



## **The High Price of Freedom**

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August 23, 2018

The libertarian Cato Institute released its annual report this week ranking the freest states in the nation and, perhaps unsurprisingly, California ranked among the very bottom, 48th out of 50.

But the list, which ranked states through a libertarian lens based on personal and economic freedoms across 230 policy variables, including taxation, gun freedoms, civil liberties, incarceration rates and education, also included a few surprises. Among them was the Cato Institute's opinion that California is the very freest state in the nation when it comes to cannabis.

We couldn't help but chuckle. While the Golden State is the largest and most notable to roll out adult-use recreational legalization, few would argue that it's taken a libertarian approach. If you ask farmers and distributors struggling to come into compliance with hundreds of pages of seemingly ever-changing regulations, you're likely to hear an anti-government rant that could make Ron Paul blush.

The state of California, meanwhile, just reported that it brought in around \$74.2 million in marijuana industry tax revenue during the second quarter of 2018, up about \$14 million from the first quarter, representing what the state dubbed a "growing" trend.

But the \$134 million in tax revenue through the first six months of the year is still far short of the \$185 million the state had projected to haul in. An industry survey, meanwhile, offered a possible hypothesis as to why revenue is lagging, finding that one in five Californians bought marijuana from an unlicensed source over the past three months, with 84 percent saying they were "highly likely" to do so again because of the higher prices and taxes that come with buying from licensed retail establishments.

Earlier this month, lawyers in Calaveras County filed a class action lawsuit seeking to win back roughly \$16 million in taxes and fees paid to the county by cannabis growers looking to step into line for state and local licenses.

The lawsuit alleges the county "unlawfully compelled" growers to pay mandatory taxes and registration fees in 2017 to come into compliance before passing an ordinance banning all commercial cannabis cultivation the following January.

Andrew Greer, CEO of Golden State Herb and a plaintiff in the case, called the move a "bait and switch," alleging county officials took the cannabis cash in an effort to balance the county's budget while all the time planning to impose the moratorium. A hearing on the case is scheduled for Dec. 5.

*The Atlantic* published a long-form exploration of the link between the cannabis legalization movement and increased instances of cannabis addiction.

But before you snicker and dust off those Doritos and couch potato jokes, consider this: The article points to peer-reviewed studies indicating that the number of adults with self-described cannabis-use disorder nationally has doubled since the early 2000s, with the number of consumers reporting daily or near-daily use having jumped by about 50 percent.

Researchers interviewed for the story warned that the legalization movement — reacting to federal prohibition — has overstepped in selling cannabis as a natural, non-addictive alternative to other vices. "They argue that state and local governments are setting up legal regimes without sufficient public-health protection, with some even warning that the country is replacing one form of reefer madness with another, careening from treating cannabis as if it were as dangerous as heroin to treating it as if it were as benign as kombucha," the article states. (Side note: *Atlantic* contributing editor Annie Lowrey evidently needs to be schooled on the dangers of kombucha. We suggest starting with our Aug. 10, 2006 cover, "Kombucha Culture." Trigger warning: There's an anecdote about a kombucha-linked case of Strep-vaginitis.)

Add to the mix the steadily escalating potency of available cannabis products, the national thirst for pseudo wellness science and the widespread commercialization of another "vice product" and Mark A. R. Kleiman, a professor of public policy at New York University, tells *The Atlantic* that the legalization movement does "have a lot on its conscience now."

In the words engraved into a wall at the Korean War Veterans Memorial, it seems "freedom is not free."