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H. R. 5068

To decriminalize and deschedule cannabis, to provide for reinvestment in certain persons adversely impacted by the War on Drugs, to provide for expungement of certain cannabis offenses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 29, 2025

Mr. NADLER (for himself, Ms. TITUS, Ms. OMAR, Ms. VELÁZQUEZ, Mr. LIEU, Ms. NORTON, Mr. COHEN, Mr. MCGARVEY, Mr. CORREA, Mr. THANEDAR, Ms. BALINT, Ms. PINGREE, Mr. TONKO, Mr. CARBAJAL, Mr. SMITH of Washington, Mr. DOGGETT, Ms. JAYAPAL, Ms. TLAIB, Mr. CLEAVER, Ms. WILSON of Florida, Ms. BROWNLEY, Ms. DEGETTE, Mr. HUFFMAN, Ms. WILLIAMS of Georgia, Mr. FROST, Mrs. WATSON COLEMAN, Mr. ESPAILLAT, Ms. KELLY of Illinois, Ms. GARCIA of Texas, Mr. POCAN, Mr. CARTER of Louisiana, Ms. DELBENE, Mr. SHERMAN, Mr. GARCÍA of Illinois, Mr. DAVID SCOTT of Georgia, Ms. CROCKETT, Mr. CASAR, Mr. KHANNA, Mr. JOHNSON of Georgia, Mr. MRVAN, and Ms. CASTOR of Florida) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committees on Energy and Commerce, Agriculture, Education and Workforce, Ways and Means, Small Business, Natural Resources, Oversight and Government Reform, and Transportation and Infrastructure, 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 decriminalize and deschedule cannabis, to provide for reinvestment in certain persons adversely impacted by the War on Drugs, to provide for expungement of certain cannabis offenses, 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 “Marijuana Opportunity
5 Reinvestment and Expungement Act” or the “MORE
6 Act”.

7 **SEC. 2. FINDINGS.**

8 The Congress finds as follows:

9 (1) The communities that have been most
10 harmed by cannabis prohibition are benefiting the
11 least from the legal marijuana marketplace.

12 (2) A legacy of racial and ethnic injustices,
13 compounded by the disproportionate collateral con-
14 sequences of 80 years of cannabis prohibition en-
15 forcement, now limits participation in the industry.

16 (3) 40 States, the District of Columbia, Puerto
17 Rico, Guam, and the U.S. Virgin Islands have
18 adopted laws allowing legal access to cannabis, and
19 24 States, the District of Columbia, the Common-
20 wealth of the Northern Mariana Islands, and Guam
21 have adopted laws legalizing cannabis for adult rec-
22 reational use.

23 (4) A total of 47 States have reformed their
24 laws pertaining to cannabis despite the Schedule I
25 status of marijuana and its Federal criminalization.

1 (5) Legal cannabis sales totaled
2 \$20,000,000,000 in 2020 and are projected to reach
3 \$40,500,000,000 by 2025.

4 (6) According to the American Civil Liberties
5 Union (ACLU), enforcing cannabis prohibition laws
6 costs taxpayers approximately \$3.6 billion a year.

7 (7) The continued enforcement of cannabis pro-
8 hibition laws results in over 200,000 arrests annu-
9 ally, disproportionately impacting people of color
10 who are almost 4 times more likely to be arrested
11 for cannabis possession than their White counter-
12 parts, despite equal rates of use across populations.

13 (8) People of color have been historically tar-
14 geted by discriminatory sentencing practices result-
15 ing in Black men receiving drug sentences that are
16 13.1 percent longer than sentences imposed for
17 White men and Latinos being nearly 6.5 times more
18 likely to receive a Federal sentence for cannabis pos-
19 session than non-Hispanic Whites.

20 (9) In 2013, simple cannabis possession was the
21 fourth most common cause of deportation for any of-
22 fense and the most common cause of deportation for
23 drug law violations.

1 (10) Fewer than one-fifth of cannabis business
2 owners identify as minorities and only approximately
3 4 percent are Black.

4 (11) Applicants for cannabis licenses are lim-
5 ited by numerous laws, regulations, and exorbitant
6 permit applications, licensing fees, and costs in these
7 States, which can require more than \$700,000.

8 (12) Historically disproportionate arrest and
9 conviction rates make it particularly difficult for
10 people of color to enter the legal cannabis market-
11 place, as most States bar these individuals from par-
12 ticipating.

13 (13) Federal law severely limits access to loans
14 and capital for cannabis businesses, disproportion-
15 ately impacting minority small business owners.

16 (14) Some States and municipalities have taken
17 proactive steps to mitigate inequalities in the legal
18 cannabis marketplace and ensure equal participation
19 in the industry.

20 **SEC. 3. DECRIMINALIZATION OF CANNABIS.**

21 (a) CANNABIS REMOVED FROM SCHEDULE OF CON-
22 TROLLED SUBSTANCES.—

23 (1) REMOVAL IN STATUTE.—Subsection (c) of
24 schedule I of section 202(c) of the Controlled Sub-
25 stances Act (21 U.S.C. 812) is amended—

1 (A) by striking “(10) Marihuana.”; and

2 (B) by striking “(17)
3 Tetrahydrocannabinols, except for
4 tetrahydrocannabinols in hemp (as defined
5 under section 297A of the Agricultural Mar-
6 keting Act of 1946).”.

7 (2) REMOVAL FROM SCHEDULE.—Not later
8 than 180 days after the date of the enactment of
9 this Act, the Attorney General shall finalize a rule-
10 making under section 201(a)(2) removing mari-
11 huana and tetrahydrocannabinols from the schedules
12 of controlled substances. For the purposes of the
13 Controlled Substances Act, marihuana and
14 tetrahydrocannabinols shall each be deemed to be a
15 drug or other substance that does not meet the re-
16 quirements for inclusion in any schedule. A rule-
17 making under this paragraph shall be considered to
18 have taken effect as of the date of enactment of this
19 Act for purposes of any offense committed, case
20 pending, conviction entered, and, in the case of a ju-
21 venile, any offense committed, case pending, and ad-
22 judication of juvenile delinquency entered before, on,
23 or after the date of enactment of this Act.

1 (b) CONFORMING AMENDMENTS TO CONTROLLED
2 SUBSTANCES ACT.—The Controlled Substances Act (21
3 U.S.C. 801 et seq.) is amended—

4 (1) in section 102(44) (21 U.S.C. 802(44)), by
5 striking “marihuana,”;

6 (2) in section 401(b) (21 U.S.C. 841(b))—

7 (A) in paragraph (1)—

8 (i) in subparagraph (A)—

9 (I) in clause (vi), by inserting
10 “or” after the semicolon;

11 (II) by striking clause (vii); and

12 (III) by redesignating clause
13 (viii) as clause (vii);

14 (ii) in subparagraph (B)—

15 (I) in clause (vi), by inserting
16 “or” after the semicolon;

17 (II) by striking clause (vii); and

18 (III) by redesignating clause
19 (viii) as clause (vii);

20 (iii) in subparagraph (C), in the first
21 sentence, by striking “subparagraphs (A),
22 (B), and (D)” and inserting “subpara-
23 graphs (A) and (B)”;

24 (iv) by striking subparagraph (D);

1 (v) by redesignating subparagraph (E)
2 as subparagraph (D); and
3 (vi) in subparagraph (D)(i), as so re-
4 designated, by striking “subparagraphs (C)
5 and (D)” and inserting “subparagraph
6 (C)”;
7 (B) by striking paragraph (4); and
8 (C) by redesignating paragraphs (5), (6),
9 and (7) as paragraphs (4), (5), and (6), respec-
10 tively;
11 (3) in section 402(c)(2)(B) (21 U.S.C.
12 842(c)(2)(B)), by striking “, marihuana,”;
13 (4) in section 403(d)(1) (21 U.S.C. 843(d)(1)),
14 by striking “, marihuana,”;
15 (5) in section 418(a) (21 U.S.C. 859(a)), by
16 striking the last sentence;
17 (6) in section 419(a) (21 U.S.C. 860(a)), by
18 striking the last sentence;
19 (7) in section 422(d) (21 U.S.C. 863(d))—
20 (A) in the matter preceding paragraph (1),
21 by striking “marijuana,”; and
22 (B) in paragraph (5), by striking “, such
23 as a marihuana cigarette,”; and

(8) in section 516(d) (21 U.S.C. 886(d)), by striking “section 401(b)(6)” each place the term appears and inserting “section 401(b)(5)”.

(c) OTHER CONFORMING AMENDMENTS.—

(1) NATIONAL FOREST SYSTEM DRUG CONTROL ACT OF 1986.—The National Forest System Drug Control Act of 1986 (16 U.S.C. 559b et seq.) is amended—

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

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

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

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

(A) in subsection (1)(e), by striking “marijuana,”; and

(B) in subsection (2) by striking “marijuana”.

(3) FMCSA PROVISIONS.—

(A) CONFORMING AMENDMENT.—Section 31301(5) of title 49, United States Code, is

1 amended by striking “section 31306,” and in-
 2 serting “sections 31306, 31306a, and sub-
 3 sections (b) and (c) of section 31310,”.

4 (B) DEFINITION.—Section 31306(a) of
 5 title 49, United States Code, is amended—

6 (i) by striking “means any substance”
 7 and inserting the following: “means—
 8 “(A) any substance”; and

9 (ii) by striking the period at the end
 10 and inserting “; and

11 “(B) any substance not covered under sub-
 12 paragraph (A) that was a substance under such
 13 section as of December 1, 2018, and specified
 14 by the Secretary of Transportation.”.

15 (C) DISQUALIFICATIONS.—Section
 16 31310(b) of title 49, United States Code, is
 17 amended by adding at the end the following:

18 “(3) In this subsection and subsection (c), the term
 19 ‘controlled substance’ has the meaning given such term
 20 in section 31306(a).”.

21 (4) FAA PROVISIONS.—Section 45101 of title
 22 49, United States Code, is amended—

23 (A) by striking “means any substance”
 24 and inserting the following: “means—

25 “(A) any substance”; and

1 (B) by striking the period at the end and
2 inserting “; and

3 “(B) any substance not covered under sub-
4 paragraph (A) that was a substance under such
5 section as of December 1, 2018, and specified
6 by the Secretary of Transportation.”.

7 (5) FRA PROVISIONS.—Section 20140(a) of
8 title 49, United States Code, is amended—

9 (A) by striking “means any substance”
10 and inserting the following: “means—

11 “(A) any substance”; and

12 (B) by striking the period at the end and
13 inserting “; and

14 “(B) any substance not covered under sub-
15 paragraph (A) that was a substance under such
16 section as of December 1, 2018, and specified
17 by the Secretary of Transportation.”.

18 (6) FTA PROVISIONS.—Section 5331(a)(1) of
19 title 49, United States Code, is amended—

20 (A) by striking “means any substance”
21 and inserting the following: “means—

22 “(A) any substance”; and

23 (B) by striking the period at the end and
24 inserting “; and

1 “(B) any substance not covered under sub-
2 paragraph (A) that was a substance under such
3 section as of December 1, 2018, and whose use
4 the Secretary of Transportation decides has a
5 risk to transportation safety.”.

6 (d) RETROACTIVITY.—The amendments made by this
7 section to the Controlled Substances Act (21 U.S.C. 801
8 et seq.) are retroactive and shall apply to any offense com-
9 mitted, case pending, conviction entered, and, in the case
10 of a juvenile, any offense committed, case pending, or ad-
11 judication of juvenile delinquency entered before, on, or
12 after the date of enactment of this Act.

13 (e) EFFECT ON OTHER LAW.—Nothing in this sub-
14 title shall affect or modify—

15 (1) the Federal Food, Drug, and Cosmetic Act
16 (21 U.S.C. 301 et seq.);

17 (2) section 351 of the Public Health Service
18 Act (42 U.S.C. 262); or

19 (3) the authority of the Commissioner of Food
20 and Drugs and the Secretary of Health and Human
21 Services—

22 (A) under—

23 (i) the Federal Food, Drug, and Cos-
24 metic Act (21 U.S.C. 301 et seq.); or

1 (ii) section 351 of the Public Health
2 Service Act (42 U.S.C. 262); or

3 (B) to promulgate Federal regulations and
4 guidelines that relate to products containing
5 cannabis or cannabis-derived compounds under
6 the Act described in subparagraph (A)(i) or the
7 section described in subparagraph (A)(ii).

8 (f) PUBLIC MEETINGS.—Not later than one year
9 after the date of enactment of this Act, the Secretary of
10 Health and Human Services, acting through the Commis-
11 sioner of Food and Drugs, shall hold not less than one
12 public meeting to address the regulation, safety, manufac-
13 turing, product quality, marketing, labeling, and sale of
14 products containing cannabis or cannabis-derived com-
15 pounds.

