A BILL

To amend the Controlled Substances Act regarding marihuana, 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,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “States Reform Act”.

(b) Table of Contents.—The table of contents for this Act is as follows:
Sec. 1. Short title; table of contents.

TITLE I—DECRIMINALIZATION OF MARIJUANA AND DEFERENCE TO STATE POWERS OF PROHIBITION


TITLE II—REGULATION OF MARIJUANA LIKE ALCOHOL

Sec. 201. Food and Drug Administration.
Sec. 202. Department of Agriculture regulation of raw cannabis like barley, hops, and grain.
Sec. 203. Addition of raw cannabis to certain authorities relating to agricultural production.

"Subtitle II—Raw Cannabis Production"

"Sec. 298A. Definitions."
"Sec. 298B. State and Tribal plans."
"Sec. 298C. Department of Agriculture plan."
"Sec. 298D. Authority to issue regulations and guidelines."
Sec. 204. Administration like alcohol under Tax and Trade Bureau.
Sec. 205. Transferring agency functions with regard to marijuana.
Sec. 206. Transition safe harbor and administrative remedies.
Sec. 207. Unfair advertising practices and 21 age limit.
Sec. 208. Federal cannabis administration under the Federal Alcohol Administration Act.

"TITLE III—CANNABIS"

"Sec. 301. Unlawful business without cannabis permit."
"Sec. 302. Procedure for issuance of cannabis permit."
"Sec. 304. Definitions."

TITLE III—DESIGNATED STATE MEDICAL CANNABIS PRODUCT SAFETY ACT

Sec. 301. Grandfathering of State medical cannabis products into interstate commerce.

"PART J—DESIGNATED STATE MEDICAL CANNABIS PRODUCTS"

"Sec. 360ggg. Definitions."
"Sec. 360ggg–1. Regulation of medical cannabis products."
"Sec. 360ggg–2. Cannabis-infused foods, beverages, and supplements."
"Sec. 360ggg–3. Cannabis cosmetics."
"Sec. 360ggg–4. Liability and method of payment."
"Sec. 360ggg–5. Private right of action and administrative remedy."

TITLE IV—SMALL BUSINESS ADMINISTRATION PROVISIONS

Sec. 401. Fair Small Business Administration access.
Sec. 402. Disaster loan nondiscrimination.
Sec. 403. Microloan nondiscrimination.
Sec. 404. Small business investment company debenture nondiscrimination.

"Sec. 321. Debentures to finance cannabis-related businesses and service providers."
Sec. 405. State or local development loan non-discrimination.
"Sec. 511. Loans to cannabis-related legitimate businesses and service providers.
Sec. 406. Rulemaking and disbursement.
Sec. 407. Administrative Procedure Act and mandamus remedies.

TITLE V—IMPOSITION OF CANNABIS EXCISE TAX

Sec. 501. Law Enforcement Retraining and Successful Second Chances Fund.
"Sec. 9512. Law Enforcement Retraining and Second Chances Fund.
Sec. 502. Cannabis Revenue and Regulation Act.

"CHAPTER 56—CANNABIS PRODUCTS

"SUBCHAPTER A—IMPOSITION OF TAX

"Sec. 5901. Imposition of tax.
"Sec. 5902. Definitions.
"Sec. 5903. Liability and method of payment.
"Sec. 5904. Exemption from tax.
"Sec. 5905. Credit, refund, or drawback of tax.

"SUBCHAPTER B—OPERATIONS

"Sec. 5911. Inventories, reports, and records.
"Sec. 5912. Packaging and labeling.
"Sec. 5913. Purchase, receipt, possession, or sale of cannabis products after removal.
"Sec. 5914. Restrictions relating to marks, labels, notices, and packages.
"Sec. 5915. Restriction on importation of previously exported cannabis products.

"SUBCHAPTER C—PENALTIES

"Sec. 5921. Civil penalties.
Sec. 503. Reports and conforming amendments.

TITLE VI—VETERANS’ CARE AND ACCESS

Sec. 601. Nondiscrimination in Federal hiring for veteran medical cannabis users.
Sec. 602. Authorized provision of information on State-approved marijuana programs to veterans.

TITLE VII—MISCELLANEOUS UPDATES AND TECHNICAL AMENDMENTS

Sec. 701. United States international cannabis commerce policy.
Sec. 702. Continued Federal employee drug testing.
Sec. 703. Demographic data on new industry of cannabis business owners and employees.
Sec. 704. Conforming amendment to create uniformity of references in existing law to cannabis, marijuana, or marihuana.
Sec. 705. Effective upon enactment.
TITLE I—DECRIMINALIZATION
OF MARIJUANA AND DEF-
ERENCE TO STATE POWERS
OF PROHIBITION

SEC. 101. FEDERAL DECRIMINALIZATION OF CANNABIS,
AND STATE CONTROL DEFERENCE.

(a) Preemption of Cannabis Removed From
Schedule of Controlled Substances.—

(1) Removal of Federal Controlled Sub-
stances Act Preemption.—Subsection (c) of
schedule I of section 202(e) of the Controlled Sub-
stances Act (21 U.S.C. 812) is amended—

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

(B) by striking “(17)

Tetrahydrocannabinols, except for
tetrahydrocannabinols in hemp (as defined in
section 297A of the Agricultural Marketing Act
of 1946).”.

(2) Treatment Like Alcohol in Con-
trolled Substances Act.—The Controlled Sub-
stances Act (21 U.S.C. 802(6)) is amended—by in-
serting “Marihuana,” after “malt beverages, “.

(3) Residual Rulemaking.—Not later than
30 days after the date of the enactment of this Act,
the Attorney General shall administratively revise
the current regulations at 21 CFR 1308.11 and related provisions to clarify that for the purposes of the Controlled Substances Act and related statutes, in light of the States Reform Act, marihuana and tetrahydrocannabinols are each deemed by Congress to be a drug or other substance that does not meet the requirements for inclusion in any schedule. Such administrative rulemaking amendments shall not be subject to the requirements of the Administrative Procedure Act other than notice of changes in the Federal Register. Any regulations inconsistent with this Act shall be deemed invalid on the date of enactment of this Act for all purposes including but not limited to any offense committed, case pending, conviction entered, and, in the case of a juvenile, any offense committed, case pending, and adjudication of juvenile delinquency entered before, on, or after the date of enactment of this Act.

(b) CONFORMING AMENDMENTS TO CONTROLLED SUBSTANCES ACT AND CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT.—

(1) The Controlled Substances Act (21 U.S.C. 801 et seq.) is amended—

(A) in section 102(44) (21 U.S.C. 802(44)), by striking “marihuana,”;
(B) in section 401(b) (21 U.S.C. 841(b))—

(i) in paragraph (1)—

(I) in subparagraph (A)—

(aa) in clause (vi), by inserting “or” after the semicolon;

(bb) by striking clause (vii);

and

(cc) by redesignating clause (viii) as clause (vii);

(II) in subparagraph (B)—

(aa) in clause (vi), by inserting “or” after the semicolon;

(bb) by striking clause (vii);

and

(cc) by redesignating clause (viii) as clause (vii);

(III) in subparagraph (C), in the first sentence, by striking “subparagraphs (A), (B), and (D)” and inserting “subparagraphs (A) and (B)”;

(IV) by striking subparagraph (D);

(V) by redesignating subparagraph (E) as subparagraph (D); and
(VI) in subparagraph (D)(i), as so redesignated, by striking “subparagraphs (C) and (D)” and inserting “subparagraph (C)”;

(ii) by striking paragraph (4); and

(iii) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively;

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

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

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

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

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

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

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

(H) in section 516(d) (21 U.S.C. 886(d)), by striking “section 401(b)(6)” each place the term appears and inserting “section 401(b)(5)”. 
(2) Section 1010(b) of the Controlled Substances Import and Export Act (21 U.S.C. 960) is amended—

(A) in paragraph (1)—

(i) in subparagraph (F), by inserting “or” after the semicolon;

(ii) by striking subparagraph (G); and

(iii) by redesignating subparagraph (H) as subparagraph (G);

(B) in paragraph (2)—

(i) in subparagraph (F), by inserting “or” after the semicolon;

(ii) by striking subparagraph (G); and

(iii) by redesignating subparagraph (H) as subparagraph (G);

(C) in paragraph (3), by striking “paragraphs (1), (2), and (4)” and inserting “paragraphs (1) and (2)”;

(D) by striking paragraph (4); and

(E) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively.

(e) OTHER CONFORMING AMENDMENTS.—

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

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

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

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

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

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

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

(3) FMCSA PROVISIONS.—

(A) CONFORMING AMENDMENT.—Section 31301(5) of title 49, United States Code, is amended by striking “section 31306,” and inserting “sections 31306, 31306a, and subsections (b) and (c) of section 31310,”.

(B) DEFINITION.—Section 31306(a) of title 49, United States Code, is amended—
(i) by striking “means any substance” and inserting the following: “means—
“(A) any substance”; and
(ii) by striking the period at the end and inserting:
“(B) any substance not covered under sub-
paragraph (A) that was a substance under such
section as of December 1, 2018, and specified
by the Secretary of Transportation.”.

(C) DISQUALIFICATIONS.—Section
31310(b) of title 49, United States Code, is
amended by adding at the end the following:
“(3) In this subsection and subsection (c), the
term ‘controlled substance’ has the meaning given
such term in section 31306(a).”.

(4) FAA PROVISIONS.—Section 45101 of title
49, United States Code, is amended—
(A) by striking “means any substance” and inserting the following: “means—
“(A) any substance”; and
(B) by striking the period at the end and inserting:
“(B) any substance not covered under sub-
paragraph (A) that was a substance under such
section as of December 1, 2018, and specified by the Secretary of Transportation.”.

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

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

“(A) any substance”; and

(B) by striking the period at the end and inserting:

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

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

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

“(A) any substance”; and

(B) by striking the period at the end and inserting:

“(B) any substance not covered under sub-
paragraph (A) that was a substance under such section as of December 1, 2018, and whose use the Secretary of Transportation decides has a risk to transportation safety.”.
(7) GCA PROVISIONS.—Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

“(36) The term ‘unlawful user of or addicted to any controlled substance’ shall not include a person by reason of unlawful use of or addiction to marihuana (as defined in section 102(16) of the Controlled Substances Act, 21 U.S.C. 802(16)).”.

(d) SECOND CHANCES FOR NONVIOLENT CANNABIS OFFENDERS.—

(1) RETROACTIVE APPLICATION TO MARIHUANA OFFENSES.—The amendments made by this section to the Controlled Substances Act (21 U.S.C. 801 et seq.) are retroactive and shall apply to any offense committed, case pending, conviction entered, and, in the case of a juvenile, any offense committed, case pending, or adjudication of juvenile delinquency entered before, on, or after the date of enactment of this Act—

(A) LIMITATION OF RETROACTIVE APPLICATION TO NONVIOLENT AND RELATED NON-VIOLENT MARIHUANA OFFENSES.—Such application and retroactivity described in this subsection (d) shall extend to any nonviolent offense or offenses covered under paragraph (1)
and any related nonviolent offenses that would
not have satisfied all elements of the charged
offense or offenses but for the involvement of
marijuana, marihuana as defined in 21 U.S.C.
802(16), or tetrahydrocannabinols, related non-
violent cases pending, related nonviolent convic-
tions entered, and, in the case of a juvenile, any
related nonviolent offense committed, related
nonviolent case pending, or related nonviolent
adjudication of juvenile delinquency entered be-
fore, on, or after the date of enactment of this
Act. This provision is meant to be extended to
nonviolent offenses charged, pending, or other-
wise, previously found to be crimes of violence
subsequently found to be unconstitutionally
vague or restricted, e.g., United States v. Davis,
924(c) residual clause unconstitutionally
vague); Sessions v. Dimaya, 138 S. Ct. 1204
(2018) (finding 18 U.S.C. 16(b) to be unconsti-
tutionally void for vagueness as incorporated
into other statutes).

(B) LIMITATION TO ONLY CANNABIS.—
This provision applies solely to persons who
traded exclusively in marijuana, marihuana as
defined in 21 U.S.C. 802(16), or
tetrahydrocannabinols rather than other sub-
stances controlled under the Controlled Sub-
stances Act.

(C) **Scope.**—This provision applies to each
and every organ of the Federal Government.

(D) **Post-passage limitation.**—This
provision does not apply to acts or transactions
occurring after the passage of this Act that are
not in compliance with this Act and other appli-
cable laws.

(E) **Foreign drug cartel members
specifically excluded.**—This provision does
not apply to persons that are or were merely
the instrumentality of a foreign agent, “drug
cartel”, or power.

(F) **DUI exclusion.**—This provision does
not apply specifically to convictions or sentences
of an offense of operating a motor vehicle under
the influence of a drug or alcohol within the
meaning of title 18 of the United States Code,
section 13(b), an offense of operating or being
in actual physical control of a motor vehicle
within the meaning of title 36, section 4.23 of
the Code of Federal Regulations, or drunken or
reckless operation of vehicle, aircraft or vessel
within the meaning of article 111 of the Uni-
form Code of Military Justice, title 10 of the
United States Code, section 911.

(G) JUDICIAL REVIEW.—Questions of non-
violece are reviewable in any proceeding initi-
ated under this subsection (d) or the following
subsection (e). For an example of a person con-
sidered under this law to be a nonviolent can-
abis offender based on the totality of facts in
the case, please refer to the case of United
States v. Angelos, 345 F. Supp. 2d 1227 (D.
Utah 2004).

(2) APPLICATION TO PENDING ACTIONS.—For
all pending criminal charges or cases and convictions
awaiting sentencing impacted by amendments made
by this subsection to the Controlled Substances Act
(21 U.S.C. 801 et seq.), the attorney for the Govern-
ment shall drop the relevant charges or seek dis-
missal of all pending charges within 14 days after
the date of enactment of this Act. Any person held
in pretrial detention and entitled to dismissal of rel-
levant charges under this provision, and not detained
for any other reason, shall be entitled to issuance of
a writ under 28 U.S.C. 2241 or 28 U.S.C. 1361, to
effectuate immediate release.

(3) Application to Defendants Previously
sentenced.—In the case of a defendant who, be-
fore the date of enactment of this Act, was convicted
or sentenced for any Federal offense involving mari-
juana, marihuana as defined in 21 U.S.C. 802(16),
or tetrahydrocannabinols and not serving a sentence
for any conduct not covered by this Act or serving
multiple sentences as provided in 18 U.S.C. 3584,
the Director of the Bureau of Prisons, United States
Marshals Service, or U.S. Parole Commission shall
release such individual from its control within 14
days after the date of enactment of this Act. Any
person not so timely released and entitled to such
under this provision shall be entitled to issuance of
a writ under 28 U.S.C. 2241 or 28 U.S.C. 1361, to
effectuate immediate release.

