

117TH CONGRESS
2D SESSION

S. 4591

To decriminalize and deschedule cannabis, to provide for reinvestment in certain persons adversely impacted by the War on Drugs, to provide for expungement of certain cannabis offenses, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 21, 2022

Mr. BOOKER (for himself, Mr. WYDEN, Mr. SCHUMER, Mrs. MURRAY, and Mr. PETERS) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To decriminalize and deschedule cannabis, to provide for reinvestment in certain persons adversely impacted by the War on Drugs, to provide for expungement of certain cannabis offenses, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Cannabis Administration and Opportunity Act”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

- Sec. 2. Findings.
- Sec. 3. Definitions.

TITLE I—DECRIMINALIZATION OF CANNABIS, PUBLIC SAFETY,
AND STATES' RIGHTS

Subtitle A—Decriminalization of Cannabis

- Sec. 101. Decriminalization of cannabis.
- Sec. 102. Transferring agency functions with regard to cannabis.

Subtitle B—Public Safety and States' Rights

- Sec. 111. States' rights.
- Sec. 112. Diversion of cannabis.

TITLE II—RESEARCH, TRAINING, AND PREVENTION

Subtitle A—Public Health and Biomedical Research

- Sec. 201. Societal impact of cannabis legalization study.
- Sec. 202. Biomedical research on cannabis.
- Sec. 203. Public health surveillance and data collection.
- Sec. 204. Awards to prevent underage cannabis use.
- Sec. 205. National media campaigns on cannabis use.
- Sec. 206. Increasing availability of cannabis products for research purposes.
- Sec. 207. Trans-NIH cannabis consortium.
- Sec. 208. Cannabis research interagency advisory committee.
- Sec. 209. Awards for cannabis research.
- Sec. 210. Department of Veterans Affairs clinical trials on the effects of cannabis on certain health outcomes of veterans with chronic pain and post-traumatic stress disorder.
- Sec. 211. Cannabis research infrastructure grants.

Subtitle B—Cannabis-Impaired Driving Prevention

- Sec. 221. Definitions.
- Sec. 222. Cannabis-impaired driving research.
- Sec. 223. DOT cannabis-impaired driving prevention programs.
- Sec. 224. State cannabis-impaired driving prevention grant program.
- Sec. 225. National cannabis impairment standard.
- Sec. 226. Funding.

TITLE III—RESTORATIVE JUSTICE AND OPPORTUNITY

Subtitle A—Opportunity Trust Fund Programs

- Sec. 301. Opportunity trust fund programs.
- Sec. 302. Comprehensive opioid, stimulant, and substance use disorder program.
- Sec. 303. Availability of small business administration programs and services to cannabis-related legitimate businesses and service providers.
- Sec. 304. Demographic data of cannabis business owners and employees.
- Sec. 305. Pilot program.
- Sec. 306. Eliminating disparities among cannabis-related legitimate businesses and service providers.

Subtitle B—Restorative Justice

- Sec. 311. Resentencing and expungement.
- Sec. 312. No discrimination in the provision of a Federal public benefit on the basis of cannabis.
- Sec. 313. No adverse effect for purposes of the immigration laws.
- Sec. 314. Provision by health care providers of the Department of Veterans Affairs of recommendations and opinions regarding veteran participation in cannabis programs.
- Sec. 315. Provision by health care providers of Indian health programs of recommendations and opinions regarding participation in cannabis programs.

TITLE IV—TAXATION AND ESTABLISHMENT OF TRUST FUND

- Sec. 401. Creation of Opportunity Trust Fund and imposition of taxes with respect to cannabis products.

TITLE V—PUBLIC HEALTH, CANNABIS ADMINISTRATION, AND TRADE PRACTICES

Subtitle A—Public Health

- Sec. 501. FDA regulation of cannabis.
- Sec. 502. Amendments to the Federal Food, Drug, and Cosmetic Act.
- Sec. 503. Expedited review.
- Sec. 504. Regulation of cannabidiol.
- Sec. 505. Transition periods.
- Sec. 506. Amendment to the Poison Prevention Packaging Act.
- Sec. 507. Funding for FDA.

Subtitle B—Federal Cannabis Administration

- Sec. 511. Federal cannabis administration.
- Sec. 512. Increased funding for the Alcohol, Tobacco, and Cannabis Tax and Trade Bureau.

TITLE VI—WORKPLACE HEALTH AND SAFETY PROVISIONS

- Sec. 601. Definitions.
- Sec. 602. Finding regarding employers in the cannabis industry.
- Sec. 603. Cannabis as a targeted topic for Susan Harwood training grant program.
- Sec. 604. Guidance on recommended practices.
- Sec. 605. Workplace impact of cannabis legalization.
- Sec. 606. Grants for community-based education, outreach, and enforcement with respect to the rights of workers in the cannabis industry.

TITLE VII—BANKING, HOUSING, AND COMMUNITY DEVELOPMENT

- Sec. 701. Purposes; sense of Congress.
- Sec. 702. Requirements for filing suspicious activity reports.
- Sec. 703. Guidance and examination procedures.
- Sec. 704. Investment in communities.
- Sec. 705. Fair hiring in banking.
- Sec. 706. Fair access to financial services.
- Sec. 707. Consumer protections for individuals with nonviolent criminal record.

TITLE VIII—MISCELLANEOUS

Sec. 801. Comptroller General review of laws and regulations.

Sec. 802. Cannabis Products Advisory Committee.

Sec. 803. Definition of hemp under USDA domestic hemp production program.

Sec. 804. Grants for hiring and training relating to cannabis enforcement.

Sec. 805. Severability.

1 **SEC. 2. FINDINGS.**

2 The Congress finds as follows:

3 (1) The communities that have been most
4 harmed by cannabis prohibition are benefitting the
5 least from the legal marijuana marketplace.

6 (2) A legacy of racial and ethnic injustices,
7 compounded by the disproportionate collateral con-
8 sequences of 80 years of cannabis prohibition en-
9 forcement, now limits participation in the industry.

10 (3) 38 States, the District of Columbia, Puerto
11 Rico, Guam, the U.S. Virgin Islands, and Indian
12 Tribes have adopted laws allowing legal access to
13 cannabis, and 19 States, the District of Columbia,
14 the Commonwealth of the Northern Mariana Is-
15 lands, and Guam have adopted laws legalizing can-
16 nabis for adult recreational use.

17 (4) A total of 49 States have reformed their
18 laws pertaining to cannabis despite the Schedule I
19 status of marijuana and its Federal criminalization.

20 (5) Legal cannabis businesses support more
21 than 428,000 jobs throughout the United States.

1 (6) Legal cannabis sales totaled
2 \$25,000,000,000 in 2021 and are projected to reach
3 \$45,000,000,000 by 2025.

4 (7) According to the American Civil Liberties
5 Union (ACLU), enforcing cannabis prohibition laws
6 costs taxpayers approximately \$3,600,000,000 a
7 year.

8 (8) The continued enforcement of cannabis pro-
9 hibition laws resulted in over 350,000 arrests in
10 2020, disproportionately impacting people of color
11 who are almost 4 times more likely to be arrested
12 for cannabis possession than their White counter-
13 parts, despite equal rates of use across populations.

14 (9) People of color and Native Americans have
15 been historically targeted by discriminatory sen-
16 tencing practices resulting in Black men receiving
17 drug sentences that are 13.1 percent longer than
18 sentences imposed for White men and Latinos being
19 nearly 6.5 times more likely to receive a Federal
20 sentence for cannabis possession than non-Hispanic
21 Whites.

22 (10) In 2013, simple cannabis possession was
23 the fourth most common cause of deportation for
24 any offense and the most common cause of deporta-
25 tion for drug law violations. Since 2003, the United

1 States has deported more than 45,000 people whose
2 most serious conviction was cannabis possession.

3 (11) Fewer than one-fifth of cannabis business
4 owners identify as minorities and only approximately
5 2 percent are Black.

6 (12) Applicants for cannabis licenses are lim-
7 ited by numerous laws, regulations, and exorbitant
8 permit applications, licensing fees, and costs in these
9 States, which can require more than \$700,000.

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

15 (14) Federal law severely limits access to loans
16 and capital for cannabis businesses, disproportion-
17 ately impacting minority and Tribal small business
18 owners.

19 (15) Some States, Indian Tribes, and munici-
20 palities have taken proactive steps to mitigate in-
21 equalities in the legal cannabis marketplace and en-
22 sure equal participation in the industry.

23 **SEC. 3. DEFINITIONS.**

24 In this Act:

1 (1) CANNABIS; CANNABIS PRODUCT.—The
2 terms “cannabis” and “cannabis product” have the
3 same meanings given such terms in subsection (ss)
4 of section 201 of the Federal Food, Drug, and Cos-
5 metic Act (21 U.S.C. 321) (as added by section 502
6 of this Act).

7 (2) CANNABIS OFFENSE.—The term “cannabis
8 offense” means a criminal offense related to can-
9 nabis—

10 (A) that, under Federal law, is no longer
11 punishable pursuant to this Act or the amend-
12 ments made under this Act; or

13 (B) that, under State law, is no longer an
14 offense or that was designated a lesser offense
15 or for which the penalty was reduced under
16 State law pursuant to or following the adoption
17 of a State law authorizing the sale or use of
18 cannabis.

19 (3) INDIAN TRIBE.—The term “Indian Tribe”
20 means the governing body of any individually identi-
21 fied and federally recognized Indian or Alaska Na-
22 tive tribe, band, nation, pueblo, village, community,
23 affiliated Tribal group, or component reservation in-
24 cluded on the list published most recently as of the
25 date of enactment of this Act pursuant to section

1 104(a) of the Federally Recognized Indian Tribe
 2 List Act of 1994 (25 U.S.C. 5131(a)).

3 **TITLE I—DECRIMINALIZATION**
 4 **OF CANNABIS, PUBLIC SAFE-**
 5 **TY, AND STATES’ RIGHTS**
 6 **Subtitle A—Decriminalization of**
 7 **Cannabis**

8 **SEC. 101. DECRIMINALIZATION OF CANNABIS.**

9 (a) CANNABIS REMOVED FROM SCHEDULE OF CON-
 10 TROLLED SUBSTANCES.—

11 (1) REMOVAL IN STATUTE.—Schedule I of sec-
 12 tion 202 of the Controlled Substances Act (21
 13 U.S.C. 812) is amended—

14 (A) in subsection (c)—

15 (i) by striking “(10) Marihuana.”;

16 and

17 (ii) in paragraph (17), by inserting

18 “in cannabis (as defined in section

19 201(ss)(1) of the Federal Food, Drug, and

20 Cosmetic Act (21 U.S.C. 321(ss)(1))) or

21 tetrahydrocannabinols” before “in hemp”;

22 and

23 (B) in subsection (d)(2), by adding at the

24 end the following new subparagraph:

1 “(C) Such term does not include any sub-
2 stance made of or derived from cannabis (as de-
3 fined in section 201(ss)(1) of the Federal Food,
4 Drug, and Cosmetic Act (21 U.S.C. 321(ss)(1))
5 or hemp (as defined in section 297A of the Ag-
6 ricultural Marketing Act of 1946 (7 U.S.C.
7 1639o))”.

8 (2) REMOVAL FROM SCHEDULE.—Not later
9 than 180 days after the date of the enactment of
10 this Act, the Attorney General shall finalize a rule-
11 making under section 201(a)(2) of the Controlled
12 Substances Act (21 U.S.C. 811(a)(2)) removing
13 marihuana and tetrahydrocannabinols in cannabis
14 (as defined in section 201(ss)(1) of the Federal
15 Food, Drug, and Cosmetic Act (21 U.S.C.
16 321(ss)(1))) from the schedules of controlled sub-
17 stances. For the purposes of the Controlled Sub-
18 stances Act, marihuana and tetrahydrocannabinols
19 in cannabis (as so defined) shall each be deemed to
20 be a drug or other substance that does not meet the
21 requirements for inclusion in any schedule. A rule-
22 making under this paragraph shall be considered to
23 have taken effect as of the date of enactment of this
24 Act for purposes of any offense committed, case
25 pending, conviction entered, and, in the case of a ju-

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

4 (3) RESCHEDULING REVIEW OF NON-CANNABIS
 5 DERIVED TETRAHYDROCANNIBINOLS AND
 6 CANNABIMIMETIC AGENTS.—

7 (A) IN GENERAL.—Not later than 1 year
 8 after the date of enactment of this Act, the At-
 9 torney General shall initiate a review of the
 10 schedules applicable to the substances described
 11 in subsections (c)(17) and (d) of Schedule I of
 12 section 202 of the Controlled Substances Act
 13 (21 U.S.C. 812).

14 (B) MOTION TO TRANSFER.—Pursuant to
 15 the findings of the review conducted under sub-
 16 paragraph (A), the Secretary of Health and
 17 Human Services shall, as appropriate, initiate a
 18 motion to transfer such substances between
 19 schedules pursuant to section 201 of the Con-
 20 trolled Substances Act (21 U.S.C. 811).

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

24 (1) in section 102 (21 U.S.C. 802)—

25 (A) by striking paragraph (16); and

1 (B) in paragraph (44), by striking “mari-
2 huana,”;

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

4 (A) in paragraph (1)—

5 (i) in subparagraph (A)—

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

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

9 (III) by redesignating clause
10 (viii) as clause (vii);

11 (ii) in subparagraph (B)—

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

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

15 (III) by redesignating clause
16 (viii) as clause (vii);

17 (iii) in subparagraph (C), in the first
18 sentence, by striking “subparagraphs (A),
19 (B), and (D)” and inserting “subpara-
20 graphs (A) and (B)”;

21 (iv) by striking subparagraph (D);

22 (v) by redesignating subparagraph (E)
23 as subparagraph (D); and

24 (vi) in subparagraph (D)(i), as so re-
25 designated, by striking “subparagraphs (C)

1 and (D)” and inserting “subparagraph
2 (C)”;
3 (B) by striking paragraph (4); and
4 (C) by redesignating paragraphs (5), (6),
5 and (7) as paragraphs (4), (5), and (6), respec-
6 tively;
7 (3) in section 402(c)(2)(B) (21 U.S.C.
8 842(c)(2)(B)), by striking “, marihuana,”;
9 (4) in section 403(d)(1) (21 U.S.C. 843(d)(1)),
10 by striking “, marihuana,”;
11 (5) in section 418(a) (21 U.S.C. 859(a)), by
12 striking the last sentence;
13 (6) in section 419(a) (21 U.S.C. 860(a)), by
14 striking the last sentence;
15 (7) in section 422(d) (21 U.S.C. 863(d))—
16 (A) in the matter preceding paragraph (1),
17 by striking “marijuana, cocaine, hashish, hash-
18 ish oil,” and inserting “cocaine,”; and
19 (B) in paragraph (5), by striking “, such
20 as a marihuana cigarette,”;
21 (8) in section 516(d) (21 U.S.C. 886(d)), by
22 striking “section 401(b)(6)” each place the term ap-
23 pears and inserting “section 401(b)(5)”;
24 (9) in section 1010(b) (21 U.S.C. 960(b))—
25 (A) in paragraph (1)—

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

3 (ii) by striking subparagraph (G);

4 (iii) by redesignating subparagraph
5 (H) as subparagraph (G); and

6 (iv) in subparagraph (G), as so reded-
7 igned, by striking the period at the end
8 and inserting a semicolon;

9 (B) in paragraph (2)—

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

12 (ii) by striking subparagraph (G);

13 (iii) by redesignating subparagraph
14 (H) as subparagraph (G); and

15 (iv) in subparagraph (G), as so reded-
16 igned, by striking the period at the end
17 and inserting a semicolon;

18 (C) by striking paragraph (4); and

19 (D) by redesignating paragraphs (5), (6),
20 and (7) as paragraphs (4), (5), and (6), respec-
21 tively.

22 (c) OTHER CONFORMING AMENDMENTS.—

23 (1) NATIONAL FOREST SYSTEM DRUG CONTROL
24 ACT OF 1986.—The National Forest System Drug

1 Control Act of 1986 (16 U.S.C. 559b et seq.) is
2 amended—

3 (A) in section 15002(a) (16 U.S.C.
4 559b(a)) by striking “marijuana and other”;

5 (B) in section 15003(2) (16 U.S.C.
6 559c(2)) by striking “marijuana and other”;
7 and

8 (C) in section 15004(2) (16 U.S.C.
9 559d(2)) by striking “marijuana and other”.

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

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

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

17 (3) FMCSA PROVISIONS.—

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

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

1 (i) by striking “means any substance”

2 and inserting the following: “means—

3 “(1) any substance”; and

4 (ii) by striking the period at the end

5 and inserting “; and

6 “(2) any substance not covered under para-

7 graph (1) that was a substance under such section

8 as of December 1, 2018, and specified by the Sec-

9 retary of Transportation.”.

10 (C) DISQUALIFICATIONS.—Section

11 31310(b) of title 49, United States Code, is

12 amended by adding at the end the following:

13 “(3) In this subsection and subsection (c), the

14 term ‘controlled substance’ has the meaning given

15 such term in section 31306(a).”.

16 (4) FAA PROVISIONS.—Section 45101 of title

17 49, United States Code, is amended—

18 (A) by striking “means any substance”

19 and inserting the following: “means—

20 “(A) any substance”; and

21 (B) by striking the period at the end and

22 inserting “; and

23 “(B) any substance not covered under sub-

24 paragraph (A) that was a substance under such

1 section as of December 1, 2018, and specified
2 by the Secretary of Transportation.”.

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

5 (A) by striking “means any substance”
6 and inserting the following: “means—
7 “(1) any substance”; and

8 (B) by striking the period at the end and
9 inserting “; and

10 “(2) any substance not covered under para-
11 graph (1) that was a substance under such section
12 as of December 1, 2018, and specified by the Sec-
13 retary of Transportation.”.

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

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

18 “(A) any substance”; and

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

21 “(B) any substance not covered under sub-
22 paragraph (A) that was a substance under such
23 section as of December 1, 2018, and whose use
24 the Secretary of Transportation decides has a
25 risk to transportation safety.”.

1 (7) PRISON CONTRABAND.—Section 1791(d)(1)
2 of title 18, United States Code, is amended—

3 (A) in subparagraph (A), by striking
4 “marijuana or”;

5 (B) in subparagraph (B), by striking
6 “marijuana or”; and

7 (C) in subparagraph (D), by inserting “,
8 cannabis, as defined in section 3 of the Can-
9 nabis Administration and Opportunity Act,”
10 after “subsection”).

11 (8) OTHER CONTRABAND.—Section
12 80302(a)(1) of title 49, United States Code, is
13 amended by striking “, including marihuana (as de-
14 fined in section 102 of that Act (21 U.S.C. 802)),”.

15 (9) TARIFF ACT PROVISIONS.—Section
16 584(a)(2) of the Tariff Act of 1930 (19 U.S.C.
17 1584(a)(2)) is amended—

18 (A) by striking the second sentence and in-
19 serting “If any of such merchandise so found
20 consists of smoking opium or opium prepared
21 for smoking, the master of such vessel or per-
22 son in charge of such vehicle or the owner of
23 such vessel or vehicle or any person directly or
24 indirectly responsible for smoking opium or
25 opium prepared for smoking being in such mer-

1 chandise shall be liable to a penalty of \$500 for
2 each ounce thereof so found.”; and

3 (B) by striking the last sentence and in-
4 serting “As used in this paragraph, the term
5 ‘opiate’ shall have the same meaning given that
6 term by sections 102(18) of the Controlled Sub-
7 stances Act (21 U.S.C. 802(18)).”.

8 (d) RETROACTIVITY.—

9 (1) IN GENERAL.—The amendments made by
10 this section to the Controlled Substances Act (21
11 U.S.C. 801 et seq.) are retroactive and shall apply
12 to any offense committed, case pending, conviction
13 entered, and, in the case of a juvenile, any offense
14 committed, case pending, or adjudication of juvenile
15 delinquency entered before, on, or after the date of
16 enactment of this Act.

17 (2) APPLICATION TO PENDING ACTIONS.—With
18 respect to any pending criminal charges or case and
19 conviction awaiting sentencing that is impacted by
20 the amendments to the Controlled Substances Act
21 (21 U.S.C. 801 et seq.) made by this section, the
22 Government shall drop the relevant charges or seek
23 dismissal of all pending charges not later than 30
24 days after the date of enactment of this Act. Any
25 person held in pretrial detention and entitled to dis-

1 missal of relevant charges under this provision, and
2 not detained for any other reason, shall be entitled
3 to issuance of a writ under section 1361 or 2241 of
4 title 28, United States Code, to effectuate immediate
5 release.

6 (3) APPLICATION TO DEFENDANTS PREVIOUSLY
7 SENTENCED.—Not later than 60 days after the date
8 of enactment of this Act, the Director of the Bureau
9 of Prisons, United States Marshals Service, or
10 United States Parole Commission, as applicable,
11 shall release from its control, and the sentencing
12 court shall enter an order vacating the conviction
13 and sentence for, any individual convicted or sen-
14 tenced before the date of enactment of this Act for
15 any Federal offense involving marijuana, marihuana
16 (as defined in section 202(16) of the Controlled Sub-
17 stances Act (21 U.S.C. 812(16))), or
18 tetrahydrocannabinols and is not serving a sentence
19 for any conduct not covered by this Act or serving
20 multiple sentences as provided in section 3584 of
21 title 18, United States Code. Any person not so
22 timely released and entitled to such release under
23 this provision shall be entitled to issuance of a writ
24 under section 1361 or 2241 of title 28, United
25 States Code, to effectuate immediate release.

1 (4) CUMULATIVE SENTENCING RECONSIDER-
2 ATION.—In the case of a defendant who, before the
3 date of enactment of this Act, was convicted or sen-
4 tenced for any Federal offense involving marijuana,
5 marihuana, or tetrahydrocannabinols, and, after
6 vacatur of that sentence, is also serving a sentence
7 for any other crime not covered by this Act, or in
8 the case of a defendant who was convicted or sen-
9 tenced for any Federal offense the sentencing range
10 for which was elevated based on a prior conviction
11 for an offense involving marijuana, marihuana, or
12 tetrahydrocannabinols, the sentencing court may, on
13 motion of the defendant, the Director of the Bureau
14 of Prisons, the Attorney General, or, on its own mo-
15 tion, impose a reduced sentence after considering the
16 factors set forth in section 3553(a) of title 18,
17 United States Code.

18 (e) SPECIAL RULE FOR FEDERAL EMPLOYEE TEST-
19 ING.—Section 503 of the Supplemental Appropriations
20 Act, 1987 (5 U.S.C. 7301 note) is amended by adding at
21 the end the following:

22 “(h) CANNABIS.—

23 “(1) TESTING FOR CANNABIS.—

1 “(A) IN GENERAL.—For purposes of Exec-
2 utive Order 12564, cannabis shall not be treat-
3 ed as an illegal drug.

4 “(B) EXCEPTION FOR DRUG TESTING.—
5 Notwithstanding subparagraph (A) or the Can-
6 nabis Administration and Opportunity Act and
7 the amendments made thereby, the Secretary of
8 Health and Human Services or the head of an
9 agency may deem cannabis to be a schedule I
10 controlled substance within the meaning of sec-
11 tion 102(6) of the Controlled Substances Act
12 (21 U.S.C. 802(6)), and unlawful to possess
13 under title II or III of such Act, exclusively for
14 the purpose of drug testing of any law enforce-
15 ment officer (as defined in section 8331 of title
16 5, United States Code) or any Federal employee
17 in a position that the head of an agency deter-
18 mines, in writing, to have significant involve-
19 ment in national security or the protection of
20 life, property, public health, or public safety,
21 provided that either such employee is subject to
22 this section, Executive Order 12564, or other
23 applicable Federal laws and orders.

1 “(2) DEFINITION.—The term ‘cannabis’ has
2 the meaning given the term in section 3 of the Can-
3 nabis Administration and Opportunity Act.”.

4 (f) SPECIAL RULE FOR CERTAIN REGULATIONS.—

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

11 (2) CONTROLLED SUBSTANCE DEFINED.—In
12 this subsection, the term “controlled substance”
13 means—

14 (A) any substance covered under section
15 102 of the Controlled Substances Act (21
16 U.S.C. 802) on the day before the date of en-
17 actment of this Act; and

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

1 **SEC. 102. TRANSFERRING AGENCY FUNCTIONS WITH RE-**
2 **GARD TO CANNABIS.**

3 (a) TRANSFER OF JURISDICTION FROM THE DRUG
4 ENFORCEMENT ADMINISTRATION TO THE DEPARTMENT
5 OF HEALTH AND HUMAN SERVICES AND THE DEPART-
6 MENT OF THE TREASURY.—The functions of the Attorney
7 General, acting through the Administrator of the Drug
8 Enforcement Administration relating to cannabis enforce-
9 ment, shall hereafter be administered by—

10 (1) the Secretary of Health and Human Serv-
11 ices, and

12 (2) the Secretary of the Treasury.

13 (b) REDESIGNATION OF ALCOHOL AND TOBACCO
14 TAX AND TRADE BUREAU AS ALCOHOL, TOBACCO, AND
15 CANNABIS TAX AND TRADE BUREAU.—

16 (1) REDESIGNATION.—Section 1111(d) of the
17 Homeland Security Act of 2002 (6 U.S.C. 531(d))
18 is amended by striking “Tax and Trade Bureau”
19 each place it appears and inserting “Alcohol, To-
20 bacco, and Cannabis Tax and Trade Bureau”.

21 (2) REFERENCES.—Any reference to the Tax
22 and Trade Bureau or the Alcohol and Tobacco Tax
23 and Trade Bureau in any law, regulation, map, doc-
24 ument, record, or other paper of the United States
25 shall be deemed to be a reference to the Alcohol, To-
26 bacco, and Cannabis Tax and Trade Bureau.

1 (c) MEMORANDUM OF UNDERSTANDING.—

2 (1) IN GENERAL.—For purposes of carrying out
3 the purposes of this Act, not later than 180 days
4 after the date of enactment of this Act, the Sec-
5 retary of the Treasury (acting through the Alcohol,
6 Tobacco, and Cannabis Tax and Trade Bureau, as
7 so redesignated under subsection (b)) and the Sec-
8 retary of Health and Human Services (acting
9 through the Commissioner of Food and Drugs) shall
10 enter into memorandum of understanding regarding
11 coordination of their respective responsibilities with
12 regard to regulation of cannabis and cannabis prod-
13 ucts.

14 (2) COMPLIANCE BURDENS.—For purposes of
15 establishing the memorandum of understanding de-
16 scribed in paragraph (1), the Secretary of the Treas-
17 ury and the Secretary of Health and Human Serv-
18 ices shall include consideration of—

19 (A) any compliance burdens imposed on
20 persons involved in the cannabis industry who
21 are subject to regulation under this Act and the
22 amendments made by this Act, and

23 (B) to the greatest extent practicable, re-
24 duction of any unnecessary administrative du-
25 plication with respect to such regulation.

1 **Subtitle B—Public Safety and**
2 **States’ Rights**

3 **SEC. 111. STATES’ RIGHTS.**

4 (a) STATE STATUTES AS OPERATIVE ON TERMI-
5 NATION OF TRANSPORTATION; ORIGINAL PACKAGES.—All
6 cannabis transported into any State or territory of the
7 United States or remaining therein for use, consumption,
8 sale, or storage therein, shall, upon arrival in that State
9 or territory, be subject to the operation and effect of the
10 laws of that State or territory enacted in the exercise of
11 its police powers, to the same extent and in the same man-
12 ner as though the cannabis had been produced in that
13 State or territory, and shall not be exempt therefrom by
14 reason of being introduced therein in original packages or
15 otherwise.

16 (b) SHIPMENT INTO STATES FOR POSSESSION OR
17 SALE IN VIOLATION OF STATE LAW.—The shipment or
18 transportation, in any manner or by any means whatso-
19 ever, of cannabis from a State, territory, or district of the
20 United States, or place noncontiguous to but subject to
21 the jurisdiction thereof, into any other State, territory, or
22 district of the United States, or place noncontiguous to
23 but subject to the jurisdiction thereof, or from any foreign
24 country into any State, territory, or district of the United
25 States, or place noncontiguous to but subject to the juris-

1 diction thereof, which said cannabis is intended, by any
2 person interested therein, to be received, possessed, sold,
3 or in any manner used, either in the original package or
4 otherwise, in violation of any law of that State, territory,
5 or district of the United States, or place noncontiguous
6 to but subject to the jurisdiction thereof, is prohibited.

7 (c) TRANSPORTATION OF CANNABIS AND CANNABIS
8 PRODUCTS.—No State or Indian Tribe may prohibit the
9 transportation or shipment of cannabis or cannabis prod-
10 ucts through the State or the territory of the Indian Tribe,
11 as applicable.

12 (d) INJUNCTIVE RELIEF.—Section 2 of the Victims
13 of Trafficking and Violence Protection Act of 2000 (27
14 U.S.C. 122a) is amended—

15 (1) in subsection (a)—

16 (A) by redesignating paragraphs (3) and
17 (4) as paragraphs (4) and (5), respectively; and

18 (B) by inserting after paragraph (2) the
19 following new paragraph:

20 “(3) the term ‘cannabis’ has the meaning given
21 the term in section 3 of the Cannabis Administra-
22 tion and Opportunity Act ;”; and

23 (2) in subsections (b) and (c), by inserting “or
24 cannabis” after “intoxicating liquor” each place it
25 appears.

1 **SEC. 112. DIVERSION OF CANNABIS.**

2 (a) IN GENERAL.—

3 (1) VIOLATIONS OF CANNABIS LAWS OR REGU-
4 LATIONS; PENALTIES AND INJUNCTIONS.—

5 (A) DEFINITION.—In this paragraph, the
6 term “common or contract carrier” means a
7 carrier holding a certificate of convenience and
8 necessity, a permit for contract carrier by
9 motor vehicle, or other valid operating authority
10 under subtitle IV of title 49, United States
11 Code, or under equivalent operating authority
12 from a regulatory agency of the United States
13 or of any State.

14 (B) CANNABIS DIVERSION.—

15 (i) IN GENERAL.—Except as provided
16 in clause (ii), it shall be unlawful to—

17 (I) knowingly grow, manufacture,
18 ship, transport, receive, possess, sell,
19 or distribute or purchase 10 pounds
20 or more of cannabis without author-
21 ization under a State law or pursuant
22 to a permit issued under section 301
23 of the Federal Alcohol Administration
24 Act, as added by section 511 of this
25 Act; or

1 (II) knowingly possess 10 pounds
2 or more of cannabis that bears no evi-
3 dence of the payment of applicable
4 State or local cannabis taxes in the
5 State or locality where the cannabis is
6 found, if—

7 (aa) the State or local gov-
8 ernment requires a stamp, im-
9 pression, or other indication to be
10 placed on packages or other con-
11 tainers of cannabis to evidence
12 payment of cannabis taxes; and

13 (bb) the cannabis is in the
14 possession of any person other
15 than a person holding a permit
16 under section 301 of the Federal
17 Alcohol Administration Act, as
18 added by section 511 of this Act;

19 (III) knowingly grow, manufac-
20 ture, ship, transport, receive, possess,
21 sell, or distribute or purchase 20
22 pounds or more of cannabis without
23 authorization under a State law or
24 pursuant to a permit issued under
25 section 301 of the Federal Alcohol

1 Administration Act, as added by sec-
2 tion 511 of this Act; or

3 (IV) knowingly possess 20
4 pounds or more of cannabis that bears
5 no evidence of the payment of applica-
6 ble State or local cannabis taxes in
7 the State or locality where the can-
8 nabis is found, if—

9 (aa) the State or local gov-
10 ernment requires a stamp, im-
11 pression, or other indication to be
12 placed on packages or other con-
13 tainers of cannabis to evidence
14 payment of cannabis taxes; and

15 (bb) the cannabis is in the
16 possession of any person other
17 than a person holding a permit
18 under section 301 of the Federal
19 Alcohol Administration Act, as
20 added by section 511 of this Act.

21 (ii) EXCEPTIONS.—Clause (i) shall
22 not apply to—

23 (I) a common or contract carrier
24 transporting the cannabis involved
25 under a proper bill of lading or freight

1 bill which states the quantity, source,
2 and destination of the cannabis;

3 (II) a person—

4 (aa) who is licensed or oth-
5 erwise authorized by the State
6 where the cannabis is found to
7 account for and pay cannabis
8 taxes imposed by such State; and

9 (bb) who has complied with
10 the accounting and payment re-
11 quirements relating to such li-
12 cense or authorization with re-
13 spect to the cannabis involved;

14 (III) an officer, employee, or
15 other agent of the United States, an
16 Indian Tribe, or a State, or any de-
17 partment, agency, or instrumentality
18 of the United States, an Indian Tribe,
19 or a State (including any political sub-
20 division of an Indian Tribe or a State)
21 having possession of the cannabis in
22 connection with the performance of of-
23 ficial duties; or

24 (IV) a person—

1 (aa) involved in the manu-
2 facture, marketing, or distribu-
3 tion of a drug containing can-
4 nabis that is otherwise in compli-
5 ance with State and Federal law;
6 and

7 (bb) who possesses cannabis
8 in connection with the lawful ac-
9 tivities described in item (aa).

10 (iii) PENALTY.—Any person who vio-
11 lates—

12 (I) subclause (I) or (II) of clause
13 (i) shall be imprisoned not more than
14 1 year, fined not more than \$50,000,
15 or both; or

16 (II) subclause (III) or (IV) of
17 clause (i) shall be imprisoned not
18 more than 5 years, fined not more
19 than \$100,000, or both.

20 (2) FINES.—The penalty provided for in this
21 subsection may be recovered by the Secretary of the
22 Treasury or by an action brought by the Attorney
23 General in any court of competent jurisdiction.

24 (3) ENFORCEMENT.—It shall be the duty of the
25 Attorney General upon the request of the Secretary

1 of the Treasury to bring an action for an injunction
2 against any person who violates, disobeys or dis-
3 regards any term or provision of this subtitle or of
4 any lawful notice, order or regulation pursuant
5 thereto; provided, however, that the Secretary of the
6 Treasury shall furnish the Attorney General with
7 such material, evidentiary matter or proof as may be
8 requested by the Attorney General for the prosecu-
9 tion of such an action.

10 (b) TRACKING AND TRACING REGULATIONS.—

11 (1) ISSUANCE OF TRACKING AND TRACING REG-
12 ULATIONS.—

13 (A) IN GENERAL.—Not later than 1 year
14 after the date of enactment of this Act, the Sec-
15 retary of the Treasury (referred to in this sec-
16 tion as the “Secretary”), acting through the
17 Administrator of the Alcohol, Tobacco, and
18 Cannabis Tax and Trade Bureau and in coordi-
19 nation with the Secretary of Health and
20 Human Services, shall issue regulations relating
21 to the tracking and tracing of cannabis prod-
22 ucts pursuant to paragraph (2).

23 (B) GOOD FAITH CONSULTATION WITH IN-
24 DIAN TRIBES.—In issuing regulations under
25 subparagraph (A), the Secretary, acting

1 through the Administrator of the Alcohol, To-
2 bacco, and Cannabis Tax and Trade Bureau
3 and in coordination with the Secretary of
4 Health and Human Services, shall conduct good
5 faith, meaningful, and timely consultations with
6 Indian Tribes.

7 (2) REGULATIONS CONCERNING RECORD-
8 KEEPING FOR TRACKING AND TRACING.—

9 (A) IN GENERAL.—The Secretary shall
10 promulgate regulations regarding the establish-
11 ment and maintenance of records by any person
12 who manufactures, processes, transports, dis-
13 tributes, receives, packages, holds, exports, or
14 imports cannabis products.

15 (B) INSPECTION.—In promulgating the
16 regulations described in subparagraph (A), the
17 Secretary shall consider which records are need-
18 ed for inspection to monitor the movement of
19 cannabis products from the point of production
20 through distribution to retail outlets to assist in
21 investigating potential illicit trade, smuggling,
22 or counterfeiting of cannabis products.

23 (C) CODES.—The Secretary may require
24 codes on the labels of cannabis products or
25 other designs or devices for the purpose of

1 tracking or tracing the cannabis product
2 through the distribution system.

3 (D) SIZE OF BUSINESS.—The Secretary
4 shall take into account the size of a business in
5 promulgating regulations under this section.

6 (E) RECORDKEEPING BY RETAILERS.—
7 The Secretary shall not require any retailer to
8 maintain records relating to individual pur-
9 chasers of cannabis products for personal con-
10 sumption.

11 (3) RECORDS INSPECTION.—

12 (A) IN GENERAL.—If the Secretary has a
13 reasonable belief that a cannabis product is
14 part of an illicit trade or smuggling or is a
15 counterfeit product, each person who manufac-
16 tures, processes, transports, distributes, re-
17 ceives, holds, packages, exports, or imports can-
18 nabis products shall, at the request of an officer
19 or employee duly designated by the Secretary,
20 permit such officer or employee, at reasonable
21 times and within reasonable limits and in a rea-
22 sonable manner, upon the presentation of ap-
23 propriate credentials and a written notice to
24 such person, to have access to and copy all
25 records (including financial records) relating to

1 such article that are needed to assist the Sec-
2 retary in investigating potential illicit trade,
3 smuggling, or counterfeiting of cannabis prod-
4 ucts. The Secretary shall not authorize an offi-
5 cer or employee of the government of any of the
6 several States to exercise authority under the
7 preceding sentence on Indian country without
8 the express written consent of the Indian Tribe
9 involved.

10 (B) FAILURE TO COMPLY.—

11 (i) COMPEL INSPECTIONS.—The dis-
12 trict courts of the United States shall have
13 the authority, pursuant to a civil action
14 brought by the Secretary, to compel access
15 by any officer or employee duly designated
16 by the Secretary to any relevant records
17 described in subparagraph (A).

