Colorado versus Texas and the Legalization of Marijuana

Background

According to a 2017 poll, 44 percent of American adults use marijuana on a regular basis. As of 2018, the U.S. government has the right to, and does, criminalize marijuana in all states. This right stems from, among other areas, the 2005 U.S. Supreme Court case of Gonzales v. Raich, which upheld the right of the federal government to ban marijuana use in all states. Before the 20th century, marijuana plants in the U.S. were relatively unregulated, and were a common ingredient in medicines. Recreational use of marijuana was thought to have been introduced in the U.S. early in the 20th century by immigrants from Mexico. In the 1930s, marijuana was linked in several research studies, to crime, violence, and anti-social behavior.

Objections to marijuana may have increased as part of the U.S. temperance movement against alcohol; or because of fears associated with Mexican immigrants. In the 21st century, marijuana is illegal in the U.S. ostensibly due to moral and public health reasons, and because of continuing concern over violence and crime associated with the production and distribution of the drug. Notwithstanding federal regulations, many states have voted to legalize marijuana within their borders. (White, 2018)

On November 6, 2012 Colorado became one of those states when its voters passed Amendment 64 legalizing the recreational use of marijuana by adults. In an interview with The Huffington Post, the authors/researchers behind the book "Marijuana Legalization: What Everyone Needs To Know" (Caulkins, 2016) pointed out that the measure in Colorado was truly groundbreaking in that Amendment 64 allows adults 21

and older to purchase up to one ounce of marijuana from specialty marijuana dispensaries. (Ferner, 2012)

On April 13, 2017, Click2houston.com posted an article entitled, "*No, marijuana hasn't been legalized in Texas*" (Barker, 2017). This article was in response to false online postings suggesting that Texas had followed Colorado and legalized the use of marijuana. It was not true. Marijuana, except for some very narrowly defined medical purposes, use in Texas remains illegal.

Texas and Colorado share many characteristics in common. They share a common survival language, and commonalities in their government and legal structures. Colorado has a smaller population than Texas, a larger white population, and may be slightly more educated, as indicated in the table below; but overall the demographics are not extremely dissimilar.

	Colorado	Texas
Population estimates, 2010	5,029,325	25,145,100
Race Division		
White alone, not Hispanic or Latino, percent	68%	42%
Hispanic or Latino, percent(b)	22%	39%
Black or African American alone, percent(a)	5%	13%
Other	5%	6%
Age		
Persons under 18 years, percent	23%	26%
Between 18 and 65	63%	62%
Persons 65 years and over, percent	14%	12%
Homeowership		
Owner-occupied housing unit rate, 2012-2016	64%	62%
Education		
High school graduate or higher, percent of persons age 25 years+, 2012-2016	91%	82%
Bachelor's degree or higher, percent of persons age 25 years+, 2012-2016	39%	28%

Source: U.S. Census Bureau QuickFacts (U.S. Census Bureau 2018)

Additionally, according to DailyMail.com as of January 22, 2018 the following states have legalized marijuana within their state boarders: (Vermont 9th State Legalize, 2018)

As can be seen on the map, both Colorado and Texas are relatively close geographically and share neighboring states which have legalized marijuana for some purposes.

Research Question

Why than has Colorado legalize recreational marijuana and Texas not?

In order to develop potential answers to this research question further review of each states' economic, political and social structures are explored below.

Colorado's Differentiating Characteristics

Colorado's gross domestic product (GDP) for 2017 was $342,748 million. (Bea 2018) Marijuana sales for 2017 were $1,508 million (Marijuana Sales, 2018) or .44% of GDP and marijuana taxes, licenses, and fee revenue collected by the state was $247 million (Marijuana Tax, 2018) or .07% of GDP.

Colorado generates most of its revenue through service industries. In fact, about four-fifths of the state's economy is derived from service industries. The highest level of service revenue is from community, business and personal services (private health care; hotels and ski resorts; and engineering, legal services, and software development). Second are the finance, insurance, and real estate industries. Wholesale and retail trade services rank third. Retail outlets include automobile dealerships, food stores and restaurants (Netstate, 2018) (and now, of course, marijuana dispensaries).

Colorado's percentage of adults who are "highly religious" is about 47% (Lipka & Wormald, 2016)

The Colorado constitution allows direct participation of the electorate by initiative, referendum, recall and ratification. Colorado is a political swing state which means it could reasonably be won by either a Democratic or Republican presidential candidate. The incumbent Governor, elected in 2010, is a Democrat, and his predecessor, was also a Democrat. Following the 2014 election, of Colorado's seven members of the United States House of Representatives, four are Republicans and three are Democrats. The Colorado Senate is composed of 18 Republicans, 16 Democrats and one independent. In 2010, however, Republicans made big gains in the state and took

control of the Colorado House of Representatives. However, swinging back, the

Democrats regained the Colorado House by a large margin during the 2012 election.

