

117TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

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.

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IN THE HOUSE OF REPRESENTATIVES

Mr. NADLER introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

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**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.**

4 This Act may be cited as the “Marijuana Opportunity  
5 Reinvestment and Expungement Act of 2021” or the  
6 “MORE Act of 2021”.

7 **SEC. 2. FINDINGS.**

8 The Congress finds as follows:

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

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

8           (3) 37 States, the District of Columbia, Puerto  
9 Rico, Guam, and the U.S. Virgin Islands have  
10 adopted laws allowing legal access to cannabis, and  
11 15 States, the District of Columbia, the Common-  
12 wealth of the Northern Mariana Islands, and Guam  
13 have adopted laws legalizing cannabis for adult rec-  
14 reational use.

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

18           (5) Legal cannabis sales totaled  
19 \$20,000,000,000 in 2020 and are projected to reach  
20 \$40,500,000,000 by 2025.

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

24           (7) The continued enforcement of cannabis pro-  
25 hibition laws results in over 600,000 arrests annu-

1       ally, disproportionately impacting people of color  
2       who are almost 4 times more likely to be arrested  
3       for cannabis possession than their White counter-  
4       parts, despite equal rates of use across populations.

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

12          (9) In 2013, simple cannabis possession was the  
13      fourth most common cause of deportation for any of-  
14      fense and the most common cause of deportation for  
15      drug law violations.

16          (10) Fewer than one-fifth of cannabis business  
17      owners identify as minorities and only approximately  
18      4 percent are black.

19          (11) Applicants for cannabis licenses are lim-  
20      ited by numerous laws, regulations, and exorbitant  
21      permit applications, licensing fees, and costs in these  
22      States, which can require more than \$700,000.

23          (12) Historically disproportionate arrest and  
24      conviction rates make it particularly difficult for  
25      people of color to enter the legal cannabis market-

1 place, as most States bar these individuals from par-  
2 ticipating.

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

6 (14) Some States and municipalities have taken  
7 proactive steps to mitigate inequalities in the legal  
8 cannabis marketplace and ensure equal participation  
9 in the industry.

10 **SEC. 3. DECRIMINALIZATION OF CANNABIS.**

11 (a) CANNABIS REMOVED FROM SCHEDULE OF CON-  
12 TROLLED SUBSTANCES.—

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

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

17 (B) by striking “(17)  
18 Tetrahydrocannabinols, except for  
19 tetrahydrocannabinols in hemp (as defined in  
20 section 297A of the Agricultural Marketing Act  
21 of 1946).”.

22 (2) REMOVAL FROM SCHEDULE.—Not later  
23 than 180 days after the date of the enactment of  
24 this Act, the Attorney General shall finalize a rule-  
25 making under section 201(a)(2) removing mari-

1 huana and tetrahydrocannabinols from the schedules  
2 of controlled substances. For the purposes of the  
3 Controlled Substances Act, marihuana and  
4 tetrahydrocannabinols shall each be deemed to be a  
5 drug or other substance that does not meet the re-  
6 quirements for inclusion in any schedule. A rule-  
7 making under this paragraph shall be considered to  
8 have taken effect as of the date of enactment of this  
9 Act for purposes of any offense committed, case  
10 pending, conviction entered, and, in the case of a ju-  
11 venile, any offense committed, case pending, and ad-  
12 judication of juvenile delinquency entered before, on,  
13 or after the date of enactment of this Act.

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

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

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

20 (A) in paragraph (1)—

21 (i) in subparagraph (A)—

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

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

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

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

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

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

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

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

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

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

15 (c) OTHER CONFORMING AMENDMENTS.—

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

20 (A) in section 15002(a) (16 U.S.C.  
21 559b(a)) by striking “marijuana and other”;

22 (B) in section 15003(2) (16 U.S.C.  
23 559c(2)) by striking “marijuana and other”;  
24 and

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

3 (2) INTERCEPTION OF COMMUNICATIONS.—Sec-  
4 tion 2516 of title 18, United States Code, is amend-  
5 ed—

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

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

10 (3) FMCSA PROVISIONS.—

11 (A) CONFORMING AMENDMENT.—Section  
12 31301(5) of title 49, United States Code, is  
13 amended by striking “section 31306,” and in-  
14 serting “sections 31306, 31306a, and sub-  
15 sections (b) and (c) of section 31310,”.