(4) Cumulative Sentencing Reconsider-
ation.—In the case of a defendant who, before the
date of enactment of this Act, was convicted or sen-
tenced for any Federal offense involving marijuana,
marihuana, or tetrahydrocannabinols but is also
serving a sentence for any other crime not covered
by this Act, the sentencing court may, on motion of
the defendant, the Director of the Bureau of Prisons, the attorney for the Government, or on its own
motion, impose a reduced sentence after considering
the factors set forth in section 3553(a) of title 18,
United States Code.

(5) CESSATION OF ALL MARIHUANA ADMINIS-
TRATIVE ACTIONS AND REPATRIATION OF PROP-
ERTY.—Notwithstanding any other provision of law,
the Federal Government shall not pursue, and shall
immediately desist any present administrative or en-
forcement action, or criminal or civil asset forfeiture
proceeding, against any U.S. person where the cause
of controversy is rooted in the illicit marihuana, as
defined in 21 U.S.C. 802(16), or
tetrahydrocannabinols trade for nonviolent acts hav-
ing occurred between the passage of the Marijuana
Tax Act of 1937 (Public Law 75–238, 50 Stat. 551)
and this Act, nor shall the proceeds of such trade or
acts be considered the proceeds of illegal drug trade
or any kind of criminal or illicit activity under sec-
tions 981, 1956 or 1957 of title 18, United States
Code, or any other provision of law, even if such ac-
tivity occurred before the date of enactment of this
Act.
(A) LIMITATION TO ONLY CANNABIS.—This provision applies solely to persons who traded exclusively in marijuana, marihuana as defined in 21 U.S.C. 802(16), or tetrahydrocannabinols rather than other substances controlled under the Controlled Substances Act.

(B) SCOPE.—This provision applies to each and every organ of the Federal Government.

(C) POST-PASSAGE LIMITATION.—This provision does not apply to acts or transaction occurring after the passage of this Act that are not in compliance with this Act and other applicable laws.

(D) FOREIGN DRUG CARTEL MEMBERS SPECIFICALLY EXCLUDED.—This provision does not apply to persons that are or were merely the instrumentality of a foreign agent, “drug cartel”, or power.

(E) DUI EXCLUSION.—This provision does not apply specifically to convictions or sentences of an offense of operating a motor vehicle under the influence of a drug or alcohol within the meaning of title 18 of the United States Code,
section 13(b), an offense of operating or being in actual physical control of a motor vehicle within the meaning of title 36, section 4.23 of the Code of Federal Regulations, or drunken or reckless operation of a vehicle, aircraft or vessel within the meaning of article 111 of the Uniform Code of Military Justice, title 10 of the United States Code, section 911.

(6) APPLICATION TO MILITARY LAW.—Notwithstanding any other provision of law, the provisions of this subsection (d) shall apply to proceedings involving military courts, tribunals, courts-martial, and offenses under the Uniform Code of Military Justice.

(A) Former servicemembers and veterans that received other than honorable, bad conduct, or dishonorable discharges premised solely on nonviolent cannabis offenses covered under this subsection (d) shall be entitled to petition and receive from a service branch discharge review board or the Board of Correction for Military Records, as jurisdictionally appropriate, an upgrade to a general discharge.
(e) EXPUNGEMENT OF NONVIOLENT FEDERAL CANNABIS OFFENSES.—Subsection (e) of 18 U.S.C. 3607 is amended—

(1) by adding (1) before “If”;

(2) by adding the following after “thereof”:

“(2) Not later than 1 year after the date of the enactment of this Act, each Federal district shall conduct a comprehensive review and issue an order expunging, without financial commitment from the offender, each conviction or adjudication for any Federal offense involving marijuana, marihuana as defined in 21 U.S.C. 802(16), or tetrahydrocannabinols, including related nonviolent marihuana offenses, entered by each Federal court in the district before the date of enactment of this Act. Each Federal court shall also issue an order expunging any arrests associated with each expunged conviction or adjudication. The expungement order shall direct that there be expunged from all official records all references to his or her arrest for the offense, the institution of criminal proceedings against him, and the results thereof.”; and

(3) by adding (3) before “The.”.
TITLE II—REGULATION OF MARIJUANA LIKE ALCOHOL

SEC. 201. FOOD AND DRUG ADMINISTRATION.

(a) The Food and Drug Administration shall have the same authorities with respect to cannabis products that it has with respect to alcohol and no more.

(b) This clause shall not be construed to limit the Food and Drug Administration’s role in regulating designated State medical cannabis products, drugs or botanical drugs containing cannabis or its derivatives, cannabis cosmetics, or dietary supplements containing cannabis or its derivatives under part J of subchapter V of chapter 9 of title 21 of the United States Code (the Federal Food, Drug, and Cosmetic Act).

SEC. 202. DEPARTMENT OF AGRICULTURE REGULATION OF RAW CANNABIS LIKE BARLEY, HOPS, AND GRAIN.

(a) USDA To Regulate Raw Cannabis Farming.—The United States Department of Agriculture shall regulate the farming and production of raw cannabis, including, but not limited to, the seeds, mature stalks, and cultivation of raw cannabis as a traditional agricultural commodity, such as grain, hops, and barley, and as a specialty crop.
(b) Rulemaking Authority.—Not later than 90 days after the date of enactment of this Act, the Secretary of Agriculture or his or her designee shall—

(1) issue guidance and enter formal rulemaking as necessary to carry out this Act and to bring raw cannabis into line with the treatment of other traditional agricultural commodities, such as grain, hops, and barley;

(2) issue guidance dually designating raw cannabis as a specialty crop in addition to an agricultural commodity; and

(3) without regard to the notice and comment provisions of section 553 of title 5, United States Code, the Secretary of Agriculture shall revise part 990 of title 7, Code of Federal Regulations, make any conforming changes that are necessary as a result of this section and the amendments made by this section.

(c) Raw Cannabis Defined; Not Finished Cannabis Products.—Raw cannabis refers to marihuana within the meaning of section 801(16) of the Controlled Substances Act (21 U.S.C. 801 et seq.) including, but not limited to, all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof, and the mature stalks of the plant. Raw cannabis does not include finished
products meant for commercial sale as cannabis products
regulated under title III of the Federal Alcohol Adminis-
tration Act or designated State medical cannabis products
regulated under part J of subchapter V of chapter 9 of
title 21 of the United States Code (the Federal Food,
Drug, and Cosmetic Act), such as the resin extracted from
any part of such plant; and every compound, manufacture,
salt, derivative, mixture, or preparation of such plant or
its resin (or industrial hemp).

(d) RIGHT OF ACTION.—An adversely affected person
or business shall have private right of action under the
Administrative Procedure Act (5 U.S.C. 500 et seq.) and
the Mandamus Act (28 U.S.C. 1361) to compel the Sec-
retary or the designated officer, employee or agent of the
Department of Agriculture to promulgate regulations or
undertake and finalize rulemaking required under this Act
that are not promulgated or published within the time
frames set forth herein, or to act on applications for the
permits or licenses herein required, within the time frames
set forth herein, or to enjoin agency action. The exclusive
venue for bringing any such action shall be the District
Court for the District of Columbia. Upon demonstration
of undue delay or failure to adhere strictly to statutory
deadlines, or other violations of law and equity, equitable
relief in the form of a writ of mandamus compelling action
shall issue, among such other relief as the court may see fit.

SEC. 203. ADDITION OF RAW CANNABIS TO CERTAIN AUTHORITIES RELATING TO AGRICULTURAL PRODUCTION.

(a) AGRICULTURAL MARKETING ACT OF 1946.—The Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) is amended by adding at the end the following:

“Subtitle H—Raw Cannabis Production

“SEC. 298A. DEFINITIONS.

“In this subtitle:

“(1) RAW CANNABIS.—The term ‘raw cannabis’ has the same meaning as it is given in section 202(3) of the States Reform Act.

“(2) INDIAN TRIBE.—The term ‘Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

“(3) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.

“(4) STATE.—The term ‘State’ means—

“(A) a State;

“(B) the District of Columbia;
“(C) the Commonwealth of Puerto Rico; and

“(D) any other territory or possession of the United States.

“(5) STATE DEPARTMENT OF AGRICULTURE.—The term ‘State department of agriculture’ means the agency, commission, or department of a State government responsible for agriculture in the State.

“(6) TRIBAL GOVERNMENT.—The term ‘Tribal government’ means the governing body of an Indian tribe.

“SEC. 298B. STATE AND TRIBAL PLANS.

“(a) SUBMISSION.—

“(1) IN GENERAL.—A State or Indian tribe desiring to have primary regulatory authority over the production of the raw cannabis in the State or territory of the Indian tribe shall submit to the Secretary, through the State department of agriculture (in consultation with the Governor and chief law enforcement officer of the State) or the Tribal government, as applicable, a plan under which the State or Indian tribe monitors and regulates that production as described in paragraph (2).

“(2) CONTENTS.—A State or Tribal plan referred to in paragraph (1)—
“(A) shall only be required to include—

“(i) a practice to maintain relevant in-
formation regarding land on which raw
cannabis is produced in the State or terri-
tory of the Indian tribe, including a legal
description of the land, for a period of not
less than 3 calendar years;

“(ii) a procedure for the effective dis-
posal of products that are produced in vi-o-
lation of this subtitle; and

“(iii) a procedure to comply with the
enforcement procedures under subsection
(d); and

“(B) may include any other practice or
procedure established by a State or Indian
tribe, as applicable, to the extent that the prac-
tice or procedure is consistent with this subtitle.

“(3) RELATION TO STATE AND TRIBAL LAW.—

“(A) NO PREEMPTION.—Nothing in this
subsection preempts or limits any law of a
State or Indian tribe regulating the production
of raw cannabis, to the extent that law is con-
sistent with this subtitle.

“(B) REFERENCES IN PLANS.—A State or
Tribal plan referred to in paragraph (1) may
include a reference to a law of the State or Indian tribe regulating the production of raw cannabis, to the extent that law is consistent with this subtitle.

“(b) APPROVAL.—

“(1) IN GENERAL.—Not later than 60 days after receipt of a State or Tribal plan under subsection (a), the Secretary shall—

“(A) approve the State or Tribal plan if the State or Tribal plan complies with subsection (a); or

“(B) disapprove the State or Tribal plan only if the State or Tribal plan does not comply with subsection (a).

“(2) AMENDED PLANS.—If the Secretary disapproves a State or Tribal plan under paragraph (1)(B), the State, through the State department of agriculture (in consultation with the Governor and chief law enforcement officer of the State) or the Tribal government, as applicable, may submit to the Secretary an amended State or Tribal plan that complies with subsection (a).

“(c) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance to a State or Indian tribe in
the development of a State or Tribal plan under subsection (a).

“(d) VIOLATIONS.—

“(1) IN GENERAL.—A violation of a State or Tribal plan approved under subsection (b) shall be subject to enforcement solely in accordance with this subsection.

“(2) NEGLIGENT VIOLATIONS.—

“(A) IN GENERAL.—A raw cannabis producer in a State or the territory of an Indian tribe for which a State or Tribal plan is approved under subsection (b) shall be subject to subparagraph (B) of this paragraph if the State department of agriculture or Tribal government, as applicable, determines that the raw cannabis producer has negligently violated the State or Tribal plan, including by negligently—

“(i) failing to provide a legal description of land on which the producer produces raw cannabis; or

“(ii) failing to obtain a license or other required authorization from the State department of agriculture or Tribal government, as applicable.
“(B) Corrective action plan.—A raw cannabis producer described in subparagraph (A) shall comply with a plan established by the State department of agriculture or Tribal government, as applicable, to correct the negligent violation, including—

“(i) a reasonable date by which the raw cannabis producer shall correct the negligent violation; and

“(ii) a requirement that the raw cannabis producer shall periodically report to the State department of agriculture or Tribal government, as applicable, on the compliance of the raw cannabis producer with the State or Tribal plan for a period of not less than the next 2 calendar years.

“(C) Result of negligent violation.—Except as provided in subparagraph (D), a raw cannabis producer that negligently violates a State or Tribal plan under subparagraph (A) shall not be subject to any criminal or civil enforcement action by the Federal Government or any State government, Tribal government, or local government other than the en-
forcement action authorized under subparagraph (B).

“(D) REPEAT VIOLATIONS.—A raw cannabis producer that negligently violates a State or Tribal plan under subparagraph (A) 3 times in a 5-year period shall be ineligible to produce raw cannabis for a period of 5 years beginning on the date of the third violation.

“(3) OTHER VIOLATIONS.—If the State department of agriculture or Tribal government in a State or the territory of an Indian tribe for which a State or Tribal plan is approved under subsection (b), as applicable, determines that a raw cannabis producer in the State or territory has violated the State or Tribal plan with a culpable mental state greater than negligence—

“(A) the State department of agriculture or Tribal government, as applicable, shall immediately report the raw cannabis producer to—

“(i) the Secretary of Agriculture; and

“(ii) in the case of a State department of agriculture, the chief agricultural official of the State; and
“(B) paragraph (1) of this subsection shall not apply to the violation.

“(e) Authorization of Appropriations.—There are authorized to be appropriated such sums as are necessary to carry out this section.

“(f) Effect.—Nothing in this section prohibits the production of raw cannabis in a State or the territory of an Indian tribe for which a State or Tribal plan is not approved under this section in accordance with other Federal laws (including regulations).

“SEC. 298C. DEPARTMENT OF AGRICULTURE PLAN.

“(a) Department of Agriculture Plan.—

“(1) In general.—In the case of a State or Indian tribe for which a State or Tribal plan is not approved under section 298B, the production of raw cannabis in that State or the territory of that Indian tribe shall be subject to a plan established by the Secretary to monitor and regulate that production in accordance with paragraph (2).

“(2) Content.—A plan established by the Secretary under paragraph (1) shall include—

“(A) a practice to maintain relevant information regarding land on which raw cannabis is produced in the State or territory of the Indian
tribe, including a legal description of the land,
for a period of not less than 3 calendar years;

“(B) a procedure for the effective disposal
of—

“(i) plants, whether growing or not,
that are produced in violation of this sub-
title; and

“(ii) products derived from those
plants;

“(C) a procedure to comply with the en-
forcement procedures under subsection (c)(2);

“(D) a procedure for conducting annual in-
spections of, at a minimum, a random sample
of raw cannabis producers to verify that raw
cannabis is not produced in violation of this
subtitle; and

“(E) such other practices or procedures as
the Secretary considers to be appropriate, to
the extent that the practice or procedure is con-
sistent with this subtitle.

