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Committee on Judiciary
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*Subcommittee on Crime, Terrorism and
Homeland Security*
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Marijuana Laws in America: Racial Justice and the Need for Reform

Chairwoman Bass and members of the Subcommittee on Crime, Terrorism and Homeland Security thank you for the opportunity to testify today. My name is Malik Burnett, I am a physician by training and currently serve as the Chief Operating Officer of the Tribe Companies, a minority owned multi-state cannabis company with operations in California, Massachusetts and Washington DC.

I have provided testimony to many state and local legislatures on the regulatory aspects of medical cannabis, and cannabis for adult use but it is with great pleasure that I come before you today not to talk about whether ending cannabis prohibition at the federal level is good public policy; but to discuss the best ways to go about ending cannabis prohibition and restoring the communities devastated by the war on drugs.

It is an unmitigated fact that the state of cannabis policy today is best described as a tale of two Americas; in one America there are men and women, most of them wealthy, white and well connected, who are starting cannabis companies, creating jobs and amassing significant personal wealth, and generating billions in tax dollars for the states which sanction cannabis programs. In the other America, there are men and women, most of them poor, people of color, who are arrested and suffer the collateral consequences associated with criminal conviction. 659,700 Americans were subject to this reality in 2017, 91% of those for merely possessing the substance. **We have to do better; the status quo is unsustainable.**

Drug policy in America is, and has always been, a policy that is based on racial and social control. From the passage of the Marijuana Tax Act in 1937, with its race-based motivations, to the passage of the 2018 Farm Bill, legalizing commercial hemp cultivation and production; the laws and policies created in the legislative body have the power to shape the social determinants of health for every American. With this in mind, you will hear arguments today that suggest when it comes to cannabis policy, this legislative body should do what is most politically expedient. "Just get the federal government out of the way, and let the states handle the issue," is how the argument goes. This argument is not only intellectually lazy, but it is blind to the historical harms associated with the current policy, and will ensure that the vast majority of the economic gains associated with this new industry go to a select few. **An effective "whitewashing" of cannabis history in America.**

Congress should instead take an intentional approach to cannabis policy reform with the concept of restorative justice as the guiding principle. The body should look to states like California, Massachusetts, and most recently Illinois, for policies that utilize tax revenue generated from the sales of cannabis to promote community reinvestment including programs for record sealing and

expungement, job training, financing public schools, parks, and recreational infrastructure, and medical and public health research. Make no mistake about it, the economic impact of legal cannabis markets is significant, for every one dollar spent within the cannabis industry, approximately \$2.30 of economic activity is generated within a local economy.¹ Approximately 64,000 jobs were created nationwide in 2018, with just 20% of the US population living in states with adult use access.² Focusing legislative efforts to create incentives which ensure that the economic potential of this industry is shared across communities and that employee bases are comprised of a diverse set of workers is a worthwhile goal and well within reach at the federal level, **examples like the Marijuana Justice Act and the RESPECT Resolution provide a solid framework upon which more progress can be made.**

In addition to more effectively utilizing tax revenue to restore harmed communities, Congress can take steps towards making the banking environment more friendly for small business development within the industry. **While most discussions on cannabis and banking, rightfully revolve around the public safety issues of dealing in cash, a lack of banking access also plays a determinative factor in who can participate in the industry.** Without small business lending, all cannabis companies must rely on angel investors, family offices, or high interest debt financing vehicles in order to get the needed capital to start a business. **The vast majority of this capital does not come from diverse sources and this is a significant contributing factor to the lack of diversity in the industry.** Some states, like Massachusetts are working to solve this problem by creating equity applicant programs and licenses earmarked for smaller footprint businesses. However, by opening up banking access and even developing SBA lending programs targeted towards diversifying the industry, the Congress can support these developments at a broader level.

Overall, it is important that Congress make a concerted effort to provide legislative solutions to close both the economic and enforcement divides which exist in cannabis policy in America today. A successful legislative effort takes a comprehensive approach to cannabis addressing both the banking and taxation issues, as well as the criminal and economic justice issues, leaving no one behind. **Much has been made of the need for reparations in recent political times, in the context of cannabis, the convenient argument that “none of us currently living are responsible” goes out the window. All of the lawmakers currently living have a responsibility to right the wrongs associated with cannabis prohibition occurring today.** This starts with passing legislation centered around restorative justice. Thank you for your time and I look forward to answering your questions.



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¹ Light et al. *The Economic Impact of Marijuana Legalization in Colorado*. Marijuana Policy Group. October 2016. p.5

² Cox, J. *The marijuana industry looks like the fastest growing job-market in the country*. CNBC. March 14, 2019. <https://www.cnbc.com/2019/03/14/the-marijuana-industry-looks-like-the-fastest-growing-job-market-in-the-country.html>