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

18 (i) by striking “means any substance”  
19 and inserting the following: “means—  
20 “(A) any substance”; and

21 (ii) by striking the period at the end  
22 and 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 (C) DISQUALIFICATIONS.—Section  
4 31310(b) of title 49, United States Code, is  
5 amended by adding at the end the following:

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

9 (4) FAA PROVISIONS.—Section 45101 of title  
10 49, United States Code, is amended—

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

13 “(A) any substance”; and

14 (B) by striking the period at the end and  
15 inserting “; and

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

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

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

24 “(A) any substance”; and

1 (B) by striking the period at the end and  
2 inserting “; and

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

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

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

11 “(A) any substance”; and

12 (B) by striking the period at the end and  
13 inserting “; and

14 “(B) any substance not covered under sub-  
15 paragraph (A) that was a substance under such  
16 section as of December 1, 2018, and whose use  
17 the Secretary of Transportation decides has a  
18 risk to transportation safety.”.

19 (d) RETROACTIVITY.—The amendments made by this  
20 section to the Controlled Substances Act (21 U.S.C. 801  
21 et seq.) are retroactive and shall apply to any offense com-  
22 mitted, case pending, conviction entered, and, in the case  
23 of a juvenile, any offense committed, case pending, or ad-  
24 judication of juvenile delinquency entered before, on, or  
25 after the date of enactment of this Act.

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

3 (1) the Federal Food, Drug, and Cosmetic Act  
4 (21 U.S.C. 301 et seq.);

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

7 (3) the authority of the Commissioner of Food  
8 and Drugs and the Secretary of Health and Human  
9 Services—

10 (A) under—

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

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

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

20 (f) PUBLIC MEETINGS.—Not later than one year  
21 after the date of enactment of this Act, the Secretary of  
22 Health and Human Services, acting through the Commis-  
23 sioner of Food and Drugs, shall hold not less than one  
24 public meeting to address the regulation, safety, manufac-  
25 turing, product quality, marketing, labeling, and sale of

1 products containing cannabis or cannabis-derived com-  
2 pounds.

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

7 “(h) MARIJUANA.—

8 “(1) CONTINUED TESTING.—Notwithstanding  
9 the Marijuana Opportunity Reinvestment and  
10 Expungement Act of 2021 and the amendments  
11 made thereby, the Secretary of Health and Human  
12 Services may continue to include marijuana for pur-  
13 poses of drug testing of Federal employees subject  
14 to this section, Executive Order 12564, or other ap-  
15 plicable Federal laws and orders.

16 “(2) DEFINITION.—The term ‘marijuana’ has  
17 the meaning given to the term ‘marihuana’ in sec-  
18 tion 102 of the Controlled Substances Act (21  
19 U.S.C. 802) on the day before the date of enactment  
20 of the Marijuana Opportunity Reinvestment and  
21 Expungement Act of 2021.”.

22 (h) SPECIAL RULE FOR CERTAIN REGULATIONS.—

23 (1) IN GENERAL.—The amendments made by  
24 this section may not be construed to abridge the au-  
25 thority of the Secretary of Transportation, or the

1 Secretary of the department in which the Coast  
2 Guard is operating, to regulate and screen for the  
3 use of a controlled substance.

4 (2) CONTROLLED SUBSTANCE DEFINED.—In  
5 this subsection, the term “controlled substance”  
6 means—

7 (A) any substance covered under section  
8 102 of the Controlled Substances Act (21  
9 U.S.C. 802) on the day before the date of en-  
10 actment of this Act; and

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

16 **SEC. 4. DEMOGRAPHIC DATA OF CANNABIS BUSINESS OWN-**  
17 **ERS AND EMPLOYEES.**

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

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

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

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

- 3 (1) age;
- 4 (2) certifications and licenses;
- 5 (3) disability status;
- 6 (4) educational attainment;
- 7 (5) family and marital status;
- 8 (6) nativity;
- 9 (7) race and Hispanic ethnicity;
- 10 (8) school enrollment;
- 11 (9) veteran status; and
- 12 (10) sex.

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

17 (d) DEFINITIONS.—In this section:

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

22 (2) CANNABIS INDUSTRY.—The term “cannabis  
23 industry” means an individual or entity that is li-  
24 censed or permitted under a State or local law to en-  
25 gage in commercial cannabis-related activity.

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

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

8           (a) ESTABLISHMENT OF TRUST FUND.—Subchapter  
9   A of chapter 98 of the Internal Revenue Code of 1986  
10 is amended by adding at the end the following new section:

11   **“SEC. 9512. OPPORTUNITY TRUST FUND.**

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

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

22           “(c) EXPENDITURES.—Amounts in the Trust Fund  
23 shall be available, without further appropriation, only as  
24 follows:

1           “(1) 50 percent to the Attorney General to  
2 carry out section 3052(a) of part OO of the Omni-  
3 bus Crime Control and Safe Streets Act of 1968.

4           “(2) 10 percent to the Attorney General to  
5 carry out section 3052(b) of part OO of the Omni-  
6 bus Crime Control and Safe Streets Act of 1968.

7           “(3) 20 percent to the Administrator of the  
8 Small Business Administration to carry out section  
9 6(b)(1) of the Marijuana Opportunity Reinvestment  
10 and Expungement Act of 2021.

