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The Washington Post
The New York Times
THE WALL STREET JOURNAL.



I.National Landscape

II.“One Nation Undivided”

III.What has worked

- **Three Common Elements For Success**
- **Successful Regulatory Elements**

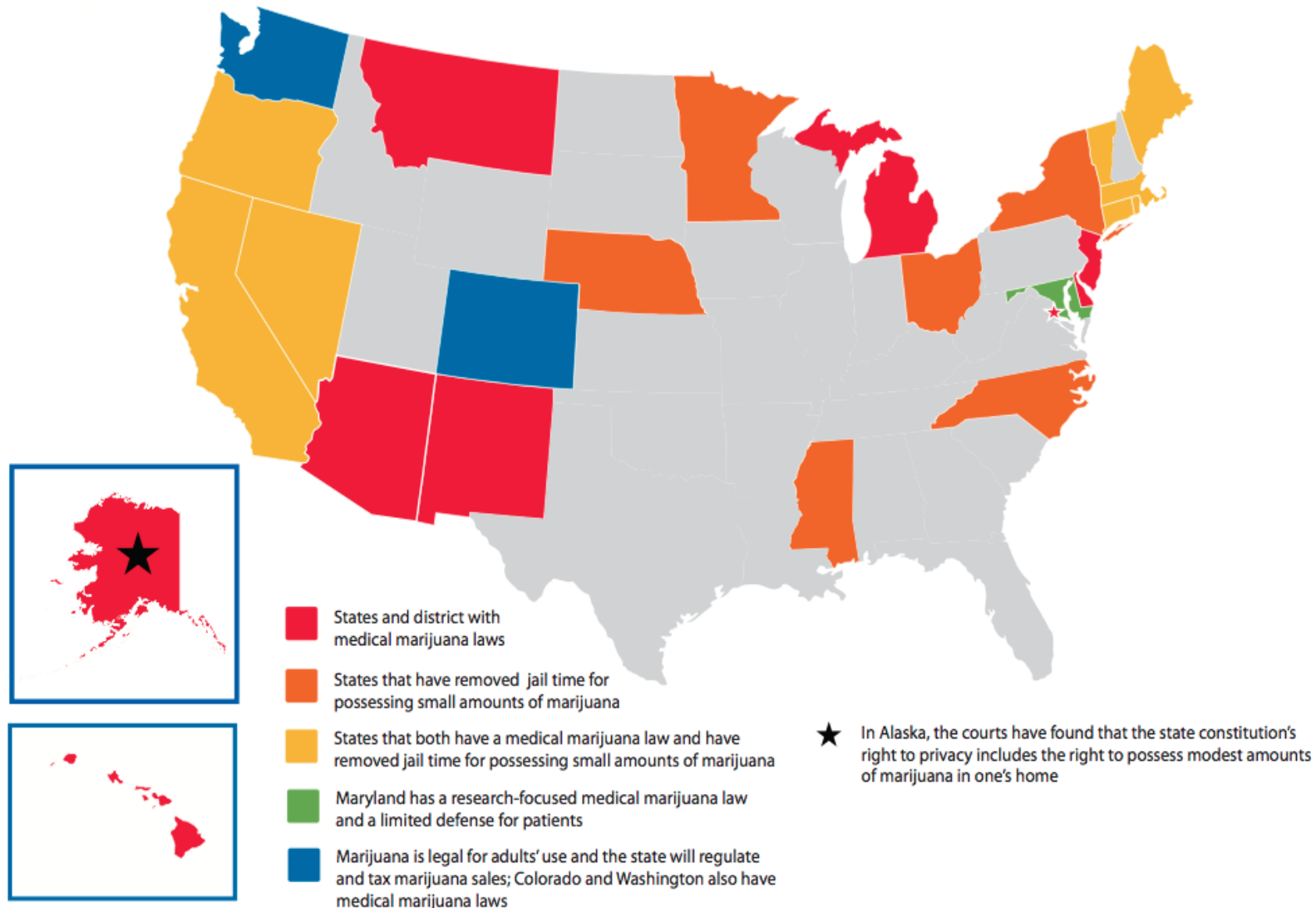
IV.What May Be Problematic

V.State Impacts



Marijuana Landscape in the United States 2010

The legalization of marijuana is rapidly spreading across the United States. 18 states (plus Washington D.C.) provide for legal medical marijuana, 2 states provide for legal recreational adult marijuana (Colorado and Washington), and 6 states have pending legislation (Illinois, Minnesota, New Hampshire, New York, Ohio and Pennsylvania).

