



# NYCGPA Opt-out Fact Sheet

## Dispelling Myths

**Myth:** Cannabis legalization increases underage cannabis consumption

**Reality:** According to a study by [JAMA Pediatrics](#)<sup>1</sup> legalized recreational cannabis was associated with an 8% decline in teens reporting trying cannabis in the previous 30 days and a 9% decrease in teens reporting frequent use. Data from the [CDC's Youth Risk Behavior Surveillance System](#)<sup>2</sup> similarly indicated that legalization had no impact on marijuana use among young people.

- Director Nora Volkow of the U.S. National Institute on Drug Abuse (NIDA) acknowledged during an August 2021 [podcast](#)<sup>3</sup> hosted by Drug Policy Alliance founder Ethan Nadelmann that [she erred](#)<sup>4</sup> in assuming adolescent cannabis use would rise in post-prohibition communities.
- Data from [a study released in late 2020](#)<sup>5</sup> reveals no link between increased youth usage and a legal and regulated adult-use cannabis
- A study [released by the American Medical Association in September 2021](#)<sup>6</sup> demonstrated a decrease in teen usage of cannabis following legalization.

**Myth:** Cannabis is a gateway drug

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<sup>1</sup> Lisa Rapaport, *Legalizing pot tied to less teen marijuana use*, Reuters, July 8, 2019, <https://www.reuters.com/article/us-health-teens-marijuana-laws/legalizing-pot-tied-to-less-teen-marijuana-use-idUSKCN1U32HL>

<sup>2</sup> Jeffrey Miron, *The Effect of State Marijuana Legalizations: 2021 Update*, CATO Inst., February 2, 2021, <https://www.cato.org/policy-analysis/effect-state-marijuana-legalizations-2021-update>

<sup>3</sup> Ethan Nadelmann, *NIDA Director Nora Volkow on Running a Drug Research Agency in a Political World*, iHeart, August 26, 2021,

<https://www.iheart.com/podcast/1119-psychoactive-84544756/episode/8-nida-director-nora-volkow-86234299/>

<sup>4</sup> Kyle Jaeger, *Top Federal Drug Official Admits Legalizers Were 'Right' About Teen Marijuana Use and Touts Psychedelics' Therapeutic Potential*, Marijuana Moment, August 26, 2021, <https://www.marijuanamoment.net/top-federal-drug-official-admits-legalizers-were-right-about-teen-marijuana-use-and-touts-psychedelics-therapeutic-potential/>

<sup>5</sup> Iris Dorbian, *New Data Reveals No Link Between Increased Cannabis Use In Teens and Legal Markets*, Forbes, December 3, 2020, <https://www.forbes.com/sites/irisdorbian/2020/12/03/new-data-reveals-no-link-between-increased-cannabis-use-in-teens-and-legal-markets/?sh=346d3a213110>

<sup>6</sup> Kyle Jaeger, *Marijuana Legalization Doesn't Lead to Increased Youth Use, American Medical Association Study Finds*, Marijuana Moment, September 7, 2021, <https://www.marijuanamoment.net/marijuana-legalization-doesnt-lead-to-increased-youth-use-american-medical-association-study-finds/>



**Reality:** In a recent study in the [Journal of Experimental Criminology](#)<sup>7</sup> researchers noted that cannabis use is “not a reliable gateway cause of illicit drug use” and further concluded that prohibition does not reduce illicit drug consumption. The U.S. National Institute on Drug Abuse does not support the gateway theory. According to their [2020 factsheet](#)<sup>8</sup>, “the majority of people who use marijuana do not go on to use other ‘harder’ substances.” There are even provisional [signs](#)<sup>9</sup> that legal cannabis is linked to lower opioid mortalities, directly contradicting prohibitionists’ dire warnings.

