



## APPENDIX A

### Summary of Proposition 205 Provisions

There are two core principles set forth in Proposition 205 that will impact existing law in very noteworthy ways. Those two core principles are: (1) Proposition 205 creates a statutory right to use, possess, grow and produce marijuana *and hash*, and (2) Proposition 205 prohibits penalizing any permitted use “notwithstanding any law to the contrary.” *Proposed ARS § 36-2860*.

As explained below, Proposition 205:

- ✓ Legalizes marijuana **and hash**, a narcotic drug. *Proposed ARS § 36-2851(7)(B)*.
- ✓ Prohibits the state from ever imposing a *per se* THC limit for marijuana-impaired drivers. Other states that have recreational marijuana have *per se* legal limits on the amount of permitted THC in a driver’s system. This will make it very difficult to successfully prosecute marijuana-impaired drivers. *Proposed ARS § 36-2860(B)*.
- ✓ Authorizes a for-profit commercial industry to sell marijuana and hash. *Proposed ARS § 36-2851(13)*.
- ✓ Authorizes the production and sale of high potency THC candies and hash without limit on potency. *Proposed ARS § 36-2851(13)*.
- ✓ Replaces Arizona’s current drug-free workplace laws with this new law that allows employees to consume marijuana during off-hours, and places a very high burden of proof on an employer to prove an employee is marijuana-impaired before the employer may take action against the employee. *Proposed ARS § 36-2852(B)*; *Proposed ARS § 36-2852(A)(7)*. *Compare to ARS § 23-493 et seq.* Furthermore, the Proposition does not provide an “opt-out” for employers who must comply with federal drug-free workplaces. In other words, employers must comply with conflicting federal and state laws with regard to marijuana-using employees.
- ✓ Allows medical marijuana dispensaries to sell recreational marijuana to out of the same storefront. *Proposed ARS § 36-2855(A)(14)*.
- ✓ Allows marijuana businesses to be located just outside of 500 feet of schools K-12. There is no limit applied to preschools, youth clubs such as Boys & Girls Clubs, or to universities or colleges. *Proposed ARS §36-2858(C)(3)*.
- ✓ Allows advertising of marijuana and hash, provided the ads do not target children. *Proposed ARS §36-2855(A)(10)*.
- ✓ Allows renters to possess marijuana and to consume non-smoked marijuana edibles – a landlord may only prohibit this conduct if the landlord can prove he/she would lose a monetary or licensing benefit under federal law. *Proposed ARS §36-2852(D)*.



- ✓ Allows a two-adult household to grow up to 12 marijuana plants, thus allowing marijuana grows in every neighborhood in spite of any HOA rules to the contrary. *Proposed ARS § 36-2860(A)(2).*
- ✓ After the year 2020, permits consumption of marijuana on the premises of retail shops (i.e. marijuana bars), *proposed ARS §36-2854(4)*, and allows the delivery of marijuana like pizza. *Proposed ARS §36-2854(2).*
- ✓ Effectively does not allow cities and towns to ban retail marijuana – allows a ban only if the locality does not have a currently operating medical marijuana business. *Proposed ARS §36-2856(A) and ARS §36-2856(B)(2).* Most localities in Arizona already have medical marijuana businesses.
- ✓ Provides significant competitive advantages and marijuana license monopolies to existing medical marijuana businesses. *Proposed ARS § 36-2851(17); ARS § 36-2851(11); ARS § 36-2854(B); ARS § 36-2855(A)(13); ARS § 36-2858(D)(1).*
- ✓ Strips the Department of Health Services of all regulatory authority over medical marijuana. Creates two new government agencies – the Department of Marijuana Licensing and Control, and the Marijuana Commission. *Proposed ARS 36-2853.*
- ✓ Packs the Marijuana Commission with industry representatives – 3 of the 7 members of this Commission must be owners of marijuana businesses. The purpose of the Marijuana Commission is to regulate the industry. *Proposed ARS 36-2853(C) and (D).*
- ✓ Prohibits the passage of any regulation that makes it “unreasonably impracticable” for the marijuana business to make a profit. *Proposed ARS § 36-2855(C) and 36-2851(18).*
- ✓ Creates a special marijuana police force. *Proposed ARS § 36-2854(E).*
- ✓ Contrary to the language in the Findings that marijuana will be regulated “in a manner similar to alcohol,” the Proposition penalizes marijuana violations much more leniently than comparable alcohol violations, making most marijuana violations petty offenses punishable with a fine not to exceed \$300. *Proposed ARS § 36-2866.* Comparable alcohol violations by minors are misdemeanors, not petty offense. *See A.R.S. § 4-241(L).*
  - For example, it is a class 2 misdemeanor to be a minor in possession of alcohol. This Proposition makes it a petty offense for a minor under the age of 21 to possess or use marijuana. *Proposed ARS § 36-2866(G).*
- ✓ Significantly reduces the penalty for illegal production of hashish by chemical extraction with a flammable solvent (i.e. butane hash oil labs) from its current classification as a class 2 felony to a class 6 felony, the least serious of all felonies. *Proposed ARS §36-2866(B); cf. A.R.S. § 13-3408(A) and (B).*
- ✓ Legalizes the growing and production of hemp. *Proposed ARS § 36-2851(4); ARS § 36-2860(C).*