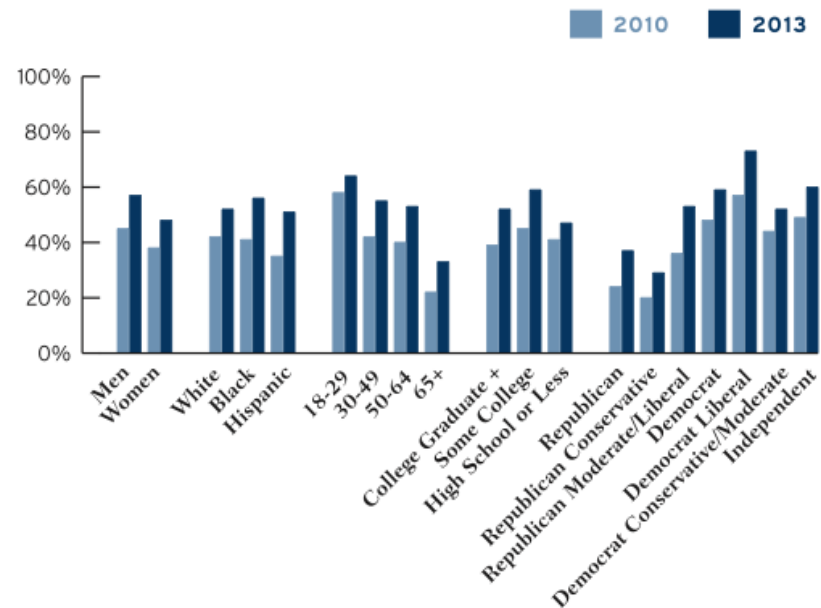


Public Opinion is Changing

Since 2010, support for legalization has increased in every major demographic and political group.

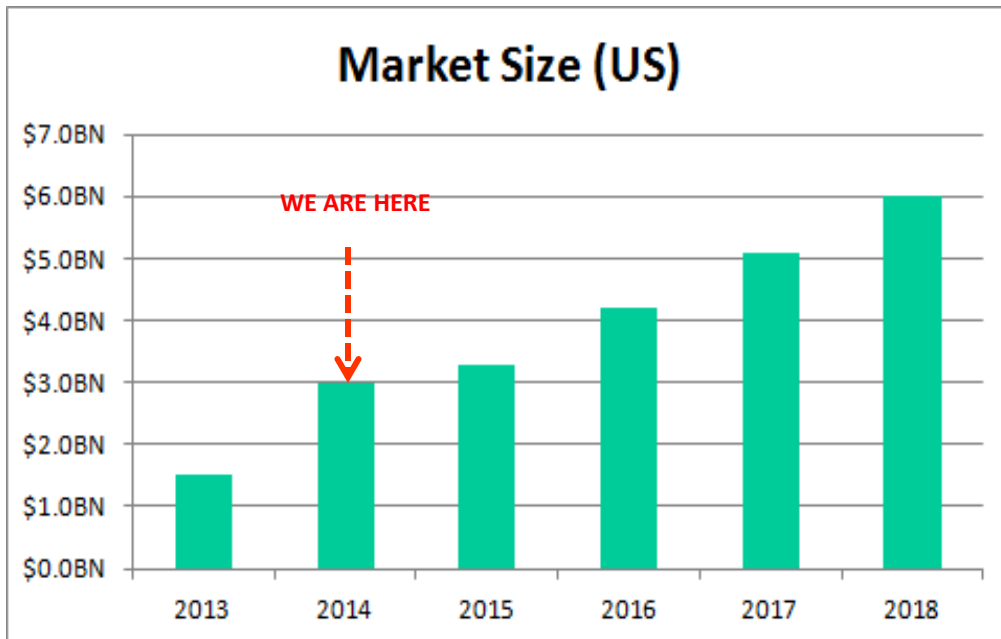
- 48% of Americans say they have tried marijuana and 12% of all adults (and 27% of those under 30 years old) say they have used marijuana in the past year.
- 52% of Americans think marijuana should be legal.
- 60% of Americans think the federal government should not enforce its prohibition in states that permit marijuana use and 72% agreed that federal enforcement of marijuana laws is not worth the cost.

