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H. R. 3884

[Report No. 116-]

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

JULY 23, 2019

Mr. NADLER (for himself, Ms. LEE of California, Mr. BLUMENAUER, Mr. JEFFRIES, Ms. VELÁZQUEZ, Mr. GAETZ, Mr. CICILLINE, Mr. COHEN, Mr. CORREA, Ms. DEAN, Mr. DEUTCH, Ms. ESCOBAR, Ms. JACKSON LEE, Ms. JAYAPAL, Mr. JOHNSON of Georgia, Mr. TED LIEU of California, Ms. LOFGREN, Mr. RASKIN, Mr. SWALWELL of California, Mr. EVANS, Ms. GABBARD, Ms. HAALAND, Mr. HUFFMAN, Mr. KHANNA, Mr. MCGOVERN, Ms. NORTON, Mr. PERLMUTTER, Ms. PRESSLEY, Ms. WATERS, and Mrs. WATSON COLEMAN) 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 Labor, Ways and Means, Small Business, Natural Resources, and Oversight and Reform, 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

DECEMBER --, 2019

Reported from the Committee on the Judiciary with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on July 23, 2019]

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 of 2019” or the*
6 *“MORE Act of 2019”.*

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, com-*
13 *pounded by the disproportionate collateral con-*
14 *sequences of 80 years of cannabis prohibition enforce-*
15 *ment, now limits participation in the industry.*

16 (3) *33 States, the District of Columbia, Puerto*
17 *Rico, and Guam have adopted laws allowing legal ac-*
18 *cess to cannabis, and 11 States, the District of Co-*
19 *lumbia, and the Commonwealth of the Northern Mar-*
20 *iana Islands have adopted laws legalizing cannabis*
21 *for adult recreational use.*

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

1 (5) *Legal cannabis sales totaled \$9.5 billion in*
2 *2017 and are projected to reach \$23 billion by 2022.*

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

6 (7) *The continued enforcement of cannabis prohi-*
7 *bition laws results in over 600,000 arrests annually,*
8 *disproportionately impacting people of color who are*
9 *almost 4 times more likely to be arrested for cannabis*
10 *possession than their White counterparts, despite*
11 *equal rates of use across populations.*

12 (8) *People of color have been historically targeted*
13 *by discriminatory sentencing practices resulting in*
14 *Black men receiving drug sentences that are 13.1 per-*
15 *cent longer than sentences imposed for White men and*
16 *Latinos being nearly 6.5 times more likely to receive*
17 *a Federal sentence for cannabis possession than non-*
18 *Hispanic Whites.*

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

23 (10) *Fewer than one-fifth of cannabis business*
24 *owners identify as minorities and only approximately*
25 *4 percent are black.*

1 (11) *Applicants for cannabis licenses are limited*
2 *by numerous laws, regulations, and exorbitant permit*
3 *applications, licensing fees, and costs in these States,*
4 *which can require more than \$700,000.*

5 (12) *Historically disproportionate arrest and*
6 *conviction rates make it particularly difficult for peo-*
7 *ple of color to enter the legal cannabis marketplace,*
8 *as most States bar these individuals from partici-*
9 *pating.*

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

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

17 **SEC. 3. DECRIMINALIZATION OF CANNABIS.**

18 (a) *CANNABIS REMOVED FROM SCHEDULE OF CON-*
19 *TROLLED SUBSTANCES.—*

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

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

24 (B) *by striking “(17)*

25 *Tetrahydrocannabinols, except for*

1 *tetrahydrocannabinols in hemp (as defined in*
2 *section 297A of the Agricultural Marketing Act*
3 *of 1946).”.*

4 (2) *REMOVAL FROM SCHEDULE.—Not later than*
5 *180 days after the date of the enactment of this Act,*
6 *the Attorney General shall finalize a rulemaking*
7 *under section 201(a)(2) removing marihuana and*
8 *tetrahydrocannabinols from the schedules of controlled*
9 *substances. Marihuana and tetrahydrocannabinols*
10 *shall each be deemed to be a drug or other substance*
11 *that does not meet the requirements for inclusion in*
12 *any schedule. A rulemaking under this paragraph*
13 *shall be considered to have taken effect as of the date*
14 *of enactment of this Act for purposes of any offense*
15 *committed, case pending, conviction entered, and, in*
16 *the case of a juvenile, any offense committed, case*
17 *pending, and adjudication of juvenile delinquency en-*
18 *tered before, on, or after the date of enactment of this*
19 *Act.*

20 (b) *CONFORMING AMENDMENTS TO CONTROLLED SUB-*
21 *STANCES ACT.—The Controlled Substances Act (21 U.S.C.*
22 *801 et seq.) is amended—*

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

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

- 1 (A) in paragraph (1)—
- 2 (i) in subparagraph (A)—
- 3 (I) in clause (vi), by inserting
- 4 “or” after the semicolon;
- 5 (II) by striking clause (vii); and
- 6 (III) by redesignating clause
- 7 (viii) as clause (vii);
- 8 (ii) in subparagraph (B)—
- 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 (iii) in subparagraph (C), in the first
- 15 sentence, by striking “subparagraphs (A),
- 16 (B), and (D)” and inserting “subpara-
- 17 graphs (A) and (B)”;
- 18 (iv) by striking subparagraph (D);
- 19 (v) by redesignating subparagraph (E)
- 20 as subparagraph (D); and
- 21 (vi) in subparagraph (D)(i), as so re-
- 22 designated, by striking “subparagraphs (C)
- 23 and (D)” and inserting “subparagraph
- 24 (C)”;
- 25 (B) by striking paragraph (4); and

