

116TH CONGRESS
1ST SESSION

H. R. 420

To provide for the regulation of marijuana products, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 9, 2019

Mr. BLUMENAUER introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committees on Energy and Commerce, Ways and Means, Natural Resources, and Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for the regulation of marijuana products, and
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Regulate Marijuana
5 Like Alcohol Act”.

1 **TITLE II—REGULATION**
2 **Subtitle A—Amendments To De-**
3 **criminalize Marijuana at the**
4 **Federal Level**

5 **SEC. 201. DECRIMINALIZATION OF MARIJUANA.**

6 (a) **REMOVAL FROM SCHEDULE OF CONTROLLED**
7 **SUBSTANCES.**—Notwithstanding any other provision of
8 the Controlled Substances Act (21 U.S.C. 801 et seq.),
9 the Attorney General shall, not later than 60 days after
10 the date of the enactment of this Act, issue a final order
11 that removes marijuana in any form from all schedules
12 under section 202(c) of that Act (21 U.S.C. 812(c)).

13 (b) **CONFORMING AMENDMENT TO REMOVE LEGIS-**
14 **LATIVE DEADWOOD.**—Subsection (c) of section 202 of the
15 Controlled Substances Act (21 U.S.C. 812) is amended
16 to read as follows:

17 “(c) **CROSS REFERENCE TO SCHEDULES OF CON-**
18 **TROLLED SUBSTANCES.**—Schedules I, II, III, IV, and V
19 shall consist of the drugs and other substances (by what-
20 ever official name, common or usual name, chemical name,
21 or brand name designated) that are set forth in the respec-
22 tive schedules in part 1308 of title 21, Code of Federal
23 Regulations, as they may be amended from time to time,
24 or in any successor regulation.”.

1 **SEC. 202. APPLICATION OF THE CONTROLLED SUBSTANCES**
2 **ACT AND CONTROLLED SUBSTANCES IMPORT**
3 **AND EXPORT ACT TO MARIJUANA.**

4 Part A of the Controlled Substances Act (21 U.S.C.
5 801 et seq.) is amended by adding at the end the fol-
6 lowing:

7 **“SEC. 103. APPLICATION TO MARIHUANA.**

8 “(a) GENERAL NONAPPLICATION.—Except as pro-
9 vided in this section, this title and title III do not apply
10 to marihuana.

11 “(b) EXCEPTION: PROHIBITION ON CERTAIN TRANS-
12 PORTATIONS AND SHIPMENTS.—It shall be unlawful to
13 ship or transport marihuana from any place outside a
14 State, territory, or district of the United States, or other
15 place noncontiguous to but subject to the jurisdiction of
16 the United States, into that State, territory, or district
17 of the United States, or place, when such marihuana is
18 intended by any person interested therein to be received,
19 possessed, sold, or in any manner used, in violation of any
20 law of such State, territory, district, or place.

21 “(c) PENALTY.—Whoever knowingly violates sub-
22 section (b) shall be fined under title 18, United States
23 Code, or imprisoned not more than one year, or both.”.

24 **SEC. 203. CONFORMING AND ANCILLARY AMENDMENTS.**

25 (a) MODIFICATION OF DEFINITION OF “FELONY
26 DRUG OFFENSE”.—Section 102(44) of the Controlled

1 Substances Act (21 U.S.C. 802(44)) is amended by strik-
2 ing “marihuana,”.

3 (b) ELIMINATION OF MARIJUANA PENALTY PROVI-
4 SIONS.—Part D of the Controlled Substances Act (21
5 U.S.C. 841 et seq.) is amended—

6 (1) in section 401—

7 (A) by striking subsection (b)(1)(A)(vii);

8 (B) by striking subsection (b)(1)(B)(vii);

9 (C) by striking subsection (b)(1)(D); and

10 (D) by striking subsection (b)(4);

11 (2) in section 402(c)(2)(B), by striking “mari-
12 huana,”;

13 (3) in section 403(d)(1), by striking “mari-
14 huana,”;

15 (4) in section 418(a), by striking the last sen-
16 tence;

17 (5) in section 419(a), by striking the last sen-
18 tence;

19 (6) in section 422(d), in the matter preceding
20 paragraph (1), by striking “marijuana,”; and

21 (7) in section 422(d)(5), by striking “, such as
22 a marihuana cigarette,”.

