Now is the time: Why Rhode Island should legalize, regulate, and tax marijuana in 2017

March 2017
Regulate Rhode Island is a coalition of organizations, community leaders, and residents who support replacing the illegal marijuana market with a regulated system that protects public health and safety. Our mission is to educate lawmakers and the general public about the societal costs of marijuana prohibition and the benefits of regulating and taxing marijuana similarly to alcohol. Our goal is to see the General Assembly pass legislation in 2017 that makes marijuana legal for adults and establishes a set of laws to tightly regulate and control the cultivation and sale of marijuana in Rhode Island.

Local coalition partners

American Civil Liberties Union of Rhode Island
Billy Taylor House
Common Sense Citizens Collective
Direct Action for Rights and Equality
Green Party of Rhode Island
Humanists of Rhode Island
NAACP of Rhode Island
OpenDoors Rhode Island
Protect Families First
Rhode Island Association of Criminal Defense Lawyers
Rhode Island National Organization for Women
Rhode Island chapter of the Progressive Democrats of America
Rhode Island Working Families
The Libertarian Party of Rhode Island
The Rhode Island chapter of the Sierra Club
The Univocal Legislative Minority Advisory Commission
Transport Providence
Young Democrats of Rhode Island

National coalition partners

Marijuana Policy Project (national leader)
Clergy for a New Drug Policy
Doctors for Cannabis Regulation
Drug Policy Alliance
Law Enforcement Action Partnership
National Organization for the Reform of Marijuana Laws
Students for Sensible Drug Policy
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A letter from our co-chairs

Thousands of Rhode Islanders and their families have been negatively impacted by our policy of marijuana prohibition. Whether it's a father struggling to find a job because he has a criminal record for a low-level marijuana offense or a high school student exposed to other drugs because he was recruited to sell marijuana in the illicit market, our current policy puts Rhode Islanders in harm’s way.

There is a smarter, more responsible approach: tightly regulating marijuana. This policy will require marijuana to be sold in licensed businesses that check IDs, adhere to product safety standards, and pay taxes. By establishing a responsibly regulated market, we can stop the harms caused by prohibition and better protect public health and safety.

States like Colorado and Washington are showing us that regulation works. Voters in eight states — including Massachusetts — have approved laws to legalize, control, and tax marijuana. Next year, stores will be open just across Rhode Island’s northern border.

This report makes the case that 2017 is the year for Rhode Island to end the harmful policy of marijuana prohibition and join other states in enjoying the benefits of a regulated market. It also sheds light on what life after legalization looks like in places like Colorado and Washington since legal sales began in 2014.

Our hope is that this report serves as a valuable resource to lawmakers and the general public as the discussion on this important issue continues. Now is the time to legalize, regulate, and tax marijuana.

James P. Crowley, MD  Andrew Horwitz, JD  James Vincent
The pragmatic choice: Massachusetts has legalized marijuana. If Rhode Island does not take action this year, we will send revenue and jobs to our neighbor.

Regulating marijuana is the smart and responsible policy from a public health and safety perspective. It is also the smart and responsible policy from an economic and fiscal perspective. Massachusetts voters legalized marijuana through a 2016 ballot initiative, and there will likely be stores opening along the border in 2018. If Rhode Island does not pass legislation in 2017, our residents will be able to purchase legal marijuana in Massachusetts, thereby contributing tens of millions of dollars in annual tax revenue and hundreds of jobs to our neighbor. Economic and fiscal considerations alone do not provide sufficient reason to adopt new policies. But other states have shown us that regulation is the right policy for many other reasons, too. Instead of watching on the sidelines as neighboring states shape this emerging regional market, Rhode Island should become a participant in this process and open up new economic opportunities for our residents.
Top reasons Rhode Island should regulate and tax marijuana in 2017

Regulating marijuana in 2017 is the pragmatic choice. Massachusetts has legalized marijuana. If Rhode Island does not take action this year, we will give away tens of millions in tax revenue and hundreds of jobs to our neighbor.

A legal marijuana market will significantly reduce illicit sales. Under Rhode Island’s current policy, illicit dealers reap the profits from marijuana. A responsibly regulated legal market, which provides safety, quality, and convenience to consumers, will put illegal producers and distributors out of business.