1 (C) by redesignating paragraphs (5), (6),
2 and (7) as paragraphs (4), (5), and (6), respec-
3 tively;

4 (3) in section 402(c)(2)(B) (21 U.S.C.
5 842(c)(2)(B)), by striking “, marihuana,”;

6 (4) in section 403(d)(1) (21 U.S.C. 843(d)(1)),
7 by striking “, marihuana,”;

8 (5) in section 418(a) (21 U.S.C. 859(a)), by
9 striking the last sentence;

10 (6) in section 419(a) (21 U.S.C. 860(a)), by
11 striking the last sentence;

12 (7) in section 422(d) (21 U.S.C. 863(d))—

13 (A) in the matter preceding paragraph (1),
14 by striking “marijuana,”; and

15 (B) in paragraph (5), by striking “, such as
16 a marihuana cigarette,”; and

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

20 (c) *OTHER CONFORMING AMENDMENTS.*—

21 (1) *NATIONAL FOREST SYSTEM DRUG CONTROL*
22 *ACT OF 1986.*—*The National Forest System Drug Con-*
23 *trol Act of 1986 (16 U.S.C. 559b et seq.) is amend-*
24 *ed—*

1 (A) in section 15002(a) (16 U.S.C. 559b(a))

2 by striking “marijuana and other”;

3 (B) in section 15003(2) (16 U.S.C. 559c(2))

4 by striking “marijuana and other”; and

5 (C) in section 15004(2) (16 U.S.C. 559d(2))

6 by striking “marijuana and other”.

7 (2) *INTERCEPTION OF COMMUNICATIONS.*—Sec-
8 tion 2516 of title 18, United States Code, is amend-
9 ed—

10 (A) in subsection (1)(e), by striking “mari-
11 huana,”; and

12 (B) in subsection (2) by striking “mari-
13 huana”.

14 (d) *RETROACTIVITY.*—The amendments made by this
15 section to the Controlled Substances Act (21 U.S.C. 801 et
16 seq.) are retroactive and shall apply to any offense com-
17 mitted, case pending, conviction entered, and, in the case
18 of a juvenile, any offense committed, case pending, or adju-
19 dication of juvenile delinquency entered before, on, or after
20 the date of enactment of this Act.

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

23 (a) *IN GENERAL.*—The Bureau of Labor Statistics
24 shall regularly compile, maintain, and make public data
25 on the demographics of—

1 (1) *individuals who are business owners in the*
2 *cannabis industry; and*

3 (2) *individuals who are employed in the can-*
4 *nabis industry.*

5 (b) *DEMOGRAPHIC DATA.*—*The data collected under*
6 *subsection (a) shall include data regarding—*

7 (1) *age;*

8 (2) *certifications and licenses;*

9 (3) *disability status;*

10 (4) *educational attainment;*

11 (5) *family and marital status;*

12 (6) *nativity;*

13 (7) *race and Hispanic ethnicity;*

14 (8) *school enrollment;*

15 (9) *veteran status; and*

16 (10) *sex.*

17 (c) *CONFIDENTIALITY.*—*The name, address, and other*
18 *identifying information of individuals employed in the can-*
19 *nabis industry shall be kept confidential by the Bureau and*
20 *not be made available to the public.*

21 (d) *DEFINITIONS.*—*In this section:*

22 (1) *CANNABIS.*—*The term “cannabis” means ei-*
23 *ther marijuana or cannabis as defined under the*
24 *State law authorizing the sale or use of cannabis in*
25 *which the individual or entity is located.*

1 (2) *CANNABIS INDUSTRY.*—*The term “cannabis*
2 *industry” means an individual or entity that is li-*
3 *icensed or permitted under a State or local law to en-*
4 *gage in commercial cannabis-related activity.*

5 (3) *OWNER.*—*The term “owner” means an indi-*
6 *vidual or entity that is defined as an owner under the*
7 *State or local law where the individual or business is*
8 *licensed or permitted.*

9 **SEC. 5. CREATION OF OPPORTUNITY TRUST FUND AND IM-**
10 **POSITION OF TAX ON CANNABIS PRODUCTS.**

11 (a) *TRUST FUND.*—

12 (1) *ESTABLISHMENT.*—*Subchapter A of chapter*
13 *98 of the Internal Revenue Code of 1986 is amended*
14 *by adding at the end the following new section:*

15 **“SEC. 9512. OPPORTUNITY TRUST FUND.**

16 “(a) *CREATION OF TRUST FUND.*—*There is established*
17 *in the Treasury of the United States a trust fund to be*
18 *known as the ‘Opportunity Trust Fund’ (referred to in this*
19 *section as the ‘Trust Fund’), consisting of such amounts as*
20 *may be appropriated or credited to such fund as provided*
21 *in this section or section 9602(b).*

22 “(b) *TRANSFERS TO TRUST FUND.*—*There are hereby*
23 *appropriated to the Trust Fund amounts equivalent to the*
24 *net revenues received in the Treasury from the tax imposed*
25 *by section 5701(h).*