23 (c) REMOVAL OF PROHIBITION ON IMPORT AND EX-
24 PORT.—Section 1010 of the Controlled Substances Import
25 and Export Act (21 U.S.C. 960) is amended—

1 (1) by striking subparagraph (G) of subsection
2 (b)(1);

3 (2) by striking subparagraph (G) of subsection
4 (b)(2); and

5 (3) by striking paragraph (4) of subsection (b).

6 (d) LIMITING THE APPLICATION OF THE NATIONAL
7 FOREST SYSTEM DRUG CONTROL ACT OF 1986 TO CON-
8 TROLLED SUBSTANCES OTHER THAN MARIJUANA.—The
9 National Forest System Drug Control Act of 1986 is
10 amended—

11 (1) in section 15002(a) (16 U.S.C. 559b(a)) by
12 striking “marijuana and other”;

13 (2) in section 15003(2) (16 U.S.C. 559c(2)) by
14 striking “marijuana and other”; and

15 (3) in section 15004(2) (16 U.S.C. 559d(2)) by
16 striking “marijuana and other”.

17 (e) INTERCEPTION OF COMMUNICATIONS.—Section
18 2516 of title 18, United States Code, is amended—

19 (1) in subsection (1)(e), by striking “mari-
20 huana,”; and

21 (2) in subsection (2) by striking “marihuana,”.

22 (f) NATIONAL YOUTH ANTI-DRUG MEDIA CAM-
23 PAIGN.—Section 709 of the Office of National Drug Con-
24 trol Policy Reauthorization Act of 1998 (21 U.S.C. 1708)

1 is amended by striking subsection (j) (relating to preven-
2 tion of marijuana use).

3 **Subtitle B—Federal Marijuana**
4 **Licensing and Related Matters**

5 **SEC. 211. FEDERAL MARIJUANA ADMINISTRATION.**

6 The Federal Alcohol Administration Act (27 U.S.C.
7 201 et seq.) is amended by adding at the end the fol-
8 lowing:

9 **“TITLE III—MARIJUANA**

10 **“SEC. 301. UNLAWFUL BUSINESSES WITHOUT MARIJUANA**
11 **PERMIT.**

12 “(a) IMPORT.—It shall be unlawful, except pursuant
13 to a permit issued under this title by the Secretary of the
14 Treasury (hereinafter in this title referred to as the ‘Sec-
15 retary’)—

16 “(1) to engage in the business of importing
17 marijuana into the United States; or

18 “(2) for any person so engaged to sell, offer or
19 deliver for sale, contract to sell, or ship, in interstate
20 or foreign commerce, directly or indirectly or
21 through an affiliate, marijuana so imported.

22 “(b) MANUFACTURE AND SALE.—It shall be unlaw-
23 ful, except pursuant to a permit issued under this title
24 by the Secretary—

1 “(1) to engage in the business of cultivating,
2 producing, manufacturing, packaging, or warehous-
3 ing marijuana; or

4 “(2) for any person so engaged to sell, offer or
5 deliver for sale, contract to sell, or ship, in interstate
6 or foreign commerce, directly or indirectly or
7 through an affiliate, marijuana so cultivated, pro-
8 duced, manufactured, packaged, or warehoused.

9 “(c) RESALE.—It shall be unlawful, except pursuant
10 to a permit issued under this title by the Secretary—

11 “(1) to engage in the business of purchasing
12 marijuana for resale at wholesale; or

13 “(2) for any person so engaged to receive or to
14 sell, offer or deliver for sale, contract to sell, or ship,
15 in interstate or foreign commerce, directly or indi-
16 rectly or through an affiliate, marijuana so pur-
17 chased.

18 “(d) REMEDIES FOR VIOLATIONS.—

19 “(1) CRIMINAL FINE.—

20 “(A) GENERALLY.—Whoever violates this
21 section shall be fined not more than \$1,000.

22 “(B) SETTLEMENT IN COMPROMISE.—The
23 Secretary may decide not to refer a violation of
24 this section to the Attorney General for pros-
25 ecution but instead to collect a payment from

1 the violator of no more than \$500 for that vio-
2 lation.

3 “(2) CIVIL ACTION FOR RELIEF.—The Attorney
4 General may, in a civil action, obtain appropriate re-
5 lief to prevent and restrain a violation of this title.

