

# Ballot

- Tax
- Local vote
- Keep medical law

# House

- Repeals 2 ballot questions
- Repeals local public vote
- Raises taxes
- Regulates like Gaming, not Alcohol
- Reduces regulatory flexibility
- Increases bureaucracy & prosecution
- Reduces economic opportunity for small farmers & businesses/communities hurt by War on Drugs
- Combines medical & adult use trust funds

- Grow limits
- Possession limits
- \* Labeling, ads, & packaging

- \* Governance
- Moves medical under CCC
- Removes head start for medical license holders
- Allow medical to transition to for-profit
- Independent Testing
- Hemp
- EBT Ban
- Privacy
- \* \$ for substance abuse education

# Senate

- Tailored approach that retains & improves both ballot questions
- Increased economic opportunity for small farmers & businesses/communities hurt by War on Drugs
  - Sealing (expungement)
  - Continues separate medical \$ fund
  - \$ for research, affected communities
- Treats marijuana possession for those under 21 like alcohol possession for those under 21
  - All MJ & sales tax \$ to Marijuana Trust
  - Language clarity for local referendum
    - (Social host)
    - Data Collection

## FAQ 1: Comparing Tax Rates

State	Tax Rates
Washington 2012	<b>37%</b> excise tax, reduced from 25% plus 25%
Oregon 2012	<b>17%</b> . Municipalities can enact an additional tax of up to 3% with the approval of voters Reduced from 25%
Colorado 2012	<b>15%</b> excise tax on the average market rate of retail marijuana. <b>15%</b> sales tax on all retail sales marijuana and marijuana-infused products (as of July 1, 2017) Local taxes
Nevada 2016	<b>15%</b>
California 2016	<b>15%</b> excise tax on purchases of marijuana and marijuana products. Plus a cultivator tax: \$9.25 per dry-weight ounce of marijuana flowers, \$2.75 per dry-weight ounce of marijuana leaves Sales begin January 2018
Massachusetts 2016	<b>10%</b> (3.75% excise; 6.25% sales; 2% local option)
Maine 2016	<b>10%</b>
Alaska 2014	\$50/oz. No retail stores open yet

“Colorado, Washington, and Oregon have all taken steps to reduce their marijuana tax rates, with Alaska considering it, after initial rates of 30% or more did not reduce the black market sufficiently. More recent ballot initiative proposals across the country propose rates between 10 and 25%”

-- The Tax Foundation, 2016

"Tax and regulate like alcohol:" State alcohol tax is based on volume, and for moderately priced products is about .5% for beer, 1.5% for wine.

Proposed federal legislation by Sen. Wyden phases in higher taxes over time:<https://www.congress.gov/bill/115th-congress/senate-bill/776/text>.

## FAQ 2: Will Revenue Cover Costs?

"My message all along on the tax rate has been the tax rate's gotta to be high enough to cover the cost of the program," he added. "And that's something that can go either up or down depending upon experience."

-- Gov. Charlie Baker in MassLive, June 15, 2017

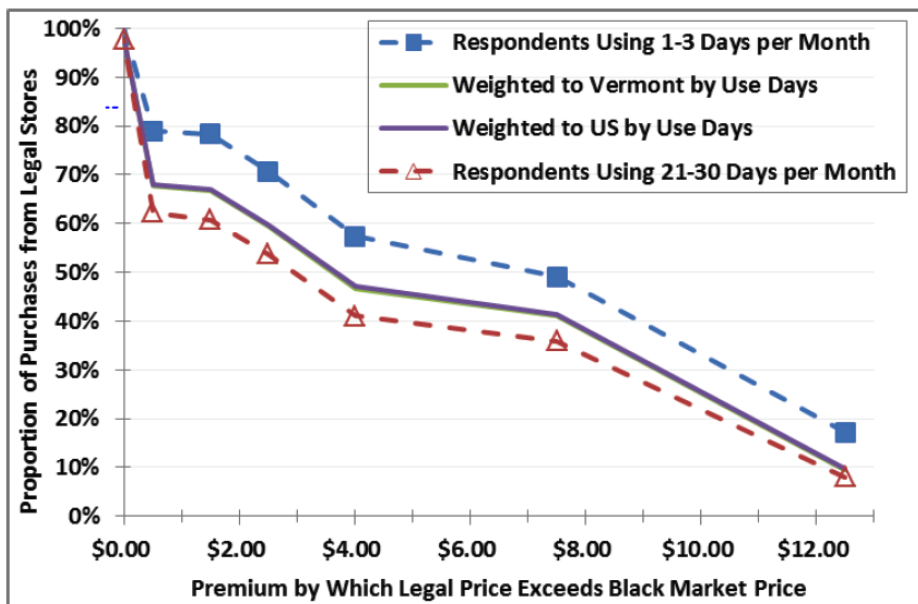
The Department of Revenue mid-point estimate for first-year revenue for the state from excise and sales taxes would be \$53 million; for second-year \$120 million.