“(b) LICENSING.—The Secretary shall establish a
procedure to issue licenses to raw cannabis producers in
accordance with a plan established under subsection (a).

“(c) VIOLATIONS.—
“(1) IN GENERAL.—In the case of a State or Indian tribe for which a State or Tribal plan is not approved under section 298B, it shall be unlawful to produce raw cannabis in that State or the territory of that Indian tribe without a license issued by the Secretary under subsection (b).

“(2) NEGLIGENT AND OTHER VIOLATIONS.—A violation of a plan established under subsection (a) shall be subject to enforcement in accordance with paragraphs (2) and (3) of section 298B(d), except that the Secretary shall carry out that enforcement instead of a State department of agriculture or Tribal government.

“SEC. 298D. AUTHORITY TO ISSUE REGULATIONS AND GUIDELINES.

“(a) The Secretary shall have sole authority to issue Federal regulations and guidelines that relate to the production of raw cannabis, including Federal regulations and guidelines that relate to the implementation of section 298B.

“(b) No later than 90 days after enactment, the Secretary of Agriculture shall propose regulations implementing this Act.

“(c) RIGHT OF ACTION.—An adversely affected person or business shall have private right of action under
the Administrative Procedure Act (5 U.S.C. 500 et seq.)
and the Mandamus Act (28 U.S.C. 1361) to compel the
Secretary or the designated officer, employee or agent of
the Department of Agriculture to promulgate regulations
or undertake and finalize rulemaking required under this
Act that are not promulgated or published within the time
frames set forth herein, or to act on applications for the
permits or licenses herein required, within the time frames
set forth herein, or to enjoin agency action. The exclusive
venue for bringing any such action shall be the District
Court for the District of Columbia. Upon demonstration
of undue delay or failure to adhere strictly to statutory
deadlines, or other violations of law and equity, equitable
relief in the form of a writ of mandamus compelling action
shall issue, among such other relief as the court may see
fit.”.

(b) FUNDING FOR RAW CANNABIS RESEARCH.—

(1) Supplemental and alternative
crops.—Section 1473D(c)(3)(E) of the National
Agricultural Research, Extension, and Teaching Pol-
icy Act of 1977 (7 U.S.C. 3319d(c)(3)(E)) is
amended by striking “(including hemp (as defined in
section 297A of the Agricultural Marketing Act of
1946))” and by inserting “(including hemp and raw
cannabis (as defined in sections 297A and 298A of
the Agricultural Marketing Act of 1946, respectively))” after “material”.

(2) **CRITICAL AGRICULTURAL MATERIALS.**—

Section 5(b)(9) of the Critical Agricultural Materials Act (7 U.S.C. 178c(b)(9)) is amended by striking “(including hemp (as defined in section 297A of the Agricultural Marketing Act of 1946))” and by inserting “(including hemp and raw cannabis (as defined in sections 297A and 298A of the Agricultural Marketing Act of 1946, respectively))” after “hydrocarbon-containing plants”.

(c) **LEGITIMACY OF RAW CANNABIS RESEARCH.**—

(1) **IN GENERAL.**—Section 7606 of the Agricultural Act of 2014 (7 U.S.C. 5940) is amended—

(A) in subsection (b), by inserting “or raw cannabis” after each appearance of “hemp” in subsection (b); and

(B) by adding at the end the following:

“(d) **RAW CANNABIS STUDY AND REPORT.**—

“(1) **IN GENERAL.**—The Secretary shall conduct a study of agricultural pilot programs to determine the economic viability of the domestic production and sale of raw cannabis.

“(2) **REPORT.**—Not later than 120 days after the date of enactment of this subsection, the Sec-
retary shall submit to Congress a report describing
the results of the study conducted under paragraph
(1).”.

(d) FEDERAL CROP INSURANCE.—

(1) DEFINITION OF RAW CANNABIS.—Section
502(b) of the Federal Crop Insurance Act (7 U.S.C.
1502(b)) is amended—

(A) by redesignating paragraphs (10) through (14) as paragraphs (11) through (15), respectively; and

(B) by inserting after paragraph (9) the following:

“(9) RAW CANNABIS.—The term ‘raw cannabis’
has the meaning given the term in section 298A of
the Agricultural Marketing Act of 1946.”.

(2) INSURANCE PERIOD.—Section 508(a)(2) of
the Federal Crop Insurance Act (7 U.S.C.
1508(a)(2)) is amended by striking “sweet potatoes,
and hemp” and inserting “sweet potatoes, hemp,
and raw cannabis”.

(3) SUBMISSION OF POLICIES AND MATERIALS
TO BOARD.—Section 508(h) of the Federal Crop In-
insurance Act (7 U.S.C. 1508(h)) is amended—

(A) in paragraph (1)(B)—

(i) by adding at the end the following:
“(iii) Waiver for raw cannabis.—
The Corporation may waive the viability and marketability requirement under clause (i)(I) in the case of a policy or pilot program relating to the production of raw cannabis.”; and

(B) in paragraph (3)(C)—

(i) by adding at the end the following:

“(v) in the case of reviewing policies and other materials relating to the production of raw cannabis, may waive the viability and marketability requirement under subparagraph (A)(ii)(I).”.

(4) Agricultural commodity.—Section 518 of the Federal Crop Insurance Act (7 U.S.C. 1518) is amended by inserting “raw cannabis,” before “aquacultural species”.

(5) Research and development authority.—Section 522(b) of the Federal Crop Insurance Act (7 U.S.C. 1522(b)) is amended—

(A) in paragraph (2), by adding at the end the following:

“(L) Waiver for raw cannabis.—The Board may waive the viability and marketability requirements under this paragraph in the case
of research and development relating to a policy to insure the production of raw cannabis.”; and

(B) in paragraph (3)—

(i) by adding at the end the following:

“(C) WAIVER FOR RAW CANNABIS.—The Corporation may waive the marketability require-ment under subparagraph (A) in the case of research and development relating to a policy to insure the production of raw cannabis.”.

(e) SPECIALTY CROP BLOCK GRANTS.—Section 3 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108–465) is amended in paragraph (1), by inserting “hemp and raw cannabis (as defined in sections 297A and 298A of the Agricultural Marketing Act of 1946, respectively)” after “horticulture” and before “and”.

SEC. 204. ADMINISTRATION LIKE ALCOHOL UNDER TAX AND TRADE BUREAU.

(a) ADDITION OF CANNABIS TO CERTAIN LEGAL AUTHORITIES RELATING TO INTOXICATING LIQUORS.—

(1) WILSON ACT.—The Act of August 8, 1890 (commonly known as the Wilson Act or the Original Packages Act; 27 U.S.C. 121), is amended—

(A) by inserting “, or cannabis,” after “in-toxicating liquors or liquids”; and
(B) by striking “such liquids or liquors” and inserting “such liquids, liquors, or cannabis”.

(2) WEBB-KENYON ACT.—The Act of March 1, 1913 (commonly known as the Webb-Kenyon Act; 27 U.S.C. 122), is amended—

(A) by inserting “cannabis or any” after “whatsoever, of any”;

(B) by inserting “cannabis or” after “which said”; and

(C) by adding at the end of section 122b the following new subsection:

“(c) CANNABIS REGULATION.—The Secretary of the Treasury, acting through the Alcohol and Tobacco Tax and Trade Bureau of the Department of the Treasury shall have primary authority regarding Federal regulation of the interstate and international trade in, and promotion, sale, and distribution of, cannabis products.

“(1) The Secretary shall, not later than 6 months after the enactment of this Act, publish an interim final rule in accordance with the Administrative Procedure Act (5 U.S.C. 500 et seq.) regarding the promotion, sale, and distribution of cannabis products. No later than 9 months after the enactment of this Act, the Secretary shall finalize and
publish, as a final rule, regulations regarding the promotion, sale, and distribution of cannabis products.

“(2) The Secretary shall expeditiously develop and implement a track-and-trace system for cannabis in interstate commerce.

“(3) Not later than 1 year after the date of enactment of this Act the Secretary shall publish an interim final rule, and not later than 2 years after such date of enactment the Secretary shall finalize regulations regarding the promotion, sale, and distribution of cannabis products that occur through means other than a direct, face-to-face exchange between a retailer and a consumer, in order to prevent the sale and distribution of cannabis products to individuals who have not attained the age of 21, including requirements for age verification.

“(d) Rule of Construction.—It is the intention of Congress that this Act be read consistently with the jurisprudence interpreting the Acts amended above and not as superseding or changing prior construction of the Acts with respect to the laws of the United States generally or the article I Commerce Clause.”.

(3) Victims of Trafficking and Violence Protection Act of 2000.—Section 2 of the Victims
of Trafficking and Violence Protection Act of 2000

(27 U.S.C. 122a) is amended—

(A) in subsection (a)—

(i) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(ii) by inserting after paragraph (2) the following new paragraph:

“(3) the term ‘marijuana’ has the meaning given the term ‘marihuana’ in section 102 of the Controlled Substances Act (21 U.S.C. 802);”;

and

(B) in subsections (b) and (c), by inserting “or marijuana” after “intoxicating liquor” each place it appears.

SEC. 205. TRANSFERRING AGENCY FUNCTIONS WITH REGARD TO MARIJUANA.

(a) Transfer of Jurisdiction From Drug Enforcement Administration to Bureau of Alcohol, Tobacco, Firearms and Explosives.—The functions of the Attorney General, acting through the Administrator of the Drug Enforcement Administration relating to cannabis enforcement, shall hereafter be administered by the Attorney General, acting through the Director of the Bureau of Alcohol, Tobacco, Firearms and Explosives.
(b) Redesignation of Bureau of Alcohol, Tobacco, Firearms and Explosives as Bureau of Alcohol, Tobacco, Cannabis, Firearms and Explosives.—

(1) Redesignation.—The Bureau of Alcohol, Tobacco, Firearms and Explosives is hereby renamed the “Bureau of Alcohol, Tobacco, Cannabis, Firearms and Explosives”.

(2) References.—Any reference to the Bureau of Alcohol, Tobacco, Firearms and Explosives in any law, regulation, map, document, record, or other paper of the United States shall be deemed to be a reference to the Bureau of Alcohol, Tobacco, Cannabis, Firearms and Explosives.

(c) Redesignation of Alcohol and Tobacco Tax and Trade Bureau as Alcohol, Tobacco, and Cannabis Tax and Trade Bureau.—

(1) Redesignation.—Section 1111(d) of the Homeland Security Act of 2002 (6 U.S.C. 531(d)) is amended by striking “Tax and Trade Bureau” each place it appears and inserting “Alcohol, Tobacco, and Cannabis Tax and Trade Bureau”.

(2) References.—Any reference to the Tax and Trade Bureau or the Alcohol and Tobacco Tax and Trade Bureau in any law, regulation, map, doc-
ument, record, or other paper of the United States shall be deemed to be a reference to the Alcohol, Tobacco, and Cannabis Tax and Trade Bureau.

SEC. 206. TRANSITION SAFE HARBOR AND ADMINISTRATIVE REMEDIES.

(a) Safe Harbor.—No person shall be deemed to be in violation of this Act for engaging in interstate commerce in cannabis products or designated State medical cannabis products, possessing cannabis products or designated State medical cannabis products, producing or manufacturing cannabis products or designated State medical cannabis products, or farming raw cannabis, until after the Secretary of the Treasury promulgates final regulations in accordance with this Act. Nothing in this section shall be construed to impact in any respect obligations of any person to comply with otherwise applicable cannabis laws of the State, Territory, or Possession of the United States in which they are doing business before the effective date of this Act.

(b) Private Right of Action.—Any State-licensed cannabis business or adversely affected person shall have private right of action under the Administrative Procedure Act (5 U.S.C. 500 et seq.) and the Mandamus Act (28 U.S.C. 1361) to compel any officer, employee or agency of the United States to promulgate regulations required
under this Act that are not promulgated within the time frames set forth herein or to enjoin agency action. The exclusive venue for bringing any such action shall be the District Court for the District of Columbia. Upon demonstration of undue delay or failure to adhere strictly to statutory deadlines, equitable relief in the form of a writ of mandamus compelling action shall issue, among such other relief as the court may see fit.

(e) The term “State” as used in this section 206 includes the District of Columbia, Puerto Rico, and any commonwealth, territory, enclave, or Indian tribe of the United States.

SEC. 207. UNFAIR ADVERTISING PRACTICES AND 21 AGE LIMIT.

(a) In General.—It shall be unlawful for any person engaged in the business of importing marijuana into the United States, or cultivating, producing, manufacturing, packaging, or warehousing marijuana, or purchasing marijuana for resale at wholesale, directly or indirectly or through an affiliate, to publish or disseminate or cause to be published or disseminated by radio broadcast, or in any newspaper, periodical or other publication or by any sign or outdoor advertisement or any other printed or graphic matter, any advertisement of marijuana, if such advertisement is in, or is calculated to in-
duce sales in, interstate or foreign commerce, or is dis-
seminated by mail, unless such advertisement is in con-
formity with such regulations, to be prescribed by the Sec-
retary of the Treasury, or the Secretary’s delegate (re-
ferred to in this section as the “Secretary”), as will—

(1) prevent deception of the consumer with re-
spect to the products advertised and as will prohibit,
irrespective of falsity, such statements relating to
manufacturing processes, analyses, guaranties, and
scientific or irrelevant matters as the Secretary finds
to be likely to mislead the consumer;

(2) provide the consumer with adequate infor-
mentation as to the identity and quality of the products
advertised, the characteristics thereof, and the per-
son responsible for the advertisement;

(3) prohibit statements that are disparaging of
a competitor’s products or are false, misleading, ob-
scene, or indecent; and

(4) prevent statements inconsistent with any
statement on the labeling of the products advertised.

(b) NONAPPLICATION TO PUBLISHERS AND BROAD-
cASTERS.—The prohibitions of this section and regula-
tions thereunder shall not apply to the publisher of any
newspaper, periodical, or other publication, or radio broad-
caster, or provider of an interactive computer service with-
in the meaning of the Communications Decency Act (47
U.S.C. 230 et seq.), unless such publisher or radio broad-
caster is engaged in the business of importing marijuana
into the United States, or cultivating, producing, manufac-
turing, packaging, or warehousing marijuana, or pur-
chasing marijuana for resale at wholesale, directly or indi-
rectly or through an affiliate.