6 **“SEC. 302. PROCEDURE FOR ISSUANCE OF MARIJUANA**
7 **PERMITS.**

8 “(a) WHO ENTITLED TO PERMIT.—

9 “(1) GENERALLY.—The Secretary shall issue a
10 permit for operations requiring a permit under sec-
11 tion 301 unless the Secretary finds that—

12 “(A) the applicant (or if the applicant is a
13 corporation, any of its officers, directors, or
14 principal stockholders) has been convicted of a
15 disqualifying offense;

16 “(B) the applicant is, by reason of busi-
17 ness experience, financial standing, or trade
18 connections, not likely to commence operations
19 within a reasonable period or to maintain such
20 operations in conformity with Federal law; or

21 “(C) the operations proposed to be con-
22 ducted by the applicant are in violation of the
23 law of the State in which they are to be con-
24 ducted.

1 “(2) DISQUALIFYING OFFENSES.—For the pur-
2 poses of paragraph (1)—

3 “(A) GENERALLY.—Except as provided in
4 subparagraph (B) a disqualifying offense is an
5 offense related to the production, consumption,
6 or sale of marijuana that is—

7 “(i) a felony under Federal or State
8 law, if the conviction occurred not later
9 than 5 years before the date of the applica-
10 tion; or

11 “(ii) a misdemeanor under Federal
12 law, if the conviction occurred not later
13 than 3 years before the date of the applica-
14 tion.

15 “(B) EXCLUDED OFFENSES.—A disquali-
16 fying offense does not include a Federal or
17 State offense based on conduct that—

18 “(i) was legal under State law in the
19 State when and where the conduct took
20 place; or

21 “(ii) is, as of the date of the applica-
22 tion, no longer an offense in that State.

23 “(b) REFUSAL OF PERMIT; HEARING.—If upon ex-
24 amination of any application for a permit the Secretary
25 has reason to believe that the applicant is not entitled to

1 such permit, the Secretary shall so notify the applicant
2 and, upon request by the applicant, afford the applicant
3 due notice and opportunity for hearing on the application.
4 If the Secretary, after affording such notice and oppor-
5 tunity for hearing, still finds that the applicant is not enti-
6 tled to a permit hereunder, the Secretary shall by order
7 deny the application stating the findings which are the
8 basis for the order.

9 “(c) FORM OF APPLICATION.—

10 “(1) GENERALLY.—The Secretary shall—

11 “(A) prescribe the manner and form of ap-
12 plications for permits under this title (including
13 the facts to be set forth in the application);

14 “(B) prescribe the form of such permits;
15 and

16 “(C) specify in any permit the authority
17 conferred by the permit and the conditions of
18 that permit in accordance with this title.

19 “(2) SEPARATE TYPES OF APPLICATIONS AND
20 PERMITS.—To the extent deemed necessary by the
21 Secretary for the efficient administration of this
22 title, the Secretary may require separate applications
23 and permits with respect to the various classes of
24 marijuana, and with respect to the various classes of
25 persons entitled to permits under this title.

1 “(3) DISCLAIMER.—The issuance of a permit
2 under this title does not deprive the United States
3 of any remedy for a violation of law.

4 “(d) CONDITIONS.—A permit under this title shall be
5 conditioned upon—

6 “(1) compliance with all other Federal laws re-
7 lating to production, sale and consumption of mari-
8 juana, as well as compliance with all State laws re-
9 lating to said activities in the State in which the per-
10 mit applicant resides and does business; and

11 “(2) payment to the Secretary of a reasonable
12 permit fee in an amount determined by the Sec-
13 retary to be sufficient over time to offset the cost of
14 implementing and overseeing all aspects of mari-
15 juana regulation by the Federal Government.

16 “(e) REVOCATION, SUSPENSION, AND ANNUL-
17 MENT.—

18 “(1) GENERALLY.—After due notice and oppor-
19 tunity for hearing, the Secretary may order a permit
20 under this title—

21 “(A) revoked or suspended for such period
22 as the Secretary deems appropriate, if the Sec-
23 retary finds that the permittee has willfully vio-
24 lated any of the conditions of the permit, but

1 for a first violation of the conditions the permit
2 shall be subject to suspension only;

3 “(B) revoked if the Secretary finds that
4 the permittee has not engaged in the operations
5 authorized by the permit for a period of more
6 than 2 years; or

7 “(C) annulled if the Secretary finds that
8 the permit was procured through fraud, or mis-
9 representation, or concealment of material fact.