18 (ii) PENALTY.—Any person who—

19 (I) denies access to any relevant
20 records described in subparagraph (A)
21 to any officer or employee duly des-
22 ignated by the Secretary; or

23 (II) fails to comply with an order
24 issued by a district court pursuant to
25 clause (i),

1 shall be fined not more than \$10,000.

2 (4) KNOWLEDGE OF ILLEGAL TRANSACTION.—

3 (A) NOTIFICATION.—If the manufacturer
4 or distributor of a cannabis product has knowl-
5 edge which reasonably supports the conclusion
6 that a cannabis product manufactured or dis-
7 tributed by such manufacturer or distributor
8 that has left the control of such person may be
9 or has been—

10 (i) imported, exported, distributed, or
11 offered for sale in interstate commerce by
12 a person without paying duties or taxes re-
13 quired by Federal, Tribal, or State law; or

14 (ii) imported, exported, distributed, or
15 diverted for possible illicit marketing,

16 the manufacturer or distributor shall promptly
17 notify the Attorney General and the Secretary
18 of such knowledge.

19 (B) KNOWLEDGE DEFINED.—For purposes
20 of this paragraph, the term “knowledge” as ap-
21 plied to a manufacturer or distributor means—

22 (i) the actual knowledge that the man-
23 ufacturer or distributor had; or

24 (ii) the knowledge which a reasonable
25 person would have had under like cir-

1 cumstances or which would have been ob-
2 tained upon the exercise of due care.

3 (5) CONSULTATION.—In carrying out this sub-
4 section, the Secretary shall consult with the Attor-
5 ney General and the Commissioner of Food and
6 Drugs, as appropriate.

7 (6) CONSIDERATION OF STATE AND OTHER
8 PRECEDENT.—In promulgating the regulations de-
9 scribed in this subsection, the Secretary shall con-
10 sider—

11 (A) recommendations and findings by the
12 Cannabis Products Advisory Committee estab-
13 lished under section 1111 of the Federal Food,
14 Drug, and Cosmetic Act;

15 (B) current practices of States regarding
16 cannabis and the practices of other regulated
17 industries; and

18 (C) whether, during the 3-year period de-
19 scribed in section 505(b)(1), unique standards
20 for cannabis specified for medical use under
21 State law are necessary or appropriate.

1 **TITLE II—RESEARCH, TRAINING,**
2 **AND PREVENTION**
3 **Subtitle A—Public Health and**
4 **Biomedical Research**

5 **SEC. 201. SOCIETAL IMPACT OF CANNABIS LEGALIZATION**
6 **STUDY.**

7 (a) IN GENERAL.—The Comptroller General of the
8 United States shall conduct an evaluation of the societal
9 impact of the legalization by States of adult-use of can-
10 nabis. Such evaluation shall address, where information
11 and data are available, a review of the following:

12 (1) Federal and State law enforcement activi-
13 ties, including—

14 (A) arrests related to illicit use, possession,
15 production, manufacture, and distribution of
16 cannabis; and

17 (B) diversion and seizures of cannabis.

18 (2) Employment and the receipt of Federal wel-
19 fare assistance.

20 (3) Changes in the utilization of health care, in-
21 cluding hospitalization related to methamphetamine
22 and narcotic use and the use of cannabis for medical
23 purposes.

24 (4) Analysis of tax revenue remitted to States
25 resulting from legal cannabis sales.

1 (5) Any additional areas identified by the
2 Comptroller General of the United States.

3 (b) REPORT.—The Comptroller General of the
4 United States—

5 (1) not later than 2 years after the date of en-
6 actment of this Act, shall brief the Committee on Fi-
7 nance, the Committee on Health, Education, Labor,
8 and Pensions, and the Committee on the Judiciary
9 of the Senate and the Committee on Ways and
10 Means, the Committee on Energy and Commerce,
11 and the Committee on the Judiciary of the House of
12 Representatives on the preliminary findings of the
13 evaluation under subsection (a); and

14 (2) at a date agreed upon at the time of the
15 preliminary briefing described in paragraph (1), sub-
16 mit a final report to such committees.

17 **SEC. 202. BIOMEDICAL RESEARCH ON CANNABIS.**

18 (a) IN GENERAL.—The Secretary of Health and
19 Human Services (referred to in this section as the “Sec-
20 retary”), in consultation with the Director of the National
21 Institutes of Health, shall conduct or support research on
22 the impacts of cannabis.

23 (b) TOPICS.—The research conducted or supported
24 under subsection (a) may include research on—

1 (1) the effects of tetrahydrocannabinol on the
2 human brain;

3 (2) the efficacy of cannabis as a treatment for
4 specific diseases and conditions, including any im-
5 pact on chronic pain and post-traumatic stress dis-
6 order;

7 (3) the impact of the use of cannabis on—

8 (A) pulmonary function;

9 (B) cardiovascular events;

10 (C) cancer, including testicular, ovarian,
11 transitional cell, and head, neck, and oral can-
12 cers, and chronic illnesses;

13 (D) mania;

14 (E) psychosis;

15 (F) cognitive effects; and

16 (G) cannabinoid hyperemesis syndrome;

17 and

18 (4) the identification of additional medical ben-
19 efits, harms, and uses of cannabis.

20 (c) CONSIDERATIONS.—In conducting or supporting
21 the research under subsection (a), the Secretary may con-
22 sider—

23 (1) varying forms of cannabis, including—

24 (A) full plants and extracts; and

1 (B) different types of cannabis with signifi-
2 cant variation in phenotypic traits and various
3 ratios of tetrahydrocannabinol and cannabidiol
4 in chemical composition; and

5 (2) varying methods of cannabis delivery, in-
6 cluding combustible and non-combustible inhalation
7 and ingestion.

8 (d) ANNUAL REPORTS.—Not later than 18 months
9 after the date of enactment of this Act, and annually
10 thereafter for the next 4 years, the Secretary shall submit
11 to the Committee on Health, Education, Labor, and Pen-
12 sions and the Committee on Appropriations of the Senate
13 and the Committee on Energy and Commerce and the
14 Committee on Appropriations of the House of Representa-
15 tives, a report that includes an overview of the research
16 conducted and supported under this section.

17 (e) FUNDING.—In addition to amounts otherwise
18 available, there is appropriated, out of any funds in the
19 Treasury not otherwise appropriated, \$200,000,000 for
20 each of fiscal years 2023 through 2027 to carry out this
21 section.

22 **SEC. 203. PUBLIC HEALTH SURVEILLANCE AND DATA COL-**
23 **LECTION.**

24 (a) IN GENERAL.—Section 392A of the Public
25 Health Service Act (42 U.S.C. 280b–1) is amended—

1 (1) in the section heading, by inserting “**AND**
2 **ADVERSE HEALTH EFFECTS OF CANNABIS**
3 **USE**” after “**SUBSTANCES**”;

4 (2) in subsection (a)—

5 (A) in paragraph (2)—

6 (i) in subparagraph (C) by inserting
7 “and adverse health effects of cannabis
8 use” before the period; and

9 (ii) in subparagraph (D) by inserting
10 “, cannabis, and polysubstance use” before
11 the period; and

12 (B) in paragraph (4), by inserting “and
13 collect data to better understand the use and
14 health effects of cannabis, stimulants, and
15 polysubstances, and” after “conduct studies
16 and evaluations”;

17 (3) in subsection (d), by striking
18 “\$496,000,000 for each of fiscal years 2019 through
19 2023” and inserting “\$596,000,000 for each of fis-
20 cal years 2023 through 2027”; and

21 (4) by adding at the end the following:

22 “(e) **ADDITIONAL FUNDING.**—In addition to amounts
23 otherwise available, there is appropriated, out of any funds
24 in the Treasury not otherwise appropriated, \$100,000,000

1 for each of fiscal years 2023 through 2027 to carry out
2 this section.”.

3 **SEC. 204. AWARDS TO PREVENT UNDERAGE CANNABIS USE.**

4 Part D of title V of the Public Health Service Act
5 (42 U.S.C. 290dd et seq.) is amended by adding at the
6 end the following:

7 **“SEC. 553. AWARDS TO PREVENT UNDERAGE CANNABIS**
8 **USE.**

9 “(a) IN GENERAL.—The Secretary, acting through
10 the Assistant Secretary, shall award grants, contracts, and
11 cooperative agreements to eligible entities to prevent and
12 reduce underage cannabis use.

13 “(b) ELIGIBLE ENTITIES.—To receive an award
14 under this section, an entity shall be a State, political sub-
15 division of a State, Indian Tribe or Tribal organization,
16 an urban Indian organization, a nonprofit community-
17 based organization, or any other nonprofit entity the Sec-
18 retary determines appropriate.

19 “(c) USE OF FUNDS.—An eligible entity receiving an
20 award under this subsection shall use funds from such
21 award to—

22 “(1) establish, enhance, and support culturally-
23 and linguistically-appropriate programs, including
24 community-based, school-based, and higher-edu-
25 cation based programs, and programs that target

1 youth within the juvenile justice and child welfare
2 systems, that offer screening, prevention, early inter-
3 vention, diagnosis, treatment, referral, and recovery
4 support services related to underage cannabis use;

5 “(2) design, test, evaluate, and disseminate evi-
6 dence-based and evidence-informed strategies to
7 maximize the effectiveness of community-wide ap-
8 proaches to preventing and reducing underage can-
9 nabis use;

10 “(3) educate children, adolescents, youth, par-
11 ents, health care providers, and communities about
12 the dangers of underage cannabis use, including im-
13 paired driving due to cannabis use;

14 “(4) collect data on underage cannabis use to
15 identify and address needs, service gaps, and trends;

16 “(5) strengthen collaboration among commu-
17 nities, the Federal Government, and State, local,
18 and Tribal governments to prevent underage can-
19 nabis use;

20 “(6) address community norms regarding un-
21 derage cannabis use, reduce opportunities for under-
22 age cannabis use, and reduce the prevalence of nega-
23 tive consequences associated with underage cannabis
24 use; and

1 “(7) support other evidence-based and evidence-
2 informed practices to reduce underage cannabis use,
3 as determined by the Secretary.

4 “(d) SUPPLEMENT NOT SUPPLANT.—Funds award-
5 ed under this section shall supplement, and not supplant,
6 existing State, Federal, local, and Tribal funds to prevent
7 and reduce underage cannabis use.

8 “(e) PRIORITY CONSIDERATION.—In making awards
9 under this section, the Secretary shall give priority to eligi-
10 ble entities that serve medically underserved communities,
11 communities with high rates of underage cannabis use,
12 and communities that have historically experienced dis-
13 proportionate arrest and conviction rates related to the
14 sale, possession, use, manufacture, or cultivation of can-
15 nabis (but not counting convictions involving distribution
16 of cannabis to a minor).

17 “(f) FUNDING.—In addition to amounts otherwise
18 available, there is appropriated, out of any funds in the
19 Treasury not otherwise appropriated, \$15,000,000 for
20 each of fiscal years 2023 through 2027 to carry out this
21 section.

22 “(g) DEFINITIONS.—For the purposes of this sec-
23 tion—

24 “(1) the terms ‘Indian Tribe’ and ‘Tribal orga-
25 nization’ have the meanings given such terms in sec-

1 tion 4 of the Indian Self-Determination and Edu-
2 cation Assistance Act; and

3 “(2) the term ‘urban Indian organization’ has
4 the meaning given such term in section 4 of the In-
5 dian Health Care Improvement Act.”.

6 **SEC. 205. NATIONAL MEDIA CAMPAIGNS ON CANNABIS USE.**

7 (a) IN GENERAL.—The Secretary of Health and
8 Human Services (referred to in this section as the “Sec-
9 retary”), in consultation with the Administrator of the
10 National Highway Traffic Safety Administration, shall
11 fund and oversee the production, broadcasting, and eval-
12 uation of a national public service media campaign to pre-
13 vent and reduce underage cannabis use and cannabis im-
14 paired driving. Such campaign shall—

15 (1) educate the public about—

16 (A) the negative consequences of underage
17 cannabis use and cannabis impaired driving;
18 and

19 (B) the public health and safety benefits of
20 evidence-based and evidence-informed policies to
21 reduce underage cannabis use and cannabis im-
22 paired driving, and build community and paren-
23 tal support for, and cooperation with, enforce-
24 ment of such policies; and

25 (2) be conducted—

1 (A) through multiple media sources;

2 (B) in a manner that is culturally and lin-
3 guistically appropriate; and

4 (C) in a manner that reflects best practices
5 in public health communication, including in ac-
6 cessible formats.

7 (3) CONSULTATION REQUIREMENT.—In car-
8 rying out the campaign under this subsection, the
9 Secretary shall consult with interested parties, in-
10 cluding medical, public health, consumer, parent,
11 disability, law enforcement, community-based, and
12 other stakeholders, as determined by the Secretary.

13 (b) EDUCATION AND AWARENESS CAMPAIGN FOR
14 CANNABIS USE.—The Secretary, in coordination with the
15 heads of other appropriate departments and agencies and
16 working through existing programs and activities, as ap-
17 propriate, shall advance the education and awareness of
18 the public (including health care providers, consumers,
19 workplaces, and other appropriate entities) regarding can-
20 nabis use. The education and awareness campaigns under
21 this subsection shall address—

22 (1) any dangers and negative consequences of
23 cannabis use;

24 (2) awareness and prevention of cannabis use
25 disorder;

1 (3) the effects of cannabis on the human body,
2 including with respect to the use of cannabis in dif-
3 ferent circumstances such as the workplace and
4 while operating motor vehicles;

5 (4) the effects of cannabis when mixed with
6 other substances; and

7 (5) other relevant public health or biomedical
8 research, as the Secretary determines appropriate.

9 (c) REPORT TO CONGRESS.—The Secretary shall
10 submit an annual report to the Committee on Health,
11 Education, Labor, and Pensions of the Senate and the
12 Committee on Energy and Commerce of the House of
13 Representatives detailing the production, broadcasting,
14 and evaluation of the campaigns under subsections (a) and
15 (b). Such reports shall include—

16 (1) details regarding the effectiveness of such
17 campaigns in reducing underage cannabis use;

18 (2) the need for, and likely effectiveness of, an
19 expanded campaign under either such subsection;
20 and

21 (3) details regarding the consultation the Sec-
22 retary engaged in pursuant to subsection (a)(2).

23 (d) FUNDING.—In addition to amounts otherwise
24 available, there is appropriated, out of any funds in the
25 Treasury not otherwise appropriated, \$5,000,000 for each

1 of fiscal years 2023 through 2027 to carry out this sec-
2 tion.

3 **SEC. 206. INCREASING AVAILABILITY OF CANNABIS PROD-**
4 **UCTS FOR RESEARCH PURPOSES.**

5 (a) IN GENERAL.—The Secretary of Health and
6 Human Services (referred to in this section as the “Sec-
7 retary”), acting through the Director of the National In-
8 stitutes of Health and in collaboration with the Commis-
9 sioner of Food and Drugs and the Attorney General, shall
10 take steps to increase the availability and diversity of re-
11 search grade cannabis products for intramural and extra-
12 mural research activities, including cannabis products with
13 varied cannabinoid concentrations and cannabis products
14 that reflect regional differences in products available to
15 be sold directly to consumers.

16 (b) GUIDANCE.—In carrying out subsection (a), the
17 Secretary may develop guidance clarifying how entities en-
18 gaged in extramural research supported by the Federal
19 Government may access cannabis products available to be
20 sold directly to consumers.

21 (c) CONGRESSIONAL BRIEFING.—Not later than 1
22 year after the date of enactment of this Act, the Secretary
23 shall brief the Committee on Health, Education, Labor,
24 and Pensions and the Committee on the Judiciary of the
25 Senate and the Committee on Energy and Commerce and

1 the Committee on the Judiciary of the House of Rep-
2 resentatives on the activities under subsection (a).

3 (d) FUNDING.—In addition to amounts otherwise
4 available, there is appropriated, out of any funds in the
5 Treasury not otherwise appropriated, \$275,000,000 for
6 each of fiscal years 2023 through 2027 to carry out this
7 section.

8 **SEC. 207. TRANS-NIH CANNABIS CONSORTIUM.**

9 Part A of title IV of the Public Health Service Act
10 (42 U.S.C. 281 et seq.) is amended by inserting at the
11 end the following:

12 **“SEC. 4040. TRANS-NIH CANNABIS CONSORTIUM.**

13 “(a) ESTABLISHMENT.—The Director of NIH shall
14 establish and maintain a consortium to be known as the
15 Trans-NIH Cannabis Research Consortium (referred to in
16 this section as the ‘Consortium’) to coordinate cannabis
17 research programs across the National Institutes of
18 Health.

19 “(b) MEMBERSHIP.—The members of the Consor-
20 tium shall be appointed by the Director of NIH and con-
21 sist of representatives of multiple national research insti-
22 tutes and national centers.

23 “(c) CHAIR.—The Chair of the Consortium shall be
24 the Director of the National Institute on Drug Abuse (or
25 the Director’s designee).

1 “(d) DUTIES.—In coordinating cannabis research
2 programs across the National Institutes of Health, the
3 Consortium shall—

4 “(1) establish cannabis research priorities;

5 “(2) identify gaps and opportunities for re-
6 search collaborations involving multiple national re-
7 search institutes and national centers; and

8 “(3) identify opportunities to develop the next
9 generation of cannabis researchers.

10 “(e) CONSULTATION.—The Consortium shall consult
11 regularly with external experts in the field of cannabis re-
12 search, as appropriate, including industry, patient organi-
13 zations, and other stakeholders.

14 “(f) REPORTING.—No later than 1 year after the
15 date of enactment of the Cannabis Administration and
16 Opportunity Act, and every 2 years thereafter, the Consor-
17 tium shall submit to the Committee on Health, Education,
18 Labor, and Pensions of the Senate and the Committee on
19 Energy and Commerce of the House of Representatives,
20 and make publicly available on the website of the National
21 Institutes of Health, a report on—

22 “(1) any research project involving cannabis
23 and involving more than one national research insti-
24 tute or national center that was supported during
25 the review period;

1 “(2) any strategic initiatives that include a sig-
2 nificant component related to cannabis;

3 “(3) career development awards for early-career
4 researchers focused in cannabis research, including
5 specific numbers of awards and amount of funding,
6 made during the review period;

7 “(4) details on the composition of awards for
8 early-career researchers, including demographic de-
9 tails indicating the proportion of recipients from
10 populations that have been underrepresented in can-
11 nabis research; and

12 “(5) such other information as the Director of
13 NIH determines appropriate.”.

14 **SEC. 208. CANNABIS RESEARCH INTERAGENCY ADVISORY**
15 **COMMITTEE.**

16 (a) **IN GENERAL.**—There is established within the
17 Department of Health and Human Services a Cannabis
18 Research Interagency Advisory Committee (referred to in
19 this subsection as the “Advisory Committee”) for purposes
20 of coordinating—

21 (1) Federal research activities relating to can-
22 nabis; and

23 (2) aspects of all Federal programs and activi-
24 ties relating to cannabis research, in order to ensure
25 the adequacy and technical soundness of such pro-

1 grams and activities, to minimize barriers to such
2 programs and activities, to provide for the full com-
3 munication and exchange of information necessary
4 to maintain adequate coordination of such programs
5 and activities.

6 (b) MEMBERS.—The Advisory Committee established
7 under subsection (a) shall consist of the heads of the fol-
8 lowing agencies or their designees:

- 9 (1) The National Institutes of Health.
- 10 (2) The Centers for Disease Control and Pre-
11 vention.
- 12 (3) The Food and Drug Administration.
- 13 (4) The Substance Abuse and Mental Health
14 Services Administration.
- 15 (5) The Office of the Assistant Secretary of
16 Health.
- 17 (6) The Office of Minority Health.
- 18 (7) The Drug Enforcement Administration.
- 19 (8) The Alcohol, Tobacco, and Cannabis Tax
20 and Trade Bureau (as so redesignated by section
21 102 of this Act).
- 22 (9) The Department of Transportation.
- 23 (10) Any other agency with subject matter ex-
24 pertise that the Secretary of Health and Human

1 Services determines appropriate to advance research
2 on cannabis.

3 (c) RESPONSIBILITIES.—In carrying out its duties
4 under this section, the Advisory Committee shall—

5 (1) monitor cannabis research across all rel-
6 evant Federal departments and agencies, including
7 coordination of Federal activities with respect to
8 cannabis;

9 (2) develop a summary of advances in cannabis
10 research;

11 (3) identify barriers to conducting or sup-
12 porting cannabis research;

13 (4) make recommendations to the Secretary of
14 Health and Human Services regarding any appro-
15 priate changes to such activities;

16 (5) make recommendations to the Secretary of
17 Health and Human Services regarding public par-
18 ticipation in decisions relating to cannabis research,
19 and the process by which public feedback can be bet-
20 ter integrated into such decisions;

21 (6) develop a strategic plan for the conduct of,
22 and support for, cannabis research, which shall in-
23 clude—

24 (A) proposed budgetary requirements; and

1 (B) recommendations to ensure that can-
2 nabis research of the Department of Health and
3 Human Services and of other Federal depart-
4 ments and agencies are not unnecessarily dupli-
5 cative; and

6 (7) submit to Congress and the President—

7 (A) an annual update on the summary of
8 advances described in paragraph (2); and

9 (B) an annual update to the strategic plan
10 described in paragraph (5), including any
11 progress made in achieving the goals outlined in
12 such strategic plan.

13 **SEC. 209. AWARDS FOR CANNABIS RESEARCH.**

14 (a) IN GENERAL.—The Secretary of Health and
15 Human Services (referred to in this section as the “Sec-
16 retary”) shall award grants, contracts, or cooperative
17 agreements to public and nonprofit entities (including con-
18 sortiums of such entities) to conduct or support research
19 on short- and long-term health effects of cannabis, consid-
20 ering beneficial and harmful effects and public health im-
21 pacts. Such research may—

22 (1) consider the etiology, epidemiology, and
23 health effects of cannabis use in at-risk or under re-
24 searched populations, such as pediatric and older
25 populations, individuals with chronic illnesses, preg-

1 nant and lactating women and their infants and chil-
2 dren, and heavy cannabis users;

3 (2) consider the pharmacokinetic and
4 pharmacodynamic properties of cannabis, modes of
5 delivery, different concentrations, in various popu-
6 lations, including the dose-response relationships of
7 cannabis and tetrahydrocannabinol or other
8 cannabinoids;

9 (3) consider the harms and benefits associated
10 with understudied cannabis products, such as
11 edibles, concentrates, and topical products;

12 (4) consider the short- and long-term harms
13 and benefits associated with exposure to chemicals
14 and other products commonly involved in the grow-
15 ing, possessing, and selling of cannabis;

16 (5) utilize clinical trials on the potential bene-
17 ficial and harmful health effects of using different
18 forms of cannabis, such as inhaled whole cannabis
19 plant and oral cannabis;

20 (6) seek to characterize the health effects of
21 cannabis on unstudied and understudied health
22 endpoints, such as epilepsy in pediatric populations,
23 symptoms of posttraumatic stress disorder, child-
24 hood and adult cancers, cannabis-related overdoses

1 and poisonings, and other high-priority health
2 endpoints; and

3 (7) provide support for the development of
4 novel diagnostic technologies that allow for rapid,
5 accurate, and noninvasive assessment of cannabis
6 exposure and impairment.

7 (b) APPLICATION.—To be eligible to receive an award
8 under this section, an entity shall submit an application
9 to the Secretary at such time, in such manner, and con-
10 taining such information as the Secretary may require.

11 (c) PRIORITY.—In selecting award recipients under
12 this section, the Secretary shall give priority to any entity
13 that is a minority-serving institution (defined, for pur-
14 poses of this subsection, as an institution and program
15 described in section 326(e)(1) of the Higher Education
16 Act of 1965 (20 U.S.C. 1063b(e)(1)) and institution de-
17 scribed in section 371(a) of such Act (20 U.S.C.
18 1067q(a))).

19 (d) CONSIDERATIONS.—In making awards under this
20 section, the Secretary, to the extent practicable, may en-
21 sure equitable distribution of awards among the geo-
22 graphical regions of the United States.

23 (e) REPORTING.—

24 (1) REPORTS FROM ENTITIES.—Each entity, or
25 consortium of such entities, that receives an award

1 under this section shall submit an annual report to
2 the Secretary on the activities conducted under such
3 award, and other information as the Secretary may
4 require.

5 (2) REPORT TO CONGRESS.—Not later than 5
6 years after the date of enactment of this Act and
7 every 5 years thereafter, the Secretary shall submit
8 to the Committee on Health, Education, Labor, and
9 Pensions of the Senate and the Committee on En-
10 ergy and Commerce of the House of Representatives
11 a report that provides a summary of the activities
12 associated with awards made under this section.

13 (3) PUBLIC AVAILABILITY.—The Secretary
14 shall make reports submitted under paragraph (2)
15 publicly available on the website of the Department
16 of Health and Human Services.

17 (f) FUNDING.—In addition to amounts otherwise
18 available, there is appropriated, out of any funds in the
19 Treasury not otherwise appropriated, \$200,000,000 for
20 each of fiscal years 2023 through 2027 to carry out this
21 section.

1 **SEC. 210. DEPARTMENT OF VETERANS AFFAIRS CLINICAL**
2 **TRIALS ON THE EFFECTS OF CANNABIS ON**
3 **CERTAIN HEALTH OUTCOMES OF VETERANS**
4 **WITH CHRONIC PAIN AND POST-TRAUMATIC**
5 **STRESS DISORDER.**

6 (a) CLINICAL TRIALS REQUIRED.—

7 (1) IN GENERAL.—The Secretary of Veterans
8 Affairs shall carry out a series of clinical trials on
9 the effects of medical-grade cannabis on the health
10 outcomes of covered veterans diagnosed with chronic
11 pain and covered veterans diagnosed with post-trau-
12 matic stress disorder.

13 (2) REQUIRED ELEMENTS.—The clinical trials
14 required by paragraph (1) shall include—

15 (A) with respect to covered veterans diag-
16 nosed with chronic pain, an evaluation of the
17 effects of the use of cannabis on—

18 (i) osteopathic pain (including pain in-
19 tensity and pain-related outcomes);

20 (ii) the reduction or increase in opioid
21 use or dosage;

22 (iii) the reduction or increase in
23 benzodiazepine use or dosage;

24 (iv) the reduction or increase in alco-
25 hol use;

26 (v) inflammation;

- 1 (vi) sleep quality;
- 2 (vii) agitation; and
- 3 (viii) quality of life; and

4 (B) with respect to covered veterans diag-
5 nosed with post-traumatic stress disorder, an
6 evaluation of the effects of the use of cannabis
7 on—

8 (i) the symptoms of post-traumatic
9 stress disorder (PTSD) as established by
10 or derived from the clinician administered
11 PTSD scale, the PTSD checklist, the
12 PTSD symptom scale, the post-traumatic
13 diagnostic scale, and other applicable
14 methods of evaluating symptoms of post-
15 traumatic stress disorder;

16 (ii) the reduction or increase in
17 benzodiazepine use or dosage;

18 (iii) the reduction or increase in alco-
19 hol use;

20 (iv) mood;

21 (v) anxiety;

22 (vi) social functioning;

23 (vii) agitation;

24 (viii) suicidal ideation; and

1 (ix) sleep quality, including frequency
2 of nightmares and night terrors.

3 (3) OPTIONAL ELEMENTS.—The clinical trials
4 required by paragraph (1) may include an evaluation
5 of the effects of the use of cannabis to treat chronic
6 pain and post-traumatic stress disorder on—

7 (A) pulmonary function;

8 (B) cardiovascular events;

9 (C) head, neck, and oral cancer;

10 (D) testicular cancer;

11 (E) ovarian cancer;

12 (F) transitional cell cancer;

13 (G) intestinal inflammation;

14 (H) motor vehicle accidents;

15 (I) mania;

16 (J) psychosis;

17 (K) cognitive effects;

18 (L) cannabinoid hyperemesis syndrome;

19 (M) neuropathy;

20 (N) spasticity;

21 (O) substance use disorder; or

22 (P) mental health disorder.

23 (b) LONG-TERM OBSERVATIONAL STUDY.—The Sec-
24 retary may carry out a long-term observational study of

1 the participants in the clinical trials required by sub-
2 section (a).

3 (c) TYPE OF CANNABIS.—

4 (1) IN GENERAL.—In carrying out the clinical
5 trials required by subsection (a), the Secretary shall
6 study varying forms of cannabis, including whole
7 plant raw material and extracts.

8 (2) PLANT CULTIVARS.—Of the varying forms
9 of cannabis required under paragraph (1), the Sec-
10 retary shall study not fewer than seven unique plant
11 cultivars with ratios of tetrahydrocannabinol to
12 cannabidiol in each of the following categories:

13 (A) Less than 1:5.

14 (B) Between 1:2 and 1:5.

15 (C) Approximately 1:2.

16 (D) Approximately 1:1.

17 (E) Approximately 2:1.

18 (F) Between 2:1 and 5:1.

19 (G) More than 5:1.

20 (d) USE OF CONTROL AND EXPERIMENTAL
21 GROUPS.—The clinical trials required by subsection (a)
22 shall include both a control group and an experimental
23 group that shall—

24 (1) be of similar size and structure; and

1 (2) represent the demographics of the veteran
2 population, as determined by the most recent data
3 from the American Community Survey of the Bu-
4 reau of the Census that is available prior to the
5 commencement of the clinical trials.

6 (e) LIMITATION ON ENROLLMENT OF CERTAIN VET-
7 ERANS.—In enrolling veterans in a clinical trial under sub-
8 section (a), the Secretary shall avoid enrolling veterans
9 who—

10 (1) have existing substance use disorder or are
11 at high-risk for developing substance use disorder; or

12 (2) have contraindications to medicinal can-
13 nabis, which may include—

14 (A) veterans with acute psychosis or at-
15 risk of psychosis;

16 (B) veterans for whom cannabis is contra-
17 indicated based on current medications taken,
18 prescribed and nonprescribed;

19 (C) veterans with severe cardiovascular,
20 immunological, liver, or kidney disease; and

21 (D) veterans who are pregnant or
22 breastfeeding.

23 (f) DATA PRESERVATION.—The clinical trials re-
24 quired by subsection (a) shall include a mechanism to en-
25 sure the preservation of all data, including all data sets,

1 collected or used for purposes of such trials in a manner
2 that will facilitate further research.

3 (g) IMPLEMENTATION.—Not later than 180 days
4 after the date of the enactment of this Act, the Secretary
5 shall—

6 (1) develop a plan to implement this section
7 and submit such plan to the Committee on Veterans'
8 Affairs of the Senate and the Committee on Vet-
9 erans' Affairs of the House of Representatives; and

10 (2) issue any requests for proposals the Sec-
11 retary determines appropriate for such implementa-
12 tion.

13 (h) EFFECT ON OTHER BENEFITS.—The eligibility
14 or entitlement of a covered veteran to any other benefit
15 under the laws administered by the Secretary or any other
16 provision of law shall not be affected by the participation
17 of the covered veteran in a clinical trial under subsection
18 (a) or a study under subsection (b).

19 (i) PERIODIC REPORTS.—During the five-year period
20 beginning on the date of the enactment of this Act, the
21 Secretary shall submit periodically, but not less frequently
22 than annually, to the Committee on Veterans' Affairs of
23 the Senate and the Committee on Veterans' Affairs of the
24 House of Representatives reports on the implementation
25 of this section.

1 (j) COVERED VETERAN DEFINED.—In this section,
2 the term “covered veteran” means a veteran who is en-
3 rolled in the patient enrollment system of the Department
4 of Veterans Affairs established and operated under section
5 1705(a) of title 38, United States Code.

6 **SEC. 211. CANNABIS RESEARCH INFRASTRUCTURE**
7 **GRANTS.**

8 Title VIII of the Higher Education Act of 1965 (20
9 U.S.C. 1161a et seq.) is amended by adding at the end
10 the following:

11 **“SEC. 899. CANNABIS RESEARCH INFRASTRUCTURE GRANT**
12 **PROGRAM.**

13 “(a) IN GENERAL.—The Secretary, in consultation
14 with the Secretary of Health and Human Services and,
15 as appropriate, with other relevant Federal agencies, shall
16 award grants, on a competitive basis, to institutions of
17 higher education to enable such institutions to develop or
18 enhance the necessary infrastructure for exploratory can-
19 nabis research, including the cultivation of cannabis for
20 research purposes.

21 “(b) APPLICATIONS.—To be qualified to receive a
22 grant under this section, an institution of higher education
23 shall submit an application to the Secretary at such time,
24 in such manner, and containing such information as the
25 Secretary may require, including—

1 “(1) a description of the projects that the insti-
2 tution of higher education plans to carry out with
3 grant funds; and

4 “(2) how such projects will address the research
5 infrastructure needs of the institution of higher edu-
6 cation.

7 “(c) PRIORITY IN AWARDS.—In awarding grants
8 under this section, the Secretary shall give priority to—

9 “(1) institutions of higher education described
10 in section 371(a);

11 “(2) under-resourced institutions of higher edu-
12 cation, including community colleges; and

13 “(3) institutions of higher education with expe-
14 rience in conducting or supporting cannabis research
15 or developing academic courses or programs for stu-
16 dents in the cannabis industry.

17 “(d) USE OF FUNDS.—An institution of higher edu-
18 cation that receives a grant under this section shall use
19 the grant funds to develop or enhance the necessary infra-
20 structure for exploratory cannabis research, including—

21 “(1) cultivating cannabis for research purposes;

22 “(2) purchasing, renting, or leasing scientific or
23 laboratory equipment;

24 “(3) constructing or upgrading cultivation or
25 laboratory facilities;

1 “(4) purchasing or enhancing storage and secu-
2 rity needs;

3 “(5) establishing school policies, procedures, or
4 training to conduct or support research, such as
5 policies and training to safely handle and store sub-
6 stances;

7 “(6) paying State fees to apply for and receive
8 certificates or registrations to handle certain sub-
9 stances; or

10 “(7) recruiting or retaining staff necessary for
11 developing or enhancing the cannabis research infra-
12 structure of the institution of higher education, in-
13 cluding for training and support purposes.

14 “(e) AWARDS.—Notwithstanding any other provision
15 of law, activities supported by grants under this section
16 shall not be considered violations of section 120 for the
17 purposes of enforcing or assessing compliance with that
18 section.

19 “(f) DEFINITIONS.—In this section:

20 “(1) COMMUNITY COLLEGE.—The term ‘com-
21 munity college’ means—

22 “(A) a public institution of higher edu-
23 cation, including additional locations, at which
24 the highest awarded degree, or the predomi-

1 nantly awarded degree, is an associate degree;
2 or

3 “(B) a Tribal College or University (as de-
4 fined in section 316).

5 “(2) INSTITUTION OF HIGHER EDUCATION.—
6 The term ‘institution of higher education’ has the
7 meaning given that term in section 101.

8 “(g) FUNDING.—In addition to amounts otherwise
9 available, there is appropriated, out of any funds in the
10 Treasury not otherwise appropriated, \$200,000,000 for
11 each of fiscal years 2023 through 2027 to carry out this
12 section.”.

13 **Subtitle B—Cannabis-Impaired** 14 **Driving Prevention**

15 **SEC. 221. DEFINITIONS.**

16 In this subtitle:

17 (1) ADMINISTRATOR.—The term “Adminis-
18 trator” means the Administrator of the National
19 Highway Traffic Safety Administration.

20 (2) SECRETARY.—The term “Secretary” means
21 the Secretary of Transportation.

22 (3) THC.—The term “THC” means
23 tetrahydrocannabinol.

24 **SEC. 222. CANNABIS-IMPAIRED DRIVING RESEARCH.**

25 (a) CANNABIS-IMPAIRED DRIVING DATA.—

1 (1) IN GENERAL.—The Secretary shall collect
2 and, as appropriate, share with the Secretary of
3 Health and Human Services, data relating to can-
4 nabis-impaired driving, or a combination of cannabis
5 and another substance, including through the collec-
6 tion of crash data specific to crashes involving driv-
7 ers with—

8 (A) THC in their system; or

9 (B) a combination of THC and another
10 substance in their system.

11 (2) NATIONAL ROADSIDE SURVEY.—

12 (A) IN GENERAL.—Not later than 1 year
13 after the date of enactment of this Act, the Ad-
14 ministrators shall initiate a National Roadside
15 Survey to collect data on drivers with THC in
16 their system.

17 (B) REPORT.—Not later than 3 years after
18 the date of enactment of this Act, the Secretary
19 shall submit to the Committees on Commerce,
20 Science, and Transportation, Environment and
21 Public Works, and Health, Education, Labor,
22 and Pensions of the Senate and the Committee
23 on Transportation and Infrastructure of the
24 House of Representatives a report summarizing
25 the data acquired, and conclusions drawn, from

1 the National Roadside Survey required under
2 subparagraph (A).

3 (b) RESEARCH ON RISKS OF CANNABIS-IMPAIRED
4 DRIVING.—

5 (1) STUDY REQUIRED.—

6 (A) IN GENERAL.—Not later than 3 years
7 after the date of enactment of this Act, the Sec-
8 retary shall carry out a study to evaluate and
9 quantify the risks of cannabis-impaired driving.

10 (B) REQUIREMENTS.—The study required
11 under subparagraph (A) shall analyze—

12 (i) whether there is an increased like-
13 lihood of crashing a motor vehicle after re-
14 cent cannabis use;

15 (ii) the effect of cannabis on driving
16 behavior;

17 (iii) whether there is a correlation be-
18 tween THC level (as tested in oral fluids)
19 and level of impairment;

20 (iv) whether the current Standard
21 Field Sobriety Test developed by the Na-
22 tional Highway Traffic Safety Administra-
23 tion accurately identifies cannabis impair-
24 ment;

1 (v) whether driving behavior changes
2 depending on frequency of cannabis use;

3 (vi) whether there are any potential
4 increased risks associated with using can-
5 nabis together with another substance; and

6 (vii) any other data necessary to im-
7 prove safe driving outcomes, as determined
8 by the Secretary.

