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

IN THE SENATE OF THE UNITED STATES

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

A BILL

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

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
4 (a) Short Title.—This Act may be cited as the
5 “Cannabis Administration and Opportunity Act”.
6 (b) Table of Contents.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Definitions.

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

Subtitle A—Decriminalization of Cannabis

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

Subtitle B—Public Safety and States’ Rights

Sec. 111. States’ rights.
Sec. 112. Diversion of cannabis.
Sec. 113. Additional and cumulative remedies.

TITLE II—RESEARCH, TRAINING, AND PREVENTION

Sec. 201. Societal impact of cannabis legalization study.
Sec. 203. Cannabis-related highway safety research.
Sec. 204. Grant programs to prevent impaired driving due to cannabis use.

TITLE III—RESTORATIVE JUSTICE AND OPPORTUNITY

Subtitle A—Opportunity Trust Fund Programs

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

Subtitle B—Restorative Justice

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

TITLE IV—TAXATION AND ESTABLISHMENT OF TRUST FUND

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

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

Subtitle A—Public Health

Sec. 501. FDA regulation of cannabis.
Sec. 503. Expedited review.
Sec. 504. Research on cannabis.
Sec. 505. Regulation of cannabidiol.
Sec. 506. Amendment to the Poison Prevention Packaging Act.

Subtitle B—Federal Cannabis Administration

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

TITLE VI—MISCELLANEOUS

Sec. 601. Comptroller General review of laws and regulations.
Sec. 602. Severability.

SEC. 2. FINDINGS.

The Congress finds as follows:

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

(2) A legacy of racial and ethnic injustices, compounded by the disproportionate collateral consequences of 80 years of cannabis prohibition enforcement, now limits participation in the industry.

(3) 37 States, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands have adopted laws allowing legal access to cannabis, and 18 States, the District of Columbia, the Commonwealth of the Northern Mariana Islands, and Guam have adopted laws legalizing cannabis for adult recreational use.
(4) A total of 49 States have reformed their laws pertaining to cannabis despite the Schedule I status of marijuana and its Federal criminalization.

(5) Legal cannabis businesses support more than 321,000 jobs throughout the United States.

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

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

(8) The continued enforcement of cannabis prohibition laws results in over 600,000 arrests annually, disproportionately impacting people of color who are almost 4 times more likely to be arrested for cannabis possession than their White counterparts, despite equal rates of use across populations.

(9) People of color have been historically targeted by discriminatory sentencing practices resulting in Black men receiving drug sentences that are 13.1 percent longer than sentences imposed for White men and Latinos being nearly 6.5 times more likely to receive a Federal sentence for cannabis possession than non-Hispanic Whites.
In 2013, simple cannabis possession was the fourth most common cause of deportation for any offense and the most common cause of deportation for drug law violations.

Fewer than one-fifth of cannabis business owners identify as minorities and only approximately 2 percent are black.

Applicants for cannabis licenses are limited by numerous laws, regulations, and exorbitant permit applications, licensing fees, and costs in these States, which can require more than $700,000.

Historically disproportionate arrest and conviction rates make it particularly difficult for people of color to enter the legal cannabis marketplace, as most States bar these individuals from participating.

Federal law severely limits access to loans and capital for cannabis businesses, disproportionately impacting minority small business owners.

Some States and municipalities have taken proactive steps to mitigate inequalities in the legal cannabis marketplace and ensure equal participation in the industry.

SEC. 3. DEFINITIONS.

For purposes of this Act—
(1) CANNABIS.—The term “cannabis” has the same meaning given such term in subsection (ss) of section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) (as added by section 502 of this Act).

(2) CANNABIS OFFENSE.—The term “cannabis offense” means a criminal offense related to cannabis—

(A) that, under Federal law, is no longer punishable pursuant to this Act or the amendments made under this Act; or

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

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

Subtitle A—Decriminalization of Cannabis

SEC. 101. DECRIMINALIZATION OF CANNABIS.

(a) Cannabis Removed From Schedule of Controlled Substances.—
(1) Removal in statute.—Subsection (c) of schedule I of section 202(e) of the Controlled Substances Act (21 U.S.C. 812) is amended—

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

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

(2) Removal from schedule.—Not later than 180 days after the date of the enactment of this Act, the Attorney General shall finalize a rule-making under section 201(a)(2) of the Controlled Substances Act (21 U.S.C. 811(a)(2)) removing marihuana and tetrahydrocannabinols from the schedules of controlled substances. For the purposes of the Controlled Substances Act, marihuana and tetrahydrocannabinols shall each be deemed to be a drug or other substance that does not meet the requirements for inclusion in any schedule. A rule-making under this paragraph shall be considered to have taken effect as of the date of enactment of this Act for purposes of any offense committed, case pending, conviction entered, and, in the case of a juvenile, any offense committed, case pending, and ad-
judication of juvenile delinquency entered before, on, or after the date of enactment of this Act.

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

(1) in section 102 (21 U.S.C. 802)—

(A) by striking paragraph (16); and

(B) in paragraph (44), by striking “marihuana,”;

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

(A) in paragraph (1)—

(i) in subparagraph (A)—

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

(II) by striking clause (vii); and

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

(ii) in subparagraph (B)—

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

(II) by striking clause (vii); and

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

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

(iv) by striking subparagraph (D);

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

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

(B) by striking paragraph (4); and

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

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

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

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

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

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

(A) in the matter preceding paragraph (1),
by striking “marijuana, cocaine, hashish, hash-
is oil,” and inserting “cocaine,”; and
(B) in paragraph (5), by striking “, such as a marihuana cigarette,”;

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

(9) in section 1010(b) (21 U.S.C. 960(b))—

(A) in paragraph (1)—

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

(ii) by striking subparagraph (G);

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

(iv) in subparagraph (G), as so redesignated, by striking the period at the end and inserting a semicolon;

(B) in paragraph (2)—

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

(ii) by striking subparagraph (G);

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

(iv) in subparagraph (G), as so redesignated, by striking the period at the end and inserting a semicolon;

(C) by striking paragraph (4); and
1 (D) by redesignating paragraphs (5), (6),
2 and (7) as paragraphs (4), (5), and (6), respec-
3 tively.
4 (c) Other Conforming Amendments.—
5 (1) National Forest System Drug Control
6 Act of 1986.—The National Forest System Drug
7 Control Act of 1986 (16 U.S.C. 559b et seq.) is
8 amended—
9 (A) in section 15002(a) (16 U.S.C.
10 559b(a)) by striking “marijuana and other”;
11 (B) in section 15003(2) (16 U.S.C.
12 559c(2)) by striking “marijuana and other”; and
13 (C) in section 15004(2) (16 U.S.C.
14 559d(2)) by striking “marijuana and other”.
15 (2) Interception of Communications.—Sec-
16 tion 2516 of title 18, United States Code, is amend-
17 ed—
18 (A) in subsection (1)(e), by striking “mari-
19 huana,”; and
20 (B) in subsection (2) by striking “mari-
21 huana”.
22 (3) FMCSA Provisions.—
23 (A) Conforming Amendment.—Section
24 31301(5) of title 49, United States Code, is
amended by striking “section 31306,” and inserting “sections 31306, 31306a, and sub-
sections (b) and (c) of section 31310,”.

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

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

(ii) by striking the period at the end and inserting “; and

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

(C) Disqualifications.—Section 31310(b) of title 49, United States Code, is amended by adding at the end the following:

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

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

(A) by striking “means any substance” and inserting the following: “means—
“(A) any substance”; and
(B) by striking the period at the end and 
inserting “; and

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

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

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

“(A) any substance”; and

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

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

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

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

“(A) any substance”; and

(B) by striking the period at the end and 
inserting “; and
“(B) any substance not covered under sub-
paragraph (A) that was a substance under such
section as of December 1, 2018, and whose use
the Secretary of Transportation decides has a
risk to transportation safety.”

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

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

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

(C) in subparagraph (D), by inserting “,
cannabis, as defined in section 3 of the Can-

nabis Administration and Opportunity Act,”

after “subsection)”.

(8) OTHER CONTRABAND.—Section
80302(a)(1) of title 49, United States Code, is
amended by striking “, including marihuana (as de-

fined in section 102 of that Act (21 U.S.C. 802)),”.

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

(A) by striking the second sentence and in-
serting “If any of such merchandise so found
consists of smoking opium or opium prepared
for smoking, the master of such vessel or person in charge of such vehicle or the owner of such vessel or vehicle or any person directly or indirectly responsible for smoking opium or opium prepared for smoking being in such merchandise shall be liable to a penalty of $500 for each ounce thereof so found.”; and

(B) by striking the last sentence and inserting “As used in this paragraph, the term ‘opiate’ shall have the same meaning given that term by sections 102(18) of the Controlled Substances Act (21 U.S.C. 802(18)).”.

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

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

“(h) Cannabis.—
“(1) CONTINUED TESTING.—Notwithstanding
the Cannabis Administration and Opportunity Act
and the amendments made thereby, the Secretary of
Health and Human Services may continue to include
cannabis for purposes of drug testing of Federal em-
employees subject to this section, Executive Order
12564, or other applicable Federal laws and orders.
“(2) DEFINITION.—The term ‘cannabis’ has
the meaning given the term in section 3 of the Can-
nabis Administration and Opportunity Act.”.

(f) SPECIAL RULE FOR CERTAIN REGULATIONS.—
(1) IN GENERAL.—The amendments made by
this section may not be construed to abridge the au-
thority of the Secretary of Transportation, or the
Secretary of the department in which the Coast
Guard is operating, to regulate and screen for the
use of a controlled substance.
(2) CONTROLLED SUBSTANCE DEFINED.—In
this subsection, the term “controlled substance”
means—
(A) any substance covered under section
102 of the Controlled Substances Act (21
U.S.C. 802) on the day before the date of en-
actment of this Act; and
(B) any substance not covered under sub-
paragraph (A) that was a substance covered
under section 102 of the Controlled Substances
Act (21 U.S.C. 802) on December 1, 2018, and
specified by the Secretary of Transportation.

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

(a) Transfer of Jurisdiction From the Drug
Enforcement Administration to the Bureau of
Alcohol, Tobacco, Firearms and Explosives, the
Department of Health and Human Services, and
the Department of the Treasury.—The functions of
the Attorney General, acting through the Administrator
of the Drug Enforcement Administration relating to can-
nabis enforcement, shall hereafter be administered by—

(1) the Attorney General, acting through the
Director of the Bureau of Alcohol, Tobacco, Fire-
arms and Explosives,

(2) the Secretary of Health and Human Serv-
ices, and

(3) the Secretary of the Treasury.

(b) Redesignation of Bureau of Alcohol, To-
bacco, Firearms and Explosives as Bureau of Al-
cohol, Tobacco, Cannabis, Firearms and Explos-
sives.—
(1) Redesignation.—The Bureau of Alcohol, Tobacco, Firearms and Explosives is hereby re-named the “Bureau of Alcohol, Tobacco, Cannabis, Firearms and Explosives”.

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

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

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

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

(d) Memorandum of Understanding.—
(1) IN GENERAL.—For purposes of carrying out the purposes of this Act, not later than 180 days after the date of enactment of this Act, the Secretary of the Treasury (acting through the Alcohol, Tobacco, and Cannabis Tax and Trade Bureau, as so redesignated under subsection (c)) and the Secretary of Health and Human Services (acting through the Commissioner of Food and Drugs) shall enter into memorandum of understanding regarding coordination of their respective responsibilities with regard to regulation of cannabis and cannabis products.

(2) COMPLIANCE BURDENS.—For purposes of establishing the memorandum of understanding described in paragraph (1), the Secretary of the Treasury and the Secretary of Health and Human Services shall include consideration of—

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

(B) to the greatest extent practicable, reduction of any unnecessary administrative duplication with respect to such regulation.
Subtitle B—Public Safety and States’ Rights

SEC. 111. STATES’ RIGHTS.

(a) State Statutes as Operative on Termination of Transportation; Original Packages.—All cannabis transported into any State or territory of the United States or remaining therein for use, consumption, sale, or storage therein, shall, upon arrival in that State or territory, be subject to the operation and effect of the laws of that State or territory enacted in the exercise of its police powers, to the same extent and in the same manner as though the cannabis had been produced in that State or territory, and shall not be exempt therefrom by reason of being introduced therein in original packages or otherwise.

(b) Shipment Into States for Possession or Sale in Violation of State Law.—The shipment or transportation, in any manner or by any means whatsoever, of cannabis from a State, territory, or district of the United States, or place noncontiguous to but subject to the jurisdiction thereof, into any other State, territory, or district of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any foreign country into any State, territory, or district of the United States, or place noncontiguous to but subject to the juris-
diction thereof, which said cannabis is intended, by any person interested therein, to be received, possessed, sold, or in any manner used, either in the original package or otherwise, in violation of any law of that State, territory, or district of the United States, or place noncontiguous to but subject to the jurisdiction thereof, is prohibited.

(e) TRANSPORTATION OF CANNABIS AND CANNABIS PRODUCTS.—No State or Indian Tribe may prohibit the transportation or shipment of cannabis or cannabis products through the State or the territory of the Indian Tribe, as applicable.

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

(1) in subsection (a)—

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

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

“(3) the term ‘cannabis’ has the meaning given the term in section 3 of the Cannabis Administration and Opportunity Act”; and

(2) in subsections (b) and (e), by inserting “or cannabis” after “intoxicating liquor” each place it appears.
SEC. 112. DIVERSION OF CANNABIS.

