



...working to legalize responsible adult use...

National Organization for the Reform of Marijuana Laws

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Submitted to:

The House Committee on Small Business

Testimony of The National Organization for the Reform of Marijuana Laws
Unlocked Potential? Small Businesses in the Cannabis Industry

The National Organization for the Reform of Marijuana Laws (NORML) – the nation’s largest and oldest marijuana policy reform organization – encourages the passage of pending federal legislation to allow for the Small Business Administration to engage in support for entrepreneurs and small businesses in the nascent yet rapidly growing cannabis industry.

Thirty-three states, Washington, D.C. and the U.S. territories of Guam and Puerto Rico have enacted¹ legislation specific to the physician-authorized use of cannabis. Moreover, an estimated 73 million Americans now reside in the ten states where anyone over the age of 21 may possess cannabis legally. An additional thirteen states have passed laws specific to the possession of cannabidiol (CBD) oil for therapeutic purposes.

NORML acknowledges that the medical cannabis market and the recreational cannabis market are not necessarily one and the same, and that individual consumers of these markets may possess needs that differ from one another.

To date, these statewide regulatory programs are operating largely as voters and politicians intended. The enactment of these policies have not negatively impacted workplace safety², crime rates³, traffic safety⁴, or youth use⁵ patterns.

As these two different legal sectors continue to grow, they will continue to stimulate economic development and created hundreds of millions of dollars in new tax revenue.

According to the New York Times⁶, "[L]istings for cannabis-related positions have rocketed to the top echelon of the fastest-growing-job categories on sites like Indeed and ZipRecruiter. Julia

¹ <https://norml.org/legal/medical-marijuana-2>

² <https://norml.org/marijuana/fact-sheets/item/marijuana-legalization-and-impact-on-the-workplace>

³ <https://norml.org/marijuana/fact-sheets/item/marijuana-regulation-and-crime-rates>

⁴ <https://norml.org/marijuana/fact-sheets/item/marijuana-and-psychomotor-impairment>

⁵ <https://norml.org/marijuana/fact-sheets/item/marijuana-regulation-and-teen-use-rates>

⁶ <https://www.nytimes.com/2019/04/25/business/economy/jobs-in-cannabis-weed-marijuana.html>



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Pollak, a labor economist at ZipRecruiter, said the company's data put the number of cannabis jobs nationwide at 200,000 to 300,000."

Further, state and local excise tax collections on retail adult-use cannabis sales surpassed \$1 billion in 2018 -- a 57 percent increase over 2017 levels, according to data compiled by the Institute on Taxation and Economic Policy⁷.

Data published by the Small Business Administration shows⁸ that small businesses employ 47.5% of the private workforce – or nearly 1 in 2 taxpaying jobs.

Yet the Small Business Association, charged with helping “Americans start, build, and grow businesses,” cannot legally engage in this sector of the economy.

While African Americans and other minorities have historically been disproportionately⁹ targeted and adversely impacted by cannabis criminalization, they are less likely to have the resources to establish a new enterprise in a highly regulated industry. This lack of equity must not persist in an environment where adult use cannabis production and sales are legal.

In order to provide for inclusiveness within the legal industry, federal policy should strive to reduce roadblocks for qualified entrepreneurs in order to encourage participation from formerly disenfranchised populations. Particularly, in consideration for enterprising individuals who would benefit most from the critical resources that the Small Business Committee provides for job creators around the country.

It is for these reasons and more, NORML asks the House Committee on Small Business to advance legislation that would allow the Small Business Administration to engage with entrepreneurs and small businesses.

⁷ <https://itep.org/taxing-cannabis/>

⁸ <https://www.sba.gov/sites/default/files/advocacy/2018-Small-Business-Profiles-US.pdf>

⁹ <https://norml.org/marijuana/fact-sheets/item/racial-disparity-in-marijuana-arrests>