

QUESTION NO. 7

Amendment to Title 32, 40 and 43 of the Nevada Revised Statutes

CONDENSATION (Ballot Question)

Shall Titles 32, 40 and 43 of the Nevada Revised Statutes be amended in order to allow and regulate the sale, use and possession of one ounce or less of marijuana by persons at least 21 years of age, impose licensing requirements on marijuana retailers and wholesalers, allow for the sale of marijuana by licensed marijuana retailers and wholesalers, impose taxes and restrictions on the wholesale and retail sale of marijuana, and to increase the criminal penalties for causing death or substantial bodily harm when driving while under the influence of drugs or alcohol?

Yes.....

No.....

EXPLANATION (Ballot Question)

The proposed amendments, if passed, would make various changes to Nevada law with respect to the possession and use of certain amounts of marijuana. The amendments would allow persons at least 21 years of age to purchase, possess, use and transport up to one ounce of marijuana.

The amendments would also require that marijuana retailers and wholesalers be licensed by the Nevada Department of Taxation. The amendments would subject the wholesale sale of marijuana to an excise tax, and would subject the retail sale of marijuana to the existing sales tax. The financial impact of license fees and excise taxes is further described in the Fiscal Note. After a deduction to defray the cost of tax collection, fifty percent of the tax revenue from the sale of marijuana would be used to fund voluntary programs for the prevention and treatment of the abuse of alcohol, tobacco, or controlled substances, and the other fifty percent would go to the state general fund.

Under the amendments, the following activities would continue to be unlawful: operation of vehicles and vessels under the influence of marijuana; possession a firearm while under the influence of marijuana; possession of marijuana by a prisoner; and possession of marijuana in a public place, correctional facility, or school.

The proposed amendments would increase the maximum prison terms and fines for violations of NRS 484.3795 (death or substantial bodily harm from driving under the influence) from 20 to 40 years imprisonment and from \$5,000 to \$10,000 in fines. The proposed amendments would also make it a class B felony for a person over 21 to sell or give marijuana to a minor.

The proposed amendments would have no affect on federal laws that prohibit the sale, possession, use and transport of marijuana.

ARGUMENT ADVOCATING PASSAGE

Our marijuana laws do not work.

Despite over 10,000 marijuana arrests in Nevada during the last three years alone, marijuana remains widely available and easy to get. We believe the criminal marijuana market is a free-for-all, with no oversight or safeguards to speak of.

It's time for a new approach: – the taxation and regulation of marijuana sales. Marijuana will continue to be widely available – whether permitted or not – so a sensible alternative is to place it into a tightly controlled and regulated market. Once we regulate the marijuana market, we create the opportunity to tax it and establish safeguards that are currently lacking.

Specifically, under Question 7, adults over the age of 21 will be allowed to purchase up to one ounce of marijuana from state-licensed retailers – roughly the equivalent of a pack-and-a-half of cigarettes. Retailers would have to buy their marijuana from state-licensed manufacturers.

Question 7 establishes a “We Card” program for marijuana. If you aren't 21 or older, or do not have proper ID, you won't be allowed to enter an establishment that sells marijuana – much less buy it. Marijuana use by anyone younger than 21, driving under the influence of marijuana, and smoking marijuana in public would all remain illegal. In fact, the maximum penalty for any adult who gives or sells marijuana to a minor would DOUBLE, as would the maximum penalty for anyone who kills someone while driving under the influence of alcohol, marijuana, or any drug.

Retailers who sell marijuana couldn't be located within 500 feet of a school or place of worship. No establishment that sells alcohol or allows gaming will be allowed to sell marijuana – nor would gas stations, convenience stores, grocery stores, or nightclubs. Question 7 doesn't put marijuana in the local 7-11 – in fact, it specifically forbids it.

And once we regulate marijuana, we can tax it. Half of the tax revenue generated by Question 7 would go to drug education and treatment; the other half would go to the general fund, potentially generating millions of dollars for our most pressing needs – like education and fixing roads.