The Treasurer estimates that regulatory costs for the first year would be \$10 million, including IT and seed-to-sale development. For the second year, \$8.2 million.

House bill adds regulations, investigatory divisions, prosecutorial unit in Attorney General's office: much higher costs, but impossible to estimate.

Revenue depends on a developing legal market. This graph estimates how much of the market shifts to legal supply as price differential rises. (premium/gram; MA about \$10-20/gram)

Figure 7.1  
Legal Supply's Market Share as a Function of Its Price Premium, Based on the Washington Cannabis Consumption Survey



-- Caulkins et al, Considering Marijuana Legalization: Insights for Vermont and other Jurisdictions 2016

"Smuggling in Massachusetts has notably increased since the last data release. The state implemented a tax increase from \$2.51 to \$3.51 per pack in midyear 2013, and smuggling rates increased from 12 percent to 29.3 percent between the 2013 data and 2014 data. Over the same period, outbound smuggling increased in nearby low-tax New Hampshire, from -28.6 percent to -81.1 percent, suggesting that many cartons of cigarettes are crossing the border from one state to the other." --<https://taxfoundation.org/cigarette-taxes-and-cigarette-smuggling-state-2014>

### **FAQ 3: Bans on Marijuana**

Municipalities can ban marijuana facilities by local referendum. The Senate bill adds the Secretary of State's language clarifying the language of such referenda. The requirement does not seem to be a barrier: 30 communities have passed these bans, even without the clarification.

Municipalities can zone for marijuana facilities, as long as zoning isn't prohibitive.

Municipalities can require host agreements, if the fees don't exceed costs.

After 5 years, only 11 medical marijuana dispensaries have opened. At first, DPH caused delays. All facilities have had difficulty with municipal zoning etc.

Three things cause persistence of the illicit market, according to Washington data:

Quality

Cost (see: taxes)

Access (if large areas ban, there will be less access)

