



# Village of Pinckney Opt-In Research Memo

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ISSUED BY  
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## Overview

The voter approval of Proposal 1 in November of 2018, also known as the Michigan Regulation and Taxation of Marihuana Act (MRTMA), represents a turning point for marijuana law in Michigan. Since 2008, Michigan has continued to liberalize marijuana use with the passage of the Michigan Medical Marihuana Act (MMMA), the Medical Marihuana Facilities Licensing Act (MMFLA), and now the MRTMA with the passage of Proposal 1.

Today, the MRTMA presents a historic opportunity for municipalities across Michigan. According to a study conducted by Michigan State University in March of 2020, Michigan's combined adult-use and medical cannabis (marijuana) industry is expected to surpass \$3 billion dollars in annual sales in the coming years.<sup>1</sup> This emerging industry will create new economic opportunities for municipalities that allow cannabis facilities, and tens of thousands of new jobs both directly and in ancillary sectors that will service the industry. In addition, opioid prescriptions are likely to decline as access to medical and adult-use cannabis increases, tens of thousands of people in Michigan will no longer be arrested for the possession of cannabis, marijuana sales will be diverted from the black market, and taxpayers will save tens of millions annually throughout all levels of government as a result of lower public safety enforcement costs.

This memo reviews Michigan's current cannabis laws and how Michigan's marijuana laws have evolved over time. It discusses the changes the MRTMA and the MMFLA have made to marijuana laws in Michigan, and makes the case for why the voters of the Village of Pinckney should allow cannabis facilities under the MRTMA.

The Village of Pinckney would be well served by opting in to the MRTMA. Opting in for cannabis facilities would have the following benefits for the Village of Pinckney:

1. Increased tax and licensing revenue under the MRTMA
2. Economic development for the Village of Pinckney by bringing new businesses and jobs to the Village
3. Decreases in opioid prescriptions and opioid mortality rates associated with the increased availability of marijuana retailers

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<sup>1</sup>Knudson, William. Miller, Stephen. "THE MARKET FOR AND ECONOMIC IMPACT OF THE ADULT-USE RECREATIONAL MARIJUANA INDUSTRY IN MICHIGAN." Michigan State University Product Center Food-Ag-Bio. March, 2020. [https://www.michigan.gov/documents/marijuana/Michigan\\_State\\_University\\_Product\\_Center\\_Food-Ag-Bio\\_Marijuana\\_Study\\_684840\\_7.pdf](https://www.michigan.gov/documents/marijuana/Michigan_State_University_Product_Center_Food-Ag-Bio_Marijuana_Study_684840_7.pdf)

4. Diversion of cannabis sales from the black market and the associated drop in illegal activity and crime

Opting in to the MRTMA will allow the Village of Pinckney to reap the economic and financial benefits of legalization by increasing the Village of Pinckney's general fund and bringing new economic development to the Village. It would also further the public health and safety aims of legalization through lower opioid prescriptions and reduced activity on the black market. All in all, opting in for cannabis facilities is a smart and fiscally sound public policy choice for the Village of Pinckney.



## Review of Michigan's Marijuana Laws

To understand the full implications of the MRTMA, the MMFLA, and how they impact municipalities such as the Village of Pinckney, it is important to understand the history of marijuana law in Michigan. This section reviews the three major pieces of marijuana legislation in Michigan: The Michigan Medical Marijuana Act (MMMA), the Medical Marijuana Facilities Licensing Act (MMFLA), and the Michigan Regulation and Taxation of Marijuana Act (MRTMA). It discusses the key differences between these laws and new changes resulting from the enactment of the MRTMA.

### The Michigan Medical Marijuana Act (MMMA)

In 2008, Michigan voters adopted a ballot initiative to allow for the cultivation and use of medical marijuana in the state. The Michigan Medical Marijuana Act (MMMA) created the position of a "caregiver," required to register with the State of Michigan, who is responsible for growing medical marijuana for a "patient," who is also required to register with the State of Michigan. A caregiver is permitted to grow up to 12 plants for a patient, who is allowed to reimburse their caregiver for costs associated with cultivation. Individuals with a state-issued caregiver or patient card from the State of Michigan are granted immunity from prosecution for marijuana production and possession provided they adhere to the requirements of the MMMA.

