Cannabis regulations in the United States

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INTRODUCTION

Although cannabis is still prohibited at federal level, 8 American states and the District of Columbia have made unprecedented changes to their cannabis regulations with the legalisation of cultivation, sale[1], possession and use of cannabis for non-medical (i.e. recreational) purposes from the age of 21. These changes in the legal status of "recreational" cannabis have arisen even though "medical" use is already permitted in 29 states[2]. Hence, in the third most populated country in the world, one in five inhabitants is currently (or will be) experiencing a legal regime authorising the purchase and use of cannabis for recreational use by adults (i.e. 65 million citizens).

The initial initiatives for legalisation were approved via voter initiatives in 2012, in 2 Western states (Colorado and Washington State), then in 2014 in Oregon, Alaska and Washington DC. At the same time as the presidential election on 8 November 2016, 4 new states (California, Maine, Massachusetts and Nevada) followed. Legalisation in California, the most populous state and the sixth leading economic power worldwide, highlights the scale of this trend.

This memo describes the regulatory models instituted in the American states in which cannabis has been legalised, highlighting both the similarities and differences in the regulations. It then examines the processes and common features of legalising states.

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1. Excluding Washington DC where citizens approved the legalisation of cannabis possession and cultivation for personal purposes and use, but without any provisions for a regulated market.
2. Including three since November 2016: Arkansas, Florida, North Dakota.

SIMILARITIES AND DIFFERENCES IN REGULATORY MODELS

The regulatory systems show numerous similarities, notably in terms of prioritising a "for profit"[3] (or business-friendly) regulatory model. These follow a strict set of rules, with three core objectives:
- **safeguard production, sale and purchase conditions** by subjecting them to regulations in terms of declaration, surveillance and traceability covering all stages prior to marketing (restrictions concerning the profile of businesses authorised for production, definition of boundaries concerning the establishment of production and sales facilities, building security using video surveillance, specific packaging for substances containing cannabis, limitation of the THC level in substances, etc.);
- **limit access to the substance** to ensure **the protection of minors**;
- **guarantee tax revenue** for the State.

Despite the numerous common points, these models are also very different.

HIGHLIGHTING DIFFERENCES WITH THE MEDICAL CANNABIS MARKET

All states having legalised recreational cannabis had already authorised it for medicinal use (see table on page 13). The content and application of legislation governing medical distribution varied considerably, ranging from the recommendation of restricted quantities of cannabis for a few conditions, to authorisation of volumes equivalent to several months of use based on indications with few restrictions (chronic pain, anxiety, etc.).

In Western America in particular (California, Washington State, Colorado and Oregon), the flexible legislation on medical cannabis had the result of opening up supply to recreational users, if they had a "medical recommendation": the influx of these "new patients" paved the way for a parallel commercial market, a grey market avoiding State control[4]. Prohibited at federal level, diverted at the State level, the supply of medical cannabis thus gave rise to a commercial cannabis market distributed via "dispensaries" (with extremely variable regulation requirements across the states), going hand in hand with a rise in levels of use[5].

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3. Zobel and Marthaler, 2016.
4. With the exception of New Mexico which, back in 2007, developed a production and distribution system for medical cannabis at State level.
5. Davenport and Caulkins, 2016.

The legal cannabis market was designed from the outset with reference to the medical cannabis market, except in Alaska where this was not available. One of the challenges facing regulation then involved both cannabis markets. In early adopting states, the market slowly drifted in the direction of recreational cannabis: Colorado, Washington State, Oregon, California, Massachusetts[6]. This choice was in response to a strategic challenge: to work with known partners and benefit from the legalisation of recreational cannabis so as to manage the medical cannabis market more effectively.

REGULATION = LEGALISATION SUBJECT TO CONDITIONS

The possession and sale of cannabis are subjected to numerous regulations, concerning both supply and demand.

In all states having legalised cannabis, **authorisation for access to the substance (use and purchase) exclusively concerns adults from the age of 21** (like the legal age of access to alcohol). This concerns **limited quantities**, usually an ounce of cannabis (28.4 grams)[7]. Only one state, Colorado, had initially introduced restrictions for non-residents, who may only obtain a quarter of an ounce (7 grams) – most recently upgraded to one ounce. In states allowing home-cultivation (all except Washington State), the authorised production limit is in the range of 3 to 6 plants ready for harvest (up to 12 per household), occasionally with a few exemptions[8].

While private use is authorised, like for alcohol and tobacco[9], in most cases **cannabis use is still prohibited in public spaces**[10] and is fined[11]. It is also prohibited in cannabis sales outlets. Above the authorised possession limit, users are considered to have committed an offence and liable for a fine or prison sentence: in Colorado for instance, sentences of up to a year in prison and a fine of USD 1,000 apply for possession of 2 to 6 ounces. Likewise, **driving under the influence of cannabis is still strictly prohibited** above a defined level of cannabis in the blood, which varies according to state.

In terms of supply, two legal supply channels are authorised: home-cultivation[12], still in limited quantities (3 to 6 plants maximum according to state), and **cannabis sales in specialised stores** (retail store), when produced in the legal circuit.

