



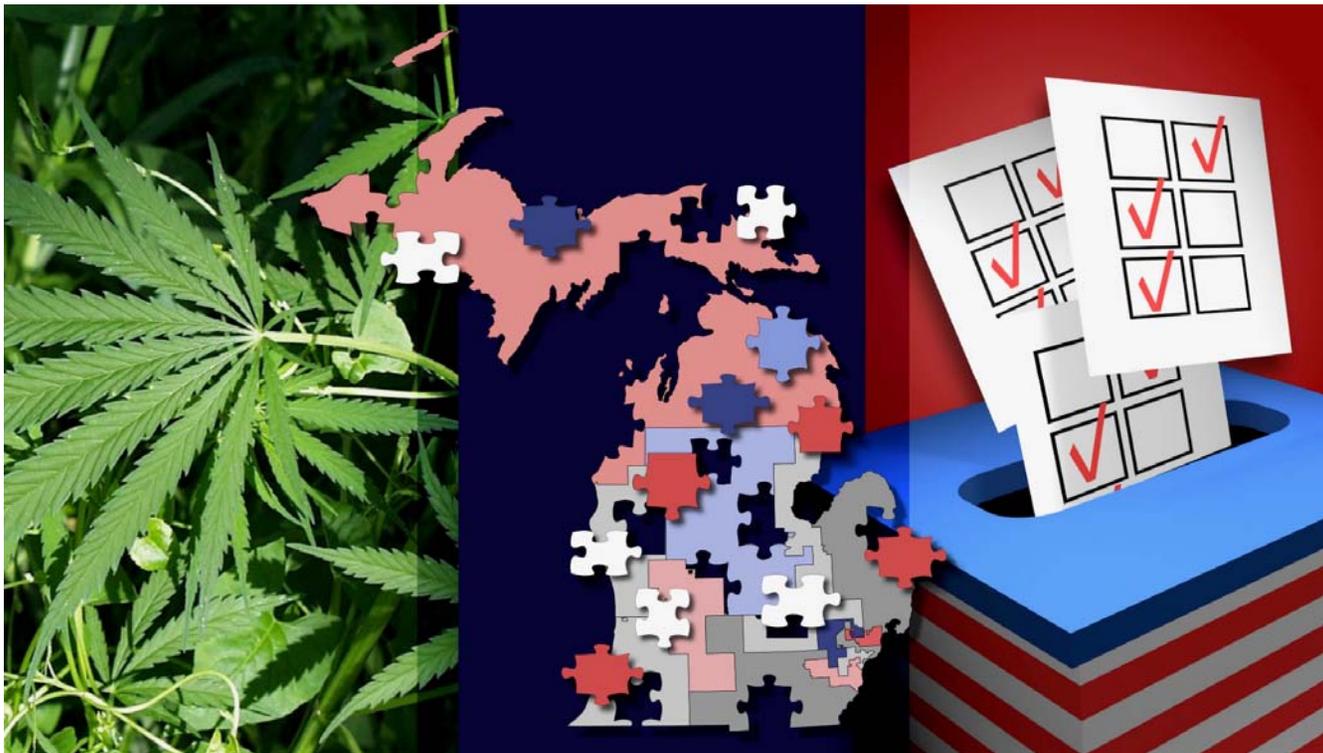
Proposal 18-1:
Marijuana Legalization

November 2018 Statewide Ballot Issues

Webinar - October 16, 2018

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Access our analyses, official ballot language, PowerPoint slides, and recorded webinars: crcmich.org/ballot-issues



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- Founded in 1916
- Statewide
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- Promotes sound policy for state and local governments through factual research – accurate, independent, and objective
- Relies on charitable contributions from Michigan foundations, businesses, and individuals
- *www.crcmich.org*

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Background

What is marijuana and how did it become illegal?

A Blunt History

Federal History

- Early arguments for banning marijuana invoked anti-immigrant sentiments
- These arguments also exaggerated the drug's harms (think: Reefer Madness)
- Federal policy was not aligned with expert recommendations (e.g., La Guardia Report; Shafer Commission)

Important Dates

- 1930 – Federal Bureau of Narcotics
- 1937 – Marihuana Tax Act
- 1952 – Boggs Act
- 1970 – Controlled Substances Act
- 1973 – Drug Enforcement Administration (DEA)
- 1984 – Comprehensive Crime Control Act
- 1988 – Anti-Drug Abuse Act

What's in a Name?