9 (2) REPORT.—Not later than 3 years after the
10 date of enactment of this Act, and annually there-
11 after until the date on which the study required
12 under paragraph (1) is complete, the Secretary shall
13 submit to the Committees on Commerce, Science,
14 and Transportation, Environment and Public Works,
15 and Health, Education, Labor, and Pensions of the
16 Senate and the Committee on Transportation and
17 Infrastructure of the House of Representatives a re-
18 port summarizing the data acquired, and conclusions
19 drawn, from the study required under paragraph
20 (1).

21 **SEC. 223. DOT CANNABIS-IMPAIRED DRIVING PREVENTION**
22 **PROGRAMS.**

23 (a) IN GENERAL.—The Secretary shall research and
24 implement data-driven strategies to educate the public

1 about the dangers of cannabis-impaired driving, which
2 shall include the following:

3 (1) CANNABIS-IMPAIRED DRIVING USE PREVEN-
4 TION BEST PRACTICES.—

5 (A) IN GENERAL.—Not later than 1 year
6 after the date of enactment of this Act, the Sec-
7 retary shall develop and issue best practices for
8 States and communities to prevent cannabis-im-
9 paired driving, including impaired driving in-
10 volving the use of cannabis and another sub-
11 stance and practices targeting drivers under the
12 age of 21, in consultation with the Director of
13 the Centers for Disease Control and Prevention,
14 the Secretary of Health and Human Services,
15 and the heads of other Federal agencies as ap-
16 propriate.

17 (B) UPDATES.—Not less frequently than
18 biannually, the Secretary shall update and re-
19 issue the best practices required under subpara-
20 graph (A) as new research and data becomes
21 available.

22 (2) CANNABIS-IMPAIRED DRIVING USE PREVEN-
23 TION CAMPAIGNS.—Not later than 2 years after the
24 date of enactment of this Act, the Secretary shall es-

1 establish and carry out national campaigns to prevent
2 cannabis-impaired driving, including—

3 (A) cannabis-impaired driving involving the
4 use of cannabis and another substance; and

5 (B) cannabis-impaired driving among driv-
6 ers under the age of 21.

7 (b) CAMPAIGN EVALUATION.—Not less frequently
8 than once every 3 years, the Secretary shall evaluate the
9 effectiveness of the campaigns required under subsection
10 (a)(2) and the activities carried out by States using a
11 grant awarded under section 409 of title 23, United States
12 Code, by using a variety of factors, including—

13 (1) collecting data, including behavioral data,
14 and comparing that data from before and after the
15 campaigns;

16 (2)(A) engaging with stakeholders that were in-
17 volved in the campaigns; and

18 (B) analyzing feedback from those stakeholders
19 on what the stakeholders saw as strengths and
20 weaknesses of the campaigns;

21 (3) determining whether the campaigns accom-
22 plished the objectives the Secretary set out to ac-
23 complish through analysis of data relating to the
24 campaigns; and

1 (4) any other factors the Secretary determines
2 appropriate included in the document of the Na-
3 tional Highway Traffic Safety Administration enti-
4 tled “The Art of Appropriate Evaluation: A Guide
5 for Highway Safety Program Managers” and dated
6 December 2008 (or a successor document).

7 (c) REPORT.—Not later than 6 months after the date
8 on which the Secretary completes an evaluation conducted
9 under subsection (b), the Secretary shall submit to the
10 Committees on Commerce, Science, and Transportation,
11 Environment and Public Works, and Health, Education,
12 Labor, and Pensions of the Senate and the Committee on
13 Transportation and Infrastructure of the House of Rep-
14 resentatives a report that—

15 (1) summarizes the data collected and provides
16 the analysis of the data from an evaluation con-
17 ducted under subsection (b);

18 (2) includes recommendations for future im-
19 paired driving campaigns; and

20 (3) includes any determinations that a national
21 campaign or an activity carried out by a State using
22 a grant awarded under section 409 of title 23,
23 United States Code, is ineffective at preventing can-
24 nabis-impaired driving.

1 **SEC. 224. STATE CANNABIS-IMPAIRED DRIVING PREVEN-**
2 **TION GRANT PROGRAM.**

3 (a) IN GENERAL.—Chapter 4 of title 23, United
4 States Code, is amended by inserting after section 408 the
5 following:

6 **“§ 409. State cannabis-impaired driving prevention**
7 **grant program**

8 “(a) DEFINITIONS.—In this section:

9 “(1) CANNABIS.—The term ‘cannabis’ has the
10 meaning given the term in subsection (ss) of section
11 201 of the Federal Food, Drug, and Cosmetic Act
12 (21 U.S.C. 321).

13 “(2) GRANT PROGRAM.—The term ‘grant pro-
14 gram’ means the grant program established under
15 subsection (b).

16 “(3) THC.—The term ‘THC’ has the meaning
17 given the term in section 221 of the Cannabis Ad-
18 ministration and Opportunity Act.

19 “(b) ESTABLISHMENT.—Not later than 1 year after
20 the date of enactment of the Cannabis Administration and
21 Opportunity Act, the Secretary, acting through the Ad-
22 ministrator of the National Highway Traffic Safety Ad-
23 ministration, shall establish a program to provide grants
24 to States, in accordance with subsection (c), to implement
25 programs to prevent impaired driving due to cannabis use.

1 “(c) ELIGIBILITY.—The Secretary may provide a
2 grant under this section to any State that—

3 “(1) describes how the State will use the grant
4 funds in accordance with a highway safety program
5 under section 402, including how the State will im-
6 plement the best practices developed by the Sec-
7 retary under section 223(a)(1) of the Cannabis Ad-
8 ministration and Opportunity Act; and

9 “(2) agrees to provide data and information, as
10 determined by the Secretary, to assist with the eval-
11 uation of the effectiveness of the eligible activities
12 described in subsection (d).

13 “(d) USE OF FUNDS.—A State may use a grant
14 awarded under this section for the following activities:

15 “(1) Enforcement activities, including—

16 “(A) to train public safety personnel to de-
17 tect impaired driving due to the use of cannabis
18 or a combination of cannabis and another sub-
19 stance;

20 “(B) to increase the capacity of impaired
21 driving toxicology testing laboratories in the
22 State to support impaired driving investiga-
23 tions, including to purchase equipment, hire
24 staff, provide training, and improve procedures,
25 including to improve toxicology testing stand-

1 ards to be consistent with the standards con-
2 tained in the document of the National Safety
3 Council entitled ‘Recommendations for Toxi-
4 cological Investigation of Drug-Impaired Driv-
5 ing and Motor Vehicle Fatalities–2021 Update’
6 (or a successor document);

7 “(C) to train for and implement impaired
8 driving assessment programs or other tools de-
9 signed to increase the probability of identifying
10 the recidivism risk of an individual convicted of
11 driving under the influence of cannabis, or a
12 combination of cannabis and another substance,
13 and to determine the most effective mental
14 health or substance abuse treatment or sanction
15 that will reduce that risk;

16 “(D) to develop and implement high-visi-
17 bility enforcement efforts relating to cannabis-
18 impaired driving; and

19 “(E) for court support of high-visibility en-
20 forcement efforts, to train and educate criminal
21 justice professionals (including law enforcement
22 personnel, prosecutors, judges, and probation
23 officers) to assist those professionals in—

24 “(i) handling cannabis-impaired driv-
25 ing cases;

1 “(ii) hiring traffic safety resource
2 prosecutors;

3 “(iii) hiring judicial outreach liaisons;
4 and

5 “(iv) establishing driving while intoxi-
6 cated courts.

7 “(2) Data collection activities, including—

8 “(A) to collect data relating to the use of
9 cannabis, drugs, or multiple substances by driv-
10 ers, including the prevalence of the use of those
11 substances among drivers arrested for impaired
12 driving; and

13 “(B) to increase drug testing and report-
14 ing for all fatal crashes and serious injuries to
15 better understand the scope of cannabis-im-
16 paired driving, or a combination of cannabis
17 and another substance.

18 “(3) Education activities, including—

19 “(A) to develop and carry out educational
20 campaigns to better educate the public about
21 the harms associated with cannabis-impaired
22 driving, including impaired driving associated
23 with the use of cannabis and another substance;
24 and

1 “(B) to participate in national campaigns
2 organized by the Secretary under section
3 223(a)(2) of the Cannabis Administration and
4 Opportunity Act.

5 “(e) PROHIBITION.—The Secretary may prohibit the
6 use of grant funds for an activity described in subsection
7 (d) if the Secretary determines that the activity is ineffec-
8 tive at preventing cannabis-impaired driving after con-
9 ducting an evaluation required under section 223(b) of the
10 Cannabis Administration and Opportunity Act.

11 “(f) GRANT AMOUNTS.—

12 “(1) IN GENERAL.—The allocation of grant
13 funds to a State under this section for a fiscal year
14 shall be in proportion to the apportionment of funds
15 a State receives under section 402(c)(2).

16 “(2) REQUIREMENT.—Not less than 10 percent
17 of the funds allocated to a State under this section
18 shall be used to carry out activities described in sub-
19 section (d)(1)(B).

20 “(g) FEDERAL SHARE.—

21 “(1) IN GENERAL.—For the first 3 fiscal years
22 after the date on which the grant program is estab-
23 lished under subsection (b), and each fiscal year
24 thereafter for a State that meets the condition de-
25 scribed in paragraph (2)(B) during that fiscal year,

1 the Federal share of the costs of activities carried
2 out with a grant awarded under the grant program
3 shall be 80 percent in any fiscal year in which the
4 State is awarded a grant.

5 “(2) DECREASED FEDERAL SHARE.—

6 “(A) IN GENERAL.—For any State that
7 does not meet the condition described in sub-
8 paragraph (B), the Federal share of the costs
9 of activities carried out with a grant awarded
10 under the grant program shall be—

11 “(i) 70 percent in the fourth fiscal
12 year after the date on which the grant pro-
13 gram is established under subsection (b);

14 “(ii) 60 percent in the fifth fiscal year
15 after that date; and

16 “(iii) 50 percent in the sixth fiscal
17 year after that date and each fiscal year
18 thereafter.

19 “(B) CONDITION.—The condition referred
20 to in paragraph (1) and subparagraph (A) is
21 that the State shall implement an open con-
22 tainer law relating to cannabis products.

23 “(h) FUNDING.—In addition to amounts otherwise
24 available, there is appropriated, out of any money in the
25 Treasury not otherwise appropriated, \$45,000,000 for

1 each of fiscal years 2023 through 2027 to carry out this
2 section.”.

3 (b) CLERICAL AMENDMENT.—The analysis for chap-
4 ter 4 of title 23, United States Code, is amended by insert-
5 ing after the item relating to section 408 the following:
“409. State cannabis-impaired driving prevention grant program.”.

6 **SEC. 225. NATIONAL CANNABIS IMPAIRMENT STANDARD.**

7 (a) IN GENERAL.—Not later than 3 years after the
8 date of enactment of this Act, and once every 2 years
9 thereafter, the Secretary shall make a determination as
10 to whether or not it is feasible to establish a national
11 standard for determining impairment for cannabis-im-
12 paired driving.

13 (b) RULEMAKING REQUIRED.—If the Secretary de-
14 termines that establishing a national standard relating to
15 cannabis-impaired driving under subsection (a) is feasible,
16 the Secretary shall, not later than 1 year after that deter-
17 mination, promulgate regulations establishing a model
18 marijuana impairment standard for States.

19 **SEC. 226. FUNDING.**

20 In addition to amounts otherwise available, there is
21 appropriated, out of any money in the Treasury not other-
22 wise appropriated, \$30,000,000 for each of fiscal years
23 2023 through 2027 to carry out sections 222 and 223.

1 **TITLE III—RESTORATIVE**
2 **JUSTICE AND OPPORTUNITY**
3 **Subtitle A—Opportunity Trust**
4 **Fund Programs**

5 **SEC. 301. OPPORTUNITY TRUST FUND PROGRAMS.**

6 (a) CANNABIS JUSTICE OFFICE; COMMUNITY REIN-
7 VESTMENT GRANT PROGRAM.—

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

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

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

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

1 for, any organization, agency, or institution with which the
2 Office makes any contract or other arrangement.

3 “(c) EMPLOYEES.—

4 “(1) IN GENERAL.—The Director shall employ
5 as many full-time employees as are needed to carry
6 out the duties and functions of the Cannabis Justice
7 Office under subsection (d). Such employees shall be
8 exclusively assigned to the Cannabis Justice Office.

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

12 “(A) hire no less than one-third of the
13 total number of employees of the Cannabis Jus-
14 tice Office;

15 “(B) no more than one-half of the employ-
16 ees assigned to the Cannabis Justice Office by
17 term appointment that may after 2 years be
18 converted to career appointment; and

19 “(C) hire at least 1 employee to serve as
20 a Tribal Relations Coordinator.

21 “(3) LEGAL COUNSEL.—At least one employee
22 hired for the Cannabis Justice Office shall serve as
23 legal counsel to the Director and shall provide coun-
24 sel to the Cannabis Justice Office.

1 “(5) youth recreation or mentoring programs;
2 and
3 “(6) health education programs.

4 **“SEC. 3062. DEFINITIONS.**

5 “In this part:

6 “(1) The term ‘cannabis conviction’ means a
7 conviction, or adjudication of juvenile delinquency,
8 for a cannabis offense (as such term is defined in
9 section 3 of the Cannabis Administration and Op-
10 portunity Act).

11 “(2) The term ‘eligible entity’ means a non-
12 profit organization, as described in section 501(c)(3)
13 of the Internal Revenue Code and exempt from tax-
14 ation under section 501(a) of such Code, an Indian
15 Tribe, a Tribal organization (as defined in section 4
16 of the Indian Self-Determination and Education As-
17 sistance Act (25 U.S.C. 5304)), or a Native Hawai-
18 ian-serving entity that is representative of a commu-
19 nity or a significant segment of a community with
20 experience in providing relevant services to individ-
21 uals adversely impacted by the War on Drugs in
22 that community.

23 “(3) The term ‘individual adversely impacted by
24 the War on Drugs’ has the meaning given that term

1 in section 301(b)(1) of the Cannabis Administration
2 and Opportunity Act.

3 “(4) The term ‘Native Hawaiian-serving entity’
4 means—

5 “(A) a Native Hawaiian organization (as
6 defined in section 6207 of the Elementary and
7 Secondary Education Act of 1965 (20 U.S.C.
8 7517));

9 “(B) the Department of Hawaiian Home
10 Lands; and

11 “(C) the Office of Hawaiian Affairs.”.

12 (b) CANNABIS OPPORTUNITY PROGRAM; EQUITABLE
13 LICENSING GRANT PROGRAM.—

14 (1) DEFINITIONS.—In this subsection:

15 (A) ADMINISTRATION; ADMINISTRATOR.—

16 The terms “Administration” and “Adminis-
17 trator” mean the Small Business Administra-
18 tion and the Administrator thereof, respectively.

19 (B) ELIGIBLE INDIAN TRIBE.—The term
20 “eligible Indian Tribe” means an Indian Tribe
21 that has taken steps—

22 (i) to create an automatic process, at
23 no cost to an individual, to expunge, de-
24 stroy, or seal criminal records for cannabis
25 offenses; and

1 (ii) to eliminate violations or other
2 penalties for individuals under parole, pro-
3 bation, pre-trial, or other Tribal criminal
4 supervision for a cannabis offense.

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

8 (i) to create an automatic process, at
9 no cost to an individual, to expunge, de-
10 stroy, or seal criminal records for cannabis
11 offenses; and

12 (ii) to eliminate violations or other
13 penalties for individuals under parole, pro-
14 bation, pre-trial, or other State or local
15 criminal supervision for a cannabis offense.

16 (D) FEDERAL POVERTY LEVEL.—The term
17 “Federal Poverty Level” has the meaning given
18 the term “poverty line” in section 2110(c) of
19 the Social Security Act (42 U.S.C. 1397jj(c)).

20 (E) INDIVIDUAL ADVERSELY IMPACTED BY
21 THE WAR ON DRUGS.—The term “individual
22 adversely impacted by the War on Drugs”
23 means an individual—

24 (i) who has had an income below 250
25 percent of the Federal Poverty Level for

1 not fewer than 5 of the past 10 years, as
2 of the date on which the individual seeks
3 to participate in a program established
4 under this section or an amendment made
5 by this section; and

6 (ii)(I) who has been arrested for, or
7 convicted of, the sale, possession, use,
8 manufacture, or cultivation of cannabis
9 (except for a conviction involving distribu-
10 tion to a minor); or

11 (II) the parent, sibling, spouse, or
12 child of whom has been arrested for, or
13 convicted of, an offense described in sub-
14 clause (I).

15 (F) SMALL BUSINESS CONCERN OWNED
16 AND CONTROLLED BY SOCIALLY AND ECONOMIC-
17 CALLY DISADVANTAGED INDIVIDUALS.—The
18 term “small business concern owned and con-
19 trolled by socially and economically disadvan-
20 taged individuals” has the meaning given the
21 term in section 8(d)(3)(C) of the Small Busi-
22 ness Act (15 U.S.C. 637(d)(3)(C)).

23 (G) STATE.—The term “State” means—

24 (i) each of the several States;

25 (ii) the District of Columbia;

- 1 (iii) the Commonwealth of Puerto
2 Rico; and
3 (iv) any territory or possession of the
4 United States.

5 (2) CANNABIS RESTORATIVE OPPORTUNITY
6 PROGRAM.—

7 (A) IN GENERAL.—The Administrator
8 shall establish and carry out a program, to be
9 known as the “Cannabis Restorative Oppor-
10 tunity Program”, to provide loans and technical
11 assistance under section 7(m) of the Small
12 Business Act (15 U.S.C. 636(m)) to assist
13 small business concerns owned and controlled
14 by socially and economically disadvantaged indi-
15 viduals that operate—

- 16 (i) in eligible States or localities; or
17 (ii) in the jurisdiction of eligible In-
18 dian Tribes.

19 (B) TRIBAL SET ASIDE.—Of the amounts
20 made available to carry out subparagraph (A),
21 5 percent shall be used to provide loans and
22 technical assistance under section 7(m) of the
23 Small Business Act (15 U.S.C. 636(m)) to as-
24 sist small business concerns owned and con-
25 trolled by socially and economically disadvan-

1 tagged individuals that operate in the jurisdic-
2 tion of an eligible Indian Tribe.

3 (3) **EQUITABLE LICENSING GRANT PROGRAM.**—

4 The Administrator shall establish and carry out a
5 grant program, to be known as the “Equitable Li-
6 censing Grant Program”, to provide any eligible
7 State or locality or eligible Indian Tribe funds to de-
8 velop and implement equitable cannabis licensing
9 programs that minimize barriers to cannabis licens-
10 ing and employment for individuals adversely im-
11 pacted by the War on Drugs, provided that each
12 grantee includes in the cannabis licensing program
13 of the grantee not less than 4 of the following ele-
14 ments:

15 (A) A waiver of cannabis license applica-
16 tion fees for an individual who—

17 (i) has had an income below 250 per-
18 cent of the Federal Poverty Level for not
19 fewer than 5 of the 10 years preceding the
20 date on which the individual submits an
21 application; and

22 (ii) is a first-time applicant.

23 (B) A prohibition on the denial of a can-
24 nabis license based on a conviction for a can-
25 nabis offense that took place before the eligible

1 State or locality (or, in the case of a locality,
2 the State in which the locality is located) or eli-
3 gible Indian Tribe legalized the production, dis-
4 tribution, or possession of cannabis or the date
5 of enactment of this Act, as applicable.

6 (C) A prohibition on restrictions for licens-
7 ing relating to criminal convictions except with
8 respect to a criminal conviction related to own-
9 ing and operating a business.

10 (D) A prohibition on cannabis license hold-
11 ers engaging in suspicionless cannabis drug
12 testing of their prospective or current employ-
13 ees, except with respect to drug testing for safe-
14 ty-sensitive positions under part 40 of title 49,
15 Code of Federal Regulations, or any successor
16 regulations.

17 (E) The establishment of a cannabis li-
18 censing board that—

19 (i) is reflective of the racial, ethnic,
20 economic, and gender composition of the
21 eligible State or locality or eligible Indian
22 Tribe;

23 (ii) includes at least 1 representative
24 from an eligible Indian Tribe that has ju-
25 risdiction within that eligible State or lo-

1 cality or that has Tribal jurisdiction, as
2 applicable; and

3 (iii) shall serve as an oversight body
4 of the equitable licensing program.

5 (4) STUDY ON PROGRAMS.—

6 (A) GAO STUDY.—Not later than 1 year
7 after the date of enactment of this Act, and an-
8 nually thereafter, the Comptroller General of
9 the United States, in consultation with the Ad-
10 ministrator, shall conduct a study on the indi-
11 viduals and entities receiving assistance under
12 the Cannabis Restorative Opportunity and Eq-
13 uitable Licensing Programs established under
14 paragraphs (2) and (3), respectively, which
15 shall include—

16 (i) the types of assistance by State;

17 and

18 (ii) a description of—

19 (I) the efforts by the Administra-
20 tion to increase access to capital for
21 cannabis-related small business con-
22 cerns owned and controlled by socially
23 and economically disadvantaged indi-
24 viduals and small business concerns
25 owned and controlled by individuals

1 adversely impacted by the War on
2 Drugs; and

3 (II) the racial, ethnic, economic
4 and gender composition of the eligible
5 State or locality.

6 (B) REPORT.—The Comptroller General of
7 the United States shall submit a report on the
8 results of each study conducted under subpara-
9 graph (A) to—

10 (i) the Committee on Small Business
11 and Entrepreneurship of the Senate;

12 (ii) the Committee on Small Business
13 of the House of Representatives;

14 (iii) the Committee on the Judiciary
15 of the Senate; and

16 (iv) the Committee on the Judiciary of
17 the House of Representatives.

18 (c) APPROPRIATIONS.—

19 (1) COMMUNITY REINVESTMENT GRANT PRO-
20 GRAM.—In addition to amounts otherwise available,
21 there is appropriated, out of any funds in the Treas-
22 ury not otherwise appropriated, \$1,650,000,000 for
23 fiscal year 2023, to remain available until September
24 30, 2027, to carry out the program under part PP
25 of title I of the Omnibus Crime Control and Safe

1 Streets Act of 1968 (34 U.S.C. 10101 et seq.), as
 2 added by subsection (a)(2).

3 (2) CANNABIS RESTORATIVE OPPORTUNITY
 4 PROGRAM.—In addition to amounts otherwise avail-
 5 able, there is appropriated, out of any funds in the
 6 Treasury not otherwise appropriated, \$17,000,000
 7 for fiscal year 2023, to remain available until Sep-
 8 tember 30, 2027, to carry out the program under
 9 subsection (b)(2).

10 (3) EQUITABLE LICENSING GRANT PROGRAM.—
 11 In addition to amounts otherwise available, there is
 12 appropriated, out of any funds in the Treasury not
 13 otherwise appropriated, \$550,000,000 for fiscal year
 14 2023, to remain available until September 30, 2027,
 15 to carry out the program under subsection (b)(3).

16 **SEC. 302. COMPREHENSIVE OPIOID, STIMULANT, AND SUB-**
 17 **STANCE USE DISORDER PROGRAM.**

18 (a) IN GENERAL.—Part LL of title I of the Omnibus
 19 Crime Control and Safe Streets Act of 1968 (34 U.S.C.
 20 10701 et seq.) is amended—

21 (1) in the part heading, by striking “**OPIOID**
 22 **ABUSE GRANT**” and inserting “**OPIOID, STIMU-**
 23 **LANT, AND SUBSTANCE USE DISORDER**”;

24 (2) in section 3021(a) (34 U.S.C. 10701(a))—

1 (A) in paragraph (2), by striking “opioid
2 abuse” and inserting “substance use disorder”;

3 (B) in paragraph (7), by striking “opioid
4 abuse” and inserting “substance use disorder”;
5 and

6 (C) in paragraph (10), by striking “opioid”
7 and inserting “substance misuse and”; and

8 (3) in section 3022(4) (34 U.S.C. 10702(4)), by
9 striking “opioid abuse” and inserting “substance
10 misuse and abuse”.

11 (b) APPROPRIATION.—In addition to amounts other-
12 wise available, there is appropriated, out of any funds in
13 the Treasury not otherwise appropriated, \$200,000,000
14 for each of fiscal years 2023 through 2027 to carry out
15 the program under part LL of title I of the Omnibus
16 Crime Control and Safe Streets Act of 1968, as amended
17 by subsection (a) of this section.

18 **SEC. 303. AVAILABILITY OF SMALL BUSINESS ADMINISTRA-**
19 **TION PROGRAMS AND SERVICES TO CANNABIS-**
20 **RELATED LEGITIMATE BUSINESSES**
21 **AND SERVICE PROVIDERS.**

22 (a) DEFINITIONS RELATING TO CANNABIS-RELATED
23 LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.—
24 Section 3 of the Small Business Act (15 U.S.C. 632) is
25 amended by adding at the end the following:

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

3 “(1) CANNABIS; CANNABIS PRODUCT.—The
4 terms ‘cannabis’ and ‘cannabis product’ have the
5 meanings given those terms in section 201 of the
6 Federal Food, Drug, and Cosmetic Act (21 U.S.C.
7 321).

8 “(2) CANNABIS-RELATED LEGITIMATE BUSI-
9 NESS.—The term ‘cannabis-related legitimate busi-
10 ness’ means a manufacturer, producer, or any per-
11 son or company that is a small business concern and
12 that—

13 “(A) engages in any activity described in
14 subparagraph (B) pursuant to a law established
15 by an Indian tribe (as defined in section
16 8(a)(13)), a State, or a political subdivision of
17 a State, as determined by that Indian tribe (as
18 so defined), State, or political subdivision; and

19 “(B) participates in any business or orga-
20 nized activity that involves handling cannabis or
21 cannabis products, including cultivating, pro-
22 ducing, manufacturing, selling, transporting,
23 displaying, dispensing, distributing, or pur-
24 chasing cannabis or cannabis products.

1 “(3) CANNABIS-RELATED SERVICE PROVIDER.—

2 The term ‘cannabis-related service provider’—

3 “(A) means a business, organization, or
4 other person that—

5 “(i) sells goods or services to a can-
6 nabis-related legitimate business; or

7 “(ii) provides any business services,
8 including the sale or lease of real or any
9 other property, legal or other licensed serv-
10 ices, or any other ancillary service, relating
11 to cannabis; and

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

20 (b) SMALL BUSINESS DEVELOPMENT CENTERS.—

21 Section 21(c) of the Small Business Act (15 U.S.C.
22 648(c)) is amended by adding at the end the following:

23 “(9) SERVICES FOR CANNABIS-RELATED LEGITI-
24 MATE BUSINESSES AND SERVICE PROVIDERS.—A small
25 business development center may not decline to provide

1 services to an otherwise eligible small business concern
2 under this section solely because the concern is a cannabis-
3 related legitimate business or cannabis-related service pro-
4 vider.”.

5 (c) WOMEN’S BUSINESS CENTERS.—Section 29 of
6 the Small Business Act (15 U.S.C. 656) is amended by
7 adding at the end the following:

8 “(p) SERVICES FOR CANNABIS-RELATED LEGITI-
9 MATE BUSINESSES AND SERVICE PROVIDERS.—A wom-
10 en’s business center may not decline to provide services
11 to an otherwise eligible small business concern under this
12 section solely because the concern is a cannabis-related le-
13 gitimate business or cannabis-related service provider.”.

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

21 (e) VETERAN BUSINESS OUTREACH CENTERS.—Sec-
22 tion 32 of the Small Business Act (15 U.S.C. 657b) is
23 amended by adding at the end the following:

24 “(h) SERVICES FOR CANNABIS-RELATED LEGITI-
25 MATE BUSINESSES AND SERVICE PROVIDERS.—A Vet-

1 eran Business Outreach Center may not decline to provide
2 services to an otherwise eligible small business concern
3 under this section solely because the concern is a cannabis-
4 related legitimate business or cannabis-related service pro-
5 vider.”.

6 (f) COMMUNITY NAVIGATORS PILOT PROGRAM.—
7 Section 5004 of the American Rescue Plan Act (Public
8 Law 117–2; 135 Stat. 90) is amended by adding at the
9 end the following:

10 “(e) ASSISTANCE TO CANNABIS-RELATED LEGITI-
11 MATE BUSINESSES AND SERVICE PROVIDERS.—The Ad-
12 ministrator may not decline to make a grant to or enter
13 into a contract or cooperative agreement with an entity
14 under this section solely because the entity is a cannabis-
15 related business or cannabis-related service provider (as
16 defined in section 3 of the Small Business Act (15 U.S.C.
17 632)).”.

18 (g) 7(a) LOANS.—Section 7(a) of the Small Business
19 Act (15 U.S.C. 636(a)) is amended by adding at the end
20 the following:

21 “(38) LOANS TO CANNABIS-RELATED LEGITI-
22 MATE BUSINESSES AND SERVICE PROVIDERS.—The
23 Administrator may not decline to provide a guar-
24 antee for a loan under this subsection, and a lender
25 may not decline to make a loan under this sub-

1 section, to an otherwise eligible small business con-
2 cern solely because the concern is a cannabis-related
3 legitimate business or cannabis-related service pro-
4 vider.”.

5 (h) DISASTER LOANS.—Section 7(b) of the Small
6 Business Act (15 U.S.C. 636(b)) is amended by inserting
7 after paragraph (15) the following:

8 “(16) ASSISTANCE TO CANNABIS-RELATED LE-
9 GITIMATE BUSINESSES AND SERVICE PROVIDERS.—
10 The Administrator may not decline to provide assist-
11 ance under this subsection to an otherwise eligible
12 small business concern solely because the concern is
13 a cannabis-related legitimate business or cannabis-
14 related service provider.”.

15 (i) MICROLOANS.—Section 7(m) of the Small Busi-
16 ness Act (15 U.S.C. 636(m)) is amended by adding at the
17 end the following:

18 “(14) ASSISTANCE TO CANNABIS-RELATED LE-
19 GITIMATE BUSINESSES AND SERVICE PROVIDERS.—
20 The Administrator may not decline to make a loan
21 or a grant under this subsection, and an eligible
22 intermediary may not decline to provide assistance
23 under this subsection to an otherwise eligible bor-
24 rower, eligible intermediary, or eligible nonprofit en-
25 tity (as applicable) solely because such borrower,

1 intermediary, or nonprofit entity is a cannabis-re-
2 lated legitimate business or cannabis-related service
3 provider.”.

4 (j) SMALL BUSINESS INVESTMENT COMPANY DE-
5 BENTURES TO FINANCE CANNABIS-RELATED LEGITI-
6 MATE BUSINESSES AND SERVICE PROVIDERS.—Part A of
7 title III of the Small Business Investment Act of 1958
8 (15 U.S.C. 681 et seq.) is amended by adding at the end
9 the following:

10 **“SEC. 321. DEBENTURES TO FINANCE CANNABIS-RELATED**
11 **LEGITIMATE BUSINESSES AND SERVICE PRO-**
12 **VIDERS.**

13 “(a) GUARANTEES.—The Administrator may not de-
14 cline to purchase or guarantee a debenture made under
15 this title to an otherwise eligible small business investment
16 company solely because such small business investment
17 company provides financing to an entity that is a can-
18 nabis-related legitimate business or cannabis-related serv-
19 ice provider (as defined in section 3 of the Small Business
20 Act (15 U.S.C. 632)).

21 “(b) OTHER ASSISTANCE.—A small business invest-
22 ment company may not decline to provide assistance under
23 this title to an otherwise eligible small business concern
24 solely because the small business concern is a cannabis-
25 related legitimate business or cannabis-related service pro-

1 vider (as defined in section 3 of the Small Business Act
2 (15 U.S.C. 632)).”.

3 (k) STATE OR LOCAL DEVELOPMENT COMPANY
4 LOANS.—Title V of the Small Business Investment Act
5 of 1958 (15 U.S.C. 695 et seq.) is amended by adding
6 at the end the following:

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

9 “(a) LOANS AND LOAN GUARANTEES.—The Admin-
10 istrator may not decline to make or provide a guarantee
11 for a loan under this title to an otherwise eligible qualified
12 State, Tribal, or local development company solely because
13 such qualified State, Tribal, or local development company
14 provides financing to an entity that is a cannabis-related
15 legitimate business or cannabis-related service provider (as
16 defined in section 3 of the Small Business Act (15 U.S.C.
17 632)).

18 “(b) OTHER ASSISTANCE.—A qualified State or local
19 development company may not decline to provide assist-
20 ance under this title to an otherwise eligible small business
21 concern solely because such small business concern is a
22 cannabis-related legitimate business or cannabis-related
23 service provider (as defined in section 3 of the Small Busi-
24 ness Act (15 U.S.C. 632)).”.

1 **SEC. 304. DEMOGRAPHIC DATA OF CANNABIS BUSINESS**
2 **OWNERS AND EMPLOYEES.**

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

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

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

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

12 (1) age;

13 (2) certifications and licenses;

14 (3) disability status;

15 (4) educational attainment;

16 (5) family and marital status;

17 (6) nativity;

18 (7) race and Hispanic ethnicity;

19 (8) school enrollment;

20 (9) veteran status; and

21 (10) sex.

22 (c) CONFIDENTIALITY.—Notwithstanding any other
23 provision in this section, the name, address, and other
24 identifying information of an individual described in sub-
25 section (a) shall be kept confidential by the Bureau of
26 Labor Statistics and not be made available to the public.

1 (d) DEFINITIONS.—In this section:

2 (1) CANNABIS.—The term “cannabis” has the
3 meaning given such term in section 3.

4 (2) CANNABIS INDUSTRY.—The term “cannabis
5 industry” means the industry, in any State, jurisdic-
6 tion of an Indian Tribe, or locality in the United
7 States, in which an individual or entity—

8 (A) conducts businesses pursuant to a per-
9 mit issued under section 302 of the Federal Al-
10 cohol Administration Act, as added by section
11 511; or

12 (B) is otherwise licensed or permitted
13 under the law in such State, jurisdiction of such
14 Indian Tribe, or law in such locality to engage
15 in a commercial cannabis-related activity.

16 (3) OWNER.—The term “owner”, with respect
17 to a business, means an individual or entity that is
18 defined as an owner under the State, Tribal, or local
19 law where the individual or entity is licensed or per-
20 mitted to operate such business.

21 (4) STATE.—The term “State” means—

22 (A) each of the several States;

23 (B) the District of Columbia;

24 (C) the Commonwealth of Puerto Rico;

25 and

1 (D) any territory or possession of the
2 United States.

3 **SEC. 305. PILOT PROGRAM.**

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

6 “(o) PILOT PROGRAM.—

7 “(1) DEFINITIONS.—In this subsection:

8 “(A) ELIGIBLE INTERMEDIARY.—The term
9 ‘eligible intermediary’ means—

10 “(i) a private, nonprofit entity, includ-
11 ing a private, nonprofit community devel-
12 opment corporation, a consortium of pri-
13 vate, nonprofit organizations or nonprofit
14 community development corporations, and
15 an agency of or nonprofit entity estab-
16 lished by a Native American Tribal Gov-
17 ernment, that—

18 “(I) seeks or has been awarded a
19 loan from the Administrator to make
20 loans to small business concerns
21 under this subsection; and

22 “(II) has not less than 1 year of
23 experience making loans to startup or
24 socially and economically disadvan-
25 taged small business concerns;

1 “(ii) a community development finan-
2 cial institution, as defined in section 103 of
3 the Community Development Banking and
4 Financial Institutions Act of 1994 (12
5 U.S.C. 4702); and

6 “(iii) a minority depository institution,
7 as defined in section 308 of the Financial
8 Institutions Reform, Recovery, and En-
9 forcement Act of 1989 (12 U.S.C. 1463
10 note).

11 “(B) INDIVIDUAL ADVERSELY IMPACTED
12 BY THE WAR ON DRUGS.—The term ‘individual
13 adversely impacted by the War on Drugs’ has
14 the meaning given the term in section 301(b) of
15 the Cannabis Administration and Opportunity
16 Act.

17 “(C) PROGRAM.—The term ‘Program’
18 means the small business intermediary lending
19 pilot program established under paragraph (2).

20 “(D) SOCIALLY AND ECONOMICALLY DIS-
21 ADVANTAGED SMALL BUSINESS CONCERN.—The
22 term ‘socially and economically disadvantaged
23 small business concern’ has the meaning given
24 the term in section 8(a)(4)(A).

1 “(2) ESTABLISHMENT.—There is established a
2 10-year small business intermediary lending pilot
3 program under which the Administrator may—

4 “(A) make direct loans to eligible inter-
5 mediaries for the purpose of making loans to
6 startup small business concerns, small business
7 concerns owned and controlled by individuals
8 adversely impacted by the War on Drugs, or so-
9 cially and economically disadvantaged small
10 business concerns; and

11 “(B) in conjunction with the direct loans
12 described in subparagraph (A), make grants to
13 eligible intermediaries for the purpose of pro-
14 viding intensive marketing, management, regu-
15 latory compliance, and technical assistance to
16 the small business concerns described in sub-
17 paragraph (A) that receive a loan under this
18 subsection.

