

116TH CONGRESS  
1ST SESSION

# H. R. 3540

To ensure that certain loan programs of the Small Business Administration are made available to cannabis-related legitimate businesses and service providers, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 2019

Ms. VELÁZQUEZ introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committees on Energy and Commerce, Natural Resources, Agriculture, and the Judiciary, 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

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## A BILL

To ensure that certain loan programs of the Small Business Administration are made available to cannabis-related legitimate businesses and service providers, 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 “Ensuring Safe Capital  
5 Access for All Small Businesses Act of 2019”.

1 **SEC. 2. DECRIMINALIZATION OF CANNABIS.**

2 (a) CANNABIS REMOVED FROM SCHEDULE OF CON-  
3 TROLLED SUBSTANCES.—Subsection (c) of schedule I of  
4 section 202(c) of the Controlled Substances Act (21  
5 U.S.C. 812) is amended—

6 (1) by striking “Marihuana”; and

7 (2) by striking “Tetrahydrocannabinols”

8 and renumbering accordingly.

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

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

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

15 (A) in paragraph (1)—

16 (i) in subparagraph (A)—

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

19 (II) by striking (vii); and

20 (III) by redesignating clause  
21 (viii) as clause (vii);

22 (ii) in subparagraph (B)—

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

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

1 (III) by redesignating clause  
2 (viii) as clause (vii);  
3 (iii) in subparagraph (C), in the first  
4 sentence, by striking “subparagraphs (A),  
5 (B), and (D)” and inserting “subpara-  
6 graphs (A) and (B)”;  
7 (iv) by striking subparagraph (D);  
8 (v) by redesignating subparagraph (E)  
9 as subparagraph (D); and  
10 (vi) in subparagraph (D)(i), as so re-  
11 designated, by striking “subparagraphs (C)  
12 and (D)” and inserting “subparagraph  
13 (C)”;  
14 (B) by striking paragraph (4); and  
15 (C) by redesignating paragraphs (5), (6),  
16 and (7) as paragraphs (4), (5), and (6), respec-  
17 tively;  
18 (3) in section 402(c)(2)(B) (21 U.S.C.  
19 842(c)(2)(B)), by striking “marihuana,”;  
20 (4) in section 403(d)(1) (21 U.S.C. 843(d)(1)),  
21 by striking “marihuana,”;  
22 (5) in section 418(a) (21 U.S.C. 859(a)), by  
23 striking the last sentence;  
24 (6) in section 419(a) (21 U.S.C. 860(a)), by  
25 striking the last sentence;

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

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

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

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

9 (c) OTHER CONFORMING AMENDMENTS.—

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

14 (A) in section 15002(a) (16 U.S.C.  
15 559b(a)) by striking “marijuana and other”;

16 (B) in section 15003(2) (16 U.S.C.  
17 559c(2)) by striking “marijuana and other”;  
18 and

19 (C) in section 15004(2) (16 U.S.C.  
20 559d(2)) by striking “marijuana and other”.

21 (2) INTERCEPTION OF COMMUNICATIONS.—Sec-  
22 tion 2516 of title 18, United States Code, is amend-  
23 ed—

24 (A) in subsection (1)(e), by striking “,  
25 marihuana,”; and

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

3 **SEC. 3. 7(a) LOANS TO CANNABIS-RELATED LEGITIMATE**  
4 **BUSINESSES AND SERVICE PROVIDERS.**

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

8 “(36) LOANS TO CANNABIS-RELATED LEGITI-  
9 MATE BUSINESSES AND SERVICE PROVIDERS.—

10 “(A) IN GENERAL.—The Administrator  
11 may not decline to provide a guarantee for a  
12 loan under this subsection to an otherwise eligi-  
13 ble small business concern solely because such  
14 concern is a cannabis-related legitimate busi-  
15 ness or service provider.

16 “(B) DEFINITIONS.—In this paragraph:

17 “(i) CANNABIS.—The term ‘cannabis’  
18 has the meaning given the term ‘mari-  
19 huana’ in section 102 of the Controlled  
20 Substances Act.

21 “(ii) CANNABIS PRODUCT.—The term  
22 ‘cannabis product’ means any article which  
23 contains cannabis, including an article  
24 which is a concentrate, an edible, a tinc-

1           ture, a cannabis-infused product, or a top-  
2           ical.

