

Report of the Special Senate
Committee on Marijuana



March 8, 2016

Senator Jason Lewis
Chair, Special Senate Committee on Marijuana

Purpose of Committee

- Research and analyze policy ramifications if Massachusetts were to legalize marijuana for recreational use and sale
- Not charged with taking a position on legalization or the expected ballot question (in Nov, 2016)



Committee Members

- Jason Lewis (D-Winchester),
Chair
- Michael Moore (D-Millbury),
Vice-Chair
- Harriette Chandler (D-Worcester)
- Viriato deMacedo (R-Plymouth)
- Linda Dorcena Forry (D-Boston)
- John Keenan (D-Quincy)
- Michael Rodrigues (D-Westport)
- Richard Ross (R-Wrentham)
- James Welch (D-West Springfield)



Committee Process

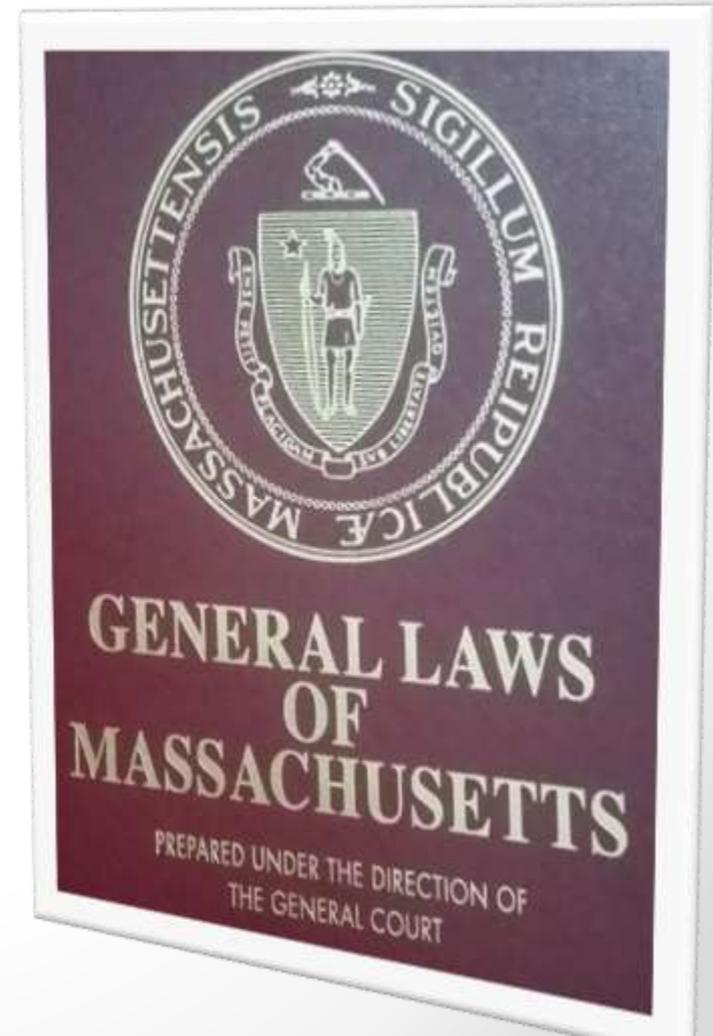
- Literature review – academic research, reports, studies, articles, etc.
- Consulted with 75+ expert stakeholders – cannabis reform advocates, healthcare providers, law enforcement, state and local government officials, industry players, academics
- Research trip to Colorado



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Current Marijuana Laws in MA

