The Class of 1964 Policy Research Shop

INVESTIGATING POLICY OPTIONS FOR RECREATIONAL MARIJUANA IN NEW HAMPSHIRE

A Case Study Analysis

Presented to the New Hampshire Commission to Study the Legalization, Regulation, and Taxation of Marijuana

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EXECUTIVE SUMMARY

In this report, data from five states that have legalized recreational marijuana are analyzed in order to provide comparative knowledge for the New Hampshire state legislature to consider when discussing marijuana policy. After evaluating similarities between New Hampshire and states that have moved from legal medical marijuana to recreational marijuana, we selected five relevant states—Colorado, Maine, Massachusetts, Nevada, and Oregon—for our analysis. The main focuses of these analyses are the impact of legalization on the people and economy of the state and the relevance of the findings for New Hampshire marijuana policy.

1. PURPOSE

This report aims to answer two central questions. The first question is—what are major concerns surrounding the legalization of marijuana, specifically in states that have legalized the substance for recreational use, and what steps have these states taken to mitigate these risks? The second question this report aims to answer is—how feasible is it for New Hampshire to take similar actions as other states, and what steps could New Hampshire take to mitigate the concerns of legalization?

2. METHODOLOGY

To better understand and potential outcomes of marijuana legalization in the state of New Hampshire, we conducted a state-by-state comparison of the legalization experience of five states—Colorado, Maine, Massachusetts, Nevada, Oregon—all of which have legalized the use of recreational marijuana for people ages 21 and older. The five states were selected either based on their availability of data surrounding legalization or their similarities to the New Hampshire population.

We gathered information from an array of sources, including local newspapers, polling data, and health and safety statistics released by individual states. Qualitative data was used to measure how public concerns have evolved as policies legalizing marijuana were proposed, voted on, amended, and implemented. Quantitative data provided a means to analyze the impact of legalization on public safety, public health, enforcement procedures, and the economy.

Colorado was selected since it was the first state to legalize recreational marijuana and has the most data available. In addition, the regular use of marijuana in New Hampshire is similar to use statistics in Colorado before legalization. However, New Hampshire and Colorado have many geographic and demographic differences.
As the third state to legalize the recreational use of marijuana, Oregon is another natural state to study to better understand concerns and potential outcomes of legalization. However, similar to Colorado, Oregon and New Hampshire are very different states, geographically and demographically.

As the most recent state to permit recreational sales, Nevada has the benefit of making policy informed by the most recent data, including the success and failures of other states that have legalized recreational marijuana. Nevada has some of the strictest labeling and advertising regulations to ensure child safety, which New Hampshire may evaluate as a potential model. Nevada also has a similar population distribution to New Hampshire, notably the distinction between rural areas and population centers.

Studying the legalization of recreational marijuana in Massachusetts can allow New Hampshire lawmakers to easily evaluate the immediate effects of legalization, specifically within the first year of legalization and before retail implementation. Massachusetts is similar to New Hampshire both geographically and demographically, many of the concerns with legalization in Massachusetts will also be concerns in New Hampshire.

Maine and New Hampshire have a similar population and age demographics. This, and their close geographic relationship suggest attitudes towards recreational marijuana and the outcomes of legalization may be similar. The age demographics of both states are not distributed evenly across the states; generally, northern counties have older populations and southern counties have younger populations.¹

The goal of this approach is to gain a better understanding of the debates surrounding marijuana legalization in states where legislation has already been implemented, so New Hampshire can be prepared to have more substantive discussions surrounding legislative proposals.

3. BACKGROUND ON CURRENT NEW HAMPSHIRE MARIJUANA POLICY

New Hampshire decriminalized the possession of small amounts of marijuana through HB 640, enacted on September 16, 2017. The state permitted medical usage through HB 573 and RSA 126-X in 2013. In January of 2018, House Bill 656-FN-A-LOCAL, a bill pertaining to the possession and cultivation of certain marijuana products, was introduced to the Criminal Justice and Public Safety Committee with bipartisan sponsorship.²
3.1 Current Policy

HB 640 reduces penalties for the possession of small amounts of marijuana from a criminal misdemeanor to a civil violation in New Hampshire. The reduction applies to the possession of less than three-quarters of an ounce of marijuana, five grams of hashish, and for people ages 21 and older, up to 300 milligrams of THC content for marijuana-infused products. Within a three-year period, the first two offenses carry a $100 civil fine, the third carries a $300 fine, and the fourth may be charged as a Class B misdemeanor punishable by up to a $1,200 fine. Arrests for marijuana possession may only occur with minors or individuals who refuse to or misidentify themselves. Minors found in possession are subject to juvenile court jurisdiction, which is expected to order a substance abuse evaluation. The law also creates a new class of misdemeanor for adults who fail to secure their edible products and allow minors access to these products. All fine revenues go to a fund for substance abuse prevention programs throughout the state.

