



A Snapshot:

Medical Marijuana in Rural New Mexico

&

Benefits of Legalizing Adult Use of
Marijuana in Rural New Mexico

A presentation to:

NM Legislative Economic & Rural Development Committee

November 6, 2017





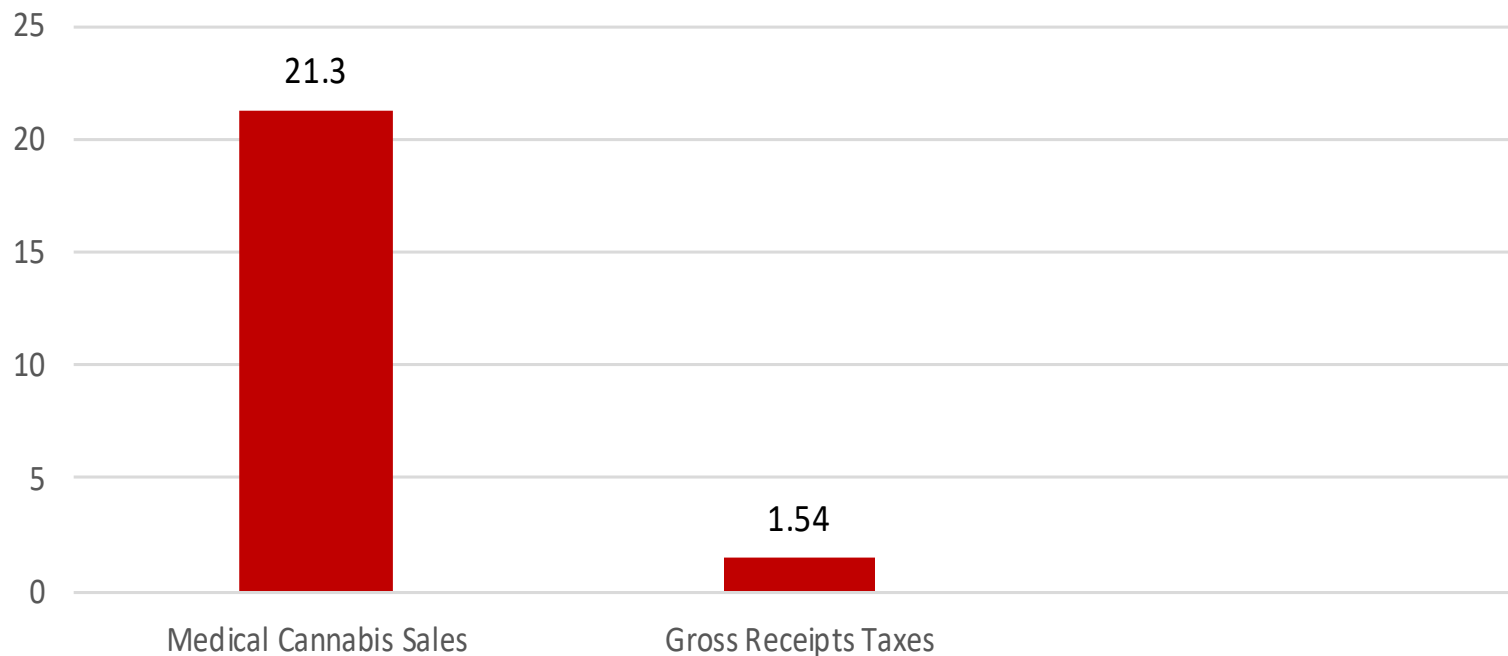
NM Medical Cannabis Program (MCP)

- **Nearly 50,000 New Mexicans Are Currently Enrolled As Patients in the Program**
 - Every single county has residents who participate in the MCP
 - 21 medical conditions are eligible for participation
- **Currently DOH Permits:**
 - 35 Licensed Non-Profit Producers
 - 20 Product Manufacturers and Courier Services
 - 4 Testing Laboratories (1 located south of the federal check-point)
 - Medicine is tested for quality, safety and cannabinoid content before sales are allowed per Department rule.