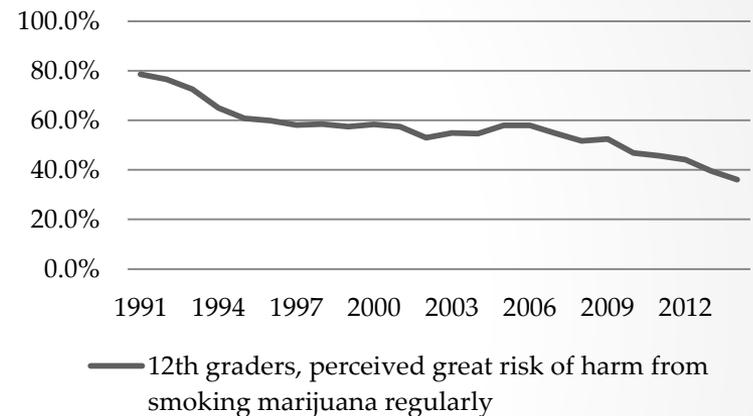
- Federal law: Controlled Substances Act, Schedule I
- State law: Chapter 94C, Class D Controlled Substance
- Decriminalized possession of up to 1 ounce since 2008
- Medical marijuana legal since 2012
- Illegal to drive under the influence, but no effective enforcement
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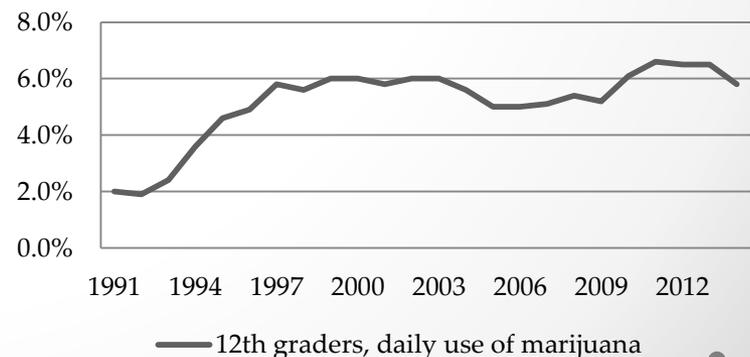
Current Usage in MA

- 885,000 estimated users in the last year (192,000 daily users)
- Approximately 1 in 4 high school students used in the last year
- Youth use increasing as perception of harm has fallen dramatically
- Concurrent use with tobacco and alcohol is common

Fewer youth think marijuana is harmful

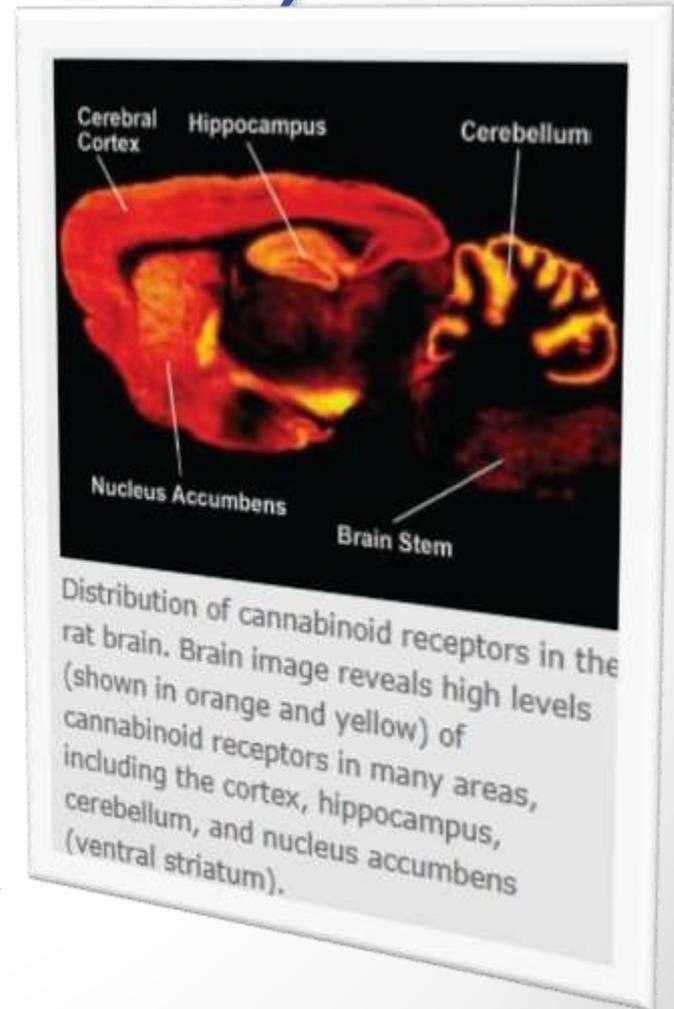


More youth are using marijuana daily



Health Impacts (of Recreational Use)

- Youth face serious health and brain development impacts – risk increases the younger the age of first use and the heavier the use
- 1 in 9 users become dependent, with youth almost twice as prone to addiction as adults
- Overdose is rare, but can lead to psychotic events
- Higher potency appears to increase health risks, but more study is required