- The conclusion of a [meta-analysis of 102,461 participants](#)<sup>10</sup> performed by University of Sydney’s Matilda Centre for Research in Mental Health and Substance Use was released in July 2021 and found that: “It is therefore not possible, on the existing evidence, to state conclusively that there is a causal relationship between cannabis and subsequent opioid use, but it is likely that there is at least a partial causal relationship.”
- Another [study published July 2021 by the University of Pittsburgh](#)<sup>11</sup> analyzed opioid-related emergency department visits across 29 states between 2011 and 2017 and concluded: “we don’t find any evidence to support the theory that cannabis functions as a gateway drug.” In fact, the researchers discovered a 7.6% reduction in opioid-related ER visits in states that legalized adult-use cannabis compared to prohibition states.
- A 2021 National Bureau of Economic Research study explored the link between cannabis and harder drug use in legal states like Colorado and Washington, concluding that: “[long-run gateway effects have not materialized in the eight years following their adoption.](#)”<sup>12</sup>

**Myth:** Cannabis legalization leads to an increase in crime

**Reality:** A 2017 [study](#)<sup>13</sup>, published in the Journal of Urban Economics, found that dispensary *closures* caused nearly a 12% increase in crime in surrounding areas, leading researchers to conclude that dispensaries make neighborhoods safer.

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<sup>7</sup> Cody Jorgensen Ph.D., *Is marijuana really a gateway drug? A nationally representative test of the marijuana gateway hypothesis using a propensity score matching design*, SpringerLink, April 6, 2021, <https://link.springer.com/article/10.1007/s11292-021-09464-z>

<sup>8</sup> Marijuana Research Report, National Institute on Drug Abuse, Revised July 2020, <https://www.drugabuse.gov/publications/research-reports/marijuana/marijuana-gateway-drug>

<sup>9</sup> British Medical Journal, *Legal cannabis stores linked to fewer opioid deaths in the United States*, January 28, 2021, <https://www.bmj.com/company/newsroom/legal-cannabis-stores-linked-to-fewer-opioid-deaths-in-the-united-states/>

<sup>10</sup> Jack Wilson, *New meta-analysis finds cannabis may be linked to development of opioid use disorders*, EurekAlert, July 15, 2021, <https://www.eurekalert.org/news-releases/705542>

<sup>11</sup> Coleman Drake, *Recreational cannabis laws and opioid-related emergency department visit rates*, Health Economics Letter, July 12, 2021, <https://onlinelibrary.wiley.com/doi/10.1002/hecl.4377>

<sup>12</sup> Joseph J. Sabia, *Is Recreational Marijuana a Gateway to Harder Drug Use and Crime?*, NBER, July 2021, <https://www.nber.org/papers/w29038>

<sup>13</sup> Tom Y. Chang, *Going to pot? The impact of dispensary closures on crime*, Science Direct, July 2017, <https://www.sciencedirect.com/science/article/abs/pii/S0094119017300281>



Additional studies, including one from 2019 published in [Regional Science and Urban Economics](#)<sup>14</sup>, have indicated that crime rates drop significantly when states transition from cannabis prohibition to adult-use legalization.

- The [LaGuardia Committee Report](#)<sup>15</sup>, prepared in 1944 by the [New York Academy of Medicine](#) found, [among thirteen other conclusions](#)<sup>16</sup>, that: "marihuana is not the determining factor in the commission of major crimes" and that "the publicity concerning the catastrophic effects of marihuana smoking in New York City is unfounded."
- A 2021 [National Bureau of Economic Research \(NBER\)](#)<sup>17</sup> study examined Uniform Crime Reports from 2000-2019 across all 50 states as part of its exploration of Recreational Marijuana Laws (RML) and reported: "little evidence to suggest that RML-induced increases in marijuana consumption encourage the use of harder substances or violent criminal activity, and some evidence that RMLs may aid in reducing opioid-related mortality".
- A [literature review commissioned by Leafly](#)<sup>18</sup> in 2019 found that, of 42 research studies published between 2012 and 2019 which examined the link between crime and legal cannabis sales, "the majority of studies show neighborhood crime rates decreasing or remaining unchanged after the opening of state-licensed cannabis stores."