HB 573 and RSA 126-X permit the use of medical marijuana in New Hampshire. “Qualifying patients” and “designated caregivers” may apply for a medical marijuana card from the New Hampshire Department of Health and Human Services. A qualifying patient must be a New Hampshire resident with a qualifying condition and a caregiver must be 21 years or older. These patients may possess up to two ounces of marijuana and are subject to a $100 fine if found possessing marijuana outside of their home without a card. Registered cardholders may not cultivate at home, but may purchase from one of four State licensed “Alternative Treatment Centers” (ATC) in either Dover (Temescal Wellness—Dover), Lebanon (Temescal Wellness—Lebanon), Plymouth (Sanctuary ATC), or Merrimack (Prime ATC). As of December 19, 2016, the State issued 2,089 cards, or 0.157 percent of the state population, with a fairly even geographic distribution throughout the state.

3.2 Proposed Legislation

House Bill 656 would allow people over the age of 21 to possess up to three-quarters of an ounce of marijuana, 5 grams of hashish, or 300 milligrams of THC. The legal quantity of three-quarters of an ounce is less than the one-ounce limit found in Colorado, Oregon, Nevada, and Massachusetts. Maine allows for an even larger quantity of marijuana—two-and-a-half ounces. The bill would also allow adults to cultivate up to six marijuana plants on their personal property. This is an identical amount to Colorado, Nevada, Massachusetts, and Maine policy. However, Colorado, Nevada, and Massachusetts include a limit of 12 plants per household, regardless of how many adults share the property. Similarly, Nevada only allows home cultivation if the property is not within 25 miles of a dispensary. Similar to the original policy in other states featured in this report, the policy
addresses the legalization of possession and home growth, not the creation of a recreational marijuana market.

3.3 Public Opinion

On May 9, 2017, the University of New Hampshire published the Granite State Poll which surveyed a random sample of 518 New Hampshire residents on issues including current marijuana policy. This poll was conducted before the enactment of HB 640 but is useful in that it reflects the opinions of the New Hampshire residents.

The issue of drug abuse is relevant to many New Hampshire residents, including the 53 percent of residents who cited drug misuse as the most important problem facing New Hampshire. This was significantly larger than the second most cited issue—jobs and economy—at 11 percent. The majority of young adults—those between the ages of 18 and 34—cited drug misuse as the biggest issue facing New Hampshire. This concern over drug misuse appears to not influence support for the legalization of recreational marijuana, likely because drug misuse is often associated with the opioids and other drugs. In the Granite State Poll, 68 percent residents supported legalization of marijuana for recreational use; whereas 27 percent opposed the idea. This gap has increased over time, with only 49 percent supporting and 45 percent opposing in 2013. Support is strongly correlated with age, with 89 percent of 18 to 34 years olds responding with “strongly support” or “somewhat support,” and only 36 percent of those 65 years and older responding with “strongly support” or “somewhat support.” In the event of legalized recreational use, 74 percent of residents would support the sale of marijuana at licensed retail stores with tax levels similar to alcohol and tobacco, while 22 percent disapprove. Overall, the state shows a preference for legal recreational use, with 55 percent supporting legislation to legalize and tax use.

4. MARIJUANA POLICY IN COMPARISON STATES

The figures below provide a timeline for legalization in each of the five analysis states and the ballot measure margins by which each piece of legislation passed.
Figure 1. Timeline of Legislation
Figure 2. Ballot Measure Margins

4.1 State of Colorado

Amendment 64 was passed on November 6, 2012, with 55.32 percent of voters approving of the ballot measure. The language was officially added to the state constitution shortly after on December 10, 2012. The first retail dispensaries were not opened until January 1, 2014.

