

116TH CONGRESS
1ST SESSION

H. R. 3884

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

IN THE HOUSE OF REPRESENTATIVES

JULY 23, 2019

Mr. NADLER (for himself, Ms. LEE of California, Mr. BLUMENAUER, Mr. JEFFRIES, Ms. VELÁZQUEZ, Mr. GAETZ, Mr. CICILLINE, Mr. COHEN, Mr. CORREA, Ms. DEAN, Mr. DEUTCH, Ms. ESCOBAR, Ms. JACKSON LEE, Ms. JAYAPAL, Mr. JOHNSON of Georgia, Mr. TED LIEU of California, Ms. LOFGREN, Mr. RASKIN, Mr. SWALWELL of California, Mr. EVANS, Ms. GABBARD, Ms. HAALAND, Mr. HUFFMAN, Mr. KHANNA, Mr. MCGOVERN, Ms. NORTON, Mr. PERLMUTTER, Ms. PRESSLEY, Ms. WATERS, and Mrs. WATSON COLEMAN) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committees on Energy and Commerce, Agriculture, Education and Labor, Ways and Means, Small Business, Natural Resources, and Oversight and Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Marijuana Opportunity
3 Reinvestment and Expungement Act of 2019” or the
4 “MORE Act of 2019”.

5 **SEC. 2. DECRIMINALIZATION OF CANNABIS.**

6 (a) CANNABIS REMOVED FROM SCHEDULE OF CON-
7 TROLLED SUBSTANCES.—

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

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

12 (B) by striking “(17)
13 Tetrahydrocannabinols, except for
14 tetrahydrocannabinols in hemp (as defined in
15 section 297A of the Agricultural Marketing Act
16 of 1946).”.

17 (2) REMOVAL FROM SCHEDULE.—Not later
18 than 180 days after the date of the enactment of
19 this Act, the Attorney General shall finalize a rule-
20 making under section 201(a)(2) removing mari-
21 huana and tetrahydrocannabinols from the schedules
22 of controlled substances. Marihuana and
23 tetrahydrocannabinols shall each be deemed to be a
24 drug or other substance that does not meet the re-
25 quirements for inclusion in any schedule. A rule-
26 making under this paragraph shall be considered to

1 have taken effect as of the date of enactment of this
 2 Act for purposes of any offense committed, case
 3 pending, conviction entered, and, in the case of a ju-
 4 venile, any offense committed, case pending, and ad-
 5 judication of juvenile delinquency entered before, on,
 6 or after the date of enactment of this Act.

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

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

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

13 (A) in paragraph (1)—

14 (i) in subparagraph (A)—

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

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

18 (III) by redesignating clause
 19 (viii) as clause (vii);

20 (ii) in subparagraph (B)—

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

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

24 (III) by redesignating clause
 25 (viii) as clause (vii);

1 (iii) in subparagraph (C), in the first
 2 sentence, by striking “subparagraphs (A),
 3 (B), and (D)” and inserting “subpara-
 4 graphs (A) and (B)”;

5 (iv) by striking subparagraph (D);

6 (v) by redesignating subparagraph (E)
 7 as subparagraph (D); and

8 (vi) in subparagraph (D)(i), as so re-
 9 designated, by striking “subparagraphs (C)
 10 and (D)” and inserting “subparagraph
 11 (C)”;

12 (B) by striking paragraph (4); and

13 (C) by redesignating paragraphs (5), (6),
 14 and (7) as paragraphs (4), (5), and (6), respec-
 15 tively;

16 (3) in section 402(c)(2)(B) (21 U.S.C.
 17 842(c)(2)(B)), by striking “, marihuana,”;

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

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

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

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

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

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

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

8 (c) OTHER CONFORMING AMENDMENTS.—

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

13 (A) in section 15002(a) (16 U.S.C.
14 559b(a)) by striking “marijuana and other”;

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

18 (C) in section 15004(2) (16 U.S.C.
19 559d(2)) by striking “marijuana and other”.