SINCE 2010, SUPPORT HAS INCREASED
IN EVERY MAJOR DEMOGRAPHIC AND POLITICAL GROUP



Trends

- Legal marijuana is currently a \$3.0 Billion industry in the United States and is projected to double in size by 2018.
- The total potential nationwide legal marijuana market is estimated to be \$35-45 Billion (based on actual nationwide usage).
- Colorado is the first legal, regulated and taxed adult (21+) recreational marijuana market in the U.S., retail sales commenced January 1, 2014; the total legal cannabis market in Colorado is estimated to be \$1+ Billion in 2014.
- Coffee and Tea sales are approximately \$11 Billion annually
- US Beer Industry sales approximately \$99 Billion Annually. (brewersassociation.org)



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Where are we today? 4 Years later?



Three Approaches in United States

- 1. Medical marijuana**
- 2. Adult Use Marijuana**
- 3. Hemp – Low THC (.3%)**



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. Summary Chart: 23 states and DC have enacted laws to legalize medical marijuana					
State	Year Passed	How Passed (Yes Vote)	Fee	Possession Limit	Accepts other states' registry ID cards?
1. Alaska	1998	Ballot Measure 8 (58%)	\$25/\$20	1 oz usable; 6 plants (3 mature, 3 immature)	No
2. Arizona	2010	Proposition 203 (50.13%)	\$150/\$75	2.5 oz usable; 0-12 plants	Yes
3. California	1996	Proposition 215 (56%)	\$66/\$33	8 oz usable; 6 mature or 12 immature plants	No
4. Colorado	2000	Ballot Amendment 20 (54%)	\$15	2 oz usable; 6 plants (3 mature, 3 immature)	No
5. Connecticut	2012	House Bill 5389 (96-51 House, 21-13 Senate)	\$100	One-month supply (exact amount to be determined)	No
6. DC	2010	Amendment Act B18-622 (13-0 vote)	\$100/\$25	2 oz dried; limits on other forms to be determined	No
7. Delaware	2011	Senate Bill 17 (27-14 House, 17-4 Senate)	\$125	6 oz usable	No
8. Hawaii	2000	Senate Bill 862 (32-18 House; 13-12 Senate)	\$25	3 oz usable; 7 plants (3 mature, 4 immature)	No
9. Illinois	2013	House Bill 1 (61-57 House; 35-21 Senate)	TBD	2.5 ounces of usable cannabis during a period of 14 days	No
10. Maine	1999	Ballot Question 2 (61%)	No fee	2.5 oz usable; 6 plants	Yes
11. Maryland	2014	House Bill 881 (125-11 House; 44-2 Senate)	TBD	30-day supply, amount to be determined	No
12. Massachusetts	2012	Ballot Question 3 (63%)	\$50	60-day supply for personal medical use	unknown