16 (g) SPECIAL RULE FOR FEDERAL EMPLOYEE TEST-
17 ING.—Section 503 of the Supplemental Appropriations
18 Act, 1987 (5 U.S.C. 7301 note) is amended by adding at
19 the end the following:

20 “(h) MARIJUANA.—

21 “(1) CONTINUED TESTING.—Notwithstanding
22 the Marijuana Opportunity Reinvestment and
23 Expungement Act and the amendments made there-
24 by, the Secretary of Health and Human Services
25 may continue to include marijuana for purposes of

1 drug testing of Federal employees subject to this
2 section, Executive Order 12564, or other applicable
3 Federal laws and orders.

4 “(2) DEFINITION.—The term ‘marijuana’ has
5 the meaning given to the term ‘marihuana’ in sec-
6 tion 102 of the Controlled Substances Act (21 6
7 U.S.C. 802) on the day before the date of enactment
8 of the Marijuana Opportunity Reinvestment and
9 Expungement Act.”.

10 (h) SPECIAL RULE FOR CERTAIN REGULATIONS.—

11 (1) IN GENERAL.—The amendments made by
12 this section may not be construed to abridge the au-
13 thority of the Secretary of Transportation, or the
14 Secretary of the department in which the Coast
15 Guard is operating, to regulate and screen for the
16 use of a controlled substance.

17 (2) CONTROLLED SUBSTANCE DEFINED.—In
18 this subsection, the term “controlled substance”
19 means—

20 (A) any substance covered under section
21 102 of the Controlled Substances Act (21
22 U.S.C. 802) on the day before the date of en-
23 actment of this Act; and

24 (B) any substance not covered under sub-
25 paragraph (A) that was a substance covered

1 under section 102 of the Controlled Substances
2 Act (21 U.S.C. 802) on December 1, 2018, and
3 specified by the Secretary of Transportation.

4 **SEC. 4. DEMOGRAPHIC DATA OF CANNABIS BUSINESS OWN-**
5 **ERS AND EMPLOYEES.**

6 (a) IN GENERAL.—The Bureau of Labor Statistics
7 shall regularly compile, maintain, and make public data
8 on the demographics of—

9 (1) individuals who are business owners in the
10 cannabis industry; and

11 (2) individuals who are employed in the can-
12 nabis industry.

13 (b) DEMOGRAPHIC DATA.—The data collected under
14 subsection (a) shall include data regarding—

- 15 (1) age;
- 16 (2) certifications and licenses;
- 17 (3) disability status;
- 18 (4) educational attainment;
- 19 (5) family and marital status;
- 20 (6) nativity;
- 21 (7) race and Hispanic ethnicity;
- 22 (8) school enrollment;
- 23 (9) veteran status; and
- 24 (10) sex.

1 (c) CONFIDENTIALITY.—The name, address, and
 2 other identifying information of individuals employed in
 3 the cannabis industry shall be kept confidential by the Bu-
 4 reau and not be made available to the public.

5 (d) DEFINITIONS.—In this section:

6 (1) CANNABIS.—The term “cannabis” means
 7 either marijuana or cannabis as defined under the
 8 State law authorizing the sale or use of cannabis in
 9 which the individual or entity is located.

10 (2) CANNABIS INDUSTRY.—The term “cannabis
 11 industry” means an individual or entity that is li-
 12 censed or permitted under a State or local law to en-
 13 gage in commercial cannabis-related activity.

14 (3) OWNER.—The term “owner” means an in-
 15 dividual or entity that is defined as an owner under
 16 the State or local law where the individual or busi-
 17 ness is licensed or permitted.

18 **SEC. 5. CREATION OF OPPORTUNITY TRUST FUND AND IM-**
 19 **POSITION OF TAXES WITH RESPECT TO CAN-**
 20 **NABIS PRODUCTS.**

21 (a) ESTABLISHMENT OF OPPORTUNITY TRUST
 22 FUND.—Subchapter A of chapter 98 of the Internal Rev-
 23 enue Code of 1986 is amended by adding at the end the
 24 following new section:

1 **“SEC. 9512. ESTABLISHMENT OF OPPORTUNITY TRUST**
2 **FUND.**

3 “(a) CREATION OF TRUST FUND.—There is estab-
4 lished in the Treasury of the United States a trust fund
5 to be known as the ‘Opportunity Trust Fund’ (referred
6 to in this section as the ‘Trust Fund’), consisting of such
7 amounts as may be appropriated or credited to such fund
8 as provided in this section or section 9602(b).

9 “(b) TRANSFERS TO TRUST FUND.—There are here-
10 by appropriated to the Trust Fund amounts equivalent to
11 the net revenues received in the Treasury from the taxes
12 imposed under chapter 56.

13 “(c) EXPENDITURES.—Amounts in the Trust Fund
14 shall be available, without further appropriation, only as
15 follows:

16 “(1) 50 percent to the Attorney General to
17 carry out section 3052(a) of part OO of the Omni-
18 bus Crime Control and Safe Streets Act of 1968.

19 “(2) 10 percent to the Attorney General to
20 carry out section 3052(b) of part OO of the Omni-
21 bus Crime Control and Safe Streets Act of 1968.

22 “(3) 20 percent to the Administrator of the
23 Small Business Administration to carry out section
24 6(b)(1) of the Marijuana Opportunity Reinvestment
25 and Expungement Act.

1 “(4) 20 percent to the Administrator of the
 2 Small Business Administration to carry out section
 3 6(b)(2) of the Marijuana Opportunity Reinvestment
 4 and Expungement Act.”.

5 (b) CANNABIS REVENUE AND REGULATION ACT.—
 6 Subtitle E of the Internal Revenue Code of 1986 is
 7 amended by adding at the end the following new chapter:

8 **“CHAPTER 56—CANNABIS PRODUCTS**

“SUBCHAPTER A. TAX ON CANNABIS PRODUCTS

“SUBCHAPTER B. OCCUPATIONAL TAX

“SUBCHAPTER C. BOND AND PERMITS

“SUBCHAPTER D. OPERATIONS

“SUBCHAPTER E. PENALTIES

9 **“Subchapter A—Tax on Cannabis Products**

“Sec. 5901. Imposition of tax.

“Sec. 5902. Definitions.

“Sec. 5903. Liability and method of payment.

“Sec. 5904. Exemption from tax; transfers in bond.

“Sec. 5905. Credit, refund, or drawback of tax.

10 **“SEC. 5901. IMPOSITION OF TAX.**

11 “(a) IMPOSITION OF TAX.—There is hereby imposed
 12 on any cannabis product produced in or imported into the
 13 United States a tax equal to—

14 “(1) for any such product removed during the
 15 first 5 calendar years ending after the date on which
 16 this chapter becomes effective, the applicable per-
 17 centage of such product’s removal price, and

1 “(2) for any product removed during any cal-
2 endar year after the calendar years described in
3 paragraph (1), the applicable equivalent amount.

4 “(b) APPLICABLE PERCENTAGE.—For purposes of
5 subsection (a)(1), the applicable percentage shall be deter-
6 mined as follows:

7 “(1) For any cannabis product removed during
8 the first 2 calendar years ending after the date on
9 which this chapter becomes effective, 5 percent.

10 “(2) For any cannabis product removed during
11 the calendar year after the last calendar year to
12 which paragraph (1) applies, 6 percent.

13 “(3) For any cannabis product removed during
14 the calendar year after the calendar year to which
15 paragraph (2) applies, 7 percent.

16 “(4) For any cannabis product removed during
17 the calendar year after the calendar year to which
18 paragraph (3) applies, 8 percent.

19 “(c) APPLICABLE EQUIVALENT AMOUNT.—

20 “(1) IN GENERAL.—For purposes of subsection
21 (a)(2), the term ‘applicable equivalent amount’
22 means, with respect to any cannabis product re-
23 moved during any calendar year, an amount equal
24 to—

1 “(A) in the case of any cannabis product
 2 not described in subparagraph (B), the product
 3 of the applicable rate per ounce multiplied by
 4 the number of ounces of such product (and a
 5 proportionate tax at the like rate on all frac-
 6 tional parts of an ounce of such product), and

7 “(B) in the case of any THC-measurable
 8 cannabis product, the product of the applicable
 9 rate per gram multiplied by the number of
 10 grams of tetrahydrocannabinol in such product
 11 (and a proportionate tax at the like rate on all
 12 fractional parts of a gram of
 13 tetrahydrocannabinol in such product).

14 “(2) APPLICABLE RATES.—

15 “(A) IN GENERAL.—For purposes of para-
 16 graph (1)(A), the term ‘applicable rate per
 17 ounce’ means, with respect to any cannabis
 18 product removed during any calendar year, 8
 19 percent of the prevailing sales price of cannabis
 20 flowers sold in the United States during the 12-
 21 month period ending one calendar quarter be-
 22 fore such calendar year, expressed on a per
 23 ounce basis, as determined by the Secretary.

24 “(B) THC-MEASURABLE CANNABIS PROD-
 25 UCTS.—For purposes of paragraph (1)(B), the

term ‘applicable rate per gram’ means, with respect to any cannabis product removed during any calendar year, 8 percent of the prevailing sales price of tetrahydrocannabinol sold in the United States during the 12-month period ending one calendar quarter before such calendar year, expressed on a per gram basis, as determined by the Secretary.

“(d) TIME OF ATTACHMENT ON CANNABIS PRODUCTS.—The tax under this section shall attach to any cannabis product as soon as such product is in existence as such, whether it be subsequently separated or transferred into any other substance, either in the process of original production or by any subsequent process.

“SEC. 5902. DEFINITIONS.

“(a) DEFINITIONS RELATED TO CANNABIS PRODUCTS.—For purposes of this chapter—

“(1) CANNABIS PRODUCT.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the term ‘cannabis product’ means any article which contains (or consists of) cannabis.

“(B) EXCEPTIONS.—The term ‘cannabis product’ shall not include an FDA-approved article or industrial hemp.

1 “(C) FDA-APPROVED ARTICLE.—The term
2 ‘FDA-approved article’ means any article if the
3 producer or importer thereof demonstrates to
4 the satisfaction of the Secretary of Health and
5 Human Services that such article is—

6 “(i) a drug—

7 “(I) that is approved under sec-
8 tion 505 of the Federal Food, Drug,
9 and Cosmetic Act or licensed under
10 section 351 of the Public Health Serv-
11 ice Act, or

12 “(II) for which an investigational
13 use exemption has been authorized
14 under section 505(i) of the Federal
15 Food, Drug, and Cosmetic Act or
16 under section 351(a) of the Public
17 Health Service Act, or

18 “(ii) a combination product (as de-
19 scribed in section 503(g) of the Federal
20 Food, Drug, and Cosmetic Act), the con-
21 stituent parts of which were approved or
22 cleared under section 505, 510(k), or 515
23 of such Act.

24 “(D) INDUSTRIAL HEMP.—The term ‘in-
25 dustrial hemp’ means the plant *Cannabis sativa*

1 L. and any part of such plant, whether growing
2 or not, with a delta-9 tetrahydrocannabinol con-
3 centration of not more than 0.3 percent on a
4 dry weight basis.

5 “(2) THC-MEASURABLE CANNABIS PRODUCT.—
6 The term ‘THC-measurable cannabis product’
7 means any cannabis product—

8 “(A) with respect to which the Secretary
9 has made a determination that the amount of
10 tetrahydrocannabinol in such product can be
11 measured with a high degree of accuracy, or

12 “(B) which is not cannabis flower and the
13 concentration of tetrahydrocannabinol in which
14 is significantly higher than the average such
15 concentration in cannabis flower.

16 “(3) CANNABIS.—The term ‘cannabis’ has the
17 meaning given such term under section 102(16) of
18 the Controlled Substances Act (21 U.S.C. 802(16)).

19 “(b) DEFINITIONS RELATED TO CANNABIS ENTER-
20 PRISES.—For purposes of this chapter—

21 “(1) CANNABIS ENTERPRISE.—The term ‘can-
22 nabis enterprise’ means a producer, importer, or ex-
23 port warehouse proprietor.

24 “(2) PRODUCER.—

1 “(A) IN GENERAL.—The term ‘producer’
2 means any person who plants, cultivates, har-
3 vests, grows, manufactures, produces, com-
4 pounds, converts, processes, prepares, or pack-
5 ages any cannabis product.

6 “(B) PERSONAL USE EXCEPTION.—Subject
7 to regulation prescribed by the Secretary, the
8 term ‘producer’ shall not include any individual
9 otherwise described in subparagraph (A) if the
10 only cannabis product described in such sub-
11 paragraph with respect to such individual is for
12 personal or family use and not for sale.

13 “(3) IMPORTER.—The term ‘importer’ means
14 any person who—

15 “(A) is in the United States and to whom
16 non-tax-paid cannabis products, produced in a
17 foreign country or a possession of the United
18 States, are shipped or consigned,

19 “(B) removes cannabis products for sale or
20 consumption in the United States from a cus-
21 toms bonded warehouse, or

22 “(C) smuggles or otherwise unlawfully
23 brings any cannabis product into the United
24 States.

