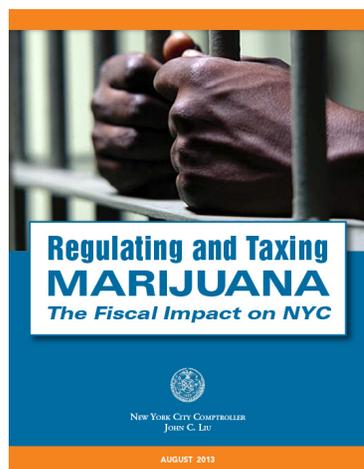


Regulating and Taxing MARIJUANA

The Fiscal Impact on NYC

AUGUST 2013

Published by the New York City
Comptroller's Office



KEY FACTS

- Low-level marijuana arrests have skyrocketed during Mayor Bloomberg's administration and are directly related to the NYPD's Stop and Frisk strategy.
 - The number of these arrests is on track to reach 37,000 in 2013 alone.
 - Since Mayor Bloomberg took office in 2002, there have been nearly 460,000 misdemeanor marijuana arrests.
- These arrests disproportionately impact black and Hispanic young men.
 - 1 out of 627 white New Yorkers gets arrested for marijuana possession each year compared to 1 out of 94 black New Yorkers, and 1 out of 175 Latinos.
 - The Bronx is one of the top counties in the country for low-level marijuana arrests. Nearly 1% of the Bronx population (or 914 per 100,000 people) are arrested annually for this victimless crime.
 - Every year in NYC, blacks and Hispanics represent less than half of marijuana users but 86% of marijuana arrests.
- Arresting young people for low-level marijuana possession feeds the school-to-prison pipeline.
 - Those convicted of a marijuana offense cannot receive federal student loans.
 - The New York City Housing Authority can evict or deny tenants based on marijuana arrests.
 - Having a history of even one marijuana arrest can prevent being hired to a job.

FISCAL IMPACT

- Total fiscal impact of legalization would be approximately \$431 million annually.
- Sales and excise taxes would generate roughly \$400 million, of which roughly \$69 million would go to the State and MTA in the form of higher sales taxes.
- Eliminating misdemeanor arrests would save the City about \$31 million annually through reduced law enforcement and court costs.

POLICY RECOMMENDATIONS

- Legalize possession of up to 1 ounce of marijuana for adults 21+ in New York City.
- Allow medicinal use of marijuana.
- Regulate marijuana similarly to beverage alcohol.
 - Enforce strict Driving Under the Influence prohibitions.
 - Disallow consumption in public.
- Implement license applications and renewal fees for growers, processors, and sellers.
- Apply a 20% excise tax and an 8.875% sales tax.
- Invest revenues in higher education by reducing CUNY tuition by as much as half for New York City residents.

Visit

comptroller.nyc.gov

to download a copy
of the report.



NEW YORK CITY COMPTROLLER
JOHN C. LIU

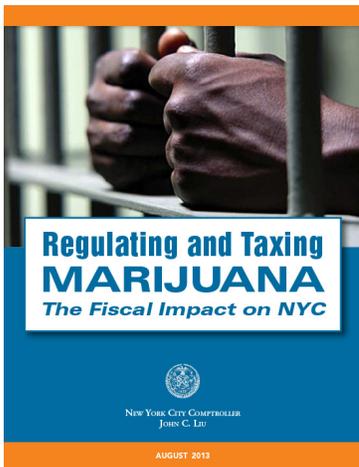


Regulating and Taxing MARIJUANA

The Fiscal Impact on NYC

AUGUST 2013

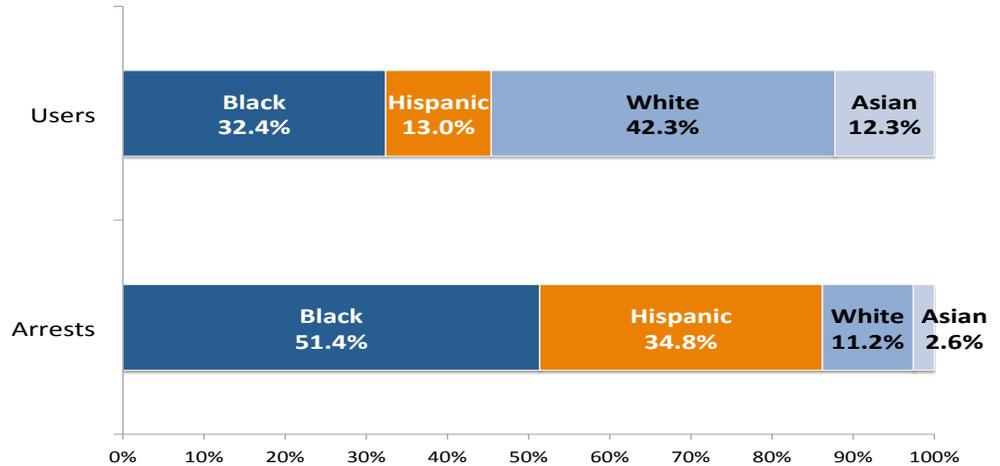
Published by the New York City Comptroller's Office



Visit comptroller.nyc.gov to download a copy of the report.

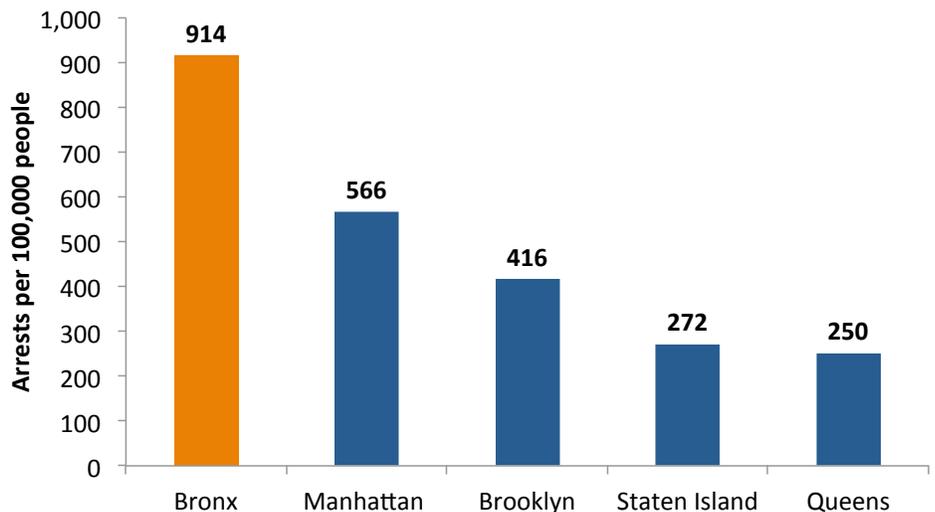
KEY GRAPHS

RACIAL AND ETHNIC BREAKDOWN OF MARIJUANA USERS VS. MARIJUANA ARRESTS IN NYC



Sources: SAMHSA, Office of Applied Studies, National Survey on Drug Use and Health, 2002; American Community Survey 2011; New York State Division of Criminal Justice Services.

BREAKDOWN BY BOROUGH OF LOW-LEVEL MARIJUANA ARRESTS



Source: New York State Division of Criminal Justice Services.



NEW YORK CITY COMPTROLLER
JOHN C. LIU