(a) IN GENERAL.—

(1) VIOLATIONS OF CANNABIS LAWS OR REGULATIONS; PENALTIES AND INJUNCTIONS.—

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

(B) CANNABIS DIVERSION.—

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

(I) knowingly grow, manufacture, ship, transport, receive, possess, sell, or distribute or purchase 10 pounds or more of cannabis without authorization under a State law or pursuant to a permit issued under section 301 of the Federal Alcohol Administration Act, as added by section 511 of this Act; or
(II) knowingly possess 10 pounds or more of cannabis that bears no evidence of the payment of applicable State or local cannabis taxes in the State or locality where the cannabis is found, if—

(aa) the State or local government requires a stamp, impression, or other indication to be placed on packages or other containers of cannabis to evidence payment of cannabis taxes; and

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

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

(I) a common or contract carrier transporting the cannabis involved under a proper bill of lading or freight bill which states the quantity, source, and destination of the cannabis;
(II) a person—

(aa) who is licensed or otherwise authorized by the State where the cannabis are found to account for and pay cannabis taxes imposed by such State; and

(bb) who has complied with the accounting and payment requirements relating to such license or authorization with respect to the cannabis involved;

(III) an officer, employee, or other agent of the United States or a State, or any department, agency, or instrumentality of the United States or a State (including any political subdivision of a State) having possession of the cannabis in connection with the performance of official duties; or

(IV) a person—

(aa) involved in the manufacture, marketing, or distribution of a drug containing cannabis that is otherwise in compli-
ance with State and Federal law;

and

(bb) who possesses cannabis

in connection with the lawful ac-

tivities described in item (aa).

(iii) **Penalty.**—Any person who vio-

lates this subparagraph shall be impris-

oned not more than 5 years, fined not

more than $10,000, or both.

(2) **Willful Violations.**—A person who will-

fully violates any provision of this subsection, or any

regulation lawfully made or established by any public

officer under authority of this subtitle, including

shipping cannabis in violation of section 111(b) of

this Act, the punishment for violating which is not

otherwise prescribed by this Act or any other law,

shall be fined not less than $100 and not greater

than $5,000.

(3) **Fines.**—The penalty provided for in this

subsection may be recovered by the Secretary of the

Treasury or by an action brought by the Attorney

General in any court of competent jurisdiction.

(4) **Enforcement.**—It shall be the duty of the

Attorney General upon the request of the Secretary

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

(b) TRACKING AND TRACING REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after
the date of enactment of the Cannabis Administra-
tion and Opportunity Act, the Secretary of the
Treasury (referred to in this section as the “Sec-
retary”), acting through the Administrator of the
Alcohol, Tobacco, and Cannabis Tax and Trade Bu-
reau and in coordination with the Secretary of
Health and Human Services, shall issue regulations
relating to the tracking and tracing of cannabis
products pursuant to paragraph (2).

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

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

(B) Inspection.—In promulgating the regulations described in subparagraph (A), the Secretary shall consider which records are needed for inspection to monitor the movement of cannabis products from the point of production through distribution to retail outlets to assist in investigating potential illicit trade, smuggling, or counterfeiting of cannabis products.

(C) Codes.—The Secretary may require codes on the labels of cannabis products or other designs or devices for the purpose of tracking or tracing the cannabis product through the distribution system.

(D) Size of Business.—The Secretary shall take into account the size of a business in promulgating regulations under this section.

(E) Recordkeeping by Retailers.—The Secretary shall not require any retailer to maintain records relating to individual purchasers of cannabis products for personal consumption.

(3) Records Inspection.—If the Secretary has a reasonable belief that a cannabis product is
part of an illicit trade or smuggling or is a counter-
feit product, each person who manufactures, proc-
esses, transports, distributes, receives, holds, pack-
ages, exports, or imports cannabis products shall, at
the request of an officer or employee duly designated
by the Secretary, permit such officer or employee, at
reasonable times and within reasonable limits and in
a reasonable manner, upon the presentation of ap-
propriate credentials and a written notice to such
person, to have access to and copy all records (in-
cluding financial records) relating to such article
that are needed to assist the Secretary in inves-
tigating potential illicit trade, smuggling, or counter-
feiting of cannabis products. The Secretary shall not
authorize an officer or employee of the government
of any of the several States to exercise authority
under the preceding sentence on Indian country
without the express written consent of the Indian
tribe involved.

(4) KNOWLEDGE OF ILLEGAL TRANSACTION.—

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

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

(ii) imported, exported, distributed, or
diverted for possible illicit marketing,
the manufacturer or distributor shall promptly
notify the Attorney General and the Secretary
of such knowledge.

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

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

(ii) the knowledge which a reasonable
person would have had under like cir-
cumstances or which would have been ob-
tained upon the exercise of due care.

(5) CONSULTATION.—In carrying out this sub-
section, the Secretary shall consult with the Director
of the Bureau of Alcohol, Tobacco, Cannabis, Fire-
arms, and Explosives and the Commissioner of Food
and Drugs, as appropriate.
(6) CONSIDERATION OF STATE AND OTHER PRECEDENT.—In promulgating the regulations described in this subsection, the Secretary shall consider—

(A) recommendations and findings by the Cannabis Products Advisory Committee established under section 1111 of the Federal Food, Drug, and Cosmetic Act;

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

(C) whether unique standards for cannabis specified for medical use under State law are necessary or appropriate.

SEC. 113. ADDITIONAL AND CUMULATIVE REMEDIES.

(a) IN GENERAL.—It is the purpose of this Act to provide additional and cumulative remedies.

(b) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed—

(1) to abridge or alter rights of action or remedies now or hereafter existing; or

(2) as estopping the States or municipalities in the exercising of their respective rights.
TITLE II—RESEARCH, TRAINING, AND PREVENTION

SEC. 201. SOCIETAL IMPACT OF CANNABIS LEGALIZATION STUDY.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct an evaluation of the societal impact of the legalization by States of adult-use of cannabis. Such evaluation shall include—

(1) the total number of, and any changes from previous fiscal years in the number of—

(A) sick days reported to employers;

(B) workers compensations claims;

(C) Federal welfare assistance applications;

(D) traffic-related deaths and injuries where the driver is impaired by cannabis;

(E) school suspensions, expulsions, and law enforcement referrals that are cannabis-related;

(F) cannabis-related hospital admissions and poison control center calls;

(G) cannabis-related juvenile admittances into substance rehabilitation facilities and mental health clinics;

(H) cannabis plants grown on public lands in contravention to Federal and State laws; and
(I) court filings under a State’s organized crime statutes;

(2) the rate of, and any changes from previous fiscal years in the rate of—

(A) arrest related to methamphetamine possession;

(B) hospitalization related to methamphetamine and narcotics use;

(C) use of cannabis and its byproducts for medical purposes;

(D) use of cannabis and its byproducts for purposes relating to the health, including the mental health, of veterans;

(E) arrest of individuals driving under the influence or driving while intoxicated by cannabis;

(F) arrest of minors for cannabis-related charges;

(G) violent crime; and

(H) high school dropout;

(3) an overview of any changes to—

(A) government spending related to enforcement actions and court proceedings; and

(B) district-wide and State-wide standardized test scores;
(4) an analysis of tax revenue remitted to States resulting from legal cannabis sales; and

(5) an overview of any diversion of cannabis into neighboring States and drug seizures in neighboring States.

(b) REPORT.—Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall submit a report on the evaluation under subsection (a) to the Committee on Finance, the Committee on Health, Education, Labor, and Pensions, and the Committee on the Judiciary of the Senate and to the Committee on Ways and Means, the Committee on Energy and Commerce, and the Committee on the Judiciary of the House of Representatives.

SEC. 202. PUBLIC HEALTH RESEARCH.

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

(b) TOPICS.—The research conducted under subsection (a) may include research on—

(1) the effects of tetrahydrocannabinol on the human brain;
(2) the efficacy of medicinal cannabis as a treatment for specific diseases and conditions, including any impact on chronic pain and post-traumatic stress syndrome;

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

(A) pulmonary function;
(B) cardiovascular events;
(C) cancer, including testicular, ovarian, transitional cell, and head, neck, and oral cancers;
(D) mania;
(E) psychosis;
(F) cognitive effects; and
(G) cannabinoid hyperemesis syndrome;

and

(4) identification of additional medical benefits and uses of cannabis.

(c) CONSIDERATIONS.—In conducting or supporting the research under subsection (a), the Secretary shall consider—

(1) varying forms of cannabis, including—

(A) full plants and extracts; and

(B) at least 3 different types of cannabis with significant variation in phenotypic traits
and various ratios of tetrahydrocannabinol and cannabidiol in chemical composition; and

(2) varying methods of cannabis delivery, including combustible and non-combustible inhalation and ingestion.

(d) **ANNUAL REPORTS.**—Not later than October 1 of each of fiscal years 2021 through 2025, the Secretary shall submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Appropriations of the Senate and the Committee on Energy and Commerce and the Committee on Appropriations of the House of Representatives, a report that includes an overview of the research conducted and supported under this section.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary, $[___________] for each of fiscal years 2021 through 2025, for purposes of carrying out this section.

**SEC. 203. CANNABIS-RELATED HIGHWAY SAFETY RESEARCH.**

(a) **IN GENERAL.**—The Secretary of Transportation, acting through the Administrator of the National Highway Traffic Safety Administration and in consultation with the Secretary of Health and Human Services, shall—
(1) collect and, as appropriate, share with the Secretary of Health and Human Services, data relating to cannabis-impaired driving, including—

(A) the number of cannabis-impaired drivers;

(B) the rate of cannabis-related motor vehicle accidents; and

(C) the rate and severity of injuries as a result of cannabis-related motor vehicle accidents; and

(2) continue research to enable the development of an impairment standard for driving under the influence of cannabis.

(b) Prevention of Cannabis-related Accidents and Injuries.—The Secretary of Health and Human Services, acting through the Director of the Centers for Disease Control and Prevention (referred to in this section as the “Director”), shall—

(1) study public health prevention strategies for injuries relating to cannabis-impaired driving; and

(2) continue to develop public education materials to prevent cannabis-impaired driving.

(c) Grant Program for States.—Subject to available appropriations, the Director shall award not more
than 5 grants to States with a high number of motor vehicle accidents and a high rate of impaired driving arrests—

(1) to collect data relating to the prevalence of cannabis use by drivers, including the prevalence of cannabis use among drivers arrested for impaired driving;

(2) to raise awareness of the impact of cannabis-impaired driving on road safety; and

(3) to enhance the use of State data linkage systems with respect to impaired driving.

SEC. 204. GRANT PROGRAMS TO PREVENT IMPAIRED DRIVING DUE TO CANNABIS USE.

(a) METHODS OF DETECTING IMPAIRED DRIVING DUE TO CANNABIS USE.—The Secretary of Transportation (referred to in this section as the “Secretary”) shall establish a program to provide grants on a competitive basis to States to promote and develop the national understanding on reasonable, evidence-based methods for detecting impaired driving due to cannabis use.

(b) TRAINING FOR PUBLIC SAFETY PERSONNEL.—

(1) IN GENERAL.—The Secretary shall establish a program to provide grants on a competitive basis to eligible entities for—
(A) the training of public safety personnel to detect impaired driving due to cannabis use; and

(B) the development of field sobriety tests to identify a driver impaired by cannabis use.

(2) **ELIGIBLE ENTITIES.**—An entity eligible to receive a grant under this subsection is—

(A) a nonprofit organization; or

(B) an institution of higher education.

(c) **ADVERTISING.**—The Secretary shall establish a program to provide grants on a competitive basis to States for the development, production, and use of broadcast and print media advertising and Internet-based outreach to inform the public about the risks associated with impaired driving due to cannabis use.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to the Secretary to carry out this section $[\text{__________}].

**TITLE III—RESTORATIVE JUSTICE AND OPPORTUNITY**

**Subtitle A—Opportunity Trust Fund Programs**

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

(a) **CANNABIS JUSTICE OFFICE; COMMUNITY REINVESTMENT GRANT PROGRAM.**—
(1) CANNABIS JUSTICE OFFICE.—Part A of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10101 et seq.) is amended by inserting after section 109 the following:

“SEC. 110. CANNABIS JUSTICE OFFICE.

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

“(b) DIRECTOR.—The Cannabis Justice Office shall be headed by a Director who shall be appointed by the Assistant Attorney General for the Office of Justice Programs. The Director shall report to the Assistant Attorney General for the Office of Justice Programs. The Director shall award grants and may enter into compacts, cooperative agreements, and contracts on behalf of the Cannabis Justice Office. The Director may not engage in any employment other than that of serving as the Director, nor may the Director hold any office in, or act in any capacity for, any organization, agency, or institution with which the Office makes any contract or other arrangement.

“(c) EMPLOYEES.—

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

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

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

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

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

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

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

“(2) perform such other functions as the Assistant Attorney General for the Office of Justice Pro-
grams may delegate, that are consistent with the statutory obligations of this section.”.
(2) COMMUNITY REINVESTMENT GRANT PROGRAM.—Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. et seq.) is amended by adding at the end the following:

“PART OO—COMMUNITY REINVESTMENT GRANT PROGRAM

“SEC. 3052. AUTHORIZATION.

