

O. Impact of Marijuana Legalization on Agriculture, Rural and Tax Policy

Moderator: Bob Haefner, New Hampshire

- a. Colorado Experience, *Representative Dylan Roberts, Colorado*
- b. New York's Experience, *Assemblyman William Magnarelli, New York*
- c. Canada Experience, *Allan Rewak, Emerald Health Therapeutics*

This session was moderated by former NH State Representative Bob Haefner, who welcomed the assembled members and introduced the first speaker, Allan Rewak of Emerald Health Therapeutics, who joined us from Toronto by conference call. His organization is one of the original 13 licensed growers under the Cannabis Act C45, which legalized sales and growing of marijuana in Canada.

Mr. Rewak recounted the road to legalization, which was first established in the courts in 2001 with medical marijuana. Adult recreational use legislation came in 2015, which established an effective date of October 18, 2018. The argument in favor of its passage was that it was a means to counter the illicit and illegal use of marijuana. The bill allows for no marketing to youth. It has robust taxation, and is distinct from the existing medical marijuana.

Allan described the steps involved in putting this law into operation. A retail framework needed to be established. Sourcing and supply needed to be identified. A balance needed to be set between regulated supply and access. Canada has learned that it will take years to transition from illegal to legal markets. And revenue will be limited in the near term, but the goal should not be income, but counteracting the illegal use of marijuana. There have been no significant rise in social ills with the new bill.

Rep. Dylan Roberts of Colorado spoke next of his state's long-term marijuana experience, legal in that state since 2012. According to their law, the first \$40 million of sales goes to schools, in addition to the 10% state sales tax on marijuana sales. Towns and localities can tax also. The law allows for strict local control, and some towns have opted not to allow dispensaries.

Roberts feels that, overall, the legalization of marijuana has been a positive thing for Colorado. The state tax revenue has been \$1.6 billion so far (\$250 million per year)

There has been an increase in traffic related deaths, although it's hard to prosecute traffic violations because of lack of accurate testing for marijuana use by the driver. The impact on agriculture is not large, since most marijuana is grown indoors under strict surveillance.

Assm. Bill Magnarelli of New York then spoke of the attempts in New York to pass legalization. He noted that agriculture is New York's #1 industry. This year, Governor Cuomo proposed a marijuana legalization bill, but it did not pass. Legislators in NY suburbs are fighting over revenue, law enforcement, and other issues.

Magnarelli is amazed by the legalization movement's speed. The issues are: Health through regulation, criminal justice and public safety, economics, and the educational component. Concerns are insurance, childhood use, employment, and increased traffic accidents.