Public Safety Impacts

- Large black market - local, state, and federal law enforcement all involved in efforts to curtail trafficking
- Very few arrests or convictions for simple possession since decriminalization
- Driving under the influence a growing concern
- Legalization creates different public safety concerns – product safety, security issues, smuggling across state lines



Economic Impacts

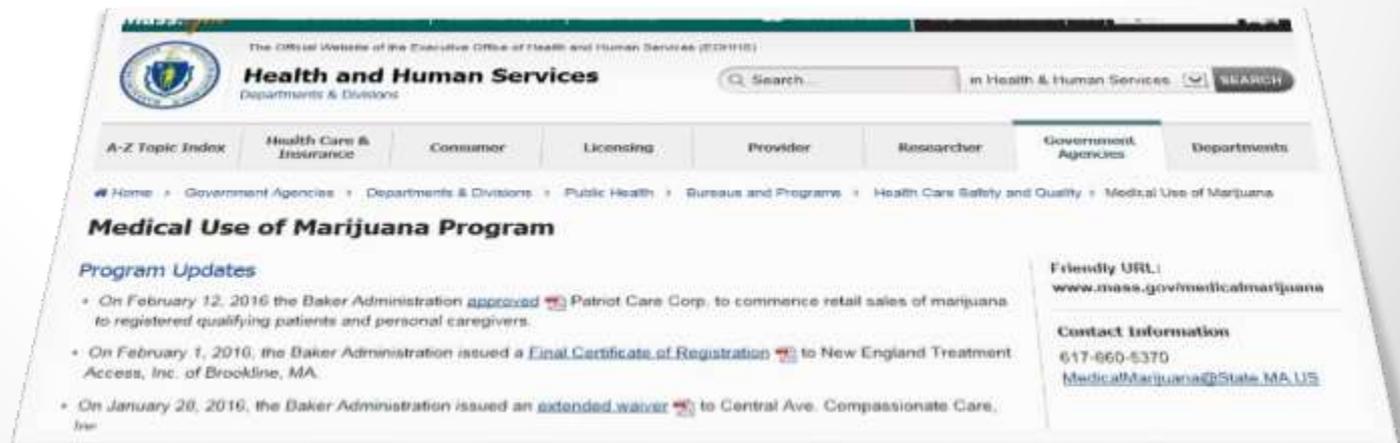
- Legal market nationwide including medical and recreational estimated at \$5.4 billion
- Many small to medium-size businesses providing a wide range of marijuana-related products and services
- Current black market in MA anywhere from \$230-900 million – expect a legal recreational market could be \$500 million+ within a few years
- Other economic impacts of legalization could include “pot” tourism, demand for warehouse and retail space, and other ancillary services

Wonkblog

The marijuana industry could be bigger than the NFL by 2020

Medical Marijuana Status

- 6 dispensaries open, others in the pipeline
- 23, 346 certified patients (as of year end 2015)
- 129 registered physicians (as of year end 2015)
- Licensing process has improved, but many issues remain - product availability, safety testing, possession allowance, patient certification process, legal protections, taxes