Regulating marijuana will protect consumers. Regulation ensures products are not contaminated with harmful pesticides or other toxic substances. It also means marijuana products are tested and labeled for potency, so consumers know what they are getting.

Taxing marijuana will generate tens of millions of dollars in additional revenue annually. Market researchers project that legal marijuana sales will reach $161 million by 2020 if Rhode Island legalizes in 2017. With a 30% tax (similar to Colorado’s and Washington’s tax rates), Rhode Island could generate an additional $48.3 million in revenue each year.
Top reasons Rhode Island should regulate and tax marijuana in 2017

**Legalizing marijuana will expand Rhode Island’s economy and create jobs.** States like Colorado — currently ranked by *U.S. News & World Report* as the best economy in the nation¹ — have proven that legal marijuana is an economic engine. Marijuana businesses will boost Rhode Island’s real estate market and provide work for ancillary industries, such as accountants, construction companies, electricians, HVAC specialists, security firms, and others.

**Marijuana prohibition disproportionately harms people of color.** Although whites and blacks use marijuana at virtually the same rate, federal arrest data show that black communities are disproportionately punished for low-level marijuana offenses. From 2001 to 2010, black Rhode Islanders were arrested for marijuana possession at three times the rate of whites.²

**Adults should not be punished for using a substance that is safer than alcohol.** Marijuana is less toxic, less dangerous, and less addictive than alcohol. It does not contribute to violent behavior and has never caused a fatal overdose. Adults should have the freedom to make the safer choice to use marijuana instead of alcohol, if that is what they prefer.
Regulation is working in other states

Eight states — home to over 20% of the U.S. population — have legalized marijuana for adult use. Another 17 states are considering legislation to regulate marijuana similarly to alcohol in 2017.³

Other states are moving forward and showing us that regulating marijuana works. The illegal market is shrinking. The sky has not fallen. And their economies are growing.

Colorado Governor
John Hickenlooper

“We didn’t see a spike in teenage use. If anything, it’s come down in the last year. And we’re getting anecdotal reports of less drug dealers. I mean, if you get rid of that black market, you’ve got tax revenues to deal with ... maybe this system is better than what was admittedly a pretty bad system to begin with.”⁴ (Feb. 26, 2017)

“Our state’s efforts to regulate the sale of marijuana are succeeding. [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.”⁵ (Feb. 15, 2017)

Washington Governor
Jay Inslee
Legal marijuana is expanding the economy and increasing tax revenue

**Job creation**
As of June 2016, there were 30,391 active occupational licenses issued by Colorado’s Marijuana Enforcement Division.¹⁰ Oregon, which began legal sales of marijuana in 2015, has created at least 12,500 jobs in the marijuana economy.¹¹ Ancillary businesses, such as accountants, building contractors, and electricians also benefit from the legal marijuana industry.

**Tax revenue**
In 2016, Colorado generated close to $200 million in revenue from marijuana taxes and fees.⁶ Over $40 million from marijuana revenue is put into Colorado’s school system annually.⁷ The total cost of enforcement, regulation, and education for Colorado’s program is less than 10% of all funds raised from marijuana.⁸ Washington state raised $256 million in revenue from marijuana in 2016.⁹

**Real estate**
Marijuana-related businesses are fueling real estate markets. Colorado’s warehouse vacancy rates plummeted from 7.6% in 2011 to 3.1% in 2015.¹² Denver’s retail vacancy rate dropped in 2015 to the lowest it has been since 2006.¹³ In the same year, home prices in Colorado rose at the fastest rate of any state in the country.¹⁴

“Marijuana Industry Projected To Create More Jobs Than Manufacturing By 2020”¹⁵

- Forbes.com, 2/22/2017

49%  
Percentage of tourists in 2015 who said marijuana legalization positively influenced their decision to visit Colorado¹⁶

$25 million  
Average amount of revenue collected in Washington each month from marijuana excise taxes¹⁷

1st  
Ranking given to Colorado in 2017 by U.S. News & World Report for best state economy in the country¹⁸
Teen marijuana use has not increased in states with legal marijuana

Multiple surveys have found that marijuana use has either remained flat or decreased slightly since Colorado and Washington legalized marijuana for adult use. According to a 2017 report from the Colorado Department of Public Health and Environment, the rate of marijuana use among adults and adolescents “has not changed since legalization either in terms of the number of people using or the frequency of use among users.” The report also notes that, “Based on the most comprehensive data available, past-month marijuana use among Colorado adolescents is nearly identical to the national average.”