- ✓ The Proposition is voter-protected. The Governor cannot veto it, the Legislature cannot repeal it, and the Legislature can amend it only to further its purpose. *Arizona Constitution, Art. 4 Pt. 1 § 1.*
- ✓ Finally, by way of background, the analysis should state that:
  - Possession, use and production of marijuana are all illegal under federal law. *Title 21, USC.*
  - Marijuana is an addictive substance, regular use of which can lead to diagnosable marijuana use disorder characterized by the inability to quit using, the need to use more and more, and failure at major life goals such as school, home and work.  
<http://www.drugabuse.gov/publications/drugfacts/marijuana>;  
<http://www.nhtsa.gov/people/injury/research/job185drugs/cannabis.htm>
  - Colorado legalized recreational marijuana in 2012 under a similar scheme. Today, teens in Colorado use marijuana at the highest rate in the nation.  
<http://www.samhsa.gov/data/population-data-nsduh/reports?tab=38>
  - Provide an analysis of the fiscal impact of the Proposition in the areas of public health, drug treatment, education and road safety.



## APPENDIX B

### **Narrative Explanation of Proposition 205**

#### 1. Proposition 205 Creates Statutory Right to Use, Possess, and Grow Marijuana

We believe it is important to begin any analysis of Proposition 205 with the understanding that Proposition 205 creates a statutory right to use, possess, and grow marijuana—unlike any other right involving a regulated substance in Arizona (e.g., tobacco or alcohol or any other drug, legal or illegal). See §36-2860(A). This statutory right guides the entirety of the rest of the statute as it relates to not just marijuana use, possession, and sales, but employee/employer rights, property owner/lessee rights, community and neighborhood association rights, law enforcement, and a great many other impacts.

#### 2. Monopolistic and Oligopolistic Provisions

In this context, it is also important to note that Proposition 205 was written and is sponsored by the Washington, DC-based lobby, the Marijuana Policy Project, in conjunction with Arizona-based medical marijuana dispensary owners, and that such owners have placed several self-protecting and oligopolistic provisions into the proposed statutes to protect themselves. See, for example, §§36-2854(B)(1) and (3) wherein the number of retail dispensaries cannot—until 2021—exceed the number of ten percent of Series 9 liquor licenses in a given locality but that *only current medical marijuana dispensary owners* may apply for such retail licenses up through December of 2017. This is to say, the Proposition 205 was written to (a) limit the number of retail licenses available while (b) giving first entitlement to all five classes of marijuana licenses exclusively to those who currently have medical marijuana dispensary businesses. It is more than likely that, with these caps, exclusive opportunities, and time strictures, no licenses will or would be available to anyone outside of the medical marijuana industry after December of 2017.