25 “(4) EXPORT WAREHOUSE PROPRIETOR.—

1 “(A) IN GENERAL.—The term ‘export
2 warehouse proprietor’ means any person who
3 operates an export warehouse.

4 “(B) EXPORT WAREHOUSE.—The term
5 ‘export warehouse’ means a bonded internal
6 revenue warehouse for the storage of cannabis
7 products, upon which the internal revenue tax
8 has not been paid—

9 “(i) for subsequent shipment to a for-
10 eign country or a possession of the United
11 States, or

12 “(ii) for consumption beyond the ju-
13 risdiction of the internal revenue laws of
14 the United States.

15 “(5) CANNABIS PRODUCTION FACILITY.—The
16 term ‘cannabis production facility’ means an estab-
17 lishment which is qualified under subchapter C to
18 perform any operation for which such qualification is
19 required under such subchapter.

20 “(c) OTHER DEFINITIONS.—For purposes of this
21 chapter—

22 “(1) PRODUCE.—The term ‘produce’ includes
23 any activity described in subsection (b)(2)(A).

24 “(2) REMOVAL; REMOVE.—The terms ‘removal’
25 or ‘remove’ means—

1 “(A) the transfer of cannabis products
2 from the premises of a producer (or the trans-
3 fer of such products from the bonded premises
4 of a producer to a non-bonded premises of such
5 producer),

6 “(B) release of such products from cus-
7 toms custody, or

8 “(C) smuggling or other unlawful importa-
9 tion of such products into the United States.

10 “(3) REMOVAL PRICE.—The term ‘removal
11 price’ means—

12 “(A) except as otherwise provided in this
13 paragraph, the price for which the cannabis
14 product is sold in the sale which occurs in con-
15 nection with the removal of such product,

16 “(B) in the case of any such sale which is
17 described in section 5903(e), the price deter-
18 mined under such section, and

19 “(C) if there is no sale which occurs in
20 connection with such removal, the price which
21 would be determined under section 5903(e) if
22 such product were sold at a price which cannot
23 be determined.

24 **“SEC. 5903. LIABILITY AND METHOD OF PAYMENT.**

25 “(a) LIABILITY FOR TAX.—

1 “(1) ORIGINAL LIABILITY.—The producer or
2 importer of any cannabis product shall be liable for
3 the taxes imposed thereon by section 5901.

4 “(2) TRANSFER OF LIABILITY.—

5 “(A) IN GENERAL.—When cannabis prod-
6 ucts are transferred, without payment of tax,
7 pursuant to subsection (b) or (c) of section
8 5904—

9 “(i) except as provided in clause (ii),
10 the transferee shall become liable for the
11 tax upon receipt by the transferee of such
12 articles, and the transferor shall thereupon
13 be relieved of their liability for such tax,
14 and

15 “(ii) in the case of cannabis products
16 which are released in bond from customs
17 custody for transfer to the bonded prem-
18 ises of a producer, the transferee shall be-
19 come liable for the tax on such articles
20 upon release from customs custody, and
21 the importer shall thereupon be relieved of
22 their liability for such tax.

23 “(B) RETURNED TO BOND.—All provisions
24 of this chapter applicable to cannabis products
25 in bond shall be applicable to such articles re-

1 turned to bond upon withdrawal from the mar-
2 ket or returned to bond after previous removal
3 for a tax-exempt purpose.

4 “(b) METHOD OF PAYMENT OF TAX.—

5 “(1) IN GENERAL.—

6 “(A) TAXES PAID ON BASIS OF RETURN.—

7 The taxes imposed by section 5901 shall be
8 paid on the basis of return. The Secretary shall,
9 by regulations, prescribe the period or the event
10 to be covered by such return and the informa-
11 tion to be furnished on such return.

12 “(B) APPLICATION TO TRANSFEREES.—In
13 the case of any transfer to which subsection
14 (a)(2)(A) applies, the tax under section 5901 on
15 the transferee shall (if not otherwise relieved by
16 reason of a subsequent transfer to which such
17 subsection applies) be imposed with respect to
18 the removal of the cannabis product from the
19 bonded premises of the transferee.

20 “(C) POSTPONEMENT.—Any postponement
21 under this subsection of the payment of taxes
22 determined at the time of removal shall be con-
23 ditioned upon the filing of such additional
24 bonds, and upon compliance with such require-
25 ments, as the Secretary may prescribe for the

1 protection of the revenue. The Secretary may,
2 by regulations, require payment of tax on the
3 basis of a return prior to removal of the can-
4 nabis products where a person defaults in the
5 postponed payment of tax on the basis of a re-
6 turn under this subsection or regulations pre-
7 scribed thereunder.

8 “(D) ADMINISTRATION AND PENALTIES.—

9 All administrative and penalty provisions of this
10 title, insofar as applicable, shall apply to any
11 tax imposed by section 5901.

12 “(2) TIME FOR PAYMENT OF TAXES.—

13 “(A) IN GENERAL.—Except as otherwise
14 provided in this paragraph, in the case of taxes
15 on cannabis products removed during any semi-
16 monthly period under bond for deferred pay-
17 ment of tax, the last day for payment of such
18 taxes shall be the 14th day after the last day
19 of such semimonthly period.

20 “(B) IMPORTED ARTICLES.—In the case of
21 cannabis products which are imported into the
22 United States, the following provisions shall
23 apply:

24 “(i) IN GENERAL.—The last day for
25 payment of tax shall be the 14th day after

1 the last day of the semimonthly period
2 during which the article is entered into the
3 customs territory of the United States.

4 “(ii) SPECIAL RULE FOR ENTRY OF
5 WAREHOUSING.—Except as provided in
6 clause (iv), in the case of an entry for
7 warehousing, the last day for payment of
8 tax shall not be later than the 14th day
9 after the last day of the semimonthly pe-
10 riod during which the article is removed
11 from the first such warehouse.

12 “(iii) FOREIGN TRADE ZONES.—Ex-
13 cept as provided in clause (iv) and in regu-
14 lations prescribed by the Secretary, articles
15 brought into a foreign trade zone shall,
16 notwithstanding any other provision of law,
17 be treated for purposes of this subsection
18 as if such zone were a single customs
19 warehouse.

20 “(iv) EXCEPTION FOR ARTICLES DES-
21 TINED FOR EXPORT.—Clauses (ii) and (iii)
22 shall not apply to any article which is
23 shown to the satisfaction of the Secretary
24 to be destined for export.

1 “(C) CANNABIS PRODUCTS BROUGHT INTO
2 THE UNITED STATES FROM PUERTO RICO.—In
3 the case of cannabis products which are
4 brought into the United States from Puerto
5 Rico and subject to tax under section 7652, the
6 last day for payment of tax shall be the 14th
7 day after the last day of the semimonthly pe-
8 riod during which the article is brought into the
9 United States.

10 “(D) SPECIAL RULE WHERE DUE DATE
11 FALLS ON SATURDAY, SUNDAY, OR HOLIDAY.—
12 Notwithstanding section 7503, if, but for this
13 subparagraph, the due date under this para-
14 graph would fall on a Saturday, Sunday, or a
15 legal holiday (as defined in section 7503), such
16 due date shall be the immediately preceding day
17 which is not a Saturday, Sunday, or such a hol-
18 iday.

19 “(E) SPECIAL RULE FOR UNLAWFULLY
20 PRODUCED CANNABIS PRODUCTS.—In the case
21 of any cannabis products produced in the
22 United States at any place other than the
23 premises of a producer that has filed the bond
24 and obtained the permit required under this

1 chapter, tax shall be due and payable imme-
2 diately upon production.

3 “(3) PAYMENT BY ELECTRONIC FUND TRANS-
4 FER.—Any person who in any 12-month period, end-
5 ing December 31, was liable for a gross amount
6 equal to or exceeding \$5,000,000 in taxes imposed
7 on cannabis products by section 5901 (or section
8 7652) shall pay such taxes during the succeeding
9 calendar year by electronic fund transfer (as defined
10 in section 5061(e)(2)) to a Federal Reserve Bank.
11 Rules similar to the rules of section 5061(e)(3) shall
12 apply to the \$5,000,000 amount specified in the pre-
13 ceding sentence.

14 “(c) DETERMINATION OF PRICE.—

15 “(1) CONSTRUCTIVE SALE PRICE.—

16 “(A) IN GENERAL.—If an article is sold di-
17 rectly to consumers, sold on consignment, or
18 sold (otherwise than through an arm’s length
19 transaction) at less than the fair market price,
20 or if the price for which the article sold cannot
21 be determined, the tax under section 5901(a)
22 shall be computed on the price for which such
23 articles are sold, in the ordinary course of
24 trade, by producers thereof, as determined by
25 the Secretary.

1 “(B) ARM’S LENGTH.—

2 “(i) IN GENERAL.—For purposes of
3 this section, a sale is considered to be
4 made under circumstances otherwise than
5 at arm’s length if—

6 “(I) the parties are members of
7 the same controlled group, whether or
8 not such control is actually exercised
9 to influence the sale price,

10 “(II) the parties are members of
11 a family, as defined in section
12 267(c)(4), or

13 “(III) the sale is made pursuant
14 to special arrangements between a
15 producer and a purchaser.

16 “(ii) CONTROLLED GROUPS.—

17 “(I) IN GENERAL.—The term
18 ‘controlled group’ has the meaning
19 given to such term by subsection (a)
20 of section 1563, except that ‘more
21 than 50 percent’ shall be substituted
22 for ‘at least 80 percent’ each place it
23 appears in such subsection.

24 “(II) CONTROLLED GROUPS
25 WHICH INCLUDE NONINCORPORATED

1 PERSONS.—Under regulations pre-
2 scribed by the Secretary, principles
3 similar to the principles of subclause
4 (I) shall apply to a group of persons
5 under common control where one or
6 more of such persons is not a corpora-
7 tion.

8 “(2) CONTAINERS, PACKING AND TRANSPOR-
9 TATION CHARGES.—In determining, for the purposes
10 of this chapter, the price for which an article is sold,
11 there shall be included any charge for coverings and
12 containers of whatever nature, and any charge inci-
13 dent to placing the article in condition packed ready
14 for shipment, but there shall be excluded the amount
15 of tax imposed by this chapter, whether or not stat-
16 ed as a separate charge. A transportation, delivery,
17 insurance, installation, or other charge (not required
18 by the preceding sentence to be included) shall be
19 excluded from the price only if the amount thereof
20 is established to the satisfaction of the Secretary in
21 accordance with regulations.

22 “(3) DETERMINATION OF APPLICABLE EQUIVA-
23 LENT AMOUNTS.—Paragraphs (1) and (2) shall
24 apply for purposes of section 5901(c) only to the ex-
25 tent that the Secretary determines appropriate.

1 “(d) PARTIAL PAYMENTS AND INSTALLMENT AC-
2 COUNTS.—

3 “(1) PARTIAL PAYMENTS.—In the case of—

4 “(A) a contract for the sale of an article
5 wherein it is provided that the price shall be
6 paid by installments and title to the article sold
7 does not pass until a future date notwith-
8 standing partial payment by installments,

9 “(B) a conditional sale, or

10 “(C) a chattel mortgage arrangement
11 wherein it is provided that the sales price shall
12 be paid in installments,

13 there shall be paid upon each payment with respect
14 to the article a percentage of such payment equal to
15 the rate of tax in effect on the date such payment
16 is due.

17 “(2) SALES OF INSTALLMENT ACCOUNTS.—If
18 installment accounts, with respect to payments on
19 which tax is being computed as provided in para-
20 graph (1), are sold or otherwise disposed of, then
21 paragraph (1) shall not apply with respect to any
22 subsequent payments on such accounts (other than
23 subsequent payments on returned accounts with re-
24 spect to which credit or refund is allowable by rea-
25 son of section 6416(b)(5)), but instead—

1 “(A) there shall be paid an amount equal
2 to the difference between—

3 “(i) the tax previously paid on the
4 payments on such installment accounts,
5 and

6 “(ii) the total tax which would be pay-
7 able if such installment accounts had not
8 been sold or otherwise disposed of (com-
9 puted as provided in paragraph (1)), ex-
10 cept that

11 “(B) if any such sale is pursuant to the
12 order of, or subject to the approval of, a court
13 of competent jurisdiction in a bankruptcy or in-
14 solvency proceeding, the amount computed
15 under subparagraph (A) shall not exceed the
16 sum of the amounts computed by multiplying—

17 “(i) the proportionate share of the
18 amount for which such accounts are sold
19 which is allocable to each unpaid install-
20 ment payment, by

21 “(ii) the rate of tax under this chap-
22 ter in effect on the date such unpaid in-
23 stallment payment is or was due.

1 The sum of the amounts payable under this
2 subsection in respect of the sale of any article
3 shall not exceed the total tax.