The **sales conditions** for recreational cannabis (except in Washington DC where sales are still illegal) are subjected to numerous restrictions, covering:
■ the location of sales outlets (by means of a zoning policy, prohibiting sales near to premises frequented by minors or in service stations, to prevent driving under the influence of cannabis);
■ rules for identity checks on customers entering the store;
■ the range of substances authorised for sale, which may or may not include edible substances containing cannabis (edibles), infused with cannabis or derivatives;
■ the packaging rules (serving size), etc.;
■ the ban on advertising and marketing[13];
■ the ban on Internet sales.

Person-to-person sales are still prohibited, the objective being to make the entire cannabis production, distribution and sales circuit more professional and secure, by creating a controlled cannabis sector governed by the State.

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6. Which adopted original restrictions to limit the size of the market: if 75 dispensaries are licensed by October 2017, no other licences will be granted for a year.
7. Sometimes more, like in Washington DC (where possession for personal use is authorised up to 2 ounces), in Maine (2.5 ounces per individual) and Oregon (one ounce carried in person, but up to 8 ounces at home).
8. Like in Nevada (more than 6 plants if there are no dispensaries within 40 kilometres).
9. Most American states prohibit smoking in all closed public areas, including restaurants and bars (statewide smoking ban). See Obradovic and Beck, 2016.
10. Including all types of public spaces: streets, parks, clubs, bars, hotels, restaurants, night clubs, etc.
11. From USD 100 (Colorado, Alaska, Maine and Washington State) to USD 1,000 (Oregon), sometimes combined with prison sentences (Washington DC).
12. Except in Washington State, which only authorises personal cultivation of cannabis for medical purposes.
13. The rules in Oregon are some of the most dissuasive, compelling advertisers to display their messages on contractually sized panels, in bold characters, in Times New Roman or Arial font, size 80.

DISPARATE PRODUCTION AND DISTRIBUTION REGULATIONS

More or less strictly governed, often linked to the medical cannabis sector (though to a varying degree), the regulation systems are based on a common principle of structuring the market in three separate sectors: production/cultivation, packaging/distribution and sale. The possibility of operating on the market is subjected to legal and professional criteria: condition of residency[14], no past judicial records, and granting of a professional licence (business licence). Specific state authorities are responsible for allocating, revoking and renewing (annually) the licences (see summary table, page 13). Most regulatory authorities are part of departments of revenue of which alcohol is often part of their portfolio, and whose remit was initially expanded (often with constant sizes), before expanding to include cannabis.

In all states, local authorities still have the **possibility of prohibiting or limiting cannabis stores** (opt out[15] and local bans), which gives rise to greater disparities in terms of implementation. Hence, a year after the pro-legalisation vote, a third of town councils in Colorado and Oregon had prohibited the sale of recreational cannabis. Some states envisaged a moratorium with a view to delaying the introduction of regulations.

The type, cost and number of licences able to be granted per operator[16] vary according to state. In addition to the three types of licences currently in force in all states (production/cultivation, packaging/distribution, sale), new types of licences have emerged in states where legalisation has taken place more recently: different production permits according to size and place of cultivation (California), cannabis social club licence (Maine), etc. In the active systems at the end of 2016, the maximum cost of a licence could reach USD 10,000 per year: from 2017, Nevada plans to go even higher (USD 30,000 for a production licence). The high cost of licences has the effect of limiting the arrival of investors on the market, particularly since bank loan investment in this market is not permitted as cannabis is still prohibited at federal level.

In addition, certain states have opted for **stepped-up control of the market**, by prohibiting vertical integration (i.e. ownership of the various cannabis production and distribution stages by a single operator), so as to prevent any monopoly on the cannabis production line (source of income and profit) and reduce opportunities for tax evasion. Hence, Washington State has prohibited licensing at the higher levels of the market (production and distribution) and at the sale stage. Holding more than a third of licences in a single town or county is also prohibited there. This precaution was adopted by California, where the regulatory model initially stipulated **anti-monopoly measures** aiming to control the emergence of economic cannabis superpowers engaging in mass lobbying, as is the case for tobacco (Big Tobacco), and to protect small local operators (Small is beautiful). Other restrictions rank Washington State as one of the most demanding stakeholders in terms of market control, with upper limits on sales outlets and a ban on opening cannabis stores (pot shops) in town centres.

A **seed to consumer (seed to sale) traceability system** has been introduced in all states to monitor the production sector so as to avoid diversion to the black market. This condition for market regulation led to the rapid development of an indirect economy in the cannabis market: in 2016, Microsoft signed a partnership with a start-up to develop technology to monitor harvests "from seed to sale", so as to guarantee an exact breakdown of taxes on production and to limit the risks of a black market.

TAXATION AND FIXING OF PRICES

The tax system applicable to recreational cannabis is a crucial challenge. This aims to optimize state revenue: the level of taxation of a substance should not appear too high (to compete with the black market and prevent users from turning to illegal supply sources), or too low (to avoid encouraging use among young people). It should allow sufficient room for businesses to generate a profit and thus stimulate the commercial dynamics of this new industrial sector for legal cannabis.

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14. Aside from Massachusetts and Nevada, these conditions may vary. Hence, the condition for 2 years of residency, initially defined in Oregon was lifted on 7 March 2016.
15. Possibility for councils or counties not to apply the new legislation if a majority of the local population object to it in a referendum.
16. 3 to 6 types of licences in states which are already active in terms of regulation and more in new states having legalised the substance (up to 19 different types of licences in California, including 13 for cultivation and production).