The MMMA remains in effect to this day, and Michigan currently has slightly less than 300,000 medical marijuana patients statewide. Patients are required to list the caregiver they are receiving their medical marijuana from, and caregivers are required to list the patients they are cultivating plants for. Caregivers are permitted to list up to five patients and cultivate up to 72 plants (12 plants per patient, and 12 plants for themselves).

After the MMMA was adopted, some individuals began testing different legal interpretations of what it permitted. Medical marijuana dispensaries began opening in different communities and selling marijuana to patients who were “non-connected,” or not listed as their MMMA caregiver. Dispensaries were allowed to operate in communities such as Detroit, Lansing, and Ann Arbor, and others were shut down in communities such as Mt. Pleasant (State of Michigan v. McQueen). Over time, this created public pressure for legalization to address the lack of enforcement and conflict over the interpretation of the law, leading to the creation of the Medical Marijuana Facilities Licensing Act.

### The Medical Marijuana Facilities Licensing Act (MMFLA)

The MMFLA was signed into law by former Governor Rick Snyder in December of 2016. It created a licensing system through the State of Michigan for medical marijuana facilities, a system to track all marijuana sales in a centralized database, and five license classes that businesses could apply for. These five license classes are: Provisioning centers (i.e. dispensaries, retail), processing, secure transport, and safety compliance (testing). Those with recognized patient medical marijuana cards are eligible to purchase medical marijuana from a licensed marijuana provisioning centers, and the purchase is recorded and tracked in the state’s centralized database. All medical marijuana sold under the MMFLA and prior to the passage of the MRTMA had a 3 percent excise tax levied on it, part of which was to be distributed to municipalities that allowed for medical marijuana facilities.

To oversee licensing, the MMFLA created the “Medical Marijuana Licensing Board” which had final approval over all licensing decisions. This recently changed as a result of an executive order by Governor Gretchen Whitmer, which eliminated the board and merged its functions into the new Marijuana Regulatory Agency that now regulates both medical and adult-use marijuana in Michigan. Under the MMFLA, municipalities are required to “opt in” to the act in order to license facilities. If a municipality passes an ordinance opting in to the MMFLA, they are permitted to do the following:

1. Charge up to a \$5000 annual licensing fee to cover enforcement and administrative costs for licensees
2. Zone for facilities and determine how many and what license classes would be permitted in their municipality
3. Regulate signage, site layout, distance from churches, parks, and other areas, odor control, etc, for municipally approved facilities

### The Michigan Regulation and Taxation of Marijuana Act (MRTMA)

The MRTMA, which passed in November of 2018 as Proposal 1, made a number of changes to Michigan's marijuana laws. The MRTMA legalized the use and possession of marijuana for those 21 years of age and older. It also created a new licensing system and an adult-use excise tax to raise revenue for roads, schools, counties, and municipalities that license adult-use marijuana dispensaries and retailers. For individuals, the MRTMA raised marijuana possession limits, allowed for gifting of no more than 2.5 ounces of marijuana, and allowed for Michigan households to cultivate up to 12 plants per household. Licensing for adult-use facilities under the MRTMA will start no later than the Fall of 2019, and licenses for the five core license classes is limited to those holding an MMFLA license for at least one to two years and who are residents of Michigan.



## MRTMA Changes to Michigan Marijuana Law

The MRTMA has a number of similarities to the MMFLA when it comes to municipal licensing. Like the MMFLA, municipalities can charge up to a \$5000 per license fee to cover administration and enforcement costs. They can limit the number of licenses and license classes, or opt out altogether. They can also zone for facilities and regulate the distance between facilities and signage.