Medical Cannabis – An Economic Driver for New Mexico

New Mexico Medical Cannabis Revenue
(in millions of dollars) Q2 - 2017





Medical Cannabis – An Economic Driver for New Mexico

- **1,000 New Mexicans are Employed by Licensed Non-Profit Producers (LNPP).
Product Manufacturers, Couriers**
- **35 Producers that Operate 60 Dispensing Locations**
 - Heavy geographic concentration in metro corridor: Bernalillo, Santa Fe and Sandoval counties
 - \$2.7 Million collected by Dept. of Health in annual licensing fees
 - The program has 28 FTEs that administer the program.



Ways NM MCP Could Better Serve Patients and Communities in Rural New Mexico:

- Open Licensure Application Process for Additional LNPPs Specifically in Areas That Are Currently Underserved New Mexico
- Amend Department Rules and Regulations to:
 - Establish process for patients with personal production licenses sell medicine grown in excess of their needs to sell medicine into the licensed non-profit producers / business entity system
 - Establish rules permitting community gardens and allowing caregivers to cultivate medicine for multiple patients
 - Establish a rules for gift exchanges of medicine between qualified patients



GROW

NM

LEGALIZE
MARIJUANA.

Why Do We Support the Taxation and Regulation of Marijuana?

- **Reduce harm**

The criminalization of marijuana use disproportionately harms young people and people of color, sponsors massive levels of violence and corruption, and fails to curb youth access.

- **Create jobs**

Legalizing and regulating marijuana will bring one of the nation's largest cash crops under the rule of law. This will create jobs and economic opportunities in the formal economy instead of the illicit market.

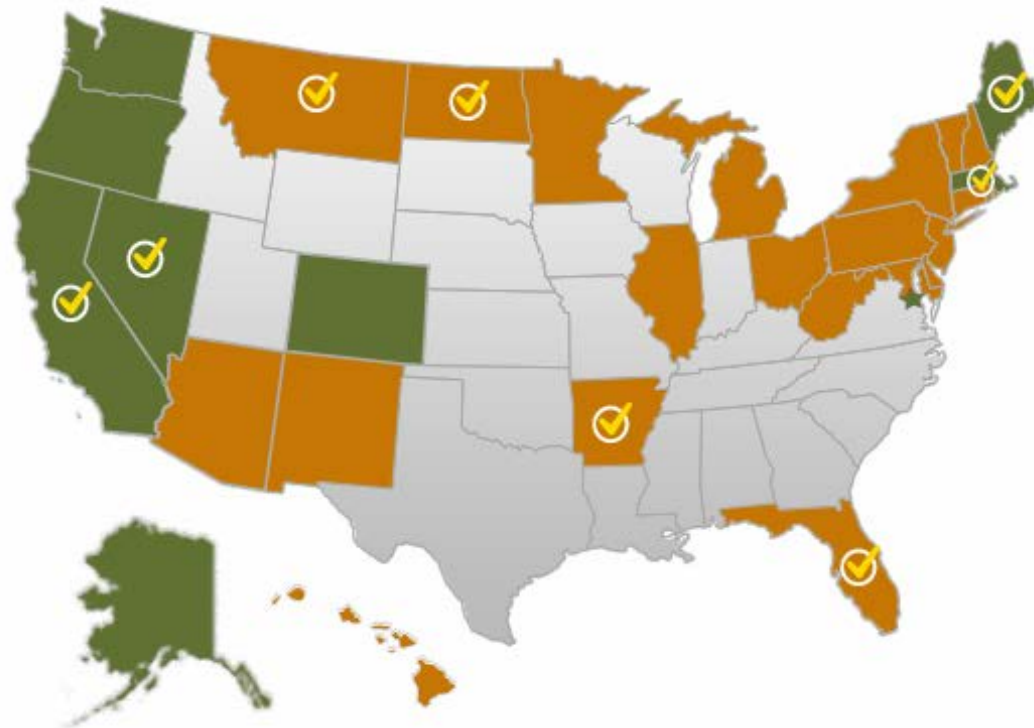
- **Save money**

Scarce law enforcement resources will be better used to ensure public safety while reducing corrections and court costs. State and local governments would acquire significant new sources of tax revenue from regulating marijuana sales.