The legalization of marijuana included the personal use or transfer without payment of marijuana for up to one ounce for people ages 21 or older. Adults are allowed to grow up to six plants on their private residence, with a limit of 12 plants per household. Retail marijuana has an excise tax of 15 percent and a sales tax of 12.9 percent between January 2014 and July 1, 2017 and a current sales tax of 15 percent.

4.2 State of Oregon

On November 4, 2014, Oregonians voted in favor of Measure 91, the legalization of recreational marijuana. The final election results were 56 percent in favor and 44 percent opposed, with the majority of votes in favor coming from the western and more populated part of the state. The portions of Measure 91 authorizing personal possession and
homegrown or marijuana went into effect on July 1, 2015 through HB 3400.\textsuperscript{15} Retail dispensaries opened October 1, 2015.\textsuperscript{16}

Current legislation legalizes the possession, sale, and use of recreational marijuana for people ages 21 or older.\textsuperscript{17} Adults may possess up to one ounce of usable marijuana, 16 ounces of a cannabinoid product in solid form or 72 ounces of a cannabinoid product in liquid form.\textsuperscript{18} Adults may grow up to four marijuana plants on their property, regardless of the number of adults who live at the residency.\textsuperscript{19} The state tax rate is 17 percent and municipalities have the option to impose up to a three percent local tax.\textsuperscript{20}

4.3 State of Nevada

Nevada voters approved Question 2, a referendum to legalize, tax, and regulate marijuana, with 55 percent support on November 8, 2016.\textsuperscript{21} The referendum mandated the state to legalize sales by January 1, 2018. Recreational sales began early on July 1, 2017.\textsuperscript{22}

Question 2 permits people ages 21 or older to purchase up to one ounce of marijuana or one-eighth of an ounce of marijuana-infused edibles or concentrates. Residents may only cultivate at home if they do not live within 25 miles of a licensed dispensary. They may grow up to six plants per person, with a maximum 12 plants per household, and plants must be grown in a secured and enclosed space not visible to the public eye. The state imposes a 15 percent excise tax and 10 percent retail excise tax.

4.4 State of Massachusetts

In Massachusetts, marijuana was approved for legalization via the Massachusetts Marijuana Legalization Initiative, attached as a ballot question, Question 4, in the 2016 general election (H.B. 3818.1). The proposal passed with 53.66 percent favoring the legislation, a margin of roughly 240,000 votes.\textsuperscript{23} The law took effect December 15, 2016, only 37 days after the ballot question was passed.\textsuperscript{24} Lacking certain oversights, the Massachusetts state legislature passed bill H. 3818, primarily a revision of the original ballot question, on July 19, 2017.\textsuperscript{25} Retail dispensaries are estimated to open in July of 2018.

The legalization of marijuana in Massachusetts allows for consumption and possession of up to one ounce in public and up to ten ounces in private homes for people ages 21 or older.\textsuperscript{26} It also allows for adults to grow a maximum of six marijuana plants per person and 12 plants per household, so long as the landlord of the residence permits tenants to grow marijuana.\textsuperscript{27} H. 3818, a bill passed by the Massachusetts House and Senate on July 19,
2017, revised some of the original policy passed by Question 4.28 Primarily, the bill raised the excise tax for marijuana consumption from 3.75 percent to 10.75 percent.29

4.5 State of Maine

The Maine Marijuana Legalization Measure, also known as Question 1, was decided in a referendum by the voters of Maine on November 8, 2016.30 The measure passed by less than a one percent margin.31 Aspects of the law allowing for the possession and home growth of marijuana law went into effect January 30, 2017, but the Maine legislature has not yet passed a bill to regulate the sale a purchase of marijuana on a legal market.32 H.P. 1139, an act to amend the Marijuana Legalization Act, was passed by the House and the Senate on October 23, 2017.

The measure, as originally voted upon, allows for the purchase, possession, and consumption of up to two and a half ounces of marijuana by people ages 21 or older.33 Adult individuals may grow up to six mature marijuana plants, 12 immature marijuana plants and an unlimited number of seedlings on their private property.34 The measure includes a sales tax of 10 percent on retail marijuana and retail marijuana products.35 On January 27, 2017 the Maine legislature issued a moratorium and delayed implementing rules regarding retail sales and taxation until February 2018.36

5. CASE STUDY POINTS OF INTEREST

The case study points of interest we selected reflect the most prominent concerns voiced in New Hampshire and the comparison states.