20 (2) INTERCEPTION OF COMMUNICATIONS.—Sec-
21 tion 2516 of title 18, United States Code, is amend-
22 ed—

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

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

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

10 **SEC. 3. DEMOGRAPHIC DATA OF CANNABIS BUSINESS OWN-**
11 **ERS AND EMPLOYEES.**

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

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

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

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

21 (1) age;

22 (2) certifications and licenses;

23 (3) disability status;

24 (4) educational attainment;

25 (5) family and marital status;

- 1 (6) nativity;
- 2 (7) race and Hispanic ethnicity;
- 3 (8) school enrollment;
- 4 (9) veteran status; and
- 5 (10) sex.

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

10 (d) DEFINITIONS.—In this section:

11 (1) CANNABIS.—The term “cannabis” means
12 either marijuana or cannabis as defined under the
13 State law authorizing the sale or use of cannabis in
14 which the individual or entity is located.

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

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

23 **SEC. 4. CREATION OF OPPORTUNITY TRUST FUND AND IM-**
24 **POSITION OF TAX ON CANNABIS PRODUCTS.**

25 (a) TRUST FUND.—

1 (1) ESTABLISHMENT.—Subchapter A of chap-
2 ter 98 of the Internal Revenue Code of 1986 is
3 amended by adding at the end the following new sec-
4 tion:

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

6 “(a) CREATION OF TRUST FUND.—There is estab-
7 lished in the Treasury of the United States a trust fund
8 to be known as the ‘Opportunity Trust Fund’ (referred
9 to in this section as the ‘Trust Fund’), consisting of such
10 amounts as may be appropriated or credited to such fund
11 as provided in this section or section 9602(b).

12 “(b) TRANSFERS TO TRUST FUND.—There are here-
13 by appropriated to the Trust Fund amounts equivalent to
14 the net revenues received in the Treasury from the tax
15 imposed by section 5701(h).

16 “(c) EXPENDITURES.—Amounts in the Trust Fund
17 shall be available, without further appropriation, only as
18 follows:

19 “(1) 50 percent to the Attorney General to
20 carry out section 3052(a) of part OO of the Omni-
21 bus Crime Control and Safe Streets Act of 1968.

22 “(2) 10 percent to the Attorney General to
23 carry out section 3052(b) of part OO of the Omni-
24 bus Crime Control and Safe Streets Act of 1968.

1 “(3) 20 percent to the Administrator of the
 2 Small Business Administration to carry out section
 3 5(b)(1) of the Marijuana Opportunity Reinvestment
 4 and Expungement Act of 2019.

5 “(4) 20 percent to the Administrator of the
 6 Small Business Administration to carry out section
 7 5(b)(2) of the Marijuana Opportunity Reinvestment
 8 and Expungement Act of 2019.”.

9 (2) CLERICAL AMENDMENT.—The table of sec-
 10 tions for subchapter A of chapter 98 of such Code
 11 is amended by adding at the end the following new
 12 item:

“Sec. 9512. Opportunity trust fund.”.

13 (b) IMPOSITION OF TAX.—

14 (1) IN GENERAL.—Section 5701 of the Internal
 15 Revenue Code of 1986 is amended by redesignating
 16 subsection (h) as subsection (i) and by inserting
 17 after subsection (g) the following new subsection:

18 “(h) CANNABIS PRODUCTS.—On cannabis products,
 19 manufactured in or imported into the United States, there
 20 shall be imposed a tax equal to 5 percent of the price for
 21 which sold.”.

22 (2) CANNABIS PRODUCT DEFINED.—Section
 23 5702 of such Code is amended by adding at the end
 24 the following new subsection:

25 “(q) CANNABIS PRODUCT.—

1 “(1) IN GENERAL.—Except as provided in para-
2 graph (2), the term ‘cannabis product’ means any
3 cannabis or any article which contains cannabis or
4 any derivative thereof.

5 “(2) EXCEPTION.—The term ‘cannabis product’
6 shall not include any medicine or drug that is a pre-
7 scribed drug (as such term is defined in section
8 213(d)(3)).

9 “(3) CANNABIS.—The term ‘cannabis’—

10 “(A) means all parts of the plant *Cannabis*
11 *sativa* L., whether growing or not; the seeds
12 thereof; the resin extracted from any part of
13 such plant; and every compound, manufacture,
14 salt, derivative, mixture, or preparation of such
15 plant, its seeds or resin; and

16 “(B) does not include—

17 “(i) hemp, as defined in section 297A
18 of the Agricultural Marketing Act of 1946;
19 or

20 “(ii) the mature stalks of such plant,
21 fiber produced from such stalks, oil or cake
22 made from the seeds of such plant, any
23 other compound, manufacture, salt, deriva-
24 tive, mixture, or preparation of such ma-
25 ture stalks (except the resin extracted

1 therefrom), fiber, oil, or cake, or the steri-
2 lized seed of such plant which is incapable
3 of germination.”.