- **Promote consumer safety**

Marijuana product testing is becoming a standard requirement for legalized marijuana markets. This means consumers are better informed about the marijuana they use.

The New State of Marijuana Reform

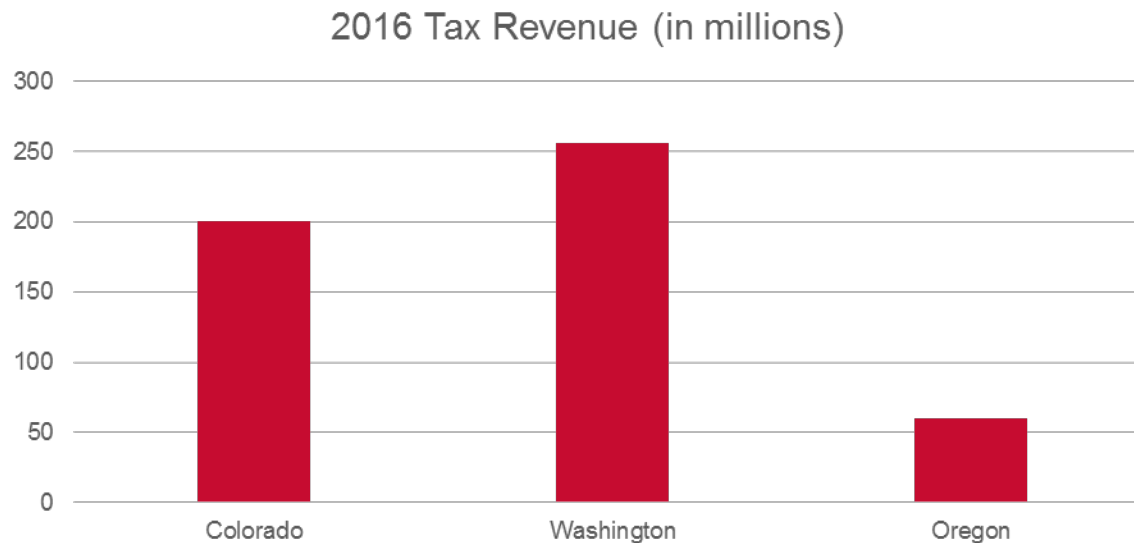


- Recreational & Medical States
- Medical Only States
- ✓ 2016 Election Victories

We are
the Drug
Policy
Alliance.