4 **“SEC. 5904. EXEMPTION FROM TAX; TRANSFERS IN BOND.**

5 “(a) EXEMPTION FROM TAX.—Cannabis products on
6 which the internal revenue tax has not been paid or deter-
7 mined may, subject to such regulations as the Secretary
8 shall prescribe, be withdrawn from the bonded premises
9 of any producer in approved containers free of tax and
10 not for resale for use—

11 “(1) exclusively in scientific research by a lab-
12 oratory,

13 “(2) by a proprietor of a cannabis production
14 facility in research, development, or testing (other
15 than consumer testing or other market analysis) of
16 processes, systems, materials, or equipment, relating
17 to cannabis or cannabis operations, under such limi-
18 tations and conditions as to quantities, use, and ac-
19 countability as the Secretary may by regulations re-
20 quire for the protection of the revenue, or

21 “(3) by the United States or any governmental
22 agency thereof, any State, any political subdivision
23 of a State, or the District of Columbia, for non-
24 consumption purposes.

1 “(b) CANNABIS PRODUCTS TRANSFERRED OR RE-
2 MOVED IN BOND FROM DOMESTIC FACTORIES AND EX-
3 PORT WAREHOUSES.—

4 “(1) IN GENERAL.—Subject to such regulations
5 and under such bonds as the Secretary shall pre-
6 scribe, a producer or export warehouse proprietor
7 may transfer cannabis products, without payment of
8 tax, to the bonded premises of another producer or
9 export warehouse proprietor, or remove such articles,
10 without payment of tax, for shipment to a foreign
11 country or a possession of the United States, or for
12 consumption beyond the jurisdiction of the internal
13 revenue laws of the United States.

14 “(2) LABELING.—Cannabis products may not
15 be transferred or removed under this subsection un-
16 less such products bear such marks, labels, or no-
17 tices as the Secretary shall by regulations prescribe.

18 “(c) CANNABIS PRODUCTS RELEASED IN BOND
19 FROM CUSTOMS CUSTODY.—Cannabis products imported
20 or brought into the United States may be released from
21 customs custody, without payment of tax, for delivery to
22 a producer or export warehouse proprietor if such articles
23 are not put up in packages, in accordance with such regu-
24 lations and under such bond as the Secretary shall pre-
25 scribe.

1 “(d) CANNABIS PRODUCTS EXPORTED AND RE-
2 TURNED.—Cannabis products classifiable under item
3 9801.00.10 of the Harmonized Tariff Schedule of the
4 United States (relating to duty on certain articles pre-
5 viously exported and returned), as in effect on the date
6 of the enactment of the Marijuana Opportunity Reinvest-
7 ment and Expungement Act, may be released from cus-
8 toms custody, without payment of that part of the duty
9 attributable to the internal revenue tax for delivery to the
10 original producer of such cannabis products or to the ex-
11 port warehouse proprietor authorized by such producer to
12 receive such products, in accordance with such regulations
13 and under such bond as the Secretary shall prescribe.
14 Upon such release such products shall be subject to this
15 chapter as if they had not been exported or otherwise re-
16 moved from internal revenue bond.

17 **“SEC. 5905. CREDIT, REFUND, OR DRAWBACK OF TAX.**

18 “(a) CREDIT OR REFUND.—

19 “(1) IN GENERAL.—Credit or refund of any tax
20 imposed by this chapter or section 7652 shall be al-
21 lowed or made (without interest) to the cannabis en-
22 terprise on proof satisfactory to the Secretary that
23 the claimant cannabis enterprise has paid the tax
24 on—

1 “(A) cannabis products withdrawn from
2 the market by the claimant, or

3 “(B) such products lost (otherwise than by
4 theft) or destroyed, by fire, casualty, or act of
5 God, while in the possession or ownership of the
6 claimant.

7 “(2) CANNABIS PRODUCTS LOST OR DE-
8 STROYED IN BOND.—

9 “(A) EXTENT OF LOSS ALLOWANCE.—No
10 tax shall be collected in respect of cannabis
11 products lost or destroyed while in bond, except
12 that such tax shall be collected—

13 “(i) in the case of loss by theft, unless
14 the Secretary finds that the theft occurred
15 without connivance, collusion, fraud, or
16 negligence on the part of the proprietor of
17 the cannabis production facility, owner,
18 consignor, consignee, bailee, or carrier, or
19 their employees or agents,

20 “(ii) in the case of voluntary destruc-
21 tion, unless such destruction is carried out
22 as provided in paragraph (3), and

23 “(iii) in the case of an unexplained
24 shortage of cannabis products.

1 “(B) PROOF OF LOSS.—In any case in
2 which cannabis products are lost or destroyed,
3 whether by theft or otherwise, the Secretary
4 may require the proprietor of a cannabis pro-
5 duction facility or other person liable for the
6 tax to file a claim for relief from the tax and
7 submit proof as to the cause of such loss. In
8 every case where it appears that the loss was by
9 theft, the burden shall be upon the proprietor
10 of the cannabis production facility or other per-
11 son responsible for the tax under section 5901
12 to establish to the satisfaction of the Secretary
13 that such loss did not occur as the result of
14 connivance, collusion, fraud, or negligence on
15 the part of the proprietor of the cannabis pro-
16 duction facility, owner, consignor, consignee,
17 bailee, or carrier, or their employees or agents.

18 “(C) REFUND OF TAX.—In any case where
19 the tax would not be collectible by virtue of sub-
20 paragraph (A), but such tax has been paid, the
21 Secretary shall refund such tax.

22 “(D) LIMITATIONS.—Except as provided in
23 subparagraph (E), no tax shall be abated, re-
24 mitted, credited, or refunded under this para-
25 graph where the loss occurred after the tax was

1 determined. The abatement, remission, credit,
2 or refund of taxes provided for by subpara-
3 graphs (A) and (C) in the case of loss of can-
4 nabis products by theft shall only be allowed to
5 the extent that the claimant is not indemnified
6 against or recompensed in respect of the tax for
7 such loss.

8 “(E) APPLICABILITY.—The provisions of
9 this paragraph shall extend to and apply in re-
10 spect of cannabis products lost after the tax
11 was determined and before completion of the
12 physical removal of the cannabis products from
13 the bonded premises.

14 “(3) VOLUNTARY DESTRUCTION.—The propri-
15 etor of a cannabis production facility or other per-
16 sons liable for the tax imposed by this chapter or by
17 section 7652 with respect to any cannabis product in
18 bond may voluntarily destroy such products, but
19 only if such destruction is under such supervision
20 and under such regulations as the Secretary may
21 prescribe.

22 “(4) LIMITATION.—Any claim for credit or re-
23 fund of tax under this subsection shall be filed with-
24 in 6 months after the date of the withdrawal from
25 the market, loss, or destruction of the products to

1 which the claim relates, and shall be in such form
 2 and contain such information as the Secretary shall
 3 by regulations prescribe.

4 “(b) DRAWBACK OF TAX.—There shall be an allow-
 5 ance of drawback of tax paid on cannabis products, when
 6 shipped from the United States, in accordance with such
 7 regulations and upon the filing of such bond as the Sec-
 8 retary shall prescribe.

9 **“Subchapter B—Occupational Tax**

“Sec. 5911. Imposition and rate of tax.

“Sec. 5912. Payment of tax.

“Sec. 5913. Provisions relating to liability for occupational taxes.

“Sec. 5914. Application to State laws.

10 **“SEC. 5911. IMPOSITION AND RATE OF TAX.**

11 “(a) IN GENERAL.—Any person engaged in business
 12 as a producer or an export warehouse proprietor shall pay
 13 a tax of \$1,000 per year (referred to in this subchapter
 14 as an ‘occupational tax’) in respect of each premises at
 15 which such business is carried on.

16 “(b) PENALTY FOR FAILURE TO REGISTER.—Any
 17 person engaged in business as a producer or an export
 18 warehouse proprietor who willfully fails to pay the occupa-
 19 tion tax shall be fined not more than \$5,000, or impris-
 20 oned not more than 2 years, or both, for each such offense.

21 **“SEC. 5912. PAYMENT OF TAX.**

22 “(a) CONDITION PRECEDENT TO CARRYING ON
 23 BUSINESS.—No person shall be engaged in or carry on

1 any trade or business subject to the occupational tax until
2 such person has paid such tax.

3 “(b) COMPUTATION.—

4 “(1) IN GENERAL.—The occupational tax shall
5 be imposed—

6 “(A) as of on the first day of July in each
7 year, or

8 “(B) on commencing any trade or business
9 on which such tax is imposed.

10 “(2) PERIOD.—In the case of a tax imposed
11 under subparagraph (A) of paragraph (1), the occu-
12 pational tax shall be reckoned for 1 year, and in the
13 case of subparagraph (B) of such paragraph, it shall
14 be reckoned proportionately, from the first day of
15 the month in which the liability to such tax com-
16 menced, to and including the 30th day of June fol-
17 lowing.

18 “(c) METHOD OF PAYMENT.—

19 “(1) PAYMENT BY RETURN.—The occupational
20 tax shall be paid on the basis of a return under such
21 regulations as the Secretary shall prescribe.

22 “(2) STAMP DENOTING PAYMENT OF TAX.—
23 After receiving a properly executed return and re-
24 mittance of any occupational tax, the Secretary shall
25 issue to the taxpayer an appropriate stamp as a re-

6 “(a) PARTNERS.—Any number of persons doing busi-
7 ness in partnership at any one place shall be required to
8 pay a single occupational tax.

16 “(c) BUSINESSES IN MORE THAN ONE LOCATION.—

22 “(2) STORAGE.—Nothing contained in para-
23 graph (1) shall require imposition of an occupational
24 tax for the storage of cannabis products at a loca-

1 tion other than the place where such products are
2 sold or offered for sale.

3 “(3) PLACE.—

4 “(A) IN GENERAL.—For purposes of this
5 section, the term ‘place’ means the entire office,
6 plant or area of the business in any one loca-
7 tion under the same proprietorship.

8 “(B) DIVISIONS.—For purposes of this
9 paragraph, any passageways, streets, highways,
10 rail crossings, waterways, or partitions dividing
11 the premises shall not be deemed sufficient sep-
12 aration to require an additional occupational
13 tax, if the various divisions are otherwise con-
14 tiguous.

15 “(d) DEATH OR CHANGE OF LOCATION.—

16 “(1) IN GENERAL.—In addition to the person
17 who has paid the occupational tax for the carrying
18 on of any business at any place, any person de-
19 scribed in paragraph (2) may secure the right to
20 carry on, without incurring any additional occupa-
21 tional tax, the same business at the same place for
22 the remainder of the taxable period for which the oc-
23 cupational tax was paid.

24 “(2) ELIGIBLE PERSONS.—The persons de-
25 scribed in this paragraph are the following:

1 “(A) The surviving spouse or child, or ex-
2 ecutor or administrator or other legal represent-
3 ative, of a deceased taxpayer.

4 “(B) A husband or wife succeeding to the
5 business of his or her living spouse.

6 “(C) A receiver or trustee in bankruptcy,
7 or an assignee for benefit of creditors.

8 “(D) The partner or partners remaining
9 after death or withdrawal of a member of a
10 partnership.

11 “(3) CHANGE OF LOCATION.—When any person
12 moves to any place other than the place for which
13 occupational tax was paid for the carrying on of any
14 business, such person may secure the right to carry
15 on, without incurring additional occupational tax,
16 the same business at the new location for the re-
17 mainder of the taxable period for which the occupa-
18 tional tax was paid. To secure the right to carry on
19 the business without incurring additional occupa-
20 tional tax, the successor, or the person relocating
21 their business, must register the succession or relo-
22 cation with the Secretary in accordance with regula-
23 tions prescribed by the Secretary.

24 “(e) FEDERAL AGENCIES OR INSTRUMENTAL-
25 ITIES.—Any tax imposed by this subchapter shall apply

1 to any agency or instrumentality of the United States un-
 2 less such agency or instrumentality is granted by statute
 3 a specific exemption from such tax.

4 **“SEC. 5914. APPLICATION TO STATE LAWS.**

5 “The payment of any tax imposed by this subchapter
 6 for carrying on any trade or business shall not be held
 7 to—

8 “(1) exempt any person from any penalty or
 9 punishment provided by the laws of any State for
 10 carrying on such trade or business within such
 11 State, or in any manner to authorize the commence-
 12 ment or continuance of such trade or business con-
 13 trary to the laws of such State or in places prohib-
 14 ited by municipal law, or

15 “(2) prohibit any State from placing a duty or
 16 tax on the same trade or business, for State or other
 17 purposes.

18 **“Subchapter C—Bond and Permits**

“Sec. 5921. Establishment and bond.

“Sec. 5922. Application for permit.

“Sec. 5923. Permit.

19 **“SEC. 5921. ESTABLISHMENT AND BOND.**

20 “(a) PROHIBITION ON PRODUCTION OUTSIDE OF
 21 BONDED CANNABIS PRODUCTION FACILITY.—

22 “(1) IN GENERAL.—Except as authorized by
 23 the Secretary or on the bonded premises of a can-
 24 nabis production facility duly authorized to produce

1 cannabis products according to law, no cannabis
2 product may planted, cultivated, harvested, grown,
3 manufactured, produced, compounded, converted,
4 processed, prepared, or packaged in any building or
5 on any premises.

