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2^D SESSION

H. R. 3617

IN THE SENATE OF THE UNITED STATES

APRIL 4 (legislative day, MARCH 31), 2022

Received; read twice and referred to the Committee on Finance

AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Marijuana Opportunity
3 Reinvestment and Expungement Act” or the “MORE
4 Act”.

5 **SEC. 2. FINDINGS.**

6 The Congress finds as follows:

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

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

14 (3) 37 States, the District of Columbia, Puerto
15 Rico, Guam, and the U.S. Virgin Islands have
16 adopted laws allowing legal access to cannabis, and
17 15 States, the District of Columbia, the Common-
18 wealth of the Northern Mariana Islands, and Guam
19 have adopted laws legalizing cannabis for adult rec-
20 reational use.

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

24 (5) Legal cannabis sales totaled
25 \$20,000,000,000 in 2020 and are projected to reach
26 \$40,500,000,000 by 2025.

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

4 (7) The continued enforcement of cannabis pro-
5 hibition laws results in over 600,000 arrests annu-
6 ally, disproportionately impacting people of color
7 who are almost 4 times more likely to be arrested
8 for cannabis possession than their White counter-
9 parts, despite equal rates of use across populations.

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

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

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

24 (11) Applicants for cannabis licenses are lim-
25 ited by numerous laws, regulations, and exorbitant

1 permit applications, licensing fees, and costs in these
2 States, which can require more than \$700,000.

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

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

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

15 **SEC. 3. DECRIMINALIZATION OF CANNABIS.**

16 (a) CANNABIS REMOVED FROM SCHEDULE OF CON-
17 TROLLED SUBSTANCES.—

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

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

22 (B) by striking “(17)
23 Tetrahydrocannabinols, except for
24 tetrahydrocannabinols in hemp (as defined

1 under section 297A of the Agricultural Mar-
2 keting Act of 1946).”.

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

20 (b) CONFORMING AMENDMENTS TO CONTROLLED
21 SUBSTANCES ACT.—The Controlled Substances Act (21
22 U.S.C. 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
16 as 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
23 Control Act of 1986 (16 U.S.C. 559b et seq.) is
24 amended—

1 (A) in section 15002(a) (16 U.S.C.
2 559b(a)) by striking “marijuana and other”;

3 (B) in section 15003(2) (16 U.S.C.
4 559c(2)) by striking “marijuana and other”;
5 and

6 (C) in section 15004(2) (16 U.S.C.
7 559d(2)) by striking “marijuana and other”.

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

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

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

15 (3) FMCSA PROVISIONS.—

16 (A) CONFORMING AMENDMENT.—Section
17 31301(5) of title 49, United States Code, is
18 amended by striking “section 31306,” and in-
19 serting “sections 31306, 31306a, and sub-
20 sections (b) and (c) of section 31310,”.

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

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

1 (ii) by striking the period at the end
2 and 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 (C) DISQUALIFICATIONS.—Section
8 31310(b) of title 49, United States Code, is
9 amended by adding at the end the following:

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

13 (4) FAA PROVISIONS.—Section 45101 of title
14 49, United States Code, is amended—

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

17 “(A) any substance”; and

18 (B) by striking the period at the end and
19 inserting “; and

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

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

1 (A) by striking “means any substance”
2 and inserting the following: “means—
3 “(A) any substance”; and
4 (B) by striking the period at the end and
5 inserting “; and
6 “(B) any substance not covered under sub-
7 paragraph (A) that was a substance under such
8 section as of December 1, 2018, and specified
9 by the Secretary of Transportation.”.

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

12 (A) by striking “means any substance”
13 and inserting the following: “means—
14 “(A) any substance”; and
15 (B) by striking the period at the end and
16 inserting “; and
17 “(B) any substance not covered under sub-
18 paragraph (A) that was a substance under such
19 section as of December 1, 2018, and whose use
20 the Secretary of Transportation decides has a
21 risk to transportation safety.”.

22 (d) RETROACTIVITY.—The amendments made by this
23 section to the Controlled Substances Act (21 U.S.C. 801
24 et seq.) are retroactive and shall apply to any offense com-
25 mitted, case pending, conviction entered, and, in the case

1 of a juvenile, any offense committed, case pending, or ad-
2 judication of juvenile delinquency entered before, on, or
3 after the date of enactment of this Act.

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

6 (1) the Federal Food, Drug, and Cosmetic Act
7 (21 U.S.C. 301 et seq.);

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

10 (3) the authority of the Commissioner of Food
11 and Drugs and the Secretary of Health and Human
12 Services—

13 (A) under—

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

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

18 (B) to promulgate Federal regulations and
19 guidelines that relate to products containing
20 cannabis or cannabis-derived compounds under
21 the Act described in subparagraph (A)(i) or the
22 section described in subparagraph (A)(ii).

23 (f) PUBLIC MEETINGS.—Not later than one year
24 after the date of enactment of this Act, the Secretary of
25 Health and Human Services, acting through the Commis-

1 sioner of Food and Drugs, shall hold not less than one
2 public meeting to address the regulation, safety, manufac-
3 turing, product quality, marketing, labeling, and sale of
4 products containing cannabis or cannabis-derived com-
5 pounds.

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

10 “(h) MARIJUANA.—

11 “(1) CONTINUED TESTING.—Notwithstanding
12 the Marijuana Opportunity Reinvestment and
13 Expungement Act and the amendments made there-
14 by, the Secretary of Health and Human Services
15 may continue to include marijuana for purposes of
16 drug testing of Federal employees subject to this
17 section, Executive Order 12564, or other applicable
18 Federal laws and orders.

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

25 (h) SPECIAL RULE FOR CERTAIN REGULATIONS.—

1 (1) IN GENERAL.—The amendments made by
2 this section may not be construed to abridge the au-
3 thority of the Secretary of Transportation, or the
4 Secretary of the department in which the Coast
5 Guard is operating, to regulate and screen for the
6 use of a controlled substance.

7 (2) CONTROLLED SUBSTANCE DEFINED.—In
8 this subsection, the term “controlled substance”
9 means—

10 (A) any substance covered under section
11 102 of the Controlled Substances Act (21
12 U.S.C. 802) on the day before the date of en-
13 actment of this Act; and

14 (B) any substance not covered under sub-
15 paragraph (A) that was a substance covered
16 under section 102 of the Controlled Substances
17 Act (21 U.S.C. 802) on December 1, 2018, and
18 specified by the Secretary of Transportation.

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

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

24 (1) individuals who are business owners in the
25 cannabis industry; and

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

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

5 (1) age;

6 (2) certifications and licenses;

7 (3) disability status;

8 (4) educational attainment;

9 (5) family and marital status;

10 (6) nativity;

11 (7) race and Hispanic ethnicity;

12 (8) school enrollment;

13 (9) veteran status; and

14 (10) sex.

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

19 (d) DEFINITIONS.—In this section:

20 (1) CANNABIS.—The term “cannabis” means
21 either marijuana or cannabis as defined under the
22 State law authorizing the sale or use of cannabis in
23 which the individual or entity is located.

24 (2) CANNABIS INDUSTRY.—The term “cannabis
25 industry” means an individual or entity that is li-

1 censed or permitted under a State or local law to en-
2 gage in commercial cannabis-related activity.

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

7 **SEC. 5. CREATION OF OPPORTUNITY TRUST FUND AND IM-**
8 **POSITION OF TAXES WITH RESPECT TO CAN-**
9 **NABIS PRODUCTS.**

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

14 **“SEC. 9512. ESTABLISHMENT OF OPPORTUNITY TRUST**
15 **FUND.**

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

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

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
5 carry out section 3052(a) of part OO of the Omni-
6 bus Crime Control and Safe Streets Act of 1968.

7 “(2) 10 percent to the Attorney General to
8 carry out section 3052(b) of part OO of the Omni-
9 bus Crime 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.

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.”.

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

21 **“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

1 **“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.

