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A Comprehensive Plan to Legalize and Regulate Marijuana in Maryland

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A Comprehensive Plan To Legalize And Regulate Marijuana In Maryland

Marijuana's time as a controlled, illegal substance has run its course. Marijuana laws ruin lives, are enforced with racial bias, and distract law enforcement from serious and violent crimes. Marijuana criminalization costs our state hundreds of millions of dollars every year without making us any safer. A Maryland with legalized, regulated, and taxed marijuana will mean safer communities, universal early childhood education, and fewer citizens unnecessarily exposed to our criminal justice system.

Generate Much-Needed Revenue

Legalizing, regulating, and taxing marijuana will provide Maryland with a dedicated revenue stream to make overdue and critical investments in early childhood education. Our plan will help ensure that prekindergarten is available to all children in our state.

Enhance Public Safety

The excessive criminalization of marijuana has ruined lives, made our communities less safe, and wasted valuable law enforcement resources. Exposing this underground industry to the light of day by legalizing, regulating, and taxing marijuana will save money and prevent people from becoming unnecessarily entangled in the criminal justice system.

Realize Additional Benefits

We stand to create new jobs through legalizing and regulating marijuana in Maryland, while also gaining benefits for our communities, medical patients, and the environment.

Build A Sound Regulatory System

Maryland can create a sound marijuana regulatory framework that generates much-needed revenue, strictly regulates marijuana like alcohol, and grants local governments and community groups a strong voice in the implementation process.

For more information, please visit: www.heathermizeur.com/marijuana

By Authority: Friends of Heather Mizeur, Jose Dominguez, Treasurer
Printed In House

Legalize And Regulate Marijuana To Generate Much-Needed Revenue

Legalizing, regulating, and taxing marijuana will provide Maryland with a dedicated revenue stream to make overdue and critical investments in early childhood education. Our plan will help ensure that prekindergarten is available to all children in our state.

The public supports legalizing and regulating marijuana for adults, and polls show support for the reform is steadily increasing. A recent Gallup poll found that 58% of respondents favored legalizing and regulating marijuana like alcohol.[1] Last year, Colorado and Washington State successfully passed initiatives to legalize and regulate marijuana that will provide a reliable source of new revenue for these states in tough fiscal times.[2]

Maryland can expect to generate up to $157.5 million in new annual revenue.

Colorado and Washington are directing revenue generated from their states' marijuana excise taxes to initiatives that range from increasing public school construction to expanding health care access and fixing transportation infrastructure.

As governor, Heather Mizeur will legalize, regulate, and tax marijuana, generating up to $157.5 million in new annual revenue. The revenue will be used to create a dedicated funding stream for her proposed expansion of Maryland's early childhood education system.

Increased investment in prekindergarten is crucial for the future of our students. Children who enter kindergarten without formal pre-k are more than twice as likely to be deemed "not ready to learn." Slipping behind at such an early age can set a pattern: illiteracy and drop out rates are higher and populations without quality pre-K tend to have higher special education placement later in their schooling.[3]

The new annual revenue will provide 23,625 children with a full day of prekindergarten.

Under a Mizeur-Coates administration, giving every child a chance for success will be prioritized over locking up non-violent marijuana users. The annual cost of incarcerating an inmate in Maryland is a little over $38,000 – more than four times the annual cost of in-state tuition and fees at the University of Maryland, College Park.[4]

Heather Mizeur will also propose using approximately $4 million of the generated revenue toward drug and alcohol education for children annually and a temporary public service campaign to educate Marylanders on the new law. The remaining approximately $153 million in annual revenue will be able to provide up to 23,625 children with a full day of prekindergarten each year.

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Legalize And Regulate Marijuana To Enhance Public Safety

The excessive criminalization of marijuana has ruined lives, made our communities less safe, and wasted valuable law enforcement resources. Exposing this underground industry to the light of day by legalizing, regulating, and taxing marijuana will save money and prevent people from becoming unnecessarily entangled in the criminal justice system.

The Criminalization of Marijuana Ruins Lives

Today in Maryland, a person can be arrested and sentenced to up to a year in jail for possession of a small amount of marijuana.[5] The stain of a criminal charge on a permanent record can make it much harder for a person to go about their daily life. An arrest for possession of even a small amount of marijuana can bar one from public housing, make job searches near impossible, and affect one's ability to receive student loans.

Legalizing and regulating marijuana will save tens of thousands of people from our debilitative criminal justice system.