1 “(c) *EXPENDITURES.—Amounts in the Trust Fund*
2 *shall be available, without further appropriation, only as*
3 *follows:*

4 “(1) *50 percent to the Attorney General to carry*
5 *out section 3052(a) of part OO of the Omnibus Crime*
6 *Control and Safe Streets Act of 1968.*

7 “(2) *10 percent to the Attorney General to carry*
8 *out section 3052(b) of part OO of the Omnibus Crime*
9 *Control and Safe Streets Act of 1968.*

10 “(3) *20 percent to the Administrator of the*
11 *Small Business Administration to carry out section*
12 *6(b)(1) of the Marijuana Opportunity Reinvestment*
13 *and Expungement Act of 2019.*

14 “(4) *20 percent to the Administrator of the*
15 *Small Business Administration to carry out section*
16 *6(b)(2) of the Marijuana Opportunity Reinvestment*
17 *and Expungement Act of 2019.”.*

18 “(2) *CLERICAL AMENDMENT.—The table of sec-*
19 *tions for subchapter A of chapter 98 of such Code is*
20 *amended by adding at the end the following new item:*

 “*Sec. 9512. Opportunity trust fund.*”.

21 “(b) *IMPOSITION OF TAX.—*

22 “(1) *IN GENERAL.—Section 5701 of the Internal*
23 *Revenue Code of 1986 is amended by redesignating*
24 *subsection (h) as subsection (i) and by inserting after*
25 *subsection (g) the following new subsection:*

1 “(h) *CANNABIS PRODUCTS*.—On cannabis products,
2 *manufactured in or imported into the United States, there*
3 *shall be imposed a tax equal to 5 percent of the price for*
4 *which sold.*”.

5 (2) *CANNABIS PRODUCT DEFINED*.—Section 5702
6 *of such Code is amended by adding at the end the fol-*
7 *lowing new subsection:*

8 “(q) *CANNABIS PRODUCT*.—

9 “(1) *IN GENERAL*.—Except as provided in para-
10 *graph (2), the term ‘cannabis product’ means any*
11 *cannabis or any article which contains cannabis or*
12 *any derivative thereof.*

13 “(2) *EXCEPTION*.—The term ‘cannabis product’
14 *shall not include any medicine or drug that is a pre-*
15 *scribed drug (as such term is defined in section*
16 *213(d)(3)).*

17 “(3) *CANNABIS*.—The term ‘cannabis’—

18 “(A) *means all parts of the plant Cannabis*
19 *sativa L., whether growing or not; the seeds*
20 *thereof; the resin extracted from any part of such*
21 *plant; and every compound, manufacture, salt,*
22 *derivative, mixture, or preparation of such*
23 *plant, its seeds or resin; and*

24 “(B) *does not include—*

1 “(i) *hemp, as defined in section 297A*
2 *of the Agricultural Marketing Act of 1946;*
3 *or*

4 “(ii) *the mature stalks of such plant,*
5 *fiber produced from such stalks, oil or cake*
6 *made from the seeds of such plant, any*
7 *other compound, manufacture, salt, deriva-*
8 *tive, mixture, or preparation of such ma-*
9 *ture stalks (except the resin extracted there-*
10 *from), fiber, oil, or cake, or the sterilized*
11 *seed of such plant which is incapable of ger-*
12 *mination.”.*

13 (3) *CANNABIS PRODUCTS TREATED AS TOBACCO*
14 *PRODUCTS.—Section 5702(c) of such Code is amended*
15 *by striking “and roll-your-own tobacco” and inserting*
16 *“roll-your-own tobacco, and cannabis products”.*

17 (4) *MANUFACTURER OF CANNABIS PRODUCTS*
18 *TREATED AS MANUFACTURER OF TOBACCO PROD-*
19 *UCTS.—Section 5702 of such Code is amended by*
20 *adding at the end the following new subsection:*

21 “(r) *MANUFACTURER OF CANNABIS PRODUCTS.—*

22 “(1) *IN GENERAL.—Any person who plants, cul-*
23 *tivates, harvests, produces, manufactures, compounds,*
24 *converts, processes, prepares, or packages any can-*
25 *nabis product shall be treated as a manufacturer of*

1 *cannabis products (and as manufacturing such can-*
2 *nabis product).*

3 “(2) *EXCEPTION.—Paragraph (1) shall not*
4 *apply with respect to any cannabis product which is*
5 *for such person’s own personal consumption or use.*

6 “(3) *APPLICATION OF RULES RELATED TO MANU-*
7 *FACTURERS OF TOBACCO PRODUCTS.—Any reference*
8 *to a manufacturer of tobacco products, or to manufac-*
9 *turing tobacco products, shall be treated as including*
10 *a reference to a manufacturer of cannabis products,*
11 *or to manufacturing cannabis products, respec-*
12 *tively.”.*

13 “(5) *APPLICATION OF CERTAIN RULES FOR DE-*
14 *TERMINING PRICE.—Section 5702(l) of such Code is*
15 *amended—*

16 *(A) by striking “section 5701(a)(2)” and*
17 *inserting “subsections (a)(2) and (h) of section*
18 *5701”; and*

19 *(B) by inserting “AND CANNABIS PROD-*
20 *UCTS” after “CIGARS” in the heading thereof.*

21 “(6) *CONFORMING AMENDMENT.—Section 5702(j)*
22 *of such Code is amended by adding at the end the fol-*
23 *lowing new sentence: “In the case of a cannabis prod-*
24 *uct, the previous sentence shall be applied by sub-*
25 *stituting ‘from a facility of a manufacturer required*

1 to file a bond under section 5711' for 'from the fac-
2 tory or from internal revenue bond under section
3 5704'.”.

