



Colorado and Washington: Life After Legalization and Regulation

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“I would say that the rollout was extremely smooth, the sky hasn’t fallen like some had predicted, and we’re moving forward and trying to fine tune this regulatory model.”

—Ron Kammerzell, deputy senior director of enforcement for the Colorado Department of Revenue, the marijuana regulatory agency

In November 2012, Colorado and Washington state voters replaced marijuana prohibition with legalization and regulation for adults over 21. Legal sales began in 2014. The states’ economies have prospered, tens of thousands of jobs have been created, and millions of dollars in tax revenue has been generated. Meanwhile, public safety has not suffered. Oregon and Alaska voters followed suit in 2014. Because those laws are newer, with fully regulated retailers not yet up and running, this focuses on data from the first two states.

Crime

- In Colorado, marijuana cases filed in state courts plummeted 77% between 2012 and 2013. Petty marijuana possession charges also fell 81%.¹
- In 2013 in Washington, 120 misdemeanor cases were filed, which is down from 5,531 cases in 2012, freeing up law enforcement to focus on serious crime.²
- From 2011 to 2014 in Washington, violent crime fell 10% and the murder rate fell 13%.
- From 2012 to 2014, overall crime rates remained virtually unchanged in Colorado. Denver saw a slight uptick in crime in 2015, but even opponents of legalization point out that it is unlikely that marijuana is the cause of this increase.³

Taxes

- In 2015, Colorado collected over \$135 million in fees and taxes from marijuana businesses, including \$35 million that was earmarked for school construction.⁴
- Washington generated more than \$210 million in excise taxes in the past year and a half.⁵

Jobs

- As of December 2015, 26,929 occupational licenses were issued for jobs created directly by Colorado’s marijuana industry.⁶
- Collateral sector workers retained by marijuana businesses include: Lawyers, accountants, construction workers, landlords, advertisers, consultants, security, insurance, transportation, and indoor growing-supply equipment providers.

1 John Ingold, “Marijuana case filings plummet in Colorado following legalization,” *The Denver Post*, January 12, 2014.

2 “Washington’s new marijuana law may be freeing up police resources,” *Associated Press*, March 19, 2014.

3 See: *The Denver Post*, “Marijuana legalization unlikely to blame for Denver crime increase,” February 17, 2016,

4 Ricardo Baca, “Colorado marijuana sales skyrocket to more than \$996 million in 2015,” *The Denver Post’s The Cannabist*.

5 www.502data.com; \$128.94 million collected in 2015 and \$84.67 million collected in first half of 2016.

6 Data reported by phone from the Colorado Department of Revenue, December 2015.



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Teens' Marijuana Use

- According to the most comprehensive study on teen marijuana use in Colorado, teen marijuana use has not risen since marijuana became legal in 2012: It dropped within the margin of error from 22% in 2011 to 21.2% in 2015.⁷
- The most in-depth state surveys suggest modest decreases in 8th and 10th graders' current marijuana use in Washington, with 12th graders' use rates unchanged.⁸

Tourism

- In Denver, 15.4 million tourists spent an all-time high of \$4.6 billion in 2014 — the first year of legal marijuana sales — which was more than double the national average.⁹ In 2015, Denver surpassed even the prior year's record, with 16.4 million overnight visitors spending \$5 billion.¹⁰
- Revenue at Colorado ski resorts has set records the past three seasons in a row (the winters of 2013-14, 2014-15, and 2015-16).¹¹ Both the numbers of visitors and the amount of spending set records in 2015-16.
- A study commissioned by the state Tourism Office found marijuana to be a major motivator for vacations in Colorado. Surveys found that the state's marijuana laws influenced decisions to vacation in Colorado 49% of the time.¹²

Real Estate and Quality of Life

- In 2016, *U.S. News & World Report* ranked Denver the best place to live in the nation.¹³
- Home prices rose fastest in the only three states in the country where marijuana is being legally sold to adults — Colorado, Washington, and Oregon.¹⁴ In all three states, data from CoreLogic showed price increases exceeding 10% since the previous year.

Economy

- *Business Insider* ranked Washington as the #1 fastest-growing economy among U.S. states, with D.C. (where adults' use of marijuana is legal) #2 and Colorado #3.¹⁵ As it noted, Washington's second quarter annualized GDP was "a stunning 8.0%, by far the highest among the states and D.C." Its average weekly wage was the second highest in the country and 5.6% higher than in November 2014.

7 Colorado Youth Risk Behavior (2011) and Healthy Kids (2015) Surveys, past 30-day use.

8 Washington State Healthy Youth Survey, 2010, 2012, and 2014, past 30-day use.

9 "Denver tourist spending sets record, but no credit given to allure of weed," *The Denver Post*, June 18, 2015.

10 "Record 16.4 million tourists spent \$5 billion in Denver last year," *The Denver Post*, July 13, 2016.

11 Jason Blevins, "Yet another record winter for visitor spending, sales tax harvest in Colorado ski towns," *The Denver Post*, July 10, 2016.

12 Blevins, "Marijuana has huge influence on Colorado tourism, state survey says," *The Denver Post*, Dec. 9, 2015.

13 Blair Shiff, "Denver named best place to live," KUSA 9News, March 2, 2016.

14 Paul Ausick, "April Home Prices Rise Most in Washington, Colorado, Oregon," *24/7 Wall St.*, June 7, 2016.

15 Andy Kiersz, "RANKED: The economies of all 50 US states and Washington, DC, from worst to best," *Business Insider*, Jan. 11, 2016.