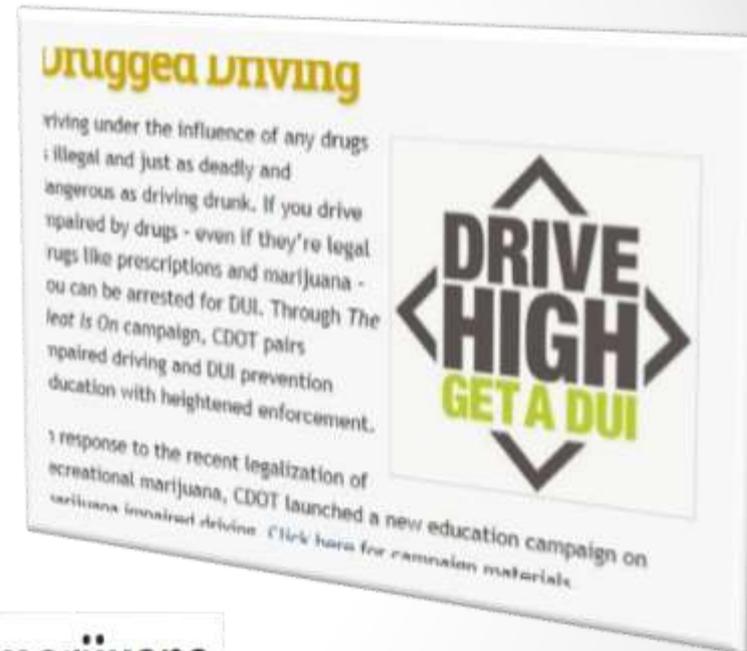


Policy Goals Relative to Marijuana Legalization

- Prevent use by youth under 21
 - Minimize adult misuse and addiction
 - Minimize black market and criminal activity
 - Ensure well-regulated marketplace that minimizes commercialization and avoids disparate impacts on vulnerable communities
 - Generate sufficient tax revenue to meet necessary public costs
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Policy Considerations Relative to Possession, Use, and Consumption

- Minimum legal sales age
- Possession allowance
- Public use
- Driving under the influence



New side-effect of Washington's marijuana law: Youth possession now a felony

POSTED 6:18 PM, SEPTEMBER 18, 2015, BY ASSOCIATED PRESS

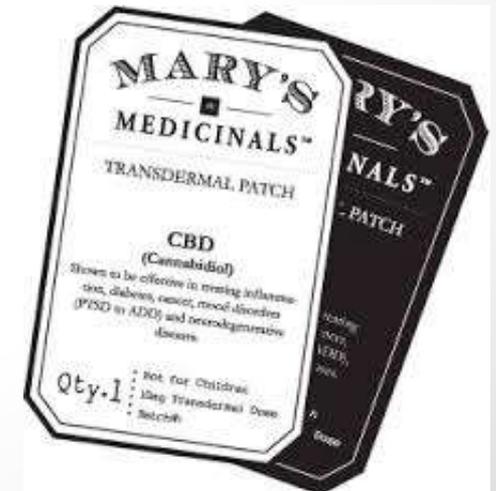
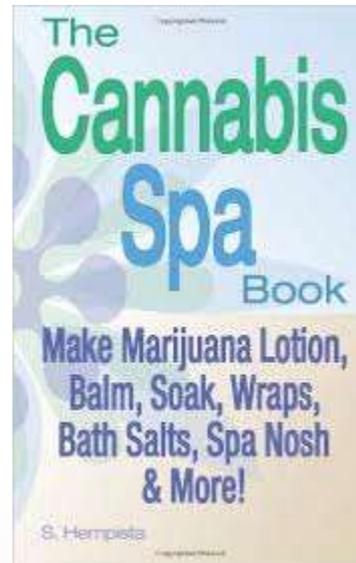
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Policy Considerations Relative to Products and Packaging

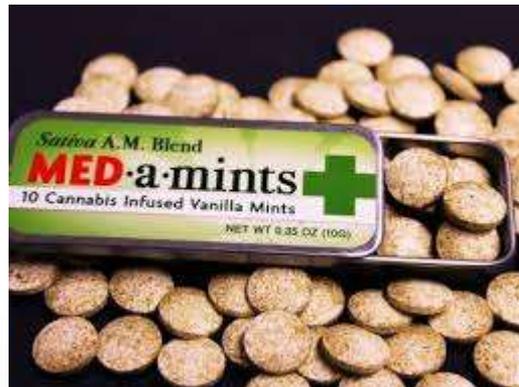
- Types of products allowed
- Packaging and labeling requirements
- Maximum potency
- Product safety