(c) PROTECT KIDS.—Not later than 60 days after the
date of enactment of this Act, the Secretary of the Treas-
ury shall promulgate regulations that—

(1) require restrictions on the advertising and
promotion of products related to cannabis, if the
Secretary determines that such regulation would be
appropriate for the protection of the public health,
taking into account—

(A) the risks and benefits to the popu-
lation of individuals age 21 and under, includ-
ing users and nonusers of cannabis products;

(B) the increased or decreased likelihood
that existing users of cannabis products who
are age 18 and under will stop using such prod-
ucts; and

(C) the increased or decreased likelihood
that individuals age 21 and under who do not
use cannabis products will start using such products; and

(2) impose restrictions on the advertising and promotion of products related to cannabis consistent with and to the full extent permitted by the First Amendment to the Constitution of the United States.

(d) National Minimum Cannabis Use Age of 21.—

(1) Establishment of federal minimum cannabis age.—Chapter 1 of title 23 of the United States Code, is amended by adding at the end the following—

“(a) Withholding of Funds for Noncompliance.—

“(1) In general.—

“(A) The Secretary of Transportation shall withhold 8 per centum of the amount required to be apportioned to any State under each of sections 104(b)(1), 104(b)(3), and 104(b)(4) of title 23 of the United States Code on the first day of each fiscal year after the second fiscal year beginning after September 30, 2019, in which the purchase or public possession in such
State of cannabis by a person who is less than twenty-one years of age is lawful.

“(B) **Effect of Withholding of Funds.**—No funds withheld under this section from apportionment to any State after September 30, 2019, shall be available for apportionment to that State.

“(C) **Cannabis Defined.**—As used in this section, the term ‘cannabis’ means the same as ‘marihuana’ as defined in 21 U.S.C. 802(16).

“(D) **Medical Exception.**—The Secretary shall not apply any withholding under this section to States that lawfully permit the use of designated State medical cannabis products, within the meaning of part J of subchapter V of chapter 9 of title 21 of the United States Code (the Federal Food, Drug, and Cosmetic Act), by persons under the age of 21 on the recommendation or prescription of a qualified medical professional consistent with State law.”.
Title III—Cannabis

Section 301. Unlawful business without cannabis permit.

In order to regulate effectively interstate and foreign commerce in cannabis and to protect the revenue and enforce the postal laws with respect to cannabis:

(a) In General.—Notwithstanding section 205 of the States Reform Act, every person, before commencing commerce in cannabis, and at such other time as the Secretary shall by regulation prescribe, shall make application for the permit provided for in section 302. The application shall be in such form as the Secretary shall prescribe and shall set forth, truthfully and accurately, the information called for on the form.

(b) Import.—It shall be unlawful, except pursuant to a permit issued under this title by the Secretary of the Treasury (hereinafter in this title referred to as the ‘Secretary’)—
“(1) to engage in the business of importing cannabis into the United States; or

“(2) for any person so engaged to sell, offer or deliver for sale, contract to sell, or ship, in interstate or foreign commerce, directly or indirectly or through an affiliate, cannabis so imported.

“(c) MANUFACTURE AND SALE.—It shall be unlawful, except pursuant to a permit issued under this title by the Secretary—

“(1) to engage in the business of producing, manufacturing, packaging, or warehousing cannabis; or

“(2) for any person so engaged to sell, offer or deliver for sale, contract to sell, or ship, in interstate or foreign commerce, directly or indirectly or through an affiliate, cannabis so produced, manufactured, packaged, or warehoused.

“(d) RESALE.—It shall be unlawful, except pursuant to a permit issued under this title by the Secretary—

“(1) to engage in the business of purchasing cannabis for resale at wholesale; or

“(2) for any person so engaged to receive or to sell, offer or deliver for sale, contract to sell, or ship, in interstate or foreign commerce, directly or indirectly or through an affiliate, cannabis so purchased.
“(e) Remedies for Violations.—

“(1) Civil fine.—

“(A) Generally.—Whoever violates this section shall be fined not more than $1,000.

“(B) Settlement in compromise.—The Secretary may decide not to refer a violation of this section to the Attorney General for prosecution but instead to collect a payment from the violator of no more than $500 for that violation.

“(2) Civil action for relief.—The Attorney General may, in a civil action, obtain appropriate relief to prevent and restrain a violation of this title.

“SEC. 302. PROCEDURE FOR ISSUANCE OF CANNABIS PERMIT.

“(a) Who entitled to permit.—

“(1) Generally.—The Secretary shall issue a permit for operations requiring a permit under Section 301, and the applicant shall be entitled to such, unless the Secretary finds that—

“(A) the applicant (or if the applicant is a corporation, any of its officers, directors, or principal stockholders) has, prior to the date of application, been convicted of a disqualifying offense;
“(B) the applicant is, by reason of business experience, financial standing, or trade connections, not likely to commence operations within a reasonable period or to maintain such operations in conformity with Federal law;

“(C) that the operations proposed to be conducted by the applicant are in violation of the law of the State in which they are to be conducted; or

“(D) the applicant has failed to disclose any material information required or made any material false statement in the application therefor.

“(2) DISQUALIFYING OFFENSES.—For the purposes of paragraph (1)—

“(A) GENERALLY.—Except as provided for in subparagraph (B), a disqualifying offense is an offense related to the production, consumption, or sale of marijuana that is—

“(i) a felony under Federal or State law, if the conviction occurred not later than 3 years before the date of application; or
“(ii) a misdemeanor under Federal or State law, if the conviction occurred not later than 1 year before the application.

“(B) EXCLUDED OFFENSES.—A disqualifying offense does not include a Federal or State offense based on conduct that—

“(i) was legal under State law in the State when and where the conduct took place;

“(ii) is as of the date of the application, no longer an offense in that State; or

“(iii) STATE SECOND CHANCES PRACTICES SAFE HARBOR.—A State has examined the offense or offenses in question, or is in the process of examining, for the issuance of a State license to engage in cannabis commerce, and has awarded the applicant a State license to engage in cannabis commerce.

“(3) GRANDFATHERING AND PROSPECTIVE COMITY FOR STATE LICENSURE.—

“(A) GRANDFATHERING.—Any person licensed by a State cannabis regulatory authority before the passage of this Act to produce, warehouse, distribute or otherwise transport can-
nabis products, and in good standing with that regulatory authority, shall be issued necessary Federal permits, licenses, or the like to engage in federally regulated commerce upon application for the same to the Alcohol and Tobacco Tax and Trade Bureau of the Department of the Treasury.

“(B) PROSPECTIVE FEDERAL-STATE PERMIT COMITY.—Any person licensed by a State cannabis regulatory authority after the passage of this Act to produce, warehouse, distribute or otherwise transport cannabis products, and in good standing with that regulatory authority shall be issued necessary Federal permits to engage in federally regulated commerce upon application for the same.

“(C) RULE OF CONSTRUCTION.—Nothing in this Act, or the lawful exercise of rights or privileges granted herein, shall be construed to infringe upon or prejudice the ability of a State-licensed cannabis business to apply for a permit to engage in interstate or foreign commerce.

“(b) REFUSAL OF PERMIT; HEARING.—If upon examination of any application for a permit the Secretary has reason to believe that the applicant is not entitled to
such permit, the Secretary shall so notify the applicant
and, upon request by the applicant, afford the applicant
due notice and opportunity for hearing on the application
within the meaning of the Administrative Procedure Act
(5 U.S.C. 500 et seq.). If the Secretary, after affording
such notice and opportunity for hearing, still finds that
the applicant is not entitled to a permit hereunder, the
Secretary shall by order deny the application stating the
findings that are the basis for the order. The provisions
of 27 CFR part 200—Rules of Practice in Permit Pro-
ceedings, as amended from time to time, shall be applica-
table to the jurisdiction, powers, and duties of the Secretary
of the Treasury under this section.

“(c) FORM OF APPLICATION.—

“(1) GENERALLY.—The Secretary shall—

“(A) prescribe within 60 days of the effec-
tive date of this Act, and consistent with the
Paperwork Reduction Act, the manner and
form of all applications for permits under this
title (including the facts to be set forth there-
in);

“(B) prescribe the form of all permits; and

“(C) specify in any permit the authority
conferred by the permit and the conditions of
that permit in accordance with this title.
“(2) SEPARATE TYPES OF APPLICATIONS AND PERMITS.—To the extent deemed necessary by the Secretary for the efficient administration of this title, the Secretary may require separate applications and permits with respect to the various classes of cannabis, and with respect to the various classes of persons entitled to permits under this title.

“(3) DISCLAIMER.—The issuance of a permit under this title does not deprive the United States of any remedy for a violation of law.

“(d) CONDITIONS.—A permit under this title shall be conditioned upon the following:

“(1) COMPLIANCE.—Compliance with all applicable Federal laws relating to production, sale and consumption of cannabis, as well as compliance with all applicable State laws relating to said activities in the State in which the permit applicant resides and does business.

“(2) USER FEE.—Payment to the Secretary of a reasonable permit fee in an amount determined by the Secretary to be sufficient collectively over time to offset the cost of implementing and overseeing all aspects of cannabis regulation by the Federal Government. For the first 3 years following promulgation of regulations by the Secretary under section
204 of the States Reform Act, in order to ensure small business access, such fee may not exceed $10,000 per permit.

“(A) SBA fee waiver.—The Secretary shall waive the user fee for an applicant that is a small business or a socially and economically disadvantaged business that is a business within the meaning of the Small Business Act of 1953 (15 U.S.C. chapter 14A), as interpreted by the Administrator of the Small Business Administration.

“(e) Revocation, Suspension, and Annulment.—

“(1) Generally.—After due notice and opportunity for hearing consistent with the Administrative Procedure Act (5 U.S.C. 500 et seq.), the Secretary may order a permit under this title—

“(A) revoked or suspended for such period as the Secretary deems appropriate, if the Secretary finds that the permittee has willfully violated any of the conditions of the permit, but for a first violation of the conditions the permit shall be subject to suspension only;

“(B) be revoked if the Secretary finds that the permittee has not engaged in the operations
authorized by the permit for a period of more
than 2 years; or

“(C) be annulled if the Secretary finds
that the permit was procured through fraud, or
misrepresentation, or concealment of material
fact.

“(2) Order to state basis for order.—
The order shall state the findings that are the basis
for the order.

“(f) Service of orders.—Each order of the Sec-
retary with respect to any denial of application, suspen-
sion, revocation, annulment, or other proceedings, shall be
served—

“(1) in person by any officer or employee of the
Secretary designated by the Secretary or any inter-
nal revenue or customs officer authorized by the
Secretary for the purpose; or

“(2) by mailing the order by registered mail,
addressed to the applicant or respondent at his or
her last known address in the records of the Sec-
retary.

“(g) Proceedings.—The provisions of 27 CFR part
200—Rules of Practice in Permit Proceedings, as amend-
ed from time to time, shall be applicable to the jurisdic-
tion, powers, and duties of the Secretary of the Treasury under this section.

“(h) DURATION.—

“(1) GENERAL RULE.—Except as otherwise provided in this subsection, a permit issued under this title shall continue in effect until suspended, revoked, or annulled as provided in this title, or voluntarily surrendered.

“(2) EFFECT OF TRANSFER.—If operations under a permit issued under this title are transferred, the permit automatically terminates 30 days after the date of that transfer, unless an application is made by the transferee before the end of that period for a permit under this title for those operations. If such an application is made, the outstanding permit shall continue in effect until such application is finally acted on by the Secretary.

“(3) DEFINITION OF TRANSFER.—For the purposes of this section, the term ‘transfer’ means any change of ownership or control, whether voluntary or by operation of law.

“(i) APPEAL AND JUDICIAL REVIEW.—

“(1) IN GENERAL.—An appeal may be taken by the permittee or applicant for a permit from any order of the Secretary of the Treasury denying an
application for, or suspending, revoking, or annul-
ing, a basic permit. Such appeal shall be taken by
filing, in the court of appeals of the United States
within any circuit wherein such person resides or
has his or her principal place of business, or in the
United States Court of Appeals for the District of
Columbia, within sixty days after the entry of such
order, a written petition praying that the order of
the Secretary be modified or set aside in whole or
in part. A copy of such petition shall be forthwith
transmitted by the clerk of the court to the Sec-
retary, or any officer designated by the Secretary for
that purpose, and thereupon the Secretary shall file
in the court the record upon which the order com-
plained of was entered, as provided in section 2112
of title 28. Upon the filing of such petition such
court shall have exclusive jurisdiction to affirm,
modify, or set aside such order, in whole or in part.
No objection to the order of the Secretary shall be
considered by the court unless such objection shall
have been urged before the Secretary or unless there
were reasonable grounds for failure so to do. The
finding of the Secretary as to the facts, if supported
by substantial evidence, shall be conclusive. If any
party shall apply to the court for leave to adduce ad-
ditional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceeding before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Secretary may modify his or her findings as to the facts by reason of the additional evidence so taken, and he or she shall file with the court such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and his or her recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court affirming, modifying, or setting aside, in whole or in part, any such order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28. The commencement of proceedings under this subsection shall, unless specifically ordered by the court to the contrary, operate as a stay of the Secretary’s order. These proceedings shall be subject to the requirements of the Administrative
Procedure Act (5 U.S.C. 500 et seq.). Should the permitee substantially prevail, such permitee shall be entitled to attorneys’ fees and costs associated with compelling a decision under this section.

“(2) ADDITIONAL APPLICANT MANDAMUS REMEDY.—Should the Secretary fail to make a permit application decision within ninety days of submission of a completed application, an applicant shall have the right to compel a decision and issuance of a permit pursuant to 28 U.S.C. 1361 in any United States district court where the applicant resides or does business or in the United States District Court for the District of Columbia. Should the applicant substantially prevail, such applicant shall be entitled to attorneys’ fees and costs associated with compelling a decision under this section. Such mandamus remedy shall be in addition to any other remedies available to applicants under the Administrative Procedure Act.

“(j) STATUTE OF LIMITATIONS.—

“(1) IN GENERAL.—No proceeding for the suspension or revocation of a permit for violation of any condition thereof relating to compliance with Federal law shall be instituted by the Secretary more than 18 months after conviction of the violation of Fed-
eral law, or, if no conviction has been had, more than 3 years after the violation occurred.

“(2) COMPROMISE.—No permit shall be sus-
pended or revoked for a violation of any such condi-
tion thereof if the alleged violation of Federal law has been compromised by any officer of the Govern-
ment authorized to compromise such violation.

“(k) PERMIT APPLICATION.—

“(1) IN GENERAL.—Applications for permits to engage in any of the operations set forth in this sec-
tion must be made on the required form. The appli-
cation will include all data, written statements, affi-
davits, documents, or other evidence submitted in support of the application, or upon a hearing.