“The Director of the Cannabis Justice Office shall establish and carry out a grant program, known as the ‘Community Reinvestment Grant Program’, to provide eligible entities with funds to administer services for individuals adversely impacted by the War on Drugs, including—

“(1) job training;
“(2) reentry services;
“(3) legal aid for civil and criminal cases, including expungement of cannabis convictions;
“(4) literacy programs;
“(5) youth recreation or mentoring programs;

and
“(6) health education programs.

“SEC. 3053. FUNDING FROM OPPORTUNITY TRUST FUND.

“The Director shall carry out the program under this part using funds made available under section 9512(c)(1) and (2) of the Internal Revenue Code.
“SEC. 3054. DEFINITIONS.

“In this part:

“(1) The term ‘cannabis conviction’ means a conviction, or adjudication of juvenile delinquency, for a cannabis offense (as such term is defined in section 3 of the Cannabis Administration and Opportunity Act).

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

“(3) The term ‘individual adversely impacted by the War on Drugs’ has the meaning given that term in section 301 of the Cannabis Administration and Opportunity Act”.

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

(1) DEFINITIONS.—In this subsection:

(A) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Small Business Administration.
(B) Eligible State or Locality.—The term “eligible State or locality” means a State or locality that has taken steps to—

(i) create an automatic process, at no cost to an individual, to expunge, destroy, or seal criminal records for cannabis offenses; and

(ii) eliminate violations or other penalties for individuals under parole, probation, pre-trial, or other State or local criminal supervision for a cannabis offense.

(C) Federal Poverty Level.—The term “Federal Poverty Level” has the meaning given the term “poverty line” in section 2110(c) of the Social Security Act (42 U.S.C. 1397jj(c)).

(D) Individual Adversely Impacted by the War on Drugs.—The term “individual 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 not fewer than 5 of the past 10 years, as of the date on which the individual seeks to participate in a program developed and implemented under the Equitable Licens-
ing Grant Program established under paragraph (3); and

(ii)(I) who has been arrested for, or convicted of, the sale, possession, use, manufacture, or cultivation of cannabis (except for a conviction involving distribution to a minor); or

(II) the parent, sibling, spouse, or child of whom has been arrested for, or convicted of, an offense described in subclause (I).

(E) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY SOCIALLy AND ECONOMICALLY DISADVANTAGED INDIVIDUALS.—The term “small business concern owned and controlled by socially and economically disadvantaged individuals” has the meaning given the term in section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C)).

(F) STATE.—The term “State” means—

(i) each of the several States;

(ii) the District of Columbia;

(iii) the Commonwealth of Puerto Rico;
(iv) any territory or possession of the United States; and
(v) any Indian tribe, as that term is defined in section 201 of the Civil Rights Act of 1968 (25 U.S.C. 1301).

(2) **Cannabis Opportunity Program.**—The Administrator 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. 636(m)) to assist small business concerns owned and controlled by socially and economically disadvantaged individuals that operate in the cannabis industry.

(3) **Equitable Licensing Grant Program.**—The Administrator shall establish and carry out a grant program, to be known as the “Equitable Licensing Grant Program”, to provide any eligible State or locality funds to develop and implement equitable cannabis licensing programs that minimize barriers to cannabis licensing and employment for individuals adversely impacted by the War on Drugs, if each grantee under that program includes in the cannabis licensing program of the grantee not fewer than 4 of the following:
(A) A waiver of cannabis license application fees for an individual who—

(i) has had an income below 250 percent of the Federal Poverty Level for not fewer than 5 of the 10 years preceding the date on which the individual submits an application; and

(ii) is a first-time applicant.

(B) A prohibition on the denial of a cannabis license based on a conviction for a cannabis offense that took place before the eligible State or locality (or, in the case of a locality, the State in which the locality is located) legalized the production, distribution, or possession of cannabis or the date of enactment of this Act, as applicable.

(C) A prohibition on criminal conviction restrictions for licensing with respect to cannabis, except with respect to a conviction relating 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 under part 40 of title 49,
Code of Federal Regulations, or any successor regulations.

(E) The establishment of a cannabis licensing board—

(i) that is reflective of the racial, ethnic, economic, and gender composition of the eligible State or locality; and

(ii) which shall serve as an oversight body of the equitable licensing program.

SEC. 302. COMPREHENSIVE OPIOID, STIMULANT, AND SUBSTANCE USE DISORDER PROGRAM.

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

(1) in the part heading, by striking “OPIOID ABUSE GRANT” and inserting “OPIOID, STIMULANT, AND SUBSTANCE USE DISORDER”;

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

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

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

and

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

(b) AUTHORIZATION OF APPROPRIATIONS.—Section
1001(a)(27) of title I of the Omnibus Crime Control and
Safe Streets Act of 1968 (34 U.S.C. 10261(a)(27)) is
amended by striking “$103,000,000 for each of fiscal
years 2017 and 2018, and $330,000,000 for each of fiscal
years 2019 through 2023” and inserting “$[ 
_______________ ] for each of fiscal years 2022
through 2026”.

SEC. 303. AVAILABILITY OF SMALL BUSINESS ADMINISTRA-
TION PROGRAMS AND SERVICES TO CAN-
NABIS-RELATED LEGITIMATE BUSINESSES
AND SERVICE PROVIDERS.

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

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

“(1) CANNABIS.—The term ‘cannabis’ has the
meaning given the term in section 3 of the Cannabis
Administration and Opportunity Act.
“(2) **Cannabis-related legitimate business.**—The term ‘cannabis-related legitimate business’ means a manufacturer, producer, or any person or company that is a small business concern and that—

“(A) engages in any activity described in subparagraph (B) pursuant to a law established by a State or a political subdivision of a State, as determined by that State or political subdivision; and

“(B) participates in any business or organized activity that involves handling cannabis or cannabis products, including cultivating, producing, manufacturing, selling, transporting, displaying, dispensing, distributing, or purchasing cannabis or cannabis products.

“(3) **Service provider.**—The term ‘service provider’—

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

“(i) sells goods or services to a cannabis-related legitimate business; or

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

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

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

“(9) A small business development center may not decline to provide services to an otherwise eligible small business concern under this section solely because that small business concern is a cannabis-related legitimate business or a service provider.”.

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

“(p) SERVICES FOR CANNABIS-RELATED LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.—A women’s business center may not decline to provide services
to an otherwise eligible small business concern under this section solely because that small business concern is a cannabis-related legitimate business or a service provider.”.

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

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

“(h) SERVICES FOR CANNABIS-RELATED LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.—A Veteran Business Outreach Center may not decline to provide services to an otherwise eligible small business concern under this section solely because that small business concern is a cannabis-related legitimate business or a service provider.”.

(f) 7(A) LOANS.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:
“(38) LOANS TO CANNABIS-RELATED LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.—The Administrator may not decline to provide a guarantee for a loan under this subsection to an otherwise eligible small business concern solely because that small business concern is a cannabis-related legitimate business or a service provider.”.

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

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

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

“(14) ASSISTANCE TO CANNABIS-RELATED LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.—An eligible intermediary may not decline to provide assistance under this subsection to an otherwise eligible borrower solely because that borrower is a can-
nabis-related legitimate business or a service pro-
vider.”.

(i) **STATE OR LOCAL DEVELOPMENT COMPANY**

LOANS.—Title V of the Small Business Investment Act
of 1958 (15 U.S.C. 695 et seq.) is amended by adding
6 at the end the following:

“**SEC. 511. LOANS TO CANNABIS-RELATED LEGITIMATE**

**BUSINESSES AND SERVICE PROVIDERS.**

“The Administrator may not decline to provide a
guarantee for a loan under this title to an otherwise eli-
ble State or local development company solely because that
State or local development company provides financing to
an entity that is a cannabis-related legitimate business or
a service provider, as those terms are defined in subsection
(gg) of section 3 of the Small Business Act (15 U.S.C.
632).”.

**SEC. 304. DEMOGRAPHIC DATA OF CANNABIS BUSINESS**

**OWNERS AND EMPLOYEES.**

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

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

(2) individuals who are employed in the can-
nabis industry.
(b) Demographic Data.—The data collected under subsection (a) shall include data regarding—

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

(e) Confidentiality.—Notwithstanding any other provision in this section, the name, address, and other identifying information of an individual described in subsection (a) shall be kept confidential by the Bureau of Labor Statistics and not be made available to the public.

(d) Definitions.—In this section:

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

(2) Cannabis industry.—The term “cannabis industry” means the industry, in any State or locality in the United States, in which an individual or entity—
(A) conducts businesses pursuant to a permit issued under section 302 of the Federal Alcohol Administration Act, as added by section 511; or

(B) is otherwise licensed or permitted under the law in such State or locality to engage in a commercial cannabis-related activity.

(3) Owner.—The term “owner”, with respect to a business, means an individual or entity that is defined as an owner under the State or local law where the individual or entity is licensed or permitted to operate such business.

(4) State.—The term “State” means—

(A) each of the several States;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico;

(D) any territory or possession of the United States; and

(E) any Indian tribe, as that term is defined in section 201 of the Civil Rights Act of 1968 (25 U.S.C. 1301).
Subtitle B—Restorative Justice

SEC. 311. RESENTENCING AND EXPUNGEMENT.

(a) Expungement of Non-Violent Federal Cannabis Offense Convictions for Individuals Not Under a Criminal Justice Sentence.—

(1) In general.—Not later than 1 year after the date of the enactment of this Act, each Federal district shall conduct a comprehensive review and issue an order expunging each conviction or adjudication of juvenile delinquency for a non-violent Federal cannabis offense entered by each Federal court in the district before the date of enactment of this Act and on or after May 1, 1971. Each Federal court shall also issue an order expunging any arrests associated with each expunged conviction or adjudication of juvenile delinquency.

(2) Notification.—To the extent practicable, each Federal district shall notify each individual whose arrest, conviction, or adjudication of delinquency has been expunged pursuant to this subsection that their arrest, conviction, or adjudication of juvenile delinquency has been expunged, and the effect of such expungement.

(3) Right to Petition Court for Expungement.—At any point after the date of en-
actment of this Act, any individual with a prior con-

viction or adjudication of juvenile delinquency for a

non-violent Federal cannabis offense, who is not

under a criminal justice sentence, may file a motion

for expungement. If the expungement of such a con-
viction or adjudication of juvenile delinquency is re-
quired pursuant to this Act, the court shall expunge
the conviction or adjudication, and any associated
arrests. If the individual is indigent, counsel shall be
appointed to represent the individual in any pro-
cedings under this subsection.

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

(b) Sentencing Review for Individuals Under
A Criminal Justice Sentence.—

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

(2) **Potential Reduced Resentencing.**—

After a sentencing hearing under paragraph (1), a court shall—

(A) expunge each conviction or adjudication of juvenile delinquency for a non-violent Federal cannabis offense entered by the court before the date of enactment of this Act, and any associated arrest;

(B) vacate the existing sentence or disposition of juvenile delinquency and, if applicable, impose any remaining sentence or disposition of juvenile delinquency on the individual as if this Act, and the amendments made by this Act, were in effect at the time the offense was committed; and

(C) order that all records related to a conviction or adjudication of juvenile delinquency that has been expunged or a sentence or disposition of juvenile delinquency that has been vacated under this Act be sealed and only be made available by further order of the court.
(c) Effect of Expungement.—An individual who has had an arrest, a conviction, or juvenile delinquency adjudication expunged under this section—

(1) may treat the arrest, conviction, or adjudication as if it never occurred; and

(2) shall be immune from any civil or criminal penalties related to perjury, false swearing, or false statements, for a failure to disclose such arrest, conviction, or adjudication.

(d) Exception.—An individual who at sentencing received an aggravating role adjustment pursuant to United States Sentencing Guideline 3B1.1(a) in relation to a Federal cannabis offense conviction shall not be eligible for expungement of that Federal cannabis offense conviction under this section.

(e) Definitions.—In this section:

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

(2) The term “expunge” means, with respect to an arrest, a conviction, or a juvenile delinquency adjudication, the removal of the record of such arrest, conviction, or adjudication from each official index or public record.
(3) The term “under a criminal justice sentence” means, with respect to an individual, that the individual is serving a term of probation, parole, supervised release, imprisonment, official detention, pre-release custody, or work release, pursuant to a sentence or disposition of juvenile delinquency imposed on or after May 1, 1971.

(f) Study.—The Comptroller General of the United States, in consultation with the Secretary of Health and Human Services, shall conduct a demographic study of individuals convicted of a Federal cannabis offense. Such study shall include information about the age, race, ethnicity, sex, and gender identity of those individuals, the type of community such users dwell in, and such other demographic information as the Comptroller General determines should be included.

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

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

(a) In General.—No person may be denied any Federal public benefit (as such term is defined in section
401(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(c))) on the basis of any use or possession of cannabis, or on the basis of a conviction or adjudication of juvenile delinquency for a cannabis offense, by that person.

(b) Security Clearances.—A Federal agency may not use past or present cannabis use as criteria for granting, denying, or rescinding a security clearance.

SEC. 313. NO ADVERSE EFFECT FOR PURPOSES OF THE IMMIGRATION LAWS.

(a) In General.—For purposes of the immigration laws (as defined in section 101 of the Immigration and Nationality Act (8 U.S.C. 1101(a)), cannabis may not be considered a controlled substance, and an alien may not be denied any benefit or protection under the immigration laws based on any event, including conduct, a finding, an admission, addiction or abuse, an arrest, a juvenile adjudication, or a conviction, relating to cannabis, regardless of whether the event occurred before, on, or after the effective date of this Act.

