

**CALIFORNIA
CANNABIS TAX
REVENUES:**

**A WINDFALL FOR
LAW ENFORCEMENT OR
AN OPPORTUNITY FOR
HEALING
COMMUNITIES?**

Racialized history of cannabis policy

From 2000 to 2016:

Alameda County- Black people made up 11% of the population but 43% of cannabis arrests

Los Angeles County- Black people made up 8% of the population but 28% of cannabis arrests.

Sacramento County- Black people made up 10% of the population but 32% of cannabis arrests.

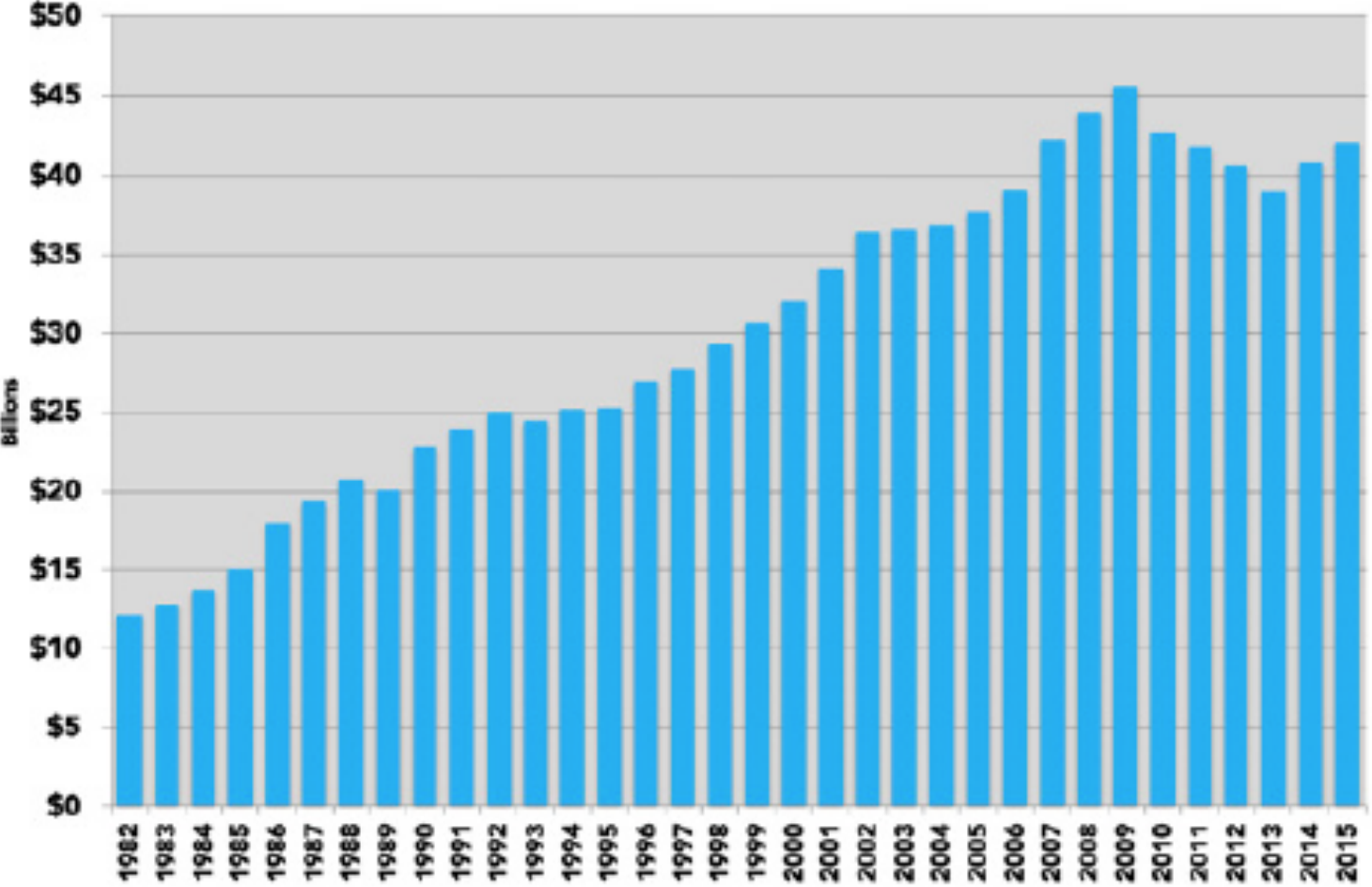
Source: *When the Smoke Clears: Racial Disparities in Marijuana Arrests*, UC Davis Center for Regional Change and Public Health Advocates

Cannabis policy fuels mass incarceration

From 1982 to 2015, spending in California on the criminal justice system grew by 245% whereas the population grew by a 57%.

Source: California Cannabis Tax Revenues: A Windfall for Law Enforcement or an Opportunity for Healing Communities?