#### **Towns with bans**

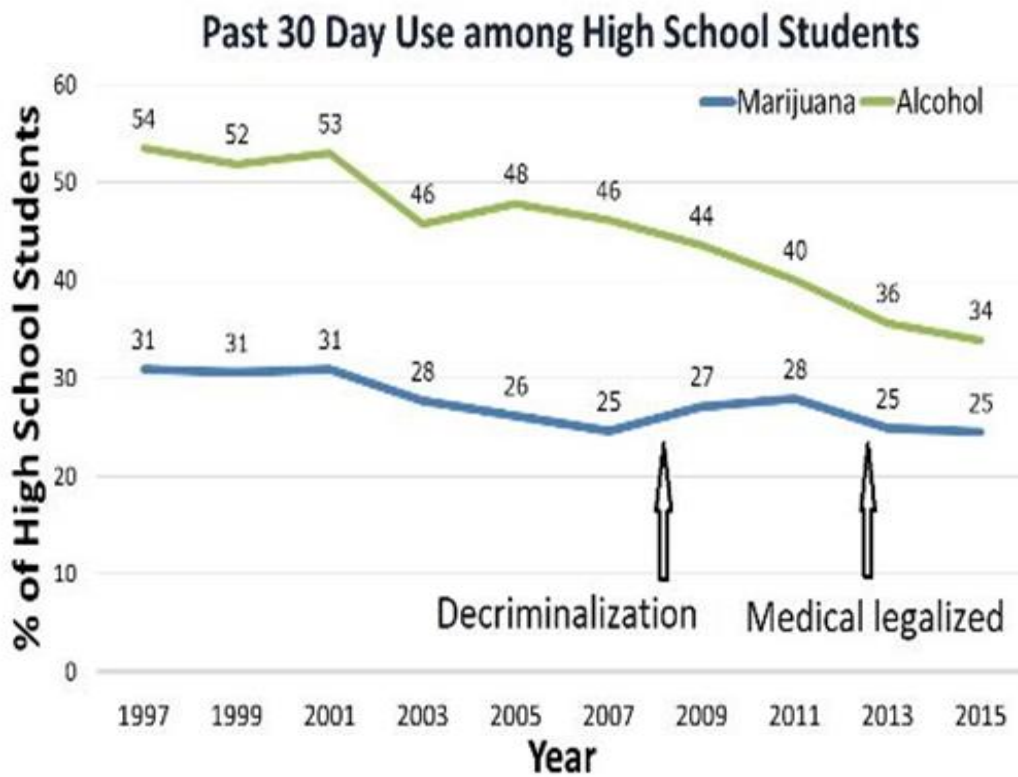
<ul style="list-style-type: none"><li>* Auburn</li><li>Dennis</li><li>*East Brookfield</li><li>East Longmeadow</li><li>Falmouth</li><li>Foxborough</li><li>*Holliston</li><li>Hopkinton</li><li>*Ipswich</li><li>Lynnfield</li><li>Medfield</li><li>*Medway</li><li>North Reading</li><li>Norwell</li><li>Norwood</li><li>Pembroke</li></ul>	<ul style="list-style-type: none"><li>Raynham Reading</li><li>Sherborn</li><li>Southborough</li><li>*Spencer</li><li>*Stoughton</li><li>*Sturbridge</li><li>Wakefield</li><li>Sandwich</li><li>Westborough</li><li>Weston</li><li>Westwood</li><li>Wilbraham</li></ul> <p>*signifies town voted (narrowly) for Question 4</p>
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## FAQ 4: Trends in Marijuana Use

Figure 2. Trends in Lifetime Youth Substance Use, Massachusetts and the U.S., 2005 to 2015 (%)

	Massachusetts - YRBS Grade 9-12			U.S. - YRBS Grade 9-12		
	2005	2015	p-value	2005	2015	p-value
Marijuana	45.2	40.9	ns	38.4	38.6	ns
Alcohol	76.4	61.3	p<0.00	74.3	63.2	p<0.00
Cigarettes	50.7	27.8	p<0.00	54.3	32.3	p<0.00
Cocaine	7.9	4.5	p<0.00	7.6	5.2	p<0.00
Heroin	2.4	1.7	P<0.00	2.4	2.1	ns
Methamphetamine	4.4	2.1	P<0.00	6.2	3.0	P<0.00

In Massachusetts:



Source: CDC Youth Risk Behavior Surveillance Survey, 2015

**FAQ 4 (Pg. 2)**

Figure 4. Trends in Marijuana Use among Young Adults and Adults in the U.S., 2002-2014.

	U.S. - NSDUH Age 18-25			U.S. - NSDUH Age 26+		
	2002	2014	p-value	2002	2014	p-value
Past year use	29.8	31.9	p<0.00	7.0	10.1	p<0.00
Current use	17.3	19.6	p<0.00	4.0	6.6	p<0.00

One out of every five **Colorado** teens say they have used marijuana in the last month, but that rate has not increased since pot was legalized in the state and is in line with the national average, according to a new report from the state Health Department.

Among the other findings of the 2015 [Healthy Kids Colorado Survey](#), released Monday:

- The large majority of Colorado middle and high school students — 62 percent — say they have never used marijuana.
- Alcohol is the drug of choice among Colorado teens, with 30 percent of kids surveyed saying they drank within the previous month.
- Cigarette use among teens is at an all-time low, with fewer than one in 10 kids saying they smoke them regularly. But more than a quarter of Colorado teens say they have used an e-cigarette or other vapor product in the last month.

-- Reported in Denver Post June 2016

“Marijuana use was more prevalent in states that passed a medical marijuana law any time up to 2014 than in other states. However, the risk of marijuana use in states before passing medical marijuana laws did not differ significantly from the risk after medical marijuana laws were passed.”

-- The Lancet, 2015

[http://www.thelancet.com/journals/lanpsy/article/PIIS2215-0366\(15\)00217-5/abstract](http://www.thelancet.com/journals/lanpsy/article/PIIS2215-0366(15)00217-5/abstract)

In Massachusetts, as across the country, use of illicit drugs, including marijuana, peaks in the age group 18-25.