(b) Amendments to the Immigration and Nationality Act.—The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended—

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

(2) in section 210(c)(2)(B)(ii)(III) (8 U.S.C.
1160(c)(2)(B)(ii)(III)), by striking ‘‘, except for so
much of such paragraph as relates to a single of-
fense of simple possession of 30 grams or less of
marihuana’’;

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

(a)(2)(B)(i)), by striking ‘‘, other than a single of-
fense involving possession for one’s own use of 30
grams or less of marijuana’’;

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

(6) in section 245(h)(2)(B) (8 U.S.C.
1255(h)(2)(B)) by striking ‘‘(except for so much of
such paragraph as related to a single offense of sim-
ple possession of 30 grams or less of marijuana)’’;

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

SEC. 314. PROVISION BY HEALTH CARE PROVIDERS OF THE DEPARTMENT OF VETERANS AFFAIRS OF RECOMMENDATIONS AND OPINIONS REGARDING VETERAN PARTICIPATION IN STATE CANNABIS PROGRAMS.

Notwithstanding any other provision of law, the Secretary of Veterans Affairs shall authorize physicians and other health care providers employed by the Department of Veterans Affairs—

(1) to provide recommendations and opinions to veterans who are residents of States with State cannabis programs regarding the participation of veterans in such State cannabis programs; and

(2) to complete forms reflecting such recommendations and opinions.
SEC. 315. PROVISION BY HEALTH CARE PROVIDERS OF INDIAN HEALTH PROGRAMS OF RECOMMENDATIONS AND OPINIONS REGARDING PARTICIPATION IN STATE CANNABIS PROGRAMS.

Notwithstanding any other provision of law, a health care provider (as defined in section 805(a) of the Indian Health Care Improvement Act (25 U.S.C. 1675(a))) may—

(1) provide recommendations and opinions to patients who are residents of States with State cannabis programs regarding the participation of the patients in the State cannabis programs; and

(2) complete forms reflecting those recommendations and opinions.

TITLE IV—TAXATION AND ESTABLISHMENT OF TRUST FUND

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

(a) CANNABIS REVENUE AND REGULATION ACT.—

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

“CHAPTER 56—CANNABIS PRODUCTS

“SUBCHAPTER A. TAX ON CANNABIS PRODUCTS

“SUBCHAPTER B. AUTHORIZATION AND BOND REQUIREMENTS
“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.

SEC. 5901. IMPOSITION OF TAX.

(a) Imposition of Tax.—There is hereby imposed on any cannabis product produced in or imported into the United States a tax equal to—

(1) for any such product removed during the first 5 calendar years ending after the date on which this chapter becomes effective, the applicable percentage of such product’s removal price, and

(2) for any product removed during any calendar year after the calendar years described in paragraph (1), the applicable equivalent amount.

(b) Applicable Percentage.—For purposes of subsection (a)(1), the applicable percentage shall be determined as follows:

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

(2) For any cannabis product sold during the calendar year after the period described in paragraph (1), 15 percent.
“(3) For any cannabis product sold during the calendar year after the period described in paragraph (2), 20 percent.

“(4) For any cannabis product sold during the calendar year after the period described in paragraph (3), 25 percent.

“(c) Applicable Equivalent Amount.—

“(1) In general.—For purposes of subsection (a)(2), the term ‘applicable equivalent amount’ means, with respect to any cannabis product removed during any calendar year, an amount equal to—

“(A) in the case of any cannabis product not described in subparagraph (B), the product of the applicable rate per ounce multiplied by the number of ounces of such product (and a proportionate tax at the like rate on all fractional parts of an ounce of such product), and

“(B) in the case of any THC-measurable cannabis product, the product of the applicable rate per gram multiplied by the number of grams of tetrahydrocannabinol in such product (and a proportionate tax at the like rate on all fractional parts of a gram of tetrahydrocannabinol in such product).
“(2) APPLICABLE RATES.—

“(A) IN GENERAL.—For purposes of paragraph (1)(A), the term ‘applicable rate per ounce’ means, with respect to any cannabis product removed during any calendar year, 25 percent of the prevailing sales price of cannabis flowers sold in the United States during the 12-month period ending one calendar quarter before such calendar year, expressed on a per ounce basis, as determined by the Secretary.

“(B) THC-MEASURABLE CANNABIS PRODUCTS.—For purposes of paragraph (1)(B), the term ‘applicable rate per gram’ means, with respect to any cannabis product removed during any calendar year, 25 percent of the prevailing sales price of tetrahydrocannabinol sold in the United States during the 12-month period ending one calendar quarter before such calendar year, expressed on a per gram basis, as determined by the Secretary.

“(d) TIME OF ATTACHMENT ON CANNABIS PRODUCTS.—The tax under this section shall attach to any cannabis product as soon as such product is in existence as such, whether it be subsequently separated or transferred
into any other substance, either in the process of original production or by any subsequent process.

“(e) Credit for Qualified Domestic Manufacturers.—

“(1) In general.—In the case of a qualified domestic manufacturer of cannabis products, there shall be allowed as a credit against any tax imposed by subsection (a) for the taxable year an amount equal to 50 percent of the applicable tax amount for such taxable year.

“(2) Applicable Tax Amount.—

“(A) In general.—For purposes of this subsection, the applicable tax amount shall be an amount equal to the lesser of—

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

“(ii) the phase-in amount.

“(B) Phase-in Amount.—For purposes of subparagraph (A), the phase-in amount shall be an amount equal to—

“(i) for the taxable year beginning in the calendar year which includes the date of enactment of the Cannabis Administration and Opportunity Act, $2,000,000,
“(ii) for the first taxable year subsequent to the taxable year described in clause (i), $2,000,000,

“(iii) for the second taxable year subsequent to the taxable year described in clause (i), $3,000,000,

“(iv) for the third taxable year subsequent to the taxable year described in clause (i), $4,000,000, and

“(v) for any taxable years subsequent to the taxable year described in clause (iv), $5,000,000.

“(3) Credit not allowed for cannabis received in bond, imported, smuggled, or illegally produced.—

“(A) In general.—The credit under this subsection shall not apply in the case of any cannabis which is—

“(i) received in bond,

“(ii) imported,

“(iii) smuggled into the United States, or

“(iv) produced other than as authorized by this chapter.
“(B) Substantial processing exception.—Subparagraph (A)(i) shall not apply with respect to any cannabis which is transferred in bond solely as unprocessed plant matter if such cannabis is processed by the taxpayer to produce an extract which contains no plant matter.

“(C) Contract packaging and labeling exception.—In the case of cannabis transferred in bond from the person who produced such cannabis (hereinafter referred to as ‘transferor’) to another person for packaging or labeling of such cannabis, and returned to the transferor for removal, subparagraph (A)(i) shall not apply, but only if the transferor retains title during the entire period between such production and removal.

“(4) Single taxpayer.—Pursuant to rules issued by the Secretary, 2 or more entities (whether or not under common control) that produce any cannabis product under a license, franchise, or other arrangement shall be treated as a single taxpayer for purposes of the application of this subsection.

“(5) Time for determining and allowing credit.—The credit allowable by paragraph (1)—
“(A) shall be determined at the same time the tax is determined under subsection (a) of this section, and

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

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

“SEC. 5902. DEFINITIONS.

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

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

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

“(A) with respect to which the Secretary has made a determination that the amount of tetrahydrocannabinol in such product (or any particular category of products which includes
such product) can be measured with a reasonable degree of accuracy—

“(i) consistent with good commercial practice, and

“(ii) sufficient to protect the revenue and the public, or

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

“(b) Definitions Related to Cannabis Enterprises.—For purposes of this chapter—

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

“(2) Producer.—

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

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

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

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

“(iii) the quantity of cannabis products planted, cultivated, and grown by such individual does not exceed the personal use production limitations determined by the Secretary as are necessary to protect the public and protect the revenue.

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

“(A) is in the United States and to whom non-tax-paid cannabis products, produced in a foreign country or a possession of the United States, are shipped or consigned,
“(B) removes cannabis products for sale or consumption in the United States from a customs bonded warehouse, or

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

“(4) Export warehouse proprietor.—

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

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

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

“(ii) for consumption beyond the jurisdiction of the internal revenue laws of the United States.

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

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

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

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

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

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

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

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

“(A) except as otherwise provided in this paragraph, the price for which the cannabis product is sold in the sale which occurs in connection with the removal of such product,
“(B) in the case of any such sale which is described in section 5903(c), the price determined under such section, and

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

“SEC. 5903. LIABILITY AND METHOD OF PAYMENT.

“(a) LIABILITY FOR TAX.—

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

“(2) TRANSFER OF LIABILITY.—

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

“(i) except as provided in clause (ii), the transferee shall become liable for the tax upon receipt by the transferee of such articles, and the transferor shall thereupon be relieved of their liability for such tax, and
“(ii) in the case of cannabis products which are released in bond from customs custody for transfer to the bonded premises of a producer, the transferee shall become liable for the tax on such articles upon release from customs custody, and the importer shall thereupon be relieved of their liability for such tax.

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

“(b) Method of Payment of Tax.—

“(1) In general.—

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

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

“(C) POSTPONEMENT.—Any postponement under this subsection of the payment of taxes determined at the time of removal shall be conditioned upon the filing of such additional bonds, and upon compliance with such requirements, as the Secretary may prescribe for the protection of the revenue. The Secretary may, by regulations, require payment of tax on the basis of a return prior to removal of the cannabis products where a person defaults in the postponed payment of tax on the basis of a return under this subsection or regulations prescribed thereunder.

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

“(2) TIME FOR PAYMENT OF TAXES.—

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

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

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

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

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

“(iv) Exception for articles destined for export.—Clauses (ii) and (iii) shall not apply to any article which is shown to the satisfaction of the Secretary to be destined for export.

“(C) Cannabis products brought into the United States from Puerto Rico.—In the case of cannabis products which are brought into the United States from Puerto Rico and subject to tax under section 7652, the last day for payment of tax shall be the 14th day after the last day of the semimonthly period during which the article is brought into the United States.

“(D) Special rule where due date falls on Saturday, Sunday, or holiday.—Notwithstanding section 7503, if, but for this subparagraph, the due date under this paragraph would fall on a Saturday, Sunday, or a legal holiday (as defined in section 7503), such
due date shall be the immediately preceding day which is not a Saturday, Sunday, or such a holiday.

“(E) Special rule for unlawfully produced cannabis products.—In the case of any cannabis products produced in the United States at any place other than the premises of a producer that has filed the bond and obtained the authorization required under this chapter, tax shall be due and payable immediately upon production.

“(3) Payment by electronic fund transfer.—Any person who in any 12-month period, ending December 31, was liable for a gross amount equal to or exceeding $5,000,000 in taxes imposed on cannabis products by section 5901 (or section 7652) shall pay such taxes during the succeeding calendar year by electronic fund transfer (as defined in section 5061(e)(2)) to a Federal Reserve Bank. Rules similar to the rules of section 5061(e)(3) shall apply to the $5,000,000 amount specified in the preceding sentence.

“(e) Determination of Price.—

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

“(B) ARM’S LENGTH.—

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

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

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

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

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

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

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

“(3) Determination of applicable equivalent amounts.—Paragraphs (1) and (2) shall apply for purposes of section 5901(c) only to the extent that the Secretary determines appropriate.

“(d) Partial Payments and Installment Accounts.—

“(1) Partial Payments.—In the case of—

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

“(B) a conditional sale, or

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

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

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

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

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

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

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

“(i) the proportionate share of the amount for which such accounts are sold which is allocable to each unpaid installment payment, by

“(ii) the rate of tax under this chapter in effect on the date such unpaid installment payment is or was due.

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

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

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

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

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

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

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

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

“(2) LABELING.—Cannabis products may not
be transferred or removed under this subsection un-
less such products bear such marks, labels, or no-
tices as the Secretary shall by regulations prescribe.
“(c) Cannabis Products Released in Bond From Customs Custody.—Cannabis products imported or brought into the United States may be released from customs custody, without payment of tax, for delivery to a producer or export warehouse proprietor if such articles are not put up in packages, in accordance with such regulations and under such bond as the Secretary shall prescribe.

“(d) Cannabis Products Exported and Returned.—Cannabis products classifiable under item 9801.00.10 of the Harmonized Tariff Schedule of the United States (relating to duty on certain articles previously exported and returned), as in effect on the date of the enactment of the Cannabis Administration and Opportunity Act, may be released from customs custody, without payment of that part of the duty attributable to the internal revenue tax for delivery to the original producer of such cannabis products or to the export warehouse proprietor authorized by such producer to receive such products, in accordance with such regulations and under such bond as the Secretary shall prescribe. Upon such release such products shall be subject to this chapter as if they had not been exported or otherwise removed from internal revenue bond.
SEC. 5905. CREDIT, REFUND, OR DRAWBACK OF TAX.