11           “(4) 20 percent to the Administrator of the  
12 Small Business Administration to carry out section  
13 6(b)(2) of the Marijuana Opportunity Reinvestment  
14 and Expungement Act of 2021.”.

15       (b) 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. OCCUPATIONAL TAX

          “SUBCHAPTER C. BOND AND PERMITS

          “SUBCHAPTER D. OPERATIONS

          “SUBCHAPTER E. 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 removed during  
16 the first 2 calendar years ending after the date on  
17 which this chapter becomes effective, 5 percent.

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

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

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

4           “(c) APPLICABLE EQUIVALENT AMOUNT.—

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

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

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

23           “(2) APPLICABLE RATES.—

24           “(A) IN GENERAL.—For purposes of para-  
25           graph (1)(A), the term ‘applicable rate per

1 ounce’ means, with respect to any cannabis  
2 product removed during any calendar year, 8  
3 percent of the prevailing sales price of cannabis  
4 flowers sold in the United States during the 12-  
5 month period ending one calendar quarter be-  
6 fore such calendar year, expressed on a per  
7 ounce basis, as determined by the Secretary.

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

18 “(d) TIME OF ATTACHMENT ON CANNABIS PROD-  
19 UCTS.—The tax under this section shall attach to any can-  
20 nabis product as soon as such product is in existence as  
21 such, whether it be subsequently separated or transferred  
22 into any other substance, either in the process of original  
23 production or by any subsequent process.

1 **“SEC. 5902. DEFINITIONS.**

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

4 “(1) CANNABIS PRODUCT.—

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

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

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

17 “(i) a drug—

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

23 “(II) for which an investigational  
24 use exemption has been authorized  
25 under section 505(i) of the Federal  
26 Food, Drug, and Cosmetic Act or

1 under section 351(a) of the Public  
2 Health Service Act, or

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

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

15 “(2) THC-MEASURABLE CANNABIS PRODUCT.—  
16 The term ‘THC-measurable cannabis product’  
17 means any cannabis product—

18 “(A) with respect to which the Secretary  
19 has made a determination that the amount of  
20 tetrahydrocannabinol in such product can be  
21 measured with a high degree of accuracy, or

22 “(B) which is not cannabis flower and the  
23 concentration of tetrahydrocannabinol in which  
24 is significantly higher than the average such  
25 concentration in cannabis flower.

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

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

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

9           “(2) PRODUCER.—

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

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

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

24           “(A) is in the United States and to whom  
25           non-tax-paid cannabis products, produced in a

1 foreign country or a possession of the United  
2 States, are shipped or consigned,

3 “(B) removes cannabis products for sale or  
4 consumption in the United States from a cus-  
5 toms bonded warehouse, or

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

9 “(4) EXPORT WAREHOUSE PROPRIETOR.—

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

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

18 “(i) for subsequent shipment to a for-  
19 eign country or a possession of the United  
20 States, or

21 “(ii) for consumption beyond the ju-  
22 risdiction of the internal revenue laws of  
23 the United States.

24 “(5) CANNABIS PRODUCTION FACILITY.—The  
25 term ‘cannabis production facility’ means an estab-

1        lishment which is qualified under subchapter C to  
2        perform any operation for which such qualification is  
3        required under such subchapter.

4        “(c) OTHER DEFINITIONS.—For purposes of this  
5 chapter—

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

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

10            “(A) the transfer of cannabis products  
11        from the premises of a producer (or the trans-  
12        fer of such products from the bonded premises  
13        of a producer to a non-bonded premises of such  
14        producer),

15            “(B) release of such products from cus-  
16        toms custody, or

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

19            “(3) REMOVAL PRICE.—The term ‘removal  
20        price’ means—

21            “(A) except as otherwise provided in this  
22        paragraph, the price for which the cannabis  
23        product is sold in the sale which occurs in con-  
24        nection with the removal of such product,



1           “(B) in the case of any such sale which is  
2           described in section 5903(e), the price deter-  
3           mined under such section, and

4           “(C) if there is no sale which occurs in  
5           connection with such removal, the price which  
6           would be determined under section 5903(e) if  
7           such product were sold at a price which cannot  
8           be determined.

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

10       “(a) LIABILITY FOR TAX.—

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

14           “(2) TRANSFER OF LIABILITY.—

15           “(A) IN GENERAL.—When cannabis prod-  
16           ucts are transferred, without payment of tax,  
17           pursuant to subsection (b) or (c) of section  
18           5904—

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

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

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

15         “(b) METHOD OF PAYMENT OF TAX.—

16           “(1) IN GENERAL.—

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

23           “(B) APPLICATION TO TRANSFEREES.—In  
24          the case of any transfer to which subsection  
25          (a)(2)(A) applies, the tax under section 5901 on

1 the transferee shall (if not otherwise relieved by  
2 reason of a subsequent transfer to which such  
3 subsection applies) be imposed with respect to  
4 the removal of the cannabis product from the  
5 bonded premises of the transferee.