19 “(3) LOANS TO ELIGIBLE INTERMEDIARIES.—

20 “(A) APPLICATION.—Each eligible inter-
21 mediary desiring a loan under this subsection
22 shall submit an application to the Adminis-
23 trator that describes—

24 “(i) the type of small business con-
25 cerns to be assisted;

1 “(ii) the size and range of loans to be
2 made;

3 “(iii) the interest rate and terms of
4 loans to be made;

5 “(iv) the geographic area to be served
6 and the economic, poverty, and unemploy-
7 ment characteristics of the area;

8 “(v) the status of small business con-
9 cerns in the area to be served and an anal-
10 ysis of the availability of credit;

11 “(vi) the marketing, management,
12 regulatory compliance, and other technical
13 assistance to be provided in connection
14 with a loan made under this subsection;
15 and

16 “(vii) the qualifications of the appli-
17 cant to carry out this subsection.

18 “(B) LOAN LIMITS.—No loan may be
19 made to an eligible intermediary under this sub-
20 section if the total amount outstanding and
21 committed to the eligible intermediary by the
22 Administrator would, as a result of such loan,
23 exceed \$10,000,000 during the participation of
24 the eligible intermediary in the Program.

1 “(C) LOAN DURATION.—Loans made by
2 the Administrator under this subsection shall be
3 for a term of 20 years.

4 “(D) APPLICABLE INTEREST RATE.—
5 Loans made by the Administrator to an eligible
6 intermediary under the Program shall bear an
7 annual interest rate equal to the interest rate
8 described in subsection (m)(3)(F)(ii).

9 “(E) FEES; COLLATERAL.—The Adminis-
10 trator may not charge any fees or require col-
11 lateral with respect to any loan made to an eli-
12 gible intermediary under this subsection.

13 “(F) DELAYED PAYMENTS.—The Adminis-
14 trator shall not require the repayment of prin-
15 cipal or interest on a loan made to an eligible
16 intermediary under the Program during the 2-
17 year period beginning on the date of the initial
18 disbursement of funds under that loan.

19 “(G) MAXIMUM PARTICIPANTS AND
20 AMOUNTS.—During each fiscal years, the Ad-
21 ministrator may make loans under the Pro-
22 gram—

23 “(i) to not more than 30 eligible inter-
24 mediaries; and

1 “(ii) in a total amount of not more
2 than \$300,000,000.

3 “(4) LOANS TO SMALL BUSINESS CONCERNS.—

4 “(A) IN GENERAL.—The Administrator,
5 through an eligible intermediary, shall make
6 loans to the small business concerns described
7 in paragraph (2) for eligible uses under sub-
8 section (a).

9 “(B) MAXIMUM LOAN.—An eligible inter-
10 mediary may not make a loan under this sub-
11 section of more than \$200,000 to any 1 small
12 business concern.

13 “(C) APPLICABLE INTEREST RATES.—

14 “(i) IN GENERAL.—Subject to clause
15 (ii), a loan made by an eligible inter-
16 mediary to a small business concern under
17 this subsection—

18 “(I) may have a fixed or a vari-
19 able interest rate; and

20 “(II) shall bear an interest rate
21 specified by the eligible intermediary
22 in the application of the eligible inter-
23 mediary for a loan under this sub-
24 section.

1 “(ii) RESTRICTIONS.—The Adminis-
2 trator may limit the interest rate or pro-
3 vide forbearance or deferment on repay-
4 ment of a loan made by an eligible inter-
5 mediary to a small business concern under
6 this section.

7 “(D) REVIEW RESTRICTIONS.—The Ad-
8 ministrators may not review individual loans
9 made by an eligible intermediary to a small
10 business concern before approval of the loan by
11 the eligible intermediary.

12 “(5) FUNDING.—In addition to amounts other-
13 wise available, there is appropriated, out of any
14 funds in the Treasury not otherwise appropriated,
15 for fiscal year 2023, to remain available until Sep-
16 tember 30, 2027—

17 “(A) \$90,000,000 to carry out paragraph
18 (2)(A); and

19 “(B) \$41,000,000 to carry out paragraph
20 (2)(B).

21 “(6) TERMINATION.—The authority of the Ad-
22 ministrators to make loans under the Program shall
23 terminate on the date that is 10 years after the date
24 of enactment of this subsection.

1 “(7) SENSE OF THE SENATE.—It is the sense
2 of the Senate that the Administrator should issue
3 regulations to ensure that the processing and dis-
4 bursement of loans under this subsection prioritizes
5 individuals adversely impacted by the War on
6 Drugs.”.

7 **SEC. 306. ELIMINATING DISPARITIES AMONG CANNABIS-RE-**
8 **LATED LEGITIMATE BUSINESSES AND SERV-**
9 **ICE PROVIDERS.**

10 (a) DEFINITIONS.—In this section—

11 (1) the terms “cannabis-related legitimate busi-
12 ness” and “cannabis-related service provider” have
13 the meanings given those terms in section 3 of the
14 Small Business Act (15 U.S.C. 632), as added by
15 section 303; and

16 (2) the term “individual adversely impacted by
17 the War on Drugs” has the meaning given the term
18 in section 301(b).

19 (b) REVIEW.—The Administrator of the Small Busi-
20 ness Administration—

21 (1) shall review regulations, policies, and guid-
22 ance of the Administration to eliminate disparities
23 for cannabis-related legitimate businesses and can-
24 nabis-related service providers, including by reducing
25 regulatory burdens and increasing loan eligibility for

1 minority businesses and individuals adversely im-
 2 pacted by the War on Drugs; and

3 (2) in carrying out paragraph (1), may consider
 4 effective, State-level systems designed to eliminate
 5 disparities for cannabis-related legitimate businesses
 6 and cannabis-related service providers.

7 **Subtitle B—Restorative Justice**

8 **SEC. 311. RESENTENCING AND EXPUNGEMENT.**

9 (a) **EXPUNGEMENT OF FEDERAL CANNABIS OF-**
 10 **FENSE CONVICTIONS FOR INDIVIDUALS NOT UNDER A**
 11 **CRIMINAL JUSTICE SENTENCE.—**

12 (1) **IN GENERAL.—**Not later than 1 year after
 13 the date of the enactment of this Act, each Federal
 14 district shall conduct a comprehensive review and
 15 issue an order expunging each conviction or adju-
 16 dication of juvenile delinquency for a Federal can-
 17 nabis offense entered by each Federal court in the
 18 district before the date of enactment of this Act and
 19 on or after May 1, 1971. Each Federal court shall
 20 also issue an order expunging any arrests associated
 21 with each expunged conviction or adjudication of ju-
 22 venile delinquency.

23 (2) **NOTIFICATION.—**To the extent practicable,
 24 each Federal district shall notify each individual
 25 whose arrest, conviction, or adjudication of delin-

1 quency has been expunged pursuant to this sub-
2 section that their arrest, conviction, or adjudication
3 of juvenile delinquency has been expunged, and the
4 effect of such expungement.

5 (3) RIGHT TO PETITION COURT FOR
6 EXPUNGEMENT.—At any point after the date of en-
7 actment of this Act, any individual with a prior con-
8 viction or adjudication of juvenile delinquency for a
9 Federal cannabis offense, who is not under a crimi-
10 nal justice sentence, may file a motion for
11 expungement. If the expungement of such a convic-
12 tion or adjudication of juvenile delinquency is re-
13 quired pursuant to this Act, the court shall expunge
14 the conviction or adjudication, and any associated
15 arrests. If the individual is indigent, counsel shall be
16 appointed to represent the individual in any pro-
17 ceedings under this subsection.

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

23 (5) CERTIFICATION.—The court shall provide a
24 certificate to the individual receiving expungement
25 for a prior Federal cannabis offense. Any records of

1 this certification shall be sealed under paragraph
2 (4).

3 (b) EFFECT OF EXPUNGEMENT.—An individual who
4 has had an arrest, a conviction, or juvenile delinquency
5 adjudication expunged under this section—

6 (1) may treat the arrest, conviction, or adju-
7 dication as if it never occurred;

8 (2) shall be immune from any civil or criminal
9 penalties related to perjury, false swearing, or false
10 statements, for a failure to disclose such arrest, con-
11 viction, or adjudication; and

12 (3) shall not be subject to any loss of Federal
13 benefits related to the expunged cannabis offense.

14 (c) EXCEPTION.—An individual who at sentencing re-
15 ceived an aggravating role adjustment pursuant to section
16 3B1.1(a) of the United States Sentencing Guidelines in
17 relation to a Federal cannabis offense conviction shall not
18 be eligible for expungement of that Federal cannabis of-
19 fense conviction under this section, unless a Federal court
20 conducting the sentencing review finds mitigating factors
21 to warrant expungement, including the age of the indi-
22 vidual at the time of the arrest, conviction, or adjudica-
23 tion, the role of the individual in the offense, or whether
24 it was the first Federal cannabis offense committed by the
25 individual.

1 (d) DEFINITIONS.—In this section:

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

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

10 (3) The term “under a criminal justice sen-
11 tence” means, with respect to an individual, that the
12 individual is serving a term of probation, parole, su-
13 pervised release, imprisonment, official detention,
14 pre-release custody, or work release, pursuant to a
15 sentence or disposition of juvenile delinquency im-
16 posed on or after May 1, 1971.

17 (e) STUDY.—The Comptroller General of the United
18 States, in consultation with the Secretary of Health and
19 Human Services, shall conduct a demographic study of in-
20 dividuals convicted of a Federal cannabis offense. Such
21 study shall include information about the age, race, eth-
22 nicity, sex, and gender identity of those individuals, the
23 type of community such users dwell in, and such other
24 demographic information as the Comptroller General de-
25 termines should be included.

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

5 **SEC. 312. NO DISCRIMINATION IN THE PROVISION OF A**
6 **FEDERAL PUBLIC BENEFIT ON THE BASIS OF**
7 **CANNABIS.**

8 (a) IN GENERAL.—No person may be denied any
9 Federal public benefit (as such term is defined in section
10 401(c) of the Personal Responsibility and Work Oppor-
11 tunity Reconciliation Act of 1996 (8 U.S.C. 1611(e))) on
12 the basis of any use or possession of cannabis, or on the
13 basis of a conviction or adjudication of juvenile delin-
14 quency for a cannabis offense, by that person.

15 (b) SECURITY CLEARANCES.—A Federal agency may
16 not grant, deny, or rescind a security clearance based sole-
17 ly on past or present cannabis use.

18 **SEC. 313. NO ADVERSE EFFECT FOR PURPOSES OF THE IM-**
19 **MIGRATION LAWS.**

20 (a) IN GENERAL.—For purposes of the immigration
21 laws (as defined in section 101 of the Immigration and
22 Nationality Act (8 U.S.C. 1101(a))), cannabis may not be
23 considered a controlled substance, and an alien may not
24 be denied any benefit or protection under the immigration
25 laws based on any event, including conduct, a finding, an

1 admission, addiction or abuse, an arrest, a juvenile adju-
2 dication, or a conviction, relating to cannabis, regardless
3 of whether the event occurred before, on, or after the ef-
4 fective date of this Act.

5 (b) AMENDMENTS TO THE IMMIGRATION AND NA-
6 TIONALITY ACT.—The Immigration and Nationality Act
7 (8 U.S.C. 1101 et seq.) is amended—

8 (1) in section 101(f)(3) (8 U.S.C. 1101(f)(3)),
9 by striking “(except as such paragraph relates to a
10 single offense of simple possession of 30 grams or
11 less of marihuana)”;

12 (2) in section 210(e)(2)(B)(ii)(III) (8 U.S.C.
13 1160(e)(2)(B)(ii)(III)), by striking “, except for so
14 much of such paragraph as relates to a single of-
15 fense of simple possession of 30 grams or less of
16 marihuana”;

17 (3) in section 212(h) (8 U.S.C. 1182(h)), by
18 striking “and subparagraph (A)(i)(II) of such sub-
19 section insofar as it relates to a single offense of
20 simple possession of 30 grams or less of marijuana”;

21 (4) in section 237(a)(2)(B)(i) (8 U.S.C.
22 (a)(2)(B)(i)), by striking “, other than a single of-
23 fense involving possession for one’s own use of 30
24 grams or less of marijuana”;

1 (5) in section 240(c)(6) (8 U.S.C. 1229a(c)(6)),
2 by amending subparagraphs (A) and (B) to read as
3 follows:

4 “(A) RIGHT TO FILE.—

5 “(i) IN GENERAL.—Except as pro-
6 vided in clause (ii), a noncitizen may file 1
7 motion to reconsider a decision that the
8 alien is removable from the United States.

9 “(ii) REMOVAL ORDERS IMPACTED BY
10 CANNABIS OFFENSES.—In addition to the
11 motion authorized under clause (i), a re-
12 moval order shall be reconsidered upon a
13 motion filed at any time by a noncitizen
14 demonstrating that—

15 “(I) such order was based, in
16 whole or in part, on an offense relat-
17 ing to cannabis that rendered the non-
18 citizen deportable or inadmissible; or

19 “(II) an offense relating to can-
20 nabis—

21 “(aa) rendered the noncit-
22 izen ineligible for a benefit or re-
23 lief under this Act; or

1 “(bb) formed all or part of
2 the basis for the denial of a ben-
3 efit or relief under this Act.

4 “(B) DEADLINE.—A motion to reconsider
5 under subparagraph (A)(i) shall be filed not
6 later than 30 days after the date of entry of the
7 relevant final administrative order of removal.”;

8 (6) in section 244(c)(2)(A)(iii)(II) (8 U.S.C.
9 1254a(c)(2)(A)(iii)(II)) by striking “, except for so
10 much of such paragraph as relates to a single of-
11 fense of simple possession of 30 grams or less of
12 marijuana”;

13 (7) in section 245(h)(2)(B) (8 U.S.C.
14 1255(h)(2)(B)) by striking “(except for so much of
15 such paragraph as related to a single offense of sim-
16 ple possession of 30 grams or less of marijuana)”;
17 and

18 (8) in section 245A(d)(2)(B)(ii)(II) (8 U.S.C.
19 1255a(d)(2)(B)(ii)(II)) by striking “, except for so
20 much of such paragraph as relates to a single of-
21 fense of simple possession of 30 grams or less of
22 marihuana”.

1 **SEC. 314. PROVISION BY HEALTH CARE PROVIDERS OF THE**
2 **DEPARTMENT OF VETERANS AFFAIRS OF**
3 **RECOMMENDATIONS AND OPINIONS RE-**
4 **GARDING VETERAN PARTICIPATION IN CAN-**
5 **NABIS PROGRAMS.**

6 Not later than 180 days after the date of the enact-
7 ment of this Act, the Secretary of Veterans Affairs shall
8 update all applicable regulations, guidance, memoranda,
9 and policies of the Department of Veterans Affairs to au-
10 thorize physicians and other health care providers em-
11 ployed by the Department—

12 (1) to provide recommendations and opinions to
13 veterans regarding the participation of such veterans
14 in cannabis programs authorized under State or
15 Federal law; and

16 (2) to complete forms reflecting such rec-
17 ommendations and opinions.

18 **SEC. 315. PROVISION BY HEALTH CARE PROVIDERS OF IN-**
19 **DIAN HEALTH PROGRAMS OF RECOMMENDA-**
20 **TIONS AND OPINIONS REGARDING PARTICI-**
21 **PATION IN CANNABIS PROGRAMS.**

22 Not later than 180 days after the date of enactment
23 of this Act, the Director of the Indian Health Service shall
24 update all applicable regulations, guidance, memoranda,
25 and policies of the Indian Health Service to authorize
26 health care providers (as defined in section 805(a) of the

1 Indian Health Care Improvement Act (25 U.S.C.
2 1675(a))—

3 (1) to provide recommendations and opinions to
4 patients relating to the participation of those pa-
5 tients in State or Tribal cannabis programs author-
6 ized under Federal or State law; and

7 (2) to complete forms reflecting those rec-
8 ommendations and opinions.

9 **TITLE IV—TAXATION AND ES-**
10 **TABLISHMENT OF TRUST**
11 **FUND**

12 **SEC. 401. CREATION OF OPPORTUNITY TRUST FUND AND**
13 **IMPOSITION OF TAXES WITH RESPECT TO**
14 **CANNABIS PRODUCTS.**

15 (a) CANNABIS REVENUE AND REGULATION ACT.—
16 Subtitle E of the Internal Revenue Code of 1986 is
17 amended by adding at the end the following new chapter:

18 **“CHAPTER 56—CANNABIS PRODUCTS**

“SUBCHAPTER A. TAX ON CANNABIS PRODUCTS

“SUBCHAPTER B. AUTHORIZATION AND BOND REQUIREMENTS

“SUBCHAPTER C. OPERATIONS

“SUBCHAPTER D. PENALTIES

19 **“Subchapter A—Tax on Cannabis Products**

“Sec. 5901. Imposition of tax.

“Sec. 5902. Definitions.

“Sec. 5903. Liability and method of payment.

“Sec. 5904. Exemption from tax; transfers in bond.

“Sec. 5905. Credit, refund, or drawback of tax.

1 **“SEC. 5901. IMPOSITION OF TAX.**

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

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

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

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

15 “(1) For any cannabis product sold during the
16 first 2 calendar years in which this chapter becomes
17 effective, 10 percent.

18 “(2) For any cannabis product sold during the
19 calendar year after the period described in para-
20 graph (1), 15 percent.

21 “(3) For any cannabis product sold during the
22 calendar year after the period described in para-
23 graph (2), 20 percent.

24 “(4) For any cannabis product sold during the
25 calendar year after the period described in para-
26 graph (3), 25 percent.

1 “(c) APPLICABLE EQUIVALENT AMOUNT.—

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

7 “(A) in the case of any cannabis product
8 not described in subparagraph (B), the product
9 of the applicable rate per ounce multiplied by
10 the number of ounces of such product (and a
11 proportionate tax at the like rate on all frac-
12 tional parts of an ounce of such product), and

13 “(B) in the case of any THC product, the
14 product of the applicable rate per gram multi-
15 plied by the number of grams of
16 tetrahydrocannabinol in such product (and a
17 proportionate tax at the like rate on all frac-
18 tional parts of a gram of tetrahydrocannabinol
19 in such product).

20 “(2) APPLICABLE RATES.—

21 “(A) IN GENERAL.—For purposes of para-
22 graph (1)(A), the term ‘applicable rate per
23 ounce’ means, with respect to any cannabis
24 product removed during any calendar year, 25
25 percent of the prevailing sales price of cannabis

1 flowers sold in the United States during the 12-
2 month period ending one calendar quarter be-
3 fore such calendar year, expressed on a per
4 ounce basis, as determined by the Secretary.

5 “(B) THC PRODUCTS.—For purposes of
6 paragraph (1)(B), the term ‘applicable rate per
7 gram’ means, with respect to any cannabis
8 product removed during any calendar year, 25
9 percent of the prevailing sales price of
10 tetrahydrocannabinol sold in the United States
11 during the 12-month period ending one cal-
12 endar quarter before such calendar year, ex-
13 pressed on a per gram basis, as determined by
14 the Secretary.

15 “(d) TIME OF ATTACHMENT ON CANNABIS PROD-
16 UCTS; LIEN FOR TAX.—

17 “(1) TIME OF ATTACHMENT.—The tax under
18 this section shall attach to any cannabis product as
19 soon as such product is in existence as such, wheth-
20 er it be subsequently separated or transferred into
21 any other substance, either in the process of original
22 production or by any subsequent process.

23 “(2) LIEN FOR TAX.—

24 “(A) IN GENERAL.—The tax imposed by
25 this section shall be a first lien on the cannabis

1 product from the time the product is in exist-
2 ence as such until the tax is paid.

3 “(B) EXCEPTIONS.—The lien imposed by
4 this paragraph shall terminate in the case of
5 products produced at a cannabis production fa-
6 cility when such products are—

7 “(i) withdrawn from bonded premises
8 on determination of tax,

9 “(ii) withdrawn from bonded premises
10 free of tax under provisions of section
11 5904(a), or

12 “(iii) exported, deposited in a foreign-
13 trade zone, or deposited in a customs
14 bonded warehouse.

15 “(e) CREDIT FOR QUALIFIED DOMESTIC MANUFAC-
16 TURERS.—

17 “(1) IN GENERAL.—In the case of a qualified
18 domestic manufacturer of cannabis products, there
19 shall be allowed as a credit against any tax imposed
20 by subsection (a) for the calendar year an amount
21 equal to 50 percent of the applicable tax amount for
22 such calendar year.

23 “(2) APPLICABLE TAX AMOUNT.—

1 “(A) IN GENERAL.—For purposes of this
2 subsection, the applicable tax amount shall be
3 an amount equal to the lesser of—

4 “(i) the amount of any tax imposed by
5 subsection (a) for the calendar year, or

6 “(ii) the phase-in amount.

7 “(B) PHASE-IN AMOUNT.—For purposes of
8 subparagraph (A), the phase-in amount shall be
9 an amount equal to—

10 “(i) for the calendar year which in-
11 cludes the date on which this chapter first
12 becomes effective, \$2,000,000,

13 “(ii) for the first calendar year subse-
14 quent to the calendar year described in
15 clause (i), \$2,000,000,

16 “(iii) for the second calendar year
17 subsequent to the calendar year described
18 in clause (i), \$3,000,000,

19 “(iv) for the third calendar year sub-
20 sequent to the calendar year described in
21 clause (i), \$4,000,000, and

22 “(v) for any calendar years subse-
23 quent to the calendar year described in
24 clause (iv), \$5,000,000.

1 “(3) CREDIT NOT ALLOWED FOR CANNABIS RE-
2 CEIVED IN BOND, IMPORTED, SMUGGLED, OR ILLE-
3 GALLY PRODUCED.—

4 “(A) IN GENERAL.—The credit under this
5 subsection shall not apply in the case of any
6 cannabis which is—

7 “(i) received in bond,

8 “(ii) imported,

9 “(iii) smuggled into the United
10 States, or

11 “(iv) produced other than as author-
12 ized by this chapter.

13 “(B) SUBSTANTIAL PROCESSING EXCEP-
14 TION.—Subparagraph (A)(i) shall not apply
15 with respect to any cannabis which is trans-
16 ferred in bond solely as unprocessed plant mat-
17 ter if such cannabis is processed by the tax-
18 payer to produce an extract which contains no
19 plant matter.

20 “(C) CONTRACT PACKAGING AND LABEL-
21 ING EXCEPTION.—In the case of cannabis
22 transferred in bond from the person who pro-
23 duced such cannabis (hereinafter referred to as
24 ‘transferor’) to another person for packaging or
25 labeling of such cannabis, and returned to the

1 transferor for removal, subparagraph (A)(i)
2 shall not apply, but only if the transferor re-
3 tains title during the entire period between such
4 production and removal.

5 “(4) SINGLE TAXPAYER.—Pursuant to rules
6 issued by the Secretary, 2 or more entities (whether
7 or not under common control) that produce any can-
8 nabis product under a license, franchise, or other ar-
9 rangement shall be treated as a single taxpayer for
10 purposes of the application of this subsection.

11 “(5) TIME FOR DETERMINING AND ALLOWING
12 CREDIT.—The credit allowable by paragraph (1)—

13 “(A) shall be determined at the same time
14 the tax is determined under subsection (a) of
15 this section, and

16 “(B) shall be allowable at the time the tax
17 described in such subsection is payable as if the
18 credit allowable by this subsection constituted a
19 reduction in the rate of such tax.

20 “(6) CONTROLLED GROUPS.—Rules similar to
21 rules of section 5051(a)(5) shall apply for purposes
22 of this subsection.

23 **“SEC. 5902. DEFINITIONS.**

24 “(a) DEFINITIONS RELATED TO CANNABIS PROD-
25 UCTS.—For purposes of this subtitle—

1 “(1) CANNABIS; CANNABIS PRODUCT.—The
2 terms ‘cannabis’ and ‘cannabis product’ have the
3 same meaning given such terms under subsection
4 (ss) of section 201 of the Federal Food, Drug, and
5 Cosmetic Act (21 U.S.C. 321).

6 “(2) CANNABIS FLOWER.—The term ‘cannabis
7 flower’ means any cannabis plant product consisting
8 of the flower of the plant *Cannabis sativa* L., or any
9 other part of such plant with significant concentra-
10 tions of tetrahydrocannabinol as designated by the
11 Secretary.

12 “(3) CANNABIS PLANT PRODUCT.—The term
13 ‘cannabis plant product’ means any part of the plant
14 *Cannabis sativa* L. which—

15 “(A) is a cannabis product, and

16 “(B) does not contain any cannabis that
17 has been processed, extracted, or concentrated
18 (other than harvesting, drying, curing, or trim-
19 ming).

20 “(4) THC PRODUCT.—The term ‘THC product’
21 means any cannabis product other than a cannabis
22 plant product.

23 “(5) TETRAHYDROCANNABINOL.—The term
24 ‘tetrahydrocannabinol’ means total
25 tetrahydrocannabinol equivalent (as defined in para-

1 graph (1)(B) of section 297A of the Agricultural
2 Marketing Act of 1946 (7 U.S.C. 1639o)).

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

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

8 “(2) PRODUCER.—

9 “(A) IN GENERAL.—The term ‘producer’
10 means any person who plants, cultivates, har-
11 vests, grows, manufactures, produces, com-
12 pounds, converts, processes, prepares, or pack-
13 ages any cannabis product.

14 “(B) PERSONAL USE EXCEPTION.—Subject
15 to such regulations as the Secretary shall pre-
16 scribe, the term ‘producer’ shall not include any
17 individual otherwise described in subparagraph
18 (A) if the only cannabis product described in
19 such subparagraph with respect to such indi-
20 vidual is for personal or family use and not for
21 sale, provided—

22 “(i) such individual is solely involved
23 in the planting, cultivation, and growing of
24 such cannabis,

1 “(ii) the planting, cultivation, and
2 growing of such cannabis occurs only in
3 such individual’s dwelling house, or in any
4 shed, yard, or inclosure connected with
5 such individual’s dwelling house, and

6 “(iii) the quantity of cannabis prod-
7 ucts planted, cultivated, and grown by such
8 individual does not exceed the personal use
9 production limitations determined by the
10 Secretary as are necessary to protect the
11 public and protect the revenue.

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

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

18 “(B) removes cannabis products for sale or
19 consumption in the United States from a cus-
20 toms bonded warehouse, or

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

24 “(4) EXPORT WAREHOUSE PROPRIETOR.—

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

4 “(B) EXPORT WAREHOUSE.—The term
5 ‘export warehouse’ means a bonded internal
6 revenue warehouse for the storage of cannabis
7 products, upon which the internal revenue tax
8 has not been paid—

9 “(i) for subsequent shipment to a for-
10 foreign country or a possession of the United
11 States, or

12 “(ii) for consumption beyond the ju-
13 risdiction of the internal revenue laws of
14 the United States.

15 “(5) CANNABIS PRODUCTION FACILITY.—The
16 term ‘cannabis production facility’ means an estab-
17 lishment which is qualified under subchapter B to
18 perform any operation for which such qualification is
19 required under such subchapter.

20 “(c) OTHER DEFINITIONS.—For purposes of this
21 chapter—

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

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

1 “(A) the transfer of cannabis products
2 from the premises of a producer (or the trans-
3 fer of such products from the bonded premises
4 of a producer to a non-bonded premises of such
5 producer),

6 “(B) release of such products from cus-
7 toms custody, or

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

10 “(3) REMOVAL PRICE.—The term ‘removal
11 price’ means—

12 “(A) except as otherwise provided in this
13 paragraph, the price for which the cannabis
14 product is sold in the sale which occurs in con-
15 nection with the removal of such product,

16 “(B) in the case of any such sale which is
17 described in section 5903(e), the price deter-
18 mined under such section, and

19 “(C) if there is no sale which occurs in
20 connection with such removal, the price which
21 would be determined under section 5903(e) if
22 such product were sold at a price which cannot
23 be determined.

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

25 “(a) LIABILITY FOR TAX.—

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

4 “(2) TRANSFER OF LIABILITY.—

5 “(A) IN GENERAL.—When cannabis prod-
6 ucts are transferred, without payment of tax,
7 pursuant to subsection (b) or (c) of section
8 5904—

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

15 “(ii) in the case of cannabis products
16 which are released in bond from customs
17 custody for transfer to the bonded prem-
18 ises of a producer, the transferee shall be-
19 come liable for the tax on such articles
20 upon release from customs custody, and
21 the importer shall thereupon be relieved of
22 their liability for such tax.

23 “(B) RETURNED TO BOND.—All provisions
24 of this chapter applicable to cannabis products
25 in bond shall be applicable to such articles re-

1 turned to bond upon withdrawal from the mar-
2 ket or returned to bond after previous removal
3 for a tax-exempt purpose.

4 “(b) METHOD OF PAYMENT OF TAX.—

5 “(1) IN GENERAL.—

6 “(A) TAXES PAID ON BASIS OF RETURN.—

7 The taxes imposed by section 5901 shall be
8 paid on the basis of return. The Secretary shall,
9 by regulations, prescribe the period or the event
10 to be covered by such return and the informa-
11 tion to be furnished on such return.

12 “(B) APPLICATION TO TRANSFEREES.—In
13 the case of any transfer to which subsection
14 (a)(2)(A) applies, the tax under section 5901 on
15 the transferee shall (if not otherwise relieved by
16 reason of a subsequent transfer to which such
17 subsection applies) be imposed with respect to
18 the removal of the cannabis product from the
19 bonded premises of the transferee.

20 “(C) POSTPONEMENT.—Any postponement
21 under this subsection of the payment of taxes
22 determined at the time of removal shall be con-
23 ditioned upon the filing of such additional
24 bonds, and upon compliance with such require-
25 ments, as the Secretary may prescribe for the

1 protection of the revenue. The Secretary may,
2 by regulations, require payment of tax on the
3 basis of a return prior to removal of the can-
4 nabis products where a person defaults in the
5 postponed payment of tax on the basis of a re-
6 turn under this subsection or regulations pre-
7 scribed thereunder.

8 “(D) ADMINISTRATION AND PENALTIES.—

9 All administrative and penalty provisions of this
10 title, insofar as applicable, shall apply to any
11 tax imposed by section 5901.

12 “(2) TIME FOR PAYMENT OF TAXES.—

13 “(A) IN GENERAL.—Except as otherwise
14 provided in this paragraph, in the case of taxes
15 on cannabis products removed during any semi-
16 monthly period under bond for deferred pay-
17 ment of tax, the last day for payment of such
18 taxes shall be the 14th day after the last day
19 of such semimonthly period.

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

24 “(i) IN GENERAL.—The last day for
25 payment of tax shall be the 14th day after

1 the last day of the semimonthly period
2 during which the article is entered into the
3 customs territory of the United States.

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

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

20 “(iv) EXCEPTION FOR ARTICLES DES-
21 TINED FOR EXPORT.—Clauses (ii) and (iii)
22 shall not apply to any article which is
23 shown to the satisfaction of the Secretary
24 to be destined for export.

1 “(C) CANNABIS PRODUCTS BROUGHT INTO
2 THE UNITED STATES FROM PUERTO RICO.—In
3 the case of cannabis products which are
4 brought into the United States from Puerto
5 Rico and subject to tax under section 7652, the
6 last day for payment of tax shall be the 14th
7 day after the last day of the semimonthly pe-
8 riod during which the article is brought into the
9 United States.

10 “(D) SPECIAL RULE WHERE DUE DATE
11 FALLS ON SATURDAY, SUNDAY, OR HOLIDAY.—
12 Notwithstanding section 7503, if, but for this
13 subparagraph, the due date under this para-
14 graph would fall on a Saturday, Sunday, or a
15 legal holiday (as defined in section 7503), such
16 due date shall be the immediately preceding day
17 which is not a Saturday, Sunday, or such a hol-
18 iday.

19 “(E) SPECIAL RULE FOR UNLAWFULLY
20 PRODUCED CANNABIS PRODUCTS.—In the case
21 of any cannabis products produced in the
22 United States at any place other than the
23 premises of a producer that has filed the bond
24 and obtained the authorization required under

1 this chapter, tax shall be due and payable im-
2 mediately upon production.

3 “(3) TAXPAYERS LIABLE FOR TAXES OF NOT
4 MORE THAN \$100,000.—

5 “(A) IN GENERAL.—

6 “(i) MORE THAN \$10,000 AND NOT
7 MORE THAN \$100,000 IN TAXES.—Except as
8 provided in clause (ii), in the case of any
9 taxpayer who reasonably expects to be lia-
10 ble for not more than \$100,000 in taxes
11 imposed with respect to cannabis products
12 under sections 5901 and 7652 for the cal-
13 endar year and who was liable for not
14 more than \$100,000 in such taxes in the
15 preceding calendar year, the last day for
16 the payment of tax on withdrawals, remov-
17 als, and entries (and articles brought into
18 the United States from Puerto Rico) shall
19 be the 14th day after the last day of the
20 calendar quarter during which the action
21 giving rise to the imposition of such tax oc-
22 curs.

23 “(ii) NOT MORE THAN \$10,000 IN
24 TAXES.—In the case of any taxpayer who
25 reasonably expects to be liable for not

1 more than \$10,000 in taxes imposed with
2 respect to cannabis products under sec-
3 tions 5901 and 7652 for the calendar year
4 and who was liable for not more than
5 \$10,000 in such taxes in the preceding cal-
6 endar year, the last day for the payment of
7 tax on withdrawals, removals, and entries
8 (and articles brought into the United
9 States from Puerto Rico) shall be the 14th
10 day after the last day of the calendar year.

11 “(B) NO APPLICATION AFTER LIMIT EX-
12 CEDED.—

13 “(i) EXCEEDS \$100,000 LIMIT.—Sub-
14 paragraph (A)(i) shall not apply to any
15 taxpayer for any portion of the calendar
16 year following the first date on which the
17 aggregate amount of tax due under sec-
18 tions 5901 and 7652 from such taxpayer
19 during such calendar year exceeds
20 \$100,000, and any tax under such sections
21 which has not been paid on such date shall
22 be due on the 14th day after the last day
23 of the semimonthly period in which such
24 date occurs.

1 “(ii) EXCEEDS \$10,000 LIMIT.—Sub-
2 paragraph (A)(ii) shall not apply to any
3 taxpayer for any portion of the calendar
4 year following the first date on which the
5 aggregate amount of tax due under sec-
6 tions 5901 and 7652 from such taxpayer
7 during such calendar year exceeds
8 \$10,000, and any tax under such sections
9 which has not been paid on such date shall
10 be due on the 14th day after the last day
11 of the calendar quarter in which such date
12 occurs.

13 “(C) CALENDAR QUARTER.—For purposes
14 of this paragraph, the term ‘calendar quarter’
15 has the same meaning given such term under
16 section 5061(d)(4)(C).

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

1 apply to the \$5,000,000 amount specified in the pre-
2 ceding sentence.

3 “(c) DETERMINATION OF PRICE.—

4 “(1) CONSTRUCTIVE SALE PRICE.—

5 “(A) IN GENERAL.—If an article is sold di-
6 rectly to consumers, sold on consignment, or
7 sold (otherwise than through an arm’s length
8 transaction) at less than the fair market price,
9 or if the price for which the article sold cannot
10 be determined, the tax under section 5901(a)
11 shall be—

12 “(i) computed on the price for which
13 such articles are sold, in the ordinary
14 course of trade, by producers thereof, as
15 determined by the Secretary, and

16 “(ii) imposed on either person in-
17 volved in such sale, as determined by the
18 Secretary.

19 “(B) ARM’S LENGTH.—

20 “(i) IN GENERAL.—For purposes of
21 this section, a sale is considered to be
22 made under circumstances otherwise than
23 at arm’s length if—

24 “(I) the parties are members of
25 the same controlled group, whether or

1 not such control is actually exercised
2 to influence the sale price,

3 “(II) the parties are members of
4 a family, as defined in section
5 267(c)(4), or

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

9 “(ii) CONTROLLED GROUPS.—

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

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

1 “(2) CONTAINERS, PACKING, AND TRANSPOR-
2 TATION CHARGES.—In determining, for the purposes
3 of this chapter, the price for which an article is sold,
4 there shall be included any charge for coverings and
5 containers of whatever nature, and any charge inci-
6 dent to placing the article in condition packed ready
7 for shipment, but there shall be excluded the amount
8 of tax imposed by this chapter, whether or not stat-
9 ed as a separate charge. A transportation, delivery,
10 insurance, installation, or other charge (not required
11 by the preceding sentence to be included) shall be
12 excluded from the price only if the amount thereof
13 is established to the satisfaction of the Secretary in
14 accordance with regulations.

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

19 “(d) PARTIAL PAYMENTS AND INSTALLMENT AC-
20 COUNTS.—

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

22 “(A) a contract for the sale of an article
23 wherein it is provided that the price shall be
24 paid by installments and title to the article sold

1 does not pass until a future date notwith-
2 standing partial payment by installments,

3 “(B) a conditional sale, or

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

7 there shall be paid upon each payment with respect
8 to the article a percentage of such payment equal to
9 the rate of tax in effect on the date such payment
10 is due.

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

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

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

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

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

12 “(i) the proportionate share of the
13 amount for which such accounts are sold
14 which is allocable to each unpaid install-
15 ment payment, by

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

19 The sum of the amounts payable under this
20 subsection in respect of the sale of any article
21 shall not exceed the total tax.

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

23 “(a) EXEMPTION FROM TAX.—Cannabis products on
24 which the internal revenue tax has not been paid or deter-
25 mined may, subject to such regulations as the Secretary

1 shall prescribe, be withdrawn from the bonded premises
2 of any producer in approved containers free of tax and
3 not for resale for use—

4 “(1) exclusively in scientific research by a lab-
5 oratory,

6 “(2) by a proprietor of a cannabis production
7 facility in research, development, or testing (other
8 than consumer testing or other market analysis) of
9 processes, systems, materials, or equipment, relating
10 to cannabis or cannabis operations, under such limi-
11 tations and conditions as to quantities, use, and ac-
12 countability as the Secretary may by regulations re-
13 quire for the protection of the revenue,

14 “(3) in any drug containing cannabis which is
15 in compliance with Federal and State law, or

16 “(4) by the United States or any governmental
17 agency thereof, any State, any political subdivision
18 of a State, or the District of Columbia, for non-
19 consumption purposes.