That said, the MRTMA has several key differences from the MMFLA and also makes changes to it. These include the following:

1. The MRTMA creates several additional classes of licenses, such as the micro-growers license (Class A), the micro-business license, and allows for the creation of additional licenses by LARA such as those for education, social use, and other cannabis related businesses as is determined necessary by LARA
2. The MRTMA cultivation license plant count limits have been changed. An MRTMA Class A allows for 100 plants, Class B for 500 plants, and Class C for 2000 plants, with a maximum of 10,000 plants for an individual to cultivate unless LARA waives this cap<sup>2</sup>
3. The MRTMA eliminated the 3 percent medical marijuana excise tax and the revenue associated with it. Only municipalities that opt in to the MRTMA are eligible for the municipal revenue generated by the excise tax. This revenue will be distributed in proportion to the number of dispensaries and micro-businesses licensed in the municipality<sup>3</sup>

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<sup>2</sup> "Initiative Text." Sec. 9.1.2. *Coalition to Regulate Marijuana Like Alcohol*. May, 2017. <https://www.regulatemi.org/initiative/>

<sup>3</sup> "Initiative Text." Sec 14.1.3 (a) *Coalition to Regulate Marijuana Like Alcohol*. May, 2017. <https://www.regulatemi.org/initiative/>

4. Unlike the MMFLA which requires communities to “opt in,” the MRTMA requires communities to “opt out” in order to be excluded from the marijuana licensing program, though this is still subject to some legal debate
5. State and local regulations for marijuana businesses cannot be “unreasonably impracticable,” defined as something that would deter a “reasonably prudent businessperson from operating a marijuana establishment”
6. Municipalities that impose a cap on licenses must utilize a competitive application process based on the ability of applicants to meet the requirements and stay in compliance with the MRTMA
7. **Citizens may launch ballot initiatives to opt-in or opt-out a community for adult-use marijuana establishments**

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## Economic Impact

The economic benefits to the Village of Pinckney for allowing both adult-use marijuana establishments fall largely into two categories: Increased marijuana tax revenue and licensing fee revenue for the the Village of Pinckney general fund, and the positive economic development impact that new businesses will have on job creation and filling up vacant property in the Village. There is also likely to be a positive impact on local commercial and residential real estate prices. Each of these topics will be discussed in this section.

### Municipal Tax Revenue

On the tax revenue side, the [Michigan Senate Fiscal Agency](#)<sup>4</sup> released an analysis in the Fall of 2018 that the MRTMA’s excise tax will generate approximately \$180 million dollars in annual revenue by fiscal year 2023. Of this, they estimate that **\$26.9 million** will be allocated for municipalities. Currently, it is estimated that **\$18.5 million** will be available for municipalities for the 2021 fiscal year.<sup>5</sup> According to Section 14.1.3 (a) of the MRTMA<sup>6</sup>, municipal revenue will be allocated in proportion to the number of marijuana retail stores and micro-businesses within a municipality. The Village of Pinckney, in the Jobs for Pinckney proposal, would be able to license a minimum of two adult-use marihuana retailers and one micro-businesses. Given this, the other key variable in

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<sup>4</sup> Mann, Jeffrey. Baker, Bruce. Bergan, Ryan. Frazier, Abbey. Rackowski, Elizabeth. Savino, Cory. Sefton, Josh. Zin, David. “November 2018 Ballot Proposal 18-1 An Overview.” *Michigan Senate Fiscal Agency*. October, 2018. <http://www.senate.michigan.gov/sfa/Publications/BallotProps/Proposal18-1.pdf>

<sup>5</sup> Burns, Gus. “Michigan recreational marijuana sales near \$18 million in two months.” *MLive*. February, 2020. <https://www.mlive.com/public-interest/2020/02/michigan-recreational-marijuana-sales-near-18-million-in-two-months.html>

<sup>6</sup>“Initiative Text.” *Coalition to Regulate Marijuana Like Alcohol*. May, 2017. <https://www.regulatemi.org/initiative/>

projecting revenue per marijuana retail store and/or micro-businesses is the total number in Michigan.

### **Municipal Excise Tax Revenue Per Marijuana Retail Stores & Micro-Businesses = Total Municipal Tax Revenue / Number of Marijuana Retail Stores & Micro-Businesses in Michigan**

How many marijuana retailers and micro-businesses can we expect in Michigan? The State of Michigan's MRA website currently lists 320 licensed provisioning centers operating under the MMFLA. If we assume that these provisioning centers also receive adult-use marijuana retailer licenses (a generous assumption) and account for additional stand-alone marijuana retailer licensing and marijuana microbusiness licensing, it seems plausible that Michigan could end up with 500 total marijuana retailer and microbusiness licenses by FY 2023.

