



The Marijuana Policy Group (MPG) mission is to apply research methods rooted in economic theory and statistical applications to inform regulatory policy decisions in the rapidly growing legal medical and recreational marijuana markets.

The MPG was created in early 2014 by principals of BBC Research & Consulting and the University of Colorado, Business Research Division, two esteemed Colorado institutions with decades of experience providing independent and unbiased research.

MPG staff has extensive experience providing market, policy, economic, financial and statistical research, as well as advisory services for government and business interests alike.

In just 3 short years, the MPG has advised governments and businesses in 15 states and 3 countries.

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### **MPG’s services enable local governments to craft policy and regulation with confidence.**

As the recreational marijuana market begins to take form and the medical marijuana market continues to evolve, local governments are faced with the daunting task of developing marijuana specific policies and regulations with limited time and resources. As we have seen in other regulated marijuana market states, unsubstantiated research too often leads to misguided action by lawmakers and government officials, resulting in forgone tax and fee revenues and economic opportunity. MPG’s years of experience working with public officials in regulated marijuana markets has provided us with insights based on real market data and trends.

## **MARIJUANA IN YOUR JURISDICTION: A GOOD OR BAD THING?**

### **What local governments need to know:**

- What will our marijuana revenues be?
- What costs will our local government incur for inspections and licensing?
- What tax and fee structures work best in marijuana?
- How many dispensaries should be licensed in my jurisdiction?

### **Knowing the key numbers:**

**\$2.40** Economic gains from \$1.00 of marijuana sales\*

**\$11.45/hr** Typical wage of a “bud tender” in a dispensary\*

**605** The average number of patients a dispensary needs to remain a viable business

**3x** The amount of marijuana tax revenue gained by Denver compared to regulation cost

**31%** The expected sales share of “non-flower” products, like edibles, concentrates and vaporizers

**3.6 hours** Typical inspection time for a marijuana cultivation – sanitary, compliance, & reporting

\* From MPG’s Colorado Economic Impact Study (2016)

## Local governments from other states use the following reports for resource planning:

### Fiscal Impact:

- Market size assessment: know how much marijuana (in pounds) will be sold.
- Market sales assessment: know the total sales value for marijuana in your jurisdiction.
- Tax and fee revenue options: understand your options for charging and sharing local & state tax and fee revenues.
- Local resource burden: calculate inspection and license processing times, estimate staff burden and costs.

### Economic Impact:

- How many jobs will be created if dispensaries/cultivations/manufacturing is allowed?
- What are the overall economic benefits and costs over time? Is there a “first mover advantage” for your jurisdiction?
- What happens if surrounding local governments ban, and we do not? What if we ban?

### Permits and Licenses:

- Know how many dispensaries is “optimal” for your jurisdiction.
- Design a fee structure to cover incremental administrative burden.
- Best practice criteria for selecting and approving applicants (e.g., experience, funding, etc.)
- Structure and “stand up” all marijuana regulatory systems for your local government.

## How to fund a MPG study?

For engagements involving licensing, fees, and administration, a part of the application/licensing fee revenues typically pay for MPG services. Local governments avoid new budget items this way.

Other studies and reports are frequently funded through the general fund or special revenue funds, such as the economic development funds.

### Clients Include:

Colorado Marijuana Enforcement Division (MED)  
National Government of Canada - Health Canada  
Los Angeles County - Chief Executive Office  
Southern University (Louisiana)  
Private organizations in over 15 states