We believe that after decades of marijuana laws that don't accomplish what they were meant to – yet cause real societal harm by financing violent gangs and drug dealers, destroying the lives of otherwise law-abiding Nevadans, and wasting precious police resources – it's time for a new approach.

Vote YES on Question 7.

The above argument was submitted by the Ballot Question Committee composed of citizens in favor of this question as provided for in NRS 293.252

REBUTTAL TO ARGUMENT ADVOCATING PASSAGE

Police resources are not being wasted on marijuana arrests. Nevada police made more than 460,000 arrests in the previous three years; only 2% of those were for marijuana.

Despite “safeguards,” there are nearly 11 million underage drinkers of alcohol and about 50% of students nationally who purchased cigarettes in a store were not asked to show proof of age.

More children have used alcohol and tobacco – which are illegal for them, than have used marijuana, which is illegal for all persons. Of students nationwide:

74% have used alcohol;

54% have smoked cigarettes; and

38% have smoked marijuana at least once in their lifetime.

Laws prohibiting marijuana send a clear message that smoking pot is dangerous and an activity that society strongly disapproves. Many experts believe legalizing marijuana for adults will likely result in children smoking marijuana as a sign of growing up believing it is a “badge of adulthood,” much like alcohol and tobacco are today.

Claims that we should eliminate marijuana laws because people use the drug is like saying we should remove laws for theft because people steal.

Voters should consider the warning from society’s experience with alcohol before legalizing another mind-altering drug.

Vote No on Question 7.

The above argument was submitted by the Ballot Question Committee composed of citizens opposed to this question as provided for in NRS 293.252

ARGUMENT OPPOSING PASSAGE

Nevada law classifies possession of one ounce of marijuana a misdemeanor subject to a ticket and a fine. Therefore, we believe law enforcement and courts are not over-burdened with minor marijuana offenses.

Statements regarding the number of persons charged with a marijuana offense are misleading because they do not differentiate between a person who gets a ticket for a small amount of marijuana and a trafficker with several tons.

We believe laws prohibiting marijuana sends the message to our youth that it is a dangerous drug. Legalization of marijuana for adults will increase use by minors.

When Alaska permitted the private use of marijuana, use among children rose rapidly reaching twice the national average.

A Canadian study found that the country's liberal marijuana policies have resulted in Canadian youth topping all other nations for frequent use of marijuana. The lead researcher attributes the increased use to affordability, availability and acceptability.

After marijuana became legal and sold in smoke shops in the Netherlands, consumption nearly tripled among 18 to 20 year olds.

The Las Vegas Metropolitan Police Managers Supervisors Association, the Las Vegas Police Protective Association Metro and the Nevada Sheriffs' and Chiefs' Association, believe criminals profiting from illegal drug sales won't be out of business, they will likely increase efforts to expand the number of underage users.

Nationwide, Marijuana was involved in more than 215,000 emergency department visits impacting an already burdened emergency care system.

Smoking a marijuana cigarette deposits about three to five times more tar into the lungs than one filtered cigarette.

Smoking three to four joints per day causes as much harm to the respiratory system as smoking a full pack of cigarettes a day.

Marijuana smoke contains 50 to 70 percent more carcinogenic hydrocarbons than tobacco smoke.

Subject to certain exceptions, doctors, teachers, bus drivers, police, firefighters, and others over the age of 21 would be "exempt from arrest, civil penalty" and CANNOT face "discipline by any state or local licensing board" for "possession, transfer or use of one ounce or less of marijuana" if Question 7 passes.

Marijuana users have 55% more industrial accidents than non-users and have been shown to have a 78% increase in absenteeism over non-users.

Workers who tested positive for marijuana use had disciplinary problems at work 64% more often than workers who test negative for marijuana.

Accident records from one study showed that up to 12% of nonfatally injured drivers and up to 16% of fatally injured drivers had marijuana in their bloodstream.

The above argument was submitted by the Ballot Question Committee composed of citizens opposed to this question as provided for in NRS 293.252

REBUTTAL TO ARGUMENT OPPOSING PASSAGE

Many of the opposition's statistics share one theme: Marijuana is a "dangerous" substance. In reality, it's safer than alcohol. It appears no fatal overdoses from marijuana have ever been recorded, yet alcohol overdoses kill nearly 20,000 Americans annually.