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

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

23 “(2) TIME FOR PAYMENT OF TAXES.—

24 “(A) IN GENERAL.—Except as otherwise  
25 provided in this paragraph, in the case of taxes

1 on cannabis products removed during any semi-  
2 monthly period under bond for deferred pay-  
3 ment of tax, the last day for payment of such  
4 taxes shall be the 14th day after the last day  
5 of such semimonthly period.

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

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

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

23 “(iii) FOREIGN TRADE ZONES.—Ex-  
24 cept as provided in clause (iv) and in regu-  
25 lations prescribed by the Secretary, articles

1 brought into a foreign trade zone shall,  
2 notwithstanding any other provision of law,  
3 be treated for purposes of this subsection  
4 as if such zone were a single customs  
5 warehouse.

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

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

20 “(D) SPECIAL RULE WHERE DUE DATE  
21 FALLS ON SATURDAY, SUNDAY, OR HOLIDAY.—  
22 Notwithstanding section 7503, if, but for this  
23 subparagraph, the due date under this para-  
24 graph would fall on a Saturday, Sunday, or a  
25 legal holiday (as defined in section 7503), such

1 due date shall be the immediately preceding day  
2 which is not a Saturday, Sunday, or such a hol-  
3 iday.

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

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

23 “(c) DETERMINATION OF PRICE.—

24 “(1) CONSTRUCTIVE SALE PRICE.—

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

11          “(B) ARM’S LENGTH.—

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

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

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

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

1 “(ii) CONTROLLED GROUPS.—

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

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

18 “(2) CONTAINERS, PACKING AND TRANSPOR-  
19 TATION CHARGES.—In determining, for the purposes  
20 of this chapter, the price for which an article is sold,  
21 there shall be included any charge for coverings and  
22 containers of whatever nature, and any charge inci-  
23 dent to placing the article in condition packed ready  
24 for shipment, but there shall be excluded the amount  
25 of tax imposed by this chapter, whether or not stat-



1 ed as a separate charge. A transportation, delivery,  
2 insurance, installation, or other charge (not required  
3 by the preceding sentence to be included) shall be  
4 excluded from the price only if the amount thereof  
5 is established to the satisfaction of the Secretary in  
6 accordance with regulations.

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

11 “(d) PARTIAL PAYMENTS AND INSTALLMENT AC-  
12 COUNTS.—

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

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

19 “(B) a conditional sale, or

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

23 there shall be paid upon each payment with respect  
24 to the article a percentage of such payment equal to

1 the rate of tax in effect on the date such payment  
2 is due.

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

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

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

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

22 “(B) if any such sale is pursuant to the  
23 order of, or subject to the approval of, a court  
24 of competent jurisdiction in a bankruptcy or in-  
25 solvency proceeding, the amount computed

1 under subparagraph (A) shall not exceed the  
2 sum of the amounts computed by multiplying—

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

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

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

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

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

20 “(1) exclusively in scientific research by a lab-  
21 oratory,

22 “(2) by a proprietor of a cannabis production  
23 facility in research, development, or testing (other  
24 than consumer testing or other market analysis) of  
25 processes, systems, materials, or equipment, relating

1 to cannabis or cannabis operations, under such limi-  
2 tations and conditions as to quantities, use, and ac-  
3 countability as the Secretary may by regulations re-  
4 quire for the protection of the revenue, or

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

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

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

22 “(2) LABELING.—Cannabis products may not  
23 be transferred or removed under this subsection un-  
24 less such products bear such marks, labels, or no-  
25 tices as the Secretary shall by regulations prescribe.

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

9           “(d) CANNABIS PRODUCTS EXPORTED AND RE-  
10 TURNED.—Cannabis products classifiable under item  
11 9801.00.10 of the Harmonized Tariff Schedule of the  
12 United States (relating to duty on certain articles pre-  
13 viously exported and returned), as in effect on the date  
14 of the enactment of the Marijuana Opportunity Reinvest-  
15 ment and Expungement Act of 2021, may be released  
16 from customs custody, without payment of that part of  
17 the duty attributable to the internal revenue tax for deliv-  
18 ery to the original producer of such cannabis products or  
19 to the export warehouse proprietor authorized by such pro-  
20 ducer to receive such products, in accordance with such  
21 regulations and under such bond as the Secretary shall  
22 prescribe. Upon such release such products shall be sub-  
23 ject to this chapter as if they had not been exported or  
24 otherwise removed from internal revenue bond.