In 2010, Maryland had the third most marijuana possession arrests proportionally of all states – over 23,000. That is the equivalent of putting nearly the entire undergraduate class at the University of Maryland, College Park in jail annually.[6]

Of even greater concern, this enforcement disproportionately affects minority communities. While usage rates are about equal among black and white populations in Maryland, African-Americans are almost three times as likely to be arrested for marijuana possession.[7]

Blacks are almost 3 times as likely to be arrested for marijuana possession as whites in Maryland.

One does not have to use marijuana – or even approve of marijuana – to see that our current laws are simply not working. Steep consequences for simple marijuana possession can turn a small infraction into a life-altering wrong turn.

Legalizing and regulating marijuana will save tens of thousands of people from misguided and unnecessary involvement in our debilitative criminal justice system – 43% of whom would likely end up becoming recidivists entangled in the system time and again.[8]

We Must Allow Law Enforcement to Focus on Violent and Serious Crime

The excessive criminalization of marijuana prevents law enforcement from focusing on violent and serious crime. The ACLU of Maryland reports that over the last decade, Maryland law enforcement has arrested more people for marijuana possession than for all violent crimes combined.[9]

Arrest rates for offenses other than marijuana possession paint a bleak picture, one where our law enforcement officials are spending precious time and resources that could go toward keeping us safer from other crimes. In 2011, just 57% of reported violent crime and 20% of reported property crime resulted in arrests in our state. Similarly, only 16% of reported breaking and entering cases and 10% of motor vehicle thefts were cleared by Maryland law enforcement.[10]

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The financial cost of criminalizing marijuana is significant. According to a 2009 study, our state wastes as much as $281.7 million per year enforcing overly punitive marijuana prohibition laws.[11] If Maryland were to legalize and regulate marijuana like alcohol, the state would see meaningful cost savings by reducing the resources expended by the judiciary, law enforcement, and correctional systems on these ineffective measures. The state would reinvest all savings into increased enforcement of violent and serious crime and other criminal justice reforms.

Maryland wastes as much as $281.7 million per year enforcing overly punitive marijuana prohibition laws.

Closing an underground market in our state by legalizing and regulating marijuana will allow our prisons, police, and courts to focus on violent and serious crimes while saving our state millions of dollars annually. Our criminal justice system should keep people safe, treat them fairly, and use limited fiscal resources wisely. Legalizing marijuana is the first step to ensuring that happens.

Legalize And Regulate Marijuana To Realize Additional Benefits

We stand to create new jobs through legalizing and regulating marijuana in Maryland, while also gaining benefits for our communities, medical patients, and the environment.

Fiscal Opportunity and Social Responsibility Are Just the Beginning

On top of providing our state with up to $157.5 million annually, saving millions of dollars in enforcement costs, and correcting our devastatingly biased and ineffective marijuana laws, legalizing and regulating marijuana like alcohol creates additional benefits.

- **Creating well-paying jobs and helping neighborhoods.** Regulating marijuana like alcohol will take sales out of the hands of criminals and redirect the money toward legitimate, taxpaying Maryland businesses, while creating the potential for thousands of new jobs.

  Studies suggest that marijuana businesses can be a boon to struggling neighborhoods and are no more likely to attract crime than a neighborhood bank or pharmacy. In many cases, by bringing new business and economic activity to previously abandoned or run-down retail spaces and providing increased security in an area, marijuana businesses can actually contribute to a reduction in crime.[12]

  Cultivators, retailers, manufacturers, and laboratories will all be opening new businesses and hiring new employees as marijuana legalization goes into effect. This proposal will provide incentives for hiring and training from among the local community.

- **Establishing a true medical marijuana system and expanding opportunities for medicinal use.** During the 2013 legislative session, the Maryland General Assembly passed a medical marijuana law that will, in theory, allow patients access to medical marijuana.[13] The law will only become effective if one or more teaching hospitals in the state choose to participate, and even then the program may be much smaller than needed.

  A Mizeur-Coates administration will ensure that the therapeutic benefits of medical marijuana are available to and will make a real-world difference in the lives of patients who need it.

  Legalization will also grant Marylanders who suffer from serious illnesses or diseases the ability to access marijuana for medicinal purposes. This includes adults who suffer from aliments like epilepsy, migraines, and insomnia, as well as veterans who suffer from posttraumatic stress disorder (PTSD).

  On a broader level, multiple studies show that marijuana has minimal health risks compared to alcohol. Moreover, unlike alcohol, marijuana is not associated with violent and reckless behavior. We should not punish adults who choose to use a safer substance.