**Myth:** Legal Cannabis leads to more traffic accidents.

**Reality:** In April of 2021, two economists from the University of Colorado at Denver and Montana State University published a [comprehensive review](#)<sup>19</sup> of public health consequences of cannabis legalization, for the National Bureau of Economic Research, encompassing dozens of published studies. On traffic safety, they found that "road safety improves when medical marijuana is legalized," noting cannabis as a beneficial substitute for alcohol and opioids (both statistically lead to impaired driving).

While the Insurance Institute for Highway Safety (IIHS) [recently reported](#)<sup>20</sup> the results of a study that saw an increase in traffic accidents in states that had legalized cannabis, they similarly reported that "*studies of whether marijuana itself makes*

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<sup>14</sup> Jeffrey Brinkman, *Not in my Backyard? Not so fast. The effect of marijuana legalization on neighborhood crime*, Science Direct, September 2019, <https://www.sciencedirect.com/science/article/abs/pii/S016604621830293X>

<sup>15</sup> New York Academy of Medicine, *The Marihuana Problem in the City of New York*, Schaffer Library of Drug Policy, 1944, <https://www.druglibrary.net/schaffer/Library/studies/lag/lagmenu.htm>

<sup>16</sup> *Id.* at Conclusions.

<sup>17</sup> Joseph J. Sabia, *Is Recreational Marijuana a Gateway to Harder Drug Use and Crime?*, NBER, July 2021, <https://www.nber.org/papers/w29038>

<sup>18</sup> David Downs, *Special Report: Debunking Dispensary Myths*, Leafly Publication, May 2019.

<sup>19</sup> D. Mark Anderson, *The Public Health Effects of Legalizing Marijuana*, NBER, April 2021, [https://www.nber.org/system/files/working\\_papers/w28647/w28647.pdf](https://www.nber.org/system/files/working_papers/w28647/w28647.pdf)

<sup>20</sup> IIHS HLDI, *Crash rates jump in wake of marijuana legalization, new studies show*, IIHS, June 17, 2021, <https://www.iihs.org/news/detail/crash-rates-jump-in-wake-of-marijuana-legalization-new-studies-show>



drivers more likely to crash have been inconsistent" and that they saw "no increased crash risk associated with the drug, **except when combined with alcohol.**"

## TAX

- The MRTA enacts a 9% state excise tax and a 4% local excise tax on retail sales. The 4% local tax is split with 25% going to the county and 75% going to the locality.
- 40% of the state tax revenue from retail sales is set aside for a fund to reinvest in communities disproportionately impacted by the drug war. 40% to public schools and public education; 20% to drug treatment, prevention and education. [From NORML]
- Ex: \$5,000,000 Revenue = \$200,000 in Local Taxes just from one store. 150,000 to the county, 50,000 to the locality itself.

## SAFETY

- Safety is assured in legal cannabis products through mandatory tests by licensed 3rd party labs.
- Cannabis retail locations must be 500ft from a school and 200ft from a place of worship
- Licensed retail businesses not in compliance with applicable laws - including checking IDs with every sale, keeping strict inventory controls in place, minimum operating requirements for security including guards and surveillance - will risk losing their retail license.

## Municipal Control

- Municipalities can govern time, place, and manner of operation of retail dispensary and consumption sites – caveat, municipalities can't make local laws to operate "unreasonably impracticable.
- License applicants must notify municipalities between 30 & 270 prior to applying for license of intent to apply for license. (MRTA 76). Municipality may express an opinion for or against granting of license and when the Office of Cannabis Management makes a decision it must respond in writing to the municipality.

## We Can Always Opt-in Later

If a municipality Opts Out now, while it may opt in later, will there be licenses available later – will Cannabis Control Board hold back on the number of licenses granted so that if a municipality opts in later will there be licenses available to be



granted by the state? (How many licenses will be issued – perhaps 3 per assembly district?)

Will those municipalities that don't opt out have “1<sup>st</sup> to market” sale position which will deter future market participants or negatively affect future market participants' competitiveness?