Thus, if we assume 500 licensed adult-use marijuana retailers and micro-businesses by fiscal year 2023, we get the following estimate.

**\$26.5 million / 500 marijuana dispensaries & micro-businesses = \$53,000 estimated\* per marijuana dispensaries & micro-business in a municipality**

#### Budgetary Impact

The Village of Pinckney's budget for the recent fiscal year totaled approximately \$1.3 million. Thus, a minimum of three MRTMA licensed dispensaries/micro-businesses **would generate approximately \$150,000** in annual revenue from the MRTMA's marijuana excise tax for the Village of Pinckney.

The Village of Pinckney would also receive licensing fees from the different types of facilities that it grants municipal approval to for a state license. If the Village of Pinckney allowed three dispensaries or micro-businesses and facilities for processing and cultivation, the Village could potentially receive fees from multiple licenses each year. It should be noted that licenses can "stack" under state law (subject to municipal approval), meaning that a facility can have multiple licenses for cultivation to increase the number of plants grown, and potentially license a location for both cultivation and processing as well.

Assuming that the Village of Pinckney allowed for five total licenses for MRTMA facilities, **the Village would receive an additional \$25,000 annually** from licensing fees each year.

Table 2 details these estimated projections which are based on the number of facilities licensed in the Village.

Table 2. Projected MRTMA Revenue for the Village of Pinckney

<b>SOURCE</b>	<b>ANNUAL REVENUE</b>
MRTMA Excise Tax Revenue Sharing (assuming a minimum of dispensaries and/or micro-business)	\$150,000
Licensing Fees (assuming five total MRTMA licenses)	\$25,000
<b>TOTAL</b>	<b>\$175,000</b>

Combining projected revenue from licensing fees and MRTMA revenue sharing totals \$175,000 annually, or approximately a 13.4 percent increase in the Village of Pinckney general fund. This figure is a conservative revenue projection.

### Economic Development

The positive contribution of cannabis businesses to economic growth has been widely recognized as legalization has spread across the United States. Legalization has not only resulted in over 200,000 new jobs being created in the cannabis industry overall<sup>7</sup>, [but has had a notable impact](#)<sup>8</sup> on municipalities that allow cannabis facilities. By opting in for adult-use marijuana facilities, the Village of Pinckney would be able to attract new marijuana businesses that would bring new jobs (many of them high-paying), and could potentially fill up vacant or underutilized property in the Village. Projected job creation by facility type and average salaries for the industry can be seen in Table 3 and in Table 4.

Table 3. Projected Job Creation By Facility Type

<b>FACILITY TYPE</b>	<b>PROJECTED. JOB CREATION</b>
Dispensary/Provisioning Center	15 - 20 full time equivalent (FTE) employees

<sup>7</sup> Barcott, Bruce. "As of 2019, Legal Cannabis Has Created 211,000 Full Time Jobs in America." *Leafly*. March 4, 2019. <https://www.leafly.com/news/industry/legal-cannabis-jobs-report-2019>

<sup>8</sup> Zhang, Mona. "Legal Marijuana is a Boon to the Economy, Finds Study." *Forbes*. March 13, 2018. <https://www.forbes.com/sites/monazhang/2018/03/13/legal-marijuana-is-a-boon-to-the-economy-finds-study/#16ef0d36ee9d>



Small to Mid-Sized Cultivation Facility	15 - 30 FTE employees
Large Cultivation Facility	50 -100+ FTE employees
Marihuana Microbusiness	10 - 15 FTE employees
Small to Mid-Sized Processing Facility	5 - 10 FTE employees

**Table 4. Salaries of Cannabis Industry Employees**

<b>POSITION/TITLE</b>	<b>SALARY RANGE/AVERAGE</b>
Director of Cultivation	\$47,000 - \$250,000
Director of Extraction	\$47,000 - \$191,000
Edibles Producer	\$46,640
Dispensary Worker	\$12-\$16 / hr
Dispensary Manager	\$41,500 - \$98,000
Cultivation “Trimmer”	\$11.50 - \$14.50 / hr
Compliance Manager	\$45,000 - \$149,000