2 **“SEC. 5901. IMPOSITION OF TAX.**

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

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

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

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

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

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

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

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

7 “(c) APPLICABLE EQUIVALENT AMOUNT.—

8 “(1) IN GENERAL.—For purposes of subsection
9 (a)(2), the term ‘applicable equivalent amount’
10 means, with respect to any cannabis product re-
11 moved during any calendar year, an amount equal
12 to—

13 “(A) in the case of any cannabis product
14 not described in subparagraph (B), the product
15 of the applicable rate per ounce multiplied by
16 the number of ounces of such product (and a
17 proportionate tax at the like rate on all frac-
18 tional parts of an ounce of such product), and

19 “(B) in the case of any THC-measurable
20 cannabis product, the product of the applicable
21 rate per gram multiplied by the number of
22 grams of tetrahydrocannabinol in such product
23 (and a proportionate tax at the like rate on all
24 fractional parts of a gram of
25 tetrahydrocannabinol in such product).

1 “(2) APPLICABLE RATES.—

2 “(A) IN GENERAL.—For purposes of para-
3 graph (1)(A), the term ‘applicable rate per
4 ounce’ means, with respect to any cannabis
5 product removed during any calendar year, 8
6 percent of the prevailing sales price of cannabis
7 flowers sold in the United States during the 12-
8 month period ending one calendar quarter be-
9 fore such calendar year, expressed on a per
10 ounce basis, as determined by the Secretary.

11 “(B) THC-MEASURABLE CANNABIS PROD-
12 UCTS.—For purposes of paragraph (1)(B), the
13 term ‘applicable rate per gram’ means, with re-
14 spect to any cannabis product removed during
15 any calendar year, 8 percent of the prevailing
16 sales price of tetrahydrocannabinol sold in the
17 United States during the 12-month period end-
18 ing one calendar quarter before such calendar
19 year, expressed on a per gram basis, as deter-
20 mined by the Secretary.

21 “(d) TIME OF ATTACHMENT ON CANNABIS PROD-
22 UCTS.—The tax under this section shall attach to any can-
23 nabis product as soon as such product is in existence as
24 such, whether it be subsequently separated or transferred

1 into any other substance, either in the process of original
2 production or by any subsequent process.

3 **“SEC. 5902. DEFINITIONS.**

4 “(a) DEFINITIONS RELATED TO CANNABIS PROD-
5 UCTS.—For purposes of this chapter—

6 “(1) CANNABIS PRODUCT.—

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

11 “(B) EXCEPTIONS.—The term ‘cannabis
12 product’ shall not include an FDA-approved ar-
13 ticle or industrial hemp.

14 “(C) FDA-APPROVED ARTICLE.—The term
15 ‘FDA-approved article’ means any article if the
16 producer or importer thereof demonstrates to
17 the satisfaction of the Secretary of Health and
18 Human Services that such article is—

19 “(i) a drug—

20 “(I) that is approved under sec-
21 tion 505 of the Federal Food, Drug,
22 and Cosmetic Act or licensed under
23 section 351 of the Public Health Serv-
24 ice Act, or

1 “(II) for which an investigational
2 use exemption has been authorized
3 under section 505(i) of the Federal
4 Food, Drug, and Cosmetic Act or
5 under section 351(a) of the Public
6 Health Service Act, or

7 “(ii) a combination product (as de-
8 scribed in section 503(g) of the Federal
9 Food, Drug, and Cosmetic Act), the con-
10 stituent parts of which were approved or
11 cleared under section 505, 510(k), or 515
12 of such Act.

13 “(D) INDUSTRIAL HEMP.—The term ‘in-
14 dustrial hemp’ means the plant *Cannabis sativa*
15 L. and any part of such plant, whether growing
16 or not, with a delta-9 tetrahydrocannabinol con-
17 centration of not more than 0.3 percent on a
18 dry weight basis.

19 “(2) THC-MEASURABLE CANNABIS PRODUCT.—
20 The term ‘THC-measurable cannabis product’
21 means any cannabis product—

22 “(A) with respect to which the Secretary
23 has made a determination that the amount of
24 tetrahydrocannabinol in such product can be
25 measured with a high degree of accuracy, or

1 “(B) which is not cannabis flower and the
2 concentration of tetrahydrocannabinol in which
3 is significantly higher than the average such
4 concentration in cannabis flower.

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

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

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

13 “(2) PRODUCER.—

14 “(A) IN GENERAL.—The term ‘producer’
15 means any person who plants, cultivates, har-
16 vests, grows, manufactures, produces, com-
17 pounds, converts, processes, prepares, or pack-
18 ages any cannabis product.

19 “(B) PERSONAL USE EXCEPTION.—Subject
20 to regulation prescribed by the Secretary, the
21 term ‘producer’ shall not include any individual
22 otherwise described in subparagraph (A) if the
23 only cannabis product described in such sub-
24 paragraph with respect to such individual is for
25 personal or family use and not for sale.

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

3 “(A) is in the United States and to whom
4 non-tax-paid cannabis products, produced in a
5 foreign country or a possession of the United
6 States, are shipped or consigned,

7 “(B) removes cannabis products for sale or
8 consumption in the United States from a cus-
9 toms bonded warehouse, or

10 “(C) smuggles or otherwise unlawfully
11 brings any cannabis product into the United
12 States.

13 “(4) EXPORT WAREHOUSE PROPRIETOR.—

14 “(A) IN GENERAL.—The term ‘export
15 warehouse proprietor’ means any person who
16 operates an export warehouse.

17 “(B) EXPORT WAREHOUSE.—The term
18 ‘export warehouse’ means a bonded internal
19 revenue warehouse for the storage of cannabis
20 products, upon which the internal revenue tax
21 has not been paid—

22 “(i) for subsequent shipment to a for-
23 eign country or a possession of the United
24 States, or

1 “(ii) for consumption beyond the ju-
2 risdiction of the internal revenue laws of
3 the United States.

4 “(5) CANNABIS PRODUCTION FACILITY.—The
5 term ‘cannabis production facility’ means an estab-
6 lishment which is qualified under subchapter C to
7 perform any operation for which such qualification is
8 required under such subchapter.

9 “(c) OTHER DEFINITIONS.—For purposes of this
10 chapter—

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

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

15 “(A) the transfer of cannabis products
16 from the premises of a producer (or the trans-
17 fer of such products from the bonded premises
18 of a producer to a non-bonded premises of such
19 producer),

20 “(B) release of such products from cus-
21 toms custody, or

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

24 “(3) REMOVAL PRICE.—The term ‘removal
25 price’ means—

1 “(A) except as otherwise provided in this
2 paragraph, the price for which the cannabis
3 product is sold in the sale which occurs in con-
4 nection with the removal of such product,

5 “(B) in the case of any such sale which is
6 described in section 5903(c), the price deter-
7 mined under such section, and

8 “(C) if there is no sale which occurs in
9 connection with such removal, the price which
10 would be determined under section 5903(c) if
11 such product were sold at a price which cannot
12 be determined.

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

14 “(a) LIABILITY FOR TAX.—

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

18 “(2) TRANSFER OF LIABILITY.—

19 “(A) IN GENERAL.—When cannabis prod-
20 ucts are transferred, without payment of tax,
21 pursuant to subsection (b) or (c) of section
22 5904—

23 “(i) except as provided in clause (ii),
24 the transferee shall become liable for the
25 tax upon receipt by the transferee of such

1 articles, and the transferor shall thereupon
2 be relieved of their liability for such tax,
3 and

4 “(ii) in the case of cannabis products
5 which are released in bond from customs
6 custody for transfer to the bonded prem-
7 ises of a producer, the transferee shall be-
8 come liable for the tax on such articles
9 upon release from customs custody, and
10 the importer shall thereupon be relieved of
11 their liability for such tax.

12 “(B) RETURNED TO BOND.—All provisions
13 of this chapter applicable to cannabis products
14 in bond shall be applicable to such articles re-
15 turned to bond upon withdrawal from the mar-
16 ket or returned to bond after previous removal
17 for a tax-exempt purpose.

18 “(b) METHOD OF PAYMENT OF TAX.—

19 “(1) IN GENERAL.—

20 “(A) TAXES PAID ON BASIS OF RETURN.—
21 The taxes imposed by section 5901 shall be
22 paid on the basis of return. The Secretary shall,
23 by regulations, prescribe the period or the event
24 to be covered by such return and the informa-
25 tion to be furnished on such return.

