If California decides to legalize recreational marijuana use, it should:

- Begin with a relatively tight regulatory strategy
  - Create a single market
- Build into legislation and regulations a capacity to change
- Require reporting and data collection to guide future policy decisions
Nationwide trend of relaxing marijuana prohibitions

- **Medical**
  - In 1996, California passes medical marijuana
  - Today, 24 states and DC permit medical use; almost one-half of the population

- **Recreational**
  - Four states and DC have legalized recreational use; 5.6% of the population
  - California and as many as 11 other states could have 2016 ballot initiatives

- 58% of the population could have access to medical use, recreational use, or both by end of 2016
California’s approach to marijuana differs from federal law

- Federal government makes marijuana a controlled substance (1970)
- California has gradually relaxed marijuana laws
  - 1 oz. possession = misdemeanor (1975)
  - Medical marijuana legalized (1996)
  - 1 oz. possession = citation/fine (2010)
  - Medical marijuana dispensaries regulated by legislature (2015)
- Current federal position remains unclear
Dramatic drop in marijuana-related misdemeanor arrests
Support for legalization in California has grown

- Likely voter support rose from 49 percent (2010) to 55 percent (2015)
- Several 2016 ballot initiatives have been filed; one likely to emerge
A regulatory framework needs to cover five key areas

- Cultivation, production, processing
- Sales, consumption, and possession
- Taxes and finance
- Public health and safety
- Governance
Multiple goals in this area:
- Reduce illegal market, limit diversion, protect environment, reduce criminalization

How did other states approach the problem?
- Both states restrict the number of licenses
  - CO allows ownership in both production and retail
  - WA does not
- Both require strict product tracking and reporting
- Neither state include environmental provisions
Restrictions provide control, carry tradeoffs

- A tightly regulated market would
  - Limit number of licenses
  - Limit size of cultivation
  - Track “seed-to-sale” production
  - Establish strict environmental and water use requirements

- Trade-off: A tighter market means more production remains illegal and unregulated
Multiple goals in this area
- Limit abuse and dependence, protect public safety, prevent impaired driving

How did other states approach the problem?
- Both WA and CO established impairment standard
- Both have supported development of prevention and education efforts
- Both have seen increases in number of drivers testing positive
More drivers test positive in Colorado and Washington

- **Colorado**
  - Tests conducted
  - Marijuana detected
  - Above confirmation level*

- **Washington**
  - Tests conducted
  - Marijuana detected
  - Above impairment standard*
Californians already use marijuana and drive; state will need to educate and deter
### Elements of a tightly regulated marijuana market

<table>
<thead>
<tr>
<th>Regulatory area</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultivation and production</td>
<td>Limited number of licenses and size of cultivations; seed-to-sale tracking; strict environmental and water use requirements.</td>
</tr>
<tr>
<td>Sales, use, and consumption</td>
<td>Sales limited to individuals 21 and older; retail outlets restricted to marijuana-only stores; home grows prohibited.</td>
</tr>
<tr>
<td>Taxes and finance</td>
<td>A sales and/or excise tax as a percentage of selling price.</td>
</tr>
<tr>
<td>Public health and safety</td>
<td>Aggressive prevention/education campaign aimed at youth; funded research to develop an impairment standard; substance abuse treatment for the uninsured.</td>
</tr>
<tr>
<td>Governance</td>
<td>A single regulatory system that requires reporting and data collection across many indicators; built in reporting and impact assessment.</td>
</tr>
</tbody>
</table>
Regulating Marijuana in California

April 7, 2016

Patrick Murphy and John Carnevale

With research support from Talib Jabbar
Notes on the use of these slides

These slides were created to accompany a presentation. They do not include full documentation of sources, data samples, methods, and interpretations. To avoid misinterpretations, please contact:

Patrick Murphy (murphy@ppic.org; 415-291-4455)

Thank you for your interest in this work.