	12-18	18-25	26+
Past year marijuana use	15	42	11
Past month marijuana use	9	27	7
Past month alcohol	14	70	69
Past month tobacco	8	34	23

## FAQ 5: Penalties in current law, passed by ballot question

### POSSESSION OF MARIJUANA OUTSIDE PRIMARY RESIDENCE

	Under 1 Oz.	1-2 Oz.	Over 2 Oz.
<b>21+ w/o License</b>	Legalized.	Civil fine of \$100.	Criminal penalties available. G.L. c. 94C, § 34.
<b>18-21</b>	Civil fine of \$100.	Criminal penalties available. G.L. c. 94C, § 34.	Criminal penalties available. G.L. c. 94C, § 34.
<b>Juvenile (under 18)</b>	Civil fine of \$100, and mandatory drug education program.	Delinquency proceedings available. G.L. c. 94C, § 34.	Delinquency proceedings available. G.L. c. 94C, § 34.

### CULTIVATION AND DISTRIBUTION OF MARIJUANA

	Cultivation of 6 or fewer plants, at primary residence	Cultivation of 7-12 plants, at primary residence	Cultivation of 12+ plants, at primary residence	Cultivation at location other than primary residence
<b>21+ w/o License</b>	Legalized.	Civil fine of \$100, and forfeiture of excess marijuana.	Criminal penalties available. G.L. c. 94C, § 32C.	Criminal penalties available. G.L. c. 94C, § 32C.
<b>18-21</b>	Criminal penalties available. G.L. c. 94C, § 32C.	Criminal penalties available. G.L. c. 94C, § 32C.	Criminal penalties available. G.L. c. 94C, § 32C.	Criminal penalties available. G.L. c. 94C, § 32C.
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#### Penalties w/out License

Offense	Penalty	Incarceration	Max Fine
<b><u>PERSONAL USE</u></b>			
<b>OVER 21</b>			
<1 oz	None	NA	NA
1-2 oz	Civil Offense	NA	\$100
> 2 oz first offense	Misdemeanor	NA	\$500
> 2 oz subsequent offense	Misdemeanor	NA	\$2,000

<b>UNDER 21</b>			
<b>&lt; 1 oz</b>	<b>Civil Offense</b>	<b>NA</b>	<b>\$100</b>
<b>&gt; 1 oz first offense</b>	<b>Misdemeanor</b>	<b>6 months</b>	<b>\$500</b>
<b>&gt; 1 oz subsequent offense</b>	<b>Misdemeanor</b>	<b>2 years</b>	<b>\$2,000</b>
<b><u>INTENT TO DISTRIBUTE/ CULTIVATION</u></b>			
<b>&lt;50 lbs first offense</b>	<b>Not Classified</b>	<b>0-2 years</b>	<b>\$5,000</b>
<b>&lt; 50 lbs subsequent offense</b>	<b>Not Classified</b>	<b>1-2.5 years</b>	<b>\$10,000</b>
<b>50 lbs &gt; 100 lbs</b>	<b>Felony</b>	<b>1-15 years</b>	<b>\$10,000</b>
<b>100 lbs &gt; 2,000 lbs</b>	<b>Felony</b>	<b>2-15 years</b>	<b>\$25,000</b>
<b>2,000 lbs &gt; 10,000 lbs</b>	<b>Felony</b>	<b>3.5-15 years</b>	<b>\$50,000</b>
<b>&gt; 10,000lbs</b>	<b>Felony</b>	<b>8-15 years</b>	<b>\$200,000</b>
<b>Within 300 feet of school</b>			
<b>Within 100 feet of public park</b>	<b>Felony</b>	<b>2-15 years</b>	<b>\$10,000</b>
<b>Causing a minor to commit offenses</b>	<b>Felony</b>	<b>5-15 years</b>	<b>\$100,000</b>
<b>Manufacture or distribution</b>	<b>NA</b>	<b>2.5-5 years</b>	<b>\$5,000</b>
<b>Manufacture or distribution to minor</b>	<b>NA</b>	<b>2-15 years</b>	<b>\$25,000</b>
<b>Using a minor to manufacture or distribute</b>	<b>NA</b>	<b>5-15 years</b>	<b>\$100,000</b>