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I. Summary Chart: 23 states and DC have enacted laws to legalize medical marijuana					
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13. Michigan	2008	Proposal 1 (63%)	\$100/\$25	2.5 oz usable; 12 plants	Yes
14. Minnesota	2014	Senate Bill 2470 (46-16 Senate; 89-40 House)	\$200/\$50	30-day supply of non-smokable marijuana	No
15. Montana	2004	Initiative 148 (62%)	\$75	1 oz usable; 4 plants (mature); 12 seedlings	No
16. Nevada	2000	Ballot Question 9 (65%)	\$100	1 oz usable; 7 plants (3 mature, 4 immature)	Yes
17. New Hampshire	2013	House Bill 573 (284-66 House; 18-6 Senate)	TBD	Two ounces of usable cannabis during a 10-day period	Yes
18. New Jersey	2010	Senate Bill 119 (48-14 House; 25-13 Senate)	\$200/\$20	2 oz usable	No
19. New Mexico	2007	Senate Bill 523 (36-31 House; 32-3 Senate)	No fee	6 oz usable; 16 plants (4 mature, 12 immature)	No
20. New York	2014	Assembly Bill 6357 (117-13 Assembly; 49-10 Senate)	\$50	30-day supply non-smokable marijuana	No
21. Oregon	1998	Ballot Measure 67 (55%)	\$200/\$60	24 oz usable; 24 plants (6 mature, 18 immature)	No
22. Rhode Island	2006	Senate Bill 0710 (52-10 House; 33-1 Senate)	\$75/\$10	2.5 oz usable; 12 plants	Yes
23. Vermont	2004	Senate Bill 76 (22-7) HB 645 (82-59)	\$50	2 oz usable; 9 plants (2 mature, 7 immature)	No
24. Washington	1998	Initiative 692 (59%)	No fee	24 oz usable; 15 plants	No



Adult Use (Recreational) in United States

- 1. Colorado 2014**
- 2. Washington 2014**



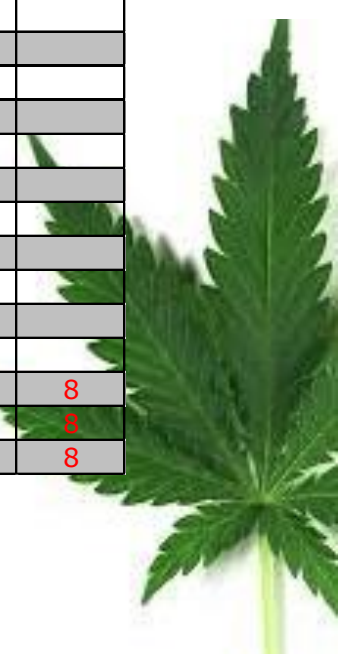
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State or territory	Population estimate for 7/1/2013	Percent of total U.S. pop.	Population with Epilepsy	Population with Intractible Epilepsy	Recreational	Medical Cannabis	CBD Only
California*	38,332,521	11.97%	1,474,328	442,298		X	
Texas	26,448,193	8.26%	1,017,238	305,171			
New York	19,651,127	6.14%	755,813	226,744		X	
Florida	19,552,860	6.11%	752,033	225,610			
Illinois	12,882,135	4.02%	495,467	148,640		X	
Pennsylvania	12,773,801	3.99%	491,300	147,390			
Ohio	11,570,808	3.61%	445,031	133,509			
Georgia	9,992,167	3.12%	384,314	115,294			
Michigan*	9,895,622	3.09%	380,601	114,180		X	
North Carolina	9,848,060	3.08%	378,772	113,631			
New Jersey*	8,899,339	2.78%	342,282	102,685		X	
Virginia	8,260,405	2.58%	317,708	95,312			
Washington*	6,971,406	2.18%	268,131	80,439	X	X	
Massachusetts	6,692,824	2.09%	257,416	77,225		X	
Arizona*	6,626,624	2.07%	254,870	76,461		X	
Indiana	6,570,902	2.05%	252,727	75,818			
Tennessee	6,495,978	2.03%	249,845	74,954			X
Missouri	6,044,171	1.89%	232,468	69,740			
Maryland	5,928,814	1.85%	228,031	68,409		X	
Wisconsin	5,742,713	1.79%	220,874	66,262			X
Minnesota	5,420,380	1.69%	208,476	62,543		X	
Colorado*	5,268,367	1.65%	202,630	60,789	X	X	
Alabama	4,833,722	1.51%	185,912	55,774			X
South Carolina	4,774,839	1.49%	183,648	55,094			X
Louisiana	4,625,470	1.44%	177,903	53,371			
Kentucky	4,395,295	1.37%	169,050	50,715			X
Oregon*	3,930,065	1.23%	151,156	45,347		X	
Oklahoma	3,850,568	1.20%	148,099	44,430			
Puerto Rico	3,615,086	1.13%	139,042	41,713			
Connecticut	3,596,080	1.12%	138,311	41,493		X	