Source: Leafly 2019 Jobs Report<sup>9</sup>, Marijuana Business Magazine 2019 Survey<sup>10</sup>

**Real Estate Impact**

Many people have questions surrounding the impact of cannabis facilities on real estate prices, in particular, the effect of cannabis retailers or dispensaries. This issue has been studied over the last several years, and there is consensus on the direct impact of allowing facilities. First, locations zoned for cannabis facilities [rent](#)<sup>11</sup> and [sell for significantly higher prices](#)<sup>12</sup> than what they were previously priced at. This has been seen in Colorado,

<sup>9</sup> Barcott, Bruce. “As of 2019, Legal Cannabis Has Created 211,000 Full Time Jobs in America.” *Leafly*. March 4, 2019. <https://www.leafly.com/news/industry/legal-cannabis-jobs-report-2019>

<sup>10</sup> MJ Biz Magazine Staff. “Salary Survey 2019.” *Marijuana Business Magazine*. April 2019. <https://mjbizmagazine.com/salary-survey-2019/>

<sup>11</sup> Gelles, David. “A Real Estate Boom, Powered by Pot.” *The New York Times*. April 1, 2017. <https://www.nytimes.com/2017/04/01/business/a-real-estate-boom-powered-by-pot.html>

<sup>12</sup> “Colorado Viewpoint - Three Years After Legalization...Marijuana Real Estate in Denver - June 2017.” CBRE. June 2017. <https://www.cbre.com/research-and-reports/Colorado-ViewPoint---Three-Years-After-Legalization---Marijuana-Real-Estate-in-Denver---June-2017>

Michigan, and several other states that have allowed commercial medical and adult-use cannabis facilities.

Most research has shown the impact of cannabis dispensaries on residential real estate prices has been either slightly positive or non-existent. [In a recent membership survey, the National Association of Realtors found that](#)<sup>13</sup> “More than three-quarters of members have not seen a change in residential property values near dispensaries. One-tenth have seen an increase and 12 to 14 percent have seen a decrease in residential property values near dispensaries.” Several additional studies have that real estate prices for residential property have increased after a dispensary opens nearby. The [Clever Real Estate group found](#)<sup>14</sup> that home values increased in cities that allowed retail marijuana dispensaries.



## Public Health Impact

When discussing increasing the availability of cannabis for adult-use, and not just for medical use, it is important to review the research regarding the public health effects of this change. Three of the key issues that come up in the public health debate are use by adolescents, the “gateway drug” theory, and the impact of marijuana use on opioid prescriptions and mortality rates. A review of recent research offers support for the view that opting in the Village of Pinckney for adult-use facilities is unlikely to result in an increase in teen use, that the “gateway drug” theory of marijuana has been largely debunked, and that new cannabis facilities are likely to result in a [decrease](#) in the number of opioids prescribed in the local region, and associated overdose fatalities.

### Use by Adolescents

One of the frequent concerns mentioned in the adult-use legalization discussion is the increased use of marijuana by adolescents. Recent data reviewing the implementation of legalization suggests that this should not be a significant cause for concern. In a recent study [published by the Journal of the American Medical Association](#)<sup>15</sup> charting marijuana use by adolescents in Washington State following legalization found that use remained flat or declined from 2014 to 2016. Washington State legalized marijuana for adult-use in 2012. A similar survey [published by the Colorado Department of Public Health and](#)

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<sup>13</sup> “Marijuana and Real Estate: A Budding Issue.” *National Association of Realtors Research Group*. November 2018.