Another example of self-protection or cartelization built into this statute is found within §§36-2853(A) and C, where Proposition 205 first creates a new statewide commission, “The Marijuana Commission,” and then mandates that three of the seven members of the Commission be “controlling members” (aka “owners”) of medical marijuana businesses—and that such members have been medical marijuana business owners for at least one year prior to membership on the Commission. This is to say, at all times, the newly created Commission will always and ever only be one vote away from a majority vote, a desired outcome, from the medical marijuana business owners’ wishes or demands. The bottom line is that the Marijuana Commission would be a self-regulating Commission stacked with members who have a financial interest in each of its decisions.



We also want to direct your attention to §36-2855(A)(13) et.seq. wherein a marijuana cultivation (or “grow”) regimen is established with three tiers of licensure with *only those in the medical marijuana* business being eligible for the highest class or tiered licensure—i.e., the tier that allows for “the production of an unlimited amount of marijuana.” Each other entrant into the cultivation market, i.e., those not already in the medical marijuana industry, shall be issued “only the smallest licensing class tier.”

### 3. Redefinition of Marijuana

We believe it important for the voters of Arizona to understand that there is a difference between Proposition 205 “Title” and “Findings” and Proposition 205 actual statutory language on a number of fronts.

The Title of Proposition 205 states this is about “marijuana.” Nevertheless, the Proposition 205 actually redefines marijuana under current Arizona law, without explicitly stating so, by now including the resin extracted from the marijuana plant, or what Proposition 205 states as “all variations of the cannabis plant” (See RTMA §2(D)) and “the resin extracted from any part of the plant....” (See §36-2851(7)(A)).

Under current ARS §13-3401, the resin—more familiarly known as “Hash” or “Hashish”—is not “marijuana,” but rather “cannabis” which is a “narcotic drug” and is punishable more severely and separately from marijuana as otherwise defined and understood. Possession of hash is punishable as a Class 4 felony; production of hash is punishable as a Class 2 felony. *We believe it important for the voters in Arizona to understand Proposition 205 would legalize not just marijuana but also Hashish, a major change from current Arizona drug laws.*

### 4. Changes in Underage Age Legal Restrictions from Current Law & Alcohol

The Findings in §2(B) state voters of Proposition 205 will be treating marijuana like alcohol: “regulat[ing] in a manner similar to alcohol.” Beyond other statutory changes to the law, such as a statutory right to use and sell marijuana which does not exist for alcohol, there are a host of other differences within Proposition 205 that do not in fact treat marijuana or regulate marijuana like alcohol. This has particular impact on youth use and the law as it impacts sales and use by Arizona youth.

For example: Proposition 205 penalizes marijuana violations much more leniently than comparable alcohol violations. To wit:

- ✓ Proposed §36-2866(C): a person under the age of 21 who presents a fraudulent ID to buy marijuana would be guilty of only a petty offense, significantly lower than the punishment for presenting a fake ID to buy alcohol, which is a class 1 misdemeanor under ARS §4-241(L).



- ✓ Proposed § 36-2866(D): a person under the age of 21 who solicits another person to purchase marijuana would be guilty of only a petty offense, lower than the punishment for soliciting another person to purchase alcohol, which is a class 1 misdemeanor under ARS §4-241(M).
- ✓ Proposed §36-2866(E): makes it a petty offense to knowingly allow someone under the age of 21 to remain in the area where marijuana is being sold. For comparison, it is a class 2 misdemeanor to allow a minor to be in the comparable secured area for alcohol sales.
- ✓ Proposed §36-2866(G): a person under the age of 21 who is caught in possession of less than one ounce of marijuana would be guilty of a petty offense. For comparison, it is a class 2 misdemeanor to be a minor in possession of alcohol.