Over twice as many Nevada teens have used marijuana under prohibition as have Dutch teenagers. Teen use has declined or stabilized in every medical marijuana state, despite opponents' claims these laws would send the wrong message to children. Question 7 doubles the maximum penalty to anyone who gives or sells marijuana to a minor and establishes a "We Card" program. Drug dealers don't card.

Question 7 wouldn't allow doctors, police, or anyone to work under the influence of marijuana. Currently, a surgeon who drinks off-duty isn't sanctioned. Yet a surgeon operating drunk faces dire consequences. Similarly, under Question 7, a surgeon operating under the influence of marijuana would still face severe penalties.

The opposition spotlights marijuana-related driving fatalities, while ignoring that Question 7 doubles the maximum penalty for killing someone while driving under the influence of marijuana, alcohol, or any drug.

Please visit www.RegulateMarijuana.org/sos to get the full story on the opposition's misleading arguments.

Vote YES on Question 7.

The above argument was submitted by the Ballot Question Committee composed of citizens in favor of this question as provided for in NRS 293.252

FISCAL NOTE

FINANCIAL IMPACT – CANNOT BE DETERMINED

Question 7 proposes to amend the *Nevada Revised Statutes* to legalize and regulate the sale, possession, and use of one ounce or less of marijuana and marijuana paraphernalia within the state of Nevada, by persons at least 21 years of age, under certain circumstances. Question 7 increases the criminal penalties for causing death or substantial bodily harm while driving under the influence of drugs or alcohol. Question 7 also provides for licensure of wholesalers and retailers of marijuana, requires the collection of state and local sales taxes on marijuana sold by

retailers, and requires the Nevada Department of Taxation to collect an excise tax on marijuana sold by wholesalers.

FINANCIAL IMPACT OF QUESTION 7

State and local courts and law enforcement agencies may need additional resources or the reallocation of current resources to administer and enforce the provisions of Question 7. It is not possible to estimate the resources that may be required by state and local governments due to the legalization of marijuana under Question 7. The specific financial impact on the state or any of the various local government entities from changes in law enforcement activities and court proceedings cannot be determined with any degree of certainty.

Question 7 increases the maximum penalty for causing death or substantial bodily harm while driving under the influence from 20 years in state prison and a \$5,000 fine to 40 years in state prison and a \$10,000 fine. Increasing the maximum sentence that can be imposed may increase the cumulative costs associated with incarceration in state correctional facilities. Since it is difficult to predict the number of cases requiring the imposition of a sentence and the length of sentence set by judges, a specific financial impact on the state budget cannot be established.

Question 7 requires the Department of Taxation to develop and implement regulations regarding the licensing of wholesalers and retailers, and collect an annual \$1,000 license fee from these entities. The Department would also be required to collect an excise tax of \$45 on each ounce of marijuana sold by wholesalers licensed under Question 7. The Department would incur costs related to the development and administration of regulations regarding licensing and collection of the excise tax and license fees. This should not have a financial impact upon the state budget, as the provisions of Question 7 allow the Department to retain a portion of the proceeds sufficient to cover the administrative costs incurred by the Department as a result of these requirements.

Revenues generated from the excise tax and license fees, less the administrative costs retained by the Department of Taxation, must be deposited in the State General Fund. Question 7 requires that 50 percent of these funds be distributed to the Health Division of the Department of Human Resources for voluntary drug, alcohol, and tobacco treatment and prevention programs. Additionally, retailers would be required to collect state and local sales taxes on any marijuana sold, resulting in additional sales tax revenue for the State General Fund, local governments and school districts. The level of production and consumption of marijuana that would occur cannot be easily established. Although the taxes collected from the wholesale and retail sales of marijuana could generate additional revenue for state and local governments, including school districts, a specific dollar amount cannot be reasonably estimated.

The fiscal note was prepared by the Legislative Counsel Bureau pursuant to NRS 295.015