So Far, So Good

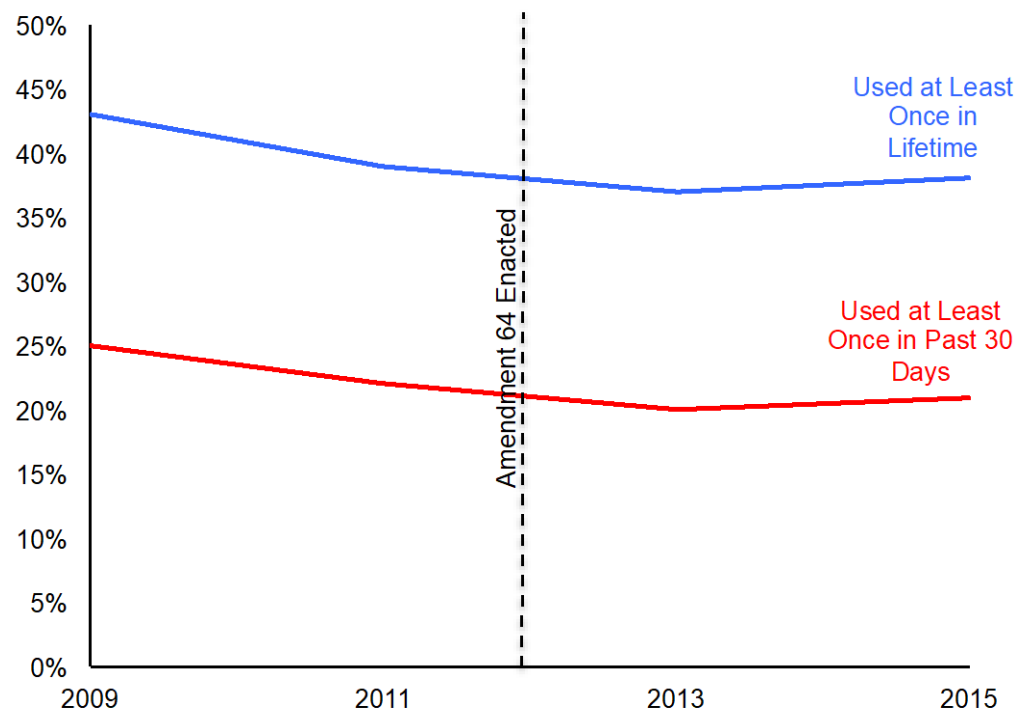
What We Know About Marijuana Legalization in Colorado, Washington, Alaska, Oregon and Washington, D.C.



Colorado has realized half a billion dollars in taxes and fees since legalization.

So Far, So Good

Marijuana Use Among Colorado Youth



Source: Chart originally published in "Marijuana Use Among Youth in Colorado," Colorado Healthy Kids Survey (2015).

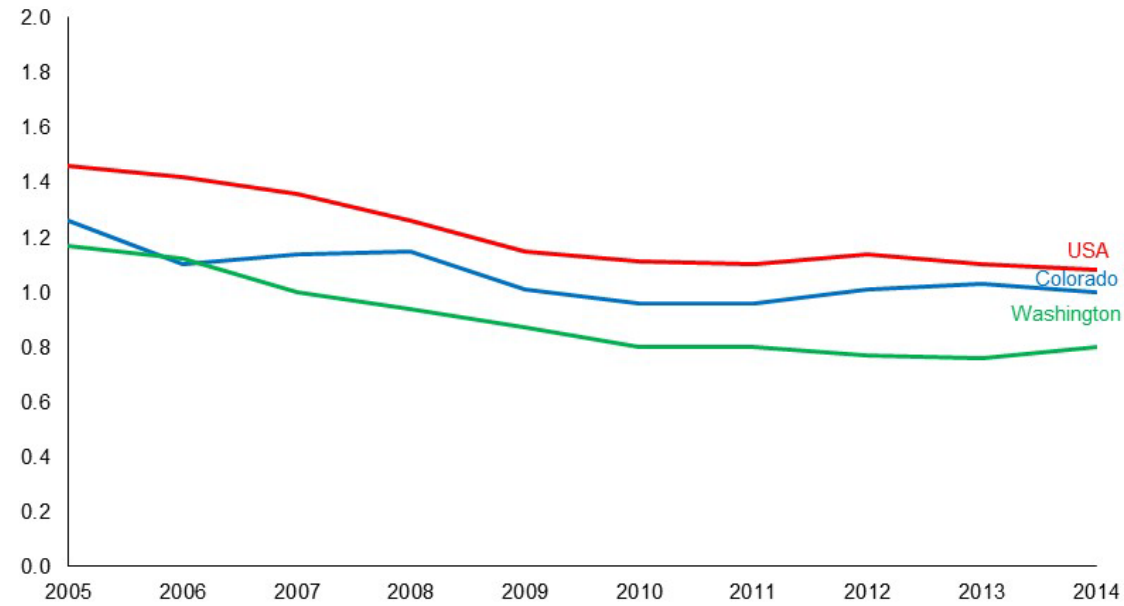
"We have not experienced any significant issues as a result of legalization. I think a lot of people think when you legalize you are going from zero to some high-use number, but they forget that even when marijuana is not legal, one in four adults and one in five kids are probably using on a somewhat regular basis. What we've found since legalization is that those numbers haven't really changed."