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State or territory	Population estimate for 7/1/2013	Percent of total U.S. pop.	Population with Epilepsy	Population with Intractible Epilepsy	Recreational	Medical Cannabis	CBD Only
Iowa	3,090,416	0.97%	118,862	35,659			X
Mississippi	2,991,207	0.93%	115,046	34,514			X
Arkansas	2,959,373	0.92%	113,822	34,147			
Utah	2,900,872	0.91%	111,572	33,472			X
Kansas	2,893,957	0.90%	111,306	33,392			
Nevada*	2,790,136	0.87%	107,313	32,194		X	
New Mexico	2,085,287	0.65%	80,203	24,061		X	
Nebraska	1,868,516	0.58%	71,866	21,560			
West Virginia	1,854,304	0.58%	71,319	21,396			
Idaho	1,612,136	0.50%	62,005	18,602			
Hawaii*	1,404,054	0.44%	54,002	16,201		X	
Maine*	1,328,302	0.41%	51,089	15,327		X	
New Hampshire	1,323,459	0.41%	50,902	15,271		X	
Rhode Island*	1,051,511	0.33%	40,443	12,133		X	
Montana*	1,015,165	0.32%	39,045	11,713		X	
Delaware	925,749	0.29%	35,606	10,682		X	
South Dakota	844,877	0.26%	32,495	9,749			
Alaska*	735,132	0.23%	28,274	8,482		X	
North Dakota	723,393	0.23%	27,823	8,347			
District of Columbia	646,449	0.20%	24,863	7,459		X	
Vermont*	626,630	0.20%	24,101	7,230		X	
Wyoming	582,658	0.18%	22,410	6,723			
Guam	159,358	0.05%	6,129	1,839			
U.S. Virgin Islands	106,405	0.03%	4,093	1,228			
American Samoa	55,519	0.02%	2,135	641			
Northern Mariana Islands	53,883	0.02%	2,072	622			
The Fifty States	319,097,476	99.68%	12,272,980	3,681,894	2	23	8
50 States + D.C.	319,743,925	99.88%	12,297,843	3,689,353	2	24	8
Total U.S. territory	320,119,090	100.00%	12,312,273	3,693,682	2	24	8