1 “(B) APPLICATION TO TRANSFEREES.—In
2 the case of any transfer to which subsection
3 (a)(2)(A) applies, the tax under section 5901 on
4 the transferee shall (if not otherwise relieved by
5 reason of a subsequent transfer to which such
6 subsection applies) be imposed with respect to
7 the removal of the cannabis product from the
8 bonded premises of the transferee.

9 “(C) POSTPONEMENT.—Any postponement
10 under this subsection of the payment of taxes
11 determined at the time of removal shall be con-
12 ditioned upon the filing of such additional
13 bonds, and upon compliance with such require-
14 ments, as the Secretary may prescribe for the
15 protection of the revenue. The Secretary may,
16 by regulations, require payment of tax on the
17 basis of a return prior to removal of the can-
18 nabis products where a person defaults in the
19 postponed payment of tax on the basis of a re-
20 turn under this subsection or regulations pre-
21 scribed thereunder.

22 “(D) ADMINISTRATION AND PENALTIES.—
23 All administrative and penalty provisions of this
24 title, insofar as applicable, shall apply to any
25 tax imposed by section 5901.

1 “(2) TIME FOR PAYMENT OF TAXES.—

2 “(A) IN GENERAL.—Except as otherwise
3 provided in this paragraph, in the case of taxes
4 on cannabis products removed during any semi-
5 monthly period under bond for deferred pay-
6 ment of tax, the last day for payment of such
7 taxes shall be the 14th day after the last day
8 of such semimonthly period.

9 “(B) IMPORTED ARTICLES.—In the case of
10 cannabis products which are imported into the
11 United States, the following provisions shall
12 apply:

13 “(i) IN GENERAL.—The last day for
14 payment of tax shall be the 14th day after
15 the last day of the semimonthly period
16 during which the article is entered into the
17 customs territory of the United States.

18 “(ii) SPECIAL RULE FOR ENTRY OF
19 WAREHOUSING.—Except as provided in
20 clause (iv), in the case of an entry for
21 warehousing, the last day for payment of
22 tax shall not be later than the 14th day
23 after the last day of the semimonthly pe-
24 riod during which the article is removed
25 from the first such warehouse.

1 “(iii) FOREIGN TRADE ZONES.—Ex-
2 cept as provided in clause (iv) and in regu-
3 lations prescribed by the Secretary, articles
4 brought into a foreign trade zone shall,
5 notwithstanding any other provision of law,
6 be treated for purposes of this subsection
7 as if such zone were a single customs
8 warehouse.

9 “(iv) EXCEPTION FOR ARTICLES DES-
10 TINED FOR EXPORT.—Clauses (ii) and (iii)
11 shall not apply to any article which is
12 shown to the satisfaction of the Secretary
13 to be destined for export.

14 “(C) CANNABIS PRODUCTS BROUGHT INTO
15 THE UNITED STATES FROM PUERTO RICO.—In
16 the case of cannabis products which are
17 brought into the United States from Puerto
18 Rico and subject to tax under section 7652, the
19 last day for payment of tax shall be the 14th
20 day after the last day of the semimonthly pe-
21 riod during which the article is brought into the
22 United States.

23 “(D) SPECIAL RULE WHERE DUE DATE
24 FALLS ON SATURDAY, SUNDAY, OR HOLIDAY.—
25 Notwithstanding section 7503, if, but for this

1 subparagraph, the due date under this para-
2 graph would fall on a Saturday, Sunday, or a
3 legal holiday (as defined in section 7503), such
4 due date shall be the immediately preceding day
5 which is not a Saturday, Sunday, or such a hol-
6 iday.

7 “(E) SPECIAL RULE FOR UNLAWFULLY
8 PRODUCED CANNABIS PRODUCTS.—In the case
9 of any cannabis products produced in the
10 United States at any place other than the
11 premises of a producer that has filed the bond
12 and obtained the permit required under this
13 chapter, tax shall be due and payable imme-
14 diately upon production.

15 “(3) PAYMENT BY ELECTRONIC FUND TRANS-
16 FER.—Any person who in any 12-month period, end-
17 ing December 31, was liable for a gross amount
18 equal to or exceeding \$5,000,000 in taxes imposed
19 on cannabis products by section 5901 (or section
20 7652) shall pay such taxes during the succeeding
21 calendar year by electronic fund transfer (as defined
22 in section 5061(e)(2)) to a Federal Reserve Bank.
23 Rules similar to the rules of section 5061(e)(3) shall
24 apply to the \$5,000,000 amount specified in the pre-
25 ceding sentence.

1 “(c) DETERMINATION OF PRICE.—

2 “(1) CONSTRUCTIVE SALE PRICE.—

3 “(A) IN GENERAL.—If an article is sold di-
4 rectly to consumers, sold on consignment, or
5 sold (otherwise than through an arm’s length
6 transaction) at less than the fair market price,
7 or if the price for which the article sold cannot
8 be determined, the tax under section 5901(a)
9 shall be computed on the price for which such
10 articles are sold, in the ordinary course of
11 trade, by producers thereof, as determined by
12 the Secretary.

13 “(B) ARM’S LENGTH.—

14 “(i) IN GENERAL.—For purposes of
15 this section, a sale is considered to be
16 made under circumstances otherwise than
17 at arm’s length if—

18 “(I) the parties are members of
19 the same controlled group, whether or
20 not such control is actually exercised
21 to influence the sale price,

22 “(II) the parties are members of
23 a family, as defined in section
24 267(c)(4), or

1 “(III) the sale is made pursuant
2 to special arrangements between a
3 producer and a purchaser.

4 “(ii) CONTROLLED GROUPS.—

5 “(I) IN GENERAL.—The term
6 ‘controlled group’ has the meaning
7 given to such term by subsection (a)
8 of section 1563, except that ‘more
9 than 50 percent’ shall be substituted
10 for ‘at least 80 percent’ each place it
11 appears in such subsection.

12 “(II) CONTROLLED GROUPS
13 WHICH INCLUDE NONINCORPORATED
14 PERSONS.—Under regulations pre-
15 scribed by the Secretary, principles
16 similar to the principles of subclause
17 (I) shall apply to a group of persons
18 under common control where one or
19 more of such persons is not a corpora-
20 tion.

21 “(2) CONTAINERS, PACKING AND TRANSPOR-
22 TATION CHARGES.—In determining, for the purposes
23 of this chapter, the price for which an article is sold,
24 there shall be included any charge for coverings and
25 containers of whatever nature, and any charge inci-

1 dent to placing the article in condition packed ready
2 for shipment, but there shall be excluded the amount
3 of tax imposed by this chapter, whether or not stat-
4 ed as a separate charge. A transportation, delivery,
5 insurance, installation, or other charge (not required
6 by the preceding sentence to be included) shall be
7 excluded from the price only if the amount thereof
8 is established to the satisfaction of the Secretary in
9 accordance with regulations.

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

14 “(d) PARTIAL PAYMENTS AND INSTALLMENT AC-
15 COUNTS.—

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

17 “(A) a contract for the sale of an article
18 wherein it is provided that the price shall be
19 paid by installments and title to the article sold
20 does not pass until a future date notwith-
21 standing partial payment by installments,

22 “(B) a conditional sale, or

23 “(C) a chattel mortgage arrangement
24 wherein it is provided that the sales price shall
25 be paid in installments,

1 there shall be paid upon each payment with respect
2 to the article a percentage of such payment equal to
3 the rate of tax in effect on the date such payment
4 is due.

5 “(2) SALES OF INSTALLMENT ACCOUNTS.—If
6 installment accounts, with respect to payments on
7 which tax is being computed as provided in para-
8 graph (1), are sold or otherwise disposed of, then
9 paragraph (1) shall not apply with respect to any
10 subsequent payments on such accounts (other than
11 subsequent payments on returned accounts with re-
12 spect to which credit or refund is allowable by rea-
13 son of section 6416(b)(5)), but instead—

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

16 “(i) the tax previously paid on the
17 payments on such installment accounts,
18 and

19 “(ii) the total tax which would be pay-
20 able if such installment accounts had not
21 been sold or otherwise disposed of (com-
22 puted as provided in paragraph (1)), ex-
23 cept that

24 “(B) if any such sale is pursuant to the
25 order of, or subject to the approval of, a court

1 of competent jurisdiction in a bankruptcy or in-
2 solvency proceeding, the amount computed
3 under subparagraph (A) shall not exceed the
4 sum of the amounts computed by multiplying—

5 “(i) the proportionate share of the
6 amount for which such accounts are sold
7 which is allocable to each unpaid install-
8 ment payment, by

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

12 The sum of the amounts payable under this
13 subsection in respect of the sale of any article
14 shall not exceed the total tax.