- Dr. Larry Wolk, head of Colorado's Department of Public Health and Environment



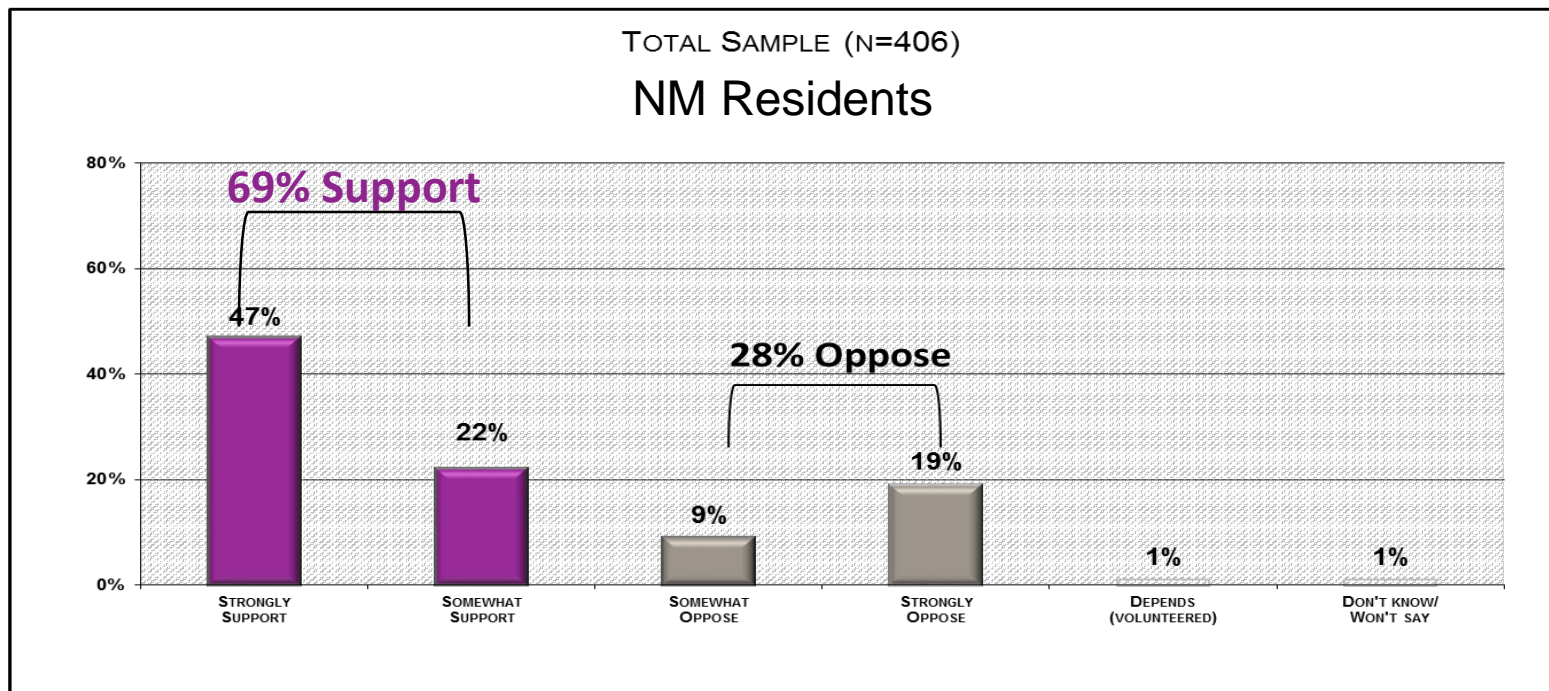
So Far, So Good

Traffic Fatalities Rate per 100 Million Vehicle Miles Traveled



Source: Fatalities and Fatality Rates by STATE 1994 – 2014: USA National Highway Transportation Safety Administration, NCSA Data Resource Website, Fatality Analysis Reporting (FARS) Encyclopedia (2016).