5.1 Underage Use of Marijuana

Concerns about the impact of recreational marijuana on children have been prevalent in discussions and concerns over legalization. Many fear legalizing recreational marijuana will increase the amount of marijuana illegally purchased by minors. In response, the legislation presented in Massachusetts and Nevada incorporate new measures to prevent these concerns.

In Colorado, underage use of marijuana has decreased since legalization. Interestingly enough, the year before the legislation was passed, underage use of marijuana was actually subject to its highest year-over-year increase, jumping almost two percent.37 Following the legalization in Colorado, youth use has sharply and consistently dropped the past 4 years. While this is potentially indicative of positive externalities to the legalization of marijuana, it is more likely that the legalization had little to do with the change in youth use, since the
national average, while lower than the Colorado average, followed the same trend of decrease in the year 2013. Thus, it is possible that some adolescents only use the substance because they are not legally permitted to. The only difference is the severity of change in the national average versus Colorado alone, as Colorado witnessed a much sharper decrease, possibly suggesting that the legalization of marijuana at least had some sort of effect on the youth use trend in the state of Colorado.

Similarly, youth use of marijuana has not increased in Oregon. The opposition had voiced concerns, similar to Colorado, that the ballot measure would increase youth use of marijuana and lower the youth perception of risk in consuming marijuana. Even after legalization passed, 55 percent of adults believed underage marijuana usage would increase. However, in Oregon, there has been no notable change in use frequency among eighth and eleventh-graders. Prior to Measure 91 and legalization, youth use in Oregon was higher than the national average. According to the Oregon Health Authority, nine percent of eighth-graders and 19 percent of eleventh-graders reported current marijuana use. Youth perception of the risk marijuana use poses has also remained stable, with 39 percent of eleventh-graders and 59 percent of eighth-graders acknowledging a “moderate to great risk.” While these numbers suggest that legalization may be beneficial to limiting youth use, the national average trended the same direction, suggesting it is just a behavioral change in adolescents.

In Massachusetts, major concerns over legalization were not just about increases in underage use, but the harmful potential of marijuana as a gateway drug to a more serious addiction. The Campaign for a Safe and Healthy Massachusetts argues legalization puts children at high risk for exposure and could actually hinder the war against opioids and
opioid addiction. Many proponents of the legalization of marijuana cite lower opioid addiction rates as a benefit of marijuana. However, the Massachusetts health campaign opposing legalization argue that marijuana is a gateway substance that actually increases the likelihood of people eventually using more severe drugs, including opioids. Unfortunately, legalization has been too recent in Massachusetts to have data to assess these claims.

Partially in response to fears over increases in the underage use of marijuana, Nevada has formed preemptive safety policies informed by the experiences of other recreational marijuana states. Nevada publishes information emphasizing safe storage, giving advice for age-appropriate conversations, and providing pathways to report incidents to ask for help. Nevada also adopted some of the strictest policies for labeling and advertising marijuana products to ensure child safety. All marijuana products must be sold in childproof packaging, and all packages must be labeled with “keep out of reach of children.” Packaging may not include images of cartoon characters, mascots, action figures, balloons, or toys, and packaging and labeling may not be modeled after products primarily consumed or marketed to children. Marijuana products may not be or look like lollipops or ice cream, real or fictional people, fruits, animals, or be made with candy or snack food items.

The Department of Taxation has the governing power on all marijuana advertisements. All ads must state “keep out of reach of children” and “for use by adults 21 years of age and older.” Nevada marijuana advertisements may not depict the consumption of marijuana or be on a publication or radio if 30 percent or more of the audience can reasonably be expected to be younger than 21. They may not be placed within 1,000 feet of a school, playground, public park, library, inside a public transportation vehicle or shelter, or at sports or entertainment event that allows people in under 21. Marijuana establishments may not be within 1,000 feet of a public or private pre_kindergarten or K-12 school, or within 300 feet of a community center such as a day care, public park, public swimming pool, recreational center for children or teens, or churches, synagogues, or other places of worship. The effectiveness of these precautionary policies may be more accurately measured as more public safety statistics are published. These efforts reflect the fears in Nevada that legalization could have a negative impact on underage use of marijuana.