- Waiting to opt in “sometime later” comes at the loss of [first to market](#)<sup>21</sup> advantage that first round license holders will gain compared to latecomers to NY's cannabis industry.
- Cannabis Business Times' 2018 article “[5 Tips for Being First to Market in Newly Regulated States](#)”<sup>22</sup> enumerates the advantages of a first to market position in limited license states.

## Not in My Backyard

- Banning retail sales does not stop or slow the proliferation of legal cannabis within a community because:
  - Municipalities may only opt out of two of the ten separate license types: *Adult-Use Dispensary Licenses* and *Adult Use On-Site Consumption Licenses*
  - New Yorkers are allowed to cultivate up to [six cannabis plants in their homes for personal use – three immature and three mature plants - with up to twelve total cannabis plants permitted per household.](#)<sup>23</sup>
  - [Section 222.05 Personal use of cannabis](#)<sup>24</sup> makes it lawful for adults to possess, display, purchase, obtain, transport, and/or gift up to three ounces of cannabis and up to twenty-four grams of concentrated cannabis.
  - [Section 222.15 Personal cultivation and home possession of cannabis](#)<sup>25</sup> authorizes the lawful possession of “*up to five pounds of cannabis in their private residence or on the grounds of such person's private residence*”
- The absence of a means for residents to obtain legal cannabis and cannabis products [may very well fuel the growth of a community's existing unregulated](#)

<sup>21</sup> Evan Tarver, *First Mover Definition*, Investopedia, September 28, 2020, <https://www.investopedia.com/terms/f/firstmover.asp>

<sup>22</sup> Ryan Douglas, *5 Tips for Being First to Market in Newly Regulated States*, Cannabis Business Times, August 21, 2018, <https://www.cannabisbusinesstimes.com/article/first-to-market-new-cannabis-state/>

<sup>23</sup> OCM, MRTA Summary, Home Cultivation, <https://cannabis.ny.gov/adult-use#home-cultivation>

<sup>24</sup> Penal Chapter 40, Part 3, Title M, Article 222.05, <https://www.nysenate.gov/legislation/laws/PEN/222.05>

<sup>25</sup> Penal Chapter 40, Part 3, Title M, Article 222.15, <https://www.nysenate.gov/legislation/laws/PEN/222.15>



[legacy markets](#)<sup>26</sup> and/or birth new illicit markets that are not subject to the same stringent safety, testing, and marketing standards imposed upon state-licensed cannabis business operators.

## Not Enough Economic Benefit

- Data Science & Research Product Manager at Clever Real Estate, Dr. Ortegren [published the results of her own study](#)<sup>27</sup> earlier this year which reported property values actually rising “\$17,113 more in states where recreational marijuana is legal, compared to states where marijuana is illegal or limited to medicinal use.”
- A [2019 literature review published by Leafly](#)<sup>28</sup> of 42 separate studies adds credence to Dr. Ortegren's findings, noting a substantial *increase* in home property values when located within a half-mile of a cannabis store.
- A 2018 study [published in the journal Contemporary Economic Policy](#)<sup>29</sup> likewise found a 7.7% rise in home prices within a half-mile of a new cannabis store.

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<sup>26</sup> The Canadian Press, *Municipalities opting out of pot shops lets black market in: Experts*, BNN Bloomberg, December 20, 2018,

<https://www.bnnbloomberg.ca/municipalities-opting-out-of-pot-shops-lets-black-market-in-experts-1.1186594>

<sup>27</sup> Francesca Ortegren, 2021 Study: How Legalizing Recreational Marijuana Impacts Home Values, Real Estate Witch, July 12, 2021, <https://www.realestatewitch.com/marijuana-study-2021/>

<sup>28</sup> David Downs, Leafly study debunks dispensary myths around crime & teen use, Leafly, May 13, 2019, <https://www.leafly.com/news/politics/debunking-dispensary-myths>

<sup>29</sup> Jesse Burkhardt, The Effect of Marijuana Dispensary Openings on Housing Prices, Wiley Online Library, November 29, 2018, <https://onlinelibrary.wiley.com/doi/full/10.1111/coep.12414>.