The initially high level of taxation for recreational cannabis (up to 37% in Washington State) was gradually reduced to between 10% and 25% in order to compete with cannabis sold on the black market (Colorado, Washington State, Oregon). According to a recent study, a level of taxation above 30% should not reduce the market share of the black market[17]: these taxes are ad valorem and thus depend on price (which are on a downward trend both in Colorado and in Washington State). The taxation system is mainly based on **excise tax**[18], the amount of which is based on the quantity of substance: this tax is associated with policies to dissuade excessive use. All revenue derived from excise tax goes to the states.

Aside from Alaska, Washington State and Massachusetts, legalising states are among those with the lowest taxation rates for alcohol and tobacco.

ALLOCATION OF TAX REVENUE

The tax revenue generated by the legalisation of cannabis was dedicated in the law on programmes of public interest. The earmarking system takes account of the social needs: the excise tax goes primarily to health care, drug prevention programing, public health education and the general fund. However, it is difficult to confirm how allocation works in practice. In the reform bills voted on in Colorado, Oregon, Nevada and Massachusetts, this tax revenue is mainly allocated to the **educational sector** (construction of schools, study grants, etc.). Depending on the situation, it is also used to finance cannabis regulations, renovation of public buildings and maintenance of sheltered accommodation, mental health or alcohol and drug addiction programmes, veteran support services, police services, prevention of subsequent offences, etc. Oregon is the state which has signposted these new tax revenues more specifically. This influx of revenue into state funds is helping to legitimise reforms and explain the growing adherence among public opinion to the principle of legalisation of cannabis which, according to the Pew Research Center, should reach 57% in 2016.

CHARACTERISTICS OF THE LEGALISATION PROCESS FOR CANNABIS

States having legalised recreational cannabis share a few characteristics: as pioneers in the decriminalisation of cannabis and legalisation of its medical use, they stand out due to their high prevalence of cannabis use, political leanings toward the Democratic party, and demographic and economic dynamism. The prospects of rapid industrial development due to opening up a new market appear to be decisive attractive factors in this context, in the same way as the regulation systems already introduced in 4 states, focusing on commercial aims. Moreover, the introduction of these reforms appears to be related to the mechanisms of participatory democracy at work on the other side of the Atlantic. This can largely be attributed to the pre-existing medical cannabis market, which shed light on the need to regulate the supply of this substance, including for recreational use.

PIONEERING STATES IN THE DECRIMINALISATION OF CANNABIS

Five states (out of the eight examined herein) were among the **precursor states in the decriminalisation of the possession of "small quantities" of cannabis for personal use** in the 1970s[19]. Two other states followed in the 2000s (Nevada and Massachusetts).

Furthermore, all the states which adopted a system to regulate recreational cannabis had already **legalised the medical use of cannabis more than fifteen years previously**, between 1996 (California) and 2000 (Colorado and Nevada), except for Massachusetts and Washington DC. Among the States of the Union which were the first to legalise medical cannabis (until the early 2000s), Hawaii is the only state to date which has not also legalised recreational use and sale.

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17. Henchmann and Scarboro, 2016.
18. Indirect tax on the sale or use of certain substances perceived as non-essential items (luxury products), rare (oil) or hazardous (such as tobacco, alcohol or casino games: these are then referred to as sin taxes).
19. Between 1973 (Oregon) and 1978 (Nebraska), eleven American states decriminalised the possession of "small quantities" of cannabis for personal use, generally defined as one ounce, i.e. 28.4 grams – the others being: Alaska, California, Colorado, Maine, Minnesota, Mississippi, New York, North Carolina and Ohio.

The 29 states (+ Washington DC) having legalised the medical use of cannabis, according to widely varying regulations[20], all authorise **medical use at the very least for cancer, AIDS and multiple sclerosis patients**. They also authorise the **home-cultivation of natural cannabis**, a rare occurrence elsewhere in the world[21], by defining a maximum quantity (see table, page 13). Lastly, they allow the **sale of products containing cannabis, upon medical authorisation**, often in specialist dispensaries (and not in pharmacies, like in Europe), in cases where the efficacy of cannabis has been demonstrated (for instance, for the treatment of nausea in cancer patients undergoing chemotherapy, or for certain painful neurological disorders: multiple sclerosis, etc.).

Even so, **federal law does not recognise medical cannabis**, to such an extent that the access systems developed since the mid-1990s have endeavoured to circumvent the commercial circuit to avoid appearing in violation of federal law. Hence, in certain states such as Colorado and Oregon, when not cultivated directly, cannabis available to patients may be supplied by a non-medical third party authorised to produce for others without profit or in the context of "dispensaries" (buyers' clubs), and used in varied forms (inhaled, ingested or smoked).

In most legalising states (see map 1, page 11), **an established medical cannabis market** already therefore existed, together with the suspected production and distribution of "medical" cannabis to recreational users, particularly in Western states where the legislation seemed relatively open (Colorado, California, etc.). Faced with this legal ambiguity, which allowed recreational users to have access to cannabis through medical recommendations, in 2009, the Obama administration said that combatting medical cannabis market should not be a top priority in states in which it had been legalised, provided they developed a regulatory system to protect public health: this change of federal opinion gave decisive impetus to the dynamic for reforms concerning legal access to cannabis.

