

116TH CONGRESS
1ST SESSION

H. RES. 163

Urging action to increase equity within the legal cannabis marketplace.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2019

Ms. LEE of California (for herself, Mr. BLUMENAUER, Mr. PERLMUTTER, Ms. OCASIO-CORTEZ, Mr. KHANNA, and Ms. PRESSLEY) submitted the following resolution; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on the Judiciary, and Education and Labor, 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

RESOLUTION

Urging action to increase equity within the legal cannabis marketplace.

Whereas the communities that have been most harmed by cannabis prohibition are benefiting the least from the legal marijuana marketplace;

Whereas a legacy of racial and ethnic injustices, compounded by the disproportionate collateral consequences of 80 years of cannabis prohibition enforcement, now limits participation in the industry;

Whereas 33 States, the District of Columbia, Puerto Rico, and Guam have adopted laws allowing legal access to cannabis, and 10 States, the District of Columbia, and

the Commonwealth of the Northern Mariana Islands have adopted laws legalizing cannabis for adult recreational use;

Whereas a total of 47 States have reformed their laws pertaining to cannabis outside of comport with the Schedule 1 status of marijuana and its Federal criminalization;

Whereas legal cannabis sales totaled \$9.5 billion in 2017 and are projected to reach \$23 billion by 2022;

Whereas according to the American Civil Liberties Union (ACLU), enforcing cannabis prohibition laws costs taxpayers approximately \$3.6 billion a year;

Whereas the continued enforcement of cannabis prohibition laws results in over 600,000 arrests annually, disproportionately impacting people of color who are almost 4 times more likely to be arrested for cannabis possession than their White counterparts, despite equal rates of use across populations;

Whereas people of color have been historically targeted by discriminatory sentencing practices resulting in Black men receiving drug sentences that are 13.1 percent longer than sentences imposed for White men and Latinos being nearly 6.5 times more likely to receive a Federal sentence for cannabis possession than non-Hispanic Whites;

Whereas, in 2013, simple cannabis possession was the fourth most common cause of deportation for any offense and the most common cause of deportation for drug law violations;

Whereas it is estimated that less than 1 percent of the cannabis industry is owned or operated by people of color;

Whereas applicants for cannabis licenses are limited by numerous laws, regulations, and exorbitant permit applications and licensing fees in these States, which can total more than \$700,000;

Whereas historically disproportionate arrest and conviction rates make it particularly difficult for people of color to enter the legal cannabis marketplace, as most States bar these individuals from participating;

Whereas Federal law severely limits access to loans and capital for cannabis businesses, disproportionately impacting minority small business owners; and

Whereas some States and municipalities have taken proactive steps to mitigate inequalities in the legal cannabis marketplace and ensure equal participation in the industry:
Now, therefore, be it

1 *Resolved,*

2 **SECTION 1. SHORT TITLE.**

3 This Act may be cited as the “Realizing Equitable
4 & Sustainable Participation in Emerging Cannabis Trades
5 Resolution” or the “RESPECT Resolution”.

6 **SEC. 2. BEST PRACTICES AND STEPS TO ADDRESS DISPARI-**
7 **TIES IN THE CANNABIS MARKETPLACE PAR-**
8 **TICIPATION; ADDRESS, REVERSE, AND RE-**
9 **PAIR CERTAIN EFFECTS OF THE WAR ON**
10 **DRUGS.**

11 (a) IN GENERAL.—The House of Representatives en-
12 courages States and localities to adopt best practices and
13 take bold steps referred to in subsection (b) to address

1 disparities in the cannabis marketplace participation and
2 to address, reverse, and repair the most egregious effects
3 of the War on Drugs on communities of color, in par-
4 ticular to those who now hold criminal records for a sub-
5 stance that is now legal and regulated.

6 (b) BEST PRACTICES AND STEPS.—The practices
7 and steps referred to in this subsection include—

8 (1) establishing licensing and application fees
9 that are reasonable to cover only the costs of pro-
10 gram implementation and necessary regulations;

11 (2) creating a system where licensing is to be
12 obtained at the city or county level and should be
13 based on regulations determined by the local juris-
14 diction that meet the State’s minimum require-
15 ments, which allows the community to determine the
16 type and number of businesses, avoids arbitrary caps
17 on licenses, and results in an industry more rep-
18 resentative of the local market;

19 (3) in States where license caps are completely
20 unavoidable, establishing local oversight and control
21 of cannabis licenses by allowing local cities and mu-
22 nicipalities to prioritize licenses for local citizens and
23 residents, especially individuals most impacted by
24 the War on Drugs, by taking into account and
25 prioritizing—

1 (A) long-term residency within the State or
2 locality;

3 (B) individuals whose income is less than
4 80 percent of the median household income
5 within a county;

6 (C) individuals who have been formerly in-
7 carcerated;

8 (D) individuals with prior drug law viola-
9 tions; and

10 (E) individuals living within a jurisdiction
11 that is heavily policed;

12 (4) adopting laws and implementing regulations
13 that will allow small cultivators to thrive in the legal
14 market;

15 (5) creating more equitable licensing by—

16 (A) eliminating broad felony restrictions
17 for licensing;

18 (B) focusing restrictions on entering the
19 market to those, determined on a case-by-case
20 basis for both licensees and employees, with
21 criminal convictions that are relevant to the
22 owning and operating of a business; and

23 (C) prohibiting previous cannabis convic-
24 tions from consideration as justification for a
25 denial of a license;

1 (6) creating an automatic process, at no cost
2 for the individual, for the expungement or sealing of
3 criminal records for cannabis offenses that is inclu-
4 sive of individuals currently on parole or under any
5 probationary agreement, for cannabis offenses;

6 (7) establishing a process for resentencing per-
7 sons serving sentences for cannabis convictions and
8 redesignating of penalties for persons previously con-
9 victed of cannabis-related crimes for which the pen-
10 alties have been reduced or removed;

11 (8) eliminating suspicionless drug testing for
12 nonsafety sensitive positions;

13 (9) eliminating punishment or other penaliza-
14 tion for persons currently under parole, probation,
15 or other State supervision, or released on bail await-
16 ing trial, for conduct otherwise allowed under State
17 cannabis laws;

18 (10) setting aside a percentage of the tax rev-
19 enue from cannabis sales to be reinvested in commu-
20 nities that have been most affected by cannabis ar-
21 rests and the drug war, which most frequently have
22 been communities of color, including programs for
23 job training, reentry services, expungement expenses,
24 public libraries, community centers, programs and

1 opportunities dedicated to youth, and health edu-
2 cation programs;

3 (11) using a percentage of tax revenue to estab-
4 lish a special fund to provide small business invest-
5 ments to support people of color entering into the
6 legal marijuana industry;

7 (12) establishing cannabis regulatory and over-
8 sight bodies and commissions that reflect the racial,
9 ethnic, economic, and gender makeup of the sur-
10 rounding community;

11 (13) creating employment and subcontracting
12 requirements for cannabis licensee in order to use
13 the ancillary business activity generated by the can-
14 nabis industry to employ people of color; and

15 (14) including provisions designating spaces for
16 public consumption, either by the licensing of social
17 entities or by creating these spaces.

○