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Report on Recreational Marijuana Shows Major Tax Revenue Drop-Off From Previous Estimates

Lansing, MI: The Coalition to Regulate Marijuana like Alcohol released a report about the economics of marijuana today...and it isn't good. They now claim that legalizing recreational marijuana will provide Michigan far less tax revenue than what they have been promoting at public forums since their committee formed.

Scott Greenlee, President of Healthy and Productive MI said, *"The report states that making recreational marijuana legal will generate just over \$500 million over 5 years (approximately \$100 million a year). But publicly their organization has been saying they project over \$200 million a year. What went wrong? The report is very clear: the numbers do not match their promises."*

These projections have not come out as promised in other states: the end "projections" seem to never result in what the advocates champion. If voters are promised \$100 million a year in benefit to Michigan, it will likely be far less. The Michigan budget is around \$57 billion, so under their logic Michigan will gain approximately \$100 million a year which is .0017 of 1% of the State Budget. And that assumes the budget stays flat which history shows it very rarely does.

What they do not tell you is that the promised benefit does not take into account the massive cost that will result. Roads, for example, MDOT reports, *"Michigan has a total of 120,256 miles of paved roadway."* They promise 35% of the tax revenue will go to schools and roads each, and the other 30% to local government.

According to MDOT, road work costs around \$1 million per lane mile for reconstruction and rehabilitation which would result in only 35 miles (or \$35 million dollars) of improved Michigan roads.

And...their "projection" is a gross number - not the actual net income that would result. Their economic report does not talk about the increased costs for state oversight, law enforcement, training and management for state and local employees, increased cost to local communities as they work to opt out of this, and increased cost of prevention. Not to mention our citizens being subject to even higher auto insurance rates as instances of drugged driving increases. Talk is cheap but the results are not.

Their headline of *"Michigan Legal Marijuana Will Net \$520 Million in New Taxes for Roads, Schools, Local Communities Over First Five Years"* is catchy but do not get caught in the trap: legalizing recreational marijuana is way too expensive for Michigan. The benefits do *not* outway the costs as they haven't in other states.

Healthy and Productive Michigan is an organization committed to stopping recreational marijuana in Michigan. To learn more, donate, or volunteer please go to www.healthyandproductivemi.org and find us on Facebook at Healthy and Productive Michigan.

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