<https://www.nar.realtor/sites/default/files/documents/2018-marijuana-and-real-estate-a-budding-issue-survey-11-02-2018.pdf>

<sup>14</sup> Babich, Luke. “New Study: How Legalizing Recreational Marijuana Impacts Home Values.” *Clever Real Estate Group*. April 9, 2019. <https://listwithclever.com/real-estate-blog/marijuana-housing-market-study/>

<sup>15</sup> Dilley, Julia A. Richardson, Susan M. Kilmer, Beau. “Prevalence of Cannabis Use in Youths After Legalization in Washington State.” *JAMA Pediatrics*. December 19, 2018. <https://jamanetwork.com/journals/jamapediatrics/article-abstract/2718512?resultClick=1>

[Environment](#)<sup>16</sup> also reviewed adolescent usage rates in Colorado following legalization. It found that usage rates by adolescents remained flat, but increased for adults. [Similar results can be seen in Oregon](#),<sup>17</sup> which legalized for adult-use in 2012, as well as [in California](#).<sup>18</sup>

### “Gateway” Theory Debunked

A common criticism of marijuana legalization is that using marijuana will be a “gateway” to the use of other illicit substances. Proponents point to the fact that many users of marijuana also use other substances. But as more research has come out over the last several decades, there has been little evidence to support a causal relationship between marijuana use and the use of other substances. In other words, correlation among use is not causation.

The National Academy of Sciences found as much when, [in a comprehensive review of the research on cannabis](#)<sup>19</sup>, they “found limited evidence that marijuana use increases the rate of initiating other drug use.” Rather, some [research suggests](#)<sup>20</sup> that some individuals may have a higher disposition to the use of marijuana and other substances, and that genetic, familial, and environmental factors play a strong role in marijuana use. In fact, [there is growing evidence](#)<sup>21</sup> that the legalization of marijuana may decrease the use of “hard-drugs” such as cocaine and heroin because marijuana is no longer being purchased on the black market. By moving sales from the black market to the regulated market, the access that most marijuana consumers have to those who may sell other illicit drugs is diminished, and black market participants see a reduction in sales.

### Opioid Prescriptions

[Over 1900](#)<sup>22</sup> overdose deaths were caused by opioids in Michigan in 2017. Deaths from overdosing on opioids is a national epidemic and is impacting every community across the

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<sup>16</sup> Salley, Mark. “Marijuana use in Colorado rises for Adults, stays the same for kids.” *Colorado Department of Public Health & Environment*. July 19, 2018. <https://www.colorado.gov/pacific/cdphe/marijuana-use-2017>

<sup>17</sup> “Youth marijuana use, attitudes, and related behaviors in Oregon.” *Oregon Health Authority*. February 2019. <https://www.oregon.gov/oha/PH/PREVENTIONWELLNESS/MARIJUANA/Documents/fact-sheet-marijuana-youth.pdf>

<sup>18</sup> Oakes, Robert. “State Superintendent Torlakson Announces Results of Healthy Kids Survey at Public Schools.” *California Department of Education*. August 20, 2018. <https://www.cde.ca.gov/nr/ne/yr18/yr18rel54.asp>

<sup>19</sup> “For Immediate Release.” Jan. 2017. <https://www8.nationalacademies.org/onTheNationalAcademyofSciences,Engineering,andMedicine.pinews/newsitem.aspx?RecordID=24625>

<sup>20</sup> “Using marijuana may not raise the risk of using harder drugs.” Drug Policy Research Center, RAND. 2002. [https://www.rand.org/content/dam/rand/pubs/research\\_briefs/2005/RB6010.pdf](https://www.rand.org/content/dam/rand/pubs/research_briefs/2005/RB6010.pdf)

<sup>21</sup> Reinerman, Craig. Cohen, Peter. Kaal, Hendrien. “The limited relevance of drug policy. Cannabis in Amsterdam and in San Francisco.” *American Journal of Public Health*. May 2004. 94(5): 836–842. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1448346/>

<sup>22</sup> “Michigan Opioid Partnership.” *Community Foundation for Southeast Michigan*. <https://cfsem.org/initiative/opioid/>

country. While perhaps surprising to some, the legalization of marijuana for medical and adult-use has shown significant potential to help us fight the opioid epidemic.

Recent research has shown that increasing the availability of medical and of adult-use dispensaries has a statistically significant effect in decreasing the number of opioid prescribed in the area. In another recent [study conducted by the Journal of the American Medical Association \(JAMA\)](#)<sup>23</sup>, researchers analyzed Medicare Part D prescription data and “found annual reductions associated with medical and recreational cannabis laws of 5.88% and 6.33%, respectively.” This dovetails with [earlier research](#)<sup>24</sup> which found opioid overdose mortality rates decreased by up to 25 percent in states that have legalized medical marijuana.