“I’m heartened, as I think many folks are, by the results. [T]here is no increase in youth use.”
– Dr. Larry Wolk, MD, Director of Colorado Dept. of Public Health and Environment
Marijuana policy reform is linked with lower rates of drug overdose deaths

Contrary to suggestions from some opponents of marijuana policy reform, laws that increase legal access to marijuana are correlated with lower rates of drug overdose deaths. The *Journal of the American Medical Association* published a paper in 2014 which found that states with medical marijuana laws saw 25 percent fewer opioid overdose deaths compared to states with no medical marijuana laws.24 Other scientific studies provide evidence that marijuana may be an effective and safer substitute for more dangerous and addictive substances, such as opioids.25

Legalizing marijuana for adult use reduces barriers and stigmas that prevent access for people who need marijuana for medical purposes. Although Rhode Island has already established a medical marijuana program, some patients who qualify for the program are hesitant to seek a patient card. A national survey suggests that many who use marijuana for medical purposes do not participate in their state’s medical marijuana program.26 Some may worry about being listed on a government database. For others, such as veterans who seek care at VA hospitals, their doctor may be prevented by federal law from signing the form needed to obtain the patient card. And some simply may not wish to go through the costly and time-consuming process required.

Since legalization passed in Colorado and Washington, drug overdose rates in those states have not increased at the rapid pace seen in other states with more restrictive marijuana laws. This chart shows that drug overdose rates rose significantly more slowly in Colorado and Washington than the rest of the country from 2013 to 2015.

![Rate of increase in annual drug overdose deaths from 2013 to 2015](chart)

Source: Centers for Disease Control27
Debunking common arguments against regulating marijuana

“Marijuana is a ‘gateway’ to using harder drugs.”

REALITY: This myth has been debunked by every major study on the subject. For example, in a seminal 1999 report by the prestigious Institute of Medicine (IOM), part of the National Academy of Sciences, researchers found “marijuana is not the most common, and is rarely the first, ‘gateway’ to illicit drug use. There is no conclusive evidence that the drug effects of marijuana are causally linked to the subsequent abuse of other illicit drugs.”

“Legalization increases marijuana-impaired driving.”

REALITY: According to a 2016 analysis from the Cato Institute, there is no compelling evidence linking legal sales of marijuana with any increase in traffic fatalities. Studies like the often-cited AAA report, which purport to show an increase in marijuana-impaired driving in other states after legalization, rely on the presence of marijuana in blood samples, which does not necessarily indicate the driver was impaired at the time of the accident. It is also important to note that Colorado and Washington changed their procedures for testing drivers involved in fatal accidents after legalization. This means that the increased statistics that some opponents of regulation point to could be the result of these changed policies rather than an increase in marijuana-impaired driving.

“Legalizing marijuana for adults will increase youths’ access.”

REALITY: Surveys show that 80% to 90% of high school seniors say that marijuana is “easy” to get in the illegal market. Unlike illicit dealers, regulated marijuana businesses require buyers to show identification to prove they are of age. Additionally, marijuana prohibition increases teens’ involvement in the illicit drug market. In a 2012 survey, over 40% of high school students said they knew a peer at their school who sold marijuana — while less than 1% said they knew a student who sold alcohol.
Ending marijuana prohibition would be a victory for social justice

Rhode Island’s current policy of marijuana prohibition has long been a cornerstone of the war on drugs. While being completely ineffective in achieving its goal of reducing drug use and addiction, this approach has ruined lives and harmed families. Our punitive policies have left thousands of Rhode Islanders with criminal records for low-level marijuana offenses, making it more difficult for them to access employment, loans, affordable housing, and social services. Federal statistics show that people of color in Rhode Island have been disproportionately harmed by marijuana prohibition laws, despite similar use rates compared to whites. According to an analysis from the American Civil Liberties Union, blacks in Rhode Island were three times more likely than whites to be arrested for marijuana possession from 2001 to 2010.33

Although Rhode Island made possession of an ounce or less of marijuana a non-criminal offense punishable by a $150 fine in 2012, purchasing and selling marijuana remains a crime. As a result, many Rhode Islanders continue to be arrested for marijuana offenses each year. Over 1,400 arrests for marijuana occurred in Rhode Island from 2013 to 2014.34 Without establishing a legal, regulated market, more than 100,000 Rhode Islanders who consume marijuana each year will remain subject to punishment.