4 (c) *EFFECTIVE DATE.*—

5 (1) *IN GENERAL.*—*Except as otherwise provided*
6 *in this subsection, the amendments made by this sec-*
7 *tion shall apply to articles manufactured or imported*
8 *in calendar quarters beginning more than one year*
9 *after the date of the enactment of this Act.*

10 (2) *TRUST FUND.*—*The amendments made by*
11 *subsection (a) shall take effect on the date of the en-*
12 *actment of this Act.*

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

14 (a) *CANNABIS JUSTICE OFFICE; COMMUNITY REIN-*
15 *VESTMENT GRANT PROGRAM.*—

16 (1) *CANNABIS JUSTICE OFFICE.*—*Part A of title*
17 *I of the Omnibus Crime Control and Safe Streets Act*
18 *of 1968 (34 U.S.C. 10101 et seq.) is amended by in-*
19 *serting after section 109 the following:*

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

21 “(a) *ESTABLISHMENT.*—*There is established within*
22 *the Office of Justice Programs a Cannabis Justice Office.*

23 “(b) *DIRECTOR.*—*The Cannabis Justice Office shall be*
24 *headed by a Director who shall be appointed by the Assist-*
25 *ant Attorney General for the Office of Justice Programs.*

1 *The Director shall report to the Assistant Attorney General*
2 *for the Office of Justice Programs. The Director shall award*
3 *grants and may enter into compacts, cooperative agree-*
4 *ments, and contracts on behalf of the Cannabis Justice Of-*
5 *fice. The Director may not engage in any employment other*
6 *than that of serving as the Director, nor may the Director*
7 *hold any office in, or act in any capacity for, any organiza-*
8 *tion, agency, or institution with which the Office makes any*
9 *contract or other arrangement.*

10 “(c) *EMPLOYEES.—*

11 “(1) *IN GENERAL.—The Director shall employ as*
12 *many full-time employees as are needed to carry out*
13 *the duties and functions of the Cannabis Justice Of-*
14 *fice under subsection (d). Such employees shall be ex-*
15 *clusively assigned to the Cannabis Justice Office.*

16 “(2) *INITIAL HIRES.—Not later than 6 months*
17 *after the date of enactment of this section, the Direc-*
18 *tor shall—*

19 “(A) *hire no less than one-third of the total*
20 *number of employees of the Cannabis Justice Of-*
21 *fice; and*

22 “(B) *no more than one-half of the employees*
23 *assigned to the Cannabis Justice Office by term*
24 *appointment that may after 2 years be converted*
25 *to career appointment.*

1 “(1) *job training;*
2 “(2) *reentry services;*
3 “(3) *legal aid for civil and criminal cases, in-*
4 *cluding expungement of cannabis convictions;*
5 “(4) *literacy programs;*
6 “(5) *youth recreation or mentoring programs;*
7 “(6) *health education programs; and*
8 “(7) *services to address any collateral con-*
9 *sequences that individuals or communities face as a*
10 *result of the War on Drugs.*

11 “(b) *SUBSTANCE USE TREATMENT SERVICES.—The*
12 *Community Reinvestment Grant Program established in*
13 *subsection (a) shall provide eligible entities with funds to*
14 *administer substance use treatment services for individuals*
15 *most adversely impacted by the War on Drugs.*

16 **“SEC. 3053. FUNDING FROM OPPORTUNITY TRUST FUND.**

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

20 **“SEC. 3054. DEFINITIONS.**

21 *“In this part:*

22 “(1) *The term ‘cannabis conviction’ means a*
23 *conviction, or adjudication of juvenile delinquency,*
24 *for a cannabis offense (as such term is defined in sec-*

1 *tion 13 of the Marijuana Opportunity Reinvestment*
2 *and Expungement Act of 2019).*

3 “(2) *The term ‘substance use treatment’ means*
4 *an evidence-based, professionally directed, deliberate,*
5 *and planned regimen including evaluation, observa-*
6 *tion, medical monitoring, harm reduction, and reha-*
7 *bitative services and interventions such as*
8 *pharmacotherapy, mental health services, and indi-*
9 *vidual and group counseling, on an inpatient or out-*
10 *patient basis, to help patients with substance use dis-*
11 *order reach remission and maintain recovery.*

12 “(3) *The term ‘eligible entity’ means a nonprofit*
13 *organization, as defined in section 501(c)(3) of the*
14 *Internal Revenue Code, that is representative of a*
15 *community or a significant segment of a community*
16 *with experience in providing relevant services to indi-*
17 *viduals most adversely impacted by the War on Drugs*
18 *in that community.*

19 “(4) *The term ‘individuals most adversely im-*
20 *acted by the War on Drugs’ has the meaning given*
21 *that term in section 6 of the Marijuana Opportunity*
22 *Reinvestment and Expungement Act of 2019.’.*