“(2) CONFIDENTIALITY.—All financial informa-
tion submitted by a permit applicant in connection with an application shall be deemed confidential business information and exempt from disclosure under the Freedom of Information Act.

“(3) INCOMPLETE OR INCORRECTLY EXECUTED APPLICATIONS.—Incomplete or incorrectly executed applications will not be acted upon, but the applicant shall be entitled to file a new application without prejudice, or to complete the application already filed. The Secretary shall notify the applicant of
such defects in the application within 90 days of ap-
application or within ten days of the discovery of the
defect after the first 30 days following the filing of
the application.

“(4) CHANGE IN OWNERSHIP, MANAGEMENT,
OR CONTROL OF THE APPLICANT.—In the event of
any change in the ownership, management, or con-
trol of the applicant (in case of a corporation, any
change in the officers, directors, or persons holding
more than 10 percent of the corporate stock), after
the date of filing of any application for a permit and
prior to final action on such application, the appli-
cant shall notify the appropriate officer immediately
of such change.

“(5) INDIVIDUAL PLANT OR PREMISES.—An ap-
plication for a basic permit must be filed, and per-
mit issued, to cover each individual plant or prem-
ises where any of the businesses specified in this sec-
tion is engaged in.

“(6) DEADLINE.—Within 90 days of receipt of
an application, the Secretary or his or her designee
must notify the applicant whether the application
has been approved or denied. This 90-day period
may be extended once, by an additional 90 days, if
the Secretary or his or her designee finds that un-
usual circumstances require additional time to consider the issues presented by an application. If the Secretary or the appropriate designee extends the period, he or she must notify the applicant by letter, along with a brief explanation of the unusual circumstances causing the time period for consideration of the application to be extended. If the applicant receives no decision from the Secretary or his or her designee within the time periods set forth in this paragraph, the applicant may file a mandamus action as provided for in this section.

“SEC. 304. DEFINITIONS.

“In this title—

“(1) the term ‘marijuana’ or ‘cannabis’ has the same meaning given the term ‘marihuana’ in section 102 of the Controlled Substances Act (21 U.S.C. 121); and

“(2) the term ‘State’ includes the District of Columbia, Puerto Rico, and any commonwealth, territory, enclave, Indian tribe, or possession of the United States.”.
TITLE III—DESIGNATED STATE MEDICAL CANNABIS PRODUCT SAFETY ACT

SEC. 301. GRANDFATHERING OF STATE MEDICAL CANNABIS PRODUCTS INTO INTERSTATE COMMERCE.

Subchapter V of chapter 9 of title 21 of the United States Code (the Federal Food, Drug, and Cosmetic Act) is amended by adding at the end the following new part:

“PART J—DESIGNATED STATE MEDICAL CANNABIS PRODUCTS

"Sec. 360ggg. Definitions.
"Sec. 360ggg–1. Regulation of medical cannabis products.
"Sec. 360ggg–2. Cannabis-infused foods, beverages, and supplements.
"Sec. 360ggg–3. Cannabis cosmetics.
"Sec. 360ggg–4. Liability and method of payment.
"Sec. 360ggg–5. Private right of action and administrative remedy.

"SEC. 360ggg. DEFINITIONS.

“In this part:

“(1) The term ‘designated State medical cannabis product’—

“(A) means an article that is produced by a State and federally licensed or permitted medical cannabis business, pursuant to a State medical cannabis program and contains ‘marihuana’, as defined in section 102(16) of the Controlled Substances Act;

“(B) means any other article that contains either ‘marihuana’, as defined in section 102 of the Controlled Substances Act;
the Controlled Substances Act, 21 U.S.C. 802,  
deemed appropriate by the Secretary, after taking into account any investigational new drug  
application or investigational new animal drug  
application for the same medical cannabis product submitted in accordance with regulations  
applicable to such applications in title 21 of the  
Code of Federal Regulations, unless any period  
of exclusivity for a new drug under section  
355(c)(3)(E)(ii) of this title or section  
355(j)(5)(F)(ii) of this title, or the extension of  
any such period under section 355a of this title,  
or any period of exclusivity for a new animal  
drug under section 360b(c)(2)(F) of this title,  
applicable to such medical cannabis product has  
not expired;  

“(C) means any article that contains either  
marihuana’, as defined in section 102(16) of  
the Controlled Substances Act, 21 U.S.C.  
802(16) that also meets the standards set forth  
in an official compendium; and  

“(D) does not mean articles or cannabis  
products produced and intended for nonmedical  
use, such as those regulated under title III of
the Federal Alcohol Administration Act (27
U.S.C. 201 et seq.).

“(2) The term ‘State’ includes the District of
Columbia, Puerto Rico, and any commonwealth, ter-
ritory, enclave, Indian tribe, or possession of the
United States.

“SEC. 360ggg-1. REGULATION OF MEDICAL CANNABIS
PRODUCTS.

“(a) MEDICAL CANNABIS REGULATION AND AU-
THORITY.—The Food and Drug Administration shall have
jurisdiction over the regulation of designated State med-
ical cannabis products described herein.

“(b) CERTIFICATION OF DESIGNATED STATE MED-
ICAL CANNABIS PRODUCTS.—

“(1) SUBMISSION.—Beginning 30 days after
the effective date of this Act, any person who seeks
to initially introduce or deliver for introduction a
designated State medical cannabis product into
interstate commerce may file with the Secretary a
request for certification as a designated State med-
ical cannabis product. Any such request shall con-
tain the following information:

“(A) A description of the designated State
medical cannabis product.
“(B) The name and address of the sponsor.

“(C) The name and address of the facility or facilities where the designated State medical cannabis product is or will be cultivated and manufactured.

“(D) Any other information deemed appropriate by the Secretary to determine whether the designated State medical cannabis product is in fact a designated State medical cannabis product.

“(2) GRANT OF CERTIFICATION.—The certification requested under paragraph (1) is deemed to be granted unless, within 30 days of the filing of such request, the Secretary finds that—

“(A) the designated State medical cannabis product subject to the certification is not in fact a designated State medical cannabis product;

“(B) the request does not contain the information required under paragraph (1) or otherwise lacks sufficient information to permit the Secretary to determine that the designated State medical cannabis product is in fact a designated State medical cannabis product; or
“(C) denying the request is necessary to protect the public health.

“(3) EFFECT OF CERTIFICATION.—

“(A) IN GENERAL.—

“(i) APPROVED USES.—A designated State medical cannabis product for which a certification is granted under paragraph (2) is deemed, alone or in combination, as medically appropriate, with another designated State medical cannabis product or products for which a certification or certifications have been granted, to be sold in interstate commerce as a non-drug designated State medical cannabis product, for the following indications for use:

“(I) The treatment of arthritis.

“(II) The treatment of chemotherapy-induced and non-chemotherapy-induced nausea and vomiting.

“(III) The stimulation of appetite.

“(IV) The treatment of the symptoms of patients with HIV/AIDS or for anorexia associated with AIDS.
“(V) The treatment of temporary or chronic pain and analgesia.

“(VI) The treatment of muscle spasms.

“(VII) The treatment of insomnia and restlessness.


“(IX) The treatment of chronic pain due to sickle cell disease.

“(X) Any other indication for use consistent with State medical cannabis law and medical cannabis labeling practice in the State in which the product is to be sold to the end consumer.

“(XI) Any other indication for use for a designated State medical cannabis product or combination of designated State medical cannabis products deemed appropriate by the Secretary, unless any period of exclusivity for a new drug under clause (iii) or (iv) of section 355(c)(3)(E) of this title, clause (iii) or (iv) of section
355(j)(5)(F) of this title, or section 360cc of this title, or the extension of any such period under section 355a of this title, applicable to such indication for use for such medical cannabis product or combination of products has not expired.

“(ii) LABELING.—The requirements of sections 353(b)(4) and 352(f) of this title are deemed to have been met for a designated State medical cannabis product if the labeling on the final use container for such medical cannabis product bears—

“(I) the information required by section 353(b)(4) of this title;

“(II) a warning statement concerning the use of the medical cannabis products as determined by the Secretary by regulation; and

“(III) appropriate directions and warnings concerning storage and handling.

“(B) INAPPLICABILITY OF EXCLUSIVITY PROVISIONS.—
“(i) No exclusivity for a certified medical cannabis product. No designated State medical cannabis product deemed under subparagraph (A)(i) to have in effect an approved application is eligible for any period of exclusivity for a new drug under section 355(c), 355(j), or 360cc of this title, or the extension of any such period under section 355a of this title, on the basis of such deemed approval.

“(ii) EFFECT ON CERTIFICATION.— No period of exclusivity under section 355(c), 355(j), or section 360cc of this title, or the extension of any such period under section 355a of this title, with respect to an application for a drug product, shall prohibit, limit, or otherwise affect the submission, grant, or effect of a certification under this section, except as provided in subsection (a)(3)(A)(i)(VIII) and section 360ddd(1)(H) of this title.

“(4) WITHDRAWAL, SUSPENSION, OR REVOCATION OF APPROVAL.—

“(A) Withdrawal, suspension of approval.—Nothing in this part limits the Sec-
retary’s authority to withdraw or suspend ap-
proval of a drug product, including a designated
State medical cannabis product deemed under
this section to have in effect an approved appli-
cation under section 355 of this title or section
360b of this title.

“(B) Revocation of Certification.—
The Secretary may revoke the grant of a certifi-
cation under paragraph (2) if the Secretary de-
determines that the request for certification con-
tains any material omission or falsification.

“(5) Prescription or Recommendation Re-
quirement for Designated State Medical Can-
nabis Products.—

“(A) In General.—A designated State
medical cannabis product is not approved for
use without a prescription by a qualified med-
ical professional or a recommendation by a
qualified medical professional as defined by the
law of the State in which the qualified medical
professional is providing said prescription or
recommendation.

“(B) Labeling.—For medical cannabis
products provided pursuant to subparagraph
(A), the Secretary shall issue labeling require-
ments within 90 days of the passage of this Act.

“(6) NO DRUG PRECLUSION.—Notwithstanding any other law, 21 U.S.C. 331(ll), the ‘drug preclusion’ rule, shall not apply to ‘marihuana’, as defined in 21 U.S.C. 802(16). Notwithstanding any other Federal law or provision of the Federal Food, Drug, and Cosmetic Act, the Food and Drug Administration shall treat cannabis without respect to the doctrine of drug preclusion. Nothing in this provision is meant to diminish or otherwise affect the ability of the Food and Drug Administration to regulate drug products (as defined in 21 U.S.C. 321(g)), including those containing ‘marihuana’, (as defined in 21 U.S.C. 802(16)) that are intended and marketed for use as a ‘drug’ rather than a ‘designated State medical cannabis product’.

“(7) TIMELINE FOR RULEMAKING TO EFFECTUATE PROVISION.—Within 30 days of the passage of this Act, the Food and Drug Administration shall promulgate an interim final rule and undertake rulemaking under the Administrative Procedure Act (5 U.S.C. 500 et seq.) for the purposes of effectuating this provision, including any forms that may be required for application for certification. Such final
rule shall be promulgated within 90 days of the publication of the interim final rule.

“SEC. 360ggg–2. CANNABIS-INFUSED FOODS, BEVERAGES, AND SUPPLEMENTS.

“(a) No Supplement/Additive Preclusion.—Notwithstanding any other law, 21 U.S.C. 321(s)(6) shall not apply to ‘marihuana’, as defined in 21 U.S.C. 802(16), nor to ‘industrial hemp’, as defined in 7 U.S.C. 5490(a)(2). Notwithstanding any other Federal law or provision of the Federal Food, Drug, and Cosmetic Act, the Food and Drug Administration shall treat cannabis without respect to the doctrine of dietary supplement and food additive preclusion.

“(b) Cannabis-Infused Dietary Supplements; Classification as Old Dietary Ingredient.—Notwithstanding any other law, ‘marihuana’, as defined in 21 U.S.C. 802(16), and ‘industrial hemp’, as defined in 7 U.S.C. 5490(a)(2), shall be deemed to have been marketed in the United States as a dietary ingredient before October 15, 1994 for the purposes of 21 U.S.C. 350b(a), 350b(d).

“(1) Within 30 days of the passage of this Act, the Food and Drug Administration shall promulgate an interim final rule and undertake rulemaking under the Administrative Procedure Act (5 U.S.C. 500 et seq.) for the purposes of establishing a stand-
ard serving size and further clarifying intended condi-
tions of use of whole-plant cannabis extracts and
individual cannabinoid extracts used as dietary sup-
plem ents.

“(2) Such final rule shall be promulgated within
90 days of the publication of the interim final
rule.

“(c) CANNABIS-INFUSED FOODS AND BEVERAGES;
CLASSIFICATION AS GENERALLY SAFE THROUGH COM-
MON EXPERIENCE.—Notwithstanding any other law,
‘marihuana’, as defined in 21 U.S.C. 802(16), or ‘indus-
trial hemp’, as defined in 7 U.S.C. 5490(a)(2), shall be
deemed to be generally recognized as safe through experi-
ence based on common use in food prior to January 1,
1958, for the purposes of 21 U.S.C. 321(s) and 21 CFR
170.30(a). Cannabis-infused foods and beverages, unless
a designated State medical cannabis product, shall be con-
sidered as regulated under title III of the Federal Alcohol
Administration Act (27 U.S.C. 201 et seq.).

“(1) Within 30 days of the passage of this Act,
the Food and Drug Administration shall promulgate
an interim final rule and undertake rulemaking
under the Administrative Procedure Act (5 U.S.C.
500 et seq.) for the purposes of establishing a stand-
ard serving size and further clarifying conditions of
intended use of whole-plant cannabis extracts and
dividual cannabinoid extracts used as food addi-
tives.

“(2) Such final rule shall be promulgated with-
in 90 days of the publication of the interim final
rule.

“SEC. 360ggg–3. CANNABIS COSMETICS.

“(a) CANNABIS ALLOWED IN COSMETICS, ‘SAFE’.—
The use of ‘marihuana’, as defined in 21 U.S.C. 802(16),
and ‘industrial hemp’, as defined in 7 U.S.C. 5490(a)(2),
alone in cosmetic products shall not cause a cosmetic to
be adulterated within the meaning of 21 U.S.C. 361(a)–
(e) provided that it is properly labeled and branded within
the meaning of title 21, chapter 6 of the United States
Code generally.

