



## A Blazing Start

### One year in, Colorado's experiment with retail marijuana has been a sweeping success.

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Legal retail weed in Colorado turned one year old this month. While legalization remains more experimental than established at this point, the early returns make a compelling case that the first year was a sweeping regulatory success in the Rocky Mountain State.

Exhibit A: what didn't happen in 2014. Despite the [nightmare scenarios that anti-legalization advocates foretold](#), there was [nothing to suggest](#) a major jump in marijuana use among Colorado teens. The number of drug-related crimes in the state [held steady or dropped](#). And the spike in traffic fatalities resulting from drugged driving that naysaying opponents had predicted [failed to materialize](#). Yes, a lot could still change as the nascent retail market matures, but it's now clear that the state's first-of-its-kind experiment with recreational weed is off to a blazing start.

Colorado voted to make recreational pot legal in late 2012, and the state spent the next year crafting an [innovative licensing system](#) to tax and regulate retail sales, which then began on New Year's Day 2014. The rollout has gone so well that Gov. John Hickenlooper, who once said Colorado voters were "reckless" to legalize weed, has [changed his tune](#). "To date, evidence shows that our regulatory system is beginning to work," the Democrat declared [during his State of the State speech](#) Thursday. Likewise, U.S. Attorney General Eric Holder has said he's now "[cautiously optimistic](#)" about how things will ultimately pan out in Colorado. That doesn't sound like a ringing endorsement until you remember that his Justice Department still classifies pot on par with heroin. Even some Republican state lawmakers who originally opposed legalization have done an about-face now that they've seen the new policy in action. "I just [originally] had the same knee-jerk opinion as all of the other elected officials," [state Sen. David Balmer told the Wall Street Journal](#) last week. Think tanks from both sides of the aisle have also offered their own qualified endorsements. The Brookings Institution has called the rollout "[largely successful](#)," while a [Cato Institute working paper found](#) the new law "had minimal impact on marijuana use and the outcomes sometimes associated with use."

That's not to suggest that the retail rollout has been perfect—it hasn't. There has been plenty of justified [handwringing about inexperienced users accidentally overindulging](#) by consuming more-potent-than-expected weed, or mistaking a pot-infused brownie as a single serving when in reality it was meant for a party of 10. The number of pot-related calls to Denver's Rocky Mountain Poison and Drug Center last year reportedly topped 200 by the end of November, nearly twice the number made during all of 2013. And, according to the [Journal of the American Medical Association](#), some local hospitals also saw an increase in the number of patients arriving in their waiting rooms while uncomfortably high. But there is only so much we can glean from that anecdotal evidence; the more immediate takeaway when it comes to safety is that despite the increase in users and freak-outs, pot-related deaths and serious injuries have remained nearly nonexistent.

Things are on pace to get even better this year. State regulators are at work tweaking the rules to address those existing safety concerns. They're ramping up potency testing and considering changing how edibles are packaged. There's good reason to believe that Maureen Dowd's next [canna-venture to Colorado](#) will provide a much more mellow high than her first one.

Pot proponents and state regulators, meanwhile, can point to more than simply the absence of negatives for proof of their success. Retail and medical weed generated [more than \\$60 million](#) in tax and licensing revenue for the state in 2014, the lion's share of which is helping to pay for school construction and the regulatory system that legalization requires. Opponents looking to nitpick can—and do—point to the fact that the total is a far cry from the \$100 million windfall that state officials predicted at the start of last year. But even though legalization advocates hyped a major influx in tax revenue as a selling point, evaluating legal weed on a metric tied so tightly with consumption has always been an awkward proposition. The goal, after all, was never to encourage more people to light up a joint or gobble down a brownie. More revenue would be better, but too much more would represent its own type of problem.

Still, comparing actual tax revenues to expected ones can serve as an imperfect proxy for one of the state's chief goals: moving sales from the illegal and medical markets into the retail one, where the transactions can be better-regulated and more heavily taxed. That remains a challenge for the state, particularly given how easy it is to get a prescription to buy medical marijuana. Still, even in that respect, 2014 finished with good news. While medical marijuana made up more than half of pot legally sold in the state last year, sales dropped [17 percent to their lowest monthly total of the year in November](#), the most recent month for which the state has tallied the numbers. It's just one month, of course, but it at least raises the possibility that the retail market is beginning to attract some users who might have otherwise opted for cheaper medical weed.

In a perfect world, the retail market would have already resulted in the end of the black market, but each new dollar in taxes last year was one more than the state would have had otherwise. Focusing on only the incoming side of the ledger also doesn't tell the full story. According to a [2010 Harvard study](#), Colorado was spending an estimated \$145 million every year enforcing its marijuana laws. It's safe to assume that the state was able to spend significantly less last year now that retail weed is legal. Fewer pot-related arrests, meanwhile, mean a [more racially fair justice system](#), while simultaneously decreasing the societal and [economic costs of incarceration](#).

So, case closed? Of course not. It remains to be seen how the consumers will react as more states get in on the legalization action, or what impact eventual consolidation in the pot business will have on the product and the user experience. But, one year in, the outlook for the state's great pot experiment is getting less hazy by the day.