



## Colorado and Washington: Life After Legalization and Regulation

*“Our state’s efforts to regulate the sale of marijuana are succeeding. A few years ago, the illegal trafficking of marijuana lined the pockets of criminals everywhere. Now, in our state, illegal trafficking activity is being displaced by a closely regulated marijuana industry that pays hundreds of millions of dollars in taxes. This frees up significant law enforcement resources to protect our communities in other, more pressing ways.”*

— Washington State Gov. Jay Inslee and Attorney General Bob Ferguson, 2017

In 2012, Colorado and Washington State voters made history by replacing marijuana prohibition with legalization and regulation for adults over 21. In the decade since, other states followed suit, bringing the number of adult-use legalization states to 23 — home to just under half of the U.S. population. Those states have seen far fewer cannabis arrests and more tax revenue and jobs, and opponents’ dire predictions have not materialized.

### **The Public Views Legalization as a Success**

- An April 2020 poll found 71% of Coloradans and 65% of Washington state residents viewed legalization as a success or more of a success than a failure.<sup>1</sup> Only 17% of Coloradans and 18% of Washington residents viewed legalization as more of a failure.

### **Creating Tax Revenue, New Small Businesses, and Jobs**

- Colorado has generated more than \$2 billion in state cannabis taxes since legalization, including more than \$300 million each year since 2019.<sup>2</sup>
- Washington State has generated over \$3 billion in cannabis tax revenue and exceeded \$500 million per year since 2020.<sup>3</sup>
- Cities and towns have raised millions of dollars in local taxes and fees and used the funds for infrastructure projects, programs that address homelessness, and college scholarships.
- In Colorado, 36,646 individuals are licensed to work directly in the cannabis industry, as are 1,767 cannabis business owners.<sup>4</sup> Cannabis businesses also boost the economy by retaining a wide variety of collateral services, including construction, security, legal, and real estate.

### **Displacing the Illicit Market, Reducing Arrests and Incarceration, Freeing Up Police Time**

- A 2018 report commissioned by Colorado found “a comparison of inventory tracking data and consumption estimates signal that Colorado’s preexisting illicit cannabis market for residents and visitors has been fully absorbed into the regulated market.”<sup>5</sup>
- As the *L.A. Times* reported, “Widespread legalization in the U.S. is killing Mexico’s cannabis business, and cartel leaders know it.” Seizures at U.S. ports of entry have plummeted from 2.4 million pounds of cannabis in 2013 to 155,000 pounds in 2022.”<sup>6</sup>

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<sup>1</sup> “States with recreational marijuana laws view the legislation as a success,” YouGov, May 13, 2020.

<sup>2</sup> See: <https://cdor.colorado.gov/data-and-reports/marijuana-data/marijuana-tax-reports>

<sup>3</sup> See: Washington Department of Revenue, Marijuana sales tax table link available at: <https://dor.wa.gov/about/statistics-reports/recreational-and-medical-marijuana-taxes> (multiply retail value of cannabis by Washington’s 37.5% tax and add in sales tax column) and [www.mpp.org/issues/legalization/cannabis-tax-revenue-states-regulate-cannabis-adult-use/](http://www.mpp.org/issues/legalization/cannabis-tax-revenue-states-regulate-cannabis-adult-use/)

<sup>4</sup> “Regulated Marijuana License Demographic Information - June 1, 2023,” Colorado Department of Revenue.

<sup>5</sup> “Market size and demand for marijuana in Colorado 2017 market update,” Marijuana Policy Group and Leeds School of Business, August 2018.

<sup>6</sup> “With U.S. competition hurting its marijuana business, Mexico warms a little to legalization,” *The Los Angeles Times*, January 27, 2018. U.S. Customs and Border Protections, Drug Seizure Statistics FY2023

- According to the U.S. government, marijuana arrests nationwide have dropped from 757,969 in 2011 to 545,602 in 2019.<sup>7</sup> (Decreases in arrests have probably continued, but the most recent data is incomplete.<sup>8</sup>)
- The number of federal cannabis prisoners has dropped by 61% since states began legalizing cannabis.<sup>9</sup>
- In a 2018 analysis, researchers found that police solved significantly more violent and property crimes after passage of legalization laws in Colorado and Washington.<sup>10</sup>