“(a) CREDIT OR REFUND.—

“(1) IN GENERAL.—Credit or refund of any tax imposed by this chapter or section 7652 shall be allowed or made (without interest) to the cannabis enterprise on proof satisfactory to the Secretary that the claimant cannabis enterprise has paid the tax on—

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

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

“(2) CANNABIS PRODUCTS LOST OR DESTROYED IN BOND.—

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

“(i) in the case of loss by theft, unless the Secretary finds that the theft occurred without connivance, collusion, fraud, or negligence on the part of the proprietor of the cannabis production facility, owner,
consignor, consignee, bailee, or carrier, or their employees or agents,

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

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

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

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

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

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

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

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

“SEC. 5906. DRAWBACK ON TAX FOR CERTAIN USES.

“(a) ELIGIBILITY.—Any person using cannabis on
which the tax under this subchapter has been determined,
in the manufacture or production of—

“(1) a drug containing cannabis which is in
compliance with Federal and State law, or

“(2) extracts with a delta-9
tetrahydrocannabinol concentration of not more than
0.3 percent on a dry weight basis,
shall be eligible for drawback at the time when such cannabis is used in the manufacture of such products as provided for in this section.

“(b) REGISTRATION AND REGULATION.—Every person claiming drawback under this section shall—

“(1) register annually with the Secretary,

“(2) keep such books and records as may be necessary to establish the fact that cannabis received by such person and on which the tax has been determined were used in a manner described in subsection (a), and

“(3) be subject to such rules and regulations in relation thereto as the Secretary shall prescribe to secure the Treasury against frauds.

“(c) INVESTIGATION OF CLAIMS.—For the purpose of ascertaining the correctness of any claim filed under this section, the Secretary is authorized to—

“(1) examine any books, papers, records, or memoranda bearing upon the matters required to be alleged in the claim,

“(2) require the attendance of the person filing the claim or of any officer or employee of such person or the attendance of any other person having knowledge in the premises, and
“(3) take testimony with reference to any matter covered by the claim and to administer oaths to any person giving such testimony.

“(d) DRAWBACK.—

“(1) RATE OF DRAWBACK.—In the case of cannabis on which the tax under this subchapter has been paid or determined, and which has been used as provided in this section, a drawback shall be allowed at a rate equal to 90 percent of the amount of such tax which has been paid or determined.

“(2) CLAIMS.—

“(A) IN GENERAL.—Subject to subparagraph (B), such drawback shall be due and payable quarterly upon filing of a proper claim with the Secretary.

“(B) EXCEPTION.—

“(i) MONTHLY BASIS.—In the case of any person entitled to such drawback who elects in writing to file monthly claims therefor, such drawback shall be due and payable monthly upon filing of a proper claim with the Secretary.

“(ii) BOND REQUIREMENT.—The Secretary may require persons electing to file monthly drawback claims under this sub-
paragraph to file with the Secretary a bond or other security in such amount and with such conditions as the Secretary shall by regulations prescribe.

“(iii) Revocation.—Any election under clause (i) may be revoked on filing of notice thereof with the Secretary.

“(C) Additional requirement.—No claim under this section shall be allowed unless filed with the Secretary within the 6 months next succeeding the quarter in which the cannabis covered by the claim was used as provided in this section.

“(3) Allowance of drawback even where certain requirements not met.—

“(A) In general.—No claim for drawback under this subsection shall be denied in the case of a failure to comply with any requirement imposed under this section or any rule or regulation issued thereunder upon the claimant’s establishing to the satisfaction of the Secretary that cannabis on which the tax has been paid or determined was in fact used in a manner described in subsection (a).

“(B) Penalty.—
“(i) IN GENERAL.—In the case of a failure to comply with any requirement imposed under this section or any rule or regulation issued thereunder, the claimant shall be liable for a penalty of $1,000 for each failure to comply unless it is shown that the failure to comply was due to reasonable cause.

“(ii) PENALTY MAY NOT EXCEED AMOUNT OF CLAIM.—The aggregate amount of the penalties imposed under clause (i) for failures described in subparagraph (A) in respect of any claim shall not exceed the amount of such claim (determined without regard to clause (i)).

“(C) PENALTY TREATED AS TAX.—The penalty imposed by subparagraph (B) shall be assessed, collected, and paid in the same manner as taxes, as provided in section 6665(a).

“Subchapter B—Authorization and Bond Requirements

“Sec. 5911. Establishment and bond.
“Sec. 5912. Application.
“Sec. 5913. Cannabis production facility.

“SEC. 5911. ESTABLISHMENT AND BOND.

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

“(2) AUTHORIZED PRODUCERS ONLY.—Any
person establishing a cannabis production facility
shall, prior to commencing operations—

“(A) make application to the Secretary
pursuant to section 5912,

“(B) file the bond required under sub-
section (b), and

“(C) receive authorization from the Sec-
etary to operate.

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

“(b) BOND.—

“(1) WHEN REQUIRED.—Every person, before
commencing business as a producer or an export
warehouse proprietor, shall file such bond, condi-
tioned upon compliance with this chapter and regulations issued thereunder, in such form, amount, and manner as the Secretary shall by regulation prescribe. A new or additional bond may be required whenever the Secretary considers such action necessary for the protection of the revenue.

“(2) APPROVAL OR DISAPPROVAL.—No person shall engage in such business until he receives notice of approval of such bond. A bond may be disapproved, upon notice to the principal on the bond, if the Secretary determines that the bond is not adequate to protect the revenue.

“(3) CANCELLATION.—Any bond filed hereunder may be canceled, upon notice to the principal on the bond, whenever the Secretary determines that the bond no longer adequately protects the revenue.

“SEC. 5912. APPLICATION.

“The application required pursuant to this section shall disclose, as regulations issued by the Secretary shall provide, such information as may be necessary to enable the Secretary to determine the location and extent of the premises, the type of operations to be conducted on such premises, and whether the operations will be in conformity with law and regulations, consistent with the requirements
under section 302 of the Federal Alcohol Administration Act.

“SEC. 5913. CANNABIS PRODUCTION FACILITY.

“A cannabis production facility, including noncontiguous portions thereof, shall be so located, constructed, and equipped, as to afford adequate protection to the revenue, as regulations prescribed by the Secretary may provide.

“Subchapter C—Operations

“Sec. 5921. Inventories, reports, and records.
“Sec. 5922. Packaging and labeling.
“Sec. 5923. Purchase, receipt, possession, or sale of cannabis products after removal.
“Sec. 5924. Restrictions relating to marks, labels, notices, and packages.
“Sec. 5925. Restriction on importation of previously exported cannabis products.

“SEC. 5921. INVENTORIES, REPORTS, AND RECORDS.

“Every cannabis enterprise shall—

“(1) make a true and accurate inventory at the time of commencing business, at the time of concluding business, and at such other times, in such manner and form, and to include such items, as the Secretary shall by regulation prescribe, with such inventories to be subject to verification by any internal revenue officer,

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

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

“SEC. 5922. PACKAGING AND LABELING.

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

“(b) Marks, Labels, and Notices.—Every pack-
age of cannabis products shall, before removal, bear the
marks, labels, and notices if any, that the Secretary by
regulation prescribes.

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

“(d) Indecent or Immoral Material Prohibited.—No indecent or immoral picture, print, or rep-
resentation shall be contained in, attached to, or stamped,
marked, written, or printed on any package of cannabis
products.

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

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

“SEC. 5923. PURCHASE, RECEIPT, POSSESSION, OR SALE OF CANNABIS PRODUCTS AFTER REMOVAL.

“(a) RESTRICTION.—No person shall—

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

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

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

“(2) with intent to defraud the United States, purchase, receive, possess, offer for sale, or sell or otherwise dispose of, after removal, any cannabis products which are not put up in packages as required under section 5922 or which are put up in
packages not bearing the marks, labels, and notices, as required under such section, or

“(3) otherwise than with intent to defraud the United States, purchase, receive, possess, offer for sale, or sell or otherwise dispose of, after removal, any cannabis products which are not put up in packages as required under section 5922 or which are put up in packages not bearing the marks, labels, and notices, as required under such section.

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

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

“SEC. 5924. RESTRICTIONS RELATING TO MARKS, LABELS, NOTICES, AND PACKAGES.

“No person shall, with intent to defraud the United States, destroy, obliterate, or detach any mark, label, or notice prescribed or authorized, by this chapter or regulations thereunder, to appear on, or be affixed to, any package of cannabis products before such package is emptied.
"SEC. 5925. RESTRICTION ON IMPORTATION OF PREVIOUSLY EXPORTED CANNABIS PRODUCTS.

“(a) Export Labeled Cannabis Products.—

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

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

“(B) may be imported or brought into the United States, after their exportation, only if such articles either are eligible to be released from customs custody with the partial duty exemption provided in section 5904(d) or are returned to the original producer of such article as provided in section 5904(c), and

“(C) may not be sold or held for sale for domestic consumption in the United States unless such articles are removed from their export packaging and repackaged by the original producer into new packaging that does not contain an export label.

“(2) Alterations by Persons Other Than Original Producer.—This section shall apply to
articles labeled for export even if the packaging or
the appearance of such packaging to the consumer
of such articles has been modified or altered by a
person other than the original producer so as to re-
move or conceal or attempt to remove or conceal (in-
cluding by the placement of a sticker over) any ex-
port label.

“(3) EXPORTS INCLUDE SHIPMENTS TO PUER-
TO RICO.—For purposes of this section, section
5904(d), section 5931, and such other provisions as
the Secretary may specify by regulations, references
to exportation shall be treated as including a ref-
ference to shipment to the Commonwealth of Puerto
Rico.

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

“Subchapter D—Penalties

"Sec. 5931. Civil penalties.
"Sec. 5932. Criminal penalties.

“SEC. 5931. CIVIL PENALTIES.

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

“(b) Failure To Pay Tax.—Whoever fails to pay
any tax imposed by this chapter at the time prescribed
by law or regulations, shall, in addition to any other pen-
alty provided in this title, be liable to a penalty of 10 per-
cent of the tax due but unpaid.

“(c) Sale of Cannabis or Cannabis Products
for Export.—

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

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

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

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

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

“Sec. 5932. Criminal Penalties.

“(a) Fraudulent Offenses.—Whoever, with in-
tent to defraud the United States—

“(1) engages in business as a cannabis enter-
prise without filing the application and obtaining the
authorization where required by this chapter or reg-
ulations thereunder,

“(2) fails to keep or make any record, return,
report, or inventory, or keeps or makes any false or
fraudulent record, return, report, or inventory, re-
quired by this chapter or regulations thereunder,
“(3) refuses to pay any tax imposed by this chapter, or attempts in any manner to evade or defeat the tax or the payment thereof,

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

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

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

“(B) which, without payment of tax pursuant to section 5904, have been diverted from the applicable purpose or use specified in that section,

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

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

(b) ESTABLISHMENT OF TRUST FUND.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:
SEC. 9512. OPPORTUNITY TRUST FUND.

(a) Creation of Trust Fund.—There is established in the Treasury of the United States a trust fund to be known as the ‘Opportunity Trust Fund’ (referred to in this section as the ‘Trust Fund’), consisting of such amounts as may be appropriated or credited to such fund as provided in this section or section 9602(b).

(b) Transfers to Trust Fund.—There are hereby appropriated to the Trust Fund amounts equivalent to the net revenues received in the Treasury from the taxes imposed under subchapter A of chapter 56.

(c) Expenditures.—Amounts in the Trust Fund shall be available, without further appropriation, only as follows:

(1) 50 percent to the Attorney General to carry out section 3052(a) of part OO of the Omnibus Crime Control and Safe Streets Act of 1968.

(2) 10 percent to the Attorney General to carry out section 3052(b) of part OO of the Omnibus Crime Control and Safe Streets Act of 1968.

(3) 20 percent to the Administrator of the Small Business Administration to carry out section 301(b)(2) of the Cannabis Administration and Opportunity Act.

(4) 20 percent to the Administrator of the Small Business Administration to carry out section...
301(b)(3) of the Cannabis Administration and Opportunity Act.”.

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

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

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

(d) Annual Reports Regarding Determination of Applicable Rates.—Not later than 6 months before the beginning of each calendar year to which section 5901(a)(2) of the Internal Revenue Code of 1986 (as added by this section) applies, the Secretary of the Treasury, or the Secretary’s delegate, shall make publicly available a detailed description of the methodology which the Secretary anticipates using to determine the applicable rate per ounce and the applicable rate per gram which
will apply for such calendar year under section 5901(c)(2) of such Code.

(c) **Drawback on Tax for Distilled Spirits Used in Production of Cannabis or Hemp.**—Section 5111 of the IRC is amended by striking “or perfume” and inserting “perfume, cannabis products, or hemp-derived products”.

(f) **Conforming Amendments.**—

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

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

“**Chapter 56. Cannabis Products**”.

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

“Sec. 9512. Opportunity Trust Fund.”.

(g) **Effective Date.**—

(1) **In General.**—Except as otherwise provided in this subsection, the amendments made by this section shall apply to removals, and applications under section 5912 of the Internal Revenue Code of
1986 (as added by subsection (a)), after 180 days after the date of the enactment of this Act.

(2) Other Amendments.—The amendments made by subsections (b), (e), and (f) shall take effect on the date of the enactment of this Act.

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

Subtitle A—Public Health

SEC. 501. FDA REGULATION OF CANNABIS.

(a) In General.—The Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.) is amended by adding at the end the following:

“CHAPTER XI—CANNABIS PRODUCTS

“SEC. 1101. CENTER FOR CANNABIS PRODUCTS.