6 “(2) AUTHORIZED PRODUCERS ONLY.—No per-
7 son other than a producer which has filed the bond
8 required under subsection (b) and received a permit
9 described in section 5923 may produce any cannabis
10 product.

11 “(3) PERSONAL USE EXCEPTION.—This sub-
12 section shall not apply with respect the activities of
13 an individual who is not treated as a producer by
14 reason of section 5902(b)(2)(B).

15 “(b) BOND.—

16 “(1) WHEN REQUIRED.—Every person, before
17 commencing business as a producer or an export
18 warehouse proprietor, shall file such bond, condi-
19 tioned upon compliance with this chapter and regu-
20 lations issued thereunder, in such form, amount, and
21 manner as the Secretary shall by regulation pre-
22 scribe. A new or additional bond may be required
23 whenever the Secretary considers such action nec-
24 essary for the protection of the revenue.

1 “(2) APPROVAL OR DISAPPROVAL.—No person
2 shall engage in such business until he receives notice
3 of approval of such bond. A bond may be dis-
4 approved, upon notice to the principal on the bond,
5 if the Secretary determines that the bond is not ade-
6 quate to protect the revenue.

7 “(3) CANCELLATION.—Any bond filed here-
8 under may be canceled, upon notice to the principal
9 on the bond, whenever the Secretary determines that
10 the bond no longer adequately protects the revenue.

11 **“SEC. 5922. APPLICATION FOR PERMIT.**

12 “(a) IN GENERAL.—Every person, before com-
13 mencing business as a cannabis enterprise, and at such
14 other time as the Secretary shall by regulation prescribe,
15 shall make application for the permit provided for in sec-
16 tion 5923. The application shall be in such form as the
17 Secretary shall prescribe and shall set forth, truthfully and
18 accurately, the information called for on the form. Such
19 application may be rejected and the permit denied if the
20 Secretary, after notice and opportunity for hearing, finds
21 that—

22 “(1) the premises on which it is proposed to
23 conduct the cannabis enterprise will not be adequate
24 to protect the revenue after commencing operations,
25 or

1 “(2) such person (including, in the case of a
2 corporation, any officer, director, or principal stock-
3 holder and, in the case of a partnership, any part-
4 ner) has failed to disclose any material information
5 required or made any materially false statement in
6 the application therefor.

7 **“SEC. 5923. PERMIT.**

8 “(a) ISSUANCE.—A person shall not engage in busi-
9 ness as a cannabis enterprise without a permit to engage
10 in such business. Such permit, conditioned upon compli-
11 ance with this chapter and regulations issued thereunder,
12 shall be issued in such form and in such manner as the
13 Secretary shall by regulation prescribe. A new permit may
14 be required at such other time as the Secretary shall by
15 regulation prescribe.

16 “(b) SUSPENSION OR REVOCATION.—

17 “(1) SHOW CAUSE HEARING.—If the Secretary
18 has reason to believe that any person holding a per-
19 mit—

20 “(A) has not in good faith complied with
21 this chapter, or with any other provision of this
22 title involving intent to defraud,

23 “(B) has violated the conditions of such
24 permit,

1 “(C) has failed to disclose any material in-
2 formation required or made any material false
3 statement in the application for such permit, or

4 “(D) has failed to maintain their premises
5 in such manner as to protect the revenue,
6 the Secretary shall issue an order, stating the facts
7 charged, citing such person to show cause why their
8 permit should not be suspended or revoked.

9 “(2) ACTION FOLLOWING HEARING.—If, after
10 hearing, the Secretary finds that such person has
11 not shown cause why their permit should not be sus-
12 pended or revoked, such permit shall be suspended
13 for such period as the Secretary deems proper or
14 shall be revoked.

15 “(c) INFORMATION REPORTING.—The Secretary may
16 require—

17 “(1) information reporting by any person issued
18 a permit under this section, and

19 “(2) information reporting by such other per-
20 sons as the Secretary deems necessary to carry out
21 this chapter.

22 “(d) INSPECTION OR DISCLOSURE OF INFORMA-
23 TION.—For rules relating to inspection and disclosure of
24 returns and return information, see section 6103(o).

1 **“Subchapter D—Operations**

“Sec. 5931. Inventories, reports, and records.

“Sec. 5932. Packaging and labeling.

“Sec. 5933. Purchase, receipt, possession, or sale of cannabis products after removal.

“Sec. 5934. Restrictions relating to marks, labels, notices, and packages.

“Sec. 5935. Restriction on importation of previously exported cannabis products.

2 **“SEC. 5931. INVENTORIES, REPORTS, AND RECORDS.**

3 “Every cannabis enterprise shall—

4 “(1) make a true and accurate inventory at the
5 time of commencing business, at the time of con-
6 cluding business, and at such other times, in such
7 manner and form, and to include such items, as the
8 Secretary shall by regulation prescribe, with such in-
9 ventories to be subject to verification by any internal
10 revenue officer,

11 “(2) make reports containing such information,
12 in such form, at such times, and for such periods as
13 the Secretary shall by regulation prescribe, and

14 “(3) keep such records in such manner as the
15 Secretary shall by regulation prescribe, with such
16 records to be available for inspection by any internal
17 revenue officer during business hours.

18 **“SEC. 5932. PACKAGING AND LABELING.**

19 “(a) PACKAGES.—All cannabis products shall, before
20 removal, be put up in such packages as the Secretary shall
21 by regulation prescribe.

1 “(b) MARKS, LABELS, AND NOTICES.—Every pack-
2 age of cannabis products shall, before removal, bear the
3 marks, labels, and notices if any, that the Secretary by
4 regulation prescribes.

5 “(c) LOTTERY FEATURES.—No certificate, coupon,
6 or other device purporting to be or to represent a ticket,
7 chance, share, or an interest in, or dependent on, the event
8 of a lottery shall be contained in, attached to, or stamped,
9 marked, written, or printed on any package of cannabis
10 products.

11 “(d) INDECENT OR IMMORAL MATERIAL PROHIB-
12 ITED.—No indecent or immoral picture, print, or rep-
13 resentation shall be contained in, attached to, or stamped,
14 marked, written, or printed on any package of cannabis
15 products.

16 “(e) EXCEPTIONS.—Subject to regulations prescribed
17 by the Secretary, cannabis products may be exempted
18 from subsections (a) and (b) if such products are—

19 “(1) for experimental purposes, or

20 “(2) transferred to the bonded premises of an-
21 other producer or export warehouse proprietor or re-
22 leased in bond from customs custody for delivery to
23 a producer.

1 **“SEC. 5933. PURCHASE, RECEIPT, POSSESSION, OR SALE OF**
2 **CANNABIS PRODUCTS AFTER REMOVAL.**

3 “(a) RESTRICTION.—No person shall—

4 “(1) with intent to defraud the United States,
5 purchase, receive, possess, offer for sale, or sell or
6 otherwise dispose of, after removal, any cannabis
7 products—

8 “(A) upon which the tax has not been paid
9 or determined in the manner and at the time
10 prescribed by this chapter or regulations there-
11 under, or

12 “(B) which, after removal without payment
13 of tax pursuant to section 5904(a), have been
14 diverted from the applicable purpose or use
15 specified in that section,

16 “(2) with intent to defraud the United States,
17 purchase, receive, possess, offer for sale, or sell or
18 otherwise dispose of, after removal, any cannabis
19 products which are not put up in packages as re-
20 quired under section 5932 or which are put up in
21 packages not bearing the marks, labels, and notices,
22 as required under such section, or

23 “(3) otherwise than with intent to defraud the
24 United States, purchase, receive, possess, offer for
25 sale, or sell or otherwise dispose of, after removal,
26 any cannabis products which are not put up in pack-

1 ages as required under section 5932 or which are
 2 put up in packages not bearing the marks, labels,
 3 and notices, as required under such section.

4 “(b) EXCEPTION.—Paragraph (3) of subsection (a)
 5 shall not prevent the sale or delivery of cannabis products
 6 directly to consumers from proper packages, nor apply to
 7 such articles when so sold or delivered.

8 “(c) LIABILITY TO TAX.—Any person who possesses
 9 cannabis products in violation of paragraph (1) or (2) of
 10 subsection (a) shall be liable for a tax equal to the tax
 11 on such articles.

12 **“SEC. 5934. RESTRICTIONS RELATING TO MARKS, LABELS,**
 13 **NOTICES, AND PACKAGES.**

14 “‘No person shall, with intent to defraud the United
 15 States, destroy, obliterate, or detach any mark, label, or
 16 notice prescribed or authorized, by this chapter or regula-
 17 tions thereunder, to appear on, or be affixed to, any pack-
 18 age of cannabis products before such package is emptied.

19 **“SEC. 5935. RESTRICTION ON IMPORTATION OF PRE-**
 20 **VIOUSLY EXPORTED CANNABIS PRODUCTS.**

21 “(a) EXPORT LABELED CANNABIS PRODUCTS.—

22 “(1) IN GENERAL.—Cannabis products pro-
 23 duced in the United States and labeled for expor-
 24 tation under this chapter—

1 “(A) may be transferred to or removed
2 from the premises of a producer or an export
3 warehouse proprietor only if such articles are
4 being transferred or removed without tax in ac-
5 cordance with section 5904,

6 “(B) may be imported or brought into the
7 United States, after their exportation, only if
8 such articles either are eligible to be released
9 from customs custody with the partial duty ex-
10 emption provided in section 5904(d) or are re-
11 turned to the original producer of such article
12 as provided in section 5904(c), and

13 “(C) may not be sold or held for sale for
14 domestic consumption in the United States un-
15 less such articles are removed from their export
16 packaging and repackaged by the original pro-
17 ducer into new packaging that does not contain
18 an export label.

19 “(2) ALTERATIONS BY PERSONS OTHER THAN
20 ORIGINAL PRODUCER.—This section shall apply to
21 articles labeled for export even if the packaging or
22 the appearance of such packaging to the consumer
23 of such articles has been modified or altered by a
24 person other than the original producer so as to re-
25 move or conceal or attempt to remove or conceal (in-

cluding by the placement of a sticker over) any export label.

“(3) EXPORTS INCLUDE SHIPMENTS TO PUERTO RICO.—For purposes of this section, section 5904(d), section 5941, and such other provisions as the Secretary may specify by regulations, references to exportation shall be treated as including a reference to shipment to the Commonwealth of Puerto Rico.

“(b) EXPORT LABEL.—For purposes of this section, an article is labeled for export or contains an export label if it bears the mark, label, or notice required under section 5904(b).

“Subchapter E—Penalties

“Sec. 5941. Civil penalties.

“Sec. 5942. Criminal penalties.

“SEC. 5941. CIVIL PENALTIES.

“(a) OMITTING THINGS REQUIRED OR DOING THINGS FORBIDDEN.—Whoever willfully omits, neglects, or refuses to comply with any duty imposed upon them by this chapter, or to do, or cause to be done, any of the things required by this chapter, or does anything prohibited by this chapter, shall in addition to any other penalty provided in this title, be liable to a penalty of \$10,000, to be recovered, with costs of suit, in a civil action, except where a penalty under subsection (b) or (c) or under sec-

1 tion 6651 or 6653 or part II of subchapter A of chapter
2 68 may be collected from such person by assessment.

3 “(b) FAILURE TO PAY TAX.—Whoever fails to pay
4 any tax imposed by this chapter at the time prescribed
5 by law or regulations, shall, in addition to any other pen-
6 alty provided in this title, be liable to a penalty of 10 per-
7 cent of the tax due but unpaid.

8 “(c) SALE OF CANNABIS OR CANNABIS PRODUCTS
9 FOR EXPORT.—

10 “(1) every person who sells, relands, or receives
11 within the jurisdiction of the United States any can-
12 nabis products which have been labeled or shipped
13 for exportation under this chapter,

14 “(2) every person who sells or receives such re-
15 landed cannabis products, and

16 “(3) every person who aids or abets in such
17 selling, relanding, or receiving,

18 shall, in addition to the tax and any other penalty provided
19 in this title, be liable for a penalty equal to the greater
20 of \$10,000 or 10 times the amount of the tax imposed
21 by this chapter. All cannabis products relanded within the
22 jurisdiction of the United States shall be forfeited to the
23 United States and destroyed. All vessels, vehicles, and air-
24 craft used in such relanding or in removing such cannabis

1 products from the place where relanded, shall be forfeited
2 to the United States.

3 “(d) APPLICABILITY OF SECTION 6665.—The pen-
4 alties imposed by subsections (b) and (c) shall be assessed,
5 collected, and paid in the same manner as taxes, as pro-
6 vided in section 6665(a).

7 “(e) CROSS REFERENCES.—For penalty for failure to
8 make deposits or for overstatement of deposits, see section
9 6656.

