Statement to the Judiciary Committee on the CCEA analysis of the economic and fiscal impacts that would flow from passage of Governor’s Bill No. 16.

The Marijuana Policy Project has just contracted with CCEA to analyze the likely economic and fiscal impacts of the passage of Governor’s Bill No. 16 specifically on Connecticut. While CCEA is only now beginning the analysis, we already know from experiences in other states that have already legalized recreational use of marijuana that such legalization has delivered broad economic impacts—significant job creation and improved household incomes—and has generated significant net fiscal benefits for the state.

It is worth pointing to a few salient data examples. In 2017 (the most recent comprehensive data that we have), direct employment in states with recreational use reached nearly 90,000; inclusion of indirect and induced jobs would drive this number significantly, perhaps to 150,000; tax revenues that year were almost $1.4 billion. More recent data for Colorado shows it collected over $300 million in tax revenues from the cannabis industry in 2019; total collections since legalization in 2014 exceed $1.2 billion. I’ve attached data compiled by the Marijuana Policy Project on tax revenue collected by each adult-use state thus far.

None of the data we have seen have included an analysis of the additional benefits that come from decriminalization in terms of employability and household stability. We know from an earlier study done for the Better Way Foundation on alternatives to incarceration that these benefits are substantial.

In sum, CCEA will project the future impacts of Governor’s Bill No. 16 in terms of aggregate job creation (direct, indirect, and induced) and fiscal benefits in terms of gross and net tax revenues over a multi-year time horizon, using the REMI dynamic impact model of Connecticut; REMI has been the designated model for such studies since the Weicker administration.

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