LIBERAL STATES, WITH A DEMOCRATIC MAJORITY

Aside from Alaska, a Republican stronghold, all states having legalised cannabis are the most in favour of the Democratic party in recent elections, particularly in the 2016 presidential elections in which the Democratic party only won 20 out of 50 states (+ Washington DC) (see map 2, page 11). In addition to Washington DC, a stronghold of the Democratic party since its creation, certain states have only favoured the Democrats in recent years, like the Swing States, such as Colorado, with a more Republican tradition which have recently leaned towards electoral options more **in favour of the Democratic party** (particularly in local politics), or Nevada, one of the Swing States in the 2016 presidential election.

More generally, practically all states having legalised cannabis stand out from the rest of the Union in terms of different social, cultural and political liberalism criteria. States having legalised cannabis share a **history of social reforms and cultural liberalism**, both in terms of women's votes[22], the protection of civil liberties and, more recently, the recognition of same-sex marriage[23]. Most are **among the 15 most liberal states of the Union**[24], where the religious factor plays an insignificant role[25].

STATES WITH A HIGH PREVALENCE OF CANNABIS USE

States having legalised cannabis stand out due to **a higher prevalence of use compared to the federal average, for all indicators and in all age groups**, particularly among the younger generations. On the eve of the reform, most legalising states had the highest levels of cannabis use in the United States (see map 3, page 12), reporting, among the population aged 12 years and over, at least 15% last-year cannabis users and 10% last-month users (except for California, Nevada and Maine). When the first initiatives for the legalisation of cannabis were about to come into force in Colorado followed by Washington State, the map showing the prevalence of last-month and last-year cannabis use confirmed the existence of a block of states with high rates of cannabis use, corresponding to all those having opted for legalisation of recreational cannabis by 2016, except for Nevada and California (see map 3, page 12).

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20. Both in medical indications, the authorised forms of use (either natural or synthetic) and the possibility of cultivating cannabis plants for personal medical use.

21. Among the other countries authorising medical cannabis use, either natural cannabis produced by authorised businesses (and not home grown), or medications containing cannabis: synthetic cannabinoids for medical purposes (Sativex®), dronabinol (Marinol®) or nabilone (Cesamet®) are marketed.

22. Most did not wait for the 19th Amendment (1920) to institute electoral equality (Colorado, Washington State, California, Oregon, Nevada + Washington and Alaska which were not yet states).

23. All these states legalised same-sex marriage prior to the Supreme Court injunction (26 June 2015).

24. The Gallup poll publishes a State of the States each year, which ranks the 50 states of America according to multiple statistical criteria, ranging from the economy to ideological tendencies among the American people.

25. Most are among the minority of continental states where less than 80% of residents are Christians and the atheist population is higher than 10% (up to 18% in Oregon).

A process validated by the direct democracy approach

In the United States, **the legalisation of cannabis is exclusively approved via the ballot box**, unlike Uruguay, the first country to have legalised cannabis through parliament (in December 2013). One of the main conditions allowing cannabis to be legalised relates to citizen participation schemes which are a **result of American federalism** recognising states' legislative authority (each state has a legislative assembly of elected representatives).

Wherever these initiatives are taken, they generate **moderate approval**, indicating a considerable **divide in opinion**: aside from Washington DC, which is atypical in terms of electoral behaviour and which voted 70% in favour[26], the percentage of votes in favour of legalising cannabis has never reached 60% (see table, page 13). The legalisation of cannabis has sometimes been approved to general surprise (such as in Colorado, for example).

Inclusion on the electoral agenda is the result of a **long-term process**. Among the eight states having legalised cannabis, five already held a referendum on a similar legalisation bill: California (1972), Oregon (1986 and 2012), Alaska (2004), Colorado and Nevada (2006). These proposals have always generated increasing popularity, from one referendum to the next. The process for including this issue on the agenda is based on **professional, structured opinion campaigns**, active lobbying and substantial budgets. In all cases, popular initiatives are the subject of petition campaigns to collect a sufficient number of signatures[27], supported by an interest group or a coalition of stakeholders in charge of drafting and promoting the proposal. The same NGO activist networks are observed: the Marijuana Policy Project (MPP), the leading American lobby for cannabis policy reform, which implemented the same campaign model in 5 states[28], and the Drug Policy Alliance (DPA)[29]. These lobbies worked closely with the American Civil Liberties Union (ACLU), a large American civil rights protection association, and the National Organization for the Reform of Marijuana Laws (NORML) – which, moreover, funds candidates for political posts. In the same way, the opposition campaigns are based on structured opposition groups: the SAM (Smart Approaches to Marijuana) group, one of its main arguments against legalisation being to denounce the risk of opening up channels for trading in harmful substances (such as Big Tobacco); tobacco and alcohol lobbies (Wine & Spirits Wholesale Association); part of the pharmaceutical industry (except for a few pharmaceutical companies in favour of legalisation, such as Big Pharma); police and prison warden unions (managed by the private sector), etc.

These campaigns, moreover, benefit from **major funding** to ensure that the cause is publicised. In addition to the legal organisers of the campaigns and their media spokespersons (celebrities, official supporters), private funding bodies also play a role: digital economic stakeholders, casino owners, financial speculators, such as George Soros which, via the Foundation to Promote an Open Society, has supposedly injected more than USD 80 million into various legalisation campaigns and funded several NGO specialising in producing opinion campaigns (MPP, DPA, ACLU, etc.) in the past 20 years. Industry magnates and billionaires are proving to play a decisive role in the campaigns: the sums for campaigns in favour of the legalisation of recreational cannabis were 10 to 20 times higher on average than those for the opposition campaigns (except in Nevada), ranging from USD 1 million (Alaska) to more than USD 22 million (California, where the funds collected by the opposition campaign were ten times lower).