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

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

22 “(1) exclusively in scientific research by a lab-
23 oratory,

24 “(2) by a proprietor of a cannabis production
25 facility in research, development, or testing (other

1 than consumer testing or other market analysis) of
2 processes, systems, materials, or equipment, relating
3 to cannabis or cannabis operations, under such limi-
4 tations and conditions as to quantities, use, and ac-
5 countability as the Secretary may by regulations re-
6 quire for the protection of the revenue, or

7 “(3) by the United States or any governmental
8 agency thereof, any State, any political subdivision
9 of a State, or the District of Columbia, for non-
10 consumption purposes.

11 “(b) CANNABIS PRODUCTS TRANSFERRED OR RE-
12 MOVED IN BOND FROM DOMESTIC FACTORIES AND EX-
13 PORT WAREHOUSES.—

14 “(1) IN GENERAL.—Subject to such regulations
15 and under such bonds as the Secretary shall pre-
16 scribe, a producer or export warehouse proprietor
17 may transfer cannabis products, without payment of
18 tax, to the bonded premises of another producer or
19 export warehouse proprietor, or remove such articles,
20 without payment of tax, for shipment to a foreign
21 country or a possession of the United States, or for
22 consumption beyond the jurisdiction of the internal
23 revenue laws of the United States.

24 “(2) LABELING.—Cannabis products may not
25 be transferred or removed under this subsection un-

1 less such products bear such marks, labels, or no-
2 tices as the Secretary shall by regulations prescribe.

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

11 “(d) CANNABIS PRODUCTS EXPORTED AND RE-
12 TURNED.—Cannabis products classifiable under item
13 9801.00.10 of the Harmonized Tariff Schedule of the
14 United States (relating to duty on certain articles pre-
15 viously exported and returned), as in effect on the date
16 of the enactment of the Marijuana Opportunity Reinvest-
17 ment and Expungement Act, may be released from cus-
18 toms custody, without payment of that part of the duty
19 attributable to the internal revenue tax for delivery to the
20 original producer of such cannabis products or to the ex-
21 port warehouse proprietor authorized by such producer to
22 receive such products, in accordance with such regulations
23 and under such bond as the Secretary shall prescribe.
24 Upon such release such products shall be subject to this

1 chapter as if they had not been exported or otherwise re-
2 moved from internal revenue bond.

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

4 “(a) CREDIT OR REFUND.—

5 “(1) IN GENERAL.—Credit or refund of any tax
6 imposed by this chapter or section 7652 shall be al-
7 lowed or made (without interest) to the cannabis en-
8 terprise on proof satisfactory to the Secretary that
9 the claimant cannabis enterprise has paid the tax
10 on—

11 “(A) cannabis products withdrawn from
12 the market by the claimant, or

13 “(B) such products lost (otherwise than by
14 theft) or destroyed, by fire, casualty, or act of
15 God, while in the possession or ownership of the
16 claimant.

17 “(2) CANNABIS PRODUCTS LOST OR DE-
18 STROYED IN BOND.—

19 “(A) EXTENT OF LOSS ALLOWANCE.—No
20 tax shall be collected in respect of cannabis
21 products lost or destroyed while in bond, except
22 that such tax shall be collected—

23 “(i) in the case of loss by theft, unless
24 the Secretary finds that the theft occurred
25 without connivance, collusion, fraud, or

1 negligence on the part of the proprietor of
2 the cannabis production facility, owner,
3 consignor, consignee, bailee, or carrier, or
4 their employees or agents,

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

8 “(iii) in the case of an unexplained
9 shortage of cannabis products.

10 “(B) PROOF OF LOSS.—In any case in
11 which cannabis products are lost or destroyed,
12 whether by theft or otherwise, the Secretary
13 may require the proprietor of a cannabis pro-
14 duction facility or other person liable for the
15 tax to file a claim for relief from the tax and
16 submit proof as to the cause of such loss. In
17 every case where it appears that the loss was by
18 theft, the burden shall be upon the proprietor
19 of the cannabis production facility or other per-
20 son responsible for the tax under section 5901
21 to establish to the satisfaction of the Secretary
22 that such loss did not occur as the result of
23 connivance, collusion, fraud, or negligence on
24 the part of the proprietor of the cannabis pro-

1 duction facility, owner, consignor, consignee,
2 bailee, or carrier, or their employees or agents.

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

7 “(D) LIMITATIONS.—Except as provided in
8 subparagraph (E), no tax shall be abated, re-
9 mitted, credited, or refunded under this para-
10 graph where the loss occurred after the tax was
11 determined. The abatement, remission, credit,
12 or refund of taxes provided for by subpara-
13 graphs (A) and (C) in the case of loss of can-
14 nabis products by theft shall only be allowed to
15 the extent that the claimant is not indemnified
16 against or recompensed in respect of the tax for
17 such loss.

18 “(E) APPLICABILITY.—The provisions of
19 this paragraph shall extend to and apply in re-
20 spect of cannabis products lost after the tax
21 was determined and before completion of the
22 physical removal of the cannabis products from
23 the bonded premises.

24 “(3) VOLUNTARY DESTRUCTION.—The propri-
25 etor of a cannabis production facility or other per-

1 sons liable for the tax imposed by this chapter or by
 2 section 7652 with respect to any cannabis product in
 3 bond may voluntarily destroy such products, but
 4 only if such destruction is under such supervision
 5 and under such regulations as the Secretary may
 6 prescribe.

7 “(4) LIMITATION.—Any claim for credit or re-
 8 fund of tax under this subsection shall be filed with-
 9 in 6 months after the date of the withdrawal from
 10 the market, loss, or destruction of the products to
 11 which the claim relates, and shall be in such form
 12 and contain such information as the Secretary shall
 13 by regulations prescribe.

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

19 **“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.

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

21 “(a) IN GENERAL.—Any person engaged in business
 22 as a producer or an export warehouse proprietor shall pay
 23 a tax of \$1,000 per year (referred to in this subchapter

1 as an ‘occupational tax’) in respect of each premises at
2 which such business is carried on.

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

8 **“SEC. 5912. PAYMENT OF TAX.**

9 “(a) CONDITION PRECEDENT TO CARRYING ON
10 BUSINESS.—No person shall be engaged in or carry on
11 any trade or business subject to the occupational tax until
12 such person has paid such tax.

13 “(b) COMPUTATION.—

14 “(1) IN GENERAL.—The occupational tax shall
15 be imposed—

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

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

20 “(2) PERIOD.—In the case of a tax imposed
21 under subparagraph (A) of paragraph (1), the occupa-
22 tional tax shall be reckoned for 1 year, and in the
23 case of subparagraph (B) of such paragraph, it shall
24 be reckoned proportionately, from the first day of
25 the month in which the liability to such tax com-

1 menced, to and including the 30th day of June fol-
2 lowing.

3 “(c) METHOD OF PAYMENT.—

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

7 “(2) STAMP DENOTING PAYMENT OF TAX.—
8 After receiving a properly executed return and re-
9 mittance of any occupational tax, the Secretary shall
10 issue to the taxpayer an appropriate stamp as a re-
11 ceipt denoting payment of the tax. This paragraph
12 shall not apply in the case of a return covering li-
13 ability for a past period.

14 **“SEC. 5913. PROVISIONS RELATING TO LIABILITY FOR OC-
15 CUPATIONAL TAXES.**

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

19 “(b) DIFFERENT BUSINESSES OF SAME OWNERSHIP
20 AND LOCATION.—Whenever more than one of the pursuits
21 or occupations described in this subchapter are carried on
22 in the same place by the same person at the same time,
23 except as otherwise provided in this subchapter, the occu-
24 pational tax shall be paid for each according to the rates
25 severally prescribed.