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

2 “(a) CREDIT OR REFUND.—

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

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

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

15 “(2) CANNABIS PRODUCTS LOST OR DE-  
16 STROYED IN BOND.—

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

21 “(i) in the case of loss by theft, unless  
22 the Secretary finds that the theft occurred  
23 without connivance, collusion, fraud, or  
24 negligence on the part of the proprietor of  
25 the cannabis production facility, owner,

1                   consignor, consignee, bailee, or carrier, or  
2                   their employees or agents,

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

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

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

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

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

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

22          “(3) VOLUNTARY DESTRUCTION.—The propri-  
23          etor of a cannabis production facility or other per-  
24          sons liable for the tax imposed by this chapter or by  
25          section 7652 with respect to any cannabis product in



1 bond may voluntarily destroy such products, but  
2 only if such destruction is under such supervision  
3 and under such regulations as the Secretary may  
4 prescribe.

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

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

## 17 **“Subchapter B—Occupational Tax**

“Sec. 5911. Imposition and rate of tax.

“Sec. 5912. Payment of tax.

“Sec. 5913. Provisions relating to liability for occupational taxes.

“Sec. 5914. Application to State laws.

### 18 **“SEC. 5911. IMPOSITION AND RATE OF TAX.**

19 “(a) IN GENERAL.—Any person engaged in business  
20 as a producer or an export warehouse proprietor shall pay  
21 a tax of \$1,000 per year (referred to in this subchapter  
22 as an ‘occupational tax’) in respect of each premises at  
23 which such business is carried on.

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

6       **“SEC. 5912. PAYMENT OF TAX.**

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

11       “(b) COMPUTATION.—

12               “(1) IN GENERAL.—The occupational tax shall  
13 be imposed—

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

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

18               “(2) PERIOD.—In the case of a tax imposed  
19 under subparagraph (A) of paragraph (1), the occu-  
20 pational tax shall be reckoned for 1 year, and in the  
21 case of subparagraph (B) of such paragraph, it shall  
22 be reckoned proportionately, from the first day of  
23 the month in which the liability to such tax com-  
24 menced, to and including the 30th day of June fol-  
25 lowing.

1 “(c) METHOD OF PAYMENT.—

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

5 “(2) STAMP DENOTING PAYMENT OF TAX.—

6 After receiving a properly executed return and re-  
7 mittance of any occupational tax, the Secretary shall  
8 issue to the taxpayer an appropriate stamp as a re-  
9 ceipt denoting payment of the tax. This paragraph  
10 shall not apply in the case of a return covering li-  
11 ability for a past period.

12 **“SEC. 5913. PROVISIONS RELATING TO LIABILITY FOR OC-**  
13 **CUPATIONAL TAXES.**

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

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

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

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

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

11          “(3) PLACE.—

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

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

23          “(d) DEATH OR CHANGE OF LOCATION.—

24                 “(1) IN GENERAL.—In addition to the person  
25                 who has paid the occupational tax for the carrying

1 on of any business at any place, any person de-  
2 scribed in paragraph (2) may secure the right to  
3 carry on, without incurring any additional occupa-  
4 tional tax, the same business at the same place for  
5 the remainder of the taxable period for which the oc-  
6 cupational tax was paid.

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

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

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

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

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

19 “(3) CHANGE OF LOCATION.—When any person  
20 moves to any place other than the place for which  
21 occupational tax was paid for the carrying on of any  
22 business, such person may secure the right to carry  
23 on, without incurring additional occupational tax,  
24 the same business at the new location for the re-  
25 mainder of the taxable period for which the occupa-

1 tional tax was paid. To secure the right to carry on  
2 the business without incurring additional occupa-  
3 tional tax, the successor, or the person relocating  
4 their business, must register the succession or relo-  
5 cation with the Secretary in accordance with regula-  
6 tions prescribed by the Secretary.

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

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

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

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

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

1           **“Subchapter C—Bond and Permits**

“Sec. 5921. Establishment and bond.

“Sec. 5922. Application for permit.

“Sec. 5923. Permit.

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

3           “(a) PROHIBITION ON PRODUCTION OUTSIDE OF  
4 BONDED CANNABIS PRODUCTION FACILITY.—

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

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

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

22           “(b) BOND.—

23                   “(1) WHEN REQUIRED.—Every person, before  
24 commencing business as a producer or an export

1 warehouse proprietor, shall file such bond, condi-  
2 tioned upon compliance with this chapter and regu-  
3 lations issued thereunder, in such form, amount, and  
4 manner as the Secretary shall by regulation pre-  
5 scribe. A new or additional bond may be required  
6 whenever the Secretary considers such action nec-  
7 essary for the protection of the revenue.