23 *(b) CANNABIS OPPORTUNITY PROGRAM; EQUITABLE*
24 *LICENSING GRANT PROGRAM.—*

1 (1) *CANNABIS OPPORTUNITY PROGRAM.*—*The Ad-*
2 *ministrator of the Small Business Administration*
3 *shall establish and carry out a program, to be known*
4 *as the “Cannabis Opportunity Program” to provide*
5 *any eligible State or locality funds to make loans*
6 *under section 7(m) of the Small Business Act (15*
7 *U.S.C. 363(m)) to assist small business concerns*
8 *owned and controlled by socially and economically*
9 *disadvantaged individuals, as defined in section*
10 *8(d)(3)(C) of the Small Business Act (15 U.S.C.*
11 *637(d)(3)(C)) that operate in the cannabis industry.*

12 (2) *EQUITABLE LICENSING GRANT PROGRAM.*—
13 *The Administrator of the Small Business Administra-*
14 *tion shall establish and carry out a grant program,*
15 *to be known as the “Equitable Licensing Grant Pro-*
16 *gram”, to provide any eligible State of locality funds*
17 *to develop and implement equitable cannabis licens-*
18 *ing programs that minimize barriers to cannabis li-*
19 *ensing and employment for individuals most ad-*
20 *versely impacted by the War on Drugs, provided that*
21 *each grantee includes in its cannabis licensing pro-*
22 *gram at least four of the following:*

23 (A) *A waiver of cannabis license applica-*
24 *tion fees for individuals who have had an income*
25 *below 250 percent of the Federal Poverty Level*

1 *for at least 5 of the past 10 years who are first-*
2 *time applicants.*

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

8 *(C) A prohibition on criminal conviction*
9 *restrictions for licensing except with respect to a*
10 *conviction related to owning and operating a*
11 *business.*

12 *(D) A prohibition on cannabis license hold-*
13 *ers engaging in suspicionless cannabis drug test-*
14 *ing of their prospective or current employees, ex-*
15 *cept with respect to drug testing for safety-sen-*
16 *sitive positions, as defined under the Omnibus*
17 *Transportation Testing Act of 1991.*

18 *(E) The establishment of a cannabis licens-*
19 *ing board that is reflective of the racial, ethnic,*
20 *economic, and gender composition of the State or*
21 *locality, to serve as an oversight body of the equi-*
22 *table licensing program.*

23 *(3) DEFINITIONS.—In this subsection:*

1 (A) *The term “individual most adversely*
2 *impacted by the War on Drugs” means an indi-*
3 *vidual—*

4 (i) *who has had an income below 250*
5 *percent of the Federal Poverty Level for at*
6 *least 5 of the past 10 years; and*

7 (ii) *has been arrested for or convicted*
8 *of the sale, possession, use, manufacture, or*
9 *cultivation of cannabis or a controlled sub-*
10 *stance (except for a conviction involving*
11 *distribution to a minor), or whose parent,*
12 *sibling, spouse, or child has been arrested*
13 *for or convicted of such an offense.*

14 (B) *The term “eligible State or locality”*
15 *means a State or locality that has taken steps*
16 *to—*

17 (i) *create an automatic process, at no*
18 *cost to the individual, for the expungement,*
19 *destruction, or sealing of criminal records*
20 *for cannabis offenses; and*

21 (ii) *eliminate violations or other pen-*
22 *alties for persons under parole, probation,*
23 *pre-trial, or other State or local criminal*
24 *supervision for a cannabis offense.*

1 (C) The term “State” means each of the sev-
2 eral States, the District of Columbia, Puerto
3 Rico, any territory or possession of the United
4 States, and any Indian Tribe (as defined in sec-
5 tion 201 of Public Law 90–294 (25 U.S.C. 1301)
6 (commonly known as the “Indian Civil Rights
7 Act of 1968”).

8 **SEC. 7. AVAILABILITY OF SMALL BUSINESS ADMINISTRA-**
9 **TION PROGRAMS AND SERVICES TO CANNABIS-**
10 **RELATED LEGITIMATE BUSINESSES**
11 **AND SERVICE PROVIDERS.**

12 (a) *DEFINITIONS RELATING TO CANNABIS-RELATED*
13 *LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.*—Sec-
14 tion 3 of the Small Business Act (15 U.S.C. 632) is amend-
15 ed by adding at the end the following new subsection:

16 “(ff) *CANNABIS-RELATED LEGITIMATE BUSINESSES*
17 *AND SERVICE PROVIDERS.*—In this Act:

18 “(1) *CANNABIS.*—The term ‘cannabis’—

19 “(A) means all parts of the plant *Cannabis*
20 *sativa L.*, whether growing or not; the seeds
21 thereof; the resin extracted from any part of such
22 plant; and every compound, manufacture, salt,
23 derivative, mixture, or preparation of such
24 plant, its seeds or resin; and

25 “(B) does not include—

1 “(i) *hemp, as defined in section 297A*
2 *of the Agricultural Marketing Act of 1946;*
3 *or*

4 “(ii) *the mature stalks of such plant,*
5 *fiber produced from such stalks, oil or cake*
6 *made from the seeds of such plant, any*
7 *other compound, manufacture, salt, deriva-*
8 *tive, mixture, or preparation of such ma-*
9 *ture stalks (except the resin extracted there-*
10 *from), fiber, oil, or cake, or the sterilized*
11 *seed of such plant which is incapable of ger-*
12 *mination.*

