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# coalition news

Prevention news and information from the Tiverton Prevention Coalition

## Rand Study: Black Market Won't Go Away if Pot is Taxed and Regulated

Recent legislative acts introduced to the [House](#) and [Senate](#) to tax and regulate marijuana suggest the state will benefit from a windfall of new taxes and strike a blow to black market sales in Rhode Island but economic studies by the Rand Corporation say it just doesn't add up.



*THS students [Tori DiBenedetto](#), [Andrew Dion](#), [Grace Simpson](#), [Alex Cotton](#) and [Alex Turner](#) chat with TPC Coordinator [Rebecca Elwell](#) and Sen. [Walter Felag](#) at legislative briefing on prevention strategies to reduce harm to RI youth caused by marijuana.*

The [Rand](#) study calls attention to the fact that state taxes on marijuana would raise the retail cost of "legal marijuana." Both RI bills propose an excise tax of \$50 per ounce at wholesale and, presumably, a 7% sales tax at retail. That could well make "black market weed" more, not less, competitive because its product is not taxed, nor would it be subject to regulations in the two bills that add significant costs to operating state licensed grow houses, including security, packaging and distribution requirements.

"There is tremendous profit motive for the existing black market providers to stay in the market, as they can still cover their costs of production and make a nice profit," the Rand study said. "The only way the State can effectively get rid of the black market for marijuana...is to take away

the substantial profits in the market and allow the price of marijuana to fall to an amount close to the cost of production. Doing so, however, will mean substantially smaller tax revenue than currently anticipated from this change in policy."

[Dr. Kevin Sabet](#), Director, Drug Policy Institute and Assistant Professor, University of Florida, Division of Addiction Medicine, concurred. "The drug trade is so profitable that even undercutting the legal (taxed) market price would leave cartels with a handsome profit."



"It's easier to 'sell' marijuana legalization saying it will increase revenues and reduce crime, but those benefits don't seem to be givens under closer scrutiny," [Rebecca Elwell](#) said about the study. "From a prevention perspective, focusing on revenues and cartels diverts our attention from a more important discussion: the prevention programs we need to fund to reduce the impact of marijuana on Rhode Island youth."

## ***Around the Country: RI Targeted!***

Sometimes, what's happening *Around the Country* strikes close to home. A national organization with an estimated 32,000 dues-paying members, 21 staffers and an annual budget of about \$2.85 million has its eyes on Rhode Island.

The Marijuana Policy Project, one of the largest pro-marijuana groups in the United States, put the Ocean State in its 2013 Strategic Plan. RI is one of seven MPP targets in 2013. The initiative is simple and bold: "Build support for legalization in the Rhode Island legislature."

*(continued on back)*



## REBECCA'S notes

I spent a week in Washington DC recently taking part in a national discussion about how [synthetic marijuana](#) is a menace to health and safety. Coalitions across the country are grappling with how to remove these dangerous products — sold in brightly colored packages under brand names like “K2,” “Spice,” “Climax,” and “Scuby Snacks” — from convenience stores, gas stations and other retail outlets that make these dangerous drug concoctions available to young people.

The tricky thing is that each time a formulation is legally banned the manufacturers change the chemical make-up of the product — skirting the intent of Federal and state laws. Make no mistake: synthetic marijuana is not a drug; it is POISON, a fact that its manufacturers recognize. It is sold as incense and potpourri and every package is clearly labeled “not for human consumption.” Side effects can be severe. Synthetic cannabinoids have been reported to cause agitation, anxiety, nausea, vomiting, tachycardia, elevated blood pressure, tremor, seizures, hallucinations, paranoid behavior and non-responsiveness.

Experts in substance abuse are encouraging parents to speak to their teenagers about these dangerous products. Because it can easily be purchased in retail stores, young people think it is safe. Adults need to provide teens with the facts. The RI Attorney General’s office has submitted legislation that would ban all products that fall under this class of substance. And Coalition leaders are urging communities to send a strong, clear message to retailers: Stop selling poison to our kids! [rebecca@tivertonprevention.org](mailto:rebecca@tivertonprevention.org).

### **Around the Country** *(continued from page 1)*

Interestingly, MPP takes the credit for existing RI legislation related to marijuana. “We successfully legalized medical marijuana and decriminalized marijuana possession in Rhode Island in 2009 and 2012, respectively,” it said. “There is now considerable momentum to tax and regulate (T&R) marijuana like alcohol, so we need to ensure that Rhode Island’s state legislature becomes the first to do so.”

### **Practicing Prevention: How Young?**

It’s never too early to teach children ways of staying healthy, which includes “lessons” on alcohol and drug abuse that are appropriate for the child’s age.



The U.S. Department of Education suggests that in grades K–3, prevention efforts should discuss good health practices; differences among foods, poisons, medicines, and drugs; personal responsibility for one’s actions; and rules regarding drug use. For grades 4–6, it recommends teaching about how to identify different drugs; the effects of drugs; what addiction is; why some substances are dangerous; and peer, media, family, and community influences on substance abuse.

The goal in early prevention programs is to delay “first use,” ideally until the child is 21! Check out [Preventing Substance Abuse: An Elementary School Guide](#) for strategies that parents and teachers can use now to prevent substance abuse programs later.

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### **Comments? Questions? Interests?**

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