5.2 Public Safety

Public safety concerns include driving under the influence of marijuana or other substances, driving fatalities caused by impaired driving, general crime rates, and other way individuals using marijuana may affect others. All of these are concerns that have been voiced in the debate over legalization in many states. Driving under the influence of
marijuana has increased in Colorado and Oregon and driving fatalities caused by driving under the influence increased in the year following legalization in Colorado.

In Colorado, the number of DUls in which marijuana was the intoxicating substance has increased by three percent from 2014 to 2015. More notably, fatalities involving drivers testing positive for marijuana have increased sharply. In 2013, a year before dispensaries opened in Colorado, the total number of driving fatalities caused by impaired driving, including alcohol and/or other drugs, was 197. This is accounts for 41 percent (out of 481 total fatalities) of all driving fatalities. Out of all driving fatalities, 11 percent (55 fatalities) are attributed to drivers that had consumed marijuana, as well as any alcohol or other drugs and five percent (23 fatalities), are attributed to drivers who solely consumed marijuana.

In 2014, the first-year dispensaries opened, the total number of driving fatalities had only increased by 1.5 percent (8 fatalities), but the number of driving fatalities caused by impaired driving had increased by 17 percent (33 fatalities). The number of driving fatalities caused by drivers that had consumed any marijuana increased by 44 percent (24 fatalities), and driving fatalities caused by drivers that consumed solely marijuana increased by 61 percent (14 fatalities). Although total driving fatalities had no significant increase between these two years, the increased in fatalities caused by impaired driving is notable and should be considered in evaluating the influence of the legislation on public safety. It is difficult to understand the long-term effects of marijuana legalization on driving under the influence as rates of driving under the influence and total driving fatalities fluctuate from year to year in every state.

Driving under the influence is also a significant issue in Oregon. Polling by the Oregon Health Authority shows that 19 percent of adults who use marijuana admitted to driving within three hours of use in the past year. Moreover, nearly 50 percent of 11th graders who use marijuana admitted to driving within three hours of use in the past month alone. However, the frequency of fatalities from car collisions caused in part or primarily by driving under the influence of marijuana have not changed significantly and remain low. Although self-reported, Oregon has very high rates of driving under the influence of marijuana.

5.3 Law Enforcement Savings

In Massachusetts, possession may be legal, but over 40 people were still arrested between December 15, when the legalization took effect, and the middle of 2017, for possession of marijuana above the legal amount or for the sale or purchase of marijuana. This rate is remarkably lower than the 545 people arrested for selling marijuana in 2016, although arrests still have not been completely eradicated. It is still significant to note that
marijuana-related crimes dropped so sharply immediately following the legalization of possession.

5.4 Public Health

Concerns over public health include hospitalizations, calls to poison centers, and other ways in which individuals harm their own health by using marijuana. Colorado and Oregon have had an increased number of hospitalizations and poison center calls pertaining to marijuana. Oregon has also seen a sharp increase in burn-related hospitalizations caused by hash oil explosions.

In Colorado, hospitalizations as a result of marijuana exposure increased from 803 hospitalizations per 100,000 to 2,413 per 100,000 from 2009 to 2015, a 200 percent increase.55 Poison control referrals increased from 44 calls in 2006 to 227 in 2015, a 416 percent increase.

Poison centers and hospitals have also seen increased cases pertaining to marijuana in Oregon. St. Charles, a health system that collects data from four hospitals in central Oregon, has recorded a major increase in marijuana-related cases. Registered cases went from 229 in 2012 to 1,388 in 2014 to 2,251 in 2015.56 Calls to the Oregon Poison Center have also increased from 158 calls in 2015 to 4,416 calls in the first eight months of 2016.57 These changes may be associated with an increased use of marijuana or an increased high-risk use of marijuana. They may also be influenced by legalization not because use has increased, but because after legalization people could call for help without fear of criminal penalties.

A trend that is more clearly linked to the increased availability and use of marijuana is the increase in accidental ingestions of marijuana by small children.58 The percentage of accidental ingestion calls for children under the age of 13 have increased from 12 percent in 2013 to 20 percent in 2015.59 One of the top priorities of Oregon Health Authority Public Health Division is protecting children from marijuana exposure.