Currently, the Assembly is split with Democrats controlling the House and Republicans

controlling the Senate. The alternating and divided political control demonstrates

Colorado's variation in partisan control. (Politics of CO, 2018)

Texas's Differentiating Characteristics

Texas's gross domestic product (GDP) for 2017 was $1,696,206 million (Bea,

2018); almost 5 times the size of Colorado's GDP.   If Texas had a similar total revenue

from marijuana sales as Colorado it would only be .09% of GDP while similar taxing

revenues would only be .01% of GDP, which is a much smaller impact than it was on

Colorado..

Unlike Colorado, Texas does not generate most of its revenue from the service

sector. In fact, among the states, Texas is ranked first for total livestock and livestock

product receipts. It is ranked second for total agricultural receipts. In terms of revenue

generated, Texas's top five agricultural products are beef cattle and calves, cotton,

broilers (young chickens), greenhouse and nursery products, and dairy products. Texas

is a leading manufacturing state. Ranking first within the state's manufacturing is

computers and electronic equipment. The manufacture of chemicals is second within

the state. Ranking third is the food processing sector with beverages the majority

products. Beer, soft drinks, baked goods, preserved fruits and vegetables and meat are

important products of this sector. Texas leads all the states in the total value of its

mined products, producing large quantities of oil and natural gas. The biggest service industry in Texas is the community, business and personal services group. Being a leading petroleum producing state, engineering firms that service oil and natural gas companies are the source of a greatest income in the services sector. (Netstate, 2018)

Texas' percentage of adults who are "highly religious" is about 64%. (12) 17 percentage points higher than in Colorado.

Texas is one of eighteen states which do not permit any form of initiative, referendum, or recall. (TX Politics Project, 2018) Starting in the late 1960s, the Republican Party began to become more prominent within the state. By the mid-1990s, the Republican Party became the state's dominant political party. Republicans control all statewide Texas offices, both houses of the state legislature and have a majority in the Texas congressional delegation. This makes Texas one of the most Republican states in the U.S. (Politics of TX, 2018)

Potential Explanations / Hypotheses

Based on the above differences between the states, below are three potential hypotheses as to why Colorado has legalized marijuana and Texas has not.

Hypothesis #1 - Political party allegiances.

Colorado's elected officials are have a significant affiliation with the Democratic Party while Texas is mostly Republican. The Democratic Party has been, within more recent history, associated with a more liberal Millian political philosophy. As such they may be more agreeable to allowing greater civil liberties. The Republican Party has tended to be more fundamental in attitude leading to less tolerance and more restrictive toward liberties. Thus it may be that the different political persuasions of the two states are a cause for the differences in marijuana laws. That is, the larger the Democratic Party's influence in the state the more likely that legalization of marijuana will occur.

Hypothesis #2 - Citizen access to legislative process.

Colorado allows electorate participation through initiatives and referendums. The initiative and referendum processes allow voters to directly express their legislative will and have a proposed law placed on the ballet. This process allows voters to bypass the representative legislator system. Texas does not permit this direct electorate expression but rather requires that elected representatives initiate and legislate proposed new laws. It may be that the will of the voters is being muted by the more representational system used in Texas thus reducing the likelihood of changes in the marijuana laws. Therefore, it may be that the more direct access by the voters to the legislative process the more likely that legalization of marijuana will occur.

Hypothesis #3 – Perceived business and state economic contribution

In 2017 the total business revenues and state tax revenues from marijuana sales, as a percentage of state GDP, were a more noticeable amount for Colorado than similar revenues would have been for Texas. It may be that the perceived or forecasted revenues, as a percentage of total state GDP, associated with the legalization of marijuana may increase the likelihood of changes in the marijuana laws. Therefore, the lower the impact on the overall state economy from the legalization of marijuana the less likely that legalization of marijuana will occur.

Corollary Note to Hypothesis #3: If marijuana became federally legal allowing for its transportation across state lines, Texas would have a substantially attractive economic opportunity to utilize its agricultural and food processing industries to grow, process, and sell marijuana nationally.

In conclusion, among the possibilities why Colorado legalized the use of marijuana and Texas did not are the differences in political party allegiances, citizen direct legislative action differences, and perceived state economic contribution. One possibility not explored relates to the degree of religious affiliations within the different populations. Finally, one interesting prospect is the degree to which there is a limit to economic potential associated with national illegality of marijuana production.

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