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PRESS RELEASE

Nation's first-ever community socio-economic impact study on legal cannabis released

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PUEBLO – The nation's first-ever comprehensive socio-economic impact study on a community that has legalized adult use cannabis was presented by the Colorado State University-Pueblo Institute of Cannabis Research (ICR) on Monday, March 12. The final findings of the study, which was conducted independently by more than 30 Ph.D.'s, was presented for the first time in public to the Pueblo Board of County Commissioners.

CSU-Pueblo is the first four-year, regional comprehensive university in the United States to conduct medical cannabis research. At the beginning of their presentation, the ICR stated that the study is a pilot study and should not be used to draw concrete conclusions.

"It is incredibly exciting to have third-party, quantifiable data concerning the impact of legal cannabis in Pueblo. This data is groundbreaking in its scope and should have national relevance as other communities across the country end prohibition. Pueblo has the privilege of being the first community to be studied in this way and CSU-Pueblo is the first university to do this type of research. This is truly a momentous day," Pueblo County Commissioner Sal Pace said.

Social, economic, water and power usage impacts were examined as well as optimal buffer zones between approved sites that grow cannabis with a THC content below .3 percent.

The study confirmed with real data, what a large portion of Puebloans already assumed:

- Legal cannabis in Pueblo County has made a positive economic impact, and has generated a gross \$58 million.
- Adult-use of legal cannabis has increased since the legalization of cannabis.
- More ER patients tested positive since the legalization of adult-use cannabis.
- The complex and confusing cannabis laws, accompanied by a lack of federal regulatory clarity and financial support for enforcement has put more pressure on law enforcement.

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The study dispelled several community assumptions as well, finding:

- Legal cannabis has not impacted Pueblo's demography or poverty rate.
- Legal cannabis has not had a significant impact on homelessness rates. In fact, the study cited disconnected utilities as the largest single cause of homelessness in Pueblo in 2016. The study did postulate that legal cannabis has potentially attracted 800 already homeless transients to Pueblo County; costing the community approximately \$23 million.
- Household income has not been impacted by legal cannabis, however, the study praised the creation of Pueblo County's first-in-the-world cannabis tax funded scholarship program.
 - "In only its second year, Pueblo County's cannabis scholarship program has helped more than 400 students pursue their higher education goals. If cannabis funded scholarships continue, this program might help reduce educational achievement gaps," the study stated.
- The legalization of recreational cannabis use has not statistically affected high school student use and perceptions, according to preliminary studies.
 - In fact, students reporting first use of cannabis has declined by about six percentage points since the state's Healthy Kids Colorado survey, which surveyed randomly selected high schools in both 2013 and 2015. Recreational cannabis sales to adults by licensed facilities began January 1, 2014.
 - Nearly half of the middle schools surveyed did not provide any cannabis prevention education. Pueblo County provided \$80,000 in funding for marijuana, alcohol and tobacco abuse and prevention education in 2016 for middle schools, through the Botvins program, administered by the Pueblo Health Department. The funding was allocated from marijuana fines.

CSU-Pueblo plans to post the final findings on the ICR's webpage by Friday, March 16.

The Pueblo Board of County Commissioners allocated \$270,000 of marijuana excise tax revenues from the 2016 Pueblo County budget to help fund ICR's study. Pueblo County's marijuana excise tax is a tax charged to marijuana cultivators, only once, when marijuana is first sold or transferred to a retail store or manufacturer.

The ICR received an additional \$900,000 from the State of Colorado's Marijuana Tax Cash Fund. State funding was allocated to the project by Senate Bill 16-191, which was signed by Colorado Governor John Hickenlooper in June of 2016.

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