4 (3) CANNABIS PRODUCTS TREATED AS TO-
5 BACCO PRODUCTS.—Section 5702(c) of such Code is
6 amended by striking “and roll-your-own tobacco”
7 and inserting “roll-your-own tobacco, and cannabis
8 products”.

9 (4) MANUFACTURER OF CANNABIS PRODUCTS
10 TREATED AS MANUFACTURER OF TOBACCO PROD-
11 UCTS.—Section 5702 of such Code is amended by
12 adding at the end the following new subsection:

13 “(r) MANUFACTURER OF CANNABIS PRODUCTS.—

14 “(1) IN GENERAL.—Any person who plants,
15 cultivates, harvests, produces, manufactures, com-
16 pounds, converts, processes, prepares, or packages
17 any cannabis product shall be treated as a manufac-
18 turer of cannabis products (and as manufacturing
19 such cannabis product).

20 “(2) EXCEPTION.—Paragraph (1) shall not
21 apply with respect to any cannabis product which is
22 for such person’s own personal consumption or use.

23 “(3) APPLICATION OF RULES RELATED TO
24 MANUFACTURERS OF TOBACCO PRODUCTS.—Any
25 reference to a manufacturer of tobacco products, or

1 to manufacturing tobacco products, shall be treated
2 as including a reference to a manufacturer of can-
3 nabis products, or to manufacturing cannabis prod-
4 ucts, respectively.”.

5 (5) APPLICATION OF CERTAIN RULES FOR DE-
6 TERMINING PRICE.—Section 5702(l) of such Code is
7 amended—

8 (A) by striking “section 5701(a)(2)” and
9 inserting “subsections (a)(2) and (h) of section
10 5701”; and

11 (B) by inserting “AND CANNABIS PROD-
12 UCTS” after “CIGARS” in the heading thereof.

13 (6) CONFORMING AMENDMENT.—Section
14 5702(j) of such Code is amended by adding at the
15 end the following new sentence: “In the case of a
16 cannabis product, the previous sentence shall be ap-
17 plied by substituting ‘from a facility of a manufac-
18 turer required to file a bond under section 5711’ for
19 ‘from the factory or from internal revenue bond
20 under section 5704’.”.

21 (c) EFFECTIVE DATE.—

22 (1) IN GENERAL.—Except as otherwise pro-
23 vided in this subsection, the amendments made by
24 this section shall apply to articles manufactured or

1 imported in calendar quarters beginning more than
2 one year after the date of the enactment of this Act.

3 (2) TRUST FUND.—The amendments made by
4 subsection (a) shall take effect on the date of the en-
5 actment of this Act.

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

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

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

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

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

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

1 may the Director hold any office in, or act in any capacity
2 for, any organization, agency, or institution with which the
3 Office makes any contract or other arrangement.

4 “(c) EMPLOYEES.—

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

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

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

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

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

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

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

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

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

11 **“PART OO—COMMUNITY REINVESTMENT GRANT**
12 **PROGRAM**

13 **“SEC. 3052. AUTHORIZATION.**

14 “(a) IN GENERAL.—The Director of the Cannabis
15 Justice Office shall establish and carry out a grant pro-
16 gram, known as the ‘Community Reinvestment Grant Pro-
17 gram’, to provide eligible entities with funds to administer
18 services for individuals most adversely impacted by the
19 War on Drugs, including—

20 “(1) job training;

21 “(2) reentry services;

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

24 “(4) literacy programs;

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

4 “(b) SUBSTANCE USE TREATMENT SERVICES.—The
5 Community Reinvestment Grant Program established in
6 subsection (a) shall provide eligible entities with funds to
7 administer substance use treatment services for individ-
8 uals most adversely impacted by the War on Drugs.