Figure One. CA Criminal Justice Spending, In Billions of 2018 Dollars



Source: *California Cannabis Tax Revenues: A Windfall for Law Enforcement or an Opportunity for Healing Communities?*

California Cannabis Tax Revenues

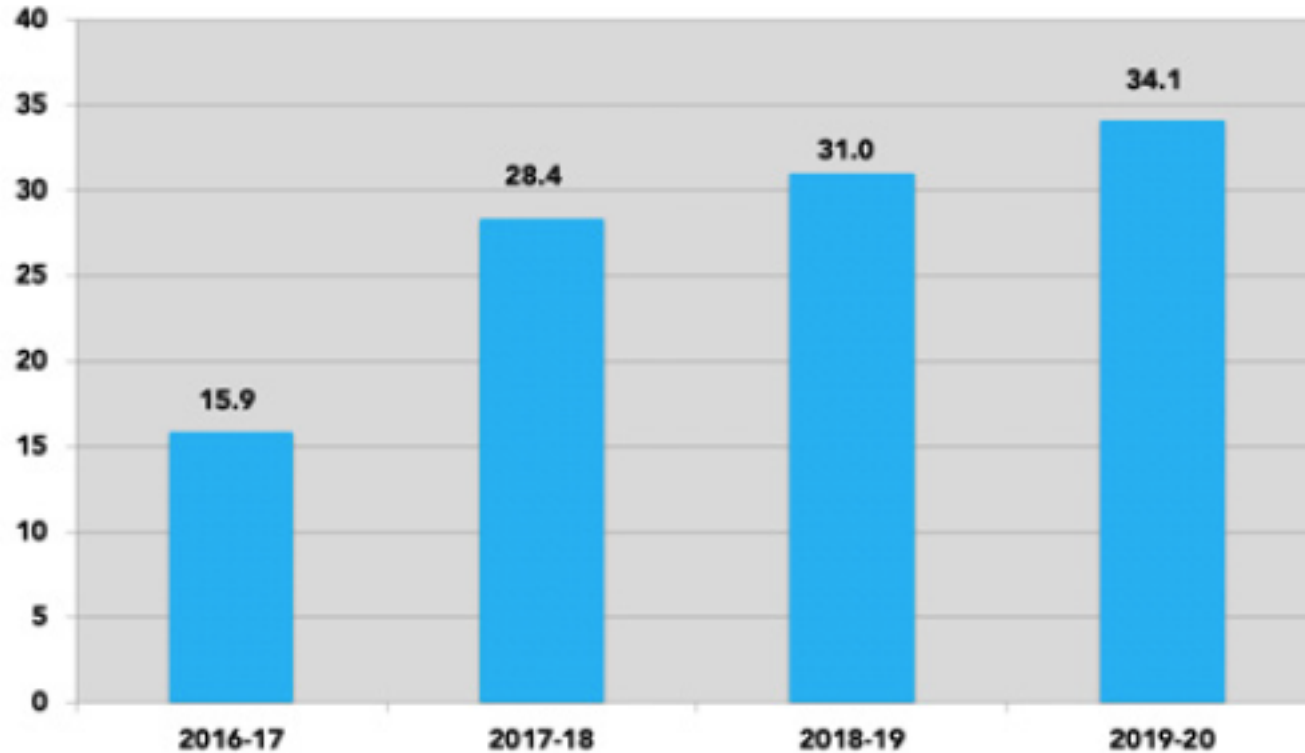
- Report analyzes 28 cities with cannabis taxes in place that had begun collecting revenue by 2018.
- These cities estimated they would bring in \$85 million in the 2019-2020 fiscal year.
- For most cities, cannabis revenue goes to the general fund.

Cannabis revenue and law enforcement

- On average, spending on law enforcement makes up 39% of the general fund of cities analyzed in the study.
- Many jurisdictions have explicitly used cannabis revenues to create new enforcement units.
- The average growth in police budgets for these 28 cities was an increase of 19% over a three-year period.

Source: California Cannabis Tax Revenues: A Windfall for Law Enforcement or an Opportunity for Healing Communities?

Greenfield, CA: Number of Police FTE's By Year



Greenfield is a city of 17,648 people. Voters approved a local cannabis tax in November, 2016.