A relatively new public health concern pertaining to the legalization of recreational marijuana has been the increase in hash oil explosions across Oregon.60 Hash oil explosions occur from the illegal production of cannabis extracts and concentrates.61 Concerns before legalization stemmed from slight increases in Colorado; between 2013 and 2015, the number of hash oil explosions increased from 12 to 32.62 A similar trend is evident in Oregon. Between July 2015 and July 2016 Oregon had 30 confirmed burn victims, costing treatment centers a total of $5,154,202.63 Victims of hash oil explosions can cost up to...
$192,922 for initial treatment, including days in the intensive care unit and an additional 15 days in the general hospital.\textsuperscript{64}

Another point of discussion in the debate of marijuana legalization is the effect on individual health compared to alcohol, a similarly used—and legal substance. While many people believe that marijuana is holistically better for one’s health than alcohol, there are a variety of short, medium, and long-term effects of both substances that need to be evaluated on a case-by-case basis. In the immediate-term—minutes to hours following consumption—alcohol is the more dangerous substance.\textsuperscript{65} Theoretically, a person could consume enough alcohol to shut his or her brain down and fatally overdose in less than five minutes. On the other hand, no such immediate effect has ever been observed in marijuana use. Marijuana, however, does affect heart rate, blood pressure, and external awareness more immediately and severely than alcohol.\textsuperscript{66} In the long term, the dangerous health effects of alcohol are more well-established and proven. Consistent moderate to severe drinking for years can lead to liver damage, and even possibly liver cancer.\textsuperscript{67} One way in which alcohol use is less harmful than marijuana use is in the fact that liver damage can be at least partially reversed, if the subject stops alcohol consumption before the damage is too severe.\textsuperscript{68} On the other hand, damage to the lungs from smoking marijuana is not reversible, and often leads to more prevalent health concerns and symptoms. When comparing the health effects of alcohol and marijuana, there is risk in the short-term from both alcohol and marijuana to the health of the individual user as well as the wellbeing of others. In the long-term, the risks of marijuana are not as evident, and it is still unclear which substance is more dangerous.

5.5 Legal Use

Concerns over the legal use of marijuana include the consequences that come with an increased use of marijuana and recreational market for individual communities. More specifically, these issues concern the medical marijuana community and the existence of dry towns.

In terms of legal use, the National Survey on Drug Use and Health in Colorado has found that usage of marijuana has increased strongly from the time before legalization and commercialization of marijuana (2006) to the commercialization of marijuana (2014). For people aged 18 to 25, use of the substance increased ten percent from the pre-commercial period to 31 percent in 2014. Prevalence among people 26 years of age or older increased from five percent to 12 percent in the same period.

Continued reservations about new rules and regulations surrounding legal use of marijuana in Maine are evident in the debates and hearing leading up to the drafting of H.P. 1139. In
late September 2017, the residency requirement for license applications was increased from six months to two years to give Maine citizens a larger advantage in new recreational marijuana markets. Internet sales, drive-up sales, and home deliveries of marijuana were eliminated. Legislation also changed to prevent dispensaries from being allowed to convert from taxpaying nonprofits to for-profit status. These modifications show the concerns of residents over the ease of access to marijuana, even once legalized.

The majority of concerns of legal use in Maine came from the medical marijuana community. In the debates and hearing leading up to the drafting of H.P. 1139 in late September 2017, the medical marijuana had one of the strongest showings. Caregivers and patients were concerned that a limit of 12 matures marijuana plants for any one property would restrict access to medical marijuana. Citizens argued that the law should guarantee any adult to grow up to six plants for personal use and not be limited by shared properties. Legislators agreed and revised the bill to give municipalities the choice to expand that limit to 18 plants.

The Maine medical marijuana community also opposed a one-time transfer of medical marijuana plants and products into the recreational market. This would have given grower the opportunity to sell marijuana grown under a medical license in the recreational market to have a grown supply of marijuana immediately after the recreational market is legalized. Medical marijuana advocates feared that push would harm the medical marijuana by lowering the supply of medical marijuana and rapidly increasing prices. In the end, the legislature removed this policy, despite claims such an action would push back legal sales by three to six months.

As a state where the vote to legalize recreational marijuana was down to a single percentage point, Maine municipalities are given the ability to vote on the decision to become a dry town, meaning the municipality can ban the establishment of retail stores and social clubs. Since December 2016, roughly two dozen towns have voted on or implemented moratoriums to prevent the establishment of marijuana related businesses. In May 2017, Lebanon became the first town in southern Maine to become a dry town.