Do you support /oppose a marijuana legalization bill where the **revenue** would be used to pay for **health care** programs and **drug and alcohol rehabilitation** programs throughout the State?

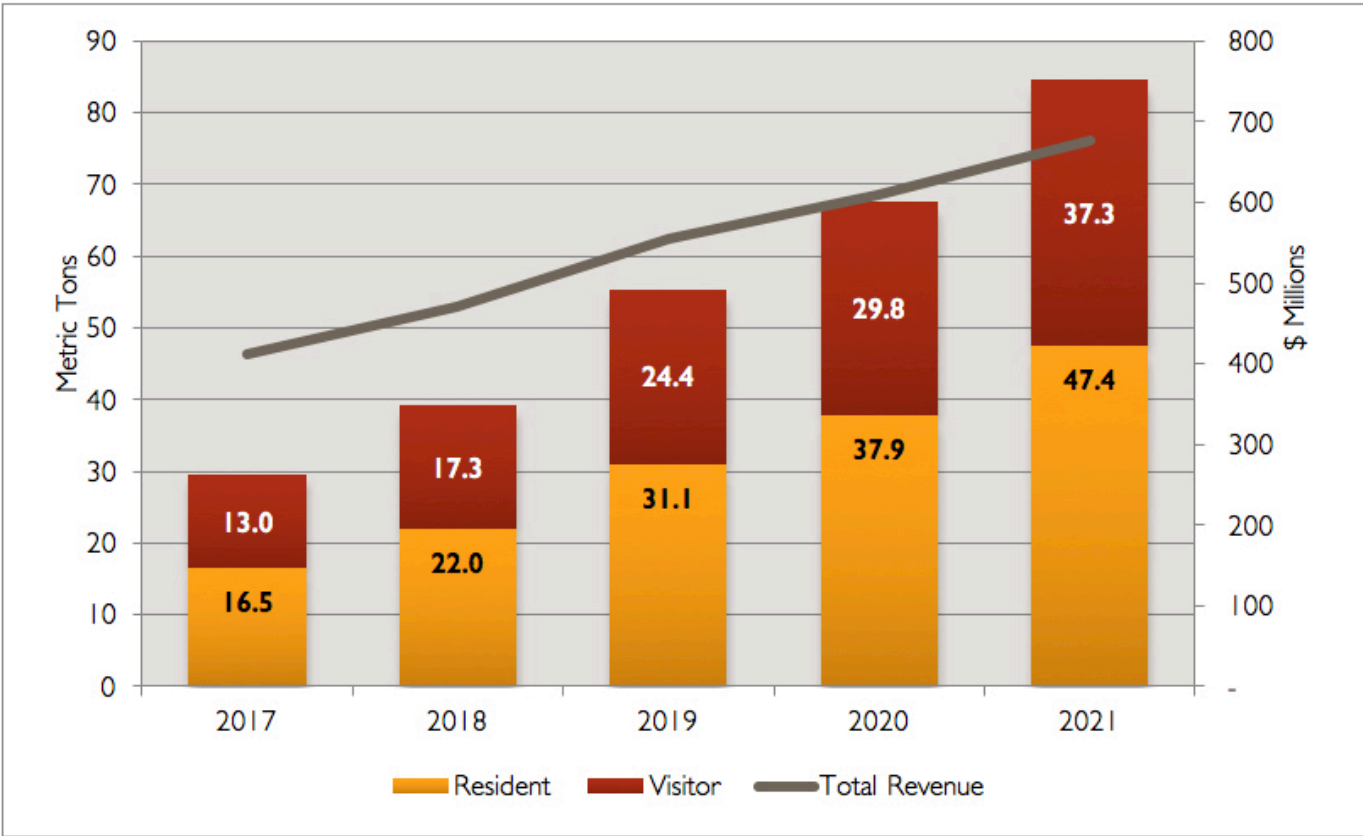