“Not later than 90 days after the date of enactment of the ‘Cannabis Administration and Opportunity Act’, the Secretary shall establish within the Food and Drug Administration the Center for Cannabis Products, which shall report to the Commissioner of Food and Drugs in the same manner as the other agency centers within the Food and Drug Administration. The Center shall be responsible for the implementation of this chapter and related matters assigned by the Commissioner.
“SEC. 1102. ADULTERATED CANNABIS PRODUCTS.

“A cannabis product shall be deemed to be adulterated if—

“(1) it consists in whole or in part of any filthy, putrid, or decomposed substance, or is otherwise contaminated by any added poisonous or added deleterious substance that may render the product injurious to health;

“(2) it has been manufactured, prepared, processed, packed, or held in insanitary conditions whereby it may have been contaminated with filth, or whereby it may have been rendered injurious to health;

“(3) it bears or contains any poisonous or deleterious substance that may render it injurious to health;

“(4) its container is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;

“(5) it bears or contains an unsafe color additive that is unsafe within the meaning of section 721(a); or

“(6) the methods used in, or the facilities or controls used for, its manufacture, preparing, processing, packing, or storage are not in conformity with applicable requirements under section 1105(c).
"SEC. 1103. MISBRANDED CANNABIS PRODUCTS.

"A cannabis product shall be deemed to be misbranded—

“(1) if its labeling or advertising is false or misleading in any particular;

“(2) unless it bears a label containing—

“(A) a prominent statement that the product contains cannabis;

“(B) the name and place of business of its manufacturer, packer, or distributor;

“(C) an accurate statement of the quantity of its contents in terms of weight, measure, or numerical count;

“(D) a statement of its form as specified in regulations promulgated pursuant to section 1105(a);

“(E) the amount of tetrahydrocannabinol in the product, and if the product is packaged and labeled in such a way as to suggest more than one serving, dose, or the equivalent, the amount of tetrahydrocannabinol in such serving, dose, or the equivalent;

“(F) adequate directions for use, if deemed necessary for the protection of the public health in regulations promulgated pursuant to section 1105(a);"
“(G) adequate directions against use by children, if deemed necessary for the protection of the public health in regulations promulgated pursuant to section 1105(a); and

“(H) such other information as the Secretary determines, in regulations promulgated pursuant to section 1105(a), to be necessary for the protection of the public health;

“(3) if its label or labeling bears a statement describing the role of a cannabis constituent intended to affect the structure or any function of the body of humans or other animals, unless—

“(A) there is substantiation that such statement is truthful and not misleading; and

“(B) the statement contains, prominently displayed and in boldface type, the following: ‘This statement has not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure, or prevent any disease.’;

“(4) if any word, statement, or other information required by or under authority of this Act to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements, designs, or de-
vices, in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use;

“(5) if it purports to be, or is represented as, a cannabis product which is subject to a cannabis product standard established under section 1106 unless such cannabis product is in all respects in conformity with such standard;

“(6) if its sale, distribution, or label or labeling is not in conformity with applicable requirements under subsections (a) and (b) of section 1105;

“(7) if it was manufactured, prepared, propagated, compounded, or processed in an establishment not duly registered under section 1104 or if it was not included in a list required by section 1104; or

“(8) if it is intended for consumption or application by an individual under 21 years of age.

“SEC. 1104. ANNUAL REGISTRATION.

“(a) Registration by Owners and Operators.— On or before December 31 of each year, every person who owns or operates any establishment in any State engaged in the manufacture, preparation, compounding, or processing of a cannabis product shall register with the Sec-
retary the name, places of business, and all such establish-
ments of that person.

“(b) **Registration by New Owners and Operators.**—Every person upon first engaging in the manufac-
ture, preparation, compounding, or processing of a can-
nabis product in any establishment owned or operated in
any State by that person shall immediately register with
the Secretary that person’s name, place of business, and
such establishment.

“(c) **Registration of Added Establishments.**—
Every person required to register under subsection (a) or
(b) shall immediately register with the Secretary any addi-
tional establishment which that person owns or operates
in the United States and in which that person begins the
manufacture, preparation, compounding, or processing of
a cannabis product.

“(d) **Uniform Product Identification System.**—The Secretary may by regulation prescribe a uni-
form system for the identification of cannabis products
and may require that persons who are required to list such
cannabis products under subsection (g) shall list such can-
nabis products in accordance with such system.

“(e) **Public Access to Registration Information.**—The Secretary shall make available for inspection
any registration filed under this section.
“(f) Registration by Foreign Establishments.—Any establishment within a foreign country engaged in the manufacture, preparation, compounding, or processing of a cannabis product that is imported or offered for import into the United States, shall register under this section and shall include with the registration the name of the United States agent for the establishment.

“(g) Registration Information.—

“(1) Product List.—

“(A) In general.—Every person who registers with the Secretary under subsection (a), (b), or (c) shall, at the time of registration under such subsection, file with the Secretary—

“(i) a list of all cannabis products which are being manufactured, prepared, compounded, or processed by that person for commercial distribution and which have not been included in any list of cannabis products filed by that person with the Secretary under this paragraph or paragraph (2) before such time of registration; and

“(ii) such other information as the Secretary, in consultation with the Secretary of the Treasury and the Attorney General, may require, by regulation, to
carry out the purposes of the Cannabis Administra-
tion and Opportunity Act, including the amendments made by such Act, in-
cluding chapter 56 of subtitle E of the In-

“(B) FORM AND MANNER OF LIST.—The
list under subparagraph (A)(i) shall be pre-
pared in such form and manner as the Sec-
retary may prescribe and shall be accompanied
by a copy of all consumer information and other
labeling for such cannabis product, a represent-
ative sampling of advertisements for such can-
nabis product, and, upon request by the Sec-
retary, a copy of all advertisements for a par-
ticular cannabis product.

“(2) REPORT OF ANY CHANGE IN PRODUCT
LIST.—Each person who registers with the Secretary
under this section shall report to the Secretary as
follows:

“(A) Prior to the introduction into com-
mercial distribution of a cannabis product that
has not been included in any list previously filed
by the registrant, a list containing such can-
nabis product.
“(B) A notice of discontinuance of the manufacture, preparation, compounding, or processing for commercial distribution of a cannabis product included in a list filed under subparagraph (A) or paragraph (1), and the date of such discontinuance.

“(C) A notice of resumption of the manufacture, preparation, compounding, or processing for commercial distribution of the cannabis product with respect to which a notice of discontinuance was reported under subparagraph (B).

“(D) A list of each cannabis product included in a notice filed under subparagraph (C) prior to the resumption of the introduction into commercial distribution of such cannabis product.

“(3) PUBLICATION.—The Secretary shall publish on the website of the Food and Drug Administration every registration and list filed pursuant to this section and the information accompanying every list not later than 10 days after the applicable date of filing.

“(4) DEPARTMENT OF THE TREASURY ACCESS.—The Secretary shall establish a format and
procedure for appropriate Department of the Treasury officials to access the information received by the Secretary under this subsection, in a prompt and secure manner.

“SEC. 1105. GENERAL PROVISIONS FOR CONTROL OF CANNABIS PRODUCTS.

“(a) Restrictions on Sale and Distribution.—

“(1) Remote sales.—Not later than 1 year after the date of enactment of the ‘Cannabis Administration and Opportunity Act’ the Secretary shall propose, and not later than 2 years after such date of enactment the Secretary shall finalize, regulations regarding the promotion, sale, and distribution of cannabis products that occur through means other than a direct, face-to-face exchange between a retailer and a consumer, in order to prevent the sale and distribution of cannabis products to individuals who have not attained the age of 21, including requirements for age verification.

“(2) Other regulations.—In addition to the restrictions under paragraph (1), the Secretary may, by regulation, impose other restrictions on the sale and distribution of cannabis products, including restrictions on the access to, and the advertising of, the cannabis product, if the Secretary determines
that such regulation would be appropriate for the
protection of the public health.

“(b) LABELING STATEMENTS.—The label and label-
ing of a cannabis product shall bear such appropriate
statements of the restrictions required by a regulation
under subsection (a) as the Secretary may in such regula-
tion prescribe.

“(c) GOOD MANUFACTURING PRACTICE REQUIRE-
MENTS.—

“(1) IN GENERAL.—The Secretary shall issue
regulations requiring that the methods used in, and
the facilities and controls used for, the manufacture,
preparing, processing, packing, and holding of a can-
nabis product conform to current good manufact-
turing practice, including testing for pesticide chem-
ical residues regardless of whether a tolerance for
such chemical residues has been established.

“(2) MANUFACTURE.—For purposes of this
subsection, the term ‘manufacture’ includes the
planting, cultivation, growing, and harvesting of a
cannabis product.

“SEC. 1106. CANNABIS PRODUCT STANDARDS.

“(a) IN GENERAL.—The Secretary shall, by regula-
tion, adopt cannabis product standards that are appro-
priate for protection of the public health.
“(b) Content of Standards.—A cannabis product standard established under this section shall include provisions—

“(1) on the ingredients of the cannabis product;

“(2) for the testing of the cannabis product;

and

“(3) requiring that the results of testing the cannabis product show that the cannabis product is in conformity with applicable standards.

“Sec. 1107. Recall Authority.

“(a) In General.—If the Secretary finds that there is a reasonable probability that a cannabis product would cause serious, adverse health consequences or death, the Secretary shall issue an order requiring the appropriate person (including the manufacturers, importers, distributors, or retailers of the cannabis product) to immediately cease distribution of such cannabis product. The order shall provide the person subject to the order with an opportunity to appear and introduce testimony, to be held not later than 10 days after the date of the issuance of the order, on the actions required by the order and on whether the order should be amended to require a recall of such cannabis product. If, after providing an opportunity to appear and introduce testimony, the Secretary determines that inadequate grounds exist to support the
actions required by the order, the Secretary shall vacate the order.

“(b) Amendment of Order To Require Recall.—

“(1) In general.—If, after providing an opportunity to appear and introduce testimony under subsection (a), the Secretary determines that the order should be amended to include a recall of the cannabis product with respect to which the order was issued, the Secretary shall, except as provided in paragraph (2), amend the order to require a recall. The Secretary shall specify a timetable in which the cannabis product recall will occur and shall require periodic reports to the Secretary describing the progress of the recall.

“(2) Notice.—An amended order under paragraph (1)—

“(A) shall not include recall of a cannabis product from individuals; and

“(B) shall provide for notice to persons subject to the risks associated with the use of such cannabis product.

In providing the notice required by subparagraph (B), the Secretary may use the assistance of retailers and other persons who distributed such cannabis
product. If a significant number of such persons cannot be identified, the Secretary shall notify such persons pursuant to section 705(b).

“SEC. 1108. RECORDS AND REPORTS ON CANNABIS PRODUCTS.

“(a) IN GENERAL.—Every person who is a cannabis product manufacturer or importer of a cannabis product shall establish and maintain such records, make such reports, and provide such information, as the Secretary may by regulation reasonably require to assure that such cannabis product is not adulterated or misbranded and to otherwise protect public health.

“(b) REPORTS OF REMOVALS AND CORRECTIONS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall by regulation require a cannabis product manufacturer or importer of a cannabis product to report promptly to the Secretary any corrective action taken or removal from the market of a cannabis product undertaken by such manufacturer or importer if the removal or correction was undertaken—

“(A) to reduce a risk to health posed by the cannabis product; or
“(B) to remedy a violation of this chapter caused by the cannabis product which may present a risk to health.

A cannabis product manufacturer or importer of a cannabis product who undertakes a corrective action or removal from the market of a cannabis product that is not required to be reported under this subsection shall keep a record of such correction or removal.

“(2) Exception.—No report of the corrective action or removal of a cannabis product may be required under paragraph (1) if a report of the corrective action or removal is required and has been submitted under subsection (a).

“SEC. 1109. PROHIBITION ON FLAVORED ELECTRONIC CANNABIS PRODUCT DELIVERY SYSTEM.

“(a) In General.—Any flavored electronic cannabis product delivery system shall not contain an artificial or natural flavor (other than cannabis) that is a characterizing flavor, including menthol, mint, mango, strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, or coffee.

“(b) Definition.—For purposes of this section, the term ‘electronic cannabis product delivery system’ means an electronic device that delivers a cannabis product via
an aerosolized solution to the user inhaling from the device, and any component, liquid, part, or accessory of such a device, whether or not sold separately.

“SEC. 1110. PRESERVATION OF STATE AND LOCAL AUTHORITY.

“(a) IN GENERAL.—Nothing in this chapter, or rules promulgated under this chapter, shall be construed to limit the authority of a Federal agency (including the Armed Forces), a State or political subdivision of a State, or the government of an Indian tribe to enact, adopt, promulgate, and enforce any law, rule, regulation, or other measure with respect to cannabis products that is in addition to, or more stringent than, requirements established under this chapter, including a law, rule, regulation, or other measure relating to or prohibiting the sale, distribution, possession, exposure to, access to, advertising and promotion of, or use of cannabis products by individuals of any age, information reporting to the State, or measures relating to fire safety standards for cannabis products. No provision of this chapter shall limit or otherwise affect any State, tribal, or local taxation of cannabis products.