Common arguments

Those in favour of legalisation denounce the failure of the repressive approach, its costs and racial inequalities related to arrests and penalties. All the campaigns in favour of legalisation were conducted with the aim of **protecting individual and civil liberties** (hence the role of the ACLU) and **fighting against trafficking-related violence**.

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26. Mainly owing to the large proportions of the population tending to be in favour of "liberal" policies, in the Anglo-Saxon sense, i.e. rather left-wing (students and African Americans).
27. It takes several years to gather the signatures required in order to submit a citizen's initiative: in November 2016, 5 states had not yet achieved this (Arkansas, Michigan, Missouri, Montana and North Dakota).
28. Campaign to Regulate Marijuana like Alcohol (Colorado, Alaska, Maine, Massachusetts, Nevada).
29. Leader of the New Approach campaign conducted in 2 states (Washington State and Oregon).

Activists for the legalisation of cannabis are often also **engaged in other causes representative of issues supported by the Democratic party**: protection of same-sex marriage, abolition of the death penalty, control of arms sales, recognition of transgender individuals, etc. In certain states, this collection of causes also includes **tax interests** offering a glimpse of a future legal cannabis market, similar to the tobacco or alcohol market. Most states thus provided statistics on tax losses related to the "war on drugs" (Washington State estimated lost state, federal and local tax earnings of USD 300 million per year). All states having taken the plunge also issued promising estimates of expected tax revenue arising from legalisation[30].

DYNAMIC STATES

From a demographic perspective, excluding Maine, states in which the production, sale, possession and recreational use of cannabis were legalised report the **most striking demographic development**. For instance, the city of Washington DC attracted more than 70,000 new inhabitants in five years (more than 10% of its initial population), particularly active young people, which could encourage it to expand its job pool.

From an economic perspective, states having legalised cannabis were characterised, on the eve of the reform, by **confirmed growth in GDP**[31] and a proactive search for new markets in response to this demographic revival. In addition to agriculture, a major sector in some of these states, **tourism** and **new technologies** are often among the preferred areas of activity (Western America being perceived as the birthplace of the "new economy", particularly California and Washington State). The appeal of the *Green Rush* which could prosper from herbal cannabis – the form predominantly consumed in the United States – and "cannabusiness", associated with the promise of a new industrial sector likely to sustain strong growth and high profit margins, has been exploited by interest groups bringing together entrepreneurs and corporate lawyers (such as the Marijuana Industry Group), praising the prospects of economic expansion (jobs, industrial gain, boost in property, influx of tourists, etc.).

CONCLUSION

The changes in public policies related to cannabis have **accelerated dramatically in less than 5 years**, with the first legalisation initiatives beginning in 2012, contravening federal law and international conventions. This change in policy is explained by **three contextual factors**. Firstly, the election of Barack Obama as President of the United States in 2008, which saw a reversal in US policy[32]: while the sale and possession of cannabis remained prohibited at federal level, including for medical purposes, the Obama administration brought about changes in the US position by means of an implementing decree addressed to prosecutors in 2009, encouraging them to end repressive measures against dispensaries distributing cannabis for medical use. This sign of openness was supported by the absence of federal reprisals against the first states legalising the substance in 2012[33]. Secondly, this change took place in the context of international discussions on the cost and effectiveness of anti-drug use policies, on a US scale, but also in Latin America (particularly Uruguay, which legalised cannabis in December 2013) and in Europe. This context enabled a dialogue conducive to this change to be sustained: this is accredited by the publication of the report issued by the Global Commission on Drug Policy, then by the extraordinary session of the United Nations General Assembly (UNGASS) in April 2016, which noted the "failure of the war on drugs" long claimed by the United States. Lastly, the context of the economic deficit and public financial crisis enabled supporters of legalisation to justify their proposals for reform, based on tax revenue arguments.

Owing to these developments, at present, **less than one in four states implements cannabis prohibition policies as stipulated by US federal law**. Among the majority of American states which authorise the medical use of cannabis, a third of these states also permit the purchase, possession and recreational use for adults from the age of 21. Most of the other states have decriminalised the use and possession of small quantities of cannabis.

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30. For example, refer to: http://www.drugfree.org/news-service/estimates-of-tax-revenue-from-marijuana-legalization-in-three-states-vary-widely/ or https://www.aclu-wa.org/sites/default/files/pie_graph/502_tax_revenue_chart.pdf

31. In 2013, practically all American states reported an increase in their GDP, but at different rates, with the highest growth rates being observed in Western America, particularly in Colorado (3.8%), Oregon and Washington State (2.7%), and in California (2.0%) (US Bureau of Economic Analysis).

32. In the same way as for the budget priorities of the anti-drug policy back in 2011: for the first time in 40 years, prevention credit has increased more than for repression.

33. Conversely, a memo noted the apparent contradiction between federal prohibition and the initiatives for legalisation in Colorado and Washington State (Memo dated 29 August 2013).