Again, the legal message here is youth use and youth sales of marijuana will be far less risky or punishable than youth use and sales of alcohol—this is not regulating marijuana like alcohol when it comes to youth prevention or criminal law, the essence of current regulations on marijuana. The statement in the Findings in §4(B)(2) that “Selling or giving marijuana to persons under the legal age remains illegal,” (emphasis supplied) is simply misleading because it implies no statutory change or reduction in penalty for marijuana violations.

## 5. Changes to DUID Law

The Findings state in §2(B)(5) that “Driving while impaired by marijuana remains illegal.” (emphasis supplied). This, again, is not true if “remains” is defined as no statutory change. In fact, Proposition 205 changes how law enforcement will be able to prosecute marijuana-impaired drivers.

For example, §36-2852(A)(1) significantly changes current DUID laws. Rather than the current *per se* violation that is established by a driver testing positive for THC (see ARS § 28-1381(A)(3)), law enforcement will now have to prove impairment via other means. This, too, is not regulating marijuana like alcohol where a *per se* limit also exists under current law, but, rather, a diminution of the law *and* driver risk when comparing impairment from alcohol to marijuana. (NB: an alcohol drinker can process alcohol through his or her body at a very known level, e.g., about one serving per hour. Marijuana, especially edibles, can take up to 90 minutes to even affect a consumer, thus putting more marijuana impaired drivers on the road who do not even realize they are about to become exceedingly impaired).

Proposed ARS §36-2860(B) states: “A person may not be penalized by this State for an action taken while under the influence of marijuana or a marijuana product solely because of the presence of metabolites or components of marijuana in the person’s body or in the urine, blood,



saliva, hair, or other tissue or fluid of the person’s body.” This section nullifies DUI prosecution as we now know and practice it. It requires a person driving high to have more than the presence of marijuana in the person’s blood, again, unlike with alcohol and unlike current law. If a person refuses a field sobriety test, proving impairment will be exceedingly difficult without such a *per se* DUI law. Consider and compare to ARS §4-244(34), which prohibits any person under the age of 21 from driving with any amount of alcohol in his or her body. This section prohibits a comparable statute for driving under the age of 21 with any marijuana in the system.

## 6. Understanding Legal Amounts

In comportment with the intent of ARS §19-124 that the Council shall provide language “in clear and concise terms avoiding technical terms wherever possible,” we highlight the issue of how much marijuana is allowed under Proposition 205. The language that Proposition 205 allows “a limited amount of marijuana for personal use” is grossly misleading. See Findings §2(B)(3). Proposition 205 will allow possession of “one ounce” of marijuana, including “five grams” of concentrated marijuana (hashish) as stated in §36-2860(A)(1). Additionally, §36-2860(A)(2) will allow the growth of up to 12 plants in a two adult household.

One ounce of marijuana can mean up to 56 joints. It is imperative to understand Proposition 205 places no limits on the psychoactive ingredient—or THC—in said marijuana. Several adults in a car or in public could legally possess well over several hundred high potency joints.

Five grams of concentrated marijuana, assuming a single dose is 10 mg edible candies such as gummy bears (which are ever increasingly popular), would mean up to 500 gummy bears. We ask Arizona voters to consider how many children marijuana gummy bears would affect and how many children or adults consume only one gummy bear.

Marijuana plants can produce any number or level of usable marijuana ounces, and estimates vary—depending on light, water, breed, soil, and other growing conditions—from one ounce to over 16 ounces of usable marijuana *per plant*. This is especially significant given that §36-2860(A)(2) allows a plant grower to “use and possess” *any or all* of the marijuana produced by such plants. In a far less than extreme set of conditions, simply assuming six plants at a low yield of three ounces per plant, an individual could produce more than 1,000 marijuana joints, and a household with 12 plants and low yield could produce well over 2,000 joints. These are relative minimums with just low growth yields. *These yields are now no longer in the category of ounces, but pounds*—households would be allowed to grow and produce literally pounds of marijuana and thousands of joints and edibles. We do not believe most Arizonans understand this when being instructed that the Proposition 205 allows for “limited” amounts of marijuana.