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

2 “(1) LIABILITY FOR TAX.—The payment of the
3 occupational tax shall not exempt from an additional
4 occupational tax the person carrying on a trade or
5 business in any other place than that stated in the
6 records of the Internal Revenue Service.

7 “(2) STORAGE.—Nothing contained in para-
8 graph (1) shall require imposition of an occupational
9 tax for the storage of cannabis products at a loca-
10 tion other than the place where such products are
11 sold or offered for sale.

12 “(3) PLACE.—

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

17 “(B) DIVISIONS.—For purposes of this
18 paragraph, any passageways, streets, highways,
19 rail crossings, waterways, or partitions dividing
20 the premises shall not be deemed sufficient sep-
21 aration to require an additional occupational
22 tax, if the various divisions are otherwise con-
23 tiguous.

24 “(d) DEATH OR CHANGE OF LOCATION.—

1 “(1) IN GENERAL.—In addition to the person
2 who has paid the occupational tax for the carrying
3 on of any business at any place, any person de-
4 scribed in paragraph (2) may secure the right to
5 carry on, without incurring any additional occupa-
6 tional tax, the same business at the same place for
7 the remainder of the taxable period for which the oc-
8 cupational tax was paid.

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

11 “(A) The surviving spouse or child, or ex-
12 ecutor or administrator or other legal represent-
13 ative, of a deceased taxpayer.

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

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

18 “(D) The partner or partners remaining
19 after death or withdrawal of a member of a
20 partnership.

21 “(3) CHANGE OF LOCATION.—When any person
22 moves to any place other than the place for which
23 occupational tax was paid for the carrying on of any
24 business, such person may secure the right to carry
25 on, without incurring additional occupational tax,

1 the same business at the new location for the re-
2 mainder of the taxable period for which the occupa-
3 tional tax was paid. To secure the right to carry on
4 the business without incurring additional occupa-
5 tional tax, the successor, or the person relocating
6 their business, must register the succession or relo-
7 cation with the Secretary in accordance with regula-
8 tions prescribed by the Secretary.

9 “(e) FEDERAL AGENCIES OR INSTRUMENTAL-
10 ITIES.—Any tax imposed by this subchapter shall apply
11 to any agency or instrumentality of the United States un-
12 less such agency or instrumentality is granted by statute
13 a specific exemption from such tax.

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

15 “The payment of any tax imposed by this subchapter
16 for carrying on any trade or business shall not be held
17 to—

18 “(1) exempt any person from any penalty or
19 punishment provided by the laws of any State for
20 carrying on such trade or business within such
21 State, or in any manner to authorize the commence-
22 ment or continuance of such trade or business con-
23 trary to the laws of such State or in places prohib-
24 ited by municipal law, or

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

4 **“Subchapter C—Bond and Permits**

“Sec. 5921. Establishment and bond.

“Sec. 5922. Application for permit.

“Sec. 5923. Permit.

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

6 “(a) PROHIBITION ON PRODUCTION OUTSIDE OF
7 BONDED CANNABIS PRODUCTION FACILITY.—

8 “(1) IN GENERAL.—Except as authorized by
9 the Secretary or on the bonded premises of a can-
10 nabis production facility duly authorized to produce
11 cannabis products according to law, no cannabis
12 product may planted, cultivated, harvested, grown,
13 manufactured, produced, compounded, converted,
14 processed, prepared, or packaged in any building or
15 on any premises.

16 “(2) AUTHORIZED PRODUCERS ONLY.—No per-
17 son other than a producer which has filed the bond
18 required under subsection (b) and received a permit
19 described in section 5923 may produce any cannabis
20 product.

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

1 “(b) BOND.—

2 “(1) WHEN REQUIRED.—Every person, before
3 commencing business as a producer or an export
4 warehouse proprietor, shall file such bond, condi-
5 tioned upon compliance with this chapter and regu-
6 lations issued thereunder, in such form, amount, and
7 manner as the Secretary shall by regulation pre-
8 scribe. A new or additional bond may be required
9 whenever the Secretary considers such action nec-
10 essary for the protection of the revenue.

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

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

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

22 “(a) IN GENERAL.—Every person, before com-
23 mencing business as a cannabis enterprise, and at such
24 other time as the Secretary shall by regulation prescribe,
25 shall make application for the permit provided for in sec-

1 tion 5923. The application shall be in such form as the
2 Secretary shall prescribe and shall set forth, truthfully and
3 accurately, the information called for on the form. Such
4 application may be rejected and the permit denied if the
5 Secretary, after notice and opportunity for hearing, finds
6 that—

7 “(1) the premises on which it is proposed to
8 conduct the cannabis enterprise will not be adequate
9 to protect the revenue after commencing operations,
10 or

11 “(2) such person (including, in the case of a
12 corporation, any officer, director, or principal stock-
13 holder and, in the case of a partnership, any part-
14 ner) has failed to disclose any material information
15 required or made any materially false statement in
16 the application therefor.

17 **“SEC. 5923. PERMIT.**

18 “(a) ISSUANCE.—A person shall not engage in busi-
19 ness as a cannabis enterprise without a permit to engage
20 in such business. Such permit, conditioned upon compli-
21 ance with this chapter and regulations issued thereunder,
22 shall be issued in such form and in such manner as the
23 Secretary shall by regulation prescribe. A new permit may
24 be required at such other time as the Secretary shall by
25 regulation prescribe.

1 “(b) SUSPENSION OR REVOCATION.—

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

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

8 “(B) has violated the conditions of such
9 permit,

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

13 “(D) has failed to maintain their premises
14 in such manner as to protect the revenue,
15 the Secretary shall issue an order, stating the facts
16 charged, citing such person to show cause why their
17 permit should not be suspended or revoked.

18 “(2) ACTION FOLLOWING HEARING.—If, after
19 hearing, the Secretary finds that such person has
20 not shown cause why their permit should not be sus-
21 pended or revoked, such permit shall be suspended
22 for such period as the Secretary deems proper or
23 shall be revoked.

24 “(c) INFORMATION REPORTING.—The Secretary may
25 require—

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

3 “(2) information reporting by such other per-
4 sons as the Secretary deems necessary to carry out
5 this chapter.

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

9 **“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 re-
removal.

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

“Sec. 5935. Restriction on importation of previously exported cannabis prod-
ucts.

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

11 “Every cannabis enterprise shall—

12 “(1) make a true and accurate inventory at the
13 time of commencing business, at the time of con-
14 cluding business, and at such other times, in such
15 manner and form, and to include such items, as the
16 Secretary shall by regulation prescribe, with such in-
17 ventories to be subject to verification by any internal
18 revenue officer,

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

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

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

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

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

13 “(c) LOTTERY FEATURES.—No certificate, coupon,
14 or other device purporting to be or to represent a ticket,
15 chance, share, or an interest in, or dependent on, the event
16 of a lottery shall be contained in, attached to, or stamped,
17 marked, written, or printed on any package of cannabis
18 products.

19 “(d) INDECENT OR IMMORAL MATERIAL PROHIB-
20 ITED.—No indecent or immoral picture, print, or rep-
21 resentation shall be contained in, attached to, or stamped,
22 marked, written, or printed on any package of cannabis
23 products.

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

4 “(1) for experimental purposes, or

5 “(2) transferred to the bonded premises of an-
6 other producer or export warehouse proprietor or re-
7 leased in bond from customs custody for delivery to
8 a producer.

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

11 “(a) RESTRICTION.—No person shall—

12 “(1) with intent to defraud the United States,
13 purchase, receive, possess, offer for sale, or sell or
14 otherwise dispose of, after removal, any cannabis
15 products—

16 “(A) upon which the tax has not been paid
17 or determined in the manner and at the time
18 prescribed by this chapter or regulations there-
19 under, or

20 “(B) which, after removal without payment
21 of tax pursuant to section 5904(a), have been
22 diverted from the applicable purpose or use
23 specified in that section,

24 “(2) with intent to defraud the United States,
25 purchase, receive, possess, offer for sale, or sell or

1 otherwise dispose of, after removal, any cannabis
2 products which are not put up in packages as re-
3 quired under section 5932 or which are put up in
4 packages not bearing the marks, labels, and notices,
5 as required under such section, or

6 “(3) otherwise than with intent to defraud the
7 United States, purchase, receive, possess, offer for
8 sale, or sell or otherwise dispose of, after removal,
9 any cannabis products which are not put up in pack-
10 ages as required under section 5932 or which are
11 put up in packages not bearing the marks, labels,
12 and notices, as required under such section.