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

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

13 **“SEC. 3054. DEFINITIONS.**

14 “In this part:

15 “(1) The term ‘cannabis conviction’ means a
16 conviction, or adjudication of juvenile delinquency,
17 for a cannabis offense (as such term is defined in
18 section 12(2) of the Marijuana Opportunity Rein-
19 vestment and Expungement Act of 2019).

20 “(2) The term ‘substance use treatment’ means
21 an evidence-based, professionally directed, deliberate,
22 and planned regimen including evaluation, observa-
23 tion, medical monitoring, harm reduction, and reha-
24 bilitative services and interventions such as
25 pharmacotherapy, mental health services, and indi-

vidual and group counseling, on an inpatient or outpatient basis, to help patients with substance use disorder reach remission and maintain recovery.

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

“(4) The term ‘individuals most adversely impacted by the War on Drugs’ has the meaning given that term in section 5 of the Marijuana Opportunity Reinvestment and Expungement Act of 2019.”.

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

(1) CANNABIS OPPORTUNITY PROGRAM.—The Administrator of the Small Business Administration shall establish and carry out a program, to be known as the “Cannabis Opportunity Program” to provide any eligible State or locality funds to make loans under section 7(m) of the Small Business Act (15 U.S.C. 363(m)) to assist small business concerns owned and controlled by socially and economically disadvantaged individuals, as defined in section

1 8(d)(3)(C) of the Small Business Act (15 U.S.C.
2 637(d)(3)(C)) that operate in the cannabis industry.

3 (2) EQUITABLE LICENSING GRANT PROGRAM.—

4 The Administrator of the Small Business Adminis-
5 tration shall establish and carry out a grant pro-
6 gram, to be known as the “Equitable Licensing
7 Grant Program”, to provide any eligible State of lo-
8 cality funds to develop and implement equitable can-
9 nabis licensing programs that minimize barriers to
10 cannabis licensing and employment for individuals
11 most adversely impacted by the War on Drugs, pro-
12 vided that each grantee includes in its cannabis li-
13 censing program at least four of the following:

14 (A) A waiver of cannabis license applica-
15 tion fees for individuals who have had an in-
16 come below 250 percent of the Federal Poverty
17 Level for at least 5 of the past 10 years who
18 are first-time applicants.

19 (B) A prohibition on the denial of a can-
20 nabis license based on a conviction for a can-
21 nabis offense that took place prior to State le-
22 galization of cannabis or the date of enactment
23 of this Act, as appropriate.

24 (C) A prohibition on criminal conviction re-
25 strictions for licensing except with respect to a

conviction related to owning and operating a business.

(D) A prohibition on cannabis license holders engaging in suspicionless cannabis drug testing of their prospective or current employees, except with respect to drug testing for safety-sensitive positions, as defined under the Omnibus Transportation Testing Act of 1991.

(E) The establishment of a cannabis licensing board that is reflective of the racial, ethnic, economic, and gender composition of the State or locality, to serve as an oversight body of the equitable licensing program.

(3) DEFINITIONS.—In this subsection:

(A) The term “individual most adversely impacted by the War on Drugs” means an individual—

(i) who has had an income below 250 percent of the Federal Poverty Level for at least 5 of the past 10 years; and

(ii) has been arrested for or convicted of the sale, possession, use, manufacture, or cultivation of cannabis or a controlled substance (except for a conviction involving distribution to a minor), or whose parent,

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

3 (B) The term “eligible State or locality”
4 means a State or locality that has taken steps
5 to—

- 6 (i) create an automatic process, at no
7 cost to the individual, for the
8 expungement, destruction, or sealing of
9 criminal records for cannabis offenses; and
10 (ii) eliminate violations or other pen-
11 alties for persons under parole, probation,
12 pre-trial, or other State or local criminal
13 supervision for a cannabis offense.

14 (C) The term “State” means each of the
15 several States, the District of Columbia, Puerto
16 Rico, any territory or possession of the United
17 States, and any Indian Tribe (as defined in sec-
18 tion 201 of Public Law 90–294 (25 U.S.C.
19 1301) (commonly known as the “Indian Civil
20 Rights Act of 1968”)).

