

Responses from State and Local Agencies

Based on the proposed Constitutional Amendment for the 2016 Ballot

A document presented at the September 30, 2015 FIEC by Drug Free America/Save our Society from Drugs by Alan Suskey.

Medical Marijuana Constitutional Amendment: Potential Economic Impacts

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Potential Costs to the State

➤ Marijuana Enforcement Division (MED)

Tasked with licensing and regulating the medical marijuana industry in Colorado. Administrative costs for the FY 12-13 were \$2,103,341 with 17 full time employees by the end of the year. Cost for FY 13-14 was 9.5 million (with 35 full time employees at the end of the year). The increase was because of the assumption the MED would have regulatory responsibility for implementation of recreational marijuana that went into effect Jan. 2014¹. Based on this information it is reasonable to believe that the first year an enforcement division in Florida would be closer to the 9.5 million cost as they would be developing regulations, trainings, websites, materials, and labeling requirements.

➤ In addition to the marijuana enforcement division the state of Colorado has allocated the following in their FY2015-16 budget for spending related to marijuana:

- \$314,633 Department of Agriculture
- \$271,328 Department of Public Safety
- \$3,292,643 Department of Public Health and Environment (primarily medical marijuana).
- \$436,766 Department of Law
- \$190,097 Governor's Office of Marijuana Coordination
- \$1,168,000 Department of Law (Peace Officer Standards and Training)
- \$2,150,000 Department of Public Health and Environment (Marijuana public education campaign).²

Although their FY 2015-16 budget includes both medical marijuana and recreational marijuana, the numbers are a good indication of what the state may be looking it to deal with the increased issues related to public health and safety.

➤ Seed to Sale Tracking

Assuming the state would want to decrease potential diversion, the state would need to implement a tracking system that tags each plant and package and tracks marijuana from seed to sale. Colorado uses METRC, a system that was developed by a Florida company.

Each plant tag costs \$0.45 and each package tag costs \$0.25. ³

Over 30,000,000 plants and 2,000,000 packages have been tracked using the system ⁴ for an estimated cost of \$14,400,000 in tracking tags alone. This does not include the price of purchasing the program or the cost training and use of the program.

Societal Costs

➤ **Economic Cost of Vehicle Accidents Resulting in Fatalities**

There were 237 marijuana-related traffic deaths in Colorado during the medical marijuana commercialization years (2009 - 2012), a number 48% higher than pre-commercialization years (2006 - 2008)⁵. According to the National Highway Traffic Safety Administration, the total economic costs for a vehicle fatality is \$1,398,916. This number includes property damage, medical, insurance, productivity, among other considerations⁶. Using this math, the economic cost of a 48% increase in marijuana-related traffic deaths is \$165,072,088.

The Florida amendment allows for the commercialization of medical marijuana via dispensaries so we can assume to see similar increases in marijuana-related traffic deaths.

➤ **Marijuana-related ER visits and Hospitalizations**

In the three years after medical marijuana was commercialized in Colorado, compared to the three years prior, there was a 46 percent increase in hospitalizations related to marijuana. From 2009-2011, medical marijuana commercialization years, Colorado's marijuana related emergency admissions were 8% higher than national average (CO-28% and National-19.6%).⁷ In 2013, 14,148 ER visits in Colorado were marijuana related.⁸

According to data collected in 2014, the average cost of an ER visit in Florida is \$4,546.⁹ If we experienced the same number of marijuana related ER visits as Colorado did in 2013 the potential costs healthcare costs would be \$64,316,808.

➤ **Energy Consumption: Increasing Florida's Carbon Footprint**

Many commercialized marijuana growers prefer indoor-cultivation because it is easier to control all aspects of the environment and it allows for perpetual harvests. Indoor cultivation uses large amounts of energy from lighting and air conditioning, an amount estimated at 8 times more than a typical commercial building and 4 times more than a hospital per-square foot.¹⁰ In Colorado, Denver's electricity rate is increasing at a rate of 1.2% per year and 45% of the increase comes from medical marijuana growing facilities that used 86 million kWh in 2012 and 121 million in 2013.¹¹

➤ **Water Consumption**

It is estimated that each marijuana plant consumes 6 gallons of water a day.¹² In 2013 Fish and Wildlife officials in California investigated 264 marijuana grows and removed 129 illegal dams used to irrigate.¹³ Outdoor marijuana grows can have a major impact on watersheds as the use water resources within a watershed ultimately affects all downstream inhabitants, even those that reside in adjacent downstream watersheds. The diversion of water from watersheds in California is having a significant impact on residents, especially in drought season. Salmon Creek watershed, a 36.9 square mile area in Humboldt County, CA, estimated water use by outdoor and greenhouse

marijuana grows equals 124,185 gallons per day compared to 31,680 gallons used per day by the areas residents.¹⁴

Florida has 29 major watersheds. The lowering of the water table can lead to houses or roads falling into sinkholes. Devastating results from attempts to alter the functioning of Florida's watersheds, specifically the Everglades, has spurred current initiatives to restore this unique ecosystem.¹⁵

¹ Colorado Department of Regulated Agencies, *2014 Sunset Review of Colorado Medical Marijuana Code*.

² Rocky Mountain High Drug Intensity Trafficking Area, *Legalization of Marijuana in Colorado: The Impact Vol. 3*, September 2015

³ Huffington Post, *High-Tech Marijuana Tracking System Introduced in Colorado*, 12/12/2013.

⁴ METRC.com

⁵ Rocky Mountain High Drug Intensity Trafficking Area, *Legalization of Marijuana in Colorado: The Impact Vol. 3*, September 2015

⁶ U.S. Department of Transportation National Highway Traffic Safety Administration, *The Economic and Societal Impact Of Motor Vehicle Crashes, 2010*, May 2014.

⁷ Rocky Mountain High Drug Intensity Trafficking Area, *Legalization of Marijuana in Colorado: The Impact Vol. 1*, August 2013.

⁸ Rocky Mountain High Drug Intensity Trafficking Area, *Legalization of Marijuana in Colorado: The Impact Vol. 3*, September 2015

⁹ Florida Agency for Health Care Administration, Emergency Department Query Results, <<http://www.floridahealthfinder.gov/QueryTool/QTResults.aspx?T=E>>, accessed September 25, 2015.

¹⁰ Cathy Proctor, Denver Business Journal, August 7, 2015, *Colorado pot growers face sky-high power bills*, <<http://www.bizjournals.com/denver/print-edition/2015/08/07/colorado-pot-growers-face-sky-high-power-bills.html>>, accessed August 7, 2015.

¹¹ Bruce Finley, The Denver Post, July 1, 2015, *Marijuana-growing spikes Denver electric demand, challenges clean-power plan*, <http://www.denverpost.com/environment/cj_28417456/pot-boom-spikes-denver-electric-demand-challenges-clean>, accessed July 1, 2015

¹² Scott D. Bauer, et al., *High Time for Conservation: Adding the Environment to the Debate on Marijuana Liberalization*, *BioScience* (August 01, 2015) 65 (8): 822-829 first published online June 24, 2015 doi:10.1093/biosci/biv083

¹³ Glenda Anderson, The Press Democrat, April 12, 2014, *Marijuana's thirst depleting North Coast watersheds*. <<http://www.pressdemocrat.com/csp/mediapool/sites/PressDemocrat/News/story.csp?cid=1860712&sid=555&fid=181?gallery=2318622>>, accessed September 25, 2015.

¹⁴ Scott Bauer, Adam Cockrill & Jen, California Department of Fish and Wildlife, Habitat Conservation Branch Olson *Impacts of Surface Water Diversions for Marijuana Cultivation on Aquatic Habitats in Four Northwestern California Streams*. <http://www.waterboards.ca.gov/water_issues/programs/swamp/docs/cabw2013/twentytwo_mj_impacts.pdf>, accessed September 25, 2015.

¹⁵ LandScape America, Watersheds of Florida. <http://www.landscape.org/florida/natural_geography/watersheds/>, accessed September 25, 2015.