“(1) Within 30 days of the passage of this Act,
the Food and Drug Administration shall promulgate
an interim final rule and undertake rulemaking
under the Administrative Procedure Act (5 U.S.C.
500 et seq.) to effectuate this provision.

“(2) Such final rule shall be promulgated with-
in 90 days of the publication of the interim final
rule.

“(b) RULE OF CONSTRUCTION.—Notwithstanding
section 360ggg–3(a) of this title, any cosmetic containing
‘marihuana’, as defined in 21 U.S.C. 802(16), and ‘industrial hemp’, as defined in 7 U.S.C. 5490(a)(2), including any extract thereof, where the cannabis component actually renders it a poisonous or deleterious substance, injurious to users under the conditions of use prescribed in the labeling thereof, or under such conditions of use as are customary or usual, may be considered adulterated within the meaning of 21 U.S.C. 361 and/or misbranded under 21 U.S.C. 362.

“SEC. 360ggg–4. LIABILITY AND METHOD OF PAYMENT.

“A designated State medical cannabis product, alone or in combination with another designated State medical cannabis product or products (as medically appropriate) deemed under section 360ggg–1 of this title to have in effect an approved application shall not be assessed fees under section 379h(a) or 379j–12(a) of this title on the basis of such deemed approval.

“SEC. 360ggg–5. PRIVATE RIGHT OF ACTION AND ADMINISTRATIVE REMEDY.

“(a) RIGHT OF ACTION.—An adversely affected person or business shall have private right of action under the Administrative Procedure Act (5 U.S.C. 500 et seq.) and the Mandamus Act (28 U.S.C. 1361) to compel the Administrator or any other officer, employee or agent of the Food and Drug Administration to promulgate regula-
tions or undertake and finalize rulemaking required under
this Act that are not promulgated or published within the
time frames set forth herein, or to provide the certification
of designated State medical cannabis products within the
time frames set forth herein, or to enjoin agency action.
The exclusive venue for bringing any such action shall be
the District Court for the District of Columbia. Upon
demonstration of undue delay or failure to adhere strictly
to statutory deadlines, or other violations of law and eq-
ity, equitable relief in the form of a writ of mandamus
compelling action shall issue, among such other relief as
the court may see fit.”.

TITLE IV—SMALL BUSINESS
ADMINISTRATION PROVISIONS

SEC. 401. FAIR SMALL BUSINESS ADMINISTRATION ACCESS.
Section 7(a) of the Small Business Act (15 U.S.C.
636(a)) is amended by adding at the end the following
new paragraph:

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

“(A) IN GENERAL.—The Administrator
may not decline to provide a guarantee for a
loan under this subsection to an otherwise eligi-
bale small business concern solely because such
concern is a cannabis-related legitimate business or service provider.

“(B) DEFINITIONS.—In this paragraph:

“(i) CANNABIS.—The term ‘cannabis’ has the meaning given the term ‘marihuana’ in section 102 of the Controlled Substances Act.

“(ii) CANNABIS PRODUCT.—The term ‘cannabis product’ means any article that contains cannabis, including an article that is a designated State medical cannabis product within the meaning of part J of subchapter V of chapter 9 of title 21 of the United States Code (the Federal Food, Drug, and Cosmetic Act).

“(iii) CANNABIS-RELATED LEGITIMATE BUSINESS.—The term ‘cannabis-related legitimate business’ means a cannabis farmer, cannabis producer, or any person or company that is a small business concern and that—

“(I) engages in any activity described in subclause (II) pursuant to a law established by a State or a political subdivision of a State, as deter-
mined by such State or political sub-

division; and

“(II) participates in any business

or organized activity that involves

handling cannabis or cannabis prod-

ucts, including cultivating, producing,

manufacturing, selling, transporting,

displaying, dispensing, retailing,

wholesaling, distributing, or pur-

chasing cannabis or cannabis prod-

ucts.

“(iv) CANNABIS PRODUCER.—The

term ‘cannabis producer’ means a person

who manufactures, compounds, converts,

processes, prepares, or packages cannabis

or cannabis products.

“(v) CANNABIS FARMER.—The term

‘cannabis farmer’ means a person who

plants, cultivates, harvests, or in any way

facilitates the natural growth of cannabis.

“(vi) SERVICE PROVIDER.—The term

‘service provider’—

“(I) means a business, organiza-

tion, or other person that—
“(aa) sells goods or services to a cannabis-related legitimate business; or

“(bb) provides any business services, including the sale or lease of real or any other property, legal or other licensed services, or any other ancillary service, relating to cannabis; and

“(II) does not include a business, organization, or other person that participates in any business or organized activity that involves handling cannabis or cannabis products, including cultivating, producing, manufacturing, selling, transporting, displaying, dispensing, retailing, wholesaling, distributing, or purchasing cannabis or cannabis products.

“(vii) STATE.—The term ‘State’ means each of the several States, the District of Columbia, Puerto Rico, and any territory or possession of the United States.”.
SEC. 402. DISASTER LOAN NONDISCRIMINATION.

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

“(16) ASSISTANCE TO CANNABIS-RELATED LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.—The Administrator may not decline to provide assistance under this subsection to an otherwise eligible borrower solely because such borrower is a cannabis-related legitimate business or service provider (as defined in subsection (a)(36)).”.

SEC. 403. MICROLOAN NONDISCRIMINATION.

Section 7(m) of the Small Business Act (15 U.S.C. 636(m)(13)) is amended by adding at the end the following new paragraph:

“(14) ASSISTANCE TO CANNABIS-RELATED LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.—An eligible intermediary may not decline to provide assistance under this subsection to an otherwise eligible borrower solely because such borrower is a cannabis-related legitimate business or service provider (as defined in subsection (a)(36)).”.
SEC. 404. SMALL BUSINESS INVESTMENT COMPANY DEBENTURE NONDISCRIMINATION.

Part A of title III of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) is amended by adding at the end the following new section:

“SEC. 321. DEBENTURES TO FINANCE CANNABIS-RELATED BUSINESSES AND SERVICE PROVIDERS.

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

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

SEC. 405. STATE OR LOCAL DEVELOPMENT LOAN NON-DISCRIMINATION.

Title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) is amended by adding at the end the following new section:
“SEC. 511. LOANS TO CANNABIS-RELATED LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.

“The Administrator may not decline to provide a guarantee for a loan under this title to an otherwise eligible State or local development company solely because such State or local development company provides financing to an entity that is a cannabis-related legitimate business or service provider (as defined in section 7(a)(36) of the Small Business Act).”.

SEC. 406. RULEMAKING AND DISBURSEMENT.

Not later than 30 days after the date of the enactment of this Act, the Administrator of the Small Business Administration shall issue or amend any rules or interim final rules, standard operating procedures, other legal or policy guidance necessary to carry out the requirements of this Act and the amendments made by this Act. The Administrator shall begin incurring obligations and disbursing funds made available to the Administration for the purposes of carrying out this Act within 45 days of the enactment of this Act.

SEC. 407. ADMINISTRATIVE PROCEDURE ACT AND MANDAMUS REMEDIES.

Should the Administrator fail to issue or amend any rules or interim final rules, standard operating procedures, other legal or policy guidance necessary to carry out the requirements of this Act and the amendments made by
this Act within the 30 days described above, or fail to
make an application decision within thirty days of submis-
son of a completed application, an applicant shall have
the right to compel action under the Administrative Proce-
dure Act (5 U.S.C. 500 et seq.) and the Mandamus Act
(28 U.S.C. 1361), in any United States district court
where the applicant resides or does business or in the
United States District Court for the District of Columbia.
Should the applicant substantially prevail, such applicant
shall be entitled to attorneys’ fees and costs associated
with compelling a decision under this section. Such man-
damus remedy shall issue upon demonstration of failure
to meet deadlines described herein.

TITLE V—IMPOSITION OF
CANNABIS EXCISE TAX

SEC. 501. LAW ENFORCEMENT RETRAINING AND SUCCESS-
FUL SECOND CHANCES FUND.

(a) Establishment of Fund.—Subchapter A of
chapter 98 of the Internal Revenue Code of 1986 is
amended by adding at the end the following section:

“SEC. 9512. LAW ENFORCEMENT RETRAINING AND SUC-
CESSFUL SECOND CHANCES FUND.

“(a) Creation of Law Enforcement Retraining
and Successful Second Chances Fund.—There is es-
tablished in the Treasury of the United States a fund to
be known as the ‘Law Enforcement Retraining and Successful Second Chances Fund’ (referred to in this section as the ‘Law Enforcement and Second Chances Fund’), consisting of such amounts as may be appropriated or credited to such a fund as provided in this section or section 9602(b).

“(b) Authorization of Appropriations.—To carry out this section, there are authorized to be appropriated to the Law Enforcement and Second Chances Fund such sums as may be necessary to carry out the purposes of this subchapter for fiscal year 2022, to remain available until expended.

“(c) Future Fiscal Years.—For the ten (10) fiscal years following fiscal year 2022, there is authorized to be appropriated to the Law Enforcement and Second Chances Fund such sums as may be necessary to carry out the purposes of this subchapter.

“(d) Availability of Law Enforcement and Second Chances Fund.—Amounts in the Law Enforcement and Second Chances Fund shall be available, until expended, as provided under this section.

“(e) Set-Asides.—

“(1) Crisis stabilization and community reentry grant program.—Of the amounts in the Law Enforcement and Second Chances Fund—
“(A) 10% shall be set aside for grants made under section 3052(a) of part OO of the Omnibus Crime Control and Safe Streets Act of 1968; and

“(B) 10% shall be set aside for grants made under section 3052(b) of part OO of the Omnibus Crime Control and Safe Streets Act of 1968.

“(2) EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM.—Of the amounts in the Law Enforcement and Second Chances Fund, 10% shall be set aside for grants made under part A of title 34 of the United States Code.

“(3) COMMUNITY-ORIENTED POLICING SERVICES HIRING PROGRAM.—Of the amounts in the Law Enforcement and Second Chances Fund, 10% shall be set aside for activities authorized by the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322); the Omnibus Crime Control and Safe Streets Act of 1968 (‘the 1968 Act’); and the Violence Against Women and Department of Justice Reauthorization Act of 2005 (Public Law 109–162) (‘the 2005 Act’). No less than 5% of this set-aside shall be directed towards grants made under section 1701 of title I of the 1968 Act (42
U.S.C. 3796dd) for the hiring and rehiring of additional career law enforcement officers under part Q of such title notwithstanding subsection (i) of such section.

“(4) Successful second chances program.—Of the amounts in the Law Enforcement and Second Chances Fund, 30% shall be set aside for the Small Business Administrator to carry out the provisions of title IV of the States Reform Act.

“(5) Veterans mental health funding.—Of the amounts in the Law Enforcement and Second Chances Fund, 10% shall be set aside for the Secretary of the Veterans Affairs to carry out the provisions of title 38 of the United States Code, section 1720I(a) and 1720I(c).

“(6) State response to opioid addiction funding.—Of the amounts in the Law Enforcement and Second Chances Fund, 5% shall be set aside for the Secretary of Health and Human Services to carry out the provisions of title 42 of the United States Code, section 290ee–3.

“(7) Underage youth use prevention funding.—Of the amounts in the Law Enforcement and Second Chances Fund, 5% shall be set aside for the Assistant Secretary for Mental Health and Sub-
stance Use of the Substance Abuse and Mental Health Services Administration to help prevent underage cannabis use in carrying out the provisions of title 42 of the United States Code.

“(f) ALLOTMENT.—All funds for carrying out the provisions of this chapter shall be available for allotment to bureaus and offices of the Department of Justice and the Small Business Administration, and for transfer to such other agencies of the Federal Government, and to such State agencies, as the Secretary of the Treasury may request to cooperate or assist in carrying out the provisions of this chapter.”.

SEC. 502. CANNABIS REVENUE AND REGULATION ACT.

Subtitle E of title I of the Internal Revenue Code of 1986 is amended by adding at the end the following new chapter:

“CHAPTER 56—CANNABIS PRODUCTS

“SUBCHAPTER A—IMPOSITION OF TAX

“Sec. 5901. Imposition of tax.
“Sec. 5902. Definitions.
“Sec. 5903. Liability and method of payment.
“Sec. 5904. Exemption from tax.
“Sec. 5905. Credit, refund, or drawback of tax.

“SUBCHAPTER B—OPERATIONS

“Sec. 5911. Inventories, reports, and records.
“Sec. 5912. Packaging and labeling.
“Sec. 5913. Purchase, receipt, possession, or sale of cannabis products after removal.
“Sec. 5914. Restrictions relating to marks, labels, notices, and packages.
“Sec. 5915. Restriction on importation of previously exported cannabis products.
“Subchapter A—Imposition of Tax

“SEC. 5901. IMPOSITION OF TAX.

“(a) IMPOSITION OF EXCISE TAX.—There is hereby imposed on any cannabis product produced in or imported into the United States a tax equal to 3% percent of the removal price of such a cannabis product sold in the United States during the 12-month period ending one calendar quarter before such calendar year.

“(b) MORATORIUM ON CANNABIS PRODUCT EXCISE TAX INCREASES.—There is hereby imposed, notwithstanding any other law, including, but not limited to the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344, 88 Stat. 297, 2 U.S.C. 601–688), for the ten calendar years following the passage of this Act, a moratorium on increasing the excise tax imposed on cannabis products by this section 5901.

“(1) Such moratorium may be waived before the ten-year timeframe by a three-quarters vote to do so by both Houses of Congress.

“(c) REMOVAL PRICE CATEGORIES.—

“(1) IN GENERAL.—For the purposes of subsection (a), the Secretary shall impose the tax on the removal price—

“(A) per 454 grams of cannabis flower,
“(B) per 100 grams of cannabis pre-rolls,
“(C) per 20 grams of cannabis extracts,
“(D) per 10 grams of cannabis vaporizer cartridges,
“(E) of 20 units of edible cannabis product, and
“(F) of 20 units of cannabis topical or cosmetic product.

“(2) NEW REMOVAL PRICE CATEGORIES AND BASIS.—For the purposes of subsection (c), the Secretary may, under the processes of the Administrative Procedure Act (5 U.S.C. 500 et seq.), undertake formal rulemaking to establish new removal price categories and bases for cannabis products that are not covered under subsection (c)(1).

“(3) CLARIFYING RULEMAKING.—The Secretary may, consistent with the Administrative Procedure Act (5 U.S.C. 500 et seq.), further clarify the application of subsection (c)(1).

“(d) TIME OF ATTACHMENT ON CANNABIS PRODUCTS.—The tax under this section shall attach to any cannabis product as soon as such product is in existence as such, whether it be subsequently separated or transferred into any other substance, either in the process of original production or by any subsequent process. Raw cannabis
not yet delivered to a producer for processing, manufac-
turing, or production shall not be considered a product
in existence for the purposes of this subsection (d).

