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## Marijuana Ballot Question Could Bring Massive Spending

JEFF BRINDLE • May 28, 2019, 3:28 pm

The potential for a ballot question next year asking the public to decide whether or not to legalize recreational marijuana foreshadows huge spending by independent, outside groups.

Keep in mind that it was just three years ago that New Jersey had its most expensive ballot contest ever- a \$25 million election in which voters balked at allowing casinos outside of Atlantic City.

A ballot initiative involving legalized marijuana also would surely invite millions of dollars of spending by special interests attempting to influence the people to support or oppose legalization.

Given this potential, enactment of legislation that would require independent groups to disclose their donors and expenditures is of increasing importance.

The public deserves to know who is behind efforts to influence policies of such significance and enactment of a “dark money” disclosure bill would accomplish that goal.

While the push to legalize recreational use of marijuana in New Jersey has temporarily stalled in the Legislature, the issue now appears to be headed to the 2020 ballot.

Meanwhile, the Legislature is moving ahead with plans to expand the use of cannabis for medical purposes. It was first legalized for medical use in January 2010.

A bill transferring administration of the medical marijuana program from the Department of Health to a regulatory commission was passed by the Assembly May 23 and will be making its way for a vote in the Senate.

This legislation also increases the number of marijuana dispensaries, the number of medical ailments qualifying under the program, and the type of health care practitioners eligible to prescribe marijuana use.

A second bill involving decriminalization of cannabis is also under discussion.

Although the initial campaign to have the Legislature authorize recreational use of marijuana failed to muster enough support to gain passage, the fact that medical marijuana is swiftly moving forward and plans are afoot for a ballot initiative demonstrates that the push for recreational use of marijuana is far from over.

Too many well-healed interests are investing in this issue to allow it to wither on the vine.

Spending on lobbying for or against recreational marijuana has already occurred, mostly on behalf of pro-marijuana interests.

According to a recent analytical press release issued by the Election Law Enforcement Commission (ELEC) \$1.4 million was spent in 2018 on lobbying for or against recreational marijuana.

This amount, largely spent on traditional, old-school lobbying by special interests, represents a 319 percent increase over the \$330,000 spent in 2017 attempting to influence officeholders on legalization.

With a ballot initiative looming, special interests will change tactics and turn to issue advocacy in an effort to mobilize the public to support or oppose recreational marijuana use.

In undertaking this grassroots approach, significant money will be spent on broadcast and digital advertising, and perhaps even direct mail. Without legislation, the public could be kept in the dark in terms of who is bankrolling the campaign.

One indication that spending to influence the outcome of a ballot question will climb into the millions is the recent interest by major corporations in investing in the marijuana industry in New Jersey.

Recently, Altria, a major tobacco company, invested \$1.8 million in Cronos Group, a cannabis company. Further, Harvest Health and Recreation is interested in purchasing Canna Pharmacy and Verano Holdings, two U.S. cannabis companies that have interests in New Jersey.

Both of these items were reported by Politico.

In another sign that spending will be heavy, we only need to look to history. Ballot questions involving consequential- and often- controversial measures have historically resulted in significant spending by special interests.

For example, two ballot measures involving casino gambling witnessed an inflation adjusted \$6 million spent in 1976 and \$25 million in 2016. Likewise, business, labor, and certain ideological groups spent \$10 million in 2013 attempting to influence the outcome of a minimum wage ballot question.

Finally, when public questions involving recreational use of marijuana appeared on ballots in eight other states, more than \$82 million was spent for and against legalization.

On May 13, 2019, Governor Phil Murphy conditionally vetoed S-1500 (Senator Troy Singleton, D-7) / S-1524 (Assemblyman Andrew Zwicker, D-16). This legislation, approved with near unanimous, bipartisan support in both houses, would require disclosure by independent groups spending on elections and issue advocacy.

With a consequential ballot initiative to be placed on the ballot in the near future, along with the potential for independent groups to spend millions of dollars to secure an outcome beneficial to their interests, there is no better time than now to enact legislation that will prevent these groups from going dark.

Hopefully, the Legislature and the Governor can come together to achieve this transparency that is so important to the public.

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*The opinions presented here are his own and not necessarily those of the Commission.*