## 7. Changes in Drug Testing Law



Currently, Arizona allows employers to establish and enforce written drug-testing policies. ARS §23-493 et seq. “Employers” under the current law means both public and private employers, and “drug” is defined to include marijuana and its metabolites. Id. §23-493(3), (5). Employers who follow the procedures outlined in Arizona’s drug testing statutes are able to discipline or terminate employees who test positive for drugs, and the law protects employers from being sued for taking such action, so long as the employer acted in good faith.

Proposition 205, however, serves to invalidate Arizona’s drug-testing laws via proposed ARS §36-2860(A)(1), which says that a person’s possession or use of marijuana “may not be used as the basis for . . . penalty.”

Proposed ARS §36-2852(B) states that Proposition 205 “does not require an employer to allow or accommodate the possession or consumption of marijuana . . . in the workplace and does not affect the ability of employers to enact and enforce workplace policies restricting the consumption of marijuana . . . by employees.” Because Proposition 205 legalizes marijuana, creates a statutory right to use it, and prohibits penalizing a person for any permitted use “notwithstanding any law to the contrary,” employers would not be allowed to completely forbid employees from ever using marijuana.

Proposed ARS §36-2852(A)(7) states Proposition 205 “does not prevent the imposition of any . . . penalty on a person for . . . performing any task while impaired by marijuana . . . that would constitute negligence or professional malpractice.” Thus, employers may continue to penalize certain employees who show up to work actually impaired, but *they would first have to prove the employee engaged in an act of negligence or professional malpractice*. This is to say, impairment could be punished, but *only after* an accident (i.e., act of negligence or malpractice), after proof of impairment causing negligence or malpractice—not before, which is the current state of drug testing and employment law.

In Sum: This change in the law should cause employers great concern. Private employers may still enforce some drug-testing policies under ARS §23-493.04, but Proposition 205 will not allow employers to discipline or terminate employees who test positive for marijuana in the same manner as they can today. For those employees who work while impaired by marijuana, §36-2852(A)(7) would only allow an employer to discipline or fire an employee after an act of negligence or professional malpractice.

Although Proposition 205 allows an employer to generally “restrict” its employees’ consumption of marijuana, the Act provides no guidance on what types of restrictions are allowed. Section 36-2852(B) would allow all employers to ban “the possession or consumption” of marijuana “in the workplace,” but the provision says nothing about employees using marijuana *outside* the workplace and yet coming to work while impaired. Section 36-2852(B) expressly speaks of “workplace” restrictions and “workplace” policies. That limiting language is interestingly absent in Colorado’s law where employers are entitled to enact policies affecting “employees”





generally, and not just in the “workplace” (See Colorado Article XVIII, Section 16). In other words, we read Proposition 205 to state an employer in Arizona would be unable to restrict *or* prohibit employees from consuming marijuana outside the workplace, i.e., before work or on break. We believe state courts trying to interpret this clause would look to similar statutes in other jurisdictions to divine confusing intent, especially when written by the same organization. Thus, comparing the employer provisions written in the Proposition 205 as compared to the written provisions in Colorado’s law could only lead to the conclusion that consumption before work or on a break would not be restricted or prohibited.

Now consider Proposition 205 in respect to first responders and other public employees: In addition to weakening a private employer’s ability to enforce its drug-testing policies as applied to marijuana, Proposition 205 would provide broad protection for public employees that use marijuana. The same Proposition 205 provision that would invalidate current DUID laws also would apply to the drug-testing laws in the public context. That provision, proposed ARS §36-2860(B), does not allow a person to be penalized “by this state for an action taken while under the influence of marijuana or a marijuana product solely because of the presence of [marijuana] metabolites . . .

in the person’s body.” But that is precisely what drug tests do—test for the presence of marijuana or its metabolites in a person’s body.