SEC. 5902. DEFINITIONS.

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

“(1) CANNABIS PRODUCT.—

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

“(B) EXCEPTIONS.—The term ‘cannabis
product’ does not include an FDA-approved ar-
ticle, industrial hemp, or the unproduced, raw
agricultural commodity of cannabis.

“(2) FDA-APPROVED ARTICLE.—The term
‘FDA-approved article’ means any article if the pro-
ducer or importer thereof demonstrates to the satis-
faction of the Secretary of Health and Human Serv-
ices that such article is—

“(A) a drug—

“(i) that is approved under section
505 of the Federal Food, Drug, and Cos-
metric Act or licensed under section 351 of
the Public Health Service Act,
“(ii) for which an investigational use exemption has been authorized under section 505(i) of the Federal Food, Drug, and Cosmetic Act or under section 351(a) of the Public Health Service Act,

“(B) a combination product (as described in section 503(g) of the Federal Food, Drug, and Cosmetic Act), the constituent parts of which were approved or cleared under section 505, 510(k), or 515 of such Act, or


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

“(4) INDUSTRIAL HEMP.—The term ‘industrial hemp’ has the same meaning given to the term ‘industrial hemp’ in section 297A of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) (codified at 7 U.S.C. 5940(b)(2)).
“(b) Definitions Related to Cannabis Businesses and Producers.—For purposes of this chapter:

“(1) Cannabis business.—The term ‘cannabis business’ means a producer, importer, or export warehouse proprietor.

“(2) Producer.—

“(A) In general.—The term ‘producer’ means any person who manufactures, produces, compounds, converts, processes, prepares, or packages any cannabis product.

“(B) Personal use exception.—Subject to regulation prescribed by the Secretary, the term ‘producer’ shall not include any individual otherwise described in subparagraph (A) if the only cannabis product described in such subparagraph with respect to such individual is for personal or family use and not for sale.

“(C) Cannabis farmers not producers.—A producer does not mean a person who plants, cultivates, harvests, grows the raw agricultural commodity of cannabis not yet finished into a produced article for consumption. This provision shall not be constructed as precluding a cannabis farmer from also being a cannabis producer within the same enterprise.
“(3) IMPORTER.—The term ‘importer’ means any person who—

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

“(B) removes cannabis products for sale or consumption in the United States from a customs warehouse, or

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

“(4) EXPORT WAREHOUSE PROPRIETOR.—

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

“(B) EXPORT WAREHOUSE.—The term ‘export warehouse’ means an internal revenue warehouse for the storage of cannabis products, upon which the internal revenue tax has not been paid—

“(i) for subsequent shipment to a foreign country or a possession of the United States, or
“(ii) for consumption beyond the jurisdiction of the internal revenue laws of the United States.

“(5) Cannabis production facility.—The term ‘cannabis production facility’ means an establishment that is qualified under subchapter C to perform any operation for which such qualification is required under such subchapter.

“(c) Other definitions.—For purposes of this chapter—

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

“(2) Removal; remove.—The terms ‘removal’ or ‘remove’ mean—

“(A) the transfer of cannabis products from the premises of a producer (or the transfer of such products from the premises of a producer to the premises of such producer),

“(B) release of such products from customs custody, or

“(C) smuggling or other unlawful importation of such products into the United States.

“(3) Removal price.—The term ‘removal price’ means—
“(A) except as otherwise provided in this paragraph, the price for which the cannabis product is sold in the sale that occurs in connection with the removal of such product,

“(B) in the case of any such sale that is described in section 5903(c), the price determined under such section, and

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

SEC. 5903. LIABILITY AND METHOD OF PAYMENT.

“(a) LIABILITY FOR TAX.—

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

“(2) TRANSFER OF LIABILITY.—

“(A) IN GENERAL.—When cannabis products are transferred, without payment of tax, pursuant to subsection (b) or (c) of section 5904—

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

“(ii) in the case of cannabis products that are released from customs custody for transfer to the premises of a producer, the transferee shall become liable for the tax on such articles upon release from customs custody, and the importer shall thereupon be relieved of their liability for such tax.

“(B) Return.—All provisions of this chapter applicable to cannabis products shall be applicable to such articles returned upon withdrawal from the market or returned after previous removal for a tax-exempt purpose.

“(b) Method of Payment of Tax.—

“(1) IN GENERAL.—

“(A) Taxes paid on basis of return.—The taxes imposed by section 5901 shall be paid on the basis of return. The Secretary shall, by regulations, prescribe the period or the event to be covered by such return and the information to be furnished on such return.

“(B) Application to transferees.—In the case of any transfer to which subsection
(a)(2)(A) applies, the tax under section 5901 on
the transferee shall (if not otherwise relieved by
reason of a subsequent transfer to which such
subsection applies) be imposed with respect to
the removal of the cannabis product from the
premises of the transferee.

“(C) POSTPONEMENT.—Any postponement
under this subsection of the payment of taxes
determined at the time of removal shall be con-
ditioned upon compliance with such require-
ments, as the Secretary may prescribe for the
protection of the revenue. The Secretary may,
by regulations, require payment of tax on the
basis of a return prior to removal of the can-
nabis products where a person defaults in the
postponed payment of tax on the basis of a re-
turn under this subsection or regulations pre-
scribed thereunder.

“(D) ADMINISTRATION AND PENALTIES.—
All administrative and penalty provisions of this
title, as applicable, shall apply to any tax im-
posed by section 5901.

“(2) TIME FOR PAYMENT OF TAXES.—

“(A) IN GENERAL.—Except as otherwise
provided in this paragraph, in the case of taxes
on cannabis products removed during any semi-
 monthly period for deferred payment of tax,
the last day for payment of such taxes shall be
the 14th day after the last day of such semi-
monthly period.

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

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

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

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

“(iv) EXCEPTION FOR ARTICLES DESTINED FOR EXPORT.—Clauses (ii) and (iii) shall not apply to any article that is shown to the satisfaction of the Secretary to be destined for export.

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

“(D) SPECIAL RULE WHERE DUE DATE FALLS ON SATURDAY, SUNDAY, OR HOLIDAY.—Notwithstanding section 7503, if, but for this subparagraph, the due date under this paragraph would fall on a Saturday, Sunday, or a legal holiday (as defined in section 7503), such
due date shall be the immediately preceding day that is not a Saturday, Sunday, or such a holiday.

“(E) SPECIAL RULE FOR UNLAWFULLY PRODUCED CANNABIS PRODUCTS.—In the case of any cannabis products produced in the United States at any place other than the premises of a producer that has obtained the permit required under this chapter, tax shall be due and payable immediately upon production.

“(3) PAYMENT BY ELECTRONIC FUND TRANSFER.—Any person who in any 12-month period, ending December 31, was liable for a gross amount equal to or exceeding $1,000,000 in taxes imposed on cannabis products by section 5901 (or section 7652) shall pay such taxes during the succeeding calendar year by electronic fund transfer (as defined in section 5061(e)(2)) to a Federal Reserve Bank. Rules similar to the rules of section 5061(e)(3) shall apply to the $1,000,000 amount specified in the preceding sentence.

“(c) DEFINITION OF PRICE.—

“(1) CONSTRUCTIVE SALE PRICE.—

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

“(B) Arm’s Length.—

“(i) In general.—For purposes of this section, a sale is considered to be made under circumstances otherwise than at arm’s length if—

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

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

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

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

“(II) CONTROLLED GROUPS THAT INCLUDE NONINCORPORATED PERSONS.—Under regulations prescribed by the Secretary, principles similar to the principles of subclause (I) shall apply to a group of persons under common control where one or more of such persons is not a corporation.

“(2) CONTAINERS, PACKING AND TRANSPORTATION CHARGES.—In determining, for the purposes of this chapter, the price for which an article is sold, there shall not be included any charge for coverings and containers of whatever nature, and any charge incident to placing the article in condition packed ready for shipment. Further, there shall be excluded the amount of tax imposed by this chapter, whether or not stated as a separate charge. A transportation,
delivery, insurance, installation, or other charge (not required by the preceding sentence to be included) shall likewise be excluded from the price.

“(d) PARTIAL PAYMENTS AND INSTALLMENT ACCOUNTS.—

“(1) PARTIAL PAYMENTS.—There shall be paid upon each payment with respect to the article a percentage of such payment equal to the rate of tax in effect on the date such payment is due in the case of—

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

“(B) a conditional sale, or

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

“(2) SALES OF INSTALLMENT ACCOUNTS.—If installment accounts, with respect to payments on which tax is being computed as provided in paragraph (1), are sold or otherwise disposed of, then paragraph (1) shall not apply with respect to any subsequent payments on such accounts (other than
subsequent payments on returned accounts with respect to which credit or refund is allowable by reason of section 6416(b)(5)), but instead—

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

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

“(ii) the total tax that would be payable if such installment accounts had not been sold or otherwise disposed of (computed as provided in paragraph (1)), except that

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

“(i) the proportionate share of the amount for which such accounts are sold that is allocable to each unpaid installment payment, by
“(ii) the rate of tax under this chapter in effect on the date such unpaid installment payment is or was due.

“(3) LIMITATION.—The sum of the amounts payable under this subsection in respect of the sale of any article shall not exceed the total tax.

“SEC. 5904. EXEMPTION FROM TAX.

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

“(1) exclusively in scientific research by a laboratory,

“(2) by a proprietor of a cannabis production facility in research, development, or testing (other than consumer testing or other market analysis) of processes, systems, materials, or equipment, relating to cannabis or cannabis operations, under such limitations and conditions as to quantities, use, and accountability as the Secretary may by regulations require for the protection of the revenue,

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

“(4) by a qualified State medical cannabis pa-
tient or patients, when the cannabis product is
100% donated to the patient or patients, and such
a donated article otherwise qualifies for use as a
‘designated State medical cannabis product’ within
the meaning of the Federal Food, Drug, and Cos-
metic Act, section 360ggg, part J of subchapter V
of chapter 9 of title 21 of the United States Code.

“(b) CANNABIS PRODUCTS TRANSFERRED OR RE-
MOVED FROM DOMESTIC FACTORIES AND EXPORT WARE-
HOUSES.—

“(1) IN GENERAL.—Subject to such regulations
as the Secretary shall prescribe, a producer or ex-
port warehouse proprietor may transfer cannabis
products, without payment of tax, to the premises of
another producer or export warehouse proprietor, or
remove such articles, without payment of tax, for
shipment to a foreign country, Puerto Rico, the Vir-
gin Islands, or a possession of the United States, or
for consumption beyond the jurisdiction of the inter-
nal revenue laws of the United States.

“(2) LABELING.—Cannabis products may not
be transferred or removed under this subsection un-
less such products bear such marks, labels, or notices as the Secretary shall by regulations prescribe.

“(c) Cannabis Products Released From Customs Custody.—Cannabis products imported or brought into the United States may be released from customs custody, without payment of tax, for delivery to a producer or export warehouse proprietor if such articles are not put up in packages, in accordance with such regulations as the Secretary shall prescribe.

“(d) Cannabis Products Exported and Returned.—Cannabis products classifiable under item 9801.00.10 of the Harmonized Tariff Schedule of the United States (relating to duty on certain articles previously exported and returned), as in effect on the date of the enactment of the States Reform Act, may be released from customs custody, without payment of that part of the duty attributable to the internal revenue tax for delivery to the original producer of such cannabis products or to the export warehouse proprietor authorized by such producer to receive such products, in accordance with such regulations as the Secretary shall prescribe. Upon such release such products shall be subject to this chapter as if they had not been exported or otherwise removed.

“SEC. 5905. Credit, Refund, or Drawback of Tax.

“(a) Credit or Refund.—
“(1) IN GENERAL.—Credit or refund of any tax imposed by this chapter or section 7652 shall be allowed or made (without interest) to the producer, importer, or export warehouse proprietor on proof satisfactory to the Secretary that the claimant producer, importer, or export warehouse proprietor has paid the tax on—

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

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

“(2) CANNABIS PRODUCTS LOST OR DESTROYED.—

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

“(i) in the case of loss by theft, unless the Secretary finds that the theft occurred without connivance, collusion, fraud, or negligence on the part of the proprietor of cannabis production facility, or owner, con-
“• in the case of voluntary destruction, unless such destruction is carried out as provided in paragraph (3), and

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

“(B) PROOF OF LOSS.—In any case in which cannabis products are lost or destroyed, whether by theft or otherwise, the Secretary may require the proprietor of a cannabis production facility or other person liable for the tax to file a claim for relief from the tax and submit proof as to the cause of such loss. In every case where it appears that the loss was by theft, the burden shall be upon the proprietor of the cannabis production facility or other person responsible for the tax under section 5901 to establish to the satisfaction of the Secretary that such loss did not occur as the result of connivance, collusion, fraud, or negligence on the part of the proprietor of the cannabis production facility, or owner, consignor, consignee, bailee, or carrier, or their employees or agents.
“(C) REFUND OF TAX.—In any case where the tax would not be collectible by virtue of subparagraph (A), but such tax has been paid, the Secretary shall refund such tax.

“(D) LIMITATIONS.—Except as provided in subparagraph (E), no tax shall be abated, remitted, credited, or refunded under this paragraph where the loss occurred after the tax was determined. The abatement, remission, credit, or refund of taxes provided for by subparagraphs (A) and (C) in the case of loss of cannabis products by theft shall only be allowed to the extent that the claimant is not indemnified against or recompensed in respect of the tax for such loss.

“(E) APPLICABILITY.—The provisions of this paragraph shall extend to and apply in respect of cannabis products lost after the tax was determined and before completion of the physical removal of the cannabis products from the premises.

“(3) VOLUNTARY DESTRUCTION.—The proprietor of a cannabis production facility or other persons liable for the tax imposed by this chapter or by section 7652 with respect to any cannabis product
may voluntarily destroy such products, but only if such destruction is under such supervision and under such regulations as the Secretary may prescribe.

“(4) LIMITATION.—Any claim for credit or refund of tax under this subsection shall be filed within 6 months after the date of the withdrawal from the market, loss, or destruction of the products to which the claim relates, and shall be in such form and contain such information as the Secretary shall by regulations prescribe.

“(b) DRAWBACK OF TAX.—There shall be an allowance of drawback of tax paid on cannabis products, when shipped from the United States, in accordance with such regulations as the Secretary shall prescribe.

“Subchapter B—Operations

“SEC. 5911. INVENTORIES, REPORTS, AND RECORDS.