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

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

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

19 “(a) IN GENERAL.—Every person, before com-  
20 mencing business as a cannabis enterprise, and at such  
21 other time as the Secretary shall by regulation prescribe,  
22 shall make application for the permit provided for in sec-  
23 tion 5923. The application shall be in such form as the  
24 Secretary shall prescribe and shall set forth, truthfully and  
25 accurately, the information called for on the form. Such



1 application may be rejected and the permit denied if the  
2 Secretary, after notice and opportunity for hearing, finds  
3 that—

4           “(1) the premises on which it is proposed to  
5           conduct the cannabis enterprise are not adequate to  
6           protect the revenue, or

7           “(2) such person (including, in the case of a  
8           corporation, any officer, director, or principal stock-  
9           holder and, in the case of a partnership, a partner)  
10          has failed to disclose any material information re-  
11          quired or made any material false statement in the  
12          application therefor.

13 **“SEC. 5923. PERMIT.**

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

22          “(b) SUSPENSION OR REVOCATION.—

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

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

4           “(B) has violated the conditions of such  
5           permit,

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

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

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

20          “(c) INFORMATION REPORTING.—The Secretary may  
21          require—

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



1 records to be available for inspection by any internal  
2 revenue officer during business hours.

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

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

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

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

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

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

25 “(1) for experimental purposes, or

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

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

7           “(a) RESTRICTION.—No person shall—

8                   “(1) with intent to defraud the United States,  
9           purchase, receive, possess, offer for sale, or sell or  
10          otherwise dispose of, after removal, any cannabis  
11          products—

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

16                           “(B) which, after removal without payment  
17          of tax pursuant to section 5904(a), have been  
18          diverted from the applicable purpose or use  
19          specified in that section,

20                   “(2) with intent to defraud the United States,  
21          purchase, receive, possess, offer for sale, or sell or  
22          otherwise dispose of, after removal, any cannabis  
23          products which are not put up in packages as re-  
24          quired under section 5932 or which are put up in

1 packages not bearing the marks, labels, and notices,  
2 as required under such section, or

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

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

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

18 **“SEC. 5934. RESTRICTIONS RELATING TO MARKS, LABELS,  
19 NOTICES, AND PACKAGES.**

20 “No person shall, with intent to defraud the United  
21 States, destroy, obliterate, or detach any mark, label, or  
22 notice prescribed or authorized, by this chapter or regula-  
23 tions thereunder, to appear on, or be affixed to, any pack-  
24 age of cannabis products before such package is emptied.

1 **“SEC. 5935. RESTRICTION ON IMPORTATION OF PRE-**  
2 **VIOUSLY EXPORTED CANNABIS PRODUCTS.**

3 “(a) EXPORT LABELED CANNABIS PRODUCTS.—

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

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

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

19 “(C) may not be sold or held for sale for  
20 domestic consumption in the United States un-  
21 less such articles are removed from their export  
22 packaging and repackaged by the original pro-  
23 ducer into new packaging that does not contain  
24 an export label.

25 “(2) ALTERATIONS BY PERSONS OTHER THAN  
26 ORIGINAL PRODUCER.—This section shall apply to

1 articles labeled for export even if the packaging or  
2 the appearance of such packaging to the consumer  
3 of such articles has been modified or altered by a  
4 person other than the original producer so as to re-  
5 move or conceal or attempt to remove or conceal (in-  
6 cluding by the placement of a sticker over) any ex-  
7 port label.

8 “(3) EXPORTS INCLUDE SHIPMENTS TO PUER-  
9 TO RICO.—For purposes of this section, section  
10 5904(d), section 5941, and such other provisions as  
11 the Secretary may specify by regulations, references  
12 to exportation shall be treated as including a ref-  
13 erence to shipment to the Commonwealth of Puerto  
14 Rico.

15 “(b) EXPORT LABEL.—For purposes of this section,  
16 an article is labeled for export or contains an export label  
17 if it bears the mark, label, or notice required under section  
18 5904(b).

## 19 **“Subchapter E—Penalties**

“Sec. 5941. Civil penalties.

“Sec. 5942. Criminal penalties.

### 20 **“SEC. 5941. CIVIL PENALTIES.**

21 “(a) OMITTING THINGS REQUIRED OR DOING  
22 THINGS FORBIDDEN.—Whoever willfully omits, neglects,  
23 or refuses to comply with any duty imposed upon them  
24 by this chapter, or to do, or cause to be done, any of the



1 things required by this chapter, or does anything prohib-  
2 ited by this chapter, shall in addition to any other penalty  
3 provided in this title, be liable to a penalty of \$10,000,  
4 to be recovered, with costs of suit, in a civil action, except  
5 where a penalty under subsection (b) or (c) or under sec-  
6 tion 6651 or 6653 or part II of subchapter A of chapter  
7 68 may be collected from such person by assessment.