The result is that Proposition 205 would allow public employers to have a drug-testing policy, but in all reality not enforce it with respect to marijuana, because an employee who tests positive for marijuana cannot be penalized “by the state” under Proposition 205 “solely because” of the presence of marijuana in his body.

## 8. Landlord and Property Rights

Property owners are put into an equally awkward and uncertain legal change of rights by the plain wording of Proposition 205. Proposed ARS §36-2852(C) states that Proposition 205 “does not prohibit a person who owns, manages, or leases a property from prohibiting or otherwise regulating the smoking, production, processing, manufacture or sale of marijuana and marijuana products on or in that property.” Put more simply and without the double-negative, the proposed statute would allow landlords to forbid tenants from smoking, producing, processing, making, or selling marijuana on the landlord’s property.

Notably absent from that list, however, are the terms “possessing” or “consuming” or “growing.” When courts interpret statutes that list specific words, the rule of construction is to interpret the statute as intending to exclude those very words not listed in one place but listed elsewhere (*expressio unius est exclusio alterius*). Thus, Proposition 205 clearly mandates that a property owner cannot prohibit the possession and consumption (only smoking) of marijuana on his property.



This stands in stark contrast to the rights of a landlord today, rights that allow landlords to prohibit the use of controlled substances on their properties and terminate leases for such conduct. Further, it is important to note Proposition 205 *may* have defined “production” or “processing” to include the growing of marijuana as pertains to landlord/tenant rights, but, again, when looking to §36-2860(A)(2)—allowing for the growth of up to 12 plants in a household—the word “grown” is deployed as it is elsewhere in Proposition 205, thus leading a tenant plaintiff or defendant to believe (and a court to interpret) that growth would be permitted and not allowed to be prohibited.

As above, the words “growing of marijuana” are placed in Colorado Amendment 64 with relation to landlord rights, allowing landlords to specifically regulate their properties to not tolerate the “growing of marijuana.” The absence of that terminology in Proposition 205, we believe, is not only determinative but would also be looked to by state courts trying to interpret this provision in the context of similar statutes in other states written by the same organization. Thus, Proposition 205 would have growth on leased or rented properties, regardless of landlord demands, remain an open question in Arizona.

As for HOA rules and regulations, along with the statutory right embedded into Proposition 205, there is no reason to think a prospective tenant or property owner could be banned from growing marijuana on his leased or owned property regardless of HOA restrictions to the contrary.

#### 9. Child Custody and Parenting

We believe it important for all state voters to know that Proposition 205 would change and limit decision making as current law allows in deciding parenting time, custody, visitation, and dependency decisions through the Arizona Department of Child Safety with regard to marijuana use. Section 36-2860(D) states that “conduct that is allowed under this chapter” cannot be used in determining such issues as parenting, custody and visitation. Such conduct would include using, possessing, and growing of marijuana.

#### 10. Localities Will Not Be Allowed To Prohibit Dispensaries

It is imperative for the voters of Arizona to also know that localities (defined as a “city,” “town,” or in some cases “county” by §36-2851(5)) *will not in fact be allowed to ban a retail dispensary in their locality if a medical marijuana dispensary already exists there.* Sections 36-2856(A) and (B)(2) explicitly state that localities “may not prohibit a reorganized marijuana business established by a nonprofit medical marijuana dispensary operating within the locality from operating the prohibited type of marijuana establishment within the locality in any area that is zoned to allow the operation of a nonprofit medical marijuana dispensary.”

While Proposition 205 has been promoted as allowing localities to choose to ban retail marijuana stores in Arizona if they so desire—by referendum or initiative—this is simply untrue if the



locality already has a medical marijuana dispensary. Given the many medical dispensaries throughout the state, we do not know of a major city or town or county (where that is defined as a locality) where this “local control” or referendum would thus be allowed in Arizona.