1 **SEC. 6. 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 “(ff) CANNABIS-RELATED LEGITIMATE BUSINESSES
11 AND SERVICE PROVIDERS.—In this Act:

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

13 “(A) means all parts of the plant Cannabis
14 sativa L., whether growing or not; the seeds
15 thereof; the resin extracted from any part of
16 such plant; and every compound, manufacture,
17 salt, derivative, mixture, or preparation of such
18 plant, its seeds or resin; and

19 “(B) does not include—

20 “(i) hemp, as defined in section 297A
21 of the Agricultural Marketing Act of 1946;
22 or

23 “(ii) the mature stalks of such plant,
24 fiber produced from such stalks, oil or cake
25 made from the seeds of such plant, any
26 other compound, manufacture, salt, deriva-

1 tive, mixture, or preparation of such ma-
2 ture stalks (except the resin extracted
3 therefrom), fiber, oil, or cake, or the steri-
4 lized seed of such plant which is incapable
5 of germination.

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

11 “(A) engages in any activity described in
12 subparagraph (B) pursuant to a law established
13 by a State or a political subdivision of a State,
14 as determined by such State or political sub-di-
15 vision; and

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

22 “(3) SERVICE PROVIDER.—The term ‘service
23 provider’—

24 “(A) means a business, organization, or
25 other person that—

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

3 “(ii) provides any business services,
4 including the sale or lease of real or any
5 other property, legal or other licensed serv-
6 ices, or any other ancillary service, relating
7 to cannabis; and

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

16 (b) SMALL BUSINESS DEVELOPMENT CENTERS.—
17 Section 21(c) of the Small Business Act (15 U.S.C.
18 648(c)) is amended by adding at the end the following new
19 paragraph:

20 “(9) SERVICES FOR CANNABIS-RELATED LE-
21 GITIMATE BUSINESSES AND SERVICE PROVIDERS.—
22 A small business development center may not decline
23 to provide services to an otherwise eligible small
24 business concern under this section solely because

1 such concern is a cannabis-related legitimate busi-
2 ness or service provider.”.

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

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

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

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

23 “(h) SERVICES FOR CANNABIS-RELATED LEGITI-
24 MATE BUSINESSES AND SERVICE PROVIDERS.—A Vet-
25 eran Business Outreach Center may not decline to provide

1 services to an otherwise eligible small business concern
2 under this section solely because such concern is a can-
3 nabis-related legitimate business or service provider.”.

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

7 “(36) LOANS TO CANNABIS-RELATED LEGITI-
8 MATE BUSINESSES AND SERVICE PROVIDERS.—The
9 Administrator may not decline to provide a guar-
10 antee for a loan under this subsection to an other-
11 wise eligible small business concern solely because
12 such concern is a cannabis-related legitimate busi-
13 ness or service provider.”.

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

17 “(16) ASSISTANCE TO CANNABIS-RELATED LE-
18 GITIMATE BUSINESSES AND SERVICE PROVIDERS.—
19 The Administrator may not decline to provide assist-
20 ance under this subsection to an otherwise eligible
21 borrower solely because such borrower is a cannabis-
22 related legitimate business or service provider.”.

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

1 “(14) ASSISTANCE TO CANNABIS-RELATED LE-
 2 GITIMATE BUSINESSES AND SERVICE PROVIDERS.—
 3 An eligible intermediary may not decline to provide
 4 assistance under this subsection to an otherwise eli-
 5 gible borrower solely because such borrower is a can-
 6 nabis-related legitimate business or service pro-
 7 vider.”.

8 (i) STATE OR LOCAL DEVELOPMENT COMPANY
 9 LOANS.—Title V of the Small Business Investment Act
 10 of 1958 (15 U.S.C. 695 et seq.) is amended by adding
 11 at the end the following new section:

12 **“SEC. 511. LOANS TO CANNABIS-RELATED LEGITIMATE**
 13 **BUSINESSES AND SERVICE PROVIDERS.**

14 “The Administrator may not decline to provide a
 15 guarantee for a loan under this title to an otherwise eligi-
 16 ble State or local development company solely because
 17 such State or local development company provides financ-
 18 ing to an entity that is a cannabis-related legitimate busi-
 19 ness or service provider (as defined in section 3(ff) of the
 20 Small Business Act).”.