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

13       “(c) SALE OF CANNABIS OR CANNABIS PRODUCTS  
14 FOR EXPORT.—

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

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

21               “(3) every person who aids or abets in such  
22 selling, relanding, or receiving,

23 shall, in addition to the tax and any other penalty provided  
24 in this title, be liable for a penalty equal to the greater  
25 of \$10,000 or 10 times the amount of the tax imposed

1 by this chapter. All cannabis products relanded within the  
2 jurisdiction of the United States shall be forfeited to the  
3 United States and destroyed. All vessels, vehicles, and air-  
4 craft used in such relanding or in removing such cannabis  
5 products from the place where relanded, shall be forfeited  
6 to the United States.

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

11 “(e) **CROSS REFERENCES.**—For penalty for failure to  
12 make deposits or for overstatement of deposits, see section  
13 6656.

14 **“SEC. 5942. CRIMINAL PENALTIES.**

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

17 “(1) engages in business as a cannabis enter-  
18 prise without filing the application and obtaining the  
19 permit where required by this chapter or regulations  
20 thereunder,

21 “(2) fails to keep or make any record, return,  
22 report, or inventory, or keeps or makes any false or  
23 fraudulent record, return, report, or inventory, re-  
24 quired by this chapter or regulations thereunder,

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

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

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

9           “(A) upon which the tax has not been paid  
10 or determined in the manner and at the time  
11 prescribed by this chapter or regulations there-  
12 under, or

13           “(B) which, without payment of tax pursu-  
14 ant to section 5904, have been diverted from  
15 the applicable purpose or use specified in that  
16 section,

17 shall, for each such offense, be fined not more than  
18 \$10,000, or imprisoned not more than 5 years, or both.

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

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

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

7           (2) submit to Congress recommendations to im-  
8           prove the regulation of the industry and the admin-  
9           istration of the related tax.

10          (d) ANNUAL REPORTS REGARDING DETERMINATION  
11          OF APPLICABLE RATES.—Not later than 6 months before  
12          the beginning of each calendar year to which section  
13          5901(a)(2) of the Internal Revenue Code of 1986 (as  
14          added by this section) applies, the Secretary of the Treas-  
15          ury, or the Secretary’s delegate, shall make publicly avail-  
16          able a detailed description of the methodology which the  
17          Secretary anticipates using to determine the applicable  
18          rate per ounce and the applicable rate per gram which  
19          will apply for such calendar year under section 5901(e)(2)  
20          of such Code.

21          (e) CONFORMING AMENDMENTS.—

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

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

“CHAPTER 56. CANNABIS PRODUCTS”.

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

“Sec. 9512. Opportunity Trust Fund.”.

7           (f) EFFECTIVE DATE.—

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

15           (2) ESTABLISHMENT OF TRUST FUND.—The  
16 amendment made by subsection (a) shall take effect  
17 on the date of the enactment of this Act.

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

19           (a) CANNABIS JUSTICE OFFICE; COMMUNITY REIN-  
20 VESTMENT GRANT PROGRAM.—

21           (1) CANNABIS JUSTICE OFFICE.—Part A of  
22 title I of the Omnibus Crime Control and Safe  
23 Streets Act of 1968 (34 U.S.C. 10101 et seq.) is

1       amended by inserting after section 109 the fol-  
2       lowing:

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

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

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

18       “(c) EMPLOYEES.—

19               “(1) IN GENERAL.—The Director shall employ  
20 as many full-time employees as are needed to carry  
21 out the duties and functions of the Cannabis Justice  
22 Office under subsection (d). Such employees shall be  
23 exclusively assigned to the Cannabis Justice Office.

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

4           “(A) hire no less than one-third of the  
5 total number of employees of the Cannabis Jus-  
6 tice Office; and

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

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

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

17           “(1) administer the Community Reinvestment  
18 Grant Program; and

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

23           (2) COMMUNITY REINVESTMENT GRANT PRO-  
24 GRAM.—Title I of the Omnibus Crime Control and

1 Safe Streets Act of 1968 (34 U.S.C. et seq.) is  
2 amended by adding at the end the following:

3 **“PART OO—COMMUNITY REINVESTMENT GRANT**  
4 **PROGRAM**

5 **“SEC. 3052. AUTHORIZATION.**

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

12 “(1) job training;

13 “(2) reentry services;

14 “(3) legal aid for civil and criminal cases, in-  
15 cluding expungement of cannabis convictions;

16 “(4) literacy programs;

17 “(5) youth recreation or mentoring programs;

18 and

19 “(6) health education programs.

20 “(b) SUBSTANCE USE DISORDER SERVICES.—The  
21 Director, in consultation with the Secretary of Health and  
22 Human Services, shall provide eligible entities with funds  
23 to administer substance use disorder services for individ-  
24 uals adversely impacted by the War on Drugs or connect  
25 patients with substance use disorder services. Also eligible



1 for such services are individuals who have been arrested  
2 for or convicted of the sale, possession, use, manufacture,  
3 or cultivation of a controlled substance other than can-  
4 nabis (except for a conviction involving distribution to a  
5 minor).

