## Comparing Legal Marijuana Systems in Colorado and Washington

<table>
<thead>
<tr>
<th><strong>Legalization Vehicle</strong></th>
<th><strong>COLORADO</strong></th>
<th><strong>WASHINGTON</strong></th>
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<tbody>
<tr>
<td>Amendment 64</td>
<td>Initiative 502</td>
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<td>Passed</td>
<td>55.3 - 44.7, November 6, 2012</td>
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### Means of Legal Change
- Only by another constitutional amendment
- Can be amended by normal legislative action

### Administrative Agency
- Department of Revenue, Marijuana Enforcement Division (MED) (C) | Liquor Control Board (WA)

### Age requirement for legal possession
- 21 and over

### Home grows permitted?
- Up to 6 plants, with 3 flowering at any time
- Prohibited

### DUI
- 5 nanogram per milliliter limit for driving
- 5 nanogram per milliliter limit for driving

### Tax Structure
- 15% excise tax on cultivator; 10% special sales tax; 2.9% standard sales tax; additional local taxes can be levied.
- 25 percent excise tax on sales from grower to processor, processor to retailer, and retailer to customer; plus normal local taxes apply.

### After-tax price of legal marijuana?
- Marijuana Tax Cash Fund; Marijuana Cash Fund. Monies used to fund MED, school construction, expanded education and prevention efforts, law enforcement. Revenue sharing with local governments that allow marijuana sales.
- Complicated allocation: first money goes to fund administrative costs, various research projects and prevention or substance abuse programs; later money split between more marijuana-specific programs, general healthcare spending, and the state's general fund.

### Where does tax revenue go?
- Average Market Rate for Flower: $1,876/ pound. After tax cost depends on the locality.
- Yet to be seen, expected to be much higher than still-unregulated medical marijuana prices in the state.

### Licensing Regime
- Vertical Integration for first 9 mos.-2 yrs (depending on locality). Grower/processor/retailer licensed by MED. Medical users must register through Department of Public Health and Environment.
- Growers, processors, and retailers must be licensed. No vertical integration allowed: growers and processors cannot be retailers, though joint grower-processor licensed issues.

### Treatment of Pre-existing Medical MJ System
- Builds on top of existing system, which began to be regulated beginning in 2009 and which remains in place; privileges incumbents of the old system, who get first access to new recreational market.
- Unregulated, largely untaxed medical dispensaries remain in unresolved legal limbo, for now enjoy non-enforcement; legislature expected to provide some resolution or merger with I-502 system in coming months.

### Diversion Prevention
- Seed to Sale Tracking System; Limits on quantities purchased/possessed; Education campaigns; video surveillance requirements.
- Has same measures as C0, and high hopes that tight control over licensing and rather deliberate (i.e., slow) roll-out will allow more effective prevention of cross-state diversion.

### Local control
- Counties, municipalities can opt out. Local governments can regulate the number of grow operations and dispensaries. Local governments can assess additional taxes. Local governments can issue zoning and other ordinances regulating production and consumption.
- Controversial: preemption of local drug laws, but some localities seeking to use zoning laws to effectively exclude stores were encouraged by non-binding State Attorney-General opinion. Legal battle to follow. As of now, there is no revenue-sharing with local governments, so many cities may feel incentives are to opt out.

### Regulatory Features
- Extensive criminal background checks for all licenses; Seed to Sale tracking system; Vertical integration (initially); increasing product & potency testing
- Extensive criminal background checks of all licensees; extensive product safety testing

### Total size of legal market
- As of 1/1/2014, there were licenses distributed for 178 marijuana cultivation facilities and 136 retail dispensaries.
- Yet to be seen, but only projected to be about a quarter of the total market for marijuana in Washington after a year of full-scale operation

### Official Analysis
- State commissioned a survey of market demand. Separate revenue analyses/projections conducted by the Department of Revenue, Governor’s Office of State Planning and Budgeting, and the Colorado Legislative Council
- 502 mandates cost-benefit analysis conducted by Washington State Institute for Public Policy (WSIPP), with preliminary report in 2015 and subsequent reports in 2017, 2022, and 2032

### Common Complaints
- Public use rules vague; homegrowers creating additional local problems; paperwork delays at MED.
- Slow implementation; low projected legal supply when stores do open; frustration that medical dispensaries get no ability to make transition to legal recreational system; continued legal ambiguity for medical marijuana