A weed by any other name:

- Cannabis
 - *C. Sativa*
 - *C. Indica*
 - *C. Ruderalis*
- Hemp
- Cannabinoids
 - Delta-9-tetrahydrocannabinol (Δ^9 -THC)
 - Cannabidiol (CBD)
- Marihuana vs. Marijuana

What is Proposal 18-1?

It legalizes marijuana, of course, but there's more to it than that.

Hashing Out the Details

What the proposal does:

- Allow possession, use, and cultivation of marijuana, as well as marijuana-infused products, by adults who are at least 21 years old
- Legalize industrial hemp
- Create a regulatory structure within the Department of Licensing and Regulatory Affairs (LARA)
- Create a new 10 percent excise tax that would be levied on marijuana sales (in addition to the state's existing 6 percent sales tax)
- Eliminate most criminal penalties for marijuana possession violations, replacing them with civil infractions punishable by fines

Hashing Out the Details

What the proposal doesn't do:

- Allow impaired driving
- Allow use of marijuana in public places
- Prevent cities from creating local marijuana ordinances or prohibiting marijuana establishments in their jurisdiction
- Prevent businesses from enforcing their own marijuana policies
- Prevent property owners or managers from banning marijuana use (i.e., landlords)

Where Will the Tax Dollars Go?

Excise Tax (10%) Disposition

- First, implementation, administration and enforcement of the law
- Then, clinical trials for veterans' health (\$20 million for 2 years)
- Finally,
 - 15 percent to municipalities with marijuana businesses
 - 15 percent to counties with marijuana businesses
 - 35 percent to the School Aid Fund
 - 35 percent to the Michigan Transportation Fund

Sales Tax (6%) Disposition

- Usual disposition
- Around 70% to schools

No Pot of Gold

Revenue estimates

- CS Strategies estimate
 - \$54 million during the first year
 - \$134 million in FY2023
- Senate Fiscal estimate
 - \$100 million during the first year
 - \$288 million in FY2023
- Will lead to a small reduction in revenue from Medical Marijuana
- After market maturity achieved, slow growth projected over time as use increases

Federalism in Action

States experiment with new approaches to marijuana

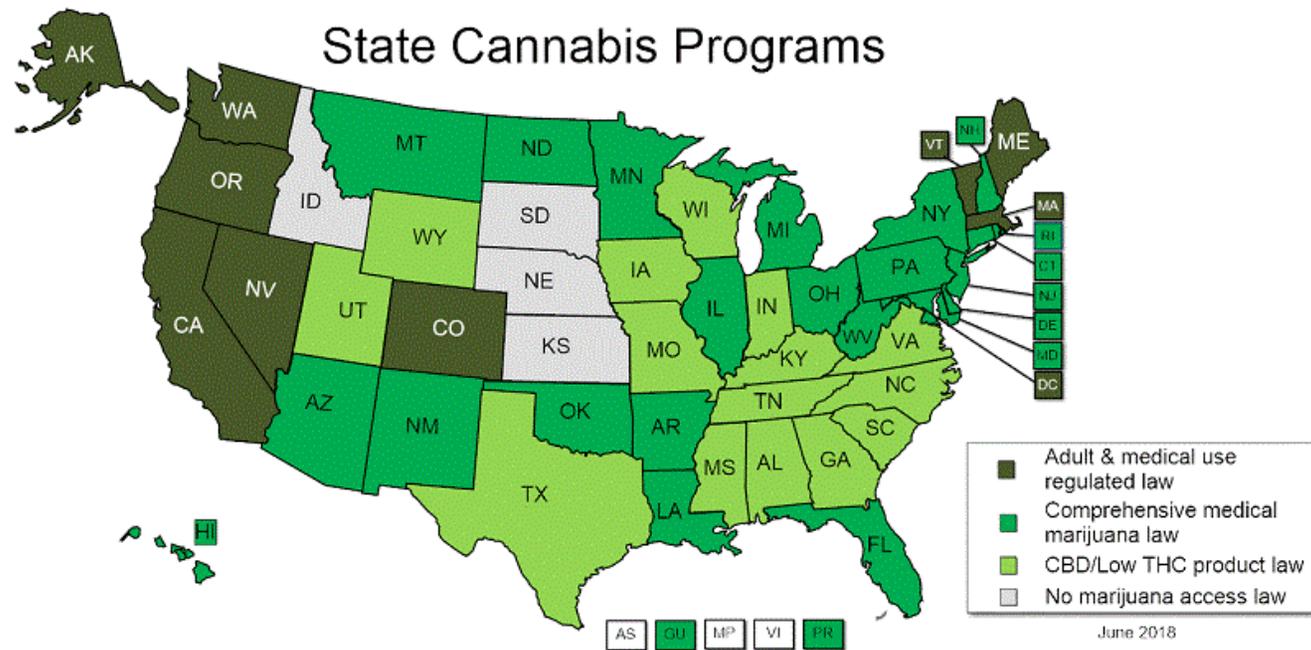
Seeds are Planted

States defy federal policy

Marijuana remains illegal under federal law, classified as a Schedule 1 controlled substance

