



To:

June 7, 2018

Senate Judiciary Committee Chairman Charles Grassley
Senate Judiciary Committee Ranking Member Dianne Feinstein
House Judiciary Committee Chairman Bob Goodlatte
House Judiciary Committee Ranking Member Jerrold Nadler

Letter in Support of the STATES Act

On behalf of Americans for Prosperity and its more than 3 million activists nationwide, as well as the members of Freedom Partners, we urge lawmakers to pass the bipartisan, bicameral STATES Act, which would restore an appropriate Constitutional balance of power between state and federal governments in the regulation of marijuana.

This bill makes sense regardless of one's position on marijuana legalization. Under the 10th Amendment to the Constitution, the powers not delegated to the federal government by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people. It is a fact of history that our nation's drug policies have very often been handled at the federal level, even when no compelling issue of interstate commerce or national security is implicated. On the contrary, Congress and the executive branch have taken it upon themselves to regulate commerce between customers and providers at the most local level imaginable in this issue, even going as far as to concern themselves with what individuals are able to do with products grown in the privacy of their own homes. Setting aside the question of whether marijuana should or should not be illegal, it is far from obvious that the federal government's authority to regulate it should supersede that of the states, or even the freedom of individuals to make their own choices as the 10th Amendment provides.

Yet even as multiple states have experimented with different ways of regulating marijuana, from allowing experimentation with non-psychoactive cannabis-derived oils, medical marijuana, and full-scale commercial legalization and regulation, their efforts have been burdened by federal meddling and regulation that effectively take the issue out of their hands. IRS Code 280E, for example, withholds ordinary business deductions from companies that sell marijuana products because they are illegal under federal law, even if they are produced and sold in a state where such businesses are legal, and never cross state lines. This is an unusually punitive tax treatment from the federal government for a legal business, and undermines the ability of states to regulate their own industries.

This issue is best understood in public health rather than criminal justice terms, and is best regulated by the states or left to individual responsibility. The STATES Act reflects this approach, and will protect state level experimentation in marijuana policy from federal interference. Americans for Prosperity and Freedom Partners applaud the bipartisan coalition advancing this legislation and urge its swift passage out of committee.

Sincerely,

A handwritten signature in black ink that reads "Brent Gardner". The signature is written in a cursive, flowing style.

Brent Gardner

Chief Government Affairs Officer | *Americans for Prosperity*

A handwritten signature in black ink that reads "Mark Holden". The signature is written in a cursive, flowing style.

Mark Holden

Chairman | *Freedom Partners Chamber of Commerce*