6 **“SEC. 3053. FUNDING FROM OPPORTUNITY TRUST FUND.**

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

10 **“SEC. 3054. DEFINITIONS.**

11 “In this part:

12 “(1) The term ‘cannabis conviction’ means a  
13 conviction, or adjudication of juvenile delinquency,  
14 for a cannabis offense (as such term is defined in  
15 section 13 of the Marijuana Opportunity Reinvest-  
16 ment and Expungement Act of 2021).

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

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

1 term in section 6 of the Marijuana Opportunity Re-  
2 investment and Expungement Act of 2021”.”.

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

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

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

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

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

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

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

21 (E) The establishment of a cannabis li-  
22 censing board that is reflective of the racial,  
23 ethnic, economic, and gender composition of the  
24 eligible State or locality, to serve as an over-  
25 sight body of the equitable licensing program.

1 (3) DEFINITIONS.—In this subsection:

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

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

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

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

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

20 (ii) who has been arrested for or con-  
21 victed of the sale, possession, use, manu-  
22 facture, or cultivation of cannabis (except  
23 for a conviction involving distribution to a  
24 minor), or whose parent, sibling, spouse, or

1 child has been arrested for or convicted of  
2 such an offense.

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

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

18 (e) STUDY ON PROGRAMS.—

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

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

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

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

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

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

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

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

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

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

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

13 “(A) means—

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

16 “(ii) the seeds thereof;

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

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

22 “(B) does not include—

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

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

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

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

13 “(2) CANNABIS-RELATED LEGITIMATE BUSI-  
14 NESS.—The term ‘cannabis-related legitimate busi-  
15 ness’ means a manufacturer, producer, or any per-  
16 son or company that is a small business concern and  
17 that—

18 “(A) engages in any activity described in  
19 subparagraph (B) pursuant to a law established  
20 by a State or a political subdivision of a State,  
21 as determined by such State or political subdivi-  
22 sion; and

23 “(B) participates in any business or orga-  
24 nized activity that involves handling cannabis or  
25 cannabis products, including cultivating, pro-



1           ducing, manufacturing, selling, transporting,  
2           displaying, dispensing, distributing, or pur-  
3           chasing cannabis or cannabis products.

4           “(3) SERVICE PROVIDER.—The term ‘service  
5           provider’—

6                   “(A) means a business, organization, or  
7           other person that—

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

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

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

23           (b) SMALL BUSINESS DEVELOPMENT CENTERS.—  
24           Section 21(c) of the Small Business Act (15 U.S.C.

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

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

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

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

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

1 (e) VETERAN BUSINESS OUTREACH CENTERS.—Sec-  
2 tion 32 of the Small Business Act (15 U.S.C. 657b) is  
3 amended by adding at the end the following new sub-  
4 section:

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

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

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

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

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

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

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

21          (i) SMALL BUSINESS INVESTMENT COMPANY DE-  
22          BENTURES TO FINANCE CANNABIS-RELATED LEGITIMATE  
23          BUSINESSES AND SERVICE PROVIDERS.—Part A of title  
24          III of the Small Business Investment Act of 1958 (15

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

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

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

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

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

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

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

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

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

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

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

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

7 (a) IN GENERAL.—For purposes of the immigration  
8 laws (as such term is defined in section 101 of the Immi-  
9 gration and Nationality Act), cannabis may not be consid-  
10 ered a controlled substance, and an alien may not be de-  
11 nied any benefit or protection under the immigration laws  
12 based on any event, including conduct, a finding, an ad-  
13 mission, addiction or abuse, an arrest, a juvenile adjudica-  
14 tion, or a conviction, relating to cannabis, regardless of  
15 whether the event occurred before, on, or after the effec-  
16 tive date of this Act.

17 (b) CANNABIS DEFINED.—The term “cannabis”—

18 (1) means all parts of the plant *Cannabis sativa*  
19 *L.*, whether growing or not; the seeds thereof; the  
20 resin extracted from any part of such plant; and  
21 every compound, manufacture, salt, derivative, mix-  
22 ture, or preparation of such plant, its seeds or resin;  
23 and

24 (2) does not include—

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (e) DEFINITIONS.—In this section:

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

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

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

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

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

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

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

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

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

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

1 **SEC. 12. SEVERABILITY.**

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

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

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

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

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

20 **SEC. 14. RULEMAKING.**

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

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

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

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

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



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

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

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

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

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

13 (13) violent crime rates;

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

16 (15) high school dropout rates;

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

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

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

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

1           (20) marijuana plants grown on public lands in  
2           contravention to Federal and State laws; and  
3           (21) court filings under a State's organized  
4           crime statutes.