13 “(2) *CANNABIS-RELATED LEGITIMATE BUSI-*
14 *NESS.—The term ‘cannabis-related legitimate busi-*
15 *ness’ means a manufacturer, producer, or any person*
16 *or company that is a small business concern and*
17 *that—*

18 “(A) *engages in any activity described in*
19 *subparagraph (B) pursuant to a law established*
20 *by a State or a political subdivision of a State,*
21 *as determined by such State or political sub-di-*
22 *vision; and*

23 “(B) *participates in any business or orga-*
24 *nized activity that involves handling cannabis or*
25 *cannabis products, including cultivating, pro-*

1 *ducing, manufacturing, selling, transporting,*
2 *displaying, dispensing, distributing, or pur-*
3 *chasing cannabis or cannabis products.*

4 “(3) *SERVICE PROVIDER.*—*The term ‘service pro-*
5 *vider’—*

6 “(A) *means a business, organization, or*
7 *other person that—*

8 “(i) *sells goods or services to a can-*
9 *nabis-related legitimate business; or*

10 “(ii) *provides any business services, in-*
11 *cluding the sale or lease of real or any other*
12 *property, legal or other licensed services, or*
13 *any other ancillary service, relating to can-*
14 *nabis; and*

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

23 “(b) *SMALL BUSINESS DEVELOPMENT CENTERS.*—*Sec-*
24 *tion 21(c) of the Small Business Act (15 U.S.C. 648(c)) is*
25 *amended by adding at the end the following new paragraph:*

1 “(9) *SERVICES FOR CANNABIS-RELATED LEGITI-*
2 *MATE BUSINESSES AND SERVICE PROVIDERS.*—A
3 *small business development center may not decline to*
4 *provide services to an otherwise eligible small business*
5 *concern under this section solely because such concern*
6 *is a cannabis-related legitimate business or service*
7 *provider.”.*

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

11 “(p) *SERVICES FOR CANNABIS-RELATED LEGITIMATE*
12 *BUSINESSES AND SERVICE PROVIDERS.*—A women’s busi-
13 *ness center may not decline to provide services to an other-*
14 *wise eligible small business concern under this section solely*
15 *because such concern is a cannabis-related legitimate busi-*
16 *ness or service provider.”.*

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

1 (e) *VETERAN BUSINESS OUTREACH CENTERS.*—*Sec-*
2 *tion 32 of the Small Business Act (15 U.S.C. 657b) is*
3 *amended by adding at the end the following new subsection:*

4 “(h) *SERVICES FOR CANNABIS-RELATED LEGITIMATE*
5 *BUSINESSES AND SERVICE PROVIDERS.*—*A Veteran Busi-*
6 *ness Outreach Center may not decline to provide services*
7 *to an otherwise eligible small business concern under this*
8 *section solely because such concern is a cannabis-related le-*
9 *gitimate business or service provider.”.*

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

13 “(36) *LOANS TO CANNABIS-RELATED LEGITIMATE*
14 *BUSINESSES AND SERVICE PROVIDERS.*—*The Admin-*
15 *istrator may not decline to provide a guarantee for*
16 *a loan under this subsection to an otherwise eligible*
17 *small business concern solely because such concern is*
18 *a cannabis-related legitimate business or service pro-*
19 *vider.”.*

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

23 “(16) *ASSISTANCE TO CANNABIS-RELATED LE-*
24 *GITIMATE BUSINESSES AND SERVICE PROVIDERS.*—
25 *The Administrator may not decline to provide assist-*

1 *ance under this subsection to an otherwise eligible*
2 *borrower solely because such borrower is a cannabis-*
3 *related legitimate business or service provider.”.*

4 *(h) MICROLOANS.—Section 7(m) of the Small Business*
5 *Act (15 U.S.C. 636(m)) is amended by adding at the end*
6 *the following new paragraph:*

7 *“(14) ASSISTANCE TO CANNABIS-RELATED LE-*
8 *GITIMATE BUSINESSES AND SERVICE PROVIDERS.—An*
9 *eligible intermediary may not decline to provide as-*
10 *sistance under this subsection to an otherwise eligible*
11 *borrower solely because such borrower is a cannabis-*
12 *related legitimate business or service provider.”.*

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

17 **“SEC. 511. LOANS TO CANNABIS-RELATED LEGITIMATE**
18 **BUSINESSES AND SERVICE PROVIDERS.**

19 *“The Administrator may not decline to provide a*
20 *guarantee for a loan under this title to an otherwise eligible*
21 *State or local development company solely because such*
22 *State or local development company provides financing to*
23 *an entity that is a cannabis-related legitimate business or*
24 *service provider (as defined in section 3(ff) of the Small*
25 *Business Act).”.*

1 **SEC. 8. NO DISCRIMINATION IN THE PROVISION OF A FED-**
2 **ERAL PUBLIC BENEFIT ON THE BASIS OF**
3 **CANNABIS.**

4 (a) *IN GENERAL.*—No person may be denied any Fed-
5 eral public benefit (as such term is defined in section 401(c)
6 of the Personal Responsibility and Work Opportunity Rec-
7 onciliation Act of 1996 (8 U.S.C. 1611(c))) on the basis
8 of any use or possession of cannabis, or on the basis of a
9 conviction or adjudication of juvenile delinquency for a
10 cannabis offense, by that person.

