

## Status Report:

# Marijuana Legalization in Colorado After One Year of Retail Sales and Two Years of Decriminalization



**Since the first retail marijuana stores opened on January 1<sup>st</sup>, 2014, the state of Colorado has benefitted from a decrease in crime rates, a decrease in traffic fatalities, an increase in tax revenue and economic output from retail marijuana sales, and an increase in jobs.**

### Arrests and Judicial Savings

According to data from the Colorado Court System, marijuana possession arrests have dropped 84% since 2010. In 2010, 9,011 people were arrested for marijuana possession. Using the same data we are projecting 1,464 possession arrests for 2014. Given that arrests such as these cost roughly \$300 to adjudicate, it is reasonable to infer that the state is saving millions in adjudicatory costs for possession cases alone in 2014 compared to 2010. Over the same period, arrests for cultivating and distributing marijuana have also dropped by more than 90%.

### Decrease in Crime Rates

According to data released by the city of Denver, violent crime and property crime in Denver decreased in 2014.<sup>i</sup> Violent crime in Denver went down by 2.2% in the first 11 months of 2014, compared with the first 11 months of 2013. In the same period, burglaries in Denver decreased by 9.5% and overall property crime decreased by 8.9%.

### Tax Revenue

Data released by the state Department of Revenue reveal that tax revenue from retail marijuana sales amounted to \$40.9 million between January 2014 and October 2014, not including revenue from medical marijuana and licenses and fees.<sup>ii</sup>

Of the marijuana tax revenue already collected, the Colorado joint budget committee set aside \$2.5 million to increase the number of health professionals in Colorado public schools.<sup>iii</sup> In November 2014, the state awarded the first \$975,000 in grants to Colorado schools to be used to hire health professionals.<sup>iv</sup> The funds help fill a critical gap in Colorado school districts, which suffer from a shortage of school health workers due to 2011 budget cuts.<sup>v</sup> Many of the newly hired health workers, including nurses and social workers, will focus on mental health support and on programs to educate students about drug use.<sup>vi</sup>

### Decrease in Traffic Fatalities

Traffic fatalities went down in 2014, according to data released by the Colorado Department of Transportation,<sup>vii</sup> challenging claims that the legalization of marijuana would lead to an increase in traffic fatalities.

In the first 11 months of 2014, the state had 436 traffic fatalities, a 3% drop from the 449 fatalities in the first 11 months of 2013. The decline in fatalities in 2014 marks a continuation of a 12-year long downward trend in traffic fatalities in the state of Colorado.<sup>viii</sup>

## Economic Benefits

Colorado has the fastest growing economy in the United States,<sup>ix</sup> and Colorado's unemployment rate is at a six-year low.<sup>x</sup>

According to the Department of Revenue, 16,000 people were licensed to work in the marijuana industry as of December 31, 2014,<sup>xi</sup> though not all those with licenses may be actively working in the industry.

Jack Strauss, an economist at the University of Denver, assessed the economic impact of two dispensaries in Denver, Evergreen Apothecary and Colorado Harvest Company.<sup>xii</sup> Workers at the two dispensaries receive an average wage of \$17 per hour. Strauss found that the economic impact of the two dispensaries amounted to 280 jobs and \$30 million in total economic output between January 1, 2014 and June 30, 2014, and that the two dispensaries contribute 10 times the tax revenue of either a typical restaurant or retail store.

## Youth Prevention Efforts

The state has allocated more than \$8 million in retail marijuana tax revenue for youth prevention and education, mental health and community-based developmental programs.<sup>xiii</sup> In addition to the \$2.5 million allocated to fund health workers in Colorado schools, \$2 million of marijuana tax revenue has been allocated to help fund community-based youth services programs that offer mentoring and focus on drug prevention and school retention, and over \$4.3 million will fund school-based outreach programs for students using marijuana.

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<sup>i</sup>[http://www.denvergov.org/Portals/720/documents/statistics/2014/UCR\\_Citywide\\_Reported%20\\_Offenses\\_2014.pdf](http://www.denvergov.org/Portals/720/documents/statistics/2014/UCR_Citywide_Reported%20_Offenses_2014.pdf)

<sup>ii</sup><https://www.colorado.gov/pacific/revenue/colorado-marijuana-tax-data>

<sup>iii</sup><http://www.colorado.gov/ccjdir/Resources/Resources/Leg/2014/SB14-215.pdf>

<sup>iv</sup>[http://www.denverpost.com/news/ci\\_26926069/colorado-hands-out-975-000-pot-funds-schools](http://www.denverpost.com/news/ci_26926069/colorado-hands-out-975-000-pot-funds-schools)

<sup>v</sup>[http://www.denverpost.com/news/ci\\_25044133/student-counselor-ratios-bring-challenges-mental-health-support](http://www.denverpost.com/news/ci_25044133/student-counselor-ratios-bring-challenges-mental-health-support)

<sup>vi</sup>[http://www.denverpost.com/news/ci\\_26926069/colorado-hands-out-975-000-pot-funds-schools](http://www.denverpost.com/news/ci_26926069/colorado-hands-out-975-000-pot-funds-schools)

<sup>vii</sup><http://www.coloradodot.info/library/traffic/traffic-manuals-guidelines/safety-crash-data/fatal-crash-data-city-county>

<sup>viii</sup>[http://www.coloradodot.info/library/traffic/traffic-manuals-guidelines/safety-crash-data/fatal-crash-data-city-county/Colorado\\_Historical\\_Fatalities\\_Graphs.pdf/view](http://www.coloradodot.info/library/traffic/traffic-manuals-guidelines/safety-crash-data/fatal-crash-data-city-county/Colorado_Historical_Fatalities_Graphs.pdf/view)

<sup>ix</sup> <http://www.businessinsider.com/state-economic-growth-rankings-2014-8>

<sup>x</sup><https://www.colorado.gov/pacific/cdle/news/november-2014-colorado-employment-situation>

<sup>xi</sup>Email communication from Natriece Bryant, Communications Specialist, Colorado Department of Revenue, Executive Director's Office, January 5, 2014.

<sup>xii</sup>[http://static.squarespace.com/static/53af57cfe4b07bdcd67a25e/t/53eaaae7e4b07639494363e7/1407888103203/CHC-EA\\_EconomicImpactStudy\\_080814+%281%29.pdf](http://static.squarespace.com/static/53af57cfe4b07bdcd67a25e/t/53eaaae7e4b07639494363e7/1407888103203/CHC-EA_EconomicImpactStudy_080814+%281%29.pdf)

<sup>xiii</sup>[http://www.leg.state.co.us/clics/clics2014a/csl.nsf/fsbillcont3/A9002841A8B1E5A087257CB4007E3F99?Open&file=215\\_e nr.pdf](http://www.leg.state.co.us/clics/clics2014a/csl.nsf/fsbillcont3/A9002841A8B1E5A087257CB4007E3F99?Open&file=215_e nr.pdf)