20 “(b) CANNABIS PRODUCTS TRANSFERRED OR RE-
21 MOVED IN BOND FROM DOMESTIC FACTORIES AND EX-
22 PORT WAREHOUSES.—

23 “(1) IN GENERAL.—Subject to such regulations
24 and under such bonds as the Secretary shall pre-
25 scribe, a producer or export warehouse proprietor

1 may transfer cannabis products, without payment of
2 tax, to the bonded premises of another producer or
3 export warehouse proprietor, or remove such articles,
4 without payment of tax, for shipment to a foreign
5 country or a possession of the United States, or for
6 consumption beyond the jurisdiction of the internal
7 revenue laws of the United States.

8 “(2) LABELING.—Cannabis products may not
9 be transferred or removed under this subsection un-
10 less such products bear such marks, labels, or no-
11 tices as the Secretary shall by regulations prescribe.

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

20 “(d) CANNABIS PRODUCTS EXPORTED AND RE-
21 TURNED.—Cannabis products classifiable under item
22 9801.00.10 of the Harmonized Tariff Schedule of the
23 United States (relating to duty on certain articles pre-
24 viously exported and returned), as in effect on the date
25 of the enactment of the Cannabis Administration and Op-

1 portunity Act, may be released from customs custody,
2 without payment of that part of the duty attributable to
3 the internal revenue tax for delivery to the original pro-
4 ducer of such cannabis products or to the export ware-
5 house proprietor authorized by such producer to receive
6 such products, in accordance with such regulations and
7 under such bond as the Secretary shall prescribe. Upon
8 such release such products shall be subject to this chapter
9 as if they had not been exported or otherwise removed
10 from internal revenue bond.

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

12 “(a) CREDIT OR REFUND.—

13 “(1) IN GENERAL.—Credit or refund of any tax
14 imposed by this chapter or section 7652 shall be al-
15 lowed or made (without interest) to the cannabis en-
16 terprise on proof satisfactory to the Secretary that
17 the claimant cannabis enterprise has paid the tax
18 on—

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

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

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

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

7 “(i) in the case of loss by theft, unless
8 the Secretary finds that the theft occurred
9 without connivance, collusion, fraud, or
10 negligence on the part of the proprietor of
11 the cannabis production facility, owner,
12 consignor, consignee, bailee, or carrier, or
13 their employees or agents,

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

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

19 “(B) PROOF OF LOSS.—In any case in
20 which cannabis products are lost or destroyed,
21 whether by theft or otherwise, the Secretary
22 may require the proprietor of a cannabis pro-
23 duction facility or other person liable for the
24 tax to file a claim for relief from the tax and
25 submit proof as to the cause of such loss. In

1 every case where it appears that the loss was by
2 theft, the burden shall be upon the proprietor
3 of the cannabis production facility or other per-
4 son responsible for the tax under section 5901
5 to establish to the satisfaction of the Secretary
6 that such loss did not occur as the result of
7 connivance, collusion, fraud, or negligence on
8 the part of the proprietor of the cannabis pro-
9 duction facility, owner, consignor, consignee,
10 bailee, or carrier, or their employees or agents.

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

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

1 “(E) APPLICABILITY.—The provisions of
2 this paragraph shall extend to and apply in re-
3 spect of cannabis products lost after the tax
4 was determined and before completion of the
5 physical removal of the cannabis products from
6 the bonded premises.

7 “(3) VOLUNTARY DESTRUCTION.—The propri-
8 etor of a cannabis production facility or other per-
9 sons liable for the tax imposed by this chapter or by
10 section 7652 with respect to any cannabis product in
11 bond may voluntarily destroy such products, but
12 only if such destruction is under such supervision
13 and under such regulations as the Secretary may
14 prescribe.

15 “(4) LIMITATION.—Any claim for credit or re-
16 fund of tax under this subsection shall be filed with-
17 in 6 months after the date of the withdrawal from
18 the market, loss, or destruction of the products to
19 which the claim relates, and shall be in such form
20 and contain such information as the Secretary shall
21 by regulations prescribe.

22 “(b) DRAWBACK OF TAX.—There shall be an allow-
23 ance of drawback of tax paid on cannabis products, when
24 shipped from the United States, in accordance with such

1 regulations and upon the filing of such bond as the Sec-
2 retary shall prescribe.

3 **“SEC. 5906. DRAWBACK ON TAX FOR CERTAIN USES.**

4 “(a) ELIGIBILITY.—Any person using cannabis on
5 which the tax under this subchapter has been determined,
6 in the manufacture or production of—

7 “(1) a drug containing cannabis which is in
8 compliance with Federal and State law, or

9 “(2) extracts with a tetrahydrocannabinol con-
10 centration of not more than the allowable
11 tetrahydrocannabinol equivalent amount as described
12 in paragraph (1)(C) of section 297A of the Agricul-
13 tural Marketing Act of 1946 (7 U.S.C. 1639o),
14 shall be eligible for drawback at the time when such can-
15 nabis is used in the manufacture of such products as pro-
16 vided for in this section.

17 “(b) REGISTRATION AND REGULATION.—Every per-
18 son claiming drawback under this section shall—

19 “(1) register annually with the Secretary,

20 “(2) keep such books and records as may be
21 necessary to establish the fact that cannabis received
22 by such person and on which the tax has been deter-
23 mined were used in a manner described in sub-
24 section (a), and

1 “(3) be subject to such rules and regulations in
2 relation thereto as the Secretary shall prescribe to
3 secure the Treasury against frauds.

4 “(c) INVESTIGATION OF CLAIMS.—For the purpose
5 of ascertaining the correctness of any claim filed under
6 this section, the Secretary is authorized to—

7 “(1) examine any books, papers, records, or
8 memoranda bearing upon the matters required to be
9 alleged in the claim,

10 “(2) require the attendance of the person filing
11 the claim or of any officer or employee of such per-
12 son or the attendance of any other person having
13 knowledge in the premises, and

14 “(3) take testimony with reference to any mat-
15 ter covered by the claim and to administer oaths to
16 any person giving such testimony.

17 “(d) DRAWBACK.—

18 “(1) RATE OF DRAWBACK.—In the case of can-
19 nabis on which the tax under this subchapter has
20 been paid or determined, and which has been used
21 as provided in this section, a drawback shall be al-
22 lowed at a rate equal to 90 percent of the amount
23 of such tax which has been paid or determined.

24 “(2) CLAIMS.—

1 “(A) IN GENERAL.—Subject to subpara-
2 graph (B), such drawback shall be due and pay-
3 able quarterly upon filing of a proper claim
4 with the Secretary.

5 “(B) EXCEPTION.—

6 “(i) MONTHLY BASIS.—In the case of
7 any person entitled to such drawback who
8 elects in writing to file monthly claims
9 therefor, such drawback shall be due and
10 payable monthly upon filing of a proper
11 claim with the Secretary.

12 “(ii) BOND REQUIREMENT.—The Sec-
13 retary may require persons electing to file
14 monthly drawback claims under this sub-
15 paragraph to file with the Secretary a bond
16 or other security in such amount and with
17 such conditions as the Secretary shall by
18 regulations prescribe.

19 “(iii) REVOCATION.—Any election
20 under clause (i) may be revoked on filing
21 of notice thereof with the Secretary.

22 “(C) ADDITIONAL REQUIREMENT.—No
23 claim under this section shall be allowed unless
24 filed with the Secretary within the 6 months
25 next succeeding the quarter in which the can-

1 nabis covered by the claim was used as provided
2 in this section.

3 “(3) ALLOWANCE OF DRAWBACK EVEN WHERE
4 CERTAIN REQUIREMENTS NOT MET.—

5 “(A) IN GENERAL.—No claim for draw-
6 back under this subsection shall be denied in
7 the case of a failure to comply with any require-
8 ment imposed under this section or any rule or
9 regulation issued thereunder upon the claim-
10 ant’s establishing to the satisfaction of the Sec-
11 retary that cannabis on which the tax has been
12 paid or determined was in fact used in a man-
13 ner described in subsection (a).

14 “(B) PENALTY.—

15 “(i) IN GENERAL.—In the case of a
16 failure to comply with any requirement im-
17 posed under this section or any rule or reg-
18 ulation issued thereunder, the claimant
19 shall be liable for a penalty of \$1,000 for
20 each failure to comply unless it is shown
21 that the failure to comply was due to rea-
22 sonable cause.

23 “(ii) PENALTY MAY NOT EXCEED
24 AMOUNT OF CLAIM.—The aggregate
25 amount of the penalties imposed under

1 clause (i) for failures described in subpara-
 2 graph (A) in respect of any claim shall not
 3 exceed the amount of such claim (deter-
 4 mined without regard to clause (i)).

5 “(C) PENALTY TREATED AS TAX.—The
 6 penalty imposed by subparagraph (B) shall be
 7 assessed, collected, and paid in the same man-
 8 ner as taxes, as provided in section 6665(a).

9 **“Subchapter B—Authorization and Bond**
 10 **Requirements**

“Sec. 5911. Establishment and bond.

“Sec. 5912. Application.

“Sec. 5913. Cannabis production facility.

11 **“SEC. 5911. ESTABLISHMENT AND BOND.**

12 “(a) PROHIBITION ON PRODUCTION OUTSIDE OF
 13 BONDED CANNABIS PRODUCTION FACILITY.—

14 “(1) IN GENERAL.—Except as authorized by
 15 the Secretary or on the bonded premises of a can-
 16 nabis production facility duly authorized to produce
 17 cannabis products according to law, no cannabis
 18 product may be planted, cultivated, harvested,
 19 grown, manufactured, produced, compounded, con-
 20 verted, processed, prepared, or packaged in any
 21 building or on any premises.

22 “(2) AUTHORIZED PRODUCERS ONLY.—Any
 23 person establishing a cannabis production facility
 24 shall, prior to commencing operations—

1 “(A) make application to the Secretary
2 pursuant to section 5912,

3 “(B) file the bond required under sub-
4 section (b), and

5 “(C) receive authorization from the Sec-
6 retary to operate.

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

11 “(b) BOND.—

12 “(1) WHEN REQUIRED.—Every person, before
13 commencing business as a producer or an export
14 warehouse proprietor, shall file such bond, condi-
15 tioned upon compliance with this chapter and regu-
16 lations issued thereunder, in such form, amount, and
17 manner as the Secretary shall by regulation pre-
18 scribe. A new or additional bond may be required
19 whenever the Secretary considers such action nec-
20 essary for the protection of the revenue.

21 “(2) APPROVAL OR DISAPPROVAL.—No person
22 shall engage in such business until he receives notice
23 of approval of such bond. A bond may be dis-
24 approved, upon notice to the principal on the bond,

1 if the Secretary determines that the bond is not ade-
2 quate to protect the revenue.

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

7 “(4) REMOVAL OF BOND REQUIREMENTS.—

8 “(A) IN GENERAL.—During any period to
9 which subparagraph (A) of section 5903(b)(3)
10 applies to a taxpayer (determined after applica-
11 tion of subparagraph (B) thereof), such tax-
12 payer shall not be required to furnish any bond
13 with respect to engaging in any business as a
14 producer or an export warehouse proprietor.

15 “(B) SATISFACTION OF BOND REQUIRE-
16 MENTS.—Any taxpayer for any period described
17 in subparagraph (A) shall be treated as if suffi-
18 cient bond has been furnished for purposes of
19 engaging in such business for purposes of any
20 requirements relating to bonds under this chap-
21 ter.

22 **“SEC. 5912. APPLICATION.**

23 “The application required pursuant to this section
24 shall disclose, as regulations issued by the Secretary shall
25 provide, such information as may be necessary to enable

1 the Secretary to determine the location and extent of the
 2 premises, the type of operations to be conducted on such
 3 premises, and whether the operations will be in conformity
 4 with law and regulations, consistent with the requirements
 5 under section 302 of the Federal Alcohol Administration
 6 Act.

7 **“SEC. 5913. CANNABIS PRODUCTION FACILITY.**

8 “A cannabis production facility, including noncontig-
 9 uous portions thereof, shall be so located, constructed, and
 10 equipped, as to afford adequate protection to the revenue,
 11 as regulations prescribed by the Secretary may provide.

12 **“Subchapter C—Operations**

“Sec. 5921. Inventories, reports, and records.

“Sec. 5922. Packaging and labeling.

“Sec. 5923. Purchase, receipt, possession, or sale of cannabis products after re-
 moval.

“Sec. 5924. Restrictions relating to marks, labels, notices, and packages.

“Sec. 5925. Restriction on importation of previously exported cannabis prod-
 ucts.

13 **“SEC. 5921. INVENTORIES, REPORTS, AND RECORDS.**

14 “Every cannabis enterprise shall—

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

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

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

8 **“SEC. 5922. PACKAGING AND LABELING.**

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

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

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

22 “(d) INDECENT OR IMMORAL MATERIAL PROHIB-
23 ITED.—No indecent or immoral picture, print, or rep-
24 resentation shall be contained in, attached to, or stamped,

1 marked, written, or printed on any package of cannabis
2 products.

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

6 “(1) for experimental purposes, or

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

11 **“SEC. 5923. PURCHASE, RECEIPT, POSSESSION, OR SALE OF**
12 **CANNABIS PRODUCTS AFTER REMOVAL.**

13 “(a) RESTRICTION.—No person shall—

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

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

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

1 “(2) with intent to defraud the United States,
2 purchase, receive, possess, offer for sale, or sell or
3 otherwise dispose of, after removal, any cannabis
4 products which are not put up in packages as re-
5 quired under section 5922 or which are put up in
6 packages not bearing the marks, labels, and notices,
7 as required under such section, or

8 “(3) otherwise than with intent to defraud the
9 United States, purchase, receive, possess, offer for
10 sale, or sell or otherwise dispose of, after removal,
11 any cannabis products which are not put up in pack-
12 ages as required under section 5922 or which are
13 put up in packages not bearing the marks, labels,
14 and notices, as required under such section.

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

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

1 **“SEC. 5924. RESTRICTIONS RELATING TO MARKS, LABELS,**
2 **NOTICES, AND PACKAGES.**

3 “No person shall, with intent to defraud the United
4 States, destroy, obliterate, or detach any mark, label, or
5 notice prescribed or authorized, by this chapter or regula-
6 tions thereunder, to appear on, or be affixed to, any pack-
7 age of cannabis products before such package is emptied.

8 **“SEC. 5925. RESTRICTION ON IMPORTATION OF PRE-**
9 **VIOUSLY EXPORTED CANNABIS PRODUCTS.**

10 “(a) EXPORT LABELED CANNABIS PRODUCTS.—

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

14 “(A) may be transferred to or removed
15 from the premises of a producer or an export
16 warehouse proprietor only if such articles are
17 being transferred or removed without tax in ac-
18 cordance with section 5904,

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

1 “(C) may not be sold or held for sale for
2 domestic consumption in the United States un-
3 less such articles are removed from their export
4 packaging and repackaged by the original pro-
5 ducer into new packaging that does not contain
6 an export label.

7 “(2) ALTERATIONS BY PERSONS OTHER THAN
8 ORIGINAL PRODUCER.—This section shall apply to
9 articles labeled for export even if the packaging or
10 the appearance of such packaging to the consumer
11 of such articles has been modified or altered by a
12 person other than the original producer so as to re-
13 move or conceal or attempt to remove or conceal (in-
14 cluding by the placement of a sticker over) any ex-
15 port label.

16 “(3) EXPORTS INCLUDE SHIPMENTS TO PUER-
17 TO RICO.—For purposes of this section, section
18 5904(d), section 5931, and such other provisions as
19 the Secretary may specify by regulations, references
20 to exportation shall be treated as including a ref-
21 erence to shipment to the Commonwealth of Puerto
22 Rico.

23 “(b) EXPORT LABEL.—For purposes of this section,
24 an article is labeled for export or contains an export label

1 if it bears the mark, label, or notice required under section
 2 5904(b).

3 **“Subchapter D—Penalties**

“Sec. 5931. Civil penalties.

“Sec. 5932. Criminal penalties.

4 **“SEC. 5931. CIVIL PENALTIES.**

5 “(a) OMITTING THINGS REQUIRED OR DOING
 6 THINGS FORBIDDEN.—Whoever willfully omits, neglects,
 7 or refuses to comply with any duty imposed upon them
 8 by this chapter, or to do, or cause to be done, any of the
 9 things required by this chapter, or does anything prohib-
 10 ited by this chapter, shall in addition to any other penalty
 11 provided in this title, be liable to a penalty of \$10,000,
 12 to be recovered, with costs of suit, in a civil action, except
 13 where a penalty under subsection (b) or (c) or under sec-
 14 tion 6651 or 6653 or part II of subchapter A of chapter
 15 68 may be collected from such person by assessment.

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

21 “(c) SALE OF CANNABIS OR CANNABIS PRODUCTS
 22 FOR EXPORT.—

23 “(1) Every person who sells, relands, or receives
 24 within the jurisdiction of the United States any can-

1 nabis products which have been labeled or shipped
2 for exportation under this chapter,

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

5 “(3) every person who aids or abets in such
6 selling, relanding, or receiving,

7 shall, in addition to the tax and any other penalty provided
8 in this title, be liable for a penalty equal to the greater
9 of \$10,000 or 10 times the amount of the tax imposed
10 by this chapter. All cannabis products relanded within the
11 jurisdiction of the United States shall be forfeited to the
12 United States and destroyed. All vessels, vehicles, and air-
13 craft used in such relanding or in removing such cannabis
14 products from the place where relanded, shall be forfeited
15 to the United States.

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

20 “(e) **CROSS REFERENCES.**—For penalty for failure to
21 make deposits or for overstatement of deposits, see section
22 6656.

23 **“SEC. 5932. CRIMINAL PENALTIES.**

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

1 “(1) engages in business as a cannabis enter-
2 prise without filing the application and obtaining the
3 authorization where required by this chapter or reg-
4 ulations thereunder,

5 “(2) fails to keep or make any record, return,
6 report, or inventory, or keeps or makes any false or
7 fraudulent record, return, report, or inventory, re-
8 quired by this chapter or regulations thereunder,

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

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

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

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

21 “(B) which, without payment of tax pursu-
22 ant to section 5904, have been diverted from
23 the applicable purpose or use specified in that
24 section,

1 shall, for each such offense, be fined not more than
2 \$10,000, or imprisoned not more than 5 years, or both.

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

6 (b) ESTABLISHMENT OF TRUST FUND.—Subchapter
7 A of chapter 98 of the Internal Revenue Code of 1986
8 is amended by adding at the end the following new section:

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

10 “(a) CREATION OF TRUST FUND.—There is estab-
11 lished in the Treasury of the United States a trust fund
12 to be known as the ‘Opportunity Trust Fund’ (referred
13 to in this section as the ‘Trust Fund’), consisting of such
14 amounts as may be appropriated or credited to such fund
15 as provided in this section or section 9602(b).

16 “(b) TRANSFERS TO TRUST FUND.—There are here-
17 by appropriated to the Trust Fund amounts equivalent to
18 the net revenues received in the Treasury from the taxes
19 imposed under subchapter A of chapter 56.

20 “(c) TRANSFERS TO GENERAL FUND.—The Sec-
21 retary shall pay from time to time from the Trust Fund
22 into the general fund of the Treasury amounts equivalent
23 to the amounts appropriated under the Cannabis Adminis-
24 tration and Opportunity Act.”.

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

5 (1) conduct a study concerning the characteris-
6 tics of the cannabis industry, including—

7 (A) the number of persons operating can-
8 nabis enterprises at each level of such industry,

9 (B) the volume of sales,

10 (C) the amount of tax collected each year,

11 (D) the areas of evasion, and

12 (E) the impact of disparate State taxes on
13 diversion and smuggling of cannabis products,
14 and

15 (2) submit to Congress recommendations to im-
16 prove the regulation of the industry and the admin-
17 istration of the related tax.

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

1 rate per ounce and the applicable rate per gram which
2 will apply for such calendar year under section 5901(e)(2)
3 of such Code.

4 (e) DRAWBACK ON TAX FOR DISTILLED SPIRITS
5 USED IN PRODUCTION OF CANNABIS OR HEMP.—Section
6 5111 of the Internal Revenue Code of 1986 is amended
7 by striking “or perfume” and inserting “perfume, can-
8 nabis products, or hemp-derived products”.

9 (f) INTEREST OF INTERNAL REVENUE OFFICER OR
10 EMPLOYEE IN PRODUCTION OF CANNABIS PRODUCTS.—
11 Section 7214(b) of the Internal Revenue Code of 1986 is
12 amended—

13 (1) in the heading, by striking “TOBACCO OR
14 LIQUOR PRODUCTION” and inserting “PRODUCTION
15 OF TOBACCO, LIQUOR, OR CANNABIS PRODUCTS”,
16 and

17 (2) by striking “or cigarettes” and inserting
18 “cigarettes, or cannabis products (as defined in sec-
19 tion 5902(a)(1))”.

20 (g) PAPERS, TUBES, AND WRAPPERS.—Section 5702
21 of the Internal Revenue Code of 1986 is amended—

22 (1) in subsection (e)—

23 (A) by inserting “or a cannabis product”
24 after “tobacco”, and

1 (B) by inserting “(including for use as a
2 cannabis cigarette wrapper)” after “cigarette
3 wrapper”,

4 (2) in subsection (f), by inserting “(including
5 for use in making cannabis cigarettes)” after “mak-
6 ing cigarettes”, and

7 (3) in subsection (o), by inserting “(including
8 for use in making cannabis cigarettes)” after “wrap-
9 per thereof”.

10 (h) CONFORMING AMENDMENTS.—

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

15 (2) The heading of subsection (a) of section
16 7608 of such Code is amended by inserting “CAN-
17 NABIS PRODUCTS,” after “TOBACCO,”.

18 (3) The table of chapters for subtitle E of such
19 Code is amended by adding at the end the following
20 new item:

“CHAPTER 56. CANNABIS PRODUCTS”.

21 (4) The table of sections for subchapter A of
22 chapter 98 of such Code is amended by adding at
23 the end the following new item:

“Sec. 9512. Opportunity Trust Fund.”.

24 (i) EFFECTIVE DATE.—

1 (1) IN GENERAL.—Except as otherwise pro-
 2 vided in this subsection, the amendments made by
 3 this section shall apply to removals, and applications
 4 under section 5912 of the Internal Revenue Code of
 5 1986 (as added by subsection (a)), after 180 days
 6 after the date of the enactment of this Act.

7 (2) OTHER AMENDMENTS.—The amendments
 8 made by subsections (b), (c), (d), (f), (g), and (h)
 9 shall take effect on the date of the enactment of this
 10 Act.

11 **TITLE V—PUBLIC HEALTH, CANNABIS ADMINISTRATION, AND**
 12 **TRADE PRACTICES**

13 **Subtitle A—Public Health**

14 **SEC. 501. FDA REGULATION OF CANNABIS.**

15 (a) IN GENERAL.—The Federal Food, Drug, and
 16 Cosmetic Act (21 U.S.C. 301 et seq.) is amended by add-
 17 ing at the end the following:

18 **“CHAPTER XI—CANNABIS PRODUCTS**

19 **“SEC. 1101. CENTER FOR CANNABIS PRODUCTS.**

20 “Not later than 90 days after the date of enactment
 21 of the ‘Cannabis Administration and Opportunity Act’, the
 22 Secretary shall establish within the Food and Drug Ad-
 23 ministration the Center for Cannabis Products, which
 24 shall report to the Commissioner of Food and Drugs in
 25

1 the same manner as the other agency centers within the
2 Food and Drug Administration. The Center shall be re-
3 sponsible for the implementation of this chapter and re-
4 lated matters assigned by the Commissioner.

5 **“SEC. 1102. ADULTERATED CANNABIS PRODUCTS.**

6 “(a) IN GENERAL.—A cannabis product shall be
7 deemed to be adulterated if—

8 “(1) it consists in whole or in part of any filthy,
9 putrid, or decomposed substance, or is otherwise
10 contaminated by any added poisonous or added dele-
11 terious substance that may render the product inju-
12 rious to health;

13 “(2) it has been manufactured, prepared, proc-
14 essed, packed, or held in insanitary conditions
15 whereby it may have been contaminated with filth,
16 or whereby it may have been rendered injurious to
17 health;

18 “(3) it bears or contains any poisonous or dele-
19 terious substance that may render it injurious to
20 health;

21 “(4) its container is composed, in whole or in
22 part, of any poisonous or deleterious substance that
23 may render the contents injurious to health;

1 “(5) it bears or contains an unsafe color addi-
2 tive that is unsafe within the meaning of section
3 721(a); or

4 “(6) the methods used in, or the facilities or
5 controls used for, its manufacture, preparing, proc-
6 essing, packing, or storage are not in conformity
7 with applicable requirements under section 1105(c).

8 “(b) EXCEPTIONS TO CERTAIN FOOD REQUIRE-
9 MENTS FOR FOODS CONTAINING CANNABIS.—Provided
10 that an article that is a food (as defined in section 201(f))
11 and that is also a cannabis product (as defined in section
12 201(ss)(2)) otherwise complies with all applicable require-
13 ments for food under chapter IV and all applicable re-
14 quirements for cannabis products under this chapter, such
15 article shall not be deemed—

16 “(1) adulterated under section 402(a)(2)(C)(i)
17 solely on account of constituents made or derived
18 from cannabis; or

19 “(2) a food to which has been added a drug for
20 which substantial clinical investigations have been
21 instituted and for which the existence of such inves-
22 tigations has been made public for purposes of sec-
23 tion 301(ll) solely on account of constituents made
24 or derived from cannabis.

1 **“SEC. 1103. MISBRANDED CANNABIS PRODUCTS.**

2 “A cannabis product shall be deemed to be mis-
3 branded—

4 “(1) if its labeling or advertising is false or mis-
5 leading in any particular;

6 “(2) unless it bears a label containing—

7 “(A) a prominent statement that the prod-
8 uct contains cannabis;

9 “(B) the name and place of business of its
10 manufacturer, packer, or distributor;

11 “(C) an accurate statement of the quantity
12 of its contents in terms of weight, measure, or
13 numerical count;

14 “(D) a statement of its form as specified
15 in regulations promulgated pursuant to section
16 1105(a);

17 “(E) the amount of tetrahydrocannabinol
18 in the product, and if the product is packaged
19 and labeled in such a way as to suggest more
20 than one serving, dose, or the equivalent, the
21 amount of tetrahydrocannabinol in such serv-
22 ing, dose, or the equivalent;

23 “(F) adequate directions for use, if deemed
24 necessary for the protection of the public health
25 in regulations promulgated pursuant to section
26 1105(a);

1 “(G) adequate directions against use by
2 children, if deemed necessary for the protection
3 of the public health in regulations promulgated
4 pursuant to section 1105(a); and

5 “(H) such other information as the Sec-
6 retary determines, in regulations promulgated
7 pursuant to section 1105(a), to be necessary for
8 the protection of the public health;

9 “(3) if its label or labeling bears a statement
10 describing the role of a cannabis constituent in-
11 tended to affect the structure or any function of the
12 body of humans or other animals, unless—

13 “(A) there is substantiation that such
14 statement is truthful and not misleading; and

15 “(B) the statement contains, prominently
16 displayed and in boldface type, the following:
17 ‘This statement has not been evaluated by the
18 Food and Drug Administration. This product is
19 not intended to diagnose, treat, cure, or prevent
20 any disease.’;

21 “(4) if any word, statement, or other informa-
22 tion required by or under authority of this Act to
23 appear on the label or labeling is not prominently
24 placed thereon with such conspicuousness (as com-
25 pared with other words, statements, designs, or de-

1 vices, in the labeling) and in such terms as to render
2 it likely to be read and understood by the ordinary
3 individual under customary conditions of purchase
4 and use;

5 “(5) if it purports to be, or is represented as,
6 a cannabis product which is subject to a cannabis
7 product standard established under section 1106 un-
8 less such cannabis product is in all respects in con-
9 formity with such standard;

10 “(6) if its sale, distribution, or label or labeling
11 is not in conformity with applicable requirements
12 under subsections (a) and (b) of section 1105;

13 “(7) if it was manufactured, prepared, propa-
14 gated, compounded, or processed in an establishment
15 not duly registered under section 1104 or if it was
16 not included in a list required by section 1104; or

17 “(8) if it is intended for consumption or appli-
18 cation by an individual under 21 years of age.

19 **“SEC. 1104. ANNUAL REGISTRATION.**

20 “(a) **REGISTRATION BY OWNERS AND OPERATORS.—**
21 On or before December 31 of each year, every person who
22 owns or operates any establishment in any State engaged
23 in the manufacture, preparation, compounding, or proc-
24 essing of a cannabis product shall register with the Sec-

1 retary the name, places of business, and all such establish-
2 ments of that person.

3 “(b) REGISTRATION BY NEW OWNERS AND OPERA-
4 TORS.—Every person upon first engaging in the manufac-
5 ture, preparation, compounding, or processing of a can-
6 nabis product in any establishment owned or operated in
7 any State by that person shall immediately register with
8 the Secretary that person’s name, place of business, and
9 such establishment.

10 “(c) REGISTRATION OF ADDED ESTABLISHMENTS.—
11 Every person required to register under subsection (a) or
12 (b) shall immediately register with the Secretary any addi-
13 tional establishment which that person owns or operates
14 in the United States and in which that person begins the
15 manufacture, preparation, compounding, or processing of
16 a cannabis product.

17 “(d) UNIFORM PRODUCT IDENTIFICATION SYS-
18 TEM.—The Secretary may by regulation prescribe a uni-
19 form system for the identification of cannabis products
20 and may require that persons who are required to list such
21 cannabis products under subsection (g) shall list such can-
22 nabis products in accordance with such system.

23 “(e) PUBLIC ACCESS TO REGISTRATION INFORMA-
24 TION.—The Secretary shall make available for inspection
25 any registration filed under this section.

1 “(f) REGISTRATION BY FOREIGN ESTABLISH-
2 MENTS.—Any establishment within a foreign country en-
3 gaged in the manufacture, preparation, compounding, or
4 processing of a cannabis product that is imported or of-
5 fered for import into the United States, shall register
6 under this section and shall include with the registration
7 the name of the United States agent for the establishment.

8 “(g) REGISTRATION INFORMATION.—

9 “(1) PRODUCT LIST.—

10 “(A) IN GENERAL.—Every person who reg-
11 isters with the Secretary under subsection (a),
12 (b), or (c) shall, at the time of registration
13 under such subsection, file with the Secretary—

14 “(i) a list of all cannabis products
15 which are being manufactured, prepared,
16 compounded, or processed by that person
17 for commercial distribution and which have
18 not been included in any list of cannabis
19 products filed by that person with the Sec-
20 retary under this paragraph or paragraph
21 (2) before such time of registration; and

22 “(ii) such other information as the
23 Secretary, in consultation with the Sec-
24 retary of the Treasury and the Attorney
25 General, may require, by regulation, to

1 carry out the purposes of the Cannabis Ad-
2 ministration and Opportunity Act, includ-
3 ing the amendments made by such Act, in-
4 cluding chapter 56 of subtitle E of the In-
5 ternal Revenue Code of 1986.

6 “(B) FORM AND MANNER OF LIST.—The
7 list under subparagraph (A)(i) shall be pre-
8 pared in such form and manner as the Sec-
9 retary may prescribe and shall be accompanied
10 by a copy of all consumer information and other
11 labeling for such cannabis product, a represent-
12 ative sampling of advertisements for such can-
13 nabis product, and, upon request by the Sec-
14 retary, a copy of all advertisements for a par-
15 ticular cannabis product.

16 “(2) REPORT OF ANY CHANGE IN PRODUCT
17 LIST.—Each person who registers with the Secretary
18 under this section shall report to the Secretary as
19 follows:

20 “(A) Prior to the introduction into com-
21 mercial distribution of a cannabis product that
22 has not been included in any list previously filed
23 by the registrant, a list containing such can-
24 nabis product.

1 “(B) A notice of discontinuance of the
2 manufacture, preparation, compounding, or
3 processing for commercial distribution of a can-
4 nabis product included in a list filed under sub-
5 paragraph (A) or paragraph (1), and the date
6 of such discontinuance.

7 “(C) A notice of resumption of the manu-
8 facture, preparation, compounding, or proce-
9 ssing for commercial distribution of the can-
10 nabis product with respect to which a notice of
11 discontinuance was reported under subpara-
12 graph (B).

13 “(D) A list of each cannabis product in-
14 cluded in a notice filed under subparagraph (C)
15 prior to the resumption of the introduction into
16 commercial distribution of such cannabis prod-
17 uct.

18 “(3) PUBLICATION.—The Secretary shall pub-
19 lish on the website of the Food and Drug Adminis-
20 tration every registration and list filed pursuant to
21 this section and the information accompanying every
22 list not later than 10 days after the applicable date
23 of filing.

24 “(4) DEPARTMENT OF THE TREASURY AC-
25 CESS.—The Secretary shall establish a format and

1 procedure for appropriate Department of the Treas-
2 ury officials to access the information received by
3 the Secretary under this subsection, in a prompt and
4 secure manner.

5 **“SEC. 1105. GENERAL PROVISIONS FOR CONTROL OF CAN-**
6 **NABIS PRODUCTS.**

7 “(a) RESTRICTIONS ON SALE AND DISTRIBUTION.—

8 “(1) REMOTE SALES.—Not later than 2 years
9 after the date of enactment of the ‘Cannabis Admin-
10 istration and Opportunity Act’ the Secretary shall
11 propose, and not later than 3 years after such date
12 of enactment the Secretary shall finalize, regulations
13 regarding the promotion, sale, and distribution of
14 cannabis products that occur through means other
15 than a direct, face-to-face exchange between a re-
16 tailer and a consumer, in order to prevent the sale
17 and distribution of cannabis products to individuals
18 who have not attained the age of 21, including re-
19 quirements for age verification.

20 “(2) PREVENTING USE OF CANNABIS PRODUCTS
21 IN MINORS.—The Secretary shall, by regulation, im-
22 pose such restrictions on advertising, promotion, and
23 marketing of cannabis products as the Secretary de-
24 termines necessary and appropriate to prevent the
25 consumption or application of cannabis products by

1 individuals under 21 years of age. Such regulations
2 shall prohibit the advertising, promotion, and mar-
3 keting of cannabis products, whether directly or in-
4 directly, to individuals under 21 years of age, and
5 any other action that has the primary purpose of ini-
6 tiating or increasing the use of cannabis products in
7 such individuals.

8 “(3) OTHER REGULATIONS.—In addition to the
9 restrictions under paragraphs (1) and (2), the Sec-
10 retary may, by regulation, impose other restrictions
11 on the sale and distribution of cannabis products, in-
12 cluding restrictions on the access to, and the adver-
13 tising and promotion of, the cannabis product, if the
14 Secretary determines that such regulation would be
15 appropriate for the protection of the public health.

16 “(4) GOOD FAITH CONSULTATION WITH INDIAN
17 TRIBES.—In issuing regulations under paragraphs
18 (1), (2), and (3), the Secretary shall conduct good
19 faith, meaningful, and timely consultations with In-
20 dian Tribes (as defined in section 3 of the Cannabis
21 Administration and Opportunity Act).

22 “(b) LABELING STATEMENTS.—The label and label-
23 ing of a cannabis product shall bear such appropriate
24 statements of the restrictions required by a regulation

1 under subsection (a) as the Secretary may in such regula-
2 tion prescribe.

3 “(c) GOOD MANUFACTURING PRACTICE REQUIRE-
4 MENTS.—The Secretary shall issue regulations requiring
5 that the methods used in, and the facilities and controls
6 used for, the manufacture, preparing, processing, packing,
7 and holding of a cannabis product conform to current good
8 manufacturing practice, including testing for pesticide
9 chemical residues regardless of whether a tolerance for
10 such chemical residues has been established.

11 **“SEC. 1106. CANNABIS PRODUCT STANDARDS.**

12 “(a) IN GENERAL.—The Secretary shall, by regula-
13 tion, adopt cannabis product standards that are appro-
14 priate for protection of the public health.

15 “(b) CONTENT OF STANDARDS.—A cannabis product
16 standard established under this section shall include provi-
17 sions—

18 “(1) on the ingredients of the cannabis product,
19 including, where appropriate—

20 “(A) cannabinoid yields of the product,
21 which may consider or address, as appropriate,
22 different types of cannabinoids and the inter-
23 action between the constituents of the product;

24 “(B) provisions respecting the construc-
25 tion, components, ingredients, additives, con-

1 stituents, including smoke constituents, and
2 properties of the cannabis product, which may
3 consider, as appropriate, the interaction be-
4 tween constituents and components of the can-
5 nabis product; and

6 “(C) provisions for the reduction or elimi-
7 nation of harmful constituents or components
8 of the product, including smoke constituents;

9 “(2) for the testing of the cannabis product;

10 “(3) requiring that the results of testing the
11 cannabis product show that the cannabis product is
12 in conformity with applicable standards;

13 “(4) for the measurement of the characteristics
14 of the cannabis product, where appropriate;

15 “(5) requiring that the sale and distribution of
16 the cannabis product be restricted but only to the
17 extent that the sale and distribution of a cannabis
18 product may be restricted under a regulation under
19 this Act;

20 “(6) where appropriate, requiring the use and
21 prescribing the form and content of labeling for the
22 proper use of the cannabis product and any potential
23 adverse effects of the product; and

24 “(7) requiring cannabis products containing
25 foreign-grown cannabis to meet the same standards

1 applicable to cannabis products containing domesti-
2 cally grown cannabis.

