THE COLLABORATIVE

Legalization of Marijuana in Rhode Island

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What would be the potential economic, social, and health impacts if Rhode Island were to legalize marijuana?

Marijuana Use in Rhode Island by Age Group

Rhode Island has the 3rd highest rate of adolescent marijuana use and the 4th highest rate of adult marijuana use in the country.

Racial Disparities in Marijuana Arrests in Colorado

Racial minorities are much more likely to be arrested and convicted for marijuana offenses, despite the fact that they are less likely to use drugs than whites. While legalization has not completely erased racial disparities in Colorado, the ratio of arrests between African Americans and whites has decreased.
Should Rhode Island follow the lead of states like Colorado and Washington and fully legalize, tax, and regulate marijuana?

**CHALLENGE**
Over the past two decades, 23 states legalized medical marijuana, including Rhode Island in 2006; 14 states decriminalized possession of small amounts of marijuana, including Rhode Island in 2012; and 4 states fully legalized recreational adult use of the drug.

The majority of Americans (58%) and Rhode Islanders (57%) support legalization, and bills to legalize, tax, and regulate recreational marijuana are currently under consideration in Rhode Island and neighboring states.

**RESEARCH**
This study explores the likely impact of legalizing marijuana in Rhode Island, focusing on potential economic consequences, social justice concerns, and public health considerations. It draws on evidence from other states that allow the medical and recreational use of marijuana, particularly Colorado and Washington, to understand their experiences with legalization.

**FINDINGS**
Current marijuana laws may be economically costly to Rhode Island and lead to racially discriminatory outcomes in the criminal justice system. However, there are many public health considerations to be taken into account, and it is not yet clear how legalization affects long-term health outcomes. Research shows that states with higher rates of marijuana use tend to be states that have more relaxed marijuana laws, though it is unclear whether one causes the other.

**INSIGHTS**
If Rhode Island pursues legalization, it might consider following the path of Colorado, Washington, and Oregon and dedicating income from marijuana taxes and fees to abuse prevention, treatment, and research programs. Given the already high rates of marijuana use in Rhode Island, additional resources could help those in need of recovery services and prevent any further increases in use, particularly among adolescents.

In addition, tax revenues from legalized marijuana could also be appropriated to multiple state sectors in need of support, such as public schools, higher education, infrastructure, and economic development.

**State Approaches to Marijuana Regulation and Taxation**
Washington and Colorado both legalized recreational use of marijuana in 2012 and commercial sales of the drug in 2014. Colorado set its marijuana tax rate lower and was able to capture a larger share of the market, potentially leading to greater overall tax revenue.

<table>
<thead>
<tr>
<th>State</th>
<th>Effective Tax Rate</th>
<th>Retail Price Per Gram</th>
<th>Black Market Price Per Gram</th>
<th>Estimated Share of Total Sales Captured by Legal Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington</td>
<td>43.5%</td>
<td>$25</td>
<td>$10</td>
<td>30%</td>
</tr>
<tr>
<td>Colorado</td>
<td>27.9%</td>
<td>$15</td>
<td>$10</td>
<td>70%</td>
</tr>
</tbody>
</table>

* Relative prices and tax rates have changed since 2014
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