“(b) RULE OF CONSTRUCTION REGARDING PRODUCT LIABILITY.—No provision of this chapter relating to a cannabis product shall be construed to modify or otherwise
1 affect any action or the liability of any person under the
2 product liability law of any State.
3 “SEC. 1111. CANNABIS PRODUCTS ADVISORY COMMITTEE.
4 “(a) ESTABLISHMENT.—Not later than 6 months
5 after the date of enactment of the Cannabis Administra-
6 tion and Opportunity Act, the Secretary shall establish a
7 12-member advisory committee, to be known as the Can-
8 nabis Product Advisory Committee.
9 “(b) MEMBERS.—The Cannabis Products Advisory
10 Committee shall include persons qualified in the subject
11 matter to be referred to the committee, including, as ap-
12 proprietary [Staff note: comments requested on member-
13 ship.].
14 “(c) REGULATIONS.—Before promulgating any regu-
15 lation under this chapter, the Secretary shall afford the
16 Cannabis Products Advisory Committee an opportunity to
17 submit recommendations with respect to the regulation
18 proposed to be promulgated.
19 “(d) COMPENSATION.—Members of the Cannabis
20 Products Advisory Committee who are not officers or em-
21 ployees of the United States, while attending conferences
22 or meetings of the committee or otherwise engaged in its
23 business, shall be entitled to receive compensation at rates
24 to be fixed by the Secretary, which may not exceed the
25 daily equivalent of the rate in effect under the Senior Ex-
ecutive Schedule under section 5382 of title 5, United States Code, for each day (including travel time) they are so engaged; and while so serving away from their homes or regular places of business each member may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code for persons in the Government service employed intermittently. The Secretary shall designate one of the members of the advisory committee to serve as its chair. The Secretary shall furnish the advisory committee with clerical and other assistance. Section 14 of the Federal Advisory Committee Act shall not apply with respect to the duration of the advisory committee established under this paragraph.’’

SEC. 502. AMENDMENTS TO THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.

(a) Definitions.—Section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) is amended—

(1) in paragraph (g)(1)(C), by striking “(other than food)” and inserting “(other than food or cannabis products)”;

(2) in paragraph (ff)(1), by striking “(other than tobacco)” and inserting “(other than a tobacco product or cannabis product)”;}
(3) in paragraph (rr)(4), by inserting “cannabis product,” after “medical device”; and

(4) by adding at the end the following:

“(ss)(1)(A) The term ‘cannabis’ means—

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

“(ii) the seeds thereof;

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

“(iv) every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin.

“(B) The term ‘cannabis’ does not include—

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

“(ii) the mature stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination.

“(2)(A) The term ‘cannabis product’ means any product made or derived from cannabis that is intended
for consumption or applied to the body of man or other animals, including any component of such product.

“(B) A ‘cannabis product’ does not mean an article that is a drug within the meaning of paragraph (g)(1).”.

(b) PROHIBITED ACTS.—Section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331) is amended—

(1) by inserting “cannabis product,” after “tobacco product,” each place it appears in paragraphs (g) and (h);

(2) in paragraph (j), by striking “or 920(b)” and inserting “920(b), or 1104”;

(3) in paragraph (p)—

(A) by striking “510 or 905” and inserting “510, 905, or 1104”;

(B) by striking “or 905(j)” and inserting “905(j), or 1104(g)”;

(C) by striking “or 905(i)(3)” and inserting “, 905(i)(3), or 1104(g)(2)”;

(4) in paragraph (q)(2) by inserting “, cannabis product,” after “device”;

(5) in paragraph (r), by inserting “cannabis product,” after “device,” each place it appears; and

(6) by adding at the end the following:
(1) The sale or distribution of a cannabis product to any person younger than 21 years of age.

(2) The sale or distribution, in any single transaction, of more than 10 ounces of any cannabis product.

(3) The sale or distribution of an article that is a cannabis product and that contains alcohol, caffeine, or nicotine.

(4) The failure of a manufacturer or distributor to notify the Attorney General and the Secretary of the Treasury of its knowledge of cannabis products used in illicit trade.

(ggg)(1) The introduction or delivery for introduction into commerce of any cannabis product that is adulterated or misbranded.

(2) The adulteration or misbranding of any cannabis product in commerce.

(3) The receipt in commerce of any cannabis product that is adulterated or misbranded, and the delivery or proffered delivery thereof for pay or otherwise.

(4) The alteration, mutilation, destruction, obliteration, or removal of the whole or any part of the labeling of, or the doing of any other act with respect to a cannabis product, if such act is done while such article is held for sale (whether or not the first sale) after shipment in com-
merce and results in such article being adulterated or mis-
branded.”.

(c) Seizure Authorities.—Section 304(g) of the
Federal Food, Drug, and Cosmetic Act (21 U.S.C. 334(g))
is amended by striking “or tobacco product” each place
it appears in paragraphs (1) and (2)(A) and inserting “,
tobacco product, or cannabis product”.

(d) Factory Inspection.—Section 704 of the Fed-
eral Food, Drug, and Cosmetic Act (21 U.S.C. 374) is
amended—

(1) in subsection (a)—

(A) by inserting “cannabis products,” after
“tobacco products,” each place it appears;

(B) by striking “or tobacco products” each
place it appears and inserting “tobacco prod-
ducts, or cannabis products”; and

(C) by striking “and tobacco products”
and inserting “tobacco products, and cannabis
products”; and

(2) in subsection (b)(1), by inserting “cannabis
product,” after “tobacco product,.”.

(e) Publicity.—Section 705(b) of the Federal Food,
Drug, and Cosmetic Act (21 U.S.C. 375(b)) is amended
by inserting “cannabis products,” after “tobacco prod-
ucts,”.”.
(f) Presumption.—Section 709 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379a) is amended by inserting “cannabis product,” after “tobacco product,”.

(g) Imports and Exports.—Section 801 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381) is amended—

(1) in subsection (a)—

(A) by inserting “cannabis products,” after “tobacco products,”;

(B) by striking “or tobacco products” each place it appears and inserting “, tobacco products, or cannabis products”; and

(C) by striking “or section 905(h)” and inserting “, 905(h), or 1104”; and

(2) in subsection (e), by striking “tobacco product or” and inserting “tobacco product, cannabis product, or”.

SEC. 503. EXPEDITED REVIEW.

Subchapter A of chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.) is amended by adding at the end the following:
"SEC. 524B. EXPEDITED REVIEW OF CERTAIN DRUGS CONTAINING CANNABIS."

“(a) Establishment of Program.—The Secretary shall establish a program to expedite the development and review of applications for drugs containing cannabis that are manufactured by a small business concerned owned and controlled by socially and economically disadvantaged individuals that operate in the cannabis industry.

“(b) Request for Designation.—A sponsor of a drug containing cannabis that is manufactured by a small business concern owned and controlled by socially and economically disadvantaged individuals that operate in the cannabis industry may request that the Secretary designate such drug for expedited review under this section. A request for designation may be made concurrently with, or at any time after, the submission of an application for the investigation of the drug under section 505(i) or section 351(a)(3) of the Public Health Service Act.

“(c) Actions.—The actions to expedite the development and review of an application designated for expedited review under this section may include, as appropriate—

“(1) holding meetings with the sponsor and the review team throughout the development of the drug;

“(2) providing timely advice to, and interactive communication with, the sponsor regarding the de-
development of the drug to ensure that the development program to gather the nonclinical and clinical data necessary for approval is as efficient as practicable; and

“(3) priority review, as described in the Manual of Policies and Procedures of the Food and Drug Administration and goals identified in the letters described in section 101(b) of the Prescription Drug User Fee Amendments of 2017.

“(d) EXPEDITED REVIEW GUIDANCE.—Not later than 1 year after the date of enactment of the Cannabis Administration and Opportunity Act, the Secretary shall issue guidance on the implementation of this section. Such guidance shall—

“(1) set forth the process by which a person may seek a designation under subsection (b); and

“(2) identify the criteria the Secretary will use in evaluating a request for designation under this section.

“(e) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS.—In this section, the term ‘small business concern owned and controlled by socially and economically disadvantaged individuals’ has the meaning
given the term in section 8(d)(3)(C) of the Small Business Act.”.

SEC. 504. RESEARCH ON CANNABIS.

(a) In General.—The Secretary of Health and Human Services shall award grants to public and non-profit private institutions to conduct research on short- and long-term health effects of cannabis, considering beneficial and harmful effects and public health impacts. Such research shall—

(1) consider the health effects of cannabis use in at-risk or under researched populations, such as pediatric and older populations, pregnant and breast-feeding women, and heavy cannabis users;

(2) consider the pharmacokinetic and pharmacodynamic properties of cannabis, modes of delivery, different concentrations, in various populations, including the dose-response relationships of cannabis and tetrahydrocannabinol or other cannabinoids;

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

(4) involve well-controlled clinical trials on the potential beneficial and harmful health effects of using different forms of cannabis, such as inhaled
(e.g., smoked or vaporized) whole cannabis plant and oral cannabis;

(5) seek to characterize the health effects of cannabis on unstudied and understudied health endpoints, such as epilepsy in pediatric populations, symptoms of posttraumatic stress disorder, childhood and adult cancers, cannabis-related overdoses and poisonings, and other high-priority health endpoint;

(6) include a workshop to develop a set of research standards and benchmarks to guide and ensure the production of high-quality cannabis research;

(7) seek to enable improvements to Federal public health surveillance systems and State-based public health surveillance efforts to inform research on the short- and long-term health effects of cannabis use (both beneficial and harmful effects); and

(8) provide support for the development of novel diagnostic technologies that allow for rapid, accurate, and noninvasive assessment of cannabis exposure and impairment.

(b) FUNDING.—To carry out this section, there is authorized to be appropriated, and there is appropriated, out of any funds in the Treasury not otherwise appropriated,
SEC. 505. REGULATION OF CANNABIDIOL.

(a) CBD AS A DIETARY SUPPLEMENT.—Section 201(ff)(3)(B) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(ff)(3)(B)) is amended, in the matter preceding subclause (i), by inserting “, except in the case of cannabidiol derived from hemp (as defined in section 297A of the Agricultural Marketing Act of 1946)” after “include”.

(b) ADULTERATION.—Section 402 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 342) is amended by adding at the end the following new subsection:

“(j)(1) If it is a dietary supplement that contains cannabidiol, unless—

“(A) such dietary supplement contains no more than an amount of cannabidiol per recommended daily serving that the Secretary may establish (and revise or repeal as appropriate), subject to paragraph (2), through an interim final rule, notwithstanding any requirement for notice and comment that may otherwise apply under section 553 of title 5, United States Code;
“(B) such dietary supplement is the subject of a notification submitted to the Secretary in accordance with section 413(a)(2); and
“(C) the labeling and packaging of such dietary supplement conforms with any requirements that the Secretary establishes regarding labeling or packaging of dietary supplements containing cannabidiol (which may be promulgated (and revised or repealed as appropriate) by the Secretary through an interim final rule, notwithstanding any requirement for notice and comment that may otherwise apply under section 553 of title 5, United States Code).
“(2)(A) The amount of cannabidiol established in accordance with paragraph (1)(A)—
“(i) shall be a threshold above which the Secretary may not accept new dietary ingredient notifications; and
“(ii) shall not be interpreted as a determination that lower amounts of cannabidiol are safe.
“(B) The Secretary shall establish such a threshold based on such factors as the Secretary determines to be appropriate, which may include a consideration of whether the review of new dietary ingredient notifications for products containing higher levels of cannabidiol may be unduly burdensome.”.
(c) NEW DIETARY INGREDIENT.—Section 413(a)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 350b(a)(1)) is amended by inserting “contains no cannabidiol and” before “contains only dietary ingredients”.

(d) NEW PROHIBITED ACT.—Section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331), as amended by section 502(b)(6), is further amended by adding at the end the following:

“(hhh) The introduction or delivery for introduction into interstate commerce of any product labeled as a dietary supplement that fails to meet the definition of a dietary supplement under section 201(ff).”.

(e) NEW IMPORT EXCLUSION.—Section 801(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381(a)) is amended in paragraph (3) of the third sentence by striking “section 301(ll)” and inserting “paragraph (ll) or (hhh) of section 301”.

(f) NEW SEIZURE AUTHORITIES.—Section 304 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 334) is amended—

(1) in subsection (a)(1), in the first sentence, by inserting “or any article which may not be introduced or delivered for introduction into interstate
commerce under section 301(hhh),” before “shall be liable”; and

(2) in subsection (d)(1), in the first sentence, by inserting “, or any product otherwise introduced or delivered for introduction into interstate commerce in violation of section 301(hhh) and condemned under this section,” after “under this section”.

SEC. 506. AMENDMENT TO THE POISON PREVENTION PACKAGING ACT.

Section 2(2)(B) of the Poison Prevention Packaging Act of 1970 (15 U.S.C. 1471(2)(B)) is amended by striking “or cosmetic” and inserting “cosmetic, or cannabis product,“

Subtitle B—Federal Cannabis Administration

SEC. 511. FEDERAL CANNABIS ADMINISTRATION.

The Federal Alcohol Administration Act (27 U.S.C. 201 et seq.) is amended by adding at the end the following:

“TITLE III—CANNABIS

“SEC. 301. UNLAWFUL BUSINESSES WITHOUT CANNABIS PERMIT.