With tax revenue evaluated at USD 207 million after two years of implementation in Colorado State[34], the nature of the challenge surrounding the legalisation of cannabis appears to have changed. This is now a **financial and industrial challenge** rather than a political and diplomatic challenge. As the legalisation of cannabis was passed in California in 2016, this issue has moved onto a different level: it will be worth monitoring the prospects for expansion of "cannabusiness" in an economy 50 times larger than in Colorado[35].

In the next few years, the Marijuana Policy Project is expecting to submit **approximately thirty new proposals for the legalisation of cannabis or expansion of the conditions for access to medical cannabis**. The most significant are thought to be the opening-up of the medical cannabis market in Washington DC and in 15 new states[36]. Furthermore, three Eastern states could soon legalise recreational cannabis, this time via legislative channels instead of via a referendum (Connecticut, Rhode Island, Vermont). Intensive lobbying is under way in other states (Delaware, Illinois, Maryland, New Hampshire and Texas). All these developments are part of a changing political context at federal level since the election of the Republican candidate Donald Trump, heralding possible reversals.

Expected in the second semester of 2017, the results of an empirical study on the subject, Cannalex, conducted by INHESJ and OFDT with a CSFRS funding, will provide an analysis of the practical conditions for implementing cannabis regulations in Colorado and Washington State, together with an assessment of the benefits and adverse effects of the reform from the perspective of local stakeholders.

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34. Aside from taxes related to medical cannabis, the state amassed USD 78 million in the first tax year (from 1 June 2014 to 31 May 2015) and USD 129 million over the second full tax year (from 1 June 2015 to 31 May 2016).
35. Sales generated by the Californian cannabis market are estimated to reach USD 6 billion in the next 4 years (ArcView).
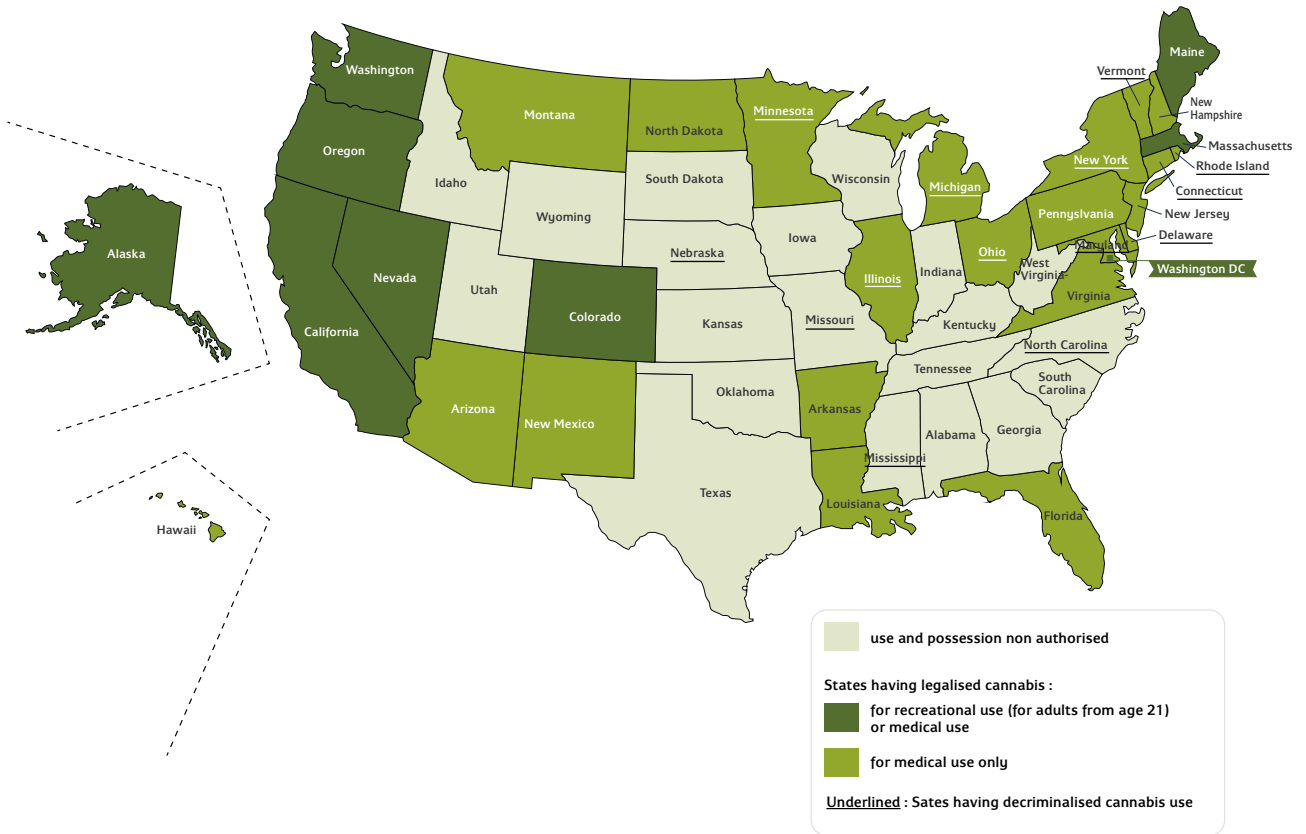36. Georgia, Indiana, Iowa, Kansas, Kentucky, Mississippi, Missouri, Nebraska, North Carolina, South Dakota, Tennessee, Utah, Virginia, Western Virginia and Wisconsin.
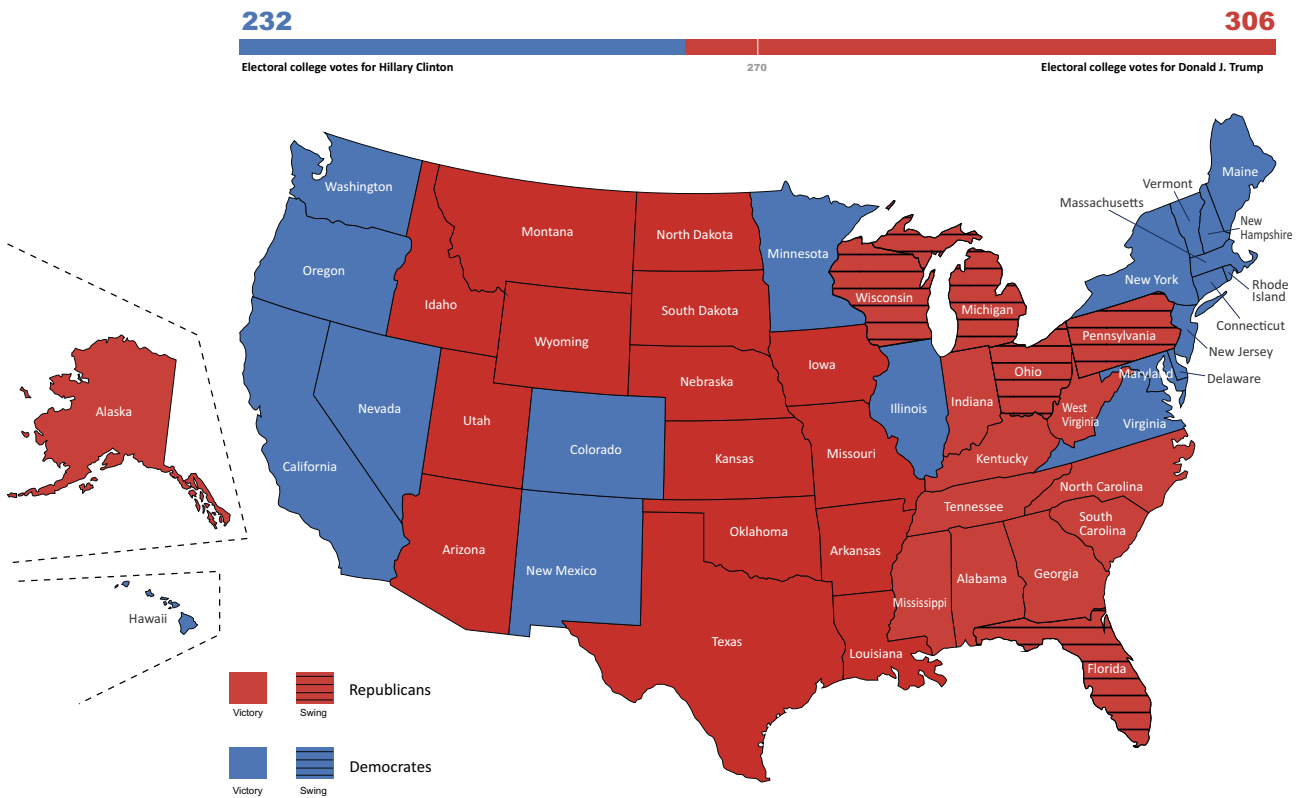
APPENDICES

