



The Sky Has Not Fallen

Regulating and taxing marijuana is working in Colorado

In November 2012, Coloradans voted on a ballot initiative to regulate and tax marijuana like alcohol. Leading up to the election, opponents claimed that passage of the measure would cause more problems than it would solve. Voters were not fooled. They approved the initiative, and licensed businesses began legally selling marijuana to adults on January 1, 2014. Since then, opponents' dire predictions have proven to be unfounded, the state has experienced significant benefits, and polls show voters' support for the law has not wavered.

Public Opinion & Good Government

- Amendment 64 was approved 55-45 in 2012. A poll conducted three years later by Quinnipiac University found voters' support for the law is just as strong as when it passed, but opposition has dropped to 41%.
- In July 2014, the Brookings Institution's Center for Effective Public Management published a 35-page report titled, "Colorado's Rollout of Legal Marijuana Is Succeeding." According to the report, "[Colorado] has made intelligent decisions about regulatory needs, the structure of distribution, prevention of illegal diversion, and other vital aspects of its new market. It has made those decisions in concert with a wide variety of stakeholders in the state."

"There are a certain number of folks, like myself, who were pretty reticent about it to begin with. [But] the sky didn't fall. Everything seems to be working pretty well."

— Dickey Lee Hullinghorst
Colorado House Speaker
Boston Globe, 2/22/16

Regulation, Local Control & Criminal Justice Savings

- In 2015, more than \$996 million in marijuana sales took place in legitimate, taxpaying businesses instead of in the underground market. These state- and locally-licensed establishments are subject to strict testing, packaging, and labeling requirements, which are enforced through frequent compliance checks by state and local authorities. State officials believe 70% of the estimated demand for marijuana is now being met by the legal market, according to a February 2016 report in *The Economist*.
- Colorado localities have the authority to prohibit marijuana stores and facilities or allow them and regulate them as they see fit. More than 60 cities and towns, as well as unincorporated areas of more than 20 counties, have opted to allow the establishment of retail marijuana businesses.
- Marijuana-related court filings dropped 81% from 10,340 in 2012 to 1,954 in 2015, according to the Colorado Department of Public Safety.

Tax Revenue & Job Creation

- The regulated marijuana market generated more than \$135 million in state tax revenue and fees in 2015, including more than \$35 million for school construction projects, according to the Colorado Department of Revenue. These figures do not include local taxes and fees. Marijuana taxes and fees are covering the costs of regulation and enforcement, and the state's Marijuana Enforcement Division depleted only 7.15% of available marijuana revenue in FY 2014-15.
- As of September 2016, there were 28,847 individuals with active occupational licenses to work directly in Colorado marijuana businesses, according to the Colorado Department of Revenue. Marijuana businesses also retain workers and utilize services from a wide variety of collateral sectors, such as construction, engineering, security, legal, insurance, real estate, and retail.

Economy, Business Climate, Tourism & Real Estate

- Colorado had the fastest-growing state economy in 2014 and the #3 best economy in the nation in 2015, according to *Business Insider*. The *Forbes* list of 190 “best places for business” included five Colorado cities in the top 50, including Denver at #1 and Fort Collins at #10. Opponents of the Colorado initiative said it would interfere with employers’ drug-testing policies and create hazardous workplaces, but employers have been able to maintain existing policies and create new ones as they see fit, and there have not been any new or increasing marijuana-related problems. Loss costs — the average cost of lost wages and medical expenses associated with on-the-job injuries — did not increase following the first year in which the initiative was fully implemented, then decreased in the second. There has been no increase in the rate of lost-time workers compensation claims, according to the Colorado Department of Labor and Employment, and the Colorado Department of Public Health and Environment reports there were fewer fatal occupational injuries in 2013 and 2014 than in 2011, the year prior to the passage of the initiative.
- Colorado tourism broke records for number of visitors and amount of dollars spent for the fifth year in a row in 2015, and recovery of the state’s tourism economy is nearly double that of the national rate, according to the Colorado Tourism Office. Opponents of the 2012 initiative said it would damage the state’s skiing and resort industry, as well as its ability to attract conventions, but Colorado ski areas and Denver’s convention and tourism bureau have posted record numbers over the past few years.
- Colorado home prices saw the largest increase of any state in 2014, according to housing trend tracker CoreLogic, and they increased at some of the fastest rates in the nation in 2015. In 2015, Denver’s retail vacancy rate dropped to the lowest it has been since 2006, and its retail lease rate increased to the highest it has been since 2009, according to the *Denver Business Journal*.

Quality of Life, Public Health & Safety

- In March 2016, *U.S. News & World Report* named Denver the #1 best place to live in the United States. The only other Colorado metro area large enough to be considered, Colorado Springs, was ranked #5.
- Rates of marijuana use among Colorado high school and middle school students have remained unchanged since 2005 and are slightly below the national average, according to biannual state and federal government survey data released in June 2016. High school graduation rates have significantly increased and dropout rates have significantly decreased since 2010, according to the Colorado Department of Education.
- The Rocky Mountain Poison and Drug Center (RMPDC) received 151 calls regarding marijuana exposure in 2014, including 45 that involved children 8 years of age and under. By comparison, it received 49,701 total calls that year, including 2,057 regarding children 5 and under who were exposed to cosmetics and personal care products, 1,422 regarding children exposed to household cleaning products, and 703 regarding children exposed to vitamins.
- Colorado government and law enforcement officials have repeatedly stated that there is not enough data to draw any conclusions about the impact the state’s marijuana laws may or may not be having on crime rates and traffic safety. The Colorado Bureau of Investigation reported a 2.5% decrease in overall crime in Colorado from 2013 to 2014, and marijuana-related DUI arrests decreased from 2014 to 2015, according to the Colorado State Patrol, despite increased enforcement efforts and more overall traffic. The Rocky Mountain High Intensity Drug Trafficking Area claims there has been an increase in “marijuana-related” traffic fatalities, but its report concedes that marijuana might not have been in any way responsible for the accidents (e.g. they counted accidents involving alcohol and/or other drugs, accidents involving marijuana consumers who may not have been at fault, and accidents involving unimpaired drivers who had used marijuana days or weeks earlier).

“If you look back it’s turned out to not be as vexing as some of the people like myself [thought it was going to be]. I think we are slowly, through hard work, building a regulatory system, making sure we keep it out of the hands of kids, making sure we keep our streets and roads safe, making sure we kill that illegal black market... And we’re getting there.”

— John Hickenlooper
Governor of Colorado
Fox Business, 4/29/15