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

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

21 **“SEC. 5934. RESTRICTIONS RELATING TO MARKS, LABELS,**
22 **NOTICES, AND PACKAGES.**

23 “No person shall, with intent to defraud the United
24 States, destroy, obliterate, or detach any mark, label, or
25 notice prescribed or authorized, by this chapter or regula-

1 tions thereunder, to appear on, or be affixed to, any pack-
2 age of cannabis products before such package is emptied.

3 **“SEC. 5935. RESTRICTION ON IMPORTATION OF PRE-**
4 **VIOUSLY EXPORTED CANNABIS PRODUCTS.**

5 “(a) EXPORT LABELED CANNABIS PRODUCTS.—

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

9 “(A) may be transferred to or removed
10 from the premises of a producer or an export
11 warehouse proprietor only if such articles are
12 being transferred or removed without tax in ac-
13 cordance with section 5904,

14 “(B) may be imported or brought into the
15 United States, after their exportation, only if
16 such articles either are eligible to be released
17 from customs custody with the partial duty ex-
18 emption provided in section 5904(d) or are re-
19 turned to the original producer of such article
20 as provided in section 5904(c), and

21 “(C) may not be sold or held for sale for
22 domestic consumption in the United States un-
23 less such articles are removed from their export
24 packaging and repackaged by the original pro-

1 **“SEC. 5941. CIVIL PENALTIES.**

2 “(a) OMITTING THINGS REQUIRED OR DOING
3 THINGS FORBIDDEN.—Whoever willfully omits, neglects,
4 or refuses to comply with any duty imposed upon them
5 by this chapter, or to do, or cause to be done, any of the
6 things required by this chapter, or does anything prohib-
7 ited by this chapter, shall in addition to any other penalty
8 provided in this title, be liable to a penalty of \$10,000,
9 to be recovered, with costs of suit, in a civil action, except
10 where a penalty under subsection (b) or (c) or under sec-
11 tion 6651 or 6653 or part II of subchapter A of chapter
12 68 may be collected from such person by assessment.

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

18 “(c) SALE OF CANNABIS OR CANNABIS PRODUCTS
19 FOR EXPORT.—

20 “(1) Every person who sells, relands, or receives
21 within the jurisdiction of the United States any can-
22 nabis products which have been labeled or shipped
23 for exportation under this chapter,

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

1 “(3) every person who aids or abets in such
2 selling, relanding, or receiving,
3 shall, in addition to the tax and any other penalty provided
4 in this title, be liable for a penalty equal to the greater
5 of \$10,000 or 10 times the amount of the tax imposed
6 by this chapter. All cannabis products relanded within the
7 jurisdiction of the United States shall be forfeited to the
8 United States and destroyed. All vessels, vehicles, and air-
9 craft used in such relanding or in removing such cannabis
10 products from the place where relanded, shall be forfeited
11 to the United States.

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

16 “(e) **CROSS REFERENCES.**—For penalty for failure to
17 make deposits or for overstatement of deposits, see section
18 6656.

19 **“SEC. 5942. CRIMINAL PENALTIES.**

20 “(a) **FRAUDULENT OFFENSES.**—Whoever, with in-
21 tent to defraud the United States—

22 “(1) engages in business as a cannabis enter-
23 prise without filing the application and obtaining the
24 permit where required by this chapter or regulations
25 thereunder,

1 “(2) fails to keep or make any record, return,
2 report, or inventory, or keeps or makes any false or
3 fraudulent record, return, report, or inventory, re-
4 quired by this chapter or regulations thereunder,

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

8 “(4) sells or otherwise transfers, contrary to
9 this chapter or regulations thereunder, any cannabis
10 products subject to tax under this chapter, or

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

13 “(A) upon which the tax has not been paid
14 or determined in the manner and at the time
15 prescribed by this chapter or regulations there-
16 under, or

17 “(B) which, without payment of tax pursu-
18 ant to section 5904, have been diverted from
19 the applicable purpose or use specified in that
20 section,

21 shall, for each such offense, be fined not more than
22 \$10,000, or imprisoned not more than 5 years, or both.

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

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

5 (1) conduct a study concerning the characteris-
6 tics of the cannabis industry, including the number
7 of persons operating cannabis enterprises at each
8 level of such industry, the volume of sales, the
9 amount of tax collected each year, and the areas of
10 evasion, and

11 (2) submit to Congress recommendations to im-
12 prove the regulation of the industry and the admin-
13 istration of the related tax.

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

25 (e) CONFORMING AMENDMENTS.—

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

5 (2) The table of chapters for subtitle E of such
6 Code is amended by adding at the end the following
7 new item:

 “CHAPTER 56. CANNABIS PRODUCTS”.

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

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

11 (f) EFFECTIVE DATE.—

12 (1) IN GENERAL.—Except as otherwise pro-
13 vided in this subsection, the amendments made by
14 this section shall apply to removals, and applications
15 for permits under section 5922 of the Internal Rev-
16 enue Code of 1986 (as added by subsection (b)),
17 after 180 days after the date of the enactment of
18 this Act.

19 (2) ESTABLISHMENT OF OPPORTUNITY TRUST
20 FUND.—The amendment made by subsection (a)
21 shall take effect on the date of the enactment of this
22 Act.

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

2 (a) CANNABIS JUSTICE OFFICE; COMMUNITY REIN-
3 VESTMENT GRANT PROGRAM.—

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

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

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

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

24 “(c) EMPLOYEES.—

25 “(1) IN GENERAL.—The Director shall employ
26 as many full-time employees as are needed to carry

1 out the duties and functions of the Cannabis Justice
2 Office under subsection (d). Such employees shall be
3 exclusively assigned to the Cannabis Justice Office.

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

7 “(A) hire no less than one-third of the
8 total number of employees of the Cannabis Jus-
9 tice Office; and

10 “(B) no more than one-half of the employ-
11 ees assigned to the Cannabis Justice Office by
12 term appointment that may after 2 years be
13 converted to career appointment.

14 “(3) LEGAL COUNSEL.—At least one employee
15 hired for the Cannabis Justice Office shall serve as
16 legal counsel to the Director and shall provide coun-
17 sel to the Cannabis Justice Office.

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

20 “(1) administer the Community Reinvestment
21 Grant Program; and

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

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

5 **“PART PP—COMMUNITY REINVESTMENT GRANT**
 6 **PROGRAM**

7 **“SEC. 3056. AUTHORIZATION.**

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

- 14 “(1) job training;
 15 “(2) reentry services;
 16 “(3) legal aid for civil and criminal cases, in-
 17 cluding expungement of cannabis convictions;
 18 “(4) literacy programs;
 19 “(5) youth recreation or mentoring programs;
 20 and
 21 “(6) health education programs.

22 “(b) SUBSTANCE USE DISORDER SERVICES.—The
 23 Director, in consultation with the Secretary of Health and
 24 Human Services, shall provide eligible entities with funds
 25 to administer substance use disorder services for individ-

1 uals adversely impacted by the War on Drugs or connect
2 patients with substance use disorder services. Also eligible
3 for such services are individuals who have been arrested
4 for or convicted of the sale, possession, use, manufacture,
5 or cultivation of a controlled substance other than can-
6 nabis (except for a conviction involving distribution to a
7 minor).

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

9 “The Director shall carry out the program under this
10 part using funds made available under section 9512(e)(1)
11 and (2) of the Internal Revenue Code.

12 **“SEC. 3058. DEFINITIONS.**

13 “In this part:

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

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

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

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

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

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

1 that each grantee includes in its cannabis licensing
2 program at least four of the following elements:

3 (A) A waiver of cannabis license applica-
4 tion fees for individuals who report an income
5 below 250 percent of the Federal Poverty Level
6 for at least 5 of the past 10 years and who are
7 first-time applicants for a cannabis license.

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

13 (C) A prohibition on restrictions for licens-
14 ing relating to criminal convictions except with
15 respect to a criminal conviction related to own-
16 ing and operating a business.