- **Improving environmental conditions.** Law enforcement destroys between 3,000 and 4,000 marijuana plants per year in Maryland.[14] The illegal status of marijuana

pushes growing and cultivating efforts underground, outside of the state's agricultural regulatory framework. These underground growers can use dangerous chemicals and pesticides that leech into our environment.

Legalizing marijuana would bring the illegal growing out into the open where it would be regulated, ensuring that growers would follow standard agricultural practices. There would also be a decline in eradication of illegal crops using harmful herbicides if marijuana were legalized.

In addition, there would be the potential for increased use of hemp, which could lead to reductions in other synthetic materials with ecologically harmful manufacturing processes for which hemp may be a good substitute.

Build A Sound Regulatory System To Control Legal Marijuana

Maryland can create a sound marijuana regulatory framework that generates much-needed revenue, regulates marijuana like alcohol, and ensures local governments and community groups have a voice in the implementation process.

Washington State and Colorado Provide Capable Examples

Last November, more than 55% of voters in Colorado and Washington approved initiatives to legalize, regulate, and tax marijuana for adults 21 and older.[15] Both states provide examples of effective regulatory frameworks that Maryland can look to for taking marijuana off the criminal market, putting in place sensible controls, and creating jobs and much-needed tax revenue.

As governor, Heather Mizeur will propose executive legislation to legalize and strictly regulate marijuana. The legislation will vest responsibility for implementing the law in the Office of the Comptroller of Maryland, and will put in statute or require regulations on everything from licensing to advertising. Some of the important details of the proposal are outlined below.

A responsible tax structure will generate revenue.

- Maryland can expect to sell between 1.75 and 2.25 million ounces of marijuana each year through registered retailers.
- Maryland will collect an excise tax of $50 per ounce at the point of sale between cultivators and retailers, and assess the 6% state sales tax plus a 2% excise tax at the point of retail sale.
- With an average sale price of approximately $7 per gram, Maryland can expect to generate a total of between $122.5 million and $157.5 million annually.
- There is additional potential for state revenue through the increase in economic activity associated with job creation and ancillary business activity.
- The $50 per-ounce excise tax will be pegged to inflation and readjusted every two years based on an average of the Consumer Price Index for All Urban Consumers (CPI-U).

Marijuana will be regulated similarly to alcohol.

- Adults 21 and over will be allowed to possess up to an ounce of marijuana without violating state law. Adults will also be allowed to possess up to five grams of concentrated marijuana and marijuana-infused products with a total THC content not exceeding 4.2 grams.
- Smoking of marijuana will not be allowed in public, indoor or out.
- It will continue to be illegal to drive under the influence of marijuana.
- Employers do not have to allow the use of marijuana at work or employees to work while under the influence of marijuana. Conversely, an employer will not be able to terminate an employee who legally uses marijuana on their own time in their private life.
- Landlords do not have to allow the smoking or growing of marijuana on their property.

- It will continue to be illegal for anyone under the age of 21 to purchase, possess, or consume marijuana.
- It will also be illegal for an adult to provide or purchase marijuana for anyone under the age of 21.

An executive working group will oversee implementation of the law.

- A working group not to last more than five years will be created to oversee the implementation of the law. The group will be headed by the lieutenant governor and include the attorney general, comptroller, treasurer, secretaries of the departments of health and education, a marijuana business leader, and at least two members from two different community groups within the state. The presiding officers of each chamber of the Maryland General Assembly will also select a member to represent their body. The governor will select those members not automatically seated by their position or selected by presiding officers in the Maryland General Assembly.
- The group will meet at least four times a year to hear testimony from local governments, review implementation of the law, and compile law enforcement statistics on the use of funds previously devoted to enforcing marijuana prohibition.
- The group will be required to produce a publicly available, yearly report that details the group's meetings, law enforcement statistics, and any recommendations for the governor to improve the law, including adjustments to regulations and possible executive legislation.

Local governments will have a significant say on the law's implementation.

- County and local governments will always have the ability to raise concerns, make suggestions, or provide feedback through the governor's working group.
- The Office of the Comptroller will seek input from county and local governments on any application to open a marijuana business in their jurisdiction.
- County and local governments will also be able to pass local ordinances to determine the time, place, and manner of all marijuana businesses within their borders, so long as the regulations do not de facto prevent marijuana businesses from existing in the county.

There will be appropriate penalties for violating the law.

