The midterm elections moved more states into the legalized marijuana category. Voters in Michigan approved a ballot measure to make marijuana legal and to regulate businesses involved in selling it. That vote brought to ten the number of states with legalized recreational marijuana.

Medical marijuana laws exist in 33 states now, with Missouri and Utah added after voter referenda were approved in the November elections.

“This election proves that U.S. voters are ready and eager for comprehensive cannabis policy reform at the state and federal level,” said Aaron Smith, executive director of the National Cannabis Industry Association, in a press release. The association advocates that Congress allow states to determine their own cannabis policies.

“States are learning from other states,” Beau Whitney, an economist with New Frontier Data told CSG, referring to how states have regulated marijuana and how states have used taxes to generate revenue for their general funds.

Whitney said that states can expect to generate revenue from legalized marijuana. In 2016, Oregon collected $200 million, he said.

“Generally, regulators set business fees to cover the costs of state regulation; sales taxes go into state coffers,” he said.

New Frontier Data recently completed a report on jobs and taxes that would be generated from full federal legalization of marijuana. Their analysis projected that payroll taxes, business taxes and a 15 percent federal sales tax would generate $108 billion over a seven-year period.

“By bringing the cannabis industry into the light, it brings jobs that have typically been under the table into the light,” he said. Whitney said that payroll taxes really add up.

An additional economic impact of legalization would be that law enforcement could refocus its priorities utilizing savings from less incarceration and less court costs.

Whitney will be a speaker at the CSG 2018 National Conference in Northern Kentucky-Greater Cincinnati on Friday, Dec. 7 at 8 a.m. during the Growing Green: Marijuana Policy Impacts on State Budgets session, which will provide an overview of the fiscal landscape for states including economic development through job creation and tax revenues as well as the impacts on state budgets.

Doug Friednash, former chief of staff to Colorado Gov. John Hickenlooper, will join Whitney and share how his state set up the regulatory and tax frameworks for marijuana legalization and the challenges Colorado faced with rollout and implementation.