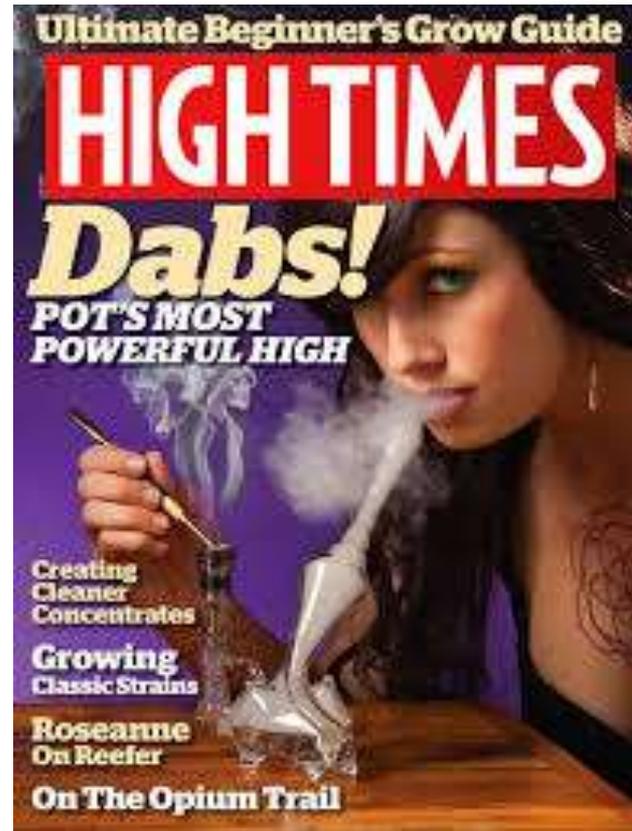
More Marijuana Products



More Marijuana Products



More Marijuana Products



Policy Considerations Relative to Cultivation, Sales, and Marketing

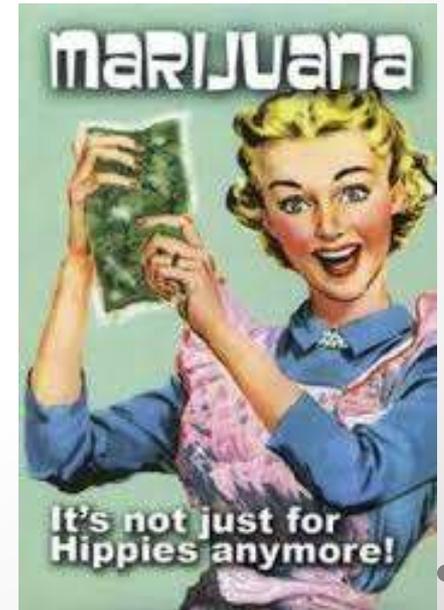
- Seed-to-sale tracking
- Market structure and vertical integration
- Growing limits
- Licensing requirements
- Safety and security
- Home growing
- Location restrictions
- Advertising and marketing restrictions



RiverRock will release Wiz Khalifa's new line of weed in Colorado on 4/20

Wiz Khalifa will soon have his first line of cannabis products sold in a regulated market, thanks to his deal with RiverRock

More Marketing Images



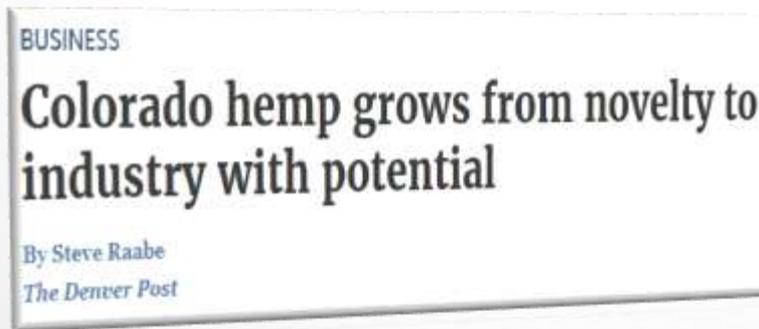
Policy Considerations Relative to Taxes and Revenue

- Taxes and fees
- Use of revenues



Other Policy Considerations

- State regulatory authority
- Local control
- Banking issues
- Employment issues
- Recreational and medical market interactions
- Federal law and compliance issues
- Hemp
- Research and data collection
- Implementation timeline



Legalization Concerns – Public Health

- Commercialization – enticing products, appealing packaging, advertising, celebrity sponsorships, etc.
- Likely to increase youth accessibility and further reduce youth perception of risk
- Growing popularity of edibles – risk of accidental ingestion by children and over-consumption by adults
- Much higher potency than in the past

Legalization Concerns – Public Safety

- No well-accepted procedures and protocols for enforcing driving under the influence
- Security concerns due to banking difficulties and high use of cash
- Persistence of black market and challenges facing law enforcement – easy profit potential, home growing, smuggling across state lines

Legalization Concerns – Economic and Fiscal Issues

- State has to assume regulatory responsibilities ordinarily undertaken by federal agencies like FDA and EPA
- Uncertainty regarding future federal policy and growing conflict between states
- Tax revenues and fees unlikely to cover full public and social costs (and not a significant funding source for other public needs like education or transportation)

Additional Information

- Report of the Special Senate Committee on Marijuana: <https://malegislature.gov/Reports>
- Senator Jason Lewis: jason.lewis@masenate.gov or (617) 722-1206