2016 by Research & Polling Inc

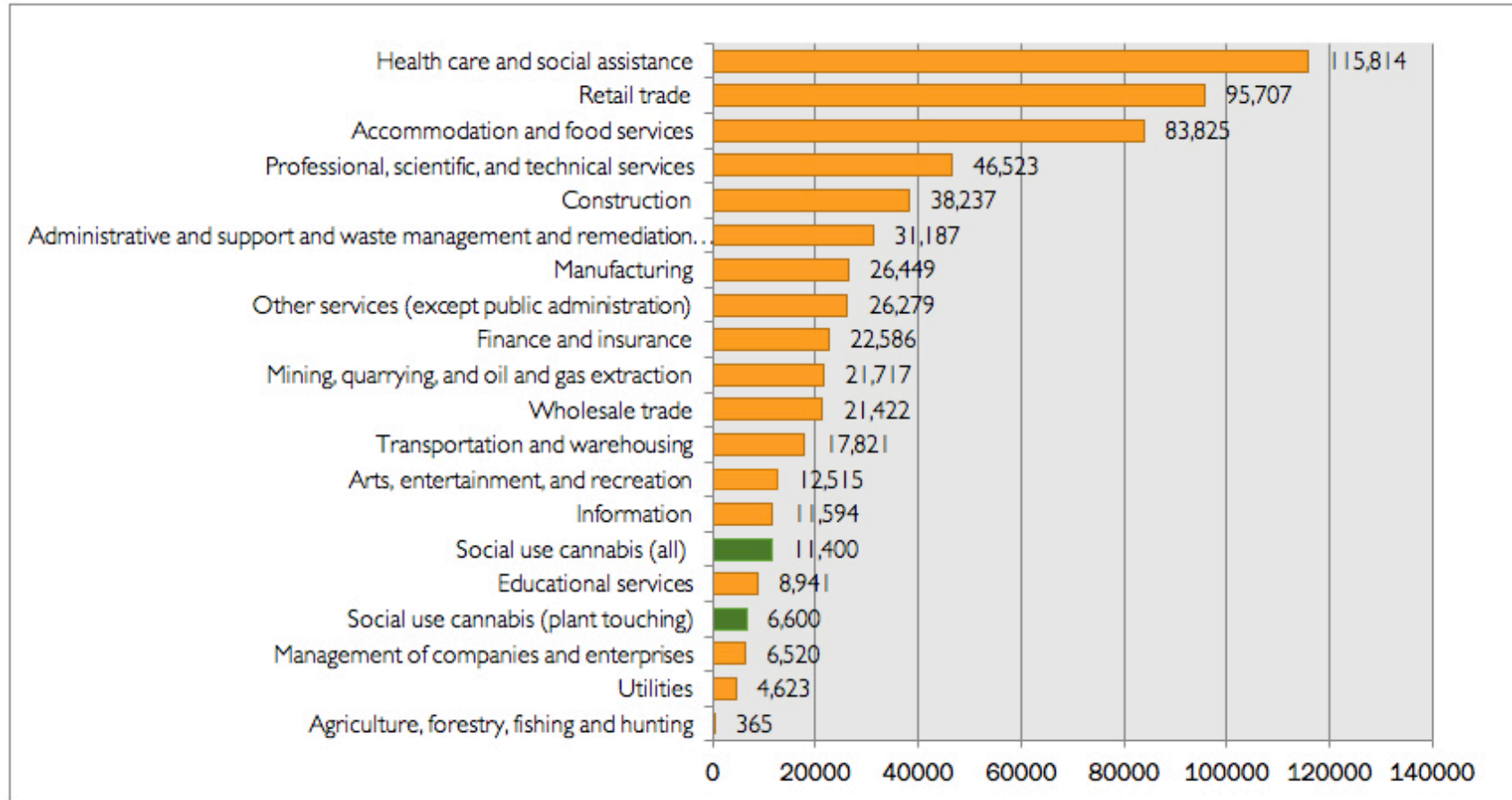


How will legalizing marijuana grow New Mexico? **Commerce.**

The marijuana market projection is \$740 Million by year five after legalization passes in NM.



