

Legalized Marijuana & Real Estate: Inherent Conflicts

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Real Estate Management



**I LOST THE BALL
BUT IT'S COOL**

IT'S ALL COOOOL

Marijuana State vs. Federal

COLORADO

- Amendment 20 = November, 2000 (Medical)
- Amendment 64 = November, 2012 (Recreational)

UNITED STATES



- 21 USC 812 - Schedule I (high potential for abuse & no medical use - Marijuana, heroin, LSD, etc.)
- “Cole Memo” – August, 2013 – not a “prosecutorial priority”
- “Cole Memo” Rescission – January 4, 2018 – US Attorneys to decide per state
 - Colorado US Attorney = status quo

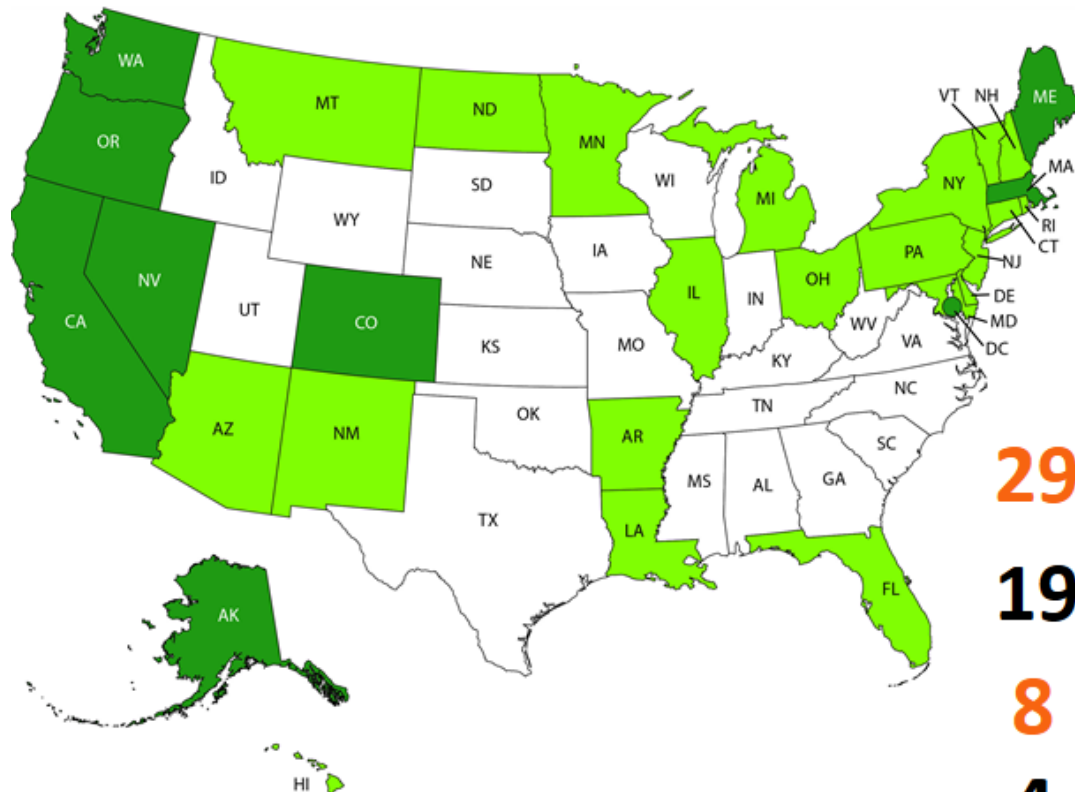
US Marijuana after 11/2016

 Chart of the Week

Marijuana
Business Daily

Marijuana Legalization by State

 States with Recreational Marijuana Laws  States with Medical Marijuana Laws



Key Statistics

59.3%

of the U.S. population now lives in a state where marijuana has been legalized

29 states plus Washington DC have medical marijuana laws ...

19 plus Washington DC have operating dispensaries

8 states plus Washington DC have recreational marijuana laws ...

4 with operating retail stores

Source: Marijuana Business Daily, U.S. Census Bureau

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Marijuana is BIG Business!

- * US Marijuana sales hit nearly \$10 billion in 2017 *
- * Colorado sales \$1.4 billion in 2017 (\$4.4 billion since 2014)***
- * Colorado tax revenue \$250 million in 2017***
- * Marijuana projected to be a \$24.5 billion dollar business by 2020 **
- * California recreational to be lead driver in growth
- * US Marijuana projected to employ more than 250,000 people by 2020 **

* Arcview Market Research 2017

** NewFrontier Data - 2017 Cannabis Industry
Annual Report

*** Colorado Department of Revenue

Challenges

- * Conflict between Federal and State drug law
 - * Real Estate Transactions (“illegal” federal implications)
 - * Loan Covenants
 - * Insurance (property & title)
 - * Banking
 - * On-going uncertainty
 - * Political environment
 - * US Attorney to decide prosecutorial priorities
 - * Marijuana “Gray” Market
 - * Health & Safety, Odors, Property Marketability
 - * HB 1220 (plant count limits)
 - * HB 1221 (enforcement money)

Detective Adam Hughes
Colorado Springs Police Department
Metro Vice, Narcotics and Intelligence