- 1973: Oregon decriminalizes marijuana
- 1996: California legalizes medical marijuana
- 2008: Michigan legalizes medical marijuana
- 2012: Recreational marijuana legalized in Colorado and Washington

The grass is always greener...



Vermont adult use law signed Jan. 22, 2018. Effective July 1, 2018
 Limited adult possession and growing allowed, no regulated production or sales: DC, VT

2018:

- Michigan considers legalization
- North Dakota considers legalization
- Oklahoma legalizes medical marijuana
- Utah considers medical marijuana
- Missouri considers multiple conflicting initiatives to legalize medical marijuana
- Few states remain with no marijuana access laws

Quarter for Your Thoughts

Does Proposal 1 use taxes wisely?

- The majority of states have higher tax rates than Michigan
 - 37% in Washington; 30% in Colorado
- The majority also invest a portion of marijuana taxes for substance abuse treatment and prevention, mental health services, health education and other public health functions
 - More than 60% of revenue in Washington goes to health related expenditures
- Funds have also been invested in youth drug education, school dropout prevention, and criminal recidivism reduction

General principle: policies should pay for costs they create

To legalize or not to legalize: that is the question (literally)

Binary choice on ballot belies policy options

The Human Cost of Criminalization

The “War on Drugs” has created financial and human costs

- In 2015, 570,640 arrests for marijuana nationally compared with 505,681 arrests for all violent crime
 - In Michigan, that is 23,893 marijuana arrests vs 11,916 for violent crime
- Black adults are more than 3x as likely to be arrested as white adults
- Criminal records for drug possession create social and economic barriers
- Comparatively few are incarcerated for simple marijuana possession
- One estimate of the price of marijuana criminalization suggests expenditures in Michigan may exceed \$347 million

Risks of Legalization

Marijuana Legalization is a public health issue

- Occasional use by healthy adults is probably not cause for concern
- Health is a multidimensional construct, encompassing a person's total physical, mental, and social well-being
- Frequent, heavy use of marijuana is associated with many negative outcomes, especially when initiated earlier in a person's life

Risks of Legalization

Abuse and dependence

- Around 1 in 10 marijuana users become addicted
- From 2002-2013, marijuana use among U.S. adults doubled (and continues to grow)
 - The number of people with a marijuana use disorder also doubled
 - Around three in ten users manifest a marijuana use disorder
- The experience of marijuana dependence may be less severe than other substances (e.g., opiates)
 - Marijuana dependence shares more similarities than differences, however, including the experience of withdrawal symptoms

Risks of Legalization

Underage use

- Early use of marijuana is associated with more severe consequences
- Adolescent use leads to as much as 7x greater odds of developing marijuana use disorder
- Adolescent initiation of marijuana use may lead to permanent cognitive impairments and neuropsychological decline
- These risks of substance abuse and dependence, as well as concurrent and lasting effects on cognitive functioning, appear to be greater for marijuana than for alcohol

Risks of Legalization

Impaired driving

- Use of marijuana before driving increases the risk of a fatal collision
- Use in combination with alcohol creates a risk far in excess of either substance alone
- The proportional role of marijuana (or other drugs) in impaired driving arrests is obfuscated by alcohol
- Inadequate technology prevents fully accurate roadside drug tests

Conclusion

Ballot issues are binary choices, but policy is nuanced.

Policy Alternatives

- Status quo?
- Decriminalization vs. Legalization?
- Legalization without a regulated market?
- Legalization by legislative design?

Conclusion

Supporters might:

- Value individual liberty and personal choice
- Want to end the criminalization of marijuana immediately by any means available
- See a legal market as a way to regulate and capture revenue from activities that already occur illicitly
- Enjoy using marijuana

Opponents might:

- Oppose normalization of marijuana use
- Want to end criminalization of marijuana without creating a new legal market
- Fear the rise of corporate marijuana interests looking to profit from substance abuse and dependence
- Worry about the lack of funding for public health and data collection

Questions?

Comments? Concerns? Deep philosophical realizations?

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