10 **“SEC. 5942. CRIMINAL PENALTIES.**

11 “(a) FRAUDULENT OFFENSES.—Whoever, with in-
12 tent to defraud the United States—

13 “(1) engages in business as a cannabis enter-
14 prise without filing the application and obtaining the
15 permit where required by this chapter or regulations
16 thereunder,

17 “(2) fails to keep or make any record, return,
18 report, or inventory, or keeps or makes any false or
19 fraudulent record, return, report, or inventory, re-
20 quired by this chapter or regulations thereunder,

21 “(3) refuses to pay any tax imposed by this
22 chapter, or attempts in any manner to evade or de-
23 feat the tax or the payment thereof,

1 “(4) sells or otherwise transfers, contrary to
2 this chapter or regulations thereunder, any cannabis
3 products subject to tax under this chapter, or

4 “(5) purchases, receives, or possesses, with in-
5 tent to redistribute or resell, any cannabis product—

6 “(A) upon which the tax has not been paid
7 or determined in the manner and at the time
8 prescribed by this chapter or regulations there-
9 under, or

10 “(B) which, without payment of tax pursu-
11 ant to section 5904, have been diverted from
12 the applicable purpose or use specified in that
13 section,

14 shall, for each such offense, be fined not more than
15 \$10,000, or imprisoned not more than 5 years, or both.

16 “(b) LIABILITY TO TAX.—Any person who possesses
17 cannabis products in violation of subsection (a) shall be
18 liable for a tax equal to the tax on such articles.”.

19 (c) STUDY.—Not later than 2 years after the date
20 of the enactment of this Act, and every 5 years thereafter,
21 the Secretary of the Treasury, or the Secretary’s delegate,
22 shall—

23 (1) conduct a study concerning the characteris-
24 tics of the cannabis industry, including the number
25 of persons operating cannabis enterprises at each

1 level of such industry, the volume of sales, the
2 amount of tax collected each year, and the areas of
3 evasion, and

4 (2) submit to Congress recommendations to im-
5 prove the regulation of the industry and the admin-
6 istration of the related tax.

7 (d) ANNUAL REPORTS REGARDING DETERMINATION
8 OF APPLICABLE RATES.—Not later than 6 months before
9 the beginning of each calendar year to which section
10 5901(a)(2) of the Internal Revenue Code of 1986 (as
11 added by this section) applies, the Secretary of the Treas-
12 ury, or the Secretary’s delegate, shall make publicly avail-
13 able a detailed description of the methodology which the
14 Secretary anticipates using to determine the applicable
15 rate per ounce and the applicable rate per gram which
16 will apply for such calendar year under section 5901(c)(2)
17 of such Code.

18 (e) CONFORMING AMENDMENTS.—

19 (1) Section 6103(o)(1)(A) of the Internal Rev-
20 enue Code of 1986 is amended by striking “and fire-
21 arms” and inserting “firearms, and cannabis prod-
22 ucts”.

23 (2) The table of chapters for subtitle E of such
24 Code is amended by adding at the end the following
25 new item:

“CHAPTER 56. CANNABIS PRODUCTS”.

1 (3) The table of sections for subchapter A of
 2 chapter 98 of such Code is amended by adding at
 3 the end the following new item:

“Sec. 9512. Establishment of Opportunity Trust Fund.”.

4 (f) EFFECTIVE DATE.—

5 (1) IN GENERAL.—Except as otherwise pro-
 6 vided in this subsection, the amendments made by
 7 this section shall apply to removals, and applications
 8 for permits under section 5922 of the Internal Rev-
 9 enue Code of 1986 (as added by subsection (b)),
 10 after 180 days after the date of the enactment of
 11 this Act.

12 (2) ESTABLISHMENT OF OPPORTUNITY TRUST
 13 FUND.—The amendment made by subsection (a)
 14 shall take effect on the date of the enactment of this
 15 Act.

16 **SEC. 6. OPPORTUNITY TRUST FUND PROGRAMS.**

17 (a) CANNABIS JUSTICE OFFICE; COMMUNITY REIN-
 18 VESTMENT GRANT PROGRAM.—

19 (1) CANNABIS JUSTICE OFFICE.—Part A of
 20 title I of the Omnibus Crime Control and Safe
 21 Streets Act of 1968 (34 U.S.C. 10101 et seq.) is
 22 amended by inserting after section 109 the fol-
 23 lowing:

1 **“SEC. 110. CANNABIS JUSTICE OFFICE.**

2 “(a) ESTABLISHMENT.—There is established within
3 the Office of Justice Programs a Cannabis Justice Office.

4 “(b) DIRECTOR.—The Cannabis Justice Office shall
5 be headed by a Director who shall be appointed by the
6 Assistant Attorney General for the Office of Justice Pro-
7 grams. The Director shall report to the Assistant Attorney
8 General for the Office of Justice Programs. The Director
9 shall award grants and may enter into compacts, coopera-
10 tive agreements, and contracts on behalf of the Cannabis
11 Justice Office. The Director may not engage in any em-
12 ployment other than that of serving as the Director, nor
13 may the Director hold any office in, or act in any capacity
14 for, any organization, agency, or institution with which the
15 Office makes any contract or other arrangement.

16 “(c) EMPLOYEES.—

17 “(1) IN GENERAL.—The Director shall employ
18 as many full-time employees as are needed to carry
19 out the duties and functions of the Cannabis Justice
20 Office under subsection (d). Such employees shall be
21 exclusively assigned to the Cannabis Justice Office.

22 “(2) INITIAL HIRES.—Not later than 6 months
23 after the date of enactment of this section, the Di-
24 rector shall—

1 “(A) hire no less than one-third of the
2 total number of employees of the Cannabis Jus-
3 tice Office; and

4 “(B) no more than one-half of the employ-
5 ees assigned to the Cannabis Justice Office by
6 term appointment that may after 2 years be
7 converted to career appointment.

8 “(3) LEGAL COUNSEL.—At least one employee
9 hired for the Cannabis Justice Office shall serve as
10 legal counsel to the Director and shall provide coun-
11 sel to the Cannabis Justice Office.

12 “(d) DUTIES AND FUNCTIONS.—The Cannabis Jus-
13 tice Office is authorized to—

14 “(1) administer the Community Reinvestment
15 Grant Program; and

16 “(2) perform such other functions as the Assist-
17 ant Attorney General for the Office of Justice Pro-
18 grams may delegate, that are consistent with the
19 statutory obligations of this section.”.

20 (2) COMMUNITY REINVESTMENT GRANT PRO-
21 GRAM.—Title I of the Omnibus Crime Control and
22 Safe Streets Act of 1968 (34 U.S.C. et seq.) is
23 amended by adding at the end the following:

1 **“PART PP—COMMUNITY REINVESTMENT GRANT**
2 **PROGRAM**

3 **“SEC. 3056. AUTHORIZATION.**

4 “(a) IN GENERAL.—The Director of the Cannabis
5 Justice Office shall establish and carry out a grant pro-
6 gram, known as the ‘Community Reinvestment Grant Pro-
7 gram’, to provide eligible entities with funds to administer
8 services for individuals adversely impacted by the War on
9 Drugs, including—

10 “(1) job training;

11 “(2) reentry services;

12 “(3) legal aid for civil and criminal cases, in-
13 cluding expungement of cannabis convictions;

14 “(4) literacy programs;

15 “(5) youth recreation or mentoring programs;

16 and

17 “(6) health education programs.

18 “(b) SUBSTANCE USE DISORDER SERVICES.—The
19 Director, in consultation with the Secretary of Health and
20 Human Services, shall provide eligible entities with funds
21 to administer substance use disorder services for individ-
22 uals adversely impacted by the War on Drugs or connect
23 patients with substance use disorder services. Also eligible
24 for such services are individuals who have been arrested
25 for or convicted of the sale, possession, use, manufacture,
26 or cultivation of a controlled substance other than can-

1 nabis (except for a conviction involving distribution to a
2 minor).

3 **“SEC. 3057. FUNDING FROM OPPORTUNITY TRUST FUND.**

4 “The Director shall carry out the program under this
5 part using funds made available under section 9512(c)(1)
6 and (2) of the Internal Revenue Code.

7 **“SEC. 3058. DEFINITIONS.**

8 “In this part:

9 “(1) The term ‘cannabis conviction’ means a
10 conviction, or adjudication of juvenile delinquency,
11 for a cannabis offense (as such term is defined in
12 section 13 of the Marijuana Opportunity Reinvest-
13 ment and Expungement Act).

14 “(2) The term ‘eligible entity’ means a non-
15 profit organization, as defined in section 501(c)(3)
16 of the Internal Revenue Code, that is representative
17 of a community or a significant segment of a com-
18 munity with experience in providing relevant services
19 to individuals adversely impacted by the War on
20 Drugs in that community.

21 “(3) The term ‘individuals adversely impacted
22 by the War on Drugs’ has the meaning given that
23 term in section 6 of the Marijuana Opportunity Re-
24 investment and Expungement Act.”.

1 (b) CANNABIS RESTORATIVE OPPORTUNITY PRO-
2 GRAM; EQUITABLE LICENSING GRANT PROGRAM.—

3 (1) CANNABIS RESTORATIVE OPPORTUNITY
4 PROGRAM.—The Administrator of the Small Busi-
5 ness Administration shall establish and carry out a
6 program, to be known as the “Cannabis Restorative
7 Opportunity Program”, to provide loans and tech-
8 nical assistance under section 7(m) of the Small
9 Business Act (15 U.S.C. 636(m)) to assist small
10 business concerns owned and controlled by socially
11 and economically disadvantaged individuals that op-
12 erate in eligible States or localities.

13 (2) EQUITABLE LICENSING GRANT PROGRAM.—
14 The Administrator of the Small Business Adminis-
15 tration shall establish and carry out a grant pro-
16 gram, to be known as the “Equitable Licensing
17 Grant Program”, to provide any eligible State or lo-
18 cality funds to develop and implement equitable can-
19 nabis licensing programs that minimize barriers to
20 cannabis licensing and employment for individuals
21 adversely impacted by the War on Drugs, provided
22 that each grantee includes in its cannabis licensing
23 program at least four of the following elements:

24 (A) A waiver of cannabis license applica-
25 tion fees for individuals who report an income

1 below 250 percent of the Federal Poverty Level
2 for at least 5 of the past 10 years and who are
3 first-time applicants for a cannabis license.

4 (B) A prohibition on the denial of a can-
5 nabis license based on a conviction for a can-
6 nabis offense that took place prior to State le-
7 galization of cannabis or the date of enactment
8 of this Act, as appropriate.

9 (C) A prohibition on restrictions for licens-
10 ing relating to criminal convictions except with
11 respect to a criminal conviction related to own-
12 ing and operating a business.

13 (D) A prohibition on cannabis license hold-
14 ers engaging in suspicionless cannabis drug
15 testing of their prospective or current employ-
16 ees, except with respect to drug testing for safe-
17 ty-sensitive positions required under part 40 of
18 title 49, Code of Federal Regulations.

19 (E) The establishment of a cannabis li-
20 censing board that is reflective of the racial,
21 ethnic, economic, and gender composition of the
22 eligible State or locality, to serve as an over-
23 sight body of the equitable licensing program.

24 (3) DEFINITIONS.—In this subsection:

1 (A) ELIGIBLE STATE OR LOCALITY.—The
2 term “eligible State or locality” means a State
3 or locality that has taken steps to—

4 (i) create an automatic process, at no
5 cost to the individual, for the
6 expungement, destruction, or sealing of
7 criminal records for cannabis offenses; and

8 (ii) eliminate violations or other pen-
9 alties for persons under parole, probation,
10 pre-trial, or other State or local criminal
11 supervision for a cannabis offense.

12 (B) INDIVIDUAL ADVERSELY IMPACTED BY
13 THE WAR ON DRUGS.—The term “individual
14 adversely impacted by the War on Drugs”
15 means an individual—

16 (i) who reports an income below 250
17 percent of the Federal Poverty Level for at
18 least 5 of the past 10 years; and

19 (ii) who has been arrested for or con-
20 victed of the sale, possession, use, manu-
21 facture, or cultivation of cannabis (except
22 for a conviction involving distribution to a
23 minor), or whose parent, sibling, spouse, or
24 child has been arrested for or convicted of
25 such an offense.

1 (C) SMALL BUSINESS CONCERN OWNED
2 AND CONTROLLED BY SOCIALLY AND ECONOMICALLY
3 DISADVANTAGED INDIVIDUALS.—The
4 term “small business concern owned and controlled
5 by socially and economically disadvantaged
6 individuals” has the meaning given in
7 section 8(d)(3)(C) of the Small Business Act
8 (15 U.S.C. 637(d)(3)(C)).

9 (D) STATE.—The term “State” means
10 each of the several States, the District of Columbia,
11 Puerto Rico, any territory or possession
12 of the United States, and any Indian Tribe (as
13 defined in section 201 of Public Law 90–294
14 (25 U.S.C. 1301) (commonly known as the “Indian
15 Civil Rights Act of 1968”)).