“(a) IMPORT.—It shall be unlawful, except pursuant to a permit issued under this title by the Secretary—
“(1) to engage in the business of importing cannabis into the United States; or
“(2) for any person so engaged to sell, offer or deliver for sale, contract to sell, or ship, in interstate or foreign commerce, directly or indirectly or through an affiliate, cannabis so imported.
“(b) MANUFACTURE AND SALE.—It shall be unlawful, except pursuant to a permit issued under this title by the Secretary—
“(1) to engage in the business of cultivating, producing, manufacturing, packaging, or warehousing cannabis; or
“(2) for any person so engaged to sell, offer or deliver for sale, contract to sell, or ship, in interstate or foreign commerce, directly or indirectly or through an affiliate, cannabis so cultivated, produced, manufactured, packaged, or warehoused.
“(c) RESALE.—It shall be unlawful, except pursuant to a permit issued under this title by the Secretary—
“(1) to engage in the business of purchasing cannabis for resale at wholesale; or
“(2) for any person so engaged to receive or to sell, offer or deliver for sale, contract to sell, or ship, in interstate or foreign commerce, directly or indirectly or through an affiliate, cannabis so purchased.
“(d) Transition Rule.—Subject to section 302(e), in the case of a person who has filed a complete and accurate application for a permit under this section within 90 days of the date on which the Secretary has issued any necessary guidance and forms with respect to such applications, this section shall not apply to such person during the period prior to any determination under section 302 as to the entitlement of such person to such permit, provided that such person is in compliance with—

“(1) any applicable regulations under this title;

and

“(2) payment of any taxes imposed under chapter 56 of the Internal Revenue Code of 1986.

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

“(a) Entitlement to Permit.—

“(1) In general.—The Secretary shall issue a permit for operations requiring a permit under section 301 unless the Secretary finds that—

“(A) the applicant (or if the applicant is a corporation, any of its officers, directors, or principal stockholders) has been convicted of a disqualifying offense;

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

“(C) the applicant is not likely to maintain such operations in conformity with Federal law.

“(2) DISQUALIFYING OFFENSES.—

“(A) IN GENERAL.—For the purposes of paragraph (1), a disqualifying offense is any felony violation of any provision of Federal or State criminal law relating to cannabis or cannabis products (including the taxation thereof), if the conviction occurred after the date of enactment of the Cannabis Administration and Opportunity Act and not later than 3 years before the date of the application.

“(B) WAIVER PURSUANT TO FINDING OF MITIGATION OR REHABILITATION AND FITNESS FOR OCCUPATION.—Notwithstanding subparagraph (A), an offense shall not be considered a disqualifying offense if, pursuant to a submission of waiver request by the applicant to the Cannabis Products Advisory Committee established under section 1111 of the Federal Food, Drug, and Cosmetic Act, such committee finds that the applicant has established sufficient mitigation or rehabilitation and fitness to main-
tain cannabis operations in compliance with State and Federal law by providing—

“(i) evidence showing that—

“(I) the applicant has not been convicted of a crime that occurred after the date on which the offense with respect to which the waiver was requested occurred; and

“(II) the applicant has complied with all terms and conditions of probation or parole; or

“(ii) any other evidence of mitigation and present fitness, including—

“(I) the circumstances relating to the offense, including mitigating circumstances or social conditions surrounding the commission of the offense;

“(II) the age of the applicant when the applicant committed the offense;

“(III) the period of time that has elapsed since the applicant committed the offense;
“(IV) additional evidence of educational, training, or work activities that the applicant has participated in, including during any period of incarceration;

“(V) letters of reference by persons who have been in contact with the applicant since the applicant was released from any correctional institution; and

“(VI) completion of, or active participation in, rehabilitative drug or alcohol treatment.

“(b) Refusal of Permit; Hearing.—If upon examination of any application for a permit the Secretary has reason to believe that the applicant is not entitled to such permit, the Secretary shall so notify the applicant and, upon request by the applicant, afford the applicant due notice and opportunity for hearing on the application. If the Secretary, after affording such notice and opportunity for hearing, still finds that the applicant is not entitled to a permit hereunder, the Secretary shall by order deny the application stating the findings which are the basis for the order.

“(c) Form of Application.—
“(1) Generally.—The Secretary shall—

“(A) prescribe the manner and form of applications for permits under this title (including the facts to be set forth in the application);

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

“(C) specify in any permit the authority conferred by the permit and the conditions of that permit in accordance with this title.

“(2) Separate Types of Applications and Permits.—To the extent deemed necessary by the Secretary for the efficient administration of this title, the Secretary may require separate applications and permits with respect to the various classes of cannabis, and with respect to the various classes of persons entitled to permits under this title.

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

“(d) Conditions.—

“(1) In general.—A permit under this title shall be conditioned upon—

“(A) compliance with all other Federal laws relating to production and sale of cannabis, as well as compliance with all State laws
relating to said activities in the State in which
the permit applicant resides and does business;
and

“(B) payment to the Secretary of a reason-
able permit fee in an amount determined by the
Secretary to be sufficient over time to offset the
cost of implementing and overseeing all aspects
of cannabis regulation by the Federal Govern-
ment.

“(2) WAIVER OF PERMIT FEE.—Pursuant to
regulations prescribed by the Secretary, the permit
fee described in paragraph (1)(B) shall be waived in
the case of an individual who—

“(A) has had an income below 250 percent
of the Federal Poverty Level for not fewer than
5 of the 10 years preceding the date on which
the individual submits an application for a per-
mit under this title; and

“(B) is a first-time applicant.

“(e) REVOCATION, SUSPENSION, AND ANNUL-
MENT.—

“(1) GENERALLY.—After due notice and oppor-
tunity for hearing, the Secretary may order a permit
under this title—
“(A) revoked or suspended for such period as the Secretary deems appropriate, if the Secretary finds that the permittee has willfully violated any of the conditions of the permit, but for a first violation of the conditions the permit shall be subject to suspension only;

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

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

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

“(f) Service of orders.—Each order of the Secretary with respect to any denial of application, suspension, revocation, annulment, or other proceedings, shall be served—

“(1) in person by any officer or employee of the Secretary designated by him or any internal revenue or customs officer authorized by the Secretary for the purpose; or
“(2) by mailing the order by registered mail, addressed to the applicant or respondent at his last known address in the records of the Secretary.

“(g) Duration.—

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

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

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

“(h) Judicial review.—A permittee or applicant for a permit under this title may obtain judicial review under chapter 7 of title 5, United States Code, of the de-
nial of the application of that applicant or, in the case of a permittee, the denial of an application by the transferee of that permittee.

“(i) Statute of Limitations.—

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

“(2) Compromise.—No permit shall be suspended or revoked for a violation of any such condition thereof if the alleged violation of Federal law has been compromised by any officer of the Government authorized to compromise such violation.

“SEC. 303. DELIVERY OF HEMP INADVERTENTLY EXCEEDING PERMISSIBLE CONCENTRATION OF DELTA-9 TETRAHYDRROCANNABINOL.

“(a) In general.—The Secretary, in coordination with the Secretary of Agriculture and the Secretary of Health and Human Services, shall issue regulations to establish a process for the lawful delivery of hemp described in subsection (b) to a cannabis enterprise holding a permit
issued under this title and authorized pursuant to section 5911 of the Internal Revenue Code of 1986.

“(b) HEMP DESCRIBED.—Hemp referred to in subsection (a) is Cannabis sativa L. inadvertently produced with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent on a dry weight basis—

“(1) before September 30, 2021, by an institution of higher education or State department of agriculture that grows or cultivates industrial hemp under section 7606 of the Agricultural Act of 2014 (7 U.S.C. 5940); or

“(2) by a producer of hemp under subtitle G of the Agricultural Marketing Act of 1946 (7 U.S.C. 1639o et seq.).

“SEC. 304. UNFAIR COMPETITION AND UNLAWFUL PRACTICES.

“(a) IN GENERAL.—It shall be unlawful for any person engaged in the business of importing cannabis into the United States, or cultivating, producing, manufacturing, packaging, or warehousing cannabis, or purchasing cannabis for resale at wholesale, directly or indirectly or through an affiliate, to do any of the following:

“(1) EXCLUSIVE OUTLET.—To require, by agreement or otherwise, that any retailer engaged in the sale of cannabis products, purchase any such
products from such person to the exclusion in whole or in part of cannabis sold or offered for sale by other persons in interstate or foreign commerce, if such requirement is made in the course of interstate or foreign commerce, or if such person engages in such practice to such an extent as substantially to restrain or prevent transactions in interstate or foreign commerce in any such products, or if the direct effect of such requirement is to prevent, deter, hinder, or restrict other persons from selling or offering for sale any such products to such retailer in interstate or foreign commerce.

“(2) TIED HOUSE.—To induce through any of the following means, any retailer, engaged in the sale of cannabis products to purchase any such products from such person to the exclusion in whole or in part of cannabis sold or offered for sale by other persons in interstate or foreign commerce, if such inducement is made in the course of interstate or foreign commerce, or if such person engages in the practice of using such means, or any of them, to such an extent as substantially to restrain or prevent transactions in interstate or foreign commerce in any such products, or if the direct effect of such inducement is to prevent, deter, hinder, or restrict
other persons from selling or offering for sale any such products to such retailer in interstate or foreign commerce:

“(A) Acquiring or holding (after the expiration of any existing license) any interest in any license with respect to the premises of the retailer.

“(B) Acquiring any interest in real or personal property owned, occupied, or used by the retailer in the conduct of his business.

“(C) Furnishing, giving, renting, lending, or selling to the retailer, any equipment, fixtures, signs, supplies, money, services, or other thing of value, subject to such exceptions as the Secretary shall by regulation prescribe, having due regard for public health, the quantity and value of articles involved, established trade customs not contrary to the public interest and the purposes of this subsection.

“(D) Paying or crediting the retailer for any advertising, display, or distribution service.

“(E) Guaranteeing any loan or the repayment of any financial obligation of the retailer.

“(F) Extending to the retailer credit for a period in excess of the credit period usual and
customary to the industry for the particular class of transactions, as ascertained by the Secretary of the Treasury and prescribed by regulations by him.

“(G) Requiring the retailer to take and dispose of a certain quota of any of such products.

“(3) Commercial bribery.—To induce through any of the following means, any trade buyer engaged in the sale of cannabis products, to purchase any such products from such person to the exclusion in whole or in part of cannabis products sold or offered for sale by other persons in interstate or foreign commerce, if such inducement is made in the course of interstate or foreign commerce, or if such person engages in the practice of using such means, or any of them, to such an extent as substantially to restrain or prevent transactions in interstate or foreign commerce in any such products, or if the direct effect of such inducement is to prevent, deter, hinder, or restrict other persons from selling or offering for sale any such products to such trade buyer in interstate or foreign commerce:

“(A) Commercial bribery.
“(B) Offering or giving any bonus, premium, or compensation to any officer, or employee, or representative of the trade buyer.

“(4) CONSIGNMENT SALES.—To sell, offer for sale, or contract to sell to any trade buyer engaged in the sale of cannabis products, or for any such trade buyer to purchase, offer to purchase, or contract to purchase, any such products on consignment or under conditional sale or with the privilege of return or on any basis otherwise than a bona fide sale, or where any part of such transaction involves, directly or indirectly, the acquisition by such person from the trade buyer or his agreement to acquire from the trade buyer other cannabis products, if such sale, purchase, offer, or contract is made in the course of interstate or foreign commerce, or if such person or trade buyer engages in such practice to such an extent as substantially to restrain or prevent transactions in interstate or foreign commerce in any such products or if the direct effect of such sale, purchase, offer, or contract is to prevent, deter, hinder, or restrict other persons from selling or offering for sale any such products to such trade buyer in interstate or foreign commerce.
"(5) LABELING.—To sell or ship or deliver for sale or shipment, or otherwise introduce in interstate or foreign commerce, or to receive therein, or to remove from customs custody for consumption, any cannabis product in packages, unless such products are packaged, and labeled in conformity with such regulations, to be prescribed by the Secretary, with respect to packaging, marking, branding, and labeling and size of container—

"(A) as will prohibit deception of the consumer with respect to such products or the quantity thereof and as will prohibit, irrespective of falsity, such statements relating to manufacturing processes, analyses, guarantees, and scientific or irrelevant matters as the Secretary finds to be likely to mislead the consumer;

"(B) as will provide the consumer with information described in section 1103 of the Federal Food, Drug, and Cosmetic Act;

"(C) as will require compliance with section 112(b) of the Cannabis Administration and Opportunity Act;

"(D) as will prohibit statements on the label that are disparaging of a competitor’s
products or are false, misleading, obscene, or indecent; and

“(E) as will prevent deception of the consumer by use of a trade or brand name that is the name of any living individual of public prominence, or existing private or public organization, or is a name that is in simulation or is an abbreviation thereof, and as will prevent the use of a graphic, pictorial, or emblematic representation of any such individual or organization, if the use of such name or representation is likely falsely to lead the consumer to believe that the product has been indorsed, made, or used by, or produced for, or under the supervision of, or in accordance with the specifications of, such individual or organization.

“(6) ADVERTISING.—To publish or disseminate or cause to be published or disseminated by radio broadcast, or in any newspaper, periodical or other publication or by any sign or outdoor advertisement or any other printed or graphic matter, any advertisement of cannabis, if such advertisement is in, or is calculated to induce sales in, interstate or foreign commerce, or is disseminated by mail, unless such
advertisement is in conformity with such regulations, to be prescribed by the Secretary, as will—

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

“(B) provide the consumer with adequate information as to the identity and quality of the products advertised, the characteristics thereof, and the person responsible for the