According to data from the Washington State Administrative Office of the Courts, court filings for low-level marijuana offenses by adults 21 and older dropped 98% after voters approved I-502, the initiative that legalized marijuana for adult use in Washington.35 Similarly, arrests for marijuana possession and arrests for cultivating and distributing marijuana dropped by 84% and 90%, respectively, in Colorado between 2010 and 2014.36
**Marijuana is less harmful than alcohol**

By virtually every objective measure, scientific research shows that marijuana is safer than alcohol. Adults should not be punished for consuming the safer substance, if that is what they prefer. Preliminary research indicates that a significant number of alcohol consumers may drink less if marijuana is legalized.\(^{37}\)

<table>
<thead>
<tr>
<th>Does use contribute to...</th>
<th>No. There is no evidence that marijuana has ever caused a fatal overdose.</th>
<th>Yes. According to the CDC, alcohol poisoning causes more than 1,600 deaths each year in the U.S.(^{38})</th>
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<tbody>
<tr>
<td>lethal overdoses?</td>
<td>No. There is no evidence that marijuana causes aggressive behavior. In fact, a 2014 study found that marijuana use was correlated with lower rates of intimate partner violence among married couples.(^{39})</td>
<td>Yes. According to the World Health Organization: “Alcohol consumption, especially at harmful and hazardous levels, is a major contributor to the occurrence of intimate partner violence.”(^{40})</td>
</tr>
<tr>
<td>violence?</td>
<td>No. There is no evidence that marijuana significantly contributes to accidental injuries. Interestingly, some research has found that marijuana correlates with a decreased risk of injury.(^{41})</td>
<td>Yes. Research published in the journal Alcoholism: Clinical &amp; Experimental Research found that 21% of all injuries are attributable to alcohol use by the injured person.(^{42})</td>
</tr>
<tr>
<td>injuries?</td>
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A comprehensive federal study from the Institute of Medicine concluded that, although some marijuana users develop dependence, “they appear to be less likely to do so than users of other drugs (including alcohol and nicotine), and marijuana dependence appears to be less severe than dependence on other drugs.”\(^{43}\) Another study published in *Scientific Reports* looked at the ratio between toxic doses and typical human intakes of various drugs. It found that alcohol was 114 times more dangerous than marijuana based on this measure.\(^{44}\)
Taxing marijuana would generate tens of millions in additional revenue annually

Taxing marijuana could generate a substantial amount of revenue for Rhode Island. Based on market research and sales projections from The Arcview Group, total sales for non-medical marijuana will reach $161 million by 2020 if Rhode Island legalizes in 2017. Washington state and Colorado tax marijuana at roughly 37% and 29%, respectively. If Rhode Island applied a 30% tax on marijuana sales, the state would generate an additional $48.3 million a year in revenue annually by 2020. This additional revenue could help fund important social services or offset other taxes on Rhode Islanders.

Projected sales for non-medical marijuana in Rhode Island

Source: The Arcview Group

Monthly revenue raised in 2016 from marijuana taxes and fees in Colorado and Washington

[Graph showing monthly revenue raised in 2016 from marijuana taxes and fees in Colorado and Washington]
Endnotes


8. Ibid.


Endnotes

26. A 2013 Pew survey indicates 6% of Americans use marijuana medically, http://www.people-press.org/2013/04/04/majority-now-supports-legalizing-marijuana/. However, in most medical marijuana states, including Rhode Island, less than 2% of states’ populations are registered in states’ medical cannabis programs, with several states having less than 0.5% of the population enrolled. See https://www.mpp.org/issues/medical-marijuana/state-by-state-medical-marijuana-laws/medical-marijuana-patient-numbers/


38. “Average Annual Number of Deaths and Years of Potential Life Lost (YPLL) Attributable to the Harmful Effects of Excessive Alcohol Use, by Cause and Sex, United States, 2006–2010.” Centers for Disease Control and Prevention, https://www.cdc.gov/pcd/issues/2014/13_0293.htm#Tables


Contact us and get involved:

regulateri.com
(401) 419-8794
info@regulateri.com
@RegulateRI
/RegulateRI