3 “(c) PERIODIC REEVALUATION OF STANDARDS.—

4 The Secretary shall provide for periodic evaluation of can-
5 nabis product standards established under this section to
6 determine whether such standards should be changed to
7 reflect new medical, scientific, or other technological data.

8 **“SEC. 1107. RECALL AUTHORITY.**

9 “(a) IN GENERAL.—If the Secretary finds that there
10 is a reasonable probability that a cannabis product would
11 cause serious, adverse health consequences or death, the
12 Secretary shall issue an order requiring the appropriate
13 person (including the manufacturers, importers, distribu-
14 tors, or retailers of the cannabis product) to immediately
15 cease distribution of such cannabis product. The order
16 shall provide the person subject to the order with an op-
17 portunity to appear and introduce testimony, to be held
18 not later than 20 days after the date of the issuance of
19 the order, on the actions required by the order and on
20 whether the order should be amended to require a recall
21 of such cannabis product. If, after providing an oppor-
22 tunity to appear and introduce testimony, the Secretary
23 determines that inadequate grounds exist to support the
24 actions required by the order, the Secretary shall vacate
25 the order.

1 “(b) AMENDMENT OF ORDER TO REQUIRE RE-
2 CALL.—

3 “(1) IN GENERAL.—If, after providing an op-
4 portunity to appear and introduce testimony under
5 subsection (a), the Secretary determines that the
6 order should be amended to include a recall of the
7 cannabis product with respect to which the order
8 was issued, the Secretary shall, except as provided in
9 paragraph (2), amend the order to require a recall.
10 The Secretary shall specify a timetable in which the
11 cannabis product recall will occur and shall require
12 periodic reports to the Secretary describing the
13 progress of the recall.

14 “(2) NOTICE.—An amended order under para-
15 graph (1)—

16 “(A) shall not include recall of a cannabis
17 product from individuals; and

18 “(B) shall provide for notice to persons
19 subject to the risks associated with the use of
20 such cannabis product.

21 In providing the notice required by subparagraph
22 (B), the Secretary may use the assistance of retail-
23 ers and other persons who distributed such cannabis
24 product. If a significant number of such persons

1 cannot be identified, the Secretary shall notify such
2 persons pursuant to section 705(b).

3 **“SEC. 1108. RECORDS AND REPORTS ON CANNABIS PROD-**
4 **UCTS.**

5 “(a) IN GENERAL.—Every person who is a cannabis
6 product manufacturer or importer of a cannabis product
7 shall establish and maintain such records, make such re-
8 ports, and provide such information, as the Secretary may
9 by regulation reasonably require to assure that such can-
10 nabis product is not adulterated or misbranded and to oth-
11 erwise protect public health.

12 “(b) REPORTS OF REMOVALS AND CORRECTIONS.—

13 “(1) IN GENERAL.—Except as provided in para-
14 graph (2), the Secretary shall by regulation require
15 a cannabis product manufacturer or importer of a
16 cannabis product to report promptly to the Secretary
17 any corrective action taken or removal from the
18 market of a cannabis product undertaken by such
19 manufacturer or importer if the removal or correc-
20 tion was undertaken—

21 “(A) to reduce a risk to health posed by
22 the cannabis product; or

23 “(B) to remedy a violation of this chapter
24 caused by the cannabis product which may
25 present a risk to health.

1 A cannabis product manufacturer or importer of a
2 cannabis product who undertakes a corrective action
3 or removal from the market of a cannabis product
4 that is not required to be reported under this sub-
5 section shall keep a record of such correction or re-
6 moval.

7 “(2) EXCEPTION.—No report of the corrective
8 action or removal of a cannabis product may be re-
9 quired under paragraph (1) if a report of the correc-
10 tive action or removal is required and has been sub-
11 mitted under subsection (a).

12 **“SEC. 1109. PROHIBITION ON FLAVORED ELECTRONIC CAN-**
13 **NABIS PRODUCT DELIVERY SYSTEM.**

14 “(a) IN GENERAL.—Any electronic cannabis product
15 delivery system shall not contain an artificial or natural
16 flavor (other than cannabis) that is a characterizing fla-
17 vor, including menthol, mint, mango, strawberry, grape,
18 orange, clove, cinnamon, pineapple, vanilla, coconut, lico-
19 rice, cocoa, chocolate, cherry, or coffee.

20 “(b) DEFINITION.—For purposes of this section, the
21 term ‘electronic cannabis product delivery system’ means
22 an electronic device that delivers a cannabis product via
23 an aerosolized solution to the user inhaling from the de-
24 vice, and any component, liquid, part, or accessory of such
25 a device, whether or not sold separately.

1 **“SEC. 1110. PRESERVATION OF STATE, TRIBAL, AND LOCAL**
2 **AUTHORITY.**

3 “(a) IN GENERAL.—Nothing in this chapter, or rules
4 promulgated under this chapter, shall be construed to
5 limit the authority of a Federal agency (including the
6 Armed Forces), a State or political subdivision of a State,
7 or the government of an Indian Tribe (as defined in sec-
8 tion 3 of the Cannabis Administration and Opportunity
9 Act) to enact, adopt, promulgate, and enforce any law,
10 rule, regulation, or other measure with respect to cannabis
11 products that is in addition to, or more stringent than,
12 requirements established under this chapter, including a
13 law, rule, regulation, or other measure relating to or pro-
14 hibiting the manufacture, sale, distribution, possession,
15 exposure to, access to, advertising and promotion of, or
16 use of cannabis products by individuals of any age, infor-
17 mation reporting to the State or Indian Tribe (as so de-
18 fined), or measures relating to fire safety or environmental
19 standards for cannabis products. No provision of this
20 chapter shall limit or otherwise affect any State, Tribal,
21 or local taxation of cannabis products.

22 “(b) RULE OF CONSTRUCTION REGARDING PRODUCT
23 LIABILITY.—No provision of this chapter relating to a
24 cannabis product shall be construed to modify or otherwise
25 affect any action or the liability of any person under the

1 product liability law of any State or Indian Tribe (as so
2 defined).”.

3 **SEC. 502. AMENDMENTS TO THE FEDERAL FOOD, DRUG,**
4 **AND COSMETIC ACT.**

5 (a) DEFINITIONS.—Section 201 of the Federal Food,
6 Drug, and Cosmetic Act (21 U.S.C. 321) is amended—

7 (1) in paragraph (g)(1)(C), by striking “(other
8 than food)” and inserting “(other than food or can-
9 nabis products)”;

10 (2) in paragraph (ff)(1), by striking “(other
11 than tobacco)” and inserting “(other than a tobacco
12 product or cannabis product)”;

13 (3) in paragraph (rr)(4), by inserting “cannabis
14 product,” after “medical device”; and

15 (4) by adding at the end the following:

16 “(ss)(1)(A) The term ‘cannabis’ means—

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

19 “(ii) the seeds thereof;

20 “(iii) the resin extracted from any part of such
21 plant; and

22 “(iv) every compound, manufacture, salt, deriv-
23 ative, mixture, or preparation of such plant, its
24 seeds or resin.

25 “(B) The term ‘cannabis’ does not include—

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

3 “(ii) the mature stalks of such plant, fiber pro-
4 duced from such stalks, oil or cake made from the
5 seeds of such plant, any other compound, manufac-
6 ture, salt, derivative, mixture, or preparation of such
7 mature stalks (except the resin extracted therefrom),
8 fiber, oil, or cake, or the sterilized seed of such plant
9 which is incapable of germination.

10 “(2)(A) The term ‘cannabis product’ means any
11 product made or derived from cannabis that is intended
12 for consumption or applied to the body of man or other
13 animals, including any component of such product.

14 “(B) A ‘cannabis product’ does not mean an article
15 that is a drug within the meaning of paragraph (g)(1).

16 “(3) With respect to cannabis or a cannabis product,
17 the term ‘manufacture’ includes the planting, cultivation,
18 growing, and harvesting of cannabis.”.

19 (b) PROHIBITED ACTS.—Section 301 of the Federal
20 Food, Drug, and Cosmetic Act (21 U.S.C. 331) is amend-
21 ed—

22 (1) by inserting “cannabis product,” after “to-
23 bacco product,” each place it appears in paragraphs
24 (g) and (h);

1 (2) in paragraph (j), by striking “or 920(b)”
2 and inserting “920(b), or 1104”;

3 (3) in paragraph (p)—

4 (A) by striking “510 or 905” and inserting
5 “510, 905, or 1104”;

6 (B) by striking “or 905(j)” and inserting
7 “905(j), or 1104(g)”; and

8 (C) by striking “or 905(i)(3)” and insert-
9 ing “, 905(i)(3), or 1104(g)(2)”;

10 (4) in paragraph (q)(2) by inserting “, cannabis
11 product,” after “device”;

12 (5) in paragraph (r), by inserting “cannabis
13 product,” after “device,” each place it appears; and

14 (6) by adding at the end the following:

15 “(fff)(1) The sale or distribution of a cannabis prod-
16 uct to any person younger than 21 years of age.

17 “(2) The sale or distribution, in any retail single
18 transaction, of more than 10 ounces of any cannabis prod-
19 uct.

20 “(3) The sale or distribution of an article that is a
21 cannabis product and that contains alcohol, caffeine, or
22 nicotine.

23 “(4) The failure of a manufacturer or distributor to
24 notify the Attorney General and the Secretary of the

1 Treasury of its knowledge of cannabis products used in
2 illicit trade.

3 “(ggg)(1) The introduction or delivery for introduc-
4 tion into commerce of any cannabis product that is adul-
5 terated or misbranded.

6 “(2) The adulteration or misbranding of any can-
7 nabis product in commerce.

8 “(3) The receipt in commerce of any cannabis prod-
9 uct that is adulterated or misbranded, and the delivery
10 or proffered delivery thereof for pay or otherwise.

11 “(4) The alteration, mutilation, destruction, oblitera-
12 tion, or removal of the whole or any part of the labeling
13 of, or the doing of any other act with respect to a cannabis
14 product, if such act is done while such article is held for
15 sale (whether or not the first sale) after shipment in com-
16 merce and results in such article being adulterated or mis-
17 branded.

18 “(hhh) The failure to comply with the requirements
19 of section 524C.”.

20 (c) SEIZURE AUTHORITIES.—Section 304 of the Fed-
21 eral Food, Drug, and Cosmetic Act (21 U.S.C. 334) is
22 amended—

23 (1) in subsection (a)—

24 (A) in paragraph (1), by inserting “can-
25 nabis product,” after “drug,”; and

1 (B) in paragraph (2), by inserting “or can-
2 nabis product” after “tobacco product”;

3 (2) in subsection (d)(1), by inserting “cannabis
4 product,” after “tobacco product,”; and

5 (3) in subsection (g), by striking “or tobacco
6 product” each place it appears in paragraphs (1)
7 and (2)(A) and inserting “, tobacco product, or can-
8 nabis product”.

9 (d) FACTORY INSPECTION.—Section 704 of the Fed-
10 eral Food, Drug, and Cosmetic Act (21 U.S.C. 374) is
11 amended—

12 (1) in subsection (a)—

13 (A) by inserting “cannabis products,” after
14 “tobacco products,” each place it appears;

15 (B) by striking “or tobacco products” each
16 place it appears and inserting “tobacco prod-
17 ucts, or cannabis products”; and

18 (C) by striking “and tobacco products”
19 and inserting “tobacco products, and cannabis
20 products”; and

21 (2) in subsection (b)(1), by inserting “cannabis
22 product,” after “tobacco product.”

23 (e) PUBLICITY.—Section 705(b) of the Federal Food,
24 Drug, and Cosmetic Act (21 U.S.C. 375(b)) is amended

1 by inserting “cannabis products,” after “tobacco prod-
2 ucts,”.

3 (f) PRESUMPTION.—Section 709 of the Federal
4 Food, Drug, and Cosmetic Act (21 U.S.C. 379a) is
5 amended by inserting “cannabis product,” after “tobacco
6 product,”.

7 (g) IMPORTS AND EXPORTS.—Section 801 of the
8 Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381)
9 is amended—

10 (1) in subsection (a)—

11 (A) by inserting “cannabis products,” after
12 “tobacco products,”;

13 (B) by striking “or tobacco products” each
14 place it appears and inserting “, tobacco prod-
15 ucts, or cannabis products”; and

16 (C) by striking “or section 905(h)” and in-
17 serting “, 905(h), or 1104”; and

18 (2) in subsection (e), by striking “tobacco prod-
19 uct or” and inserting “tobacco product, cannabis
20 product, or”.

21 **SEC. 503. EXPEDITED REVIEW.**

22 Subchapter A of chapter V of the Federal Food,
23 Drug, and Cosmetic Act (21 U.S.C. 351 et seq.) is amend-
24 ed by adding at the end the following:

1 **“SEC. 524B. EXPEDITED REVIEW OF CERTAIN DRUGS CON-**
2 **TAINING CANNABIS.**

3 “(a) ESTABLISHMENT OF PROGRAM.—The Secretary
4 shall establish a program to expedite the development and
5 review of applications for drugs containing cannabis that
6 are manufactured by a small business concerned owned
7 and controlled by socially and economically disadvantaged
8 individuals or Native entities that operate in the cannabis
9 industry.

10 “(b) REQUEST FOR DESIGNATION.—A sponsor of a
11 drug containing cannabis that is manufactured by a small
12 business concern owned and controlled by socially and eco-
13 nomically disadvantaged individuals or Native entities that
14 operate in the cannabis industry may request that the Sec-
15 retary designate such drug for expedited review under this
16 section. A request for designation may be made concur-
17 rently with, or at any time after, the submission of an
18 application for the investigation of the drug under section
19 505(i) or section 351(a)(3) of the Public Health Service
20 Act.

21 “(c) ACTIONS.—The actions to expedite the develop-
22 ment and review of an application designated for expedited
23 review under this section may include, as appropriate—

24 “(1) holding meetings with the sponsor and the
25 review team throughout the development of the
26 drug;

1 “(2) providing timely advice to, and interactive
2 communication with, the sponsor regarding the de-
3 velopment of the drug to ensure that the develop-
4 ment program to gather the nonclinical and clinical
5 data necessary for approval is as efficient as prac-
6 ticable; and

7 “(3) priority review, as described in the Manual
8 of Policies and Procedures of the Food and Drug
9 Administration and goals identified in the letters de-
10 scribed in section 101(b) of the Prescription Drug
11 User Fee Amendments of 2017.

12 “(d) EXPEDITED REVIEW GUIDANCE.—Not later
13 than 1 year after the date of enactment of the Cannabis
14 Administration and Opportunity Act, and after good faith,
15 meaningful, and timely consultation with Native entities,
16 the Secretary shall issue guidance on the implementation
17 of this section. Such guidance shall—

18 “(1) set forth the process by which a person
19 may seek a designation under subsection (b); and

20 “(2) identify the criteria the Secretary will use
21 in evaluating a request for designation under this
22 section.

23 “(e) DEFINITIONS.—In this section:

1 “(1) DRUG CONTAINING CANNABIS.—The term
2 ‘drug containing cannabis’ means any drug that con-
3 tains any article made or derived from cannabis.

4 “(2) NATIVE ENTITY.—The term ‘Native entity’
5 means—

6 “(A) an Indian Tribe (as defined in section
7 3 of the Cannabis Administration and Oppor-
8 tunity Act);

9 “(B) a Native Corporation (as defined in
10 section 3 of the Alaska Native Claims Settle-
11 ment Act (43 U.S.C. 1602)); and

12 “(C) a Native Hawaiian-serving entity.

13 “(3) NATIVE HAWAIIAN-SERVING ENTITY.—The
14 term ‘Native Hawaiian-serving entity’ means—

15 “(A) a Native Hawaiian organization (as
16 defined in section 6207 of the Elementary and
17 Secondary Education Act of 1965 (20 U.S.C.
18 7517));

19 “(B) the Department of Hawaiian Home
20 Lands; and

21 “(C) the Office of Hawaiian Affairs.

22 “(4) SMALL BUSINESS CONCERN OWNED AND
23 CONTROLLED BY SOCIALLY AND ECONOMICALLY DIS-
24 ADVANTAGED INDIVIDUALS.—The term ‘small busi-
25 ness concern owned and controlled by socially and

1 economically disadvantaged individuals’ has the
2 meaning given the term in section 8(d)(3)(C) of the
3 Small Business Act.

4 **“SEC. 524C. SECURITY REQUIREMENTS FOR DRUGS CON-**
5 **TAINING CANNABIS.**

6 “(a) IN GENERAL.—The sponsor of any application
7 under section 505 for a drug containing cannabis shall
8 provide effective controls and procedures to guard against
9 theft and diversion of such drug, which may include, if
10 the Secretary determines necessary, a risk evaluation and
11 mitigation strategy under section 505–1.

12 “(b) STANDARDS.—The Secretary shall prescribe, by
13 regulation, standards for controls and procedures for
14 drugs described in subsection (a).

15 “(c) DEFINITION.—For purposes of this section, the
16 term ‘drug containing cannabis’ means any drug that con-
17 tains any article made or derived from cannabis.”.

18 **SEC. 504. REGULATION OF CANNABIDIOL.**

19 (a) CBD AS A DIETARY SUPPLEMENT.—Section
20 201(ff)(3)(B) of the Federal Food, Drug, and Cosmetic
21 Act (21 U.S.C. 321(ff)(3)(B)) is amended, in the matter
22 preceding subclause (i), by inserting “, except in the case
23 of cannabidiol derived from hemp (as defined in section
24 297A of the Agricultural Marketing Act of 1946)” after
25 “include”.

1 (b) ADULTERATION.—Section 402 of the Federal
2 Food, Drug, and Cosmetic Act (21 U.S.C. 342) is amend-
3 ed by adding at the end the following new subsection:

4 “(j)(1) If it is a dietary supplement that contains
5 cannabidiol, unless—

6 “(A) such dietary supplement contains no more
7 than an amount of cannabidiol per recommended
8 daily serving that the Secretary may establish (and
9 revise or repeal as appropriate), subject to para-
10 graph (2), through an interim final rule, notwith-
11 standing any requirement for notice and comment
12 that may otherwise apply under section 553 of title
13 5, United States Code;

14 “(B) such dietary supplement is the subject of
15 a notification submitted to the Secretary in accord-
16 ance with section 413(a)(2); and

17 “(C) the labeling and packaging of such dietary
18 supplement conforms with any requirements that the
19 Secretary establishes regarding labeling or pack-
20 aging of dietary supplements containing cannabidiol
21 (which may be promulgated (and revised or repealed
22 as appropriate) by the Secretary through an interim
23 final rule, notwithstanding any requirement for no-
24 tice and comment that may otherwise apply under
25 section 553 of title 5, United States Code).

1 “(2)(A) The amount of cannabidiol established in ac-
2 cordance with paragraph (1)(A)—

3 “(i) shall be a threshold above which the Sec-
4 retary may not accept new dietary ingredient notifi-
5 cations; and

6 “(ii) shall not be interpreted as a determination
7 that lower amounts of cannabidiol are safe.

8 “(B) The Secretary shall establish such a threshold
9 based on such factors as the Secretary determines to be
10 appropriate, which may include a consideration of whether
11 the review of new dietary ingredient notifications for prod-
12 ucts containing higher levels of cannabidiol may be unduly
13 burdensome.”.

14 (c) NEW DIETARY INGREDIENT.—Section 413(a)(1)
15 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C.
16 350b(a)(1)) is amended by inserting “contains no
17 cannabidiol and” before “contains only dietary ingredi-
18 ents”.

19 (d) NEW PROHIBITED ACT.—Section 301 of the Fed-
20 eral Food, Drug, and Cosmetic Act (21 U.S.C. 331), as
21 amended by section 502(b)(6), is further amended by add-
22 ing at the end the following:

23 “(iii) The introduction or delivery for introduction
24 into interstate commerce of any product labeled as a die-

1 tary supplement that fails to meet the definition of a die-
2 tary supplement under section 201(ff).”.

3 (e) NEW IMPORT EXCLUSION.—Section 801(a) of the
4 Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381(a))
5 is amended in paragraph (3) of the third sentence by strik-
6 ing “section 301(ll)” and inserting “paragraph (ll) or (iii)
7 of section 301”.

8 (f) NEW SEIZURE AUTHORITIES.—Section 304 of the
9 Federal Food, Drug, and Cosmetic Act (21 U.S.C. 334)
10 is amended—

11 (1) in subsection (a)(1), in the first sentence,
12 by inserting “or any article which may not be intro-
13 duced or delivered for introduction into interstate
14 commerce under section 301(iii),” before “shall be
15 liable”; and

16 (2) in subsection (d)(1), in the first sentence,
17 by inserting “, or any product otherwise introduced
18 or delivered for introduction into interstate com-
19 merce in violation of section 301(iii) and condemned
20 under this section,” after “under this section”.

21 (g) CBD AS A FOOD ADDITIVE.—

22 (1) IN GENERAL.—Not later than 1 year after
23 the date of enactment of this Act, the Secretary of
24 Health and Human Services (referred to in this sub-
25 section as the “Secretary”) shall issue draft guid-

1 ance describing criteria by which the Secretary in-
2 tends to evaluate the safety of cannabidiol as a food
3 additive in any food additive petition under section
4 409 of the Federal Food, Drug, and Cosmetic Act
5 (21 U.S.C. 348). The Secretary shall publish final
6 guidance within 180 days of the close of the public
7 comment period on such draft guidance.

8 (2) **ADVISORY COMMITTEE.**—Before issuing
9 draft guidance under paragraph (1), the Secretary
10 shall convene and consult an advisory committee,
11 which shall include experts qualified in the subject
12 matter.

13 **SEC. 505. TRANSITION PERIODS.**

14 (a) **TRANSITION PERIOD FOR CANNABIS PROD-**
15 **UCTS.**—With respect to a cannabis product that was mar-
16 keted in the United States within 30 days of the date of
17 enactment of this Act pursuant to a State law permitting
18 the marketing of such product, such product shall not be
19 considered to be in violation of chapter XI of the Federal
20 Food, Drug, and Cosmetic Act (as added by section 501)
21 or section 301 of the Federal Food, Drug, and Cosmetic
22 Act (21 U.S.C. 331), as amended by this title, as applica-
23 ble, during the 18-month period following the date of en-
24 actment of this Act.

1 (b) SUBMISSION OF APPLICATIONS FOR PREVIOUSLY
2 MARKETED DRUGS CONTAINING CANNABIS.—

3 (1) TRANSITION PERIOD FOR DRUGS CON-
4 TAINING CANNABIS.—With respect to a drug con-
5 taining cannabis that was being marketed in the
6 United States within 30 days after the date of en-
7 actment of this Act pursuant to a State law permit-
8 ting cannabis for medical use, such drug shall not be
9 considered to be in violation of chapter V or section
10 301 of the Federal Food, Drug, and Cosmetic Act
11 (21 U.S.C. 331; 351 et seq.) during the 3-year pe-
12 riod following the date of enactment of this Act.

13 (2) SUBMISSION OF APPLICATIONS.—

14 (A) IN GENERAL.—As a condition for con-
15 tinuing to market a drug described in para-
16 graph (1) during the 3-year period specified in
17 such paragraph, during the 18-month period
18 beginning on the effective date of this Act, the
19 manufacturer shall submit a new drug applica-
20 tion under section 505(b) of the Federal Food,
21 Drug, and Cosmetic Act (21 U.S. C. 355(b))
22 for such drug.

23 (B) TRANSITION PERIOD.—Except as pro-
24 vided in subparagraph (C), with respect to a
25 drug containing cannabis for which an applica-

1 tion is submitted as described in subparagraph
2 (A), the manufacturer of such product may con-
3 tinue to market such drug in the State de-
4 scribed in paragraph (1) during the 3-year pe-
5 riod beginning on the effective date of this Act.

6 (C) EXCEPTION.—If the Secretary of
7 Health and Human Services issues an order re-
8 fusing to approve an application under section
9 505(d) of the Federal Food, Drug, and Cos-
10 metic Act (21 U.S.C. 355(d)) for a drug that
11 contains cannabis, such drug shall not be eligi-
12 ble for continued marketing under subpara-
13 graph (B).

14 (3) END OF TRANSITION PERIOD.—Beginning
15 on the date that is 3 years after the date of enact-
16 ment of this Act the Secretary may take enforce-
17 ment action, as appropriate, for a drug described in
18 paragraph (1) (including such a drug that is the
19 subject of a pending application under section 505
20 of the Federal Food, Drug, and Cosmetic Act (21
21 U.S.C. 355)) found to be in violation of chapter V
22 or section 301 of the Federal Food, Drug, and Cos-
23 metic Act.

24 (4) RULE OF CONSTRUCTION.—Nothing in this
25 subsection shall be construed to prohibit the mar-

“TITLE III—CANNABIS

1
2 **“SEC. 301. UNLAWFUL BUSINESSES WITHOUT CANNABIS**

3 **PERMIT.**

4 “(a) **IMPORT.**—It shall be unlawful, except pursuant
5 to a permit issued under this title by the Secretary—

6 “(1) to engage in the business of importing
7 cannabis into the United States; or

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

12 “(b) **MANUFACTURE AND SALE.**—It shall be unlaw-
13 ful, except pursuant to a permit issued under this title
14 by the Secretary—

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

18 “(2) for any person so engaged to sell, offer or
19 deliver for sale, contract to sell, or ship, in interstate
20 or foreign commerce, directly or indirectly or
21 through an affiliate, cannabis so cultivated, pro-
22 duced, manufactured, packaged, or warehoused.

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

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

3 “(2) for any person so engaged to receive or to
4 sell, offer or deliver for sale, contract to sell, or ship,
5 in interstate or foreign commerce, directly or indi-
6 rectly or through an affiliate, cannabis so purchased.

7 “(d) **TRANSITION RULE.**—Subject to section 302(e),
8 in the case of a person who has filed a complete and accu-
9 rate application for a permit under this section within 90
10 days of the date on which the Secretary has issued any
11 necessary guidance and forms with respect to such appli-
12 cations, this section shall not apply to such person during
13 the period prior to any determination under section 302
14 as to the entitlement of such person to such permit, pro-
15 vided that such person is in compliance with—

16 “(1) any applicable regulations under this title;
17 and

18 “(2) payment of any taxes imposed under chap-
19 ter 56 of the Internal Revenue Code of 1986.

20 **“SEC. 302. PROCEDURE FOR ISSUANCE OF CANNABIS PER-**
21 **MITTS.**

22 “(a) **ENTITLEMENT TO PERMIT.**—

23 “(1) **IN GENERAL.**—The Secretary shall issue a
24 permit for operations requiring a permit under sec-
25 tion 301 unless the Secretary finds that—

1 “(A) the applicant (or if the applicant is a
2 corporation, any of its officers, directors, or
3 principal stockholders) has been convicted of a
4 disqualifying offense;

5 “(B) the operations proposed to be con-
6 ducted by the applicant are in violation of the
7 law of the State in which they are to be con-
8 ducted; or

9 “(C) the applicant is not likely to maintain
10 such operations in conformity with Federal law.

11 “(2) DISQUALIFYING OFFENSES.—

12 “(A) IN GENERAL.—For the purposes of
13 paragraph (1), a disqualifying offense is any
14 felony violation of any provision of Federal or
15 State criminal law relating to cannabis or can-
16 nabis products (including the taxation thereof),
17 if the conviction occurred after the date of en-
18 actment of the Cannabis Administration and
19 Opportunity Act and not later than 3 years be-
20 fore the date of the application.

21 “(B) WAIVER PURSUANT TO FINDING OF
22 MITIGATION OR REHABILITATION AND FITNESS
23 FOR OCCUPATION.—Notwithstanding subpara-
24 graph (A), an offense shall not be considered a
25 disqualifying offense if, pursuant to a submis-

1 sion of waiver request by the applicant to the
2 Secretary, the Secretary finds (following a re-
3 view and recommendation with respect to such
4 waiver request by the Cannabis Products Advi-
5 sory Committee established under section 602
6 of the Cannabis Administration and Oppor-
7 tunity Act) that the applicant has established
8 sufficient mitigation or rehabilitation and fit-
9 ness to maintain cannabis operations in compli-
10 ance with State and Federal law by providing—

11 “(i) evidence showing that—

12 “(I) the applicant has not been
13 convicted of a crime that occurred
14 after the date on which the offense
15 with respect to which the waiver was
16 requested occurred; and

17 “(II) the applicant has complied
18 with all terms and conditions of pro-
19 bation or parole; or

20 “(ii) any other evidence of mitigation
21 and present fitness, including—

22 “(I) the circumstances relating to
23 the offense, including mitigating cir-
24 cumstances or social conditions sur-

1 rounding the commission of the of-
2 fense;

3 “(II) the age of the applicant
4 when the applicant committed the of-
5 fense;

6 “(III) the period of time that has
7 elapsed since the applicant committed
8 the offense;

9 “(IV) additional evidence of edu-
10 cational, training, or work activities
11 that the applicant has participated in,
12 including during any period of incar-
13 ceration;

14 “(V) letters of reference by per-
15 sons who have been in contact with
16 the applicant since the applicant was
17 released from any correctional institu-
18 tion; and

19 “(VI) completion of, or active
20 participation in, rehabilitative drug or
21 alcohol treatment.

22 “(b) REFUSAL OF PERMIT; HEARING.—If upon ex-
23 amination of any application for a permit the Secretary
24 has reason to believe that the applicant is not entitled to
25 such permit, the Secretary shall so notify the applicant

1 and, upon request by the applicant, afford the applicant
2 due notice and opportunity for hearing on the application.
3 If the Secretary, after affording such notice and oppor-
4 tunity for hearing, still finds that the applicant is not enti-
5 tled to a permit hereunder, the Secretary shall by order
6 deny the application stating the findings which are the
7 basis for the order.

8 “(c) FORM OF APPLICATION.—

9 “(1) GENERALLY.—The Secretary shall—

10 “(A) prescribe the manner and form of ap-
11 plications for permits under this title (including
12 the facts to be set forth in the application);

13 “(B) prescribe the form of such permits;
14 and

15 “(C) specify in any permit the authority
16 conferred by the permit and the conditions of
17 that permit in accordance with this title.

18 “(2) SEPARATE TYPES OF APPLICATIONS AND
19 PERMITS.—To the extent deemed necessary by the
20 Secretary for the efficient administration of this
21 title, the Secretary may require separate applications
22 and permits with respect to the various classes of
23 cannabis, and with respect to the various classes of
24 persons entitled to permits under this title.

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

4 “(d) CONDITIONS.—

5 “(1) IN GENERAL.—A permit under this title
6 shall be conditioned upon—

7 “(A) compliance with all other Federal
8 laws relating to production and sale of can-
9 nabis, as well as compliance with all State laws
10 relating to said activities in the State in which
11 the permit applicant resides and does business;

12 “(B) payment to the Secretary of a reason-
13 able permit fee in an amount determined by the
14 Secretary to be sufficient over time to offset the
15 cost of implementing and overseeing all aspects
16 of cannabis regulation by the Federal Govern-
17 ment; and

18 “(C) compliance with—

19 “(i) the labor laws described in para-
20 graph (1) of subsection (j), as determined
21 in accordance with paragraph (2) of such
22 subsection; and

23 “(ii) the reporting requirements of
24 subsection (j)(3).

1 “(2) WAIVER OF PERMIT FEE.—Pursuant to
2 regulations prescribed by the Secretary, the permit
3 fee described in paragraph (1)(B) shall be waived in
4 the case of an individual who—

5 “(A) has had an income below 250 percent
6 of the Federal Poverty Level for not fewer than
7 5 of the 10 years preceding the date on which
8 the individual submits an application for a per-
9 mit under this title; and

10 “(B) is a first-time applicant.

11 “(e) REVOCATION, SUSPENSION, AND ANNUL-
12 MENT.—

13 “(1) GENERALLY.—After due notice and oppor-
14 tunity for hearing, the Secretary may order a permit
15 under this title—

16 “(A) revoked or suspended for such period
17 as the Secretary deems appropriate, if the Sec-
18 retary finds that the permittee has willfully vio-
19 lated any of the conditions of the permit, but
20 for a first violation of the conditions the permit
21 shall be subject to suspension only;

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

1 “(C) annulled if the Secretary finds that
2 the permit was procured through fraud, or mis-
3 representation, or concealment of material fact.

4 “(2) ORDER TO STATE BASIS FOR ORDER.—
5 The order shall state the findings which are the
6 basis for the order.

7 “(3) JOINT DEVELOPMENT OF ENFORCEMENT
8 REGULATIONS.—The Secretary, in coordination with
9 the Secretary of Labor and the National Labor Re-
10 lations Board, shall, through regulations, establish
11 criteria for making determinations under paragraph
12 (1).

13 “(4) JOINT ENFORCEMENT.—The Secretary of
14 Labor and the National Labor Relations Board shall
15 provide to the Secretary any assistance in carrying
16 out this subsection as determined necessary by the
17 Secretary.

18 “(5) CERTAIN VIOLATIONS UNDER THE NA-
19 TIONAL LABOR RELATIONS ACT DEEMED WILL-
20 FUL.—A violation of the condition under subsection
21 (d)(1)(C) with respect to compliance with section 8
22 of the National Labor Relations Act (29 U.S.C.
23 158) as described in subsection (j)(1)(C) shall be
24 deemed willful for purposes of paragraph (1)(A) if

1 the National Labor Relations Board finds that the
2 permittee has engaged in—

3 “(A) a discharge in violation of subsection
4 (a) of such section 8;

5 “(B) a violation of such section 8 during
6 the period in which a representation election
7 under such Act is pending with respect to the
8 employees of the permittee; or

9 “(C) a withdrawal of recognition of the
10 recognized or certified collective-bargaining rep-
11 resentative under such Act with respect to the
12 employees of the permittee that is in violation
13 of such section 8.

14 “(f) SERVICE OF ORDERS.—Each order of the Sec-
15 retary with respect to any denial of application, suspen-
16 sion, revocation, annulment, or other proceedings, shall be
17 served—

18 “(1) in person by any officer or employee of the
19 Secretary designated by him or any internal revenue
20 or customs officer authorized by the Secretary for
21 the purpose; or

22 “(2) by mailing the order by registered mail,
23 addressed to the applicant or respondent at his last
24 known address in the records of the Secretary.

25 “(g) DURATION.—

1 “(1) GENERAL RULE.—Except as otherwise
2 provided in this subsection, a permit issued under
3 this title shall continue in effect until suspended, re-
4 voked, or annulled as provided in this title, or volun-
5 tarily surrendered.

6 “(2) EFFECT OF TRANSFER.—If operations
7 under a permit issued under this title are trans-
8 ferred, the permit automatically terminates 30 days
9 after the date of that transfer, unless an application
10 is made by the transferee before the end of that pe-
11 riod for a permit under this title for those oper-
12 ations. If such an application is made, the out-
13 standing permit shall continue in effect until such
14 application is finally acted on by the Secretary.

15 “(3) DEFINITION OF TRANSFER.—For the pur-
16 poses of this section, the term ‘transfer’ means any
17 change of ownership or control, whether voluntary or
18 by operation of law.

19 “(h) JUDICIAL REVIEW.—

20 “(1) IN GENERAL.—A permittee or applicant
21 for a permit under this title may obtain judicial re-
22 view under chapter 7 of title 5, United States Code,
23 of the denial of the application of that applicant or,
24 in the case of a permittee, the denial of an applica-
25 tion by the transferee of that permittee or the sus-

1 pension, revocation, or annulment of a permit with
2 respect to that permittee.

3 “(2) LABOR LAW VIOLATIONS.—Notwith-
4 standing paragraph (1), with respect to a violation
5 of the condition described in subsection (d)(1)(C),
6 the findings of fact and conclusions of law by the
7 Secretary, or, pursuant to subsection (e)(4), the Sec-
8 retary of Labor or the National Labor Relations
9 Board, concerning the appropriateness of sus-
10 pending, revoking, or annulling a permit as provided
11 in this title, if supported by substantial evidence on
12 the whole, shall be conclusive.

13 “(i) STATUTE OF LIMITATIONS.—

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

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

1 “(j) LABOR LAWS.—

2 “(1) IN GENERAL.—A labor law described in
3 this paragraph is any of the following:

4 “(A) Any provision under the Fair Labor
5 Standards Act of 1938 (29 U.S.C. 201 et seq.),
6 including any regulations promulgated under
7 such Act.

8 “(B) Any provision under the Occupational
9 Safety and Health Act of 1970 (29 U.S.C. 651
10 et seq.), including any standard promulgated
11 under section 6 of such Act (29 U.S.C. 655) or
12 any other regulation promulgated under such
13 Act, or any standard or regulation promulgated
14 under an applicable State plan approved by the
15 Secretary of Labor under section 18 of such
16 Act (29 U.S.C. 667) that is identical or equiva-
17 lent to a standard promulgated under such sec-
18 tion 6.

19 “(C) Section 8 of the National Labor Rela-
20 tions Act (29 U.S.C. 158), including any regu-
21 lations promulgated under such section.

22 “(2) FINDINGS OF LABOR LAW VIOLATIONS.—

23 “(A) IN GENERAL.—For purposes of sub-
24 section (d)(1)(C)(i), a permittee shall be consid-
25 ered in violation of a labor law described in

1 paragraph (1) if any of the following findings
2 are made with respect to the permittee:

3 “(i) FAIR LABOR STANDARDS ACT OF
4 1938.—With respect to a labor law de-
5 scribed in paragraph (1)(A)—

6 “(I) a finding through an order
7 or judgment of a Federal or State
8 court that the permittee has violated
9 any provision of the Fair Labor
10 Standards Act of 1938, including any
11 regulation promulgated under such
12 Act; or

13 “(II) a finding through a final
14 order of the Secretary of Labor that
15 the permittee has violated any provi-
16 sion of such Act, including such a reg-
17 ulation.