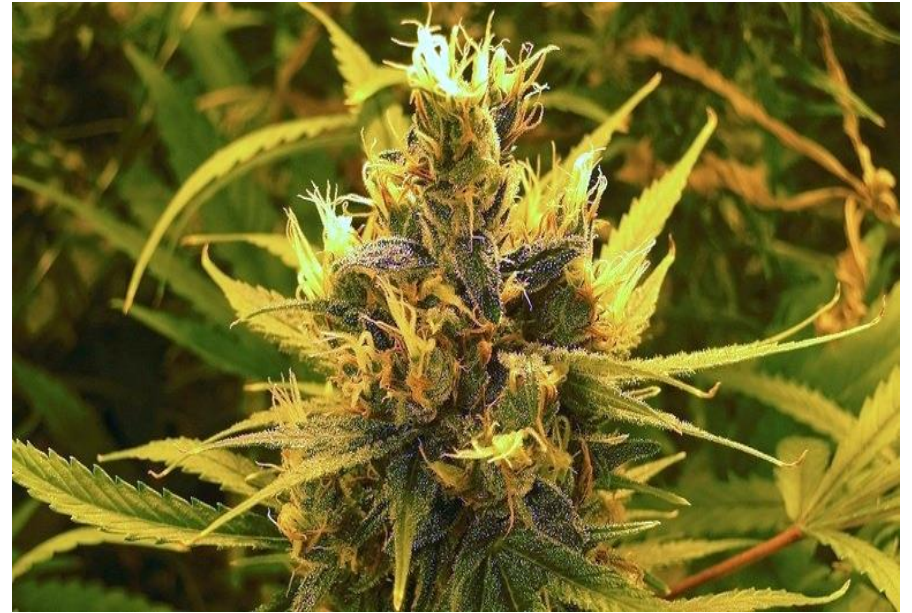
Cultivation Facility in Colorado



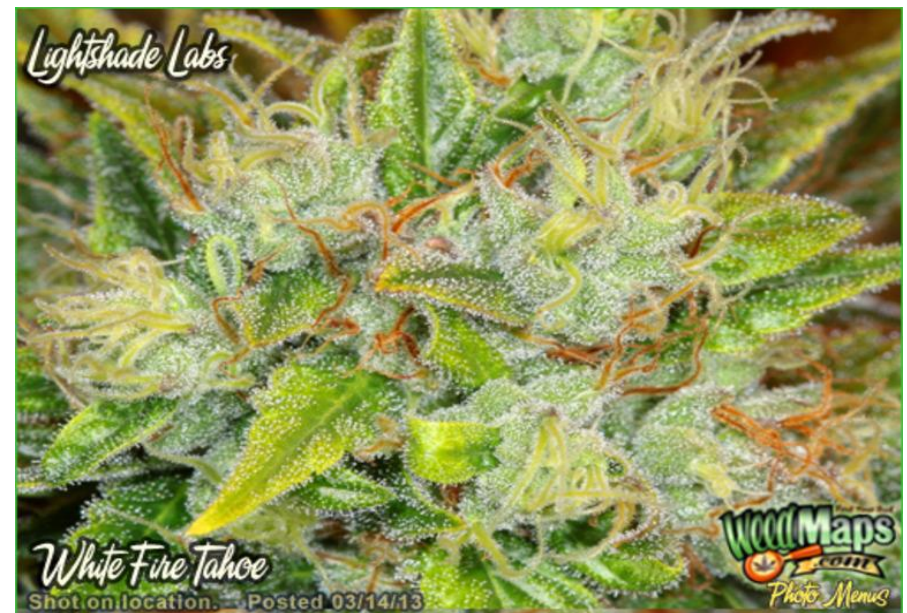
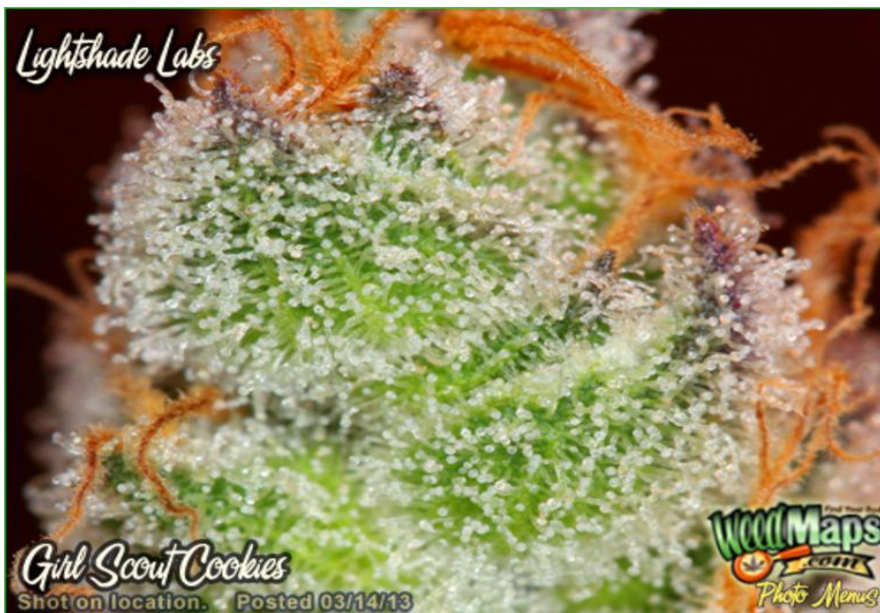
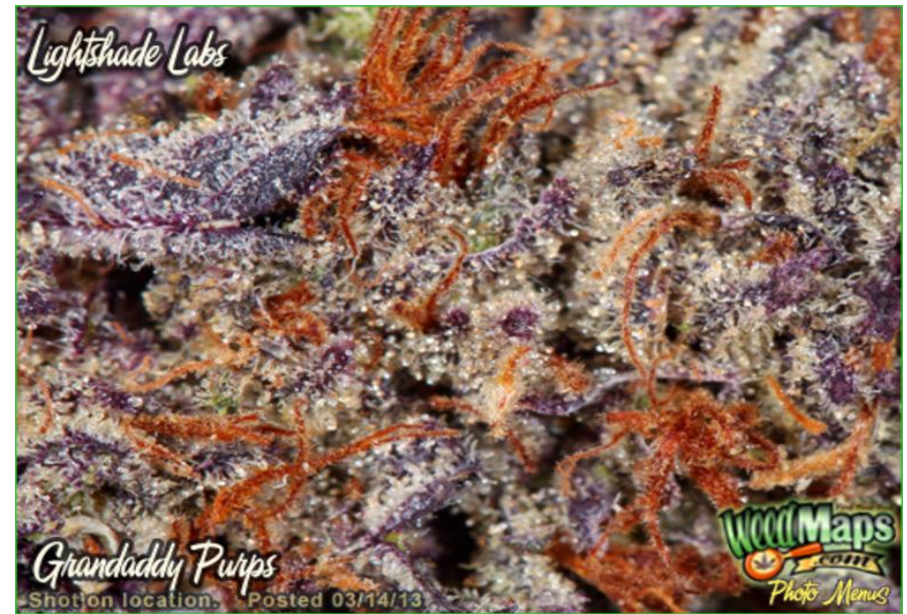
Colorado Medical Marijuana Retail Outlet (Dispensary)