#### 11. Schools and After-School Buildings & Community Organizations

We think Arizona voters should know that Proposition 205 would allow retail marijuana businesses to operate a mere 500 feet away from a school (see §36-2858(3)). Furthermore, voters should understand that there is no such restriction on the location of marijuana businesses next to, adjacent to, or anywhere in proximity to preschools, youth organization properties (such as a Boys & Girls Club or any after-school program property), homeless shelters, treatment centers, or religious buildings.

There is also no restriction on billboard or other advertising in relation to the proximity of a school, a youth organization, homeless shelters, treatment centers, or religious buildings.

#### 12. Potential US Constitutional Violations

We believe Arizona voters should know Proposition 205 could be interpreted to be a violation of the Supremacy Clause of the United States Constitution given the Controlled Substances Act. See *Arizona et al. v. United States*, 132 S.Ct. 2492 (2012) and, specifically related to marijuana and state law, *Gonzales v. Raich*, 125 S.Ct. 2195 (2005). Further, Proposition 205 could invite suit in federal court by border-states, as in the case of Nebraska and Oklahoma suing Colorado for illegal exports of marijuana. Should Arizona border-states or the federal government sue the state of Arizona, Arizonans should know the costs entailed in defending such litigation.

#### 13. Arizona Constitution—Monopolies

We believe an analysis should be completed to determine whether Proposition 205 and its oligopolistic features violate Article 14, Section 15 of the Arizona Constitution with relation to monopolies and trusts.

#### 14. Arizona Constitution—Expenditure Clause

We believe an analysis should be completed as to whether the funding to erect and staff both a new Marijuana Commission and new executive state agency with special marijuana police, as well as the resources required to promulgate and enforce Proposition 205, will run afoul of the initiative expenditures clause of Article 9, Section 23 of the Arizona Constitution.

#### 15. Statutory Interpretation Language



We believe Arizona voters should be instructed as to what Rules from the Department of Marijuana Licenses and Control will be acceptable under Proposition 205’s definition of “unreasonably impracticable” (Proposed § 42-3385; § 36-2855(C); § 36-2851(18).)

#### 16. Quantity of Establishments

We believe an analysis should be completed as to how many marijuana establishments will further be authorized in the State of Arizona—i.e., retail stores, manufacturers, distributors, cultivation sites, distribution facilities, and testing facilities; and what potential effect such establishments in an “all cash” industry will have on crime or enforcement costs.

#### 17. Financial Cost to the State

While there have been various estimates of potential revenue to the state, with some equally serious critiques of those estimates, there have been no estimates of costs to the state. Consonant with ARS §19-124(B), we think an analysis “including the effect of the measure on existing law” should look to account for costs of increased use and youth use. As the 2015 National Survey on Drug Use and Health (NSDUH) from the US Department of Health and Human Services has found in Colorado, since legalization, youth use has risen nearly 74% higher than the national average there.

The Rocky Mountain High Intensity Drug Trafficking Area Reports from Colorado have also found a host of consequences since legalization in Colorado—from increased traffic accidents and fatalities to higher school absenteeism to increased calls to poison control centers and marijuana related hospitalizations, to name just a handful. In other words, there should be a fiscal impact statement or study for the State of Arizona of the costs Arizonans will bear in potential increased treatment; rehabilitation; counseling; traffic and workplace accidents; enforcement; criminal violations; education deficits, suspensions, and expulsions; homelessness; welfare; and litigation from other states.<sup>1</sup>

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<sup>1</sup> To our knowledge, there have been two major estimates of revenue to the State of Arizona should Proposition 205 pass—both should be examined closely: One, by the Grand Canyon Institute, assumes underage sales at the 18-, 19-, and 20-year-old levels; the other, from the Tax Foundation, assumes Arizona use based on the per capita use of Colorado (which is hundreds of thousands of users greater than in Arizona). As for youth use increases, a recent study from the Colorado Healthy Kids Survey would appear to undermine the findings of the NSDUH, but suffice to say there are a great many serious flaws with that survey that require explanation from those who actually disaggregated its data (we stand ready to help on that if asked, and make that offer thusly in order to save space in this letter).