18 “(ii) OCCUPATIONAL SAFETY AND
19 HEALTH ACT OF 1970.—With respect to a
20 labor law described in paragraph (1)(B)—

21 “(I) a finding through an order
22 or judgment of a Federal or State
23 court that the permittee has violated
24 any provision of the Occupational
25 Safety and Health Act of 1970, in-

1 including any standard promulgated
2 under section 6 of such Act or any
3 other regulation promulgated under
4 such Act, or any standard or regula-
5 tion promulgated under an applicable
6 State plan approved by the Secretary
7 of Labor under section 18 of such Act
8 (29 U.S.C. 667) that is identical or
9 equivalent to a standard promulgated
10 under such section 6; or

11 “(II) a finding through a final
12 order issued by the Occupational
13 Safety and Health Review Commis-
14 sion, or an equivalent final decision of
15 any State agency or administrative
16 body, that the permittee has com-
17 mitted a violation described in sub-
18 clause (I).

19 “(iii) NATIONAL LABOR RELATIONS
20 ACT.—With respect to a labor law de-
21 scribed in paragraph (1)(C), a finding by
22 the National Labor Relations Board that
23 the permittee has violated section 8 of the
24 National Labor Relations Act (29 U.S.C.
25 158), including a regulation promulgated

1 under such section, by committing an un-
2 fair labor practice under such section.

3 “(B) EXCEPTION.—Notwithstanding sub-
4 paragraph (A), a permittee shall not be consid-
5 ered in violation of a labor law described in
6 paragraph (1) if a finding described in subpara-
7 graph (A) with respect to the permittee is
8 through an order or judgment that has been re-
9 versed, vacated, or rescinded.

10 “(3) REPORTING REQUIREMENTS.—Not later
11 than 30 days after a finding described in paragraph
12 (2) has been made with respect to a permittee, the
13 permittee shall notify the Secretary of such finding
14 in such form and manner as the Secretary, in co-
15 ordination with the Secretary of Labor and the Na-
16 tional Labor Relations Board, shall prescribe.

17 **“SEC. 303. DELIVERY OF HEMP INADVERTENTLY EXCEED-**
18 **ING PERMISSIBLE CONCENTRATION OF**
19 **DELTA-9 TETRAHYDROCANNABINOL.**

20 “(a) IN GENERAL.—The Secretary, in coordination
21 with the Secretary of Agriculture and the Secretary of
22 Health and Human Services, shall issue regulations to es-
23 tablish a process for the lawful delivery of hemp described
24 in subsection (b) to a cannabis enterprise holding a permit

1 issued under this title and authorized pursuant to section
2 5911 of the Internal Revenue Code of 1986.

3 “(b) HEMP DESCRIBED.—Hemp referred to in sub-
4 section (a) is *Cannabis sativa* L. inadvertently produced
5 with a total tetrahydrocannabinol equivalent concentration
6 of more than the allowable tetrahydrocannabinol equiva-
7 lent amount as described in paragraph (1)(C) of section
8 297A of the Agricultural Marketing Act of 1946 (7 U.S.C.
9 1639o)—

10 “(1) before September 30, 2021, by an institu-
11 tion of higher education or State department of agri-
12 culture that grows or cultivates industrial hemp
13 under section 7606 of the Agricultural Act of 2014
14 (7 U.S.C. 5940); or

15 “(2) by a producer of hemp under subtitle G of
16 the Agricultural Marketing Act of 1946 (7 U.S.C.
17 1639o et seq.).

18 **“SEC. 304. UNFAIR COMPETITION AND UNLAWFUL PRAC-**
19 **TICES.**

20 “(a) IN GENERAL.—It shall be unlawful for any per-
21 son engaged in the business of importing cannabis into
22 the United States, or cultivating, producing, manufac-
23 turing, packaging, or warehousing cannabis, or purchasing
24 cannabis for resale at wholesale, directly or indirectly or
25 through an affiliate, to do any of the following:

1 “(1) EXCLUSIVE OUTLET.—To require, by
2 agreement or otherwise, that any retailer engaged in
3 the sale of cannabis products, purchase any such
4 products from such person to the exclusion in whole
5 or in part of cannabis sold or offered for sale by
6 other persons in interstate or foreign commerce, if
7 such requirement is made in the course of interstate
8 or foreign commerce, or if such person engages in
9 such practice to such an extent as substantially to
10 restrain or prevent transactions in interstate or for-
11 eign commerce in any such products, or if the direct
12 effect of such requirement is to prevent, deter,
13 hinder, or restrict other persons from selling or of-
14 fering for sale any such products to such retailer in
15 interstate or foreign commerce.

16 “(2) TIED HOUSE.—To induce through any of
17 the following means, any retailer, engaged in the
18 sale of cannabis products to purchase any such prod-
19 ucts from such person to the exclusion in whole or
20 in part of cannabis sold or offered for sale by other
21 persons in interstate or foreign commerce, if such
22 inducement is made in the course of interstate or
23 foreign commerce, or if such person engages in the
24 practice of using such means, or any of them, to
25 such an extent as substantially to restrain or prevent

1 transactions in interstate or foreign commerce in
2 any such products, or if the direct effect of such in-
3 ducement is to prevent, deter, hinder, or restrict
4 other persons from selling or offering for sale any
5 such products to such retailer in interstate or for-
6 eign commerce:

7 “(A) Acquiring or holding (after the expi-
8 ration of any existing license) any interest in
9 any license with respect to the premises of the
10 retailer.

11 “(B) Acquiring any interest in real or per-
12 sonal property owned, occupied, or used by the
13 retailer in the conduct of his business.

14 “(C) Furnishing, giving, renting, lending,
15 or selling to the retailer, any equipment, fix-
16 tures, signs, supplies, money, services, or other
17 thing of value, subject to such exceptions as the
18 Secretary shall by regulation prescribe, having
19 due regard for public health, the quantity and
20 value of articles involved, established trade cus-
21 toms not contrary to the public interest and the
22 purposes of this subsection.

23 “(D) Paying or crediting the retailer for
24 any advertising, display, or distribution service.

1 “(E) Guaranteeing any loan or the repay-
2 ment of any financial obligation of the retailer.

3 “(F) Extending to the retailer credit for a
4 period in excess of the credit period usual and
5 customary to the industry for the particular
6 class of transactions, as ascertained by the Sec-
7 retary of the Treasury and prescribed by regu-
8 lations by him.

9 “(G) Requiring the retailer to take and
10 dispose of a certain quota of any of such prod-
11 ucts.

12 “(3) COMMERCIAL BRIBERY.—To induce
13 through any of the following means, any trade buyer
14 engaged in the sale of cannabis products, to pur-
15 chase any such products from such person to the ex-
16 clusion in whole or in part of cannabis products sold
17 or offered for sale by other persons in interstate or
18 foreign commerce, if such inducement is made in the
19 course of interstate or foreign commerce, or if such
20 person engages in the practice of using such means,
21 or any of them, to such an extent as substantially
22 to restrain or prevent transactions in interstate or
23 foreign commerce in any such products, or if the di-
24 rect effect of such inducement is to prevent, deter,
25 hinder, or restrict other persons from selling or of-

1 fering for sale any such products to such trade
2 buyer in interstate or foreign commerce:

3 “(A) Commercial bribery.

4 “(B) Offering or giving any bonus, pre-
5 mium, or compensation to any officer, or em-
6 ployee, or representative of the trade buyer.

7 “(4) CONSIGNMENT SALES.—To sell, offer for
8 sale, or contract to sell to any trade buyer engaged
9 in the sale of cannabis products, or for any such
10 trade buyer to purchase, offer to purchase, or con-
11 tract to purchase, any such products on consignment
12 or under conditional sale or with the privilege of re-
13 turn or on any basis otherwise than a bona fide sale,
14 or where any part of such transaction involves, di-
15 rectly or indirectly, the acquisition by such person
16 from the trade buyer or his agreement to acquire
17 from the trade buyer other cannabis products, if
18 such sale, purchase, offer, or contract is made in the
19 course of interstate or foreign commerce, or if such
20 person or trade buyer engages in such practice to
21 such an extent as substantially to restrain or prevent
22 transactions in interstate or foreign commerce in
23 any such products or if the direct effect of such sale,
24 purchase, offer, or contract is to prevent, deter,
25 hinder, or restrict other persons from selling or of-

1 fering for sale any such products to such trade
2 buyer in interstate or foreign commerce.

3 “(5) LABELING.—To sell or ship or deliver for
4 sale or shipment, or otherwise introduce in interstate
5 or foreign commerce, or to receive therein, or to re-
6 move from customs custody for consumption, any
7 cannabis product in packages, unless such products
8 are packaged, and labeled in conformity with such
9 regulations, to be prescribed by the Secretary, with
10 respect to packaging, marking, branding, and label-
11 ing and size of container—

12 “(A) as will prohibit deception of the con-
13 sumer with respect to such products or the
14 quantity thereof and as will prohibit, irrespec-
15 tive of falsity, such statements relating to man-
16 ufacturing processes, analyses, guarantees, and
17 scientific or irrelevant matters as the Secretary
18 finds to be likely to mislead the consumer;

19 “(B) as will provide the consumer with in-
20 formation described in section 1103 of the Fed-
21 eral Food, Drug, and Cosmetic Act;

22 “(C) as will require compliance with sec-
23 tion 112(b) of the Cannabis Administration and
24 Opportunity Act;

1 “(D) as will prohibit statements on the
2 label that are disparaging of a competitor’s
3 products or are false, misleading, obscene, or
4 indecent; and

5 “(E) as will prevent deception of the con-
6 sumer by use of a trade or brand name that is
7 the name of any living individual of public
8 prominence, or existing private or public organi-
9 zation, or is a name that is in simulation or is
10 an abbreviation thereof, and as will prevent the
11 use of a graphic, pictorial, or emblematic rep-
12 resentation of any such individual or organiza-
13 tion, if the use of such name or representation
14 is likely falsely to lead the consumer to believe
15 that the product has been indorsed, made, or
16 used by, or produced for, or under the super-
17 vision of, or in accordance with the specifica-
18 tions of, such individual or organization.

19 “(6) ADVERTISING.—To publish or disseminate
20 or cause to be published or disseminated by radio
21 broadcast, or in any newspaper, periodical or other
22 publication or by any sign or outdoor advertisement
23 or any other printed or graphic matter, any adver-
24 tisement of cannabis, if such advertisement is in, or
25 is calculated to induce sales in, interstate or foreign

1 commerce, or is disseminated by mail, unless such
2 advertisement is in conformity with such regulations,
3 to be prescribed by the Secretary, as will—

4 “(A) prevent deception of the consumer
5 with respect to the products advertised and as
6 will prohibit, irrespective of falsity, such state-
7 ments relating to manufacturing processes,
8 analyses, guaranties, and scientific or irrelevant
9 matters as the Secretary finds to be likely to
10 mislead the consumer;

11 “(B) provide the consumer with adequate
12 information as to the identity and quality of the
13 products advertised, the characteristics thereof,
14 and the person responsible for the advertise-
15 ment;

16 “(C) prohibit statements that are dispar-
17 aging of a competitor’s products or are false,
18 misleading, obscene, or indecent; and

19 “(D) prevent statements inconsistent with
20 any statement on the labeling of the products
21 advertised.

22 “(b) REMOVAL OR DESTRUCTION OF LABEL.—It
23 shall be unlawful for any person to alter, mutilate, destroy,
24 obliterate, or remove any mark, brand, or label upon can-
25 nabis products held for sale in interstate or foreign com-

1 merce or after shipment therein, except as authorized by
2 Federal law or except pursuant to regulations of the Sec-
3 retary authorizing relabeling for purposes of compliance
4 with the requirements of this subsection or of State law.

5 “(c) EXCEPTIONS.—

6 “(1) CONSIGNMENT SALES.—Paragraph (4) of
7 subsection (a) shall not apply to transactions involv-
8 ing solely the bona fide return of merchandise for
9 ordinary and usual commercial reasons arising after
10 the merchandise has been sold.

11 “(2) LABELING.—Paragraph (5) of such sub-
12 section shall not apply to the use of the name of any
13 person engaged in business as a manufacturer of
14 cannabis products, nor to the use by any person of
15 a trade or brand name used by him or his prede-
16 cessor in interest prior to the date of enactment of
17 the Cannabis Administration and Opportunity Act.

18 “(3) ADVERTISING.—Paragraph (6) of such
19 subsection shall not apply to the publisher of any
20 newspaper, periodical, or other publication, or radio
21 broadcaster, unless such publisher or radio broad-
22 caster is engaged in the business of importing can-
23 nabis into the United States, or cultivating, pro-
24 ducing, manufacturing, packaging, or warehousing

1 cannabis, or purchasing cannabis for resale at whole-
2 sale, directly or indirectly or through an affiliate.

3 “(4) STATE LAW.—With respect to subsection
4 (a)(2), subparagraphs (A), (B), (C), (E), and (F) of
5 such subsection shall apply to transactions between
6 a retailer or trade buyer in any State and a pro-
7 ducer, importer, or wholesaler of cannabis products
8 outside such State only to the extent that the law
9 of such State imposes similar requirements with re-
10 spect to similar transactions between a retailer or
11 trade buyer in such State and a producer, importer,
12 or wholesaler of cannabis products in such State, as
13 the case may be.

14 “(5) PROPRIETARY INTEREST.—Pursuant to
15 regulations or other guidance promulgated by the
16 Secretary, with respect to subparagraphs (A) and
17 (B) of subsection (a)(2), rules similar to the rules of
18 sections 6.27 and 6.33 of title 27, Code of Federal
19 Regulations (as in effect on the date of enactment
20 of this title), shall apply.

21 **“SEC. 305. REMEDIES FOR VIOLATIONS.**

22 “(a) CRIMINAL FINE.—

23 “(1) GENERALLY.—Whoever violates section
24 301 shall be fined not more than \$1,000.

1 “(2) SETTLEMENT IN COMPROMISE.—The Sec-
2 retary may decide not to refer a violation of such
3 section to the Attorney General for prosecution but
4 instead to collect a payment from the violator of no
5 more than \$500 for that violation.

6 “(b) CIVIL ACTION FOR RELIEF.—The Attorney
7 General may, in a civil action, obtain appropriate relief
8 to prevent and restrain a violation of this title.

9 **“SEC. 306. DEFINITIONS.**

10 “In this title—

11 “(1) the term ‘cannabis’ has the meaning given
12 such term in section 3 of the Cannabis Administra-
13 tion and Opportunity Act;

14 “(2) the term ‘Secretary’ means the Secretary
15 of the Treasury or the Secretary’s delegate; and

16 “(3) the term ‘State’ includes the District of
17 Columbia, Puerto Rico, and any territory or posses-
18 sion of the United States.”.

19 (b) APPROPRIATIONS.—In addition to amounts other-
20 wise available, there is appropriated, out of any funds in
21 the Treasury not otherwise appropriated, for fiscal year
22 2023—

23 (1) \$15,000,000 to the Secretary of Labor for
24 carrying out the activities of the Secretary of Labor
25 under section 302 of the Federal Alcohol Adminis-

1 tration Act, to remain available until September 30,
2 2027; and

3 (2) \$10,000,000 to the National Labor Rela-
4 tions Board for carrying out the activities of the Na-
5 tional Labor Relations Board under such section, to
6 remain available until September 30, 2027.

7 **SEC. 512. INCREASED FUNDING FOR THE ALCOHOL, TO-**
8 **BACCO, AND CANNABIS TAX AND TRADE BU-**
9 **REAU.**

10 In addition to any other amounts otherwise available
11 to the Alcohol, Tobacco, and Cannabis Tax and Trade Bu-
12 reau, there is appropriated, out of any funds in the Treas-
13 ury not otherwise appropriated, \$100,000,000 for each of
14 the fiscal years 2023 through 2027 to carry out—

15 (1) sections 102 and 112 of this Act,

16 (2) chapter 56 of the Internal Revenue Code of
17 1986 (as added by section 401 of this Act),

18 (3) title III of the Federal Alcohol Administra-
19 tion Act (as added by section 511 of this Act), and

20 (4) section 1111 of the Homeland Security Act
21 of 2002 (6 U.S.C. 531).

22 **TITLE VI—WORKPLACE HEALTH**
23 **AND SAFETY PROVISIONS**

24 **SEC. 601. DEFINITIONS.**

25 In this title:

1 (1) CANNABIS INDUSTRY.—The term “cannabis
2 industry” means any operation described in section
3 301 of the Federal Alcohol Administration Act, as
4 added by section 511.

5 (2) EMPLOYEE; EMPLOYER.—The terms “em-
6 ployee” and “employer” have the meanings given
7 such terms in section 3 of the Occupational Safety
8 and Health Act of 1970 (29 U.S.C. 652).

9 (3) EMPLOYER IN THE CANNABIS INDUSTRY.—
10 The term “employer in the cannabis industry”
11 means an employer engaged in any operation requir-
12 ing a permit under section 301 of the Federal Alco-
13 hol Administration Act, as added by section 511.

14 (4) PERSON.—The term “person” has the
15 meaning given such term in section 3 of the Occupa-
16 tional Safety and Health Act of 1970 (29 U.S.C.
17 652).

18 (5) SECRETARY.—The term “Secretary” means
19 the Secretary of Labor.

20 (6) WORKER IN THE CANNABIS INDUSTRY.—
21 The term “worker in the cannabis industry” means
22 any individual performing work for remuneration in
23 the cannabis industry.

1 **SEC. 602. FINDING REGARDING EMPLOYERS IN THE CAN-**
2 **NABIS INDUSTRY.**

3 Congress finds that employers in the cannabis indus-
4 try are required to comply with occupational safety and
5 health standards issued under section 6 of the Occupa-
6 tional Safety and Health Act of 1970 (29 U.S.C. 655)
7 and other regulations issued under such Act.

8 **SEC. 603. CANNABIS AS A TARGETED TOPIC FOR SUSAN**
9 **HARWOOD TRAINING GRANT PROGRAM.**

10 The Secretary shall, in awarding Susan Harwood
11 training grants under the Occupational Safety and Health
12 Act of 1970 (29 U.S.C. 651 et seq.) for the 2 fiscal years
13 following the date of enactment of this Act, designate can-
14 nabis as a targeted topic for such grants.

15 **SEC. 604. GUIDANCE ON RECOMMENDED PRACTICES.**

16 (a) IN GENERAL.—Not later than 60 days after the
17 date of enactment of this Act, the Assistant Secretary of
18 Labor for Occupational Safety and Health and the Direc-
19 tor of the National Institute for Occupational Safety and
20 Health of the Department of Health and Human Services
21 shall jointly issue guidance on recommended practices to
22 protect workers in the cannabis industry.

23 (b) CONTENTS.—The guidance required under this
24 section shall—

1 (1) address the hazards workers in the cannabis
2 industry face throughout the life cycle of cannabis,
3 including from cultivation to sale and resale;

4 (2) provide methods to protect cannabis work-
5 ers; and

6 (3) indicate specific occupational safety and
7 health standards promulgated under section 6 of the
8 Occupational Safety and Health Act of 1970 (29
9 U.S.C. 655), and any other requirements through
10 regulations issued under such Act, that apply to the
11 cannabis industry, including an indication of any
12 training requirement that employers in the cannabis
13 industry are subject to under any occupational safe-
14 ty and health standard promulgated under such sec-
15 tion 6 or under any other regulations issued under
16 such Act.

17 **SEC. 605. WORKPLACE IMPACT OF CANNABIS LEGALIZA-**
18 **TION.**

19 (a) STUDY.—

20 (1) IN GENERAL.—Not later than 1 year after
21 the date of enactment of this Act, the Director of
22 the National Institute for Occupational Safety and
23 Health shall conduct research on the impact of the
24 legalization of recreational cannabis by States on the
25 workplace, which may include—

1 (A) barriers for the Director and extra-
2 mural partners in conducting occupational safe-
3 ty and health research with respect to cannabis,
4 including to further identify potential hazards,
5 characterize exposures, and evaluate associa-
6 tions between exposures and adverse health ef-
7 fects;

8 (B) occupational health and safety training
9 for workers in the cannabis industry;

10 (C) the controls and actions taken by em-
11 ployers in the cannabis industry to protect
12 workers and the effectiveness of such controls
13 and actions;

14 (D) efficacy of cannabis for treating occu-
15 pational related injuries or illnesses; and

16 (E) other topics as determined relevant by
17 the Director.

18 (2) COLLABORATION.—In conducting the re-
19 search under paragraph (1), the Director of the Na-
20 tional Institute for Occupational Safety and Health
21 may collaborate with the Occupational Safety and
22 Health Administration, other relevant Federal de-
23 partments and agencies, and relevant public and pri-
24 vate stakeholders.

1 (3) APPROPRIATIONS.—In addition to amounts
2 otherwise available, there is appropriated, out of any
3 funds in the Treasury not otherwise appropriated,
4 \$2,000,000 for each of fiscal years 2023 through
5 2025 to carry out paragraph (1).

6 (b) BEST PRACTICES.—Not later than 2 years after
7 the date of enactment of this Act, the Director of the Na-
8 tional Institute for Occupational Safety and Health shall
9 develop a set of recommendations outlining policies, best
10 practices, and training recommendations for use by em-
11 ployers that are planning to transition or update work-
12 place policies related to the use of recreational cannabis.

13 **SEC. 606. GRANTS FOR COMMUNITY-BASED EDUCATION,**
14 **OUTREACH, AND ENFORCEMENT WITH RE-**
15 **SPECT TO THE RIGHTS OF WORKERS IN THE**
16 **CANNABIS INDUSTRY.**

17 (a) DEFINITION OF ELIGIBLE ENTITY.—In this sec-
18 tion, the term “eligible entity” means—

19 (1) a public or private nonprofit organization
20 with experience educating workers of their rights; or

21 (2) a partnership of organizations described in
22 paragraph (1).

23 (b) PROGRAM AUTHORIZED.—The Secretary shall
24 award grants to eligible entities, on a competitive basis,
25 to enable the eligible entities to carry out—

1 (1) one or more activities to—

2 (A) educate workers in the cannabis indus-
3 try of their rights under Federal, State, and
4 local civil rights, labor, and employment laws,
5 with a focus on providing such education to
6 such workers who are low-wage workers;

7 (B) educate persons hiring workers in the
8 cannabis industry regarding their obligations
9 under such laws; or

10 (C) connect and refer workers in the can-
11 nabis industry to additional services, as appro-
12 priate and available, to assist them in pursuing
13 their rights under such laws; or

14 (2) any other activity the Secretary may reason-
15 ably prescribe for the purposes of supporting work-
16 ers in the cannabis industry.

17 (c) APPLICATIONS.—

18 (1) IN GENERAL.—An eligible entity desiring a
19 grant under this section shall submit an application
20 to the Secretary at such time, in such manner, and
21 containing such information as the Secretary may
22 require.

23 (2) PARTNERSHIP APPLICATIONS.—In the case
24 of an eligible entity that is a partnership, the eligible
25 entity may designate, in the application, a single or-

1 organization in the partnership as the lead entity for
2 purposes of receiving and disbursing funds.

3 (3) CONTENTS.—An application described in
4 paragraph (1) shall include—

5 (A) information on the training and edu-
6 cation that will be provided through the grant
7 to workers in the cannabis industry and persons
8 hiring workers in the cannabis industry;

9 (B) information on any geographic area
10 targeted by the activities supported through the
11 grant; and

12 (C) the method by which the eligible entity
13 will measure the results of the activities sup-
14 ported through the grant and a method by
15 which the eligible entity will assess the demo-
16 graphics of the workers served by such activi-
17 ties.

18 (d) DURATION OF GRANTS.—Each grant awarded
19 under this section shall be for a period of not more than
20 3 years.

21 (e) AMOUNT OF GRANTS.—Each grant awarded
22 under this section shall be in an amount not to exceed
23 \$300,000.

24 (f) REPORTING REQUIREMENTS.—Each eligible enti-
25 ty receiving a grant under this section shall, as determined

1 by the Secretary, report to the Secretary the demographics
2 of the workers served by the grant and the results of the
3 activities supported by the grant as such demographics
4 and results are measured by the methods described in the
5 application submitted by the entity under subsection
6 (c)(3)(C).

7 (g) APPROPRIATIONS.—In addition to amounts other-
8 wise available, there is appropriated, out of any funds in
9 the Treasury not otherwise appropriated, \$15,000,000 for
10 each of fiscal years 2023 through 2027 to carry out this
11 section.

12 **TITLE VII—BANKING, HOUSING,**
13 **AND COMMUNITY DEVELOP-**
14 **MENT**

15 **SEC. 701. PURPOSES; SENSE OF CONGRESS.**

16 (a) PURPOSES.—The purposes of this title are—

17 (1) to reinvest in low- or moderate-income areas
18 and communities most affected by the war on drugs;
19 and

20 (2) encourage financial institutions to provide
21 financial services to small or minority-owned busi-
22 nesses in the communities described in paragraph
23 (1).

24 (b) SENSE OF CONGRESS.—It is the sense of Con-
25 gress that each appropriate Federal financial supervisory

1 agency should use its authority pursuant to section 804
 2 of the Community Reinvestment Act of 1977 (12 U.S.C.
 3 2901) when examining financial institutions to encourage
 4 the institutions to help meet the credit needs of the local
 5 communities in which they are chartered, consistent with
 6 the safe and sound operation of such institutions, includ-
 7 ing those communities that are most affected by the war
 8 on drugs.

9 **SEC. 702. REQUIREMENTS FOR FILING SUSPICIOUS ACTIV-**
 10 **ITY REPORTS.**

11 Section 5318(g) of title 31, United States Code, is
 12 amended—

13 (1) by redesignating paragraph (11) as para-
 14 graph (12); and

15 (2) by inserting after paragraph (10) the fol-
 16 lowing:

17 “(11) REQUIREMENTS FOR CANNABIS-RELATED
 18 LEGITIMATE BUSINESSES.—

19 “(A) DEFINITIONS.—In this paragraph:

20 “(i) CANNABIS.—The term ‘cannabis’
 21 has the meaning given the term in section
 22 3 of the Cannabis Administration and Op-
 23 portunity Act.

24 “(ii) CANNABIS-RELATED LEGITIMATE
 25 BUSINESS; CANNABIS-RELATED SERVICE

1 PROVIDER.—The terms ‘cannabis-related
2 legitimate business’ and ‘cannabis-related
3 service provider’ have the meanings given
4 the terms in section 3 of the Small Busi-
5 ness Act (15 U.S.C. 632).

6 “(iii) FINANCIAL SERVICE.—The term
7 ‘financial service’—

8 “(I) means—

9 “(aa) a financial product or
10 service, as defined in section
11 1002 of the Consumer Financial
12 Protection Act of 2010 (12
13 U.S.C. 5481), regardless if the
14 customer receiving the product or
15 service is a consumer or commer-
16 cial entity; and

17 “(bb) a financial product or
18 service, or any combination of
19 products and services, permitted
20 to be provided by—

21 “(AA) a national bank
22 or a financial subsidiary
23 pursuant to the authority
24 provided under the para-
25 graph designated as the

1 ‘Seventh’ of section 5136 of
2 the Revised Statutes (12
3 U.S.C. 24) or section 5136A
4 of the Revised Statutes (12
5 U.S.C. 24a); or

6 “(BB) a Federal credit
7 union, pursuant to the au-
8 thority provided under the
9 Federal Credit Union Act
10 (12 U.S.C. 1751 et seq.);
11 and

12 “(II) includes—

13 “(aa) the business of insur-
14 ance;

15 “(bb) whether performed di-
16 rectly or indirectly, the author-
17 izing, processing, clearing, set-
18 tling, billing, transferring for de-
19 posit, transmitting, delivering, in-
20 structing to be delivered, recon-
21 ciling, collecting, or otherwise ef-
22 fectuating or facilitating of pay-
23 ments or funds, if such payments
24 or funds are made or transferred
25 by any means, including by the

1 use of credit cards, debit cards,
2 other payment cards, or other ac-
3 cess devices, accounts, original or
4 substitute checks, or electronic
5 funds transfers;

6 “(cc) acting as a money
7 transmitting business that di-
8 rectly or indirectly makes use of
9 a depository institution in con-
10 nection with effectuating or fa-
11 cilitating a payment for a can-
12 nabis-related legitimate business
13 or cannabis-related service pro-
14 vider in compliance with section
15 5330 of title 31, United States
16 Code, and any applicable State
17 law; and

18 “(dd) acting as an armored
19 car service for processing and de-
20 positing with a depository institu-
21 tion or a Federal reserve bank
22 with respect to any monetary in-
23 struments, as defined in section
24 1956(c) of title 18, United States
25 Code.

1 “(B) REPORT.—With respect to a financial
2 institution or any director, officer, employee, or
3 agent of a financial institution that reports a
4 suspicious transaction pursuant to this sub-
5 section, if the reason for the report relates to
6 a cannabis-related legitimate business or can-
7 nabis-related service provider, the report shall
8 comply with appropriate guidance issued by the
9 Financial Crimes Enforcement Network. Not
10 later than the end of the 180-day period begin-
11 ning on the date of enactment of this para-
12 graph, the Secretary shall update the February
13 14, 2014, guidance titled ‘BSA Expectations
14 Regarding Marijuana-Related Businesses’
15 (FIN–2014–G001) or issue new regulations to
16 ensure that the guidance—

17 “(i) is consistent with the purpose and
18 intent of the Cannabis Administration and
19 Opportunity Act;

20 “(ii) addresses the deposit and move-
21 ment of cash held by cannabis-legitimate
22 business or cannabis-related service pro-
23 vider as of the date of enactment of this
24 paragraph; and

1 “(iii) does not significantly inhibit the
2 provision of financial services to a can-
3 nabis-related legitimate business or can-
4 nabis-related service provider in the United
5 States.

6 “(C) PURPOSE.—Any guidance or regula-
7 tion required under this section shall ensure
8 that a financial institution and any director,
9 employee, officer, or agent of a financial institu-
10 tion continues to report suspicious activities re-
11 lated to cannabis-related legitimate businesses
12 and preserve the ability of the Financial Crimes
13 Enforcement Network and law enforcement to
14 prevent and combat illicit activity. The Finan-
15 cial Crimes Enforcement Network shall promul-
16 gate regulations or issue guidance as necessary
17 on financial institutions that provide financial
18 services to cannabis-related legitimate busi-
19 nesses, cannabis-related service providers, or
20 employees, owners, or operators, regarding obli-
21 gations related to anti-money laundering and
22 under this subchapter, including addressing the
23 filing of suspicious activity reports consistent
24 with this section, customer due diligence re-
25 quirements, indirect relationships with can-

1 nabis-related legitimate businesses, and
2 verification and documentation requirements for
3 financial institutions intending to handle funds
4 from cannabis-related legitimate businesses to
5 ensure such funds are clearly linked with law,
6 other lawful activity, and regulations. The Sec-
7 retary shall ensure that such regulations are
8 consistent with the purpose and intent of the
9 Cannabis Administration and Opportunity Act
10 while ensuring the Financial Crimes Enforce-
11 ment Network has sufficient resources to pre-
12 vent and combat illicit activity.”.

13 **SEC. 703. GUIDANCE AND EXAMINATION PROCEDURES.**

14 Not later than 180 days after the date of enactment
15 of this Act and consistent with the updated Financial
16 Crimes Enforcement Network guidance described in para-
17 graph (11)(B) of section 5318(g) of title 31, United States
18 Code, as added by section 702 of this title, the Financial
19 Institutions Examination Council, in consultation with the
20 Financial Crimes Enforcement Network, shall develop uni-
21 form guidance and examination procedures for depository
22 institutions that provide financial services to cannabis-re-
23 lated legitimate businesses and cannabis-related service
24 providers.

1 **SEC. 704. INVESTMENT IN COMMUNITIES.**

2 (a) CDFI SUPPORT.—In addition to funds otherwise
3 available, there is appropriated out of any money in the
4 Treasury not otherwise appropriated, \$200,000,000 for
5 each of fiscal years 2023 through 2027 to the Community
6 Development Financial Institutions Fund established
7 under section 104 of the Community Development Bank-
8 ing and Financial Institutions Act of 1994 (12 U.S.C.
9 4703) to provide grants to expand lending and investment
10 in low- or moderate-income areas, including those most af-
11 fected by the war on drugs.

12 (b) MDI SUPPORT.—In addition to funds otherwise
13 available, there is appropriated out of any money in the
14 Treasury not otherwise appropriated, \$200,000,000 for
15 each of fiscal years 2023 through 2027 to the Emergency
16 Capital Investment Fund established under section
17 104A(b) of the Community Development Banking and Fi-
18 nancial Institutions Act of 1994 (12 U.S.C. 4703a) to
19 support the efforts of low- and moderate-income commu-
20 nity financial institutions to, among other things, provide
21 loans, grants, and forbearance for small businesses, mi-
22 nority-owned businesses, and consumers, especially in low-
23 income and underserved communities, including those
24 most affected by the war on drugs.

25 (c) GRANTS TO ADDRESS HOUSING AND COMMUNITY
26 DEVELOPMENT NEEDS OF INDIVIDUALS AND COMMU-

1 NITIES ADVERSELY IMPACTED BY THE WAR ON
2 DRUGS.—

3 (1) DEFINITIONS.—In this subsection:

4 (A) ELIGIBLE ACTIVITY.—The term “eligi-
5 ble activity”—

6 (i) means any eligible activity—

7 (I) described in title I of the
8 Housing and Community Development
9 Act of 1974 (42 U.S.C. 5301 et seq.),
10 the HOME Investment Partnerships
11 Act (42 U.S.C. 12721 et seq.), or sec-
12 tion 415 of the McKinney-Vento
13 Homeless Assistance Act (42 U.S.C.
14 11374); and

15 (II) that addresses the needs of
16 individuals and census tracts in the
17 provisions described in subclause (I);
18 and

19 (ii) does not include administrative ex-
20 penses that exceed 15 percent of the
21 amount of a grant made under this sub-
22 section.

23 (B) ELIGIBLE GRANTEE.—The term “eligi-
24 ble grantee” includes any State, unit of local
25 government, or Indian tribe eligible to receive a

1 grant under title I of the Housing and Commu-
2 nity Development Act of 1974 (42 U.S.C. 5301
3 et seq.).

4 (C) INDIVIDUAL ADVERSELY IMPACTED BY
5 THE WAR ON DRUGS.—The term “individual
6 adversely impacted by the War on Drugs” has
7 the meaning given the term in section 3062 as
8 defined in section 3062 of the Omnibus Crime
9 Control and Safe Streets Act of 1968, as added
10 by section 301(a)(2) of this Act.

11 (D) STATE; UNIT OF LOCAL GOVERNMENT;
12 INDIAN TRIBE.—The terms “State”, “unit of
13 local government”, and “Indian Tribe” have the
14 meanings given the terms in section 102 of the
15 Housing and Community Development Act of
16 1974 (42 U.S.C. 5302).

17 (2) GRANTS.—In addition to funds otherwise
18 available, there is appropriated out of any money in
19 the Treasury not otherwise appropriated,
20 \$300,000,000 for each of fiscal years 2023 through
21 2027 to the Secretary of Housing and Urban Devel-
22 opment for grants to eligible grantees for eligible ac-
23 tivities to address the housing and community devel-
24 opment needs of—

1 (A) individuals adversely impacted by the
2 War on Drugs; and

3 (B) housing and community development
4 needs of census tracts where a disproportionate
5 share of residents are individuals described in
6 subparagraph (A), as determined by the Sec-
7 retary.

8 (3) AWARD CRITERIA.—In awarding grants
9 under this subsection, the Secretary of Housing and
10 Urban Development shall establish criteria for
11 awards as may be necessary to demonstrate that the
12 eligible grantee has the need, capacity, and commit-
13 ment to carry out a grant under this subsection to
14 address the needs described in paragraph (2).

15 (4) ADMINISTRATION AND TECHNICAL ASSIST-
16 ANCE.—Of the amount appropriated under this sec-
17 tion, not more than 10 percent shall be available to
18 the Secretary of Housing and Urban Development
19 for administration, evaluation, and technical assist-
20 ance activities to carry out the grant program under
21 this subsection.

22 **SEC. 705. FAIR HIRING IN BANKING.**

23 (a) FEDERAL DEPOSIT INSURANCE ACT.—Section
24 19 of the Federal Deposit Insurance Act (12 U.S.C. 1829)
25 is amended—

1 (1) by inserting after subsection (b) the fol-
2 lowing:

3 “(c) EXCEPTIONS.—

4 “(1) CERTAIN OLDER OFFENSES.—

5 “(A) IN GENERAL.—With respect to an in-
6 dividual, subsection (a) shall not apply to an of-
7 fense if—

8 “(i) it has been 7 years or more since
9 the offense occurred; or

10 “(ii) the individual was incarcerated
11 with respect to the offense and it has been
12 5 years or more since the individual was
13 released from incarceration.

14 “(B) OFFENSES COMMITTED BY INDIVID-
15 UALS 21 OR YOUNGER.—For individuals who
16 committed an offense when they were 21 years
17 of age or younger, subsection (a) shall not
18 apply to the offense if it has been more than 30
19 months since the sentencing occurred.

20 “(C) LIMITATION.—This paragraph shall
21 not apply to an offense described under sub-
22 section (a)(2).