How will legalizing marijuana grow New Mexico? **Job Creation.**



Source: U.S. Census Bureau, 2014 County Business Patterns and author calculation

Generate desperately needed **tax revenue** to fund education, infrastructure and public health needs.



Adult Use of Cannabis Can Help Rural Economies: **Bolster municipal tax bases, funding a variety of improvements.**

Trinidad, CO

Before legalization: “A plunge in oil prices drove two major oil and natural gas companies away from this small town off Interstate 25. Trinidad, whose economy was historically fueled by the coal industry, has lost 10 percent of its population over the past five years.”

Post legalization: “Sales tax receipts overall jumped 21 percent last year, and the city didn’t lose population for the first year in five years. The \$1.5 million in marijuana sales tax the city has garnered has been used to replace old infrastructure, pay down part of Trinidad’s debt and even help redesign a city block as apartments for a growing art community.”

Source: High Country News “Rural Economies Get High on Legal Cannabis.” Nov. 15, 2016

Pueblo, CO

“Pueblo County, Colorado, home of one of the largest legal open-air marijuana farms in America, is sending students to college on the \$425,000 in taxes it made.”

Source: Business Insider. May 21, 2017

Adult Use of Cannabis Can Help Rural Economies: **Cannabis sales can create new jobs.**

De Beque, CO

“An oil and gas town off Interstate 70 near the Utah border, is home to two recreational marijuana shops, an indoor growing facility and barely 500 people. The cannabis industry has created about 35 new jobs there. In 2015, revenue from marijuana sales tax alone was about \$340,000, nearly 20 percent of De Beque’s \$2 million budget.”

Source: High Country News “Rural Economies Get High on Legal Cannabis.” Nov. 15, 2016

MOVING FORWARD IN NM

POLICY QUESTIONS TO CONSIDER

What amount should be legal?

Should personal cultivation be legal? How much?

Limits on personal possession, use, and cultivation:

Where can it be prohibited? No public consumption or smoking? Not near a school?

Protections for users

Do we provide any civil protections? Employment discrimination? Housing discrimination? Child custody? Probation or parole revocation? Expungements or record-sealing for persons with prior marijuana criminal histories?

State Regulatory Agency - What agency should regulate?

Regulatory structure - How should the licensing structure work?

Should there be a limit on the number issued or a requirement that a certain number be issued? Qualifications? Geographic requirements? Licensing fees? Should we say what they should be and if so how much?

Taxes

At what point should taxes be collected—Wholesale? Retail?

How much should the tax be? A percentage? A set amount (ie \$20-50 an ounce)?

Should we earmark the revenue? For what?

Localities - Opt-in or opt-out?

Age limits/Minors

18 or 21? What should happen to minors who possess or grow marijuana?

POLICY QUESTIONS TO CONSIDER

Marijuana tourism

Do we require in-state ID?
Residency requirements?

Workplace

How do we best protect employers and the workplace?
Do we protect employees with THC in their system but who are not impaired at work?

Driving

How do we best maintain DUI laws and protect people on the road?
Do we protect drivers with THC in their system but who are not impaired while driving?

Consumer protection

Product safety and quality control requirements?
Labeling requirements? Testing?

Environmental Issues

Do we require that marijuana be cultivated in an environmentally sustainable way? How?

Advertising

Do limit advertising or allow the regulatory agency or localities to do so?

Medical marijuana

How do we protect current medical patients so they still have access to affordable and quality medicine?



Legalizing marijuana for adult use is an **opportunity to grow** New Mexico's economy, keeping us **true to our values** and what we care most about: The **wellbeing** of our children, healthy communities, and robust economic future for our state.

For more information:

Drug Policy Alliance

Emily Kaltenbach

Jessica Gelay

nm@drugpolicy.org

505-983-3277

www.GrowNM.org