Marijuana (Cannabis) Plant



Marijuana Magnified (Oils, trichomes, turpines, cannabinoids)



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What Has Worked?



Three Common Elements for Success

1. Communicate with the Industry (Stakeholders)

- They are not new to this.
- Want reasonable statutes, regulations and reasonable oversight.
- Rule Making, Workgroups, committees, sub-committees, etc.
- Black Market?



Three Common Elements for Success

2. Inter-Agency [Cooperation](#)

Public Safety (Diversion, Underage access)

Health Agency - BME (MD'S - Conf. Patient Registry)

Revenue (Taxation, Enforcement)

Agriculture (farming, pesticides, Molds, Fed Farm Act)

Education (Universities-Research and Analysis)

ALL HAVE COMMON OVERSIGHT

3. Reasonable statutes and regulations.



Successful Regulatory Elements

Limit Number of Licenses to ensure Control - Access

Background Investigation (Owners, Managers, Employees-Contractors)

Drug Convictions? Felony? “Good Moral Character”

Taxes and All Other Government Obligations Paid

(State Cash Fund)

Limited Access Areas

Security Systems

Video Systems

Seed to Sale Tracking System (Agrisoftdg.com)

3 Tier System/Vertical Integration

Transportation -Travel Manifest

Criminal-Administrative Sanctions (BOTH)

Criminal Court. Admin. Fines, Suspension 6 months, or Revocation



Brookings Institution on Colorado's Legalization of Marijuana: 'Resounding Success'

Friday, 08 August 2014



Washington, D.C.: The Brookings Institution has issued a report entitled '*Colorado's Rollout of Legal Marijuana is Succeeding*', analyzing the first six months of Colorado's legalized cannabis commerce and taxation policies, which voters approved by ballot initiative in November 2012.