23 “(2) EXPUNGEMENT AND SEALING.—With re-
24 spect to an individual, subsection (a) shall not apply
25 to an offense if—

1 “(A) there is an order of expungement,
2 sealing, or dismissal that has been issued in re-
3 gard to the conviction in connection with such
4 offense; and

5 “(B) it is intended by the language in the
6 order itself, or in the legislative provisions
7 under which the order was issued, that the con-
8 viction shall be destroyed or sealed from the in-
9 dividual’s State or Federal record, even if ex-
10 ceptions allow the record to be considered for
11 certain character and fitness evaluation pur-
12 poses.

13 “(3) DE MINIMIS EXEMPTION.—

14 “(A) IN GENERAL.—Subsection (a) shall
15 not apply to such de minimis offenses as the
16 Corporation determines, by rule.

17 “(B) CONFINEMENT CRITERIA.—In issuing
18 rules under subparagraph (A), the Corporation
19 shall include a requirement that the offense was
20 punishable by a term of three years or less con-
21 fined in a correctional facility, where such con-
22 finement—

23 “(i) is calculated based on the time an
24 individual spent incarcerated as a punish-

1 ment or a sanction, not as pretrial deten-
2 tion; and

3 “(ii) does not include probation or pa-
4 role where an individual was restricted to
5 a particular jurisdiction or was required to
6 report occasionally to an individual or a
7 specific location.

8 “(C) BAD CHECK CRITERIA.—In setting
9 the criteria for de minimis offenses under sub-
10 paragraph (A), if the Corporation establishes
11 criteria with respect to insufficient funds
12 checks, the Corporation shall require that the
13 aggregate total face value of all insufficient
14 funds checks across all convictions or program
15 entries related to insufficient funds checks is
16 \$2,000 or less.

17 “(D) DESIGNATED LESSER OFFENSES.—
18 Subsection (a) shall not apply to certain lesser
19 offenses (including the use of a fake ID, shop-
20 lifting, trespass, fare evasion, driving with an
21 expired license or tag, and such other low-risk
22 offenses as the Corporation may designate) if 1
23 year or more has passed since the applicable
24 conviction or program entry.”; and

25 (2) by adding at the end the following:

1 “(f) CONSENT APPLICATIONS.—

2 “(1) IN GENERAL.—The Corporation shall ac-
3 cept consent applications from an individual and
4 from an insured depository institution or depository
5 institution holding company on behalf of an indi-
6 vidual that are filed separately or contemporaneously
7 with a regional office of the Corporation.

8 “(2) SPONSORED APPLICATIONS FILED WITH
9 REGIONAL OFFICES.—Consent applications filed at a
10 regional office of the Corporation by an insured de-
11 pository institution or depository institution holding
12 company on behalf of an individual—

13 “(A) shall be reviewed by such office;

14 “(B) may be approved or denied by such
15 office, if such authority has been delegated to
16 such office by the Corporation; and

17 “(C) may only be denied by such office if
18 the general counsel of the Corporation (or a
19 designee) certifies that the denial is consistent
20 with this section.

21 “(3) INDIVIDUAL APPLICATIONS FILED WITH
22 REGIONAL OFFICES.—Consent applications filed at a
23 regional office by an individual—

24 “(A) shall be reviewed by such office; and

1 “(B) may be approved or denied by such
2 office, if such authority has been delegated to
3 such office by the Corporation, except with re-
4 spect to—

5 “(i) cases involving an offense de-
6 scribed under subsection (a)(2); and

7 “(ii) such other high-level security
8 cases as may be designated by the Cor-
9 poration.

10 “(4) NATIONAL OFFICE REVIEW.—The national
11 office of the Corporation shall—

12 “(A) review any consent application with
13 respect to which a regional office is not author-
14 ized to approve or deny the application; and

15 “(B) review any consent application that is
16 denied by a regional office, if the individual re-
17 quests a review by the national office.

18 “(5) FORMS AND INSTRUCTIONS.—

19 “(A) AVAILABILITY.—The Corporation
20 shall make all forms and instructions related to
21 consent applications available to the public, in-
22 cluding on the website of the Corporation.

23 “(B) CONTENTS.—The forms and instruc-
24 tions described under subparagraph (A) shall
25 provide a sample cover letter and a comprehen-

1 sive list of items that may accompany the appli-
2 cation, including clear guidance on evidence
3 that may support a finding of rehabilitation.

4 “(6) CONSIDERATION OF CRIMINAL HISTORY.—

5 “(A) REGIONAL OFFICE CONSIDER-
6 ATION.—In reviewing a consent application, a
7 regional office shall—

8 “(i) primarily rely on the criminal his-
9 tory record of the Federal Bureau of In-
10 vestigation; and

11 “(ii) provide such record to the appli-
12 cant to review for accuracy.

13 “(B) CERTIFIED COPIES.—The Corpora-
14 tion may not require an applicant to provide
15 certified copies of criminal history records un-
16 less the Corporation determines that there is a
17 clear and compelling justification to require ad-
18 ditional information to verify the accuracy of
19 the criminal history record of the Federal Bu-
20 reau of Investigation.

21 “(7) CONSIDERATION OF REHABILITATION.—

22 Consistent with title VII of the Civil Rights Act of
23 1964 (42 U.S.C. 2000e et seq.), the Corporation
24 shall—

1 “(A) conduct an individualized assessment
2 when evaluating consent applications that takes
3 into account evidence of rehabilitation, the ap-
4 plicant’s age at the time of the conviction or
5 program entry, the time that has elapsed since
6 conviction or program entry, and the relation-
7 ship of individual’s offense to the responsibil-
8 ities of the applicable position;

9 “(B) consider the individual’s employment
10 history, letters of recommendation, certificates
11 documenting participation in substance abuse
12 programs, successful participating in job prepa-
13 ration and educational programs, and other rel-
14 evant mitigating evidence; and

15 “(C) consider any additional information
16 the Corporation determines necessary for safety
17 and soundness.

18 “(8) SCOPE OF EMPLOYMENT.—With respect to
19 an approved consent application filed by an insured
20 depository institution or depository institution hold-
21 ing company on behalf of an individual, if the Cor-
22 poration determines it appropriate, such approved
23 consent application shall allow the individual to work
24 for the same employer (without restrictions on the
25 location) and across positions, except that the prior

1 consent of the Corporation (which may require a
2 new application) shall be required for any proposed
3 significant changes in the individual's security-re-
4 lated duties or responsibilities, such as promotion to
5 an officer or other positions that the employer deter-
6 mines will require higher security screening creden-
7 tials.

8 “(9) COORDINATION WITH THE NCUA.—In car-
9 rying out this section, the Corporation shall consult
10 and coordinate with the National Credit Union Ad-
11 ministration as needed to promote consistent imple-
12 mentation where appropriate.

13 “(g) DEFINITIONS.—In this section:

14 “(1) CONSENT APPLICATION.—The term ‘con-
15 sent application’ means an application filed with
16 Corporation by an individual (or by an insured de-
17 pository institution or depository institution holding
18 company on behalf of an individual) seeking the
19 written consent of the Corporation under subsection
20 (a)(1).

21 “(2) CRIMINAL OFFENSE INVOLVING DISHON-
22 ESTY.—The term ‘criminal offense involving dishon-
23 esty’—

24 “(A) means an offense under which an in-
25 dividual, directly or indirectly—

1 “(i) cheats or defrauds; or

2 “(ii) wrongfully takes property belong-
3 ing to another in violation of a criminal
4 statute;

5 “(B) includes an offense that Federal,
6 State, or local law defines as dishonest, or for
7 which dishonesty is an element of the offense;
8 and

9 “(C) does not include—

10 “(i) a misdemeanor criminal offense
11 committed more than one year before the
12 date on which an individual files a consent
13 application, excluding any period of incar-
14 ceration; or

15 “(ii) an offense involving the posses-
16 sion of controlled substances.

17 “(3) PRETRIAL DIVERSION OR SIMILAR PRO-
18 GRAM.—The term ‘pretrial diversion or similar pro-
19 gram’ means a program characterized by a suspen-
20 sion or eventual dismissal or reversal of charges or
21 criminal prosecution upon agreement by the accused
22 to restitution, drug or alcohol rehabilitation, anger
23 management, or community service.”.

1 (b) FEDERAL CREDIT UNION ACT.—Section 205(d)
2 of the Federal Credit Union Act (12 U.S.C. 1785(d)) is
3 amended by adding at the end the following:

4 “(4) EXCEPTIONS.—

5 “(A) CERTAIN OLDER OFFENSES.—

6 “(i) IN GENERAL.—With respect to an
7 individual, paragraph (1) shall not apply to
8 an offense if—

9 “(I) it has been 7 years or more
10 since the offense occurred; or

11 “(II) the individual was incarcer-
12 ated with respect to the offense and it
13 has been 5 years or more since the in-
14 dividual was released from incarcer-
15 ation.

16 “(ii) OFFENSES COMMITTED BY INDI-
17 VIDUALS 21 OR YOUNGER.—For individuals
18 who committed an offense when they were
19 21 years of age or younger, paragraph (1)
20 shall not apply to the offense if it has been
21 more than 30 months since the sentencing
22 occurred.

23 “(iii) LIMITATION.—This subpara-
24 graph shall not apply to an offense de-
25 scribed under paragraph (1)(B).

1 “(B) EXPUNGEMENT AND SEALING.—With
2 respect to an individual, paragraph (1) shall not
3 apply to an offense if—

4 “(i) there is an order of expungement,
5 sealing, or dismissal that has been issued
6 in regard to the conviction in connection
7 with such offense; and

8 “(ii) it is intended by the language in
9 the order itself, or in the legislative provi-
10 sions under which the order was issued,
11 that the conviction shall be destroyed or
12 sealed from the individual’s State or Fed-
13 eral record, even if exceptions allow the
14 record to be considered for certain char-
15 acter and fitness evaluation purposes.

16 “(C) DE MINIMIS EXEMPTION.—

17 “(i) IN GENERAL.—Paragraph (1)
18 shall not apply to such de minimis offenses
19 as the Board determines, by rule.

20 “(ii) CONFINEMENT CRITERIA.—In
21 issuing rules under clause (i), the Board
22 shall include a requirement that the of-
23 fense was punishable by a term of three
24 years or less confined in a correctional fa-
25 cility, where such confinement—

1 “(I) is calculated based on the
2 time an individual spent incarcerated
3 as a punishment or a sanction, not as
4 pretrial detention; and

5 “(II) does not include probation
6 or parole where an individual was re-
7 stricted to a particular jurisdiction or
8 was required to report occasionally to
9 an individual or a specific location.

10 “(iii) BAD CHECK CRITERIA.—In set-
11 ting the criteria for de minimis offenses
12 under clause (i), if the Board establishes
13 criteria with respect to insufficient funds
14 checks, the Board shall require that the
15 aggregate total face value of all insufficient
16 funds checks across all convictions or pro-
17 gram entries related to insufficient funds
18 checks is \$2,000 or less.

19 “(iv) DESIGNATED LESSER OF-
20 FENSES.—Paragraph (1) shall not apply to
21 certain lesser offenses (including the use of
22 a fake ID, shoplifting, trespass, fare eva-
23 sion, driving with an expired license or tag,
24 and such other low-risk offenses as the
25 Board may designate) if 1 year or more

1 has passed since the applicable conviction
2 or program entry.

3 “(5) CONSENT APPLICATIONS.—

4 “(A) IN GENERAL.—The Board shall ac-
5 cept consent applications from an individual
6 and from an insured credit union on behalf of
7 an individual that are filed separately or con-
8 temporaneously with a regional office of the
9 Board.

10 “(B) SPONSORED APPLICATIONS FILED
11 WITH REGIONAL OFFICES.—Consent applica-
12 tions filed at a regional office of the Board by
13 an insured credit union on behalf of an indi-
14 vidual—

15 “(i) shall be reviewed by such office;

16 “(ii) may be approved or denied by
17 such office, if such authority has been dele-
18 gated to such office by the Board; and

19 “(iii) may only be denied by such of-
20 fice if the general counsel of the Board (or
21 a designee) certifies that the denial is con-
22 sistent with this section.

23 “(C) INDIVIDUAL APPLICATIONS FILED
24 WITH REGIONAL OFFICES.—Consent applica-

1 tions filed at a regional office by an indi-
2 vidual—

3 “(i) shall be reviewed by such office;

4 and

5 “(ii) may be approved or denied by
6 such office, if such authority has been dele-
7 gated to such office by the Board, except
8 with respect to—

9 “(I) cases involving an offense
10 described under paragraph (1)(B);

11 and

12 “(II) such other high-level secu-
13 rity cases as may be designated by the
14 Board.

15 “(D) NATIONAL OFFICE REVIEW.—The
16 national office of the Board shall—

17 “(i) review any consent application
18 with respect to which a regional office is
19 not authorized to approve or deny the ap-
20 plication; and

21 “(ii) review any consent application
22 that is denied by a regional office, if the
23 individual requests a review by the national
24 office.

25 “(E) FORMS AND INSTRUCTIONS.—

1 “(i) AVAILABILITY.—The Board shall
2 make all forms and instructions related to
3 consent applications available to the public,
4 including on the website of the Board.

5 “(ii) CONTENTS.—The forms and in-
6 structions described under clause (i) shall
7 provide a sample cover letter and a com-
8 prehensive list of items that may accom-
9 pany the application, including clear guid-
10 ance on evidence that may support a find-
11 ing of rehabilitation.

12 “(F) CONSIDERATION OF CRIMINAL HIS-
13 TORY.—

14 “(i) REGIONAL OFFICE CONSIDER-
15 ATION.—In reviewing a consent applica-
16 tion, a regional office shall—

17 “(I) primarily rely on the crimi-
18 nal history record of the Federal Bu-
19 reau of Investigation; and

20 “(II) provide such record to the
21 applicant to review for accuracy.

22 “(ii) CERTIFIED COPIES.—The Board
23 may not require an applicant to provide
24 certified copies of criminal history records
25 unless the Board determines that there is

1 a clear and compelling justification to re-
2 quire additional information to verify the
3 accuracy of the criminal history record of
4 the Federal Bureau of Investigation.

5 “(G) CONSIDERATION OF REHABILITA-
6 TION.—Consistent with title VII of the Civil
7 Rights Act of 1964 (42 U.S.C. 2000e et seq.),
8 the Board shall—

9 “(i) conduct an individualized assess-
10 ment when evaluating consent applications
11 that takes into account evidence of reha-
12 bilitation, the applicant’s age at the time
13 of the conviction or program entry, the
14 time that has elapsed since conviction or
15 program entry, and the relationship of in-
16 dividual’s offense to the responsibilities of
17 the applicable position;

18 “(ii) consider the individual’s employ-
19 ment history, letters of recommendation,
20 certificates documenting participation in
21 substance abuse programs, successful par-
22 ticipating in job preparation and edu-
23 cational programs, and other relevant miti-
24 gating evidence; and

1 “(iii) consider any additional informa-
2 tion the Board determines necessary for
3 safety and soundness.

4 “(H) SCOPE OF EMPLOYMENT.—With re-
5 spect to an approved consent application filed
6 by an insured credit union on behalf of an indi-
7 vidual, if the Board determines it appropriate,
8 such approved consent application shall allow
9 the individual to work for the same employer
10 (without restrictions on the location) and across
11 positions, except that the prior consent of the
12 Board (which may require a new application)
13 shall be required for any proposed significant
14 changes in the individual’s security-related du-
15 ties or responsibilities, such as promotion to an
16 officer or other positions that the employer de-
17 termines will require higher security screening
18 credentials.

19 “(I) COORDINATION WITH FDIC.—In car-
20 rying out this subsection, the Board shall con-
21 sult and coordinate with the Federal Deposit
22 Insurance Corporation as needed to promote
23 consistent implementation where appropriate.

24 “(6) DEFINITIONS.—In this subsection:

1 “(A) CONSENT APPLICATION.—The term
2 ‘consent application’ means an application filed
3 with Board by an individual (or by an insured
4 credit union on behalf of an individual) seeking
5 the written consent of the Board under para-
6 graph (1)(A).

7 “(B) CRIMINAL OFFENSE INVOLVING DIS-
8 HONESTY.—The term ‘criminal offense involv-
9 ing dishonesty’—

10 “(i) means an offense under which an
11 individual, directly or indirectly—

12 “(I) cheats or defrauds; or

13 “(II) wrongfully takes property
14 belonging to another in violation of a
15 criminal statute;

16 “(ii) includes an offense that Federal,
17 State, or local law defines as dishonest, or
18 for which dishonesty is an element of the
19 offense; and

20 “(iii) does not include—

21 “(I) a misdemeanor criminal of-
22 fense committed more than one year
23 before the date on which an individual
24 files a consent application, excluding
25 any period of incarceration; or

1 “(II) an offense involving the
2 possession of controlled substances.

3 “(C) PRETRIAL DIVERSION OR SIMILAR
4 PROGRAM.—The term ‘pretrial diversion or
5 similar program’ means a program character-
6 ized by a suspension or eventual dismissal or
7 reversal of charges or criminal prosecution upon
8 agreement by the accused to restitution, drug
9 or alcohol rehabilitation, anger management, or
10 community service.”.

11 (c) REVIEW AND REPORT TO CONGRESS.—Not later
12 than the end of the 2-year period beginning on the date
13 of enactment of this Act, the Federal Deposit Insurance
14 Corporation and the National Credit Union Administra-
15 tion shall—

16 (1) review the rules issued to carry out this sec-
17 tion and the amendments made by this section on—

18 (A) the application of section 19 of the
19 Federal Deposit Insurance Act (12 U.S.C.
20 1829) and section 205(d) of the Federal Credit
21 Union Act (12 U.S.C. 1785(d));

22 (B) the number of applications for consent
23 applications under such sections; and

24 (C) the rates of approval and denial for
25 consent applications under such sections;

1 (2) make the results of the review required
2 under paragraph (1) available to the public; and

3 (3) issue a report to Congress containing any
4 legislative or regulatory recommendations for ex-
5 panding employment opportunities for those with a
6 previous minor criminal offense.

7 **SEC. 706. FAIR ACCESS TO FINANCIAL SERVICES.**

8 (a) **IN GENERAL.**—All persons shall be entitled to the
9 full and equal enjoyment of the goods, services, facilities,
10 privileges, and accommodations of any financial institu-
11 tion, as defined in section 803 of the Payment, Clearing,
12 and Settlement Supervision Act of 2010 (12 U.S.C. 5462),
13 without discrimination on the ground of race, color, reli-
14 gion, national origin, and sex (including sexual orientation
15 and gender identity).

16 (b) **PRIVATE RIGHT OF ACTION.**—

17 (1) **IN GENERAL.**—Whenever any person has
18 engaged or there are reasonable grounds to believe
19 that any person is about to engage in any act or
20 practice prohibited by subsection (a), a civil action
21 for preventive relief, including an application for a
22 permanent or temporary injunction, restraining
23 order, or other order, may be instituted by the per-
24 son aggrieved.

1 (2) COSTS.—In any action commenced pursu-
2 ant to this section, the court, in its discretion, may
3 allow the prevailing party, other than the United
4 States, a reasonable attorney’s fee as part of the
5 costs, and the United States shall be liable for costs
6 the same as a private person.

7 (3) JURISDICTION.—The district courts of the
8 United States shall have jurisdiction of proceedings
9 instituted pursuant to this section and shall exercise
10 the same without regard to whether the aggrieved
11 party shall have exhausted any administrative or
12 other remedies that may be provided by law.

13 (4) EXCLUSIVE MEANS.—The remedies pro-
14 vided in this subsection shall be the exclusive means
15 of enforcing the rights based on this section, but
16 nothing in this section shall preclude any individual
17 or any State or local agency from asserting any
18 right based on any other Federal or State law not
19 inconsistent with this section, including any statute
20 or ordinance requiring nondiscrimination in goods,
21 services, facilities, privileges, and accommodations of
22 any financial institution, or from pursuing any rem-
23 edy, civil or criminal, which may be available for the
24 vindication or enforcement of such right.

1 **SEC. 707. CONSUMER PROTECTIONS FOR INDIVIDUALS**
2 **WITH NONVIOLENT CRIMINAL RECORD.**

3 No institution may deny financial services to an ap-
4 plicant solely based on a prior conviction for a nonviolent
5 cannabis offense.

6 **TITLE VIII—MISCELLANEOUS**

7 **SEC. 801. COMPTROLLER GENERAL REVIEW OF LAWS AND**
8 **REGULATIONS.**

9 (a) IN GENERAL.—The Comptroller General shall
10 conduct a review of Federal laws, regulations, and policies
11 to—

12 (1) determine if any changes in them are desir-
13 able in the light of the purposes and provisions of
14 this Act;

15 (2) identify any use of the terms “marijuana”
16 or “marihuana” in the rulings, regulations, or inter-
17 pretations of various administrative bureaus and
18 agencies of the United States and recommend that
19 such terms be replaced with the term “cannabis”;
20 and

21 (3) identify any use of the terms “marijuana”
22 or “marihuana” in the statutes of the United States
23 and propose any amendments necessary to such
24 statutes to replace such terms with the term “can-
25 nabis”.

1 (b) REPORT.—Not later than 2 years after the date
2 of the enactment of this Act, the Comptroller General shall
3 make to Congress and the relevant agencies such rec-
4 ommendations relating to the results of the review de-
5 scribed in subsection (a) as the Comptroller General
6 deems appropriate.

7 **SEC. 802. CANNABIS PRODUCTS ADVISORY COMMITTEE.**

8 (a) ESTABLISHMENT.—

9 (1) IN GENERAL.—There is established the
10 Cannabis Products Advisory Committee (in this sec-
11 tion referred to as the “Committee”).

12 (2) PURPOSE.—The Committee shall advise any
13 relevant Federal regulatory body, agency, or bureau
14 regarding the administration of this Act (including
15 any amendments made by this Act).

16 (b) MEMBERSHIP.—

17 (1) APPOINTMENTS.—

18 (A) IN GENERAL.—The Committee shall be
19 composed of 22 members who are appointed by
20 the Secretary of Health and Human Services
21 (in this section referred to as the “Secretary”).

22 (B) DATE.—The Secretary shall make the
23 appointments described in subparagraph (A)
24 not later than 60 days after the date of enact-
25 ment of this section.

1 (2) TERM OF SERVICE.—

2 (A) IN GENERAL.—Each member of the
3 Committee shall serve a term of 5 years from
4 the date of appointment by the Secretary. No
5 member may be removed prior to the expiration
6 of his or her term without a showing of good
7 cause.

8 (B) REAPPOINTMENT.—A member may be
9 reappointed but may not serve more than 2
10 terms.

11 (C) VACANCIES.—

12 (i) IN GENERAL.—Any vacancy in the
13 Committee shall be filled by the Secretary
14 not later than 90 days after the vacancy.

15 (ii) TERM.—A member appointed to
16 fill a vacancy in the Committee shall serve
17 as a member of the Committee for the re-
18 mainder of the original term of appoint-
19 ment.

20 (3) MEMBERSHIP COMPOSITION.—The Com-
21 mittee shall be composed of the following members:

22 (A) INDUSTRY STAKEHOLDERS.—Three
23 representatives from the cannabis industry, not
24 less than 1 of which is an individual rep-
25 resenting a historically underrepresented com-

1 munity or an individual adversely impacted by
2 the War on Drugs (as defined in section 301 of
3 this Act), including—

4 (i) 2 individuals who represent the
5 viewpoint of cannabis cultivators and proc-
6 essors; and

7 (ii) 1 individual who represents the
8 viewpoint of cannabis wholesalers and re-
9 tailers.

10 (B) EQUITY AND SOCIAL JUSTICE ADVOCATE.—One individual with experience in equity
11 and social justice advocacy with respect to the
12 cannabis industry and criminal justice.
13

14 (C) STATE CANNABIS REGULATOR.—One
15 individual who represents the viewpoint of State
16 cannabis regulators.

17 (D) CONSUMERS AND PATIENTS.—One in-
18 dividual who represents the viewpoint of can-
19 nabis consumers and patients.

20 (E) PUBLIC HEALTH, MEDICINE, OR
21 SCIENCE.—Four individuals who are technically
22 qualified by training and experience in public
23 health, medicine, or other sciences, including—

24 (i) 2 individuals with domestic or
25 international cannabinoid research experi-

1 ence, 1 of whom shall also have experience
2 treating patients using medical cannabis;
3 and

4 (ii) 2 individuals with experience in
5 substance use and misuse prevention,
6 intervention, and treatment, 1 of whom
7 shall have such experience pertaining to in-
8 dividuals under 21 years of age.

9 (F) PUBLIC SAFETY.—One individual with
10 experience in public safety with respect to can-
11 nabis and the cannabis industry.

12 (G) OFFICE OF NATIONAL DRUG CONTROL
13 POLICY.—One representative from the Office of
14 National Drug Control Policy.

15 (H) DEPARTMENT OF VETERANS AF-
16 FAIRS.—One representative from the Depart-
17 ment of Veterans Affairs.

18 (I) ALCOHOL, TOBACCO, AND CANNABIS
19 TAX AND TRADE BUREAU.—One representative
20 from the Alcohol, Tobacco, and Cannabis Tax
21 and Trade Bureau.

22 (J) NATIONAL GOVERNORS ASSOCIA-
23 TION.—One representative from the National
24 Governors Association.

1 (K) DEPARTMENT OF TRANSPORTATION.—
2 One representative from the Department of
3 Transportation.

4 (L) DEPARTMENT OF HEALTH AND
5 HUMAN SERVICES.—Four representatives from
6 the Department of Health and Human Services,
7 including from the Food and Drug Administra-
8 tion, the Centers for Disease Control and Pre-
9 vention, the National Institutes of Health, and
10 the Substance Abuse and Mental Health Serv-
11 ices Administration.

12 (M) LABOR UNIONS.—One labor union
13 representative.

14 (N) INDIAN TRIBE.—One representative
15 from an Indian Tribe.

16 (4) ADMINISTRATIVE SUPPORT.—The Secretary
17 shall furnish the Committee clerical and other assist-
18 ance to enable the Committee to perform its duties.

19 (5) COMPENSATION.—

20 (A) COMPENSATION OF MEMBERS.—A
21 member of the Committee who is not an officer
22 or employee of the Federal Government shall be
23 compensated at a rate fixed by the Secretary,
24 which may not exceed the daily equivalent of
25 the rate in effect under the Senior Executive

1 Schedule under section 5382 of title 5, United
2 States Code, for each day (including travel
3 time) during which the member is engaged in
4 the performance of the duties of the Committee.

5 (B) TRAVEL EXPENSES.—While away from
6 their home or regular place of business in the
7 performance of services for the Committee, a
8 member of the Committee shall be allowed trav-
9 el expenses, including per diem in lieu of sub-
10 sistence, at rates authorized by section 5703 of
11 title 5, United States Code, for persons in Gov-
12 ernment service employed intermittently.

13 (6) CHAIR.—The Committee shall select a
14 Chair from among the members of the Committee.

15 (7) SUBCOMMITTEES.—The Committee may es-
16 tablish subcommittees to facilitate the ability of the
17 Committee to discharge its duties (as described in
18 subsection (c)).

19 (c) DUTIES.—The Committee shall—

20 (1) consider all matters submitted to it by the
21 Secretary;

22 (2) on its own initiative, recommend to the Sec-
23 retary guidelines, rules, and regulations and any
24 changes to guidelines, rules, and regulations that the
25 Committee considers important or necessary for the

1 Secretary's review and consideration, with a focus on
2 ensuring equity and social justice in such guidelines,
3 rules, and regulations;

4 (3) consider the safety of introducing new can-
5 nabis products into the market;

6 (4) review and recommend public health surveil-
7 lance activities to monitor population-level health ef-
8 fects with respect to cannabis;

9 (5) identify and prioritize gaps in the science
10 important to public health and medicine with respect
11 to cannabis;

12 (6) make recommendations to the Secretary of
13 the Treasury regarding approval of waivers of dis-
14 qualifying offenses with respect to permit applica-
15 tions under section 302(a)(2)(B) of the Federal Al-
16 cohol Administration Act (27 U.S.C. 201 et seq.) (as
17 added by section 511); and

18 (7) not later than 1 year after the date of en-
19 actment of this section, and annually thereafter,
20 publish a publicly available report describing the ac-
21 tivities of the Committee, including any rec-
22 ommendations the Committee made to the Secretary
23 during the reporting period and whether such rec-
24 ommendations were implemented.

25 (d) MEETINGS.—

1 (1) FREQUENCY.—

2 (A) IN GENERAL.—The Committee shall
3 meet on a quarterly basis but may meet more
4 frequently if necessary.

5 (B) CANCELLATION.—

6 (i) IN GENERAL.—Subject to clause
7 (ii), the Chair may cancel a Committee
8 meeting not less than 3 business days prior
9 to such meeting if, in consultation with the
10 members of the Committee, the Chair de-
11 termines—

12 (I) the meeting is not needed; or

13 (II) there will not be a quorum
14 present at such meeting.

15 (ii) EXCEPTIONS.—Any meeting may
16 be canceled by the Chair at any time due
17 to inclement weather or an emergency situ-
18 ation.

19 (2) VOTING.—

20 (A) QUORUM.—

21 (i) IN GENERAL.—A majority of the
22 members of the Committee shall constitute
23 a quorum.

1 (ii) REQUIREMENT.—A quorum of
2 members shall be required for any decision
3 of the Committee.

4 (iii) EFFECT OF NO QUORUM.—In the
5 absence of such a quorum, any business
6 transacted by the Committee shall be null
7 and void, except any measure taken to ob-
8 tain a quorum or to reschedule another
9 meeting.

10 (B) MAJORITY VOTE.—Any decision by or
11 recommendation to the Secretary of the Treas-
12 ury or the Secretary of Health and Human
13 Services from the Committee shall be adopted
14 by a majority vote of the Committee.

15 (C) CONSENSUS; VOTE RECORDING.—

16 (i) IN GENERAL.—Decision-making by
17 the Committee shall be by consensus when
18 possible.

19 (ii) NO CONSENSUS.—

20 (I) VOTE.—If consensus cannot
21 be reached by the Committee, a vote
22 of the members of the Committee will
23 be taken.

24 (II) QUORUM REQUIRED.—To
25 take a vote under subclause (I), a

1 quorum of the members shall be
2 present.

3 (III) RECORDING.—The results
4 of any vote taken under subclause (I)
5 shall be recorded, as well as any state-
6 ment of concurrence or disagreement,
7 if applicable.

8 (3) TELECONFERENCE.—A member may fully
9 participate in a meeting via teleconference.

10 (4) CONFIDENTIALITY.—

11 (A) IN GENERAL.—Any discussion of the
12 Committee relative to the work of the Com-
13 mittee is regarded as confidential information
14 and may not be discussed in any form outside
15 the context of the Committee meetings.

16 (B) WAIVER REQUESTS.—Any materials
17 submitted to the Committee under section
18 302(a)(2)(B) of the Federal Alcohol Adminis-
19 tration Act (27 U.S.C. 201 et seq.) (as added
20 by section 511), and any transcript made with
21 respect to such submission regarding any par-
22 ticular person, shall be redacted.

23 (5) NON-APPLICATION OF FACCA.—Section 10 of
24 the Federal Advisory Committee Act (5 U.S.C.
25 App.) shall not apply to any part of a meeting held

1 by the Committee with respect to a waiver request
2 submitted to the Committee under section
3 302(a)(2)(B) of the Federal Alcohol Administration
4 Act (27 U.S.C. 201 et seq.) (as added by section
5 511).

6 (e) STATEMENTS OF POLICY.—A member of the
7 Committee may not make a statement of policy that pur-
8 ports to be that of the Committee unless the Committee
9 has adopted such a policy, except that any such member
10 shall not be prohibited from stating his or her personal
11 opinion, provided the opinion is clearly identified as such.

12 (f) TERMINATION.—Section 14 of the Federal Advi-
13 sory Committee Act (5 U.S.C. App.) shall not apply to
14 the Committee.

15 **SEC. 803. DEFINITION OF HEMP UNDER USDA DOMESTIC**
16 **HEMP PRODUCTION PROGRAM.**

17 Section 297A(1) of the Agricultural Marketing Act
18 of 1946 (7 U.S.C. 1639o(1)) is amended—

19 (1) by striking “The term” and inserting the
20 following:

21 “(A) IN GENERAL.—The term”; and

22 (2) in subparagraph (A) (as so designated), by
23 striking “with a delta-9 tetrahydrocannabinol con-
24 centration of not more than 0.3 percent on a dry
25 weight basis.” and inserting the following: “and any

1 products made or derived from such plant or parts,
 2 with a total tetrahydrocannabinol equivalent con-
 3 centration of not more than the allowable
 4 tetrahydrocannabinol equivalent amount described in
 5 subparagraph (C).

6 “(B) TOTAL TETRAHYDROCANNABINOL
 7 EQUIVALENT.—

8 “(i) IN GENERAL.—Subject to clause
 9 (ii), in subparagraph (A), the term ‘total
 10 tetrahydrocannabinol equivalent’ means—

11 “(I) any tetrahydrocannabinol,
 12 including—

13 “(aa) delta-8
 14 tetrahydrocannabinol;

15 “(bb) delta-9
 16 tetrahydrocannabinol;

17 “(cc) delta-10
 18 tetrahydrocannabinol; and

19 “(dd) tetrahydrocannabinolic
 20 acid; and

21 “(II) any other substance de-
 22 scribed in paragraph (ss)(1)(A) of sec-
 23 tion 201 of the Federal Food, Drug,
 24 and Cosmetic Act (21 U.S.C. 321)
 25 that has similar effects on the body as

1 a substance described in item (aa),
2 (bb), or (cc) of subclause (I), includ-
3 ing through interaction with other
4 substances in the applicable product.

5 “(ii) EXCLUSION OF ISOMERS.—The
6 Secretary of Health and Human Services,
7 in consultation with the Secretary of the
8 Treasury and the Attorney General, may
9 exclude 1 or more isomers of
10 tetrahydrocannabinol from the definition
11 under clause (i).

12 “(C) ALLOWABLE
13 TETRAHYDROCANNABINOL EQUIVALENT
14 AMOUNT.—

15 “(i) IN GENERAL.—Subject to clause
16 (ii), the allowable tetrahydrocannabinol
17 equivalent amount referred to in subpara-
18 graph (A) is—

19 “(I) except as provided in sub-
20 clause (II), 1 milligram of total
21 tetrahydrocannabinol per 100 grams
22 on a dry weight basis (or a propor-
23 tionate amount of any fraction there-
24 of); and

1 the date of enactment of the Cannabis
2 Administration and Opportunity Act),
3 shall apply in calculating the ratio of
4 tetrahydrocannabinolic acid described
5 in subparagraph (B)(i)(I)(dd) taken
6 into account for purposes of deter-
7 mining the allowable
8 tetrahydrocannabinol equivalent
9 amount.

10 “(iii) SPECIFIED PLANT PRODUCT.—A
11 specified plant product referred to in
12 clause (i)(II) is any item described in para-
13 graph (ss)(1)(A) of section 201 of the Fed-
14 eral Food, Drug, and Cosmetic Act (21
15 U.S.C. 321) that does not contain any
16 item described in that paragraph that has
17 been processed, extracted, or concentrated
18 (other than harvesting, drying, curing, or
19 trimming).”.

20 **SEC. 804. GRANTS FOR HIRING AND TRAINING RELATING**
21 **TO CANNABIS ENFORCEMENT.**

22 (a) AMENDMENT.—Section 1701 of title I of the Om-
23 nibus Crime Control and Safe Streets Act of 1968 (34
24 U.S.C. 10381) is amended—

1 (1) by redesignating subsection (m) as sub-
2 section (o); and

3 (2) by inserting after subsection (l) the fol-
4 lowing:

5 “(m) COPS GRANTS FOR SMALL DEPARTMENTS TO
6 COMBAT ILLICIT CANNABIS PRODUCTION AND DISTRIBU-
7 TION.—

8 “(1) ELIGIBLE ENTITY DEFINED.—In this sub-
9 section, the term ‘eligible entity’ means a law en-
10 forcement agency that—

11 “(A) has not more than 50 sworn law en-
12 forcement officers;

13 “(B) serves not more than 50,000 resi-
14 dents; and

15 “(C) demonstrates a need for additional
16 personnel to combat illicit cannabis production
17 and distribution.

18 “(2) GRANTS.—The Attorney General shall
19 award competitive grants to eligible entities for hir-
20 ing—

21 “(A) sworn law enforcement officers;

22 “(B) non-sworn law enforcement officers;

23 “(C) investigators; and

24 “(D) community outreach specialists.

1 “(n) CANNABIS LAW EDUCATION PROGRAMS AND
2 TECHNICAL ASSISTANCE.—

3 “(1) PROGRAM DEVELOPMENT.—The Attorney
4 General shall develop Federal education programs
5 and technical assistance for State and local law en-
6 forcement agencies to develop the knowledge and ex-
7 pertise necessary to ensure—

8 “(A) the enforcement of State and Federal
9 cannabis laws; and

10 “(B) that the enforcement described in
11 subparagraph (A) is consistent with the Con-
12 stitution of the United States.

13 “(2) STATE-SPECIFIC TRAINING AND GUID-
14 ANCE.—The Director of the Bureau of Justice As-
15 sistance shall develop State-specific training and
16 guidance for law enforcement agencies within a ju-
17 risdiction for use in the Federal education programs
18 described in paragraph (1).

19 “(3) GRANTS.—The Attorney General shall
20 award grants to law enforcement agencies for the
21 costs associated with training under this sub-
22 section.”.

23 (b) APPROPRIATIONS.—In addition to amounts other-
24 wise available, there is appropriated, out of any funds in
25 the Treasury not otherwise appropriated, \$15,000,000 for

1 each of fiscal years 2023 through 2027 to carry out this
2 section.

3 **SEC. 805. SEVERABILITY.**

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

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