



Peter Franchot
Comptroller

TESTIMONY OF COMPTROLLER PETER FRANCHOT

Support - House Bill 1 - Constitutional Amendment - Cannabis - Adult Use and Possession

Judiciary Committee

February 14, 2022

Chairman Clippinger, Vice Chairman Moon and members of the Committee, it is my pleasure to provide testimony in **support of House Bill 1 - Constitutional Amendment - Cannabis - Adult Use and Possession**. I would like to thank Delegate Luke Clippinger for sponsoring this important legislation, the Committee for providing the opportunity for my testimony to be heard, and the House Cannabis Referendum and Legalization Workgroup for its hard work on this crucial issue.

It is time for Maryland to join 18 other states around the country, as well as the District of Columbia and the U.S. Territory of Guam in legalizing cannabis for adult use. I'm especially pleased that this bill requires the voters to have a say in this important question via statewide referendum, and I am confident that this issue will be decided favorably by the will of the people. In survey after survey, the consensus is clear - the people of Maryland have decided that the criminalization of cannabis is wrong, it is an example of outdated thinking, and it has cost too many people too much to continue any longer.

The evidence is clear that the prohibition on cannabis has disproportionately affected Black communities in our State. For example, although White Marylanders are statistically *more* likely to *use* cannabis (55%), Black Marylanders (in 2020) were 50% more likely to be *arrested* for cannabis (59%) than Whites (39%) - and this despite the overall population of Maryland being less than 30% Black. This clear disparity in the harms suffered from decades of prohibition shows the evidence why any framework of legalized cannabis in Maryland must include reparative justice, social equity, and community reinvestment from the outset.

The legalization of cannabis in Maryland must contribute to economic growth in communities that have disproportionately borne the brunt of enforcement for cannabis-related offenses. Maryland should lead the nation in participation for our Minority-Owned Businesses, and it is vital that we avoid creating any roadblocks in the licensing and regulatory process for that to occur.

Socio-economic disparities do not fix themselves on their own. They require thoughtful, deliberate, and proactive policy action to address them. We must level the playing field for Black Marylanders – and legalizing cannabis the right way, with equity at the forefront, must be a part of that effort.

As the agency charged with ensuring proper taxation and compliance of cannabis sales, the Office of the Comptroller stands ready and is committed to working with you and all the members of the General Assembly to create a strong, sound, and fair taxation statutory and regulatory framework. It is our sincere hope that the General Assembly will give careful consideration to feedback and suggestions provided by my senior leadership team, as the creation of a cannabis tax will impact ongoing and future agency operations, including our ongoing tax system modernization project known as COMPASS.

For the reasons stated above, I respectfully request a **favorable report** for House Bill 1. Thank you for your time and consideration.

###