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

23 (E) The establishment of a cannabis li-
24 censing board that is reflective of the racial,
25 ethnic, economic, and gender composition of the

1 eligible State or locality, to serve as an over-
2 sight body of the equitable licensing program.

3 (3) DEFINITIONS.—In this subsection:

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

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

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

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

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

22 (ii) who has been arrested for or con-
23 victed of the sale, possession, use, manu-
24 facture, or cultivation of cannabis (except
25 for a conviction involving distribution to a

1 minor), or whose parent, sibling, spouse, or
2 child has been arrested for or convicted of
3 such an offense.

4 (C) SMALL BUSINESS CONCERN OWNED
5 AND CONTROLLED BY SOCIALLY AND ECONOMIC-
6 CALLY DISADVANTAGED INDIVIDUALS.—The
7 term “small business concern owned and con-
8 trolled by socially and economically disadvan-
9 taged individuals” has the meaning given in
10 section 8(d)(3)(C) of the Small Business Act
11 (15 U.S.C. 637(d)(3)(C)).

12 (D) STATE.—The term “State” means
13 each of the several States, the District of Co-
14 lumbia, Puerto Rico, any territory or possession
15 of the United States, and any Indian Tribe (as
16 defined in section 201 of Public Law 90–294
17 (25 U.S.C. 1301) (commonly known as the “In-
18 dian Civil Rights Act of 1968”).

19 (c) STUDY ON PROGRAMS.—

20 (1) GAO STUDY.—The Comptroller General of
21 the United States, in consultation with the Adminis-
22 trator of the Small Business Administration, shall
23 conduct an annual study on the individuals and enti-
24 ties receiving assistance under the Cannabis Restor-
25 ative Opportunity and Equitable Licensing Pro-

1 grams. This study shall include the types of assist-
2 ance by state, and a description of the efforts by the
3 Small Business Administration to increase access to
4 capital for cannabis-related small business concerns
5 owned and controlled by socially and economically
6 disadvantaged individuals, individuals adversely im-
7 pacted by the War on Drugs, as well as the racial,
8 ethnic, economic and gender composition of the eligi-
9 ble State or locality.

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

15 (A) the Committee on Small Business of
16 the House of Representatives;

17 (B) the Committee on Small Business and
18 Entrepreneurship of the Senate;

19 (C) the Committee on the Judiciary of the
20 House of Representatives; and

21 (D) the Committee on the Judiciary of the
22 Senate.

1 **SEC. 7. AVAILABILITY OF SMALL BUSINESS ADMINISTRA-**
2 **TION PROGRAMS AND SERVICES TO CAN-**
3 **NABIS-RELATED LEGITIMATE BUSINESSES**
4 **AND SERVICE PROVIDERS.**

5 (a) DEFINITIONS RELATING TO CANNABIS-RELATED
6 LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.—
7 Section 3 of the Small Business Act (15 U.S.C. 632) is
8 amended by adding at the end the following new sub-
9 section:

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

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

13 “(A) means—

14 “(i) all parts of the plant *Cannabis*
15 *sativa* L., whether growing or not;

16 “(ii) the seeds thereof;

17 “(iii) the resin extracted from any
18 part of such plant; and

19 “(iv) every compound, manufacture,
20 salt, derivative, mixture, or preparation of
21 such plant, its seeds or resin; and

22 “(B) does not include—

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

25 “(ii) the mature stalks of such plant,
26 fiber produced from such stalks, oil or cake

1 made from the seeds of such plant, any
2 other compound, manufacture, salt, deriva-
3 tive, mixture, or preparation of such ma-
4 ture stalks (except the resin extracted
5 therefrom), fiber, oil, or cake, or the steri-
6 lized seed of such plant which is incapable
7 of germination; or

8 “(iii) any drug product approved
9 under section 505 of the Federal Food,
10 Drug, and Cosmetic Act, or biological
11 product licensed under section 351 of the
12 Public Health Service Act.

13 “(2) CANNABIS-RELATED LEGITIMATE BUSI-
14 NESS.—The term ‘cannabis-related legitimate busi-
15 ness’ means a manufacturer, producer, or any per-
16 son 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 subdivi-
22 sion; 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
5 provider’—

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,
11 including the sale or lease of real or any
12 other property, legal or other licensed serv-
13 ices, or any other ancillary service, relating
14 to cannabis; 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.—
24 Section 21(c) of the Small Business Act (15 U.S.C.

1 648(c)) is amended by adding at the end the following new
2 paragraph:

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

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

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

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

5 “(h) SERVICES FOR CANNABIS-RELATED LEGITI-
6 MATE BUSINESSES AND SERVICE PROVIDERS.—A Vet-
7 eran Business Outreach Center may not decline to provide
8 services to an otherwise eligible small business concern
9 under this section solely because such concern is a can-
10 nabis-related legitimate business or service provider.”.

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

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

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

1 “(16) ASSISTANCE TO CANNABIS-RELATED LE-
2 GITIMATE BUSINESSES AND SERVICE PROVIDERS.—
3 The Administrator may not decline to provide assist-
4 ance under this subsection to an otherwise eligible
5 small business concern solely because such concern
6 is a cannabis-related legitimate business or service
7 provider.”.

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

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

21 (i) SMALL BUSINESS INVESTMENT COMPANY DE-
22 BENTURES TO FINANCE CANNABIS-RELATED LEGITI-
23 MATE BUSINESSES AND SERVICE PROVIDERS.—Part A of
24 title III of the Small Business Investment Act of 1958

1 (15 U.S.C. 681 et seq.) is amended by adding at the end
2 the following new section:

3 **“SEC. 321. DEBENTURES TO FINANCE CANNABIS-RELATED**
4 **LEGITIMATE BUSINESSES AND SERVICE PRO-**
5 **VIDERS.**

6 “(a) GUARANTEES.—The Administrator may not de-
7 cline to purchase or guarantee a debenture made under
8 this title to an otherwise eligible small business investment
9 company solely because such small business investment
10 company provides financing to an entity that is a can-
11 nabis-related legitimate business or service provider (as
12 defined in section 7(a)(38) of the Small Business Act).

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

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

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

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

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

17 **SEC. 8. NO DISCRIMINATION IN THE PROVISION OF A FED-**
18 **ERAL PUBLIC BENEFIT ON THE BASIS OF**
19 **CANNABIS.**

20 (a) IN GENERAL.—No person may be denied any
21 Federal public benefit (as such term is defined in section
22 401(e) of the Personal Responsibility and Work Oppor-
23 tunity Reconciliation Act of 1996 (8 U.S.C. 1611(e))) on
24 the basis of any use or possession of cannabis, or on the
25 basis of a conviction or adjudication of juvenile delin-
26 quency for a cannabis offense, by that person.

1 (b) SECURITY CLEARANCES.—Federal agencies may
2 not use past or present cannabis or marijuana use as cri-
3 teria for granting, denying, or rescinding a security clear-
4 ance.

5 **SEC. 9. NO ADVERSE EFFECT FOR PURPOSES OF THE IMMI-**
6 **GRATION LAWS.**

7 (a) IN GENERAL.—For purposes of the immigration
8 laws (as such term is defined in section 101 of the Immi-
9 gration and Nationality Act), cannabis may not be consid-
10 ered a controlled substance, and an alien may not be de-
11 nied any benefit or protection under the immigration laws
12 based on any event, including conduct, a finding, an ad-
13 mission, addiction or abuse, an arrest, a juvenile adjudica-
14 tion, or a conviction, relating to the possession or use of
15 cannabis that is no longer prohibited pursuant to this Act
16 or an amendment made by this Act, regardless of whether
17 the event occurred before, on, or after the effective date
18 of this Act.

19 (b) CANNABIS DEFINED.—The term “cannabis”—
20 (1) means all parts of the plant *Cannabis sativa*
21 *L.*, whether growing or not; the seeds thereof; the
22 resin extracted from any part of such plant; and
23 every compound, manufacture, salt, derivative, mix-
24 ture, or preparation of such plant, its seeds or resin;
25 and

1 (2) does not include—

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

4 (B) the mature stalks of such plant, fiber
5 produced from such stalks, oil or cake made
6 from the seeds of such plant, any other com-
7 pound, manufacture, salt, derivative, mixture,
8 or preparation of such mature stalks (except
9 the resin extracted therefrom), fiber, oil, or
10 cake, or the sterilized seed of such plant which
11 is incapable of germination; or

12 (C) any drug product approved under sec-
13 tion 505 of the Federal Food, Drug, and Cos-
14 metic Act, or biological product licensed under
15 section 351 of the Public Health Service Act.