Source: *California Cannabis Tax Revenues: A Windfall for Law Enforcement or an Opportunity for Healing Communities?*

Some positive examples

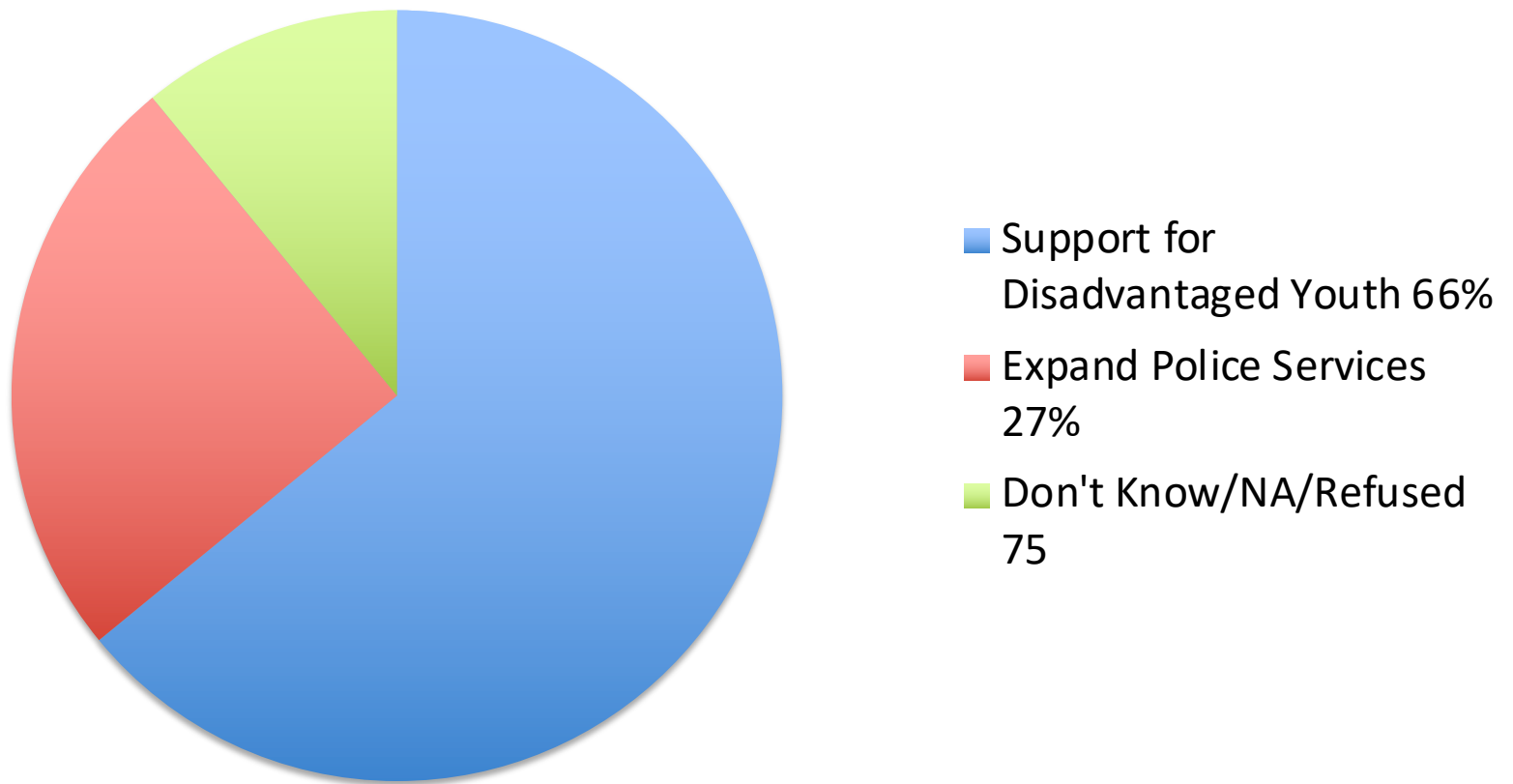
Monterey County is allocating nearly a million dollars in cannabis revenues in 2019- 20 to initiatives including **early childhood education and intervention programs, a homeless shelter, and the Whole Person Care program.**

Santa Cruz County is investing \$350,000 in cannabis revenue per year in the Thrive by Three program, which is dedicated to creating a **robust system of care for children from low-income families and their families.**

Source: California Cannabis Tax Revenues: A Windfall for Law Enforcement or an Opportunity for Healing Communities?

Going forward

Survey of California Voters



Source: FM3 Research, The Children's Defense Fund CA, 2018

Policy recommendations

- Invest cannabis revenues in Black and Brown communities most impacted by the War on Drugs.
- Invest cannabis revenues in youth and in the protection of vulnerable populations.
- Increase economic opportunities for Black and Brown communities.

For activists

- Research if your local city or county has a cannabis tax, and if so, how it is spending its cannabis tax revenue.
- Share the information collected under #1 broadly with fellow advocates and in the news media.
- Educate local officials on the racialized history of the War on Drugs and share examples of how state agencies and communities are prioritizing cannabis revenues for the most impacted neighborhoods.

For activists

- Bring forward proposals to your local officials for how to tax cannabis businesses and invest these revenues in your communities based on your local needs.
- In the absence of action on the part of local officials, consider using local ballot measures to present voters with an alternative for how to capture and spend these funds.



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