MAPS

BIBLIOGRAPHY

Map 1 - Status of legislation on recreational and medical cannabis use and sale

	use and possession non authorised

States having legalised cannabis :

	for recreational use (for adults from age 21) or medical use
	for medical use only

Underlined : Sates having decriminalised cannabis use

Source: OFDT 2017

Map 2 - Results of the last presidential election (8 November 2016)

232
Electoral college votes for Hillary Clinton

270

306
Electoral college votes for Donald J. Trump

Victory	Swing	Republicans
Victory	Swing	Democrates

Source: Federal Election Commission

Map 3 - Last-year cannabis use in the population aged 12 years and over prior to implementation of the reform (2013-2014)

%	
▮	15.62 - 21.70
▮	13.02 - 15.61
▮	11.59 - 13.01
▮	10.73 - 11.58
▯	8.97 - 10.72
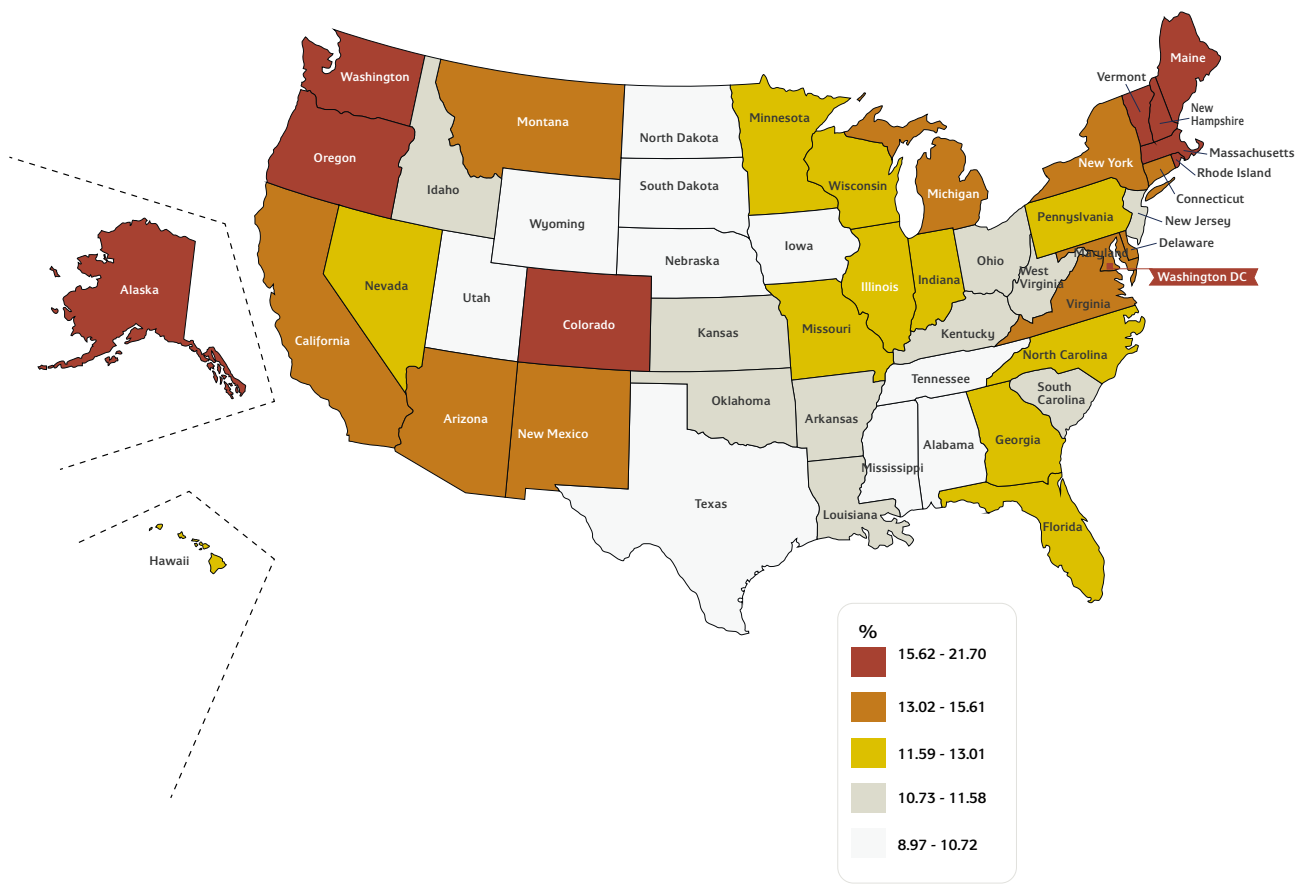
Source: SAMHSA, Center for Behavioral Health Statistics and Quality, NSDUH, 2013 and 2014 (processed by OFDT 2017)

Table 1 - Overview of cannabis status and conditions for legal access by state

	Decriminalisation of the possession of "small quantities" of cannabis		Legalisation of medical cannabis				Legalisation of recreational cannabis			
	Date	Authorised possession limit in ounces (equiv. grams)	Date	Votes in favour in the referendum (%)	Authorised possession limit in ounces (equiv. grams)	Authorised home-cultivation limit (number of plants)	Date	Votes in favour in the referendum (%)	Authorised personal quantity (ounces)	Home-cultivation (authorised maximum limit)
Colorado	1975	1 oz (28.4 g)	2000	54	2 oz (≈ 57 g)	6 (including 3 mature plants)	2012	55	1 oz (28.4 g) (0.25 oz ≈ 7 g for non-residents)	Authorised 6 plants per adult (including 3 mature plants) 12 plants per household
Washington State	-	-	1998	59	24 oz (≈ 680 g)	15	2012	56	1 oz (28.4 g)	Prohibited
Oregon	1973	1 oz (28.4 g)	1998	55	24 oz (≈ 680 g)	24 (including 6 mature plants)	2014	56	1 oz (28.4 g) (8 oz ≈ 227 g at home)	Authorised 4 plants
Alaska	1975	4 oz (≈ 113 g) at home	1998	58	1 oz (28.4 g)	6 (including 3 mature plants)	2014	53	1 oz (28.4 g)	Authorised 6 plants
Washington DC	-	-	2010	Unanimous (13 votes to 0)	Limits to be defined	2 (dried)	2014	70	2 oz (≈ 57 g)	Authorised 6 plants per adult (including 3 mature plants) 12 plants per household
California	1976	1 oz (28.4 g)	1996	56	8 oz (≈ 227 g)	6 mature or 12 non-mature plants	2016	56	1 oz (28.4 g) 4 g (concentrated)	Authorised 6 plants
Nevada	2002	1 oz (28.4 g)	2000	65	1 oz (28.4 g)	7 (including 3 mature plants)	2016	54	1 oz (28.4 g) 3.5 g (concentrated)	Authorised 6 plants per adult 12 plants per household Within 25 miles (40 km) from a retail store
Maine	1976	1.25 oz (≈ 35 g)	1999	61	3 oz (≈ 71 g)	6	2016	50	2.5 oz (≈ 71 g)	Authorised 6 plants per adult 12 plants per household
Massachusetts	2006	1 oz (28.4 g)	2012	63	60 days of use		2016	54	1 oz (28.4 g) 5 g (concentrated)	Authorised 6 plants per adult 12 plants per household

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