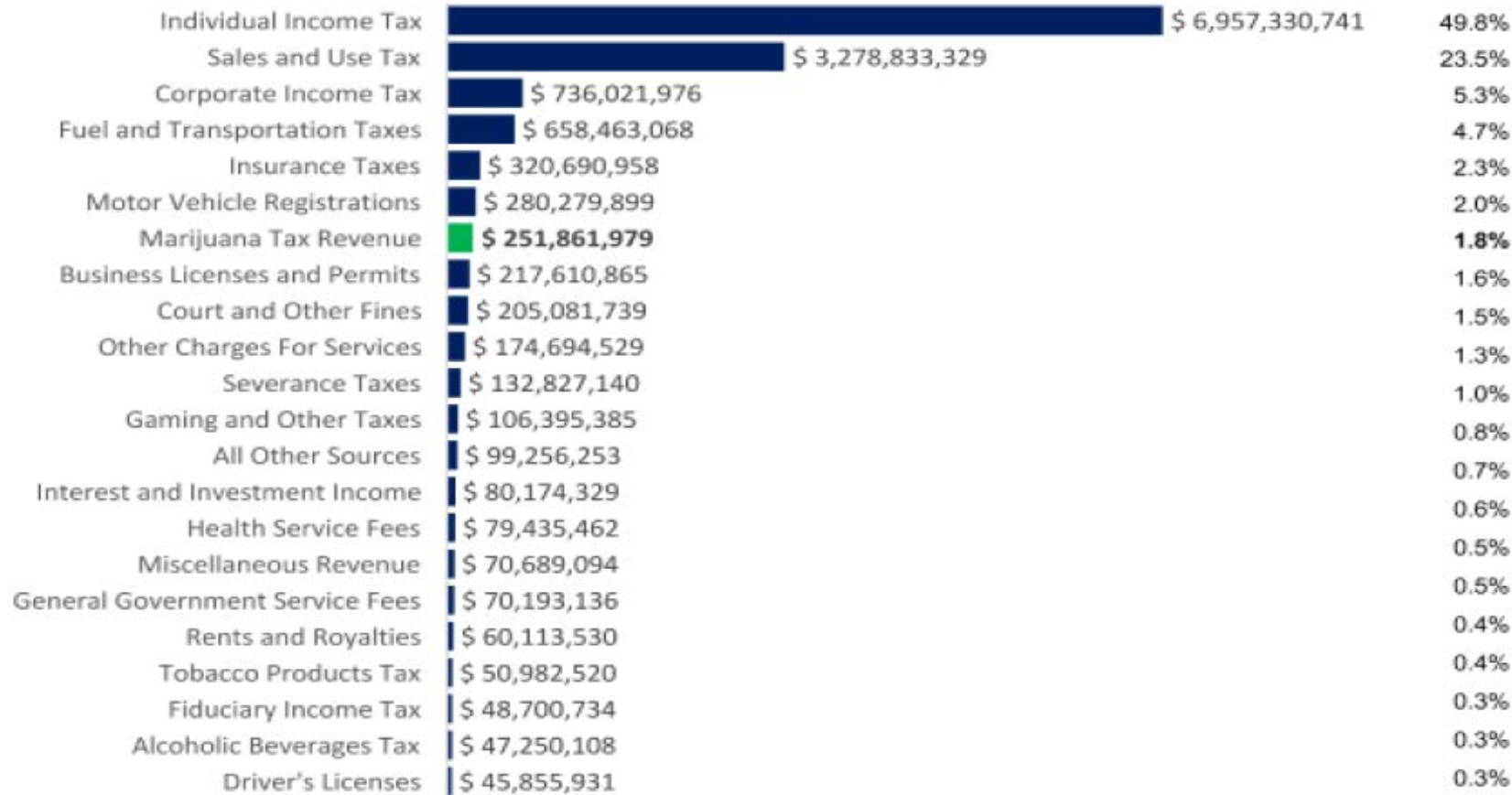
Source: Presentation at
NCSL Legislative Summit 2019
by Larson Silbaugh,
Principal Economist,
CO Legislative Council Staff



NATIONAL CONFERENCE OF STATE LEGISLATURES

Other revenue sources

FY 2017-18



Source: Colorado Department of Revenue, Office of State Comptroller.

Source: Presentation at
NCSL Legislative Summit 2019
by Larson Silbaugh,
Principal Economist,
CO Legislative Council Staff



NATIONAL CONFERENCE OF STATE LEGISLATURES

ADDITIONAL COLORADO RESOURCES AND REPORTS

- Department of Revenue's 2018 annual report:
www.colorado.gov/pacific/revenue/annual-report
- MED mid-year and annual updates:
www.colorado.gov/pacific/enforcement/med-updates
- 2017 Market and Demand Study:
www.colorado.gov/pacific/enforcement/marijuana-related-reports-studies
- Marijuana monthly sales reports:
www.colorado.gov/pacific/revenue/colorado-marijuana-sales-reports
- Marijuana monthly tax revenue reports:
www.colorado.gov/pacific/revenue/colorado-marijuana-tax-data

CONTACT INFORMATION

Karmen Hanson, MA
Program Director, Behavioral Health & Pharmaceuticals
North Dakota Legislative Assembly Liaison
303-856-1423
karmen.hanson@ncsl.org