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

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

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

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

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

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

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

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

20 **SEC. 10. RESENTENCING AND EXPUNGEMENT.**

21 (a) **EXPUNGEMENT OF NON-VIOLENT FEDERAL**
22 **CANNABIS OFFENSE CONVICTIONS FOR INDIVIDUALS**
23 **NOT UNDER A CRIMINAL JUSTICE SENTENCE.—**

24 (1) **IN GENERAL.**—Not later than 1 year after
25 the date of the enactment of this Act, each Federal

1 district shall conduct a comprehensive review and
2 issue an order expunging each conviction or adju-
3 dication of juvenile delinquency for a non-violent
4 Federal cannabis offense entered by each Federal
5 court in the district before the date of enactment of
6 this Act and on or after May 1, 1971. Each Federal
7 court shall also issue an order expunging any arrests
8 associated with each expunged conviction or adju-
9 dication of juvenile delinquency.

10 (2) NOTIFICATION.—To the extent practicable,
11 each Federal district shall notify each individual
12 whose arrest, conviction, or adjudication of delin-
13 quency has been expunged pursuant to this sub-
14 section that their arrest, conviction, or adjudication
15 of juvenile delinquency has been expunged, and the
16 effect of such expungement.

17 (3) RIGHT TO PETITION COURT FOR
18 EXPUNGEMENT.—At any point after the date of en-
19 actment of this Act, any individual with a prior con-
20 viction or adjudication of juvenile delinquency for a
21 non-violent Federal cannabis offense, who is not
22 under a criminal justice sentence, may file a motion
23 for expungement. If the expungement of such a con-
24 viction or adjudication of juvenile delinquency is re-
25 quired pursuant to this Act, the court shall expunge

1 the conviction or adjudication, and any associated
2 arrests. If the individual is indigent, counsel shall be
3 appointed to represent the individual in any pro-
4 ceedings under this subsection.

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

10 (b) SENTENCING REVIEW FOR INDIVIDUALS UNDER
11 A CRIMINAL JUSTICE SENTENCE.—

12 (1) IN GENERAL.—For any individual who is
13 under a criminal justice sentence for a non-violent
14 Federal cannabis offense, the court that imposed the
15 sentence shall, on motion of the individual, the Di-
16 rector of the Bureau of Prisons, the attorney for the
17 Government, or the court, conduct a sentencing re-
18 view hearing. If the individual is indigent, counsel
19 shall be appointed to represent the individual in any
20 sentencing review proceedings under this subsection.

21 (2) POTENTIAL REDUCED RESENTENCING.—
22 After a sentencing hearing under paragraph (1), a
23 court shall—

24 (A) expunge each conviction or adjudica-
25 tion of juvenile delinquency for a non-violent

1 Federal cannabis offense entered by the court
2 before the date of enactment of this Act, and
3 any associated arrest;

4 (B) vacate the existing sentence or dispo-
5 sition of juvenile delinquency and, if applicable,
6 impose any remaining sentence or disposition of
7 juvenile delinquency on the individual as if this
8 Act, and the amendments made by this Act,
9 were in effect at the time the offense was com-
10 mitted; and

11 (C) order that all records related to a con-
12 viction or adjudication of juvenile delinquency
13 that has been expunged or a sentence or dis-
14 position of juvenile delinquency that has been
15 vacated under this Act be sealed and only be
16 made available by further order of the court.

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

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

22 (2) shall be immune from any civil or criminal
23 penalties related to perjury, false swearing, or false
24 statements, for a failure to disclose such arrest, con-
25 viction, or adjudication.

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

7 (e) DEFINITIONS.—In this section:

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

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

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

24 (f) STUDY.—The Comptroller General of the United
25 States, in consultation with the Secretary of Health and

1 Human Services, shall conduct a demographic study of in-
2 dividuals convicted of a Federal cannabis offense. Such
3 study shall include information about the age, race, eth-
4 nicity, sex, and gender identity of those individuals, the
5 type of community such users dwell in, and such other
6 demographic information as the Comptroller General de-
7 termines should be included.

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

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

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

17 (1) there appears or may appear the term
18 “marihuana” or “marijuana”, that term shall be
19 struck and the term “cannabis” shall be inserted;
20 and

21 (2) there appears or may appear the term
22 “Marihuana” or “Marijuana”, that term shall be
23 struck and the term “Cannabis” shall be inserted.

1 **SEC. 12. SEVERABILITY.**

2 If any provision of this Act or an amendment made
3 by this Act, or any application of such provision to any
4 person or circumstance, is held to be unconstitutional, the
5 remainder of this Act, the amendments made by this Act,
6 and the application of this Act and the amendments made
7 by this Act to any other person or circumstance shall not
8 be affected.

9 **SEC. 13. CANNABIS OFFENSE DEFINED.**

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

12 (1) that, under Federal law, is no longer pun-
13 ishable pursuant to this Act or the amendments
14 made under this Act; or

15 (2) that, under State law, is no longer an of-
16 fense or that was designated a lesser offense or for
17 which the penalty was reduced under State law pur-
18 suant to or following the adoption of a State law au-
19 thORIZING the sale or use of cannabis.

20 **SEC. 14. RULEMAKING.**

21 Unless otherwise provided in this Act, not later than
22 1 year after the date of enactment of this Act, the Depart-
23 ment of the Treasury, the Department of Justice, and the
24 Small Business Administration shall issue or amend any
25 rules, standard operating procedures, and other legal or
26 policy guidance necessary to carry out implementation of

1 this Act. After the 1-year period, any publicly issued sub-
2 regulatory guidance, including any compliance guides,
3 manuals, advisories and notices, may not be issued with-
4 out 60-day notice to appropriate congressional commit-
5 tees. Notice shall include a description and justification
6 for additional guidance.

7 **SEC. 15. SOCIETAL IMPACT OF MARIJUANA LEGALIZATION**
8 **STUDY.**

9 The Comptroller General of the United States shall,
10 not later than 2 years after the date of enactment of this
11 Act, provide to Congress a study that addresses the soci-
12 etal impact of the legalization of recreational cannabis by
13 States, including—

- 14 (1) sick days reported to employers;
- 15 (2) workers compensations claims;
- 16 (3) tax revenue remitted to States resulting
17 from legal marijuana sales;
- 18 (4) changes in government spending related to
19 enforcement actions and court proceedings;
- 20 (5) Federal welfare assistance applications;
- 21 (6) rate of arrests related to methamphetamine
22 possession;
- 23 (7) hospitalization rates related to methamphet-
24 amine and narcotics use;

1 (8) uses of marijuana and its byproducts for
2 medical purposes;

3 (9) uses of marijuana and its byproducts for
4 purposes relating to the health, including the mental
5 health, of veterans;

6 (10) arrest rates of individuals driving under
7 the influence or driving while intoxicated by mari-
8 juana;

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

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

13 (13) violent crime rates;

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

16 (15) high school dropout rates;

17 (16) changes in district-wide and State-wide
18 standardized test scores;

19 (17) marijuana-related hospital admissions and
20 poison control calls;

21 (18) marijuana-related juvenile admittances
22 into substance rehabilitation facilities and mental
23 health clinics;

24 (19) diversion of marijuana into neighboring
25 States and drug seizures in neighboring States;

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

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

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

6 (a) IN GENERAL.—Not later than 1 year after the
7 date of enactment of this Act, the Secretary of Transpor-
8 tation shall conduct a study on technologies and methods
9 that law enforcement may use to determine whether a
10 driver is impaired by marijuana.

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

15 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
16 authorized to be appropriated \$10,000,000 to carry out
17 this section.

18 **SEC. 17. WORKPLACE IMPACT OF MARIJUANA LEGALIZA-**
19 **TION STUDY.**

20 Not later than one year after the date of enactment
21 of this Act, the National Institute for Occupational Safety
22 and Health shall—

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