3           “(iii) CANNABIS-RELATED LEGITI-  
4           MATE BUSINESS.—The term ‘cannabis-re-  
5           lated legitimate business’ means a manu-  
6           facturer, producer, or any person or com-  
7           pany that is a small business concern and  
8           that—

9                   “(I) engages in any activity de-  
10                   scribed in subclause (II) pursuant to  
11                   a law established by a State or a po-  
12                   litical subdivision of a State, as deter-  
13                   mined by such State or political sub-  
14                   division; and

15                   “(II) participates in any business  
16                   or organized activity that involves  
17                   handling cannabis or cannabis prod-  
18                   ucts, including cultivating, producing,  
19                   manufacturing, selling, transporting,  
20                   displaying, dispensing, distributing, or  
21                   purchasing cannabis or cannabis prod-  
22                   ucts.

23           “(iv) MANUFACTURER.—The term  
24           ‘manufacturer’ means a person who manu-  
25           factures, compounds, converts, processes,

1 prepares, or packages cannabis or cannabis  
2 products.

3 “(v) PRODUCER.—The term ‘pro-  
4 ducer’ means a person who plants, cul-  
5 tivates, harvests, or in any way facilitates  
6 the natural growth of cannabis.

7 “(vi) SERVICE PROVIDER.—The term  
8 ‘service provider’—

9 “(I) means a business, organiza-  
10 tion, or other person that—

11 “(aa) sells goods or services  
12 to a cannabis-related legitimate  
13 business; or

14 “(bb) provides any business  
15 services, including the sale or  
16 lease of real or any other prop-  
17 erty, legal or other licensed serv-  
18 ices, or any other ancillary serv-  
19 ice, relating to cannabis; and

20 “(II) does not include a business,  
21 organization, or other person that  
22 participates in any business or orga-  
23 nized activity that involves handling  
24 cannabis or cannabis products, includ-  
25 ing cultivating, producing, manufac-

1 turing, selling, transporting, dis-  
2 playing, dispensing, distributing, or  
3 purchasing cannabis or cannabis prod-  
4 ucts.

5 “(vii) STATE.—The term ‘State’  
6 means each of the several States, the Dis-  
7 trict of Columbia, Puerto Rico, and any  
8 territory or possession of the United  
9 States.”.

10 **SEC. 4. DISASTER LOANS TO CANNABIS-RELATED LEGITI-**  
11 **MATE BUSINESSES AND SERVICE PROVIDERS.**

12 Section 7(b) of the Small Business Act (15 U.S.C.  
13 636(b)) is amended by inserting after paragraph (15) the  
14 following new paragraph:

15 “(16) ASSISTANCE TO CANNABIS-RELATED LE-  
16 GITIMATE BUSINESSES AND SERVICE PROVIDERS.—  
17 The Administrator may not decline to provide assist-  
18 ance under this subsection to an otherwise eligible  
19 borrower solely because such borrower is a cannabis-  
20 related legitimate business or service provider (as  
21 defined in subsection (a)(36)).”.



1 **SEC. 5. MICROLOANS TO CANNABIS-RELATED LEGITIMATE**  
 2 **BUSINESSES AND SERVICE PROVIDERS.**

3 Section 7(m) of the Small Business Act (15 U.S.C.  
 4 636(m)(13)) is amended by adding at the end the fol-  
 5 lowing new paragraph:

6 “(14) ASSISTANCE TO CANNABIS-RELATED LE-  
 7 GITIMATE BUSINESSES AND SERVICE PROVIDERS.—  
 8 An eligible intermediary may not decline to provide  
 9 assistance under this subsection to an otherwise eli-  
 10 gible borrower solely because such borrower is a can-  
 11 nabis-related legitimate business or service provider  
 12 (as defined in subsection (a)(36)).”.

13 **SEC. 6. STATE OR LOCAL DEVELOPMENT COMPANY LOANS**  
 14 **TO CANNABIS-RELATED LEGITIMATE BUSI-**  
 15 **NESSES AND SERVICE PROVIDERS.**

16 Title V of the Small Business Investment Act of 1958  
 17 (15 U.S.C. 695 et seq.) is amended by adding at the end  
 18 the following new section:

19 **“SEC. 511. LOANS TO CANNABIS-RELATED LEGITIMATE**  
 20 **BUSINESSES AND SERVICE PROVIDERS.**

21 “The Administrator may not decline to provide a  
 22 guarantee for a loan under this title to an otherwise eligi-  
 23 ble State or local development company solely because  
 24 such State or local development company provides financ-  
 25 ing to an entity that is a cannabis-related legitimate busi-

1 ness or service provider (as defined in section 7(a)(36) of  
2 the Small Business Act).”.

3 **SEC. 7. RULEMAKING.**

4 Not later than 120 days after the date of the enact-  
5 ment of this Act, the Administrator of the Small Business  
6 Administration shall issue or amend any rules, standard  
7 operating procedures, other legal or policy guidance nec-  
8 essary to carry out the requirements of this Act and the  
9 amendments made by this Act.

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