11 (b) *SECURITY CLEARANCES.*—Federal agencies may
12 not use past or present cannabis or marijuana use as cri-
13 teria for granting, denying, or rescinding a security clear-
14 ance.

15 **SEC. 9. NO ADVERSE EFFECT FOR PURPOSES OF THE IMMI-**
16 **GRATION LAWS.**

17 (a) *IN GENERAL.*—For purposes of the immigration
18 laws (as such term is defined in section 101 of the Immigra-
19 tion and Nationality Act), cannabis may not be considered
20 a controlled substance, and an alien may not be denied any
21 benefit or protection under the immigration laws based on
22 any event, including conduct, a finding, an admission, ad-
23 diction or abuse, an arrest, a juvenile adjudication, or a
24 conviction, relating to cannabis, regardless of whether the
25 event occurred before, on, or after the effective date of this
26 Act.

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

2 (1) *means all parts of the plant Cannabis sativa*
3 *L., whether growing or not; the seeds thereof; the resin*
4 *extracted from any part of such plant; and every*
5 *compound, manufacture, salt, derivative, mixture, or*
6 *preparation of such plant, its seeds or resin; and*

7 (2) *does not include*—

8 (A) *hemp, as defined in section 297A of the*
9 *Agricultural Marketing Act of 1946; or*

10 (B) *the mature stalks of such plant, fiber*
11 *produced from such stalks, oil or cake made from*
12 *the seeds of such plant, any other compound,*
13 *manufacture, salt, derivative, mixture, or prepa-*
14 *ration of such mature stalks (except the resin ex-*
15 *tracted therefrom), fiber, oil, or cake, or the steri-*
16 *lized seed of such plant which is incapable of*
17 *germination.*

18 **(c) CONFORMING AMENDMENTS TO IMMIGRATION AND**
19 **NATIONALITY ACT.**—*The Immigration and Nationality Act*
20 *(8 U.S.C. 1101 et seq.) is amended*—

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

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

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

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

11 (5) in section 245(h)(2)(B) by striking “(except
12 for so much of such paragraph as related to a single
13 offense of simple possession of 30 grams or less of
14 marijuana)”;

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

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

1 **SEC. 10. RESENTENCING AND EXPUNGEMENT.**

2 (a) *EXPUNGEMENT OF FEDERAL CANNABIS OFFENSE*
3 *CONVICTIONS FOR INDIVIDUALS NOT UNDER A CRIMINAL*
4 *JUSTICE SENTENCE.—*

5 (1) *IN GENERAL.—Not later than 1 year after*
6 *the date of the enactment of this Act, each Federal*
7 *district shall conduct a comprehensive review and*
8 *issue an order expunging each conviction or adjudica-*
9 *tion of juvenile delinquency for a Federal cannabis of-*
10 *fense entered by each Federal court in the district be-*
11 *fore the date of enactment of this Act and on or after*
12 *May 1, 1971. Each Federal court shall also issue an*
13 *order expunging any arrests associated with each ex-*
14 *punged conviction or adjudication of juvenile delin-*
15 *quency.*

16 (2) *NOTIFICATION.—To the extent practicable,*
17 *each Federal district shall notify each individual*
18 *whose arrest, conviction, or adjudication of delin-*
19 *quency has been expunged pursuant to this subsection*
20 *that their arrest, conviction, or adjudication of juve-*
21 *nile delinquency has been expunged, and the effect of*
22 *such expungement.*

23 (3) *RIGHT TO PETITION COURT FOR*
24 *EXPUNGEMENT.—At any point after the date of enact-*
25 *ment of this Act, any individual with a prior convic-*
26 *tion or adjudication of juvenile delinquency for a*

1 *Federal cannabis offense, who is not under a criminal*
2 *justice sentence, may file a motion for expungement.*
3 *If the expungement of such a conviction or adjudica-*
4 *tion of juvenile delinquency is required pursuant to*
5 *this Act, the court shall expunge the conviction or ad-*
6 *judication, and any associated arrests. If the indi-*
7 *vidual is indigent, counsel shall be appointed to rep-*
8 *resent the individual in any proceedings under this*
9 *subsection.*

10 (4) *SEALED RECORD.*—*The court shall seal all*
11 *records related to a conviction or adjudication of ju-*
12 *venile delinquency that has been expunged under this*
13 *subsection. Such records may only be made available*
14 *by further order of the court.*

15 (b) *SENTENCING REVIEW FOR INDIVIDUALS UNDER A*
16 *CRIMINAL JUSTICE SENTENCE.*—

17 (1) *IN GENERAL.*—*For any individual who is*
18 *under a criminal justice sentence for a Federal can-*
19 *nabis offense, the court that imposed the sentence*
20 *shall, on motion of the individual, the Director of the*
21 *Bureau of Prisons, the attorney for the Government,*
22 *or the court, conduct a sentencing review hearing. If*
23 *the individual is indigent, counsel shall be appointed*
24 *to represent the individual in any sentencing review*
25 *proceedings under this subsection.*

1 (2) *POTENTIAL REDUCED RESENTENCING.*—After
2 a sentencing hearing under paragraph (1), a court
3 shall—

4 (A) expunge each conviction or adjudication
5 of juvenile delinquency for a Federal cannabis
6 offense entered by the court before the date of en-
7 actment of this Act, and any associated arrest;

8 (B) vacate the existing sentence or disposi-
9 tion of juvenile delinquency and, if applicable,
10 impose any remaining sentence or disposition of
11 juvenile delinquency on the individual as if this
12 Act, and the amendments made by this Act, were
13 in effect at the time the offense was committed;
14 and

15 (C) order that all records related to a con-
16 viction or adjudication of juvenile delinquency
17 that has been expunged or a sentence or disposi-
18 tion of juvenile delinquency that has been va-
19 cated under this Act be sealed and only be made
20 available by further order of the court.

