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The MORE Act:

A Comprehensive Guide to Economic Benefits

Overview

On June 18, 1971, President Richard Nixon declared the *War on Drugs*, stating that drug abuse was “public enemy number one.”¹ However, the War on Drugs—unlike its name—was not a war that focused on dismantling drugs in the community, but instead on criminalizing minority communities. **Today, that same War on Drugs has had devastating impacts on African American families and communities in the United States, with African Americans making up 6.5% of the American population, but 40.2% of the prison populace.**² We see this number rise specifically in the criminalization of nonviolent drug offenses, which has led to the incarceration of millions.

Cannabis Industry Today

In 2023, 38 states have legalized cannabis, and the cannabis industry is projected to grow into a \$43 billion industry by 2025.³ This industry shift calls for a prioritization of reviewing the policies put into place during the marijuana prohibition era. *The Marijuana Opportunity Reinvestment and Expungement (MORE) Act of 2020* seeks to decriminalize cannabis, expunging certain cannabis-related criminal records, and creating a more just and equitable society. This policy brief assesses the economic benefits and importance of passing the MORE Act for the African American community.

Background

In 2019, Representative Jerrold Nadler (D-NY-12) introduced the MORE Act in the U.S. House of Representatives. While the legislation passed the House in December 2020, it did not receive a vote in the Senate. On May 28, 2021, Representative Nadler reintroduced the MORE Act in the House and it passed on April 1, 2022.⁴ The bill will be reintroduced in the 118th Congress with the objective of passing in the Senate.

The MORE Act aims to remove cannabis from the list of federally controlled substances, expunge certain cannabis-related criminal records, and create a pathway for reinvestment in the African American communities disproportionately affected by the War on Drugs. If passed, the legislation would end the federal cannabis prohibition. It would specifically remove cannabis from the Controlled Substances Act (CSA) and eliminate criminal

penalties for anyone who manufactures, distributes, or possesses cannabis. In addition, it would create a regulatory framework for the cannabis industry, which would promote responsible business practices and generate tax revenue.



Racial Disparities in Cannabis Arrests Today

While the nation is in an era of cannabis reform, discrepancies remain in policing and in the documentation of data related to marijuana possession arrests. African Americans are arrested for violating marijuana possession laws at nearly four times the rate of whites, yet both groups consume marijuana at roughly the same rates.⁵ Racialized profiling patterns continue to persist in states where cannabis is legal. In 2021, Virginia became the first southern state to legalize simple possession⁶ of cannabis. Despite cannabis arrests declining in the first year after legalization, African Americans still “accounted for nearly 60 percent of marijuana-related cases, even though they accounted for about 20 percent of the state population.”⁷

OTHER NATIONAL STATISTICS:⁸

- In Washington D.C. between 2015 and 2019, eighty-nine percent of the cannabis related arrests were African Americans.
- In New York (2020), people of color comprised 94% of all marijuana-related arrests.
- A 2021 analysis showcased Black Wisconsinites were 4.3 times more likely than their white counterparts to be convicted for having marijuana.
- In Texas, between 2017 and 2019, Black Americans made up 30.2% of all cannabis possession arrests.

The Uniform Crime Reports (UCR) program is responsible for compiling data from law enforcement and reports monthly to the Federal Bureau of Investigation (FBI). While the program examines each state report for accuracy and errors, the states have jurisdiction to use their own methodologies for reporting and recording. Without standardized crime reporting criteria, this leads to discrepancies and variations in how crime is reported and recorded from state to state. The implications of reporting and recording discrepancies advance inaccurate and unreliable data used to make transformative decisions.

Economic Benefits of the MORE Act

1. Expungement

If passed, the MORE Act can create a more just and equitable society. While the damage from the War on Drugs and mass incarceration has been devastating to the African American community, the MORE Act has the potential to rectify these systemic issues. African Americans with criminal records related to cannabis offense related records face barriers to employment, housing, and education, which can limit their ability to participate fully in the economy. Passing the MORE Act would decriminalize cannabis and provide for the expungement of criminal records related to non-violent cannabis offenses.

According to the Center for American Progress, 9 in 10 employers, 4 in 5 landlords, and 3 in 5 colleges and universities now use background checks to screen out applicants with criminal records.⁹ Expungement ensures that individuals negatively impacted by the criminalization of cannabis can re-enter the workforce and contribute to the economy.



2. Cannabis Entrepreneurship

African Americans makeup 14.2% of the nation's population and account for less than 2%¹⁰ of cannabis businesses. Entry into the industry which includes cultivation, manufacturing, distribution, retail sales, and administration careers has its obstacles. For one, the process of obtaining a license to operate a cannabis business can vary and be difficult depending on the state and type of business. Many states "will not let you apply for a cannabis license if you have had a misdemeanor or arrest for possession of any drug including marijuana."¹¹ Access to financial capital also presents hurdles. In Washington, D.C., a standard retail license costs \$8,000. Annual licensing fees can range from \$4,000 to \$16,000. Lenders and funders require upfront capital to ensure that you have enough cash on hand to cover large withdrawals, from a creditor.¹² The upfront capital needed can range from \$250,000 to \$500,000. Further, due to the federal status of cannabis, the "use of regular banks, lenders, or credit cards."¹³ may be restricted, and seeking investors or private banks is necessary to obtain funding.

3. Opportunity Trust Fund

The MORE Act includes provisions for the creation of the Opportunity Trust Fund (OTF) and the Office of Cannabis Justice (OCJ). The creation of the OTF and OCJ can help to stimulate economic growth and job creation in African American communities. The Opportunity Trust Fund would authorize "the assessment of a 5% sales tax on marijuana and marijuana products."¹⁴ The revenue generated from this tax will fund the Opportunity Trust Fund to provide resources to African American communities that have high rates of cannabis-

related arrests. The Office of Cannabis Justice would be responsible for administering grant funding to individuals and organizations and developing policies and programs that ensure African American communities have equitable access to the benefits of the legal cannabis industry. The OCJ would also provide technical assistance and training to state and local governments to help them implement equitable cannabis policies and programs.

4. Small Business Association

By passing the MORE Act, cannabis businesses would have access to Small Business Association (SBA) funding. Currently, cannabis is not eligible for SBA funding because marijuana is still illegal at the federal level. SBA funding provides another option to extend economic opportunities for African American communities seeking entrepreneurship in the cannabis industry. The MORE Act could provide a significant boost to Black entrepreneurship in the cannabis industry and help mitigate the economic harms caused by past discriminatory policies. Funding, accessibility, and resources previously denied due to discriminatory drug policies would be made available through the MORE Act.

Conclusion

The MORE Act would have significant economic benefits for African Americans, including increased entrepreneurship and the expungement of criminal records. Passing the legislation represents a step towards reforming federal cannabis laws and addressing the social and economic injustices that have resulted from the War on Drugs and mass incarceration. Current federal cannabis laws are outdated, inconsistent, and unjust. Policymakers should prioritize passing this legislation and work to ensure that each provision within the MORE Act is upheld and implemented to properly address historical inequalities and promote social justice.

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