Author John Hudak calls the implementation of the new Colorado law "a resounding success." He continues, "My research shows that regardless of the merits of the policy itself, Colorado has created a smart regulatory system that balances safety and security with access to legal marijuana."



State Impacts

Colorado teen marijuana use continues to decrease post legalization

For immediate release:
August 7, 2014

Denver: The Colorado Department of Public Health and Environment (CDPHE) released new data today showing that teen marijuana use has continued to decrease post legalization.

The newly released CDPHE data shows that from 2011 to 2013 the rate of current marijuana use among Colorado high school students has decreased from 22% to 20%; During the same time, CDC data shows that national teen marijuana usage remained virtually unchanged (2011: 23.1, 2013: 23.4) [CDC Data](#). The CDPHE survey also shows that lifetime use by high school students has declined from 39 percent to 37 percent during the same two years.



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Colorado is seeing record tourism, record real estate, and increases in tax revenue and jobs. Further, Colorado voters rank legalization a success.

1. Record Tourism

1. "[2013/14 ski season noted as best year for Colorado](#)," Colorado Ski Country USA, 6-12-14.
2. "[Spending sends Colorado resort towns toward record setting tourism year](#)," by Jason Blevins, The Denver Post, 5/25/14.
3. "[Denver tourists spend a record \\$4.1 billion in 2013](#)," by Jason Blevins, The Denver Post, 6/18/14.

2. Strong Economic Indicators

1. "[Colorado jobless rate drops to 6%, labor shortages emerge in trades](#)," by Howard Pankratz, Denver Post, 5-16-14.
2. "[Metro Denver Saw Economic Development Payoff in 2013](#)," by Aldo Svaldi, Denver Post, 1-21-14.
 1. *"All of metro Denver's major industry groups, or 'clusters,' managed to add jobs last year, and the area snagged a larger-than-expected number of corporate headquarters. 'We are now a magnet for corporate headquarters,' said Tom Clark, CEO of the Metro Denver Economic Development Corp., in an outlook provided to the City Club of Denver on Tuesday. The metro area landed 10 corporate headquarters in 2013, up from the average of six to eight in recent years."*
3. "[Colorado recreational marijuana sales, taxes boomed in April](#)," by John Ingold, Denver Post, 6-9-14.
4. [Actual marijuana sales and excise tax numbers for April](#), published June 2014.

3. Record Real Estate:

1. "[Denver Booms as Outdoors, Ski Slopes trump prices, bustle of cities on coast](#)," by Nadja Brandt, Bloomberg, Denver Post, 12-31-13.
 1. *"Spending on **construction** of new commercial buildings this year is estimated at about \$2.55 billion, **up 26 percent from 2012** and the most in at least two decades, according to the city Community Planning & Development Department."*
2. "[Colorado Pot Laws Help Mile-High City's Appetite for Real Estate to Grow Even Higher](#)," by James Higdon, CNN, 12-13-2013.
3. "[Denver Ranks as a Top 'Market to Watch' for Commercial Real Estate](#)," by Dennis Huspeni, Denver Business Journal, 1-17-14.



What Doesn't work

- No Regulatory Framework
- Caregivers allowed to coexist and produce
 - Feeds black market
- Decriminalization Only-Not allowing Production
 - Expectations to go to other states
 - State and Federal Violations
- Over Regulation and Higher Taxes
 - Increases Costs
 - Feeds Black market



Summary

I. National Landscape

II. “One Nation Undivided”

III. What Has Worked

- **Three Common Elements For Success**
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