## Public Safety Impact

One of the primary policy objectives of legalizing marijuana is to reduce criminal activity by transitioning activity that once was illegal to a regulated market. A review of the facts and research on this topic supports the view that allowing for adult-use facilities will reduce the influence of illegal actors in the black market, increase the safety of marijuana products by diverting sales from the black market, and reduce illegal activity in the vacant and underdeveloped commercial areas where many marijuana businesses tend to locate.

### Product Testing

Some forget that just because adult-use facilities are not permitted in a municipality does not mean that sales are not still occurring on the black market. In many cases, marijuana being sold on the black market has not been tested for pesticides, mold, fungi, and heavy metals. In contrast, testing will be required for products sold on the regulated market through the state’s seed-to-sale tracking system. To this point, caregiver product sold in the state’s medical marijuana facilities prior to mandatory testing requirements had a test failure rate of 37.5 percent, according to LARA.<sup>25</sup> Given these figures, transitioning sales to the regulated market with strict testing requirements can be seen to have a positive impact on public health and public safety.

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<sup>23</sup> Hill, Kevin P. Saxon, Andrew J. “The Role of Cannabis Legalization in the Opioid Crisis.” *JAMA Internal Medicine*. May, 2018. <https://jamanetwork.com/journals/jamainternalmedicine/article-abstract/2676997>

<sup>24</sup> Bachhuber, Marcus A. Saloner, Brendan. Cunningham, Chinazo O. “Medical Cannabis Laws and Opioid Analgesic Overdose Mortality in the United States, 1999-2010.” *JAMA Internal Medicine*. October 2014. [https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/1898878?\\_hstc=9292970.8a6d480b0896ec071bae4c3d40c40ec7.1407456000124.1407456000125.1407456000126.1&\\_hssc=9292970.1.1407456000127&\\_hsfp=1314462730](https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/1898878?_hstc=9292970.8a6d480b0896ec071bae4c3d40c40ec7.1407456000124.1407456000125.1407456000126.1&_hssc=9292970.1.1407456000127&_hsfp=1314462730)

<sup>25</sup> “Caregiver Provided Pot Fails Tests 37.5 Percent of the Time.” *MIRS News*. February 21, 2019.

## Reduction in Violent Crime

There is a growing body of research exploring the link between cannabis facilities and the impact on crime. A [recent research analysis](#)<sup>26</sup> comparing the impact of adult-use legalization in Oregon vs. Washington State found that the legalization of cannabis for adult-use has seen a reduction in crime. Researchers compared crime along the border of Oregon and Washington following legalization in Washington (2012) and in Oregon (2014), and found that legalization of marijuana reduced the usage of both ordinary and binge alcohol consumption. They attributed these findings to the psychotropic effects of cannabis, reallocation of police efforts, the reduced role of criminals in the marijuana business, and a decrease in violence-inducing substances such as binge drinking.

Additional research has also shown the effect that cannabis facilities have on crime. In Los Angeles, [a study was conducted](#)<sup>27</sup> examining the effect on crime following the closure of a massive number of illegally operating dispensaries. Researchers found an immediate increase in crime around areas where dispensaries were closed. They attributed this to the “bystander effect” deterring crime and how “eyes on the street” can deter certain types of crime. They cited how this increase was also seen when restaurants were temporarily closed for health violations.



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<sup>26</sup>Dragone, Davide. Prarolo, Giovanni. Zanella, Giulio. “Crime and the legalization of recreational marijuana.” *Journal of Economic Behavior and Organization*. February 20, 2018. <https://www.sciencedirect.com/science/article/pii/S0167268118300386>

<sup>27</sup> Chang, Tom Y. Jacobson, Mirielle. “Going to Pot? The Impact of Dispensaries on Crime.” *Journal of Urban Economics*. Volume 100, July 2017. Page 120-136. <https://www.sciencedirect.com/science/article/pii/S0094119017300281>