

Legalize Recreational Marijuana in West Virginia to Increase Tax Revenue, Create Jobs, and Make Communities Safer

Executive Summary

Although West Virginia legalized the medical use of marijuana, it has one of the [harshes penalties in the nation](#) for recreational use - a possible 90 days in prison for the first offense for possessing any amount. In contrast, more than 50% of states have legalized the recreational use of marijuana. And, [70% of West Virginians](#) support marijuana legalization at the federal level. Benefits to legalizing marijuana include increased tax revenue, decreased costs of enforcing drug laws, job creation in the marijuana industry, and safer communities due to less criminal activity.

Criminalizing Marijuana Loses Money for West Virginia

West Virginia has historically punished the possession and sale of marijuana through criminal penalties. [A criminal record is a significant barrier to employment](#) for affected individuals, so criminalizing drug abuse makes it harder for many people in the state to find jobs. Marijuana arrests are a major source of criminal records in the state. Among states in which marijuana is illegal, [most drug arrests are for marijuana-related offenses](#), including possession of the drug. Criminalizing marijuana also increases racial inequality in West Virginia, because the brunt of the enforcement of drug crime falls on people of color and impoverished individuals.

From a societal perspective, [about 1650 individuals](#) were arrested in West Virginia for marijuana possession or sales in 2021. The time these people spent in court and prison reduces the time they are able to work, provide tax revenues to their communities, and provide for their families. Taxpayer dollars may then end up going towards funding programs such as SNAP or SSI for families left without a main earner.

Legalizing Marijuana Generates Revenue for West Virginia

According to an analysis by the West Virginia Center on Budget and Priorities (see table below), financial benefits to the state could include \$45 million in tax revenue from sales. In states where marijuana is legal, it has been shown to [generate substantial tax revenue](#) that can be used to fund initiatives such as education, public safety, and drug treatment or other health programs. In Nevada, for example, [tax revenue from state-regulated marijuana sales](#) goes to fund education and local governments, among other initiatives. A boost from legal and regulated marijuana sales could provide extra funding to the state government.

Another economic benefit from marijuana legalization is the creation of new jobs related to selling, growing, or processing the plant. [According to a 2022 report](#), there are now 428,059 legal cannabis jobs nationwide. West Virginia currently has the [12th-highest unemployment rate](#) in the country, and has suffered the loss of jobs in key industries that may be difficult to replace in the future.



Key Findings

Legalizing recreational marijuana, including regulating and taxing the sale of the drug, could:

- Generate much-needed tax revenue for important initiatives
- Limit barriers to employment and create more jobs
- Make it easier for individuals to retain or obtain employment.
- Shift revenue towards efforts to combat the opioid epidemic

Key Findings from WV Center on Budget & Policy Report

Finding # 1	With a 25% tax on marijuana sales, the state could collect an estimated \$45 million annually. An additional \$194 million could be earned from out-of-state visitors.
Finding # 2	West Virginia spent more than \$17 million enforcing marijuana laws in 2010. Much of this enforcement burden was carried by people of color.
Finding # 3	The marijuana industry could add a significant amount of jobs in the state, both through the cultivation and sale of marijuana plus tourism.
Finding # 4	Marijuana may provide a safer and less-addictive alternative to opioid drugs. West Virginia has suffered one of the highest rates of opioid overdoses recently.

Social Benefits from Legalizing Marijuana in West Virginia

West Virginia consistently suffers among the [highest number of drug overdose deaths](#) per capita, much of it due to the ongoing opioid epidemic. Legalizing marijuana may help to turn the tide on the state's opioid epidemic. [Evidence](#) suggests that more liberal marijuana laws can reduce the number of opioid prescriptions filled in a state. Legalizing, regulating, and taxing marijuana could also help to shift some resources away from law enforcement and towards costly programs such as in-patient drug rehabilitation, harm reduction programs, and other initiatives that could help to combat the devastating opioid epidemic.

Incarceration is also very expensive; reducing WV's incarceration rate can save WV taxpayers an estimated [\\$27,458 per year per prison inmate](#), freeing up funding to be spent on education, drug treatment programs, or law enforcement. The incarceration rate resulting from the enforcement of marijuana laws affects people of color and impoverished individuals more as a proportion of the state population. Therefore, criminalizing drug abuse is a major source of racial discrimination within the state. Legalizing marijuana could significantly combat the racial disparities in the execution of justice, keeping more people out of incarceration, and keeping families together.

In states where marijuana is legal, black market sales of the drug contribute to higher crime rates. This is not just for the possession and distribution of the drug, but for other criminal activity, such as gang-related violence. Thus legalizing marijuana could help to reduce criminal activity by choking off the black market.

Concerns about Marijuana Legalization

One concern among opponents of marijuana legalization is that it will lead to increased usage rates and negative public health outcomes, including but not limited to more [impaired driving](#) and [workplace safety issues](#). Some also still cite marijuana as a ["gateway" drug](#), and thus see its legalization associated with higher usage rates of other, more deadly, drugs. It is unclear whether some of these arguments are based on research from U.S. states that have already legalized the drug, but they nonetheless do generate some political sway against the legalization of marijuana.

Conclusion

This policy brief lays out some of the benefits of legalizing recreational marijuana in West Virginia. Legalization could benefit the state financially, and also contribute to the goals of reducing inequality in and shifting funds away from the criminalization of marijuana towards drug treatment.

For More Information: This policy brief was written by Dr. Crosby Hipes, Assistant Professor at WVU Institute of Technology. Email: crosby.hipes@mail.wvu.edu