### **Concerns Haven't Materialized: Teens, Graduation Rates, Road Safety, Workplace Safety, and Mental Health**

- As director of the National Institute on Drug Abuse Nora Volkow testified in the U.S. Senate, "legalization by some states of marijuana has not been associated with an increase in adolescents' marijuana use."<sup>11</sup>
- According to the most comprehensive study on teen cannabis use in Colorado, teen use has not risen since cannabis became legal: Data indicates a decrease within the margin of error.<sup>12</sup>
- The most in-depth survey in Washington suggests either no change or modest decreases in current cannabis use for every grade surveyed — 6<sup>th</sup>, 8<sup>th</sup>, 10<sup>th</sup>, and 12<sup>th</sup> graders.<sup>13</sup>
- The Colorado Department of Education reports that Colorado's four-year graduation rate increased from 75.4% for the class of 2012 to 82.3% for the class of 2022.<sup>14</sup><sup>15</sup> Washington's four-year graduation rates have also increased — from 77.2% in 2012 to 82.3% in 2022.<sup>16</sup>
- An exhaustive study published by the American Medical Association found "compared with no legalization policy, states with legalization policies experienced no statistically significant increase in rates of psychosis-related diagnoses."<sup>17</sup>
- Researchers compared patterns of THC-positive drivers in Colorado and Washington and non-legalization states. They concluded, "We find the synthetic control groups saw similar changes in cannabis-related, alcohol-related and overall traffic fatality rates despite not legalizing recreational cannabis."<sup>18</sup>
- A study published in Traffic Injury Prevention found Washington state's "legalization led to fewer fatal, serious injury, and minor injury collisions, all else equal." It found "no statistically significant impact of cannabis sales on serious injury/fatal crashes" but did find an association with minor crashes.<sup>19</sup>
- Economists found legalization was associated with fewer workers compensation claims, which indicates fewer injuries and disabilities. They posited, "We offer evidence that the primary driver of these reductions is an improvement in work capacity, likely due to access to an additional form of pain management therapy."<sup>20</sup>

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<sup>7</sup> U.S. Department of Justice, Crime in the United States 2011, 2019.

<sup>8</sup> George Hunter, "Violent crime down in Michigan cities. But elsewhere, who knows? Others skip reporting," Detroit News, Sept. 27, 2022. ("these statistics paint an incomplete picture of crime in America, as nearly 40% of police departments nationwide are now not providing crime statistics to the FBI following a change in reporting requirements.")

<sup>9</sup> Kyle Jaeger, "Justice Department Report Shows 61 Percent Decline In Federal Marijuana Prisoners As States Started Legalizing," Marijuana Moment, July 14, 2023.

<sup>10</sup> Makin, D.A., et al. (2018). Marijuana Legalization and Crime Clearance Rates: Testing Proponent Assertions in Colorado and Washington State. *Police Quarterly*. Accessed from <https://doi.org/10.1177/1098611118786255>

<sup>11</sup> Starting around 1:23:55: <https://www.help.senate.gov/hearings/strengthening-federal-mental-health-and-substance-use-disorder-programs-opportunities-challenges-and-emerging-issues>.

<sup>12</sup> Colorado Youth Risk Behavior (2011) and Healthy Kids (2017) Surveys, past 30-day use.

<sup>13</sup> Washington State Healthy Youth Survey, 2012 to 2016, past 30-day use. <http://www.askhys.net/FactSheets>

<sup>14</sup> <https://www.cde.state.co.us/cdereval/gradratecurrent>

<sup>15</sup> <https://www.cde.state.co.us/cdereval/dropoutcurrent>

<sup>16</sup> Washington Office of Superintendent of Public Instruction, "Graduation Rates Remain Stable for Class of 2019," December 5, 2019. <https://content.govdelivery.com/accounts/WAOSPI/bulletins/22321f5>

<sup>17</sup> Elser H, Humphreys K, Kiang MV, et al. State Cannabis Legalization and Psychosis-Related Health Care Utilization. *JAMA Network Open*. 2023;6(1):e2252689. doi:10.1001/jamanetworkopen.2022.52689

<sup>18</sup> Benjamin Hansen, et al., "Early Evidence on Recreational Marijuana Legalization and Traffic Fatalities," National Bureau of Economic Research, March 2018.

<sup>19</sup> Annie Voy (2023): Collisions and cannabis: Measuring the effect of recreational marijuana legalization on traffic crashes in Washington State, Traffic Injury Prevention, DOI: 10.1080/15389588.2023.2220853

<sup>20</sup> Benjamin Hansen, Keaton S. Miller & Caroline Weber "Early Evidence on Recreational Marijuana Legalization and Traffic Fatalities." National Bureau of Economic Research, Working Paper 24417, March 2018.