



I-502 How Marijuana Legalization will Affect Cities and Counties

**November 27th, 2012
10:00AM-12:00PM**



Overview

Presenters:

Candice Bock, AWC

Ian Goodhew, Deputy Chief of Staff for King Co.
Prosecuting Attorney's Office

Jennifer Parda, senior associate, Sebris Busto James

Rick Garza, Liquor Control Board Deputy Director

Overview

□ Voter Turnout	3,044,838	77.97%
□ Voting YES	1,649,336	55.49%
□ Voting NO	1,322,980	44.21%

Overview

- Important Dates
- December 6, 2012 - Decriminalization of possession of marijuana begins. Includes any combination of the following:
 - 1 oz. useable marijuana
 - 16 ounces, marijuana-infused products (solid)
 - 72 ounces, marijuana infused products (liquid)

Overview

- Important Dates
- December 1, 2013 – How long the Liquor Control Board(LCB) has to establish rules and regulations for licensing of producers, distributors and retailers

Important Points

- ❑ Marijuana cannot be purchased by anyone under 21 years of age.
- ❑ It is illegal to smoke, use, or open a product containing marijuana in public view.
- ❑ I-502 does not make changes to current medical marijuana laws

Revenue

- Taxed at each transaction point
- Producer to processor - 25%
- Processor to retailer - 25%
- Retailer to consumer - 25%
- Local and state sales tax also levied on retail sales

Revenue

- Excise taxes are to be placed in a dedicated marijuana fund
 - Distributed to state's Basic Health Plan, state general fund, health-related programs and LCB for administration costs

Local governments do not get a share of excise taxes

Revenue - OFM assumptions

- 2013, estimated 363,000 users in Washington
- 17.18% will be age 18-25
- 5.57% will be age 26 &over

- Estimates a 3% increase in sales beginning 2015 to account for population growth

Revenue- OFM projections

- OFM Assumptions – Frequency of consumption
- 18% consuming once per year
- 3% consuming daily
- Assuming 2 grams of marijuana per use
- Totaling 85,100,000 grams annually

Revenue

Fund	Revenue Amount (over 5 fiscal years)
Dedicated Marijuana fund	\$0 - \$1.9 Billion
State sales tax & state B&O tax	\$0 - \$350 Million
Local sales tax & city B&O tax	\$0 - \$119 Million

What will the Feds do?

- Department of Justice has not yet weighed in
- DOJ can't stop the state from decriminalizing possession
- DOJ has issued memos regarding medical marijuana that provide some insight into their position