16 (c) STUDY ON PROGRAMS.—

17 (1) GAO STUDY.—The Comptroller General of
18 the United States, in consultation with the Administrator
19 of the Small Business Administration, shall
20 conduct an annual study on the individuals and entities
21 receiving assistance under the Cannabis Restorative
22 Opportunity and Equitable Licensing Programs. This study
23 shall include the types of assistance by state, and a description
24 of the efforts by the Small Business Administration to increase
25 access to

1 capital for cannabis-related small business concerns
 2 owned and controlled by socially and economically
 3 disadvantaged individuals, individuals adversely im-
 4 pacted by the War on Drugs, as well as the racial,
 5 ethnic, economic and gender composition of the eligi-
 6 ble State or locality.

7 (2) REPORT.—Not later than 1 year after the
 8 date of enactment of this Act, the Comptroller Gen-
 9 eral of the United States shall submit a report on
 10 the results of the study conducted under paragraph
 11 (1) to—

12 (A) the Committee on Small Business of
 13 the House of Representatives;

14 (B) the Committee on Small Business and
 15 Entrepreneurship of the Senate;

16 (C) the Committee on the Judiciary of the
 17 House of Representatives; and

18 (D) the Committee on the Judiciary of the
 19 Senate.

20 **SEC. 7. AVAILABILITY OF SMALL BUSINESS ADMINISTRA-**
 21 **TION PROGRAMS AND SERVICES TO CANNABIS-**
 22 **RELATED LEGITIMATE BUSINESSES**
 23 **AND SERVICE PROVIDERS.**

24 (a) DEFINITIONS RELATING TO CANNABIS-RELATED
 25 LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.—

1 Section 3 of the Small Business Act (15 U.S.C. 632) is
 2 amended by adding at the end the following new sub-
 3 section:

4 “(gg) CANNABIS-RELATED LEGITIMATE BUSINESSES
 5 AND SERVICE PROVIDERS.—In this Act:

6 “(1) CANNABIS.—The term ‘cannabis’—

7 “(A) means—

8 “(i) all parts of the plant Cannabis
 9 sativa L., whether growing or not;

10 “(ii) the seeds thereof;

11 “(iii) the resin extracted from any
 12 part of such plant; and

13 “(iv) every compound, manufacture,
 14 salt, derivative, mixture, or preparation of
 15 such plant, its seeds or resin; and

16 “(B) does not include—

17 “(i) hemp, as defined in section 297A
 18 of the Agricultural Marketing Act of 1946;

19 “(ii) the mature stalks of such plant,
 20 fiber produced from such stalks, oil or cake
 21 made from the seeds of such plant, any
 22 other compound, manufacture, salt, deriva-
 23 tive, mixture, or preparation of such ma-
 24 ture stalks (except the resin extracted
 25 therefrom), fiber, oil, or cake, or the steri-

1 lized seed of such plant which is incapable
2 of germination; or

3 “(iii) any drug product approved
4 under section 505 of the Federal Food,
5 Drug, and Cosmetic Act, or biological
6 product licensed under section 351 of the
7 Public Health Service Act.

8 “(2) CANNABIS-RELATED LEGITIMATE BUSI-
9 NESS.—The term ‘cannabis-related legitimate busi-
10 ness’ means a manufacturer, producer, or any per-
11 son or company that is a small business concern and
12 that—

13 “(A) engages in any activity described in
14 subparagraph (B) pursuant to a law established
15 by a State or a political subdivision of a State,
16 as determined by such State or political subdivi-
17 sion; and

18 “(B) participates in any business or orga-
19 nized activity that involves handling cannabis or
20 cannabis products, including cultivating, pro-
21 ducing, manufacturing, selling, transporting,
22 displaying, dispensing, distributing, or pur-
23 chasing cannabis or cannabis products.

24 “(3) SERVICE PROVIDER.—The term ‘service
25 provider’—

1 “(A) means a business, organization, or
2 other person that—

3 “(i) sells goods or services to a can-
4 nabis-related legitimate business; or

5 “(ii) provides any business services,
6 including the sale or lease of real or any
7 other property, legal or other licensed serv-
8 ices, or any other ancillary service, relating
9 to cannabis; and

10 “(B) does not include a business, organiza-
11 tion, or other person that participates in any
12 business or organized activity that involves han-
13 dling cannabis or cannabis products, including
14 cultivating, producing, manufacturing, selling,
15 transporting, displaying, dispensing, distrib-
16 uting, or purchasing cannabis or cannabis prod-
17 ucts.”.

18 (b) SMALL BUSINESS DEVELOPMENT CENTERS.—
19 Section 21(c) of the Small Business Act (15 U.S.C.
20 648(c)) is amended by adding at the end the following new
21 paragraph:

22 “(9) SERVICES FOR CANNABIS-RELATED LE-
23 GITIMATE BUSINESSES AND SERVICE PROVIDERS.—

24 A small business development center may not decline
25 to provide services to an otherwise eligible small

1 business concern under this section solely because
 2 such concern is a cannabis-related legitimate busi-
 3 ness or service provider.”.

4 (c) WOMEN’S BUSINESS CENTERS.—Section 29 of
 5 the Small Business Act (15 U.S.C. 656) is amended by
 6 adding at the end the following new subsection:

7 “(p) SERVICES FOR CANNABIS-RELATED LEGITI-
 8 MATE BUSINESSES AND SERVICE PROVIDERS.—A wom-
 9 en’s business center may not decline to provide services
 10 to an otherwise eligible small business concern under this
 11 section solely because such concern is a cannabis-related
 12 legitimate business or service provider.”.

13 (d) SCORE.—Section 8(b)(1)(B) of the Small Busi-
 14 ness Act (15 U.S.C. 637(b)(1)(B)) is amended by adding
 15 at the end the following new sentence: “The head of the
 16 SCORE program established under this subparagraph
 17 may not decline to provide services to an otherwise eligible
 18 small business concern solely because such concern is a
 19 cannabis-related legitimate business or service provider.”.

20 (e) VETERAN BUSINESS OUTREACH CENTERS.—Sec-
 21 tion 32 of the Small Business Act (15 U.S.C. 657b) is
 22 amended by adding at the end the following new sub-
 23 section:

24 “(h) SERVICES FOR CANNABIS-RELATED LEGITI-
 25 MATE BUSINESSES AND SERVICE PROVIDERS.—A Vet-

1 eran Business Outreach Center may not decline to provide
2 services to an otherwise eligible small business concern
3 under this section solely because such concern is a can-
4 nabis-related legitimate business or service provider.”.

5 (f) SECTION 7(a) LOANS.—Section 7(a) of the Small
6 Business Act (15 U.S.C. 636(a)) is amended by adding
7 at the end the following new paragraph:

8 “(38) LOANS TO CANNABIS-RELATED LEGITI-
9 MATE BUSINESSES AND SERVICE PROVIDERS.—The
10 Administrator may not decline to provide a guar-
11 antee for a loan under this subsection, and a lender
12 may not decline to make a loan under this sub-
13 section, to an otherwise eligible small business con-
14 cern solely because such concern is a cannabis-re-
15 lated legitimate business or service provider.”.

16 (g) DISASTER LOANS.—Section 7(b) of the Small
17 Business Act (15 U.S.C. 636(b)) is amended by inserting
18 after paragraph (15) the following new paragraph:

19 “(16) ASSISTANCE TO CANNABIS-RELATED LE-
20 GITIMATE BUSINESSES AND SERVICE PROVIDERS.—
21 The Administrator may not decline to provide assist-
22 ance under this subsection to an otherwise eligible
23 small business concern solely because such concern
24 is a cannabis-related legitimate business or service
25 provider.”.

1 (h) MICROLOANS.—Section 7(m) of the Small Busi-
 2 ness Act (15 U.S.C. 636(m)) is amended by adding at the
 3 end the following new paragraph:

4 “(14) ASSISTANCE TO CANNABIS-RELATED LE-
 5 GITIMATE BUSINESSES AND SERVICE PROVIDERS.—
 6 The Administrator may not decline to make a loan
 7 or a grant under this subsection, and an eligible
 8 intermediary may not decline to provide assistance
 9 under this subsection to an otherwise eligible bor-
 10 rower, eligible intermediary, or eligible nonprofit en-
 11 tity (as applicable) solely because such borrower,
 12 intermediary, or nonprofit entity is a cannabis-re-
 13 lated legitimate business or service provider.”.

14 (i) SMALL BUSINESS INVESTMENT COMPANY DE-
 15 BENTURES TO FINANCE CANNABIS-RELATED LEGITI-
 16 MATE BUSINESSES AND SERVICE PROVIDERS.—Part A of
 17 title III of the Small Business Investment Act of 1958
 18 (15 U.S.C. 681 et seq.) is amended by adding at the end
 19 the following new section:

20 **“SEC. 321. DEBENTURES TO FINANCE CANNABIS-RELATED**
 21 **LEGITIMATE BUSINESSES AND SERVICE PRO-**
 22 **VIDERS.**

23 “(a) GUARANTEES.—The Administrator may not de-
 24 cline to purchase or guarantee a debenture made under
 25 this title to an otherwise eligible small business investment

1 company solely because such small business investment
 2 company provides financing to an entity that is a can-
 3 nabis-related legitimate business or service provider (as
 4 defined in section 7(a)(38) of the Small Business Act).

5 “(b) OTHER ASSISTANCE.—A small business invest-
 6 ment company may not decline to provide assistance under
 7 this title to an otherwise eligible small business concern
 8 solely because such small business concern is a cannabis-
 9 related legitimate business or service provider (as defined
 10 in section 7(a)(38) of the Small Business Act).”.

11 (j) STATE OR LOCAL DEVELOPMENT COMPANY
 12 LOANS.—Title V of the Small Business Investment Act
 13 of 1958 (15 U.S.C. 695 et seq.) is amended by adding
 14 at the end the following new section:

15 **“SEC. 511. LOANS TO FINANCE CANNABIS-RELATED LEGITI-**
 16 **MATE BUSINESSES AND SERVICE PROVIDERS.**

17 “(a) LOANS AND LOAN GUARANTEES.—The Admin-
 18 istrator may not decline to make or provide a guarantee
 19 for a loan under this title to an otherwise eligible qualified
 20 State or local development company solely because such
 21 qualified State or local development company provides fi-
 22 nancing to an entity that is a cannabis-related legitimate
 23 business or service provider (as defined in section 7(a)(38)
 24 of the Small Business Act).

1 “(b) OTHER ASSISTANCE.—A qualified State or local
2 development company may not decline to provide assist-
3 ance under this title to an otherwise eligible small business
4 concern solely because such small business concern is a
5 cannabis-related legitimate business or service provider (as
6 defined in section 7(a)(38) of the Small Business Act).”.

7 **SEC. 8. NO DISCRIMINATION IN THE PROVISION OF A FED-**
8 **ERAL PUBLIC BENEFIT ON THE BASIS OF**
9 **CANNABIS.**

10 (a) IN GENERAL.—No person may be denied any
11 Federal public benefit (as such term is defined in section
12 401(c) of the Personal Responsibility and Work Oppor-
13 tunity Reconciliation Act of 1996 (8 U.S.C. 1611(c))) on
14 the basis of any use or possession of cannabis, or on the
15 basis of a conviction or adjudication of juvenile delin-
16 quency for a cannabis offense, by that person.

17 (b) SECURITY CLEARANCES.—Federal agencies may
18 not use past or present cannabis or marijuana use as cri-
19 teria for granting, denying, or rescinding a security clear-
20 ance.

21 **SEC. 9. NO ADVERSE EFFECT FOR PURPOSES OF THE IMMI-**
22 **GRATION LAWS.**

23 (a) IN GENERAL.—For purposes of the immigration
24 laws (as such term is defined in section 101 of the Immi-
25 gration and Nationality Act), cannabis may not be consid-

1 ered a controlled substance, and an alien may not be de-
2 nied any benefit or protection under the immigration laws
3 based on any event, including conduct, a finding, an ad-
4 mission, addiction or abuse, an arrest, a juvenile adjudica-
5 tion, or a conviction, relating to the possession or use of
6 cannabis that is no longer prohibited pursuant to this Act
7 or an amendment made by this Act, regardless of whether
8 the event occurred before, on, or after the effective date
9 of this Act.

10 (b) CANNABIS DEFINED.—The term “cannabis”—

11 (1) means all parts of the plant *Cannabis sativa*
12 *L.*, whether growing or not; the seeds thereof; the
13 resin extracted from any part of such plant; and
14 every compound, manufacture, salt, derivative, mix-
15 ture, or preparation of such plant, its seeds or resin;
16 and

17 (2) does not include—

18 (A) hemp, as defined in section 297A of
19 the Agricultural Marketing Act of 1946;

20 (B) the mature stalks of such plant, fiber
21 produced from such stalks, oil or cake made
22 from the seeds of such plant, any other com-
23 pound, manufacture, salt, derivative, mixture,
24 or preparation of such mature stalks (except
25 the resin extracted therefrom), fiber, oil, or

1 cake, or the sterilized seed of such plant which
 2 is incapable of germination; or

3 (C) any drug product approved under sec-
 4 tion 505 of the Federal Food, Drug, and Cos-
 5 metic Act, or biological product licensed under
 6 section 351 of the Public Health Service Act.