“(a) Every cannabis business shall maintain inventories required by title 26, section 471 of the Internal Revenue Code as the Secretary shall by formal rulemaking prescribe, with such inventories to be subject to verification by any Internal Revenue official during business hours, in such form, at such times, and for such periods as the Secretary shall by formal rulemaking prescribe.
“(1) The formal rulemaking shall take into consideration existing State reporting and inventory tracking mechanisms and be compatible with existing State reporting and inventory tracking mechanisms to the extent possible.

“(2) The formal rulemaking may allow for the creation of Federal processes and systems to supplement, and that are compatible with, existing State tracking and reporting mechanisms.

“(3) Rulemaking with respect to this section shall take place pursuant to the Administrative Procedure Act (5 U.S.C. 500 et seq.) and encompass Paperwork Reduction Act considerations.

“SEC. 5912. PACKAGING AND LABELING.

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

“(b) MARKS, LABELS, AND NOTICES.—Every package of cannabis products shall, before removal, bear the marks, labels, and notices, if any, that the Secretary by regulation prescribes, including, but not limited to, the total amount of THC or tetrahydrocannabinol.

“(c) LOTTERY FEATURES.—No certificate, coupon, or other device purporting to be or to represent a ticket, chance, share, or an interest in, or dependent on, the event

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of a lottery shall be contained in, attached to, or stamped, marked, written, or printed on any package of a cannabis product or cannabis products.

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

“(1) for experimental purposes, or
“(2) transferred to the premises of another producer or export warehouse proprietor or released from customs custody for delivery to a producer.

“SEC. 5913. PURCHASE, RECEIPT, POSSESSION, OR SALE OF CANNABIS PRODUCTS AFTER REMOVAL.

“(a) RESTRICTION.—No person shall—
“(1) with intent to defraud the United States, purchase, receive, possess, offer for sale, or sell or otherwise dispose of, after removal, any cannabis products—
“(A) upon which the tax has not been paid or determined in the manner and at the time prescribed by this chapter or regulations thereunder, or
“(B) that, after removal without payment of tax pursuant to section 5904(a), have been
diverted from the applicable purpose or use specified in that section,

“(2) with intent to defraud the United States, purchase, receive, possess, offer for sale, or sell or otherwise dispose of, after removal, any cannabis products that are not put up in packages as required under section 5912 or that are put up in packages not bearing the marks, labels, and notices, as required under such section, or

“(3) otherwise than with intent to defraud the United States, purchase, receive, possess, offer for sale, or sell or otherwise dispose of, after removal, any cannabis products that are not put up in packages as required under section 5912 or that are put up in packages not bearing the marks, labels, and notices, as required under such section.

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

“(c) Liability to Tax.—Any person who possesses cannabis products in violation of paragraph (1) or (2) of subsection (a) shall be liable for a tax equal to the tax on such articles.
“SEC. 5914. RESTRICTIONS RELATING TO MARKS, LABELS, NOTICES, AND PACKAGES.

“No person shall, with intent to defraud the United States, destroy, obliterate, or detach any mark, label, or notice prescribed or authorized, by this chapter or regulations thereunder, to appear on, or be affixed to, any package of cannabis products before such package is emptied.

“SEC. 5915. RESTRICTION ON IMPORTATION OF PREVIOUSLY EXPORTED CANNABIS PRODUCTS.

“(a) Export Labeled Cannabis Products.—

“(1) IN GENERAL.—Cannabis products produced in the United States and labeled for exportation under this chapter—

“(A) may be transferred to or removed from the premises of a producer or an export warehouse proprietor only if such articles are being transferred or removed without tax in accordance with section 5904,

“(B) may be imported or brought into the United States, after their exportation, only if such articles either are eligible to be released from customs custody with the partial duty exemption provided in section 5904(d) or are returned to the original producer of such article as provided in section 5904(c), and
“(C) may not be sold or held for sale for domestic consumption in the United States unless such articles are removed from their export packaging and repackaged by the original producer into new packaging that does not contain an export label.

“(2) ALTERATIONS BY PERSONS OTHER THAN ORIGINAL PRODUCER.—This section shall apply to articles labeled for export even if the packaging or the appearance of such packaging to the consumer of such articles has been modified or altered by a person other than the original producer so as to remove or conceal or attempt to remove or conceal (including by the placement of a sticker over) any export label.

“(3) EXPORTS INCLUDE SHIPMENTS TO PUERTO RICO.—For purposes of this section, section 5904(d), section 5921, and such other provisions as the Secretary may specify by regulations, references to exportation shall be treated as including a reference to shipment to the Commonwealth of Puerto Rico.

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

“Subchapter C—Penalties

“SEC. 5921. CIVIL PENALTIES.

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

“(b) FAILURE TO PAY TAX.—Whoever fails to pay any tax imposed by this chapter at the time prescribed by law or regulations, shall, in addition to any other penalty provided in this title, be liable to a penalty of 10 percent of the tax due but unpaid.

“(c) SALE OF CANNABIS OR CANNABIS PRODUCTS FOR EXPORT.—Every person who—

“(1) sells, relands, or receives within the jurisdiction of the United States any cannabis products
that have been labeled or shipped for exportation
under this chapter,

“(2) sells or receives such relanded cannabis
products, or

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

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

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

“(f) FRAUDULENT OFFENSES.—Whoever, with in-
tent to defraud the United States—
“(1) engages in business as a cannabis business without filing the application and obtaining the permit where required by this chapter or regulations thereunder,

“(2) fails to keep or make any record, return, report, or inventory, or keeps or makes any false or fraudulent record, return, report, or inventory, required by this chapter or regulations thereunder,

“(3) refuses to pay any tax imposed by this chapter, or attempts in any manner to evade or defeat the tax or the payment thereof,

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

“(5) purchases, receives, or possesses, with intent to redistribute or resell, any cannabis product—

“(A) upon which the tax has not been paid or determined in the manner and at the time prescribed by this chapter or regulations thereunder, or

“(B) that, without payment of tax pursuant to section 5904, have been diverted from the applicable purpose or use specified in that section, shall, for each such offense, be fined
not more than $10,000, or imprisoned not more
than 5 years, or both.
“(g) LIABILITY TO TAX.—Any person who possesses
cannabis products in violation of subsection (f) shall be
liable for a tax equal to the tax on such articles.”.

SEC. 503. REPORTS AND CONFORMING AMENDMENTS.

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

(1) conduct a study concerning the characteristics
of the cannabis industry, including the number
of persons operating cannabis businesses at each
level of such industry, the volume of sales, the
amount of tax collected each year, and the areas of
evasion, and

(2) submit to Congress recommendations to improve
the regulation of the industry and the admin-
istration of the related tax.

(b) ANNUAL REPORTS REGARDING DETERMINATION
OF APPLICABLE RATES.—Not later than 6 months before
the beginning of each calendar year to which section
5901(a)(2) of the Internal Revenue Code of 1986 (as
added by this section) applies, the Secretary of the Treas-
ury, or the Secretary’s delegate, shall make publicly avail-
able a detailed description of the methodology that the Secretary anticipates using to determine the applicable excise tax rates that will apply for such calendar year under section 5901(c)(2) of such Code.

(c) CONFORMING AMENDMENTS.—

(1) Section 6103(o)(1)(A) of the Internal Revenue Code of 1986 is amended by striking “and firearms” and inserting “firearms, and cannabis products”.

(2) The table of chapters for subtitle E of the Internal Revenue Code of 1986 is amended by adding at the end the following new chapter:

“CHAPTER 56. CANNABIS PRODUCTS”.

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

“Sec. 9512. Law Enforcement Retraining and Successful Second Chances Fund.”.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to sales, and applications for permits under section 5912 of the Internal Revenue Code of 1986 (as added by subsection (a)), after 180 days after the date of the enactment of this Act.

(2) SPECIAL RULES FOR EXISTING BUSINESSES.—In the case of any producer operating
under a permit issued on or before the date of the
enactment of this Act under State law, the require-
ments under section 5912 of such Code (as so
added) shall apply beginning on the date that is 6
months after the date of the enactment of this Act.

(3) Establishment of Law Enforcement
Retraining and Successful Second Chances
Fund.—The amendments made by subsection (a)
shall take effect on the date of enactment of this
Act.

TITLE VI—VETERANS’ CARE AND
ACCESS
SEC. 601. NONDISCRIMINATION IN FEDERAL HIRING FOR
VETERAN MEDICAL CANNABIS USERS.
(a) In General.—It shall be unlawful for a “vet-
eran”, as defined in title 38, section 101(2) of the United
States Code, to be excluded from employment in theFed-
eral Government solely because the veteran consumes or
has consumed cannabis, as defined in title 21, section
802(16) or the United States Code. For the purposes de-
termining if a person is a veteran under this provision,
an other than honorable, bad conduct, or dishonorable re-
lease premised solely on nonviolent cannabis charges cov-
ered under section 101 of the States Reform Act shall be
construed as a general discharge.
SEC. 602. AUTHORIZED PROVISION OF INFORMATION ON STATE-APPROVED MARIJUANA PROGRAMS TO VETERANS.

(a) AUTHORIZED PROVISION OF INFORMATION.—

Notwithstanding the provisions of the Controlled Substances Act (21 U.S.C. 801 et seq.) or any other Federal, State, or local law regulating or prohibiting the provision of information on marijuana, the Secretary of Veterans Affairs shall authorize physicians and other health care providers of the Veterans Health Administration of the Department of Veterans Affairs to provide to veterans who are residents of States with State-approved marijuana programs information regarding the participation of such veterans in such programs, recommend their participation in such programs or use of FDA-approved or designated State medical cannabis products (within the meaning of part J of subchapter V of chapter 9 of title 21 of the United States Code (the Federal Food, Drug, and Cosmetic Act)) as part of a course of Veterans Affairs treatment, or prescribe the use of FDA-approved or designated State medical cannabis products (within the meaning of part J of subchapter V of chapter 9 of title 21 of the United States Code (the Federal Food, Drug, and Cosmetic Act)).

(b) DEFINITIONS.—In this section:
(1) The term “information” includes details such as informational materials, internet websites, and relevant contact information for State-approved marijuana programs.

(2) The term “marijuana” has the meaning given the term “marihuana” in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(3) The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, any territory, Federal enclave, or possession of the United States, and each federally recognized Indian Tribe.

**TITLE VII—MISCELLANEOUS UPDATES AND TECHNICAL AMENDMENTS**

**SEC. 701. UNITED STATES INTERNATIONAL CANNABIS COMMERCE POLICY.**

(a) United States Foreign Policy Objectives With Respect to Cannabis.—

(1) The President of the United States and the United States Trade Representative shall send trade missions and engage in treaty-making with foreign jurisdictions that have legalized the import and export of cannabis to provide for the legal trade between the United States and foreign jurisdictions.
(2) The principal negotiating objectives of the United States with respect to trade shall include the removal of unjustified foreign barriers to trade in cannabis, cannabis derivatives, and cannabis products.

(3) The United Nations Ambassador is tasked with similarly ensuring updates to international accords to reflect current practices.

(b) Rule of Construction for International Treaties Respecting Drug Policy; Federal Priority on Scheduling Decisions.—

(1) It is the policy of the United States that the power of the Federal Government to control, alter, heighten, lower, abolish, decontrol, or likewise modify drug control scheduling for any particular substance, including cannabis, is a vested power of the article I constitutional lawmaking power that no treaty, including the 1961 Single Convention on Narcotic Drugs, the 1971 Convention on Psychotropic Substances, 1972 Protocol Amending the Single Convention on Narcotic Drugs, and the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, may infringe upon, oblige or impose a duty on the United States not to undertake at its pleasure, or otherwise
modify. This provision shall constitute a rule of construc-
tion for all Federal courts to apply in all cases.

SEC. 702. CONTINUED FEDERAL EMPLOYEE DRUG TESTING.

(a) Special Rule for Federal Employee Test-
ing.—Section 503 of the Supplemental Appropriations
Act, 1987 (5 U.S.C. 7301 note) is amended by adding at
the end the following:

“(h) Cannabis.—

“(1) Continued testing.—Notwithstanding
the States Reform Act and the amendments made
thereby, the Secretary of Health and Human Serv-
ices may continue to include cannabis for purposes
of drug testing of Federal employees subject to Ex-
ecutive Order 12564, or other applicable Federal
laws and orders.

“(2) Definition.—The term ‘cannabis’ has
the meaning given to the term ‘marihuana’ in sec-
tion 102 of the Controlled Substances Act (21
U.S.C. 802).”.

(b) Special Rule for Certain Regulations.—

(1) In general.—The amendments made by
this section may not be construed to abridge the au-
thority of the Secretary of Transportation, or the
Secretary of the department in which the Coast
Guard is operating, to regulate and screen for the
use of cannabis or a controlled substance within the
meaning of section 102 of the Controlled Substances

SEC. 703. DEMOGRAPHIC DATA ON NEW INDUSTRY OF CAN-
NABIS BUSINESS OWNERS AND EMPLOYEES.

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

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

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

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

(1) age;

(2) certifications and licenses;

(3) disability status;

(4) educational attainment;

(5) family and marital status;

(6) nativity;

(7) race and Hispanic ethnicity;

(8) school enrollment;

(9) veteran status; and

(10) sex.
(c) CONFIDENTIALITY.—The name, address, and other identifying information of individuals employed in the cannabis industry shall be kept confidential by the Bureau and not be made available to the public.

(d) DEFINITIONS.—In this section:

(1) CANNABIS.—The term “cannabis” means either “marihuana”, as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802), or “cannabis”, as defined under the State law authorizing the sale or use of cannabis in which the individual or entity is located.

(2) CANNABIS INDUSTRY.—The term “cannabis industry” means an individual or entity that is licensed or permitted under a State or local law to engage in commercial cannabis-related activity.

(3) OWNER.—The term “owner” means an individual or entity that is defined as an owner under the State or local law where the individual or business is licensed or permitted.

SEC. 704. CONFORMING AMENDMENT TO CREATE UNIFORMITY OF REFERENCES IN EXISTING LAW TO CANNABIS, MARIJUANA, OR MARIHUANA.

Wherever, in the statutes of the United States or in the rulings, regulations, or interpretations of various administrative bureaus and agencies of the United States—
(1) there appears or may appear the term “marihuana” or “marijuana”, that term shall be struck and the term “cannabis” shall be inserted; and

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

SEC. 705. EFFECTIVE UPON ENACTMENT.

Except for the provisions made in section 101(d) of title I of this Act and throughout title V, this Act shall be considered effective as of its date of enactment.