21 (c) *EFFECT OF EXPUNGEMENT.*—An individual who
22 has had an arrest, a conviction, or juvenile delinquency ad-
23 judication expunged under this section—

24 (1) may treat the arrest, conviction, or adjudica-
25 tion as if it never occurred; and

1 (2) *shall be immune from any civil or criminal*
2 *penalties related to perjury, false swearing, or false*
3 *statements, for a failure to disclose such arrest, con-*
4 *viction, or adjudication.*

5 (d) *DEFINITIONS.—In this section:*

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

9 (2) *The term “expunge” means, with respect to*
10 *an arrest, a conviction, or a juvenile delinquency ad-*
11 *judication, the removal of the record of such arrest,*
12 *conviction, or adjudication from each official index or*
13 *public record.*

14 (3) *The term “under a criminal justice sentence”*
15 *means, with respect to an individual, that the indi-*
16 *vidual is serving a term of probation, parole, super-*
17 *vised release, imprisonment, official detention, pre-re-*
18 *lease custody, or work release, pursuant to a sentence*
19 *or disposition of juvenile delinquency imposed on or*
20 *after the effective date of the Controlled Substances*
21 *Act (May 1, 1971).*

22 (e) *STUDY.—The Comptroller General of the United*
23 *States, in consultation with the National Institute on Drug*
24 *Abuse, shall conduct a demographic study of individuals*
25 *convicted of a Federal cannabis offense. Such study shall*

1 *include information about the age, race, ethnicity, sex, and*
2 *gender identity of those individuals, the type of community*
3 *such users dwell in, and such other demographic informa-*
4 *tion as the Comptroller General determines should be in-*
5 *cluded.*

6 (f) *REPORT.*—*Not later than 2 years after the date of*
7 *the enactment of this Act, the Comptroller General of the*
8 *United States shall report to Congress the results of the*
9 *study conducted under subsection (e).*

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

12 *Wherever, in the statutes of the United States or in*
13 *the rulings, regulations, or interpretations of various ad-*
14 *ministrative bureaus and agencies of the United States—*

15 (1) *there appears or may appear the term “mar-*
16 *ihuana” or “marijuana”, that term shall be struck*
17 *and the term “cannabis” shall be inserted; and*

18 (2) *there appears or may appear the term “Mar-*
19 *ihuana” or “Marijuana”, that term shall be struck*
20 *and the term “Cannabis” shall be inserted.*

21 **SEC. 12. SEVERABILITY.**

22 *If any provision of this Act or an amendment made*
23 *by this Act, or any application of such provision to any*
24 *person or circumstance, is held to be unconstitutional, the*
25 *remainder of this Act, the amendments made by this Act,*

1 *and the application of this Act and the amendments made*
2 *by this Act to any other person or circumstance shall not*
3 *be affected.*

4 **SEC. 13. CANNABIS OFFENSE DEFINED.**

5 *For purposes of this Act, the term “cannabis offense”*
6 *means a criminal offense related to cannabis—*

7 *(1) that, under Federal law, is no longer punish-*
8 *able pursuant to this Act or the amendments made*
9 *under this Act; or*

10 *(2) that, under State law, is no longer an offense*
11 *or that was designated a lesser offense or for which*
12 *the penalty was reduced under State law pursuant to*
13 *or following the adoption of a State law authorizing*
14 *the sale or use of cannabis.*

15 **SEC. 14. RULEMAKING.**

16 *Unless otherwise provided in this Act, not later than*
17 *1 year after the date of enactment of this Act, the Depart-*
18 *ment of the Treasury, the Department of Justice, and the*
19 *Small Business Administration shall issue or amend any*
20 *rules, standard operating procedures, and other legal or pol-*
21 *icy guidance necessary to carry out implementation of this*
22 *Act. After the 1-year period, any publicly issued sub-regu-*
23 *latory guidance, including any compliance guides, manu-*
24 *als, advisories and notices, may not be issued without 60-*
25 *day notice to appropriate congressional committees. Notice*

1 *shall include a description and justification for additional*
2 *guidance.*

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

4 **STUDY.**

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

10 *(1) sick days reported to employers;*

11 *(2) workers compensations claims;*

12 *(3) tax revenue remitted to States resulting from*
13 *legal marijuana sales;*

14 *(4) changes in government spending related to*
15 *enforcement actions and court proceedings;*

16 *(5) Federal welfare assistance applications;*

17 *(6) rate of arrests related to methamphetamine*
18 *possession;*

19 *(7) hospitalization rates related to methamphet-*
20 *amine and narcotics use;*

21 *(8) uses of marijuana and its byproducts for*
22 *medical purposes;*

23 *(9) arrest rates of individuals driving under the*
24 *influence or driving while intoxicated by marijuana;*

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

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

5 (12) *violent crime rates;*

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

8 (14) *high school dropout rates;*

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

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

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

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

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

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