7 (c) CONFORMING AMENDMENTS TO IMMIGRATION
 8 AND NATIONALITY ACT.—The Immigration and Nation-
 9 ality Act (8 U.S.C. 1101 et seq.) is amended—

10 (1) in section 212(h), by striking “and subpara-
 11 graph (A)(i)(II) of such subsection insofar as it re-
 12 lates to a single offense of simple possession of 30
 13 grams or less of marijuana”;

14 (2) in section 237(a)(2)(B)(i), by striking
 15 “other than a single offense involving possession for
 16 one’s own use of 30 grams or less of marijuana”;

17 (3) in section 101(f)(3), by striking “(except as
 18 such paragraph relates to a single offense of simple
 19 possession of 30 grams or less of marihuana)”;

20 (4) in section 244(c)(2)(A)(iii)(II) by striking
 21 “except for so much of such paragraph as relates to
 22 a single offense of simple possession of 30 grams or
 23 less of marijuana”;

24 (5) in section 245(h)(2)(B) by striking “(except
 25 for so much of such paragraph as related to a single

1 offense of simple possession of 30 grams or less of
2 marijuana)”;

3 (6) in section 210(c)(2)(B)(ii)(III) by striking
4 “, except for so much of such paragraph as relates
5 to a single offense of simple possession of 30 grams
6 or less of marihuana”; and

7 (7) in section 245A(d)(2)(B)(ii)(II) by striking
8 “, except for so much of such paragraph as relates
9 to a single offense of simple possession of 30 grams
10 or less of marihuana”.

11 **SEC. 10. RESENTENCING AND EXPUNGEMENT.**

12 (a) EXPUNGEMENT OF NON-VIOLENT FEDERAL
13 CANNABIS OFFENSE CONVICTIONS FOR INDIVIDUALS
14 NOT UNDER A CRIMINAL JUSTICE SENTENCE.—

15 (1) IN GENERAL.—Not later than 1 year after
16 the date of the enactment of this Act, each Federal
17 district shall conduct a comprehensive review and
18 issue an order expunging each conviction or adju-
19 dication of juvenile delinquency for a non-violent
20 Federal cannabis offense entered by each Federal
21 court in the district before the date of enactment of
22 this Act and on or after May 1, 1971. Each Federal
23 court shall also issue an order expunging any arrests
24 associated with each expunged conviction or adju-
25 dication of juvenile delinquency.

1 (2) NOTIFICATION.—To the extent practicable,
2 each Federal district shall notify each individual
3 whose arrest, conviction, or adjudication of delin-
4 quency has been expunged pursuant to this sub-
5 section that their arrest, conviction, or adjudication
6 of juvenile delinquency has been expunged, and the
7 effect of such expungement.

8 (3) RIGHT TO PETITION COURT FOR
9 EXPUNGEMENT.—At any point after the date of en-
10 actment of this Act, any individual with a prior con-
11 viction or adjudication of juvenile delinquency for a
12 non-violent Federal cannabis offense, who is not
13 under a criminal justice sentence, may file a motion
14 for expungement. If the expungement of such a con-
15 viction or adjudication of juvenile delinquency is re-
16 quired pursuant to this Act, the court shall expunge
17 the conviction or adjudication, and any associated
18 arrests. If the individual is indigent, counsel shall be
19 appointed to represent the individual in any pro-
20 ceedings under this subsection.

21 (4) SEALED RECORD.—The court shall seal all
22 records related to a conviction or adjudication of ju-
23 venile delinquency that has been expunged under
24 this subsection. Such records may only be made
25 available by further order of the court.

1 (b) SENTENCING REVIEW FOR INDIVIDUALS UNDER
2 A CRIMINAL JUSTICE SENTENCE.—

3 (1) IN GENERAL.—For any individual who is
4 under a criminal justice sentence for a non-violent
5 Federal cannabis offense, the court that imposed the
6 sentence shall, on motion of the individual, the Di-
7 rector of the Bureau of Prisons, the attorney for the
8 Government, or the court, conduct a sentencing re-
9 view hearing. If the individual is indigent, counsel
10 shall be appointed to represent the individual in any
11 sentencing review proceedings under this subsection.

12 (2) POTENTIAL REDUCED RESENTENCING.—
13 After a sentencing hearing under paragraph (1), a
14 court shall—

15 (A) expunge each conviction or adjudica-
16 tion of juvenile delinquency for a non-violent
17 Federal cannabis offense entered by the court
18 before the date of enactment of this Act, and
19 any associated arrest;

20 (B) vacate the existing sentence or disposi-
21 tion of juvenile delinquency and, if applicable,
22 impose any remaining sentence or disposition of
23 juvenile delinquency on the individual as if this
24 Act, and the amendments made by this Act,

1 were in effect at the time the offense was com-
2 mitted; and

3 (C) order that all records related to a con-
4 viction or adjudication of juvenile delinquency
5 that has been expunged or a sentence or dis-
6 position of juvenile delinquency that has been
7 vacated under this Act be sealed and only be
8 made available by further order of the court.

9 (c) EFFECT OF EXPUNGEMENT.—An individual who
10 has had an arrest, a conviction, or juvenile delinquency
11 adjudication expunged under this section—

12 (1) may treat the arrest, conviction, or adju-
13 dication as if it never occurred; and

14 (2) shall be immune from any civil or criminal
15 penalties related to perjury, false swearing, or false
16 statements, for a failure to disclose such arrest, con-
17 viction, or adjudication.

18 (d) EXCEPTION.—An individual who at sentencing
19 received an aggravating role adjustment pursuant to
20 United States Sentencing Guideline 3B1.1(a) in relation
21 to a Federal cannabis offense conviction shall not be eligi-
22 ble for expungement of that Federal cannabis offense con-
23 viction under this section.

24 (e) DEFINITIONS.—In this section:

1 (1) The term “Federal cannabis offense” means
2 an offense that is no longer punishable pursuant to
3 this Act or the amendments made under this Act.

4 (2) The term “expunge” means, with respect to
5 an arrest, a conviction, or a juvenile delinquency ad-
6 judication, the removal of the record of such arrest,
7 conviction, or adjudication from each official index
8 or public record.

9 (3) The term “under a criminal justice sen-
10 tence” means, with respect to an individual, that the
11 individual is serving a term of probation, parole, su-
12 pervised release, imprisonment, official detention,
13 pre-release custody, or work release, pursuant to a
14 sentence or disposition of juvenile delinquency im-
15 posed on or after the effective date of the Controlled
16 Substances Act (May 1, 1971).

17 (f) STUDY.—The Comptroller General of the United
18 States, in consultation with the Secretary of Health and
19 Human Services, shall conduct a demographic study of in-
20 dividuals convicted of a Federal cannabis offense. Such
21 study shall include information about the age, race, eth-
22 nicity, sex, and gender identity of those individuals, the
23 type of community such users dwell in, and such other
24 demographic information as the Comptroller General de-
25 termines should be included.

1 (g) REPORT.—Not later than 2 years after the date
2 of the enactment of this Act, the Comptroller General of
3 the United States shall report to Congress the results of
4 the study conducted under subsection (f).

5 **SEC. 11. REFERENCES IN EXISTING LAW TO MARIJUANA OR**
6 **MARIHUANA.**

7 Wherever, in the statutes of the United States or in
8 the rulings, regulations, or interpretations of various ad-
9 ministrative bureaus and agencies of the United States—

10 (1) there appears or may appear the term
11 “marihuana” or “marijuana”, that term shall be
12 struck and the term “cannabis” shall be inserted;
13 and

14 (2) there appears or may appear the term
15 “Marihuana” or “Marijuana”, that term shall be
16 struck and the term “Cannabis” shall be inserted.

17 **SEC. 12. SEVERABILITY.**

18 If any provision of this Act or an amendment made
19 by this Act, or any application of such provision to any
20 person or circumstance, is held to be unconstitutional, the
21 remainder of this Act, the amendments made by this Act,
22 and the application of this Act and the amendments made
23 by this Act to any other person or circumstance shall not
24 be affected.

1 **SEC. 13. CANNABIS OFFENSE DEFINED.**

2 For purposes of this Act, the term “cannabis offense”
3 means a criminal offense related to cannabis—

4 (1) that, under Federal law, is no longer pun-
5 ishable pursuant to this Act or the amendments
6 made under this Act; or

7 (2) that, under State law, is no longer an of-
8 fense or that was designated a lesser offense or for
9 which the penalty was reduced under State law pur-
10 suant to or following the adoption of a State law au-
11 thorizing the sale or use of cannabis.

12 **SEC. 14. RULEMAKING.**

13 Unless otherwise provided in this Act, not later than
14 1 year after the date of enactment of this Act, the Depart-
15 ment of the Treasury, the Department of Justice, and the
16 Small Business Administration shall issue or amend any
17 rules, standard operating procedures, and other legal or
18 policy guidance necessary to carry out implementation of
19 this Act. After the 1-year period, any publicly issued sub-
20 regulatory guidance, including any compliance guides,
21 manuals, advisories and notices, may not be issued with-
22 out 60-day notice to appropriate congressional commit-
23 tees. Notice shall include a description and justification
24 for additional guidance.

1 **SEC. 15. SOCIETAL IMPACT OF MARIJUANA LEGALIZATION**

2 **STUDY.**

3 The Comptroller General of the United States shall,
4 not later than 2 years after the date of enactment of this
5 Act, provide to Congress a study that addresses the soci-
6 etal impact of the legalization of recreational cannabis by
7 States, including—

8 (1) sick days reported to employers;

9 (2) workers compensations claims;

10 (3) tax revenue remitted to States resulting
11 from legal marijuana sales;

12 (4) changes in government spending related to
13 enforcement actions and court proceedings;

14 (5) Federal welfare assistance applications;

15 (6) rate of arrests related to methamphetamine
16 possession;

17 (7) hospitalization rates related to methamphet-
18 amine and narcotics use;

19 (8) uses of marijuana and its byproducts for
20 medical purposes;

21 (9) uses of marijuana and its byproducts for
22 purposes relating to the health, including the mental
23 health, of veterans;

24 (10) arrest rates of individuals driving under
25 the influence or driving while intoxicated by mari-
26 juana;

1 (11) traffic-related deaths and injuries where
2 the driver is impaired by marijuana;

3 (12) arrest of minors for marijuana-related
4 charges;

5 (13) violent crime rates;

6 (14) school suspensions, expulsions, and law en-
7 forcement referrals that are marijuana-related;

8 (15) high school dropout rates;

9 (16) changes in district-wide and State-wide
10 standardized test scores;

11 (17) marijuana-related hospital admissions and
12 poison control calls;

13 (18) marijuana-related juvenile admittances
14 into substance rehabilitation facilities and mental
15 health clinics;

16 (19) diversion of marijuana into neighboring
17 States and drug seizures in neighboring States;

18 (20) marijuana plants grown on public lands in
19 contravention to Federal and State laws; and

20 (21) court filings under a State's organized
21 crime statutes.

22 **SEC. 16. STUDY ON MARIJUANA IMPAIRMENT.**

23 (a) IN GENERAL.—Not later than 1 year after the
24 date of enactment of this Act, the Secretary of Transpor-
25 tation shall conduct a study on technologies and methods

1 that law enforcement may use to determine whether a
2 driver is impaired by marijuana.

3 (b) REQUIREMENTS.—The study conducted under
4 subsection (a) shall be carried out by the National High-
5 way Traffic Safety Administration, in consultation with
6 any other agency the Secretary determines appropriate.

7 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
8 authorized to be appropriated \$10,000,000 to carry out
9 this section.

10 **SEC. 17. WORKPLACE IMPACT OF MARIJUANA LEGALIZA-**
11 **TION STUDY.**

12 Not later than one year after the date of enactment
13 of this Act, the National Institute for Occupational Safety
14 and Health shall—

15 (1) conduct a study and submit to Congress a
16 report on the impact of the legalization of rec-
17 reational cannabis by States on the workplace; and

18 (2) develop best practices for use by employers
19 that are transitioning their policies related to the
20 use of recreational cannabis, prioritizing the develop-
21 ment of best practices for employers engaged in
22 Federal infrastructure projects, transportation, pub-
23 lic safety, and national security.

1 **SEC. 18. SCHOOL IMPACT OF MARIJUANA LEGALIZATION**
2 **STUDY.**

3 Not later than one year after the date of enactment
4 of this Act, the Secretary of Education shall—

5 (1) conduct a study and submit to Congress a
6 report on the impact of the legalization of rec-
7 reational cannabis by States on schools and school-
8 aged children; and

9 (2) develop best practices for use by educators
10 and administrators to protect school-aged children
11 from any negative impacts of such legalization.

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