10 “(2) ORDER TO STATE BASIS FOR ORDER.—

11 The order shall state the findings which are the
12 basis for the order.

13 “(f) SERVICE OF ORDERS.—Each order of the Sec-
14 retary with respect to any denial of application, suspen-
15 sion, revocation, annulment, or other proceedings, shall be
16 served—

17 “(1) in person by any officer or employee of the
18 Secretary designated by him or any internal revenue
19 or customs officer authorized by the Secretary for
20 the purpose; or

21 “(2) by mailing the order by registered mail,
22 addressed to the applicant or respondent at his last
23 known address in the records of the Secretary.

24 “(g) DURATION.—

1 “(1) GENERAL RULE.—Except as otherwise
2 provided in this subsection, a permit issued under
3 this title shall continue in effect until suspended, re-
4 voked, or annulled as provided in this title, or volun-
5 tarily surrendered.

6 “(2) EFFECT OF TRANSFER.—If operations
7 under a permit issued under this title are trans-
8 ferred, the permit automatically terminates 30 days
9 after the date of that transfer, unless an application
10 is made by the transferee before the end of that pe-
11 riod for a permit under this title for those oper-
12 ations. If such an application is made, the out-
13 standing permit shall continue in effect until such
14 application is finally acted on by the Secretary.

15 “(3) DEFINITION OF TRANSFER.—For the pur-
16 poses of this section, the term ‘transfer’ means any
17 change of ownership or control, whether voluntary or
18 by operation of law.

19 “(h) JUDICIAL REVIEW.—A permittee or applicant
20 for a permit under this title may obtain judicial review
21 under chapter 7 of title 5, United States Code, of the de-
22 nial of the application of that applicant or, in the case
23 of a permittee, the denial of an application by the trans-
24 feree of that permittee.

25 “(i) STATUTE OF LIMITATIONS.—

1 “(1) IN GENERAL.—No proceeding for the sus-
2 pension or revocation of a permit for violation of any
3 condition thereof relating to compliance with Federal
4 law shall be instituted by the Secretary more than
5 18 months after conviction of the violation of Fed-
6 eral law, or, if no conviction has been had, more
7 than 3 years after the violation occurred.

8 “(2) COMPROMISE.—No permit shall be sus-
9 pended or revoked for a violation of any such condi-
10 tion thereof if the alleged violation of Federal law
11 has been compromised by any officer of the Govern-
12 ment authorized to compromise such violation.

13 **“SEC. 303. DEFINITIONS.**

14 “In this title—

15 “(1) the term ‘marijuana’ has the meaning
16 given the term ‘marihuana’ in section 102 of the
17 Controlled Substances Act (21 U.S.C. 802); and

18 “(2) the term ‘State’ includes the District of
19 Columbia, Puerto Rico, and any territory or posses-
20 sion of the United States.”.

1 **SEC. 212. ADDITION OF MARIJUANA TO CERTAIN LEGAL AU-**
2 **THORITIES RELATING TO INTOXICATING LIQ-**
3 **UORS.**

4 (a) WILSON ACT.—The Act of August 8, 1890 (com-
5 monly known as the Wilson Act or the Original Packages
6 Act; 27 U.S.C. 121), is amended—

7 (1) by inserting “, or marijuana,” after “intoxi-
8 cating liquors or liquids”; and

9 (2) by striking “such liquids or liquors” and in-
10 sserting “such liquids, liquors, or marijuana”.

11 (b) WEBB-KENYON ACT.—The Act of March 1, 1913
12 (commonly known as the Webb-Kenyon Act; 27 U.S.C.
13 122), is amended—

14 (1) by inserting “marijuana or any” after
15 “whatsoever, of any”; and

16 (2) by inserting “marijuana or” after “which
17 said”.