21 **SEC. 7. NO DISCRIMINATION IN THE PROVISION OF A FED-**
 22 **ERAL PUBLIC BENEFIT ON THE BASIS OF**
 23 **CANNABIS.**

24 (a) IN GENERAL.—No person may be denied any
 25 Federal public benefit (as such term is defined in section

1 401(c) of the Personal Responsibility and Work Oppor-
2 tunity Reconciliation Act of 1996 (8 U.S.C. 1611(c))) on
3 the basis of any use or possession of cannabis, or on the
4 basis of a conviction or adjudication of juvenile delin-
5 quency for a cannabis offense, by that person.

6 (b) SECURITY CLEARANCES.—Federal agencies may
7 not use past or present cannabis or marijuana use as cri-
8 teria for granting, denying, or rescinding a security clear-
9 ance.

10 **SEC. 8. NO ADVERSE EFFECT FOR PURPOSES OF THE IMMI-**
11 **GRATION LAWS.**

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

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

23 (1) means all parts of the plant *Cannabis sativa*
24 L., whether growing or not; the seeds thereof; the
25 resin extracted from any part of such plant; and

1 every compound, manufacture, salt, derivative, mix-
2 ture, or preparation of such plant, its seeds or resin;
3 and

4 (2) does not include—

5 (A) hemp, as defined in section 297A of
6 the Agricultural Marketing Act of 1946; or

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

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. 9. RESENTENCING AND EXPUNGEMENT.**

21 (a) **EXPUNGEMENT OF FEDERAL CANNABIS OF-**
22 **FENSE CONVICTIONS FOR INDIVIDUALS NOT UNDER A**
23 **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 Federal can-
4 nabis offense entered by each Federal court in the
5 district before the date of enactment of this Act and
6 on or after May 1, 1971. Each Federal court shall
7 also issue an order expunging any arrests associated
8 with each expunged conviction or adjudication of ju-
9 venile 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 Federal cannabis offense, who is not under a crimi-
22 nal justice sentence, may file a motion for
23 expungement. If the expungement of such a convic-
24 tion 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 Federal can-
14 nabis offense, the court that imposed the sentence
15 shall, on motion of the individual, the Director of
16 the Bureau of Prisons, the attorney for the Govern-
17 ment, or the court, conduct a sentencing review
18 hearing. If the individual is indigent, counsel shall
19 be appointed to represent the individual in any sen-
20 tencing 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 Federal can-

1 nabis offense entered by the court before the
2 date of enactment of this Act, and any associ-
3 ated 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) DEFINITIONS.—In this section:

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

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

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

18 **SEC. 10. REFERENCES IN EXISTING LAW TO MARIJUANA OR**
19 **MARIHUANA.**

20 Wherever, in the statutes of the United States or in
21 the rulings, regulations, or interpretations of various ad-
22 ministrative bureaus and agencies of the United States—

23 (1) there appears or may appear the term
24 “marihuana” or “marijuana”, that term shall be

1 struck and the term “cannabis” shall be inserted;
2 and

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

6 **SEC. 11. SEVERABILITY.**

7 If any provision of this Act or an amendment made
8 by this Act, or any application of such provision to any
9 person or circumstance, is held to be unconstitutional, the
10 remainder of this Act, the amendments made by this Act,
11 and the application of this Act and the amendments made
12 by this Act to any other person or circumstance shall not
13 be affected.

14 **SEC. 12. CANNABIS OFFENSE DEFINED.**

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

17 (1) that, under Federal law, is no longer pun-
18 ishable pursuant to this Act or the amendments
19 made under this Act; or

20 (2) that, under State law, is no longer an of-
21 fense or that was designated a lesser offense or for
22 which the penalty was reduced under State law pur-
23 suant to or following the adoption of a State law au-
24 thorizing the sale or use of cannabis.

1 **SEC. 13. RULEMAKING.**

2 Unless otherwise provided in this Act, not later than
3 1 year after the date of enactment of this Act, the Depart-
4 ment of the Treasury, the Department of Justice, and the
5 Small Business Administration shall issue or amend any
6 rules, standard operating procedures, and other legal or
7 policy guidance necessary to carry out implementation of
8 this Act. After the 1-year period, any publicly issued sub-
9 regulatory guidance, including any compliance guides,
10 manuals, advisories and notices, may not be issued with-
11 out 60-day notice to appropriate congressional commit-
12 tees. Notice shall include a description and justification
13 for additional guidance.

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