Oregon law similarly provides municipalities the opportunity to implement local bans on recreational marijuana businesses. As of September 2017, 78 cities and 16 counties have instituted local bans. Oregon is not unique in this sense; other states with recreational marijuana policies have allowed municipalities to ban the establishment of marijuana retail stores and social clubs. In Oregon, surveys results show the general public still have other concerns regarding the legalization of recreational marijuana and its long—term impacts on the state. Although Measure 91 passed by a 56 percent majority, 75 percent of adults agreed they would be bothered by other adults using marijuana around children. An
additional 56 percent of adults agreed they would be bothered by people using marijuana in public spaces.\textsuperscript{83} Even more surprisingly, 45 percent of adults indicated they would be bother having stores that sell marijuana in their neighborhood.\textsuperscript{84}

5.6 Economic Impact

Colorado, as the first state to legalize the sale and use of recreational marijuana, has the most data available on economic impact through the Department of Public Safety Report. Since legalization, the revenue generated from taxation and subsequent benefit to public services has increased the overall tax pool. Revenue from taxes, fees, and distribution licenses increased 77 percent from 2014 to 2015, totaling $135,100,465.\textsuperscript{85} The portion of that revenue allocated to school construction was $35,060,590.\textsuperscript{86} The state was able to significantly increase spending on education without taking funding away from other areas of spending, an evident benefit to the taxation of marijuana. Additionally, there were over 2,500 businesses licensed to sell marijuana in the state of Colorado as of 2015.\textsuperscript{87}

In Nevada, since recreational sales began on July 1, the state has fewer reports with extensive data on tax revenues. Of the few reports released, the Nevada Department of Taxation reported $3.68 million in tax revenues. The 15 percent wholesale tax generated $974,060 and the 10 percent retail tax generated $2.71 million. License fees and application fees generated $6.5 million by September 28, 2017.\textsuperscript{88}

Although the legal sale of marijuana in Maine is not yet gone into effect, the economic effects of recreational marijuana have been estimated by several agencies. In 2016, the Tax Foundation estimated a 20 percent sales tax would result in $29 million in revenue annually for the state.\textsuperscript{89} More recently, another state agency estimated that a 10 percent sales tax, combined with an excise tax, could generate $20 million each year.\textsuperscript{90} The fiscal note in H.P. 1139 suggests the legislation will create $2,254,000 in revenue in the 2017-2018 fiscal year and $8,366,740 in the 2018-2019 fiscal year.\textsuperscript{91} Predictions for the 2019-2020 fiscal year decrease to $255,845.\textsuperscript{92}

Most, if not all, states that have legalized recreational marijuana, include curtailing the negative effects of the black market as a reason to support legalization.\textsuperscript{93} In Oregon, illegal marijuana sales are expected to exceed $300 million and make up one third of all marijuana sales in the state.\textsuperscript{94} This number is decreasing; the percent of illegal sales as part of the marijuana economy has decreased from 74 percent in 2015, to 53 percent in 2016, to 35 percent in 2017.\textsuperscript{95} There has been an increase in the spread of marijuana from Oregon to other states, notably Illinois, Minnesota, New York, and Florida.\textsuperscript{96} The Oregon State Police also report that criminals have used the high supply of marijuana in the state through robbery and financial exploitation.\textsuperscript{97} The Oregon Liquor Commission attributes this in part
to the difficulty of enforcing regulations and the division of power among state agencies. More information may be required to understand the long-term effects of legalization on the black market.

6. CONCLUSION

As one of 29 states with legal medical marijuana, New Hampshire is relatively progressive with its marijuana policy. However, as the state government explores ways to expand its tax base to improve public services, legalization of recreational marijuana is a policy action that would create an increase in tax revenue. Colorado, Oregon, and Nevada have all seen significant tax revenues as a result of marijuana excise taxes.

The legalization of marijuana also brings about various health and safety concerns. Every state evaluated reported increases in DUIs related to marijuana consumption, car accident fatalities as a result of marijuana intoxication, and hospitalization involving marijuana consumption. Additionally, states saw an increase in use of the substance, but contrarily steady decreases in youth and young adult populations. As the state of New Hampshire considers marijuana legalization, the state legislation must focus on ways to highlight and magnify the benefits of legalization, and ways to mitigate the risks and concerns with legalization. After those actions are outlines, the feasibility of the potential policy then needs to be evaluated.
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