18 (c) VICTIMS OF TRAFFICKING AND VIOLENCE PRO-
19 TECTION ACT OF 2000.—Section 2 of the Victims of Traf-
20 ficking and Violence Protection Act of 2000 (27 U.S.C.
21 122a) is amended—

22 (1) in subsection (a)—

23 (A) by redesignating paragraphs (3) and
24 (4) as paragraphs (4) and (5), respectively; and

25 (B) by inserting after paragraph (2) the
26 following new paragraph:

1 COHOL, TOBACCO, MARIJUANA, FIREARMS AND EXPLO-
2 SIVES.—

3 (1) REDESIGNATION.—The Bureau of Alcohol,
4 Tobacco, Firearms and Explosives is hereby re-
5 named the “Bureau of Alcohol, Tobacco, Marijuana,
6 Firearms and Explosives”.

7 (2) REFERENCES.—Any reference to the Bu-
8 reau of Alcohol, Tobacco, Firearms and Explosives
9 in any law, regulation, map, document, record, or
10 other paper of the United States shall be deemed to
11 be a reference to the Bureau of Alcohol, Tobacco,
12 Marijuana, Firearms and Explosives.

13 (c) REDESIGNATION OF ALCOHOL AND TOBACCO
14 TAX AND TRADE BUREAU AS ALCOHOL, TOBACCO, AND
15 MARIJUANA TAX AND TRADE BUREAU.—

16 (1) REDESIGNATION.—The Alcohol and To-
17 bacco Tax and Trade Bureau is hereby renamed the
18 “Alcohol, Tobacco, and Marijuana Tax and Trade
19 Bureau”.

20 (2) REFERENCES.—Any reference to the Alco-
21 hol and Tobacco Tax and Trade Bureau in any law,
22 regulation, map, document, record, or other paper of
23 the United States shall be deemed to be a reference
24 to the Alcohol, Tobacco, and Marijuana Tax and
25 Trade Bureau.

1 **SEC. 223. UNFAIR ADVERTISING PRACTICES.**

2 (a) IN GENERAL.—It shall be unlawful for any per-
3 son engaged in the business of importing marijuana into
4 the United States, or cultivating, producing, manufac-
5 turing, packaging, or warehousing marijuana, or pur-
6 chasing marijuana for resale at wholesale, directly or indi-
7 rectly or through an affiliate, to publish or disseminate
8 or cause to be published or disseminated by radio broad-
9 cast, or in any newspaper, periodical or other publication
10 or by any sign or outdoor advertisement or any other
11 printed or graphic matter, any advertisement of mari-
12 juana, if such advertisement is in, or is calculated to in-
13 duce sales in, interstate or foreign commerce, or is dis-
14 seminated by mail, unless such advertisement is in con-
15 formity with such regulations, to be prescribed by the Sec-
16 retary of the Treasury, or the Secretary’s delegate (re-
17 ferred to in this section as the “Secretary”), as will—

18 (1) prevent deception of the consumer with re-
19 spect to the products advertised and as will prohibit,
20 irrespective of falsity, such statements relating to
21 manufacturing processes, analyses, guaranties, and
22 scientific or irrelevant matters as the Secretary finds
23 to be likely to mislead the consumer;

24 (2) provide the consumer with adequate infor-
25 mation as to the identity and quality of the products

1 advertised, the characteristics thereof, and the per-
2 son responsible for the advertisement;

3 (3) prohibit statements that are disparaging of
4 a competitor's products or are false, misleading, ob-
5 scene, or indecent; and

6 (4) prevent statements inconsistent with any
7 statement on the labeling of the products advertised.

8 (b) NONAPPLICATION TO PUBLISHERS AND BROAD-
9 CASTERS.—The prohibitions of this section and regula-
10 tions thereunder shall not apply to the publisher of any
11 newspaper, periodical, or other publication, or radio broad-
12 caster, unless such publisher or radio broadcaster is en-
13 gaged in the business of importing marijuana into the
14 United States, or cultivating, producing, manufacturing,
15 packaging, or warehousing marijuana, or purchasing
16 marijuana for resale at wholesale, directly or indirectly or
17 through an affiliate.

18 **SEC. 224. COMPTROLLER GENERAL REVIEW OF LAWS AND**
19 **REGULATIONS.**

20 The Comptroller General shall conduct a review of
21 Federal laws, regulations, and policies to determine if any
22 changes in them are desirable in the light of the purposes
23 and provisions of this Act. Not later than 2 years after
24 the date of the enactment of this Act, the Comptroller
25 General shall make to Congress and the relevant agencies

- 1 such recommendations relating to the results of that re-
- 2 view as the Comptroller General deems appropriate.

○