- Possession of marijuana by anyone under the age of 21 will be punishable by a civil fine with possible drug and alcohol counseling for those under 18.
- Retailers that knowingly sell to minors, or incur multiple or serious other violations, will be subject to licensing revocation.
- Use of a false ID to purchase marijuana will result in a $500 fine and up to 10 days in jail.
- Smoking marijuana in public by those 21 and over will be punishable by a civil fine of up to $250.
- Trafficking marijuana out of Maryland with the intent to distribute will be punishable by a $1,000 fine and up to 30 days in jail.

There will be rules for marijuana businesses.

- All marijuana businesses will have to apply for and receive a license from the Comptroller's office to operate.
- One marijuana business license will allow for the operation of one facility.
- Licensee applicants must have been a resident of the State of Maryland for at least two years.

- A marijuana business entity (or any individual associated with that business entity) that obtains one license may apply for and be granted a second license so long as it does not deprive another qualified applicant of their first license. Granting of any additional licenses beyond the second would have to meet the same criteria.
- All employees of a marijuana business must be residents of the State of Maryland.
- No marijuana business will be allowed within 1,000 feet of a school.
- No one under the age of 21 will be allowed in any marijuana business, with the exception of emergency personnel.
- Cultivators will have to provide marijuana packages with a label that provides potency and toxicology results.
- Retailers will have to sell marijuana in child-safe packaging with a label that provides potency and toxicology results.
- All marijuana businesses will have to comply with a minimum level of security requirements, including a video surveillance, alarm, and keycard systems.
- Cultivators will have to grow marijuana in an enclosed, locked facility with restricted access.
- Advertisement of a marijuana business will be restricted similar to alcohol and tobacco and will not be allowed to target minors.

There will be four distinct kinds of marijuana businesses.

- **Retailers** – will sell marijuana, marijuana-infused products, and paraphernalia to the public. Retailers will be able to sell up to an ounce of marijuana at a time to a customer. Retailers will also be able to sell up to five grams of concentrated marijuana and marijuana-infused products with a total THC content not exceeding 4.2 grams at a time to a customer. The law will allow up to one retailer per 20,000 county inhabitants, or two retailers if a county does not have at least 40,000 inhabitants.
- **Cultivators** – will grow, process, and sell marijuana to retailers. The state will initially allow a total of 2.5 million square feet of cultivation area statewide. A cultivator will be limited to 30,000 square feet of growing space per license.
- **Manufacturers** – will manufacture marijuana-infused products and sell the products to retailers. The law will allow up to one manufacturer per 25,000 county inhabitants.
- **Laboratories** – will test marijuana from cultivators and manufacturers prior to its sale to retailers. There will be at least three labs allowed initially.
- Retailers and cultivators will pay an initial application fee of $10,000 and an annual renewal fee of up to $5,000 for a license. Labs and manufacturers will pay up to a $5,000 application fee and a $5,000 renewal fee every two years for a license. Fees will be used to cover the operating costs of the Comptroller's office for implementing the law and collecting taxes associated with it.

Adults will be able to grow their own personal marijuana.

- Adults will be allowed to grow up to six marijuana plants – three of which may be mature – in a secure, enclosed location. Those adults who grow marijuana may possess all of the marijuana grown from those plants at the grow location.
- Adults can also gift – for no remuneration – up to an ounce of marijuana to other adults.
- The marijuana must be cultivated on one's own property or with the consent of the owner.
- If grown outdoors, the marijuana cannot be visible to others and must be in a fenced-in area.

- The owner of the marijuana must take reasonable precautions to keep the plants away from those under 21 years of age.
- Landlords do not have to allow cultivation of marijuana on their property.

Growing and production of industrial hemp will be allowed.

- Adults will be allowed to plant, grow, harvest, possess, process, sell, and purchase industrial hemp, as well as material and products made totally or partially with industrial hemp.
- The Maryland Department of Agriculture will be required to regulate the cultivation, processing, sale, and distribution of industrial hemp.

This proposal will not change federal law.

- The federal government will retain the right to enforce its strict prohibition on use, possession, cultivation, distribution, and transportation of marijuana on federal lands.
- In August 2013, the U.S. Department of Justice issued a memorandum (the Cole Memo) advising federal prosecutors against targeting marijuana businesses that are compliant with strict state regulatory programs, such as the regulatory program presented above. The proposed state law will meet federal interests by adhering to the Cole Memo.
- As governor, Heather Mizeur will be at the vanguard of the fight to remove marijuana from the federal Class I schedule of controlled dangerous substances, so that no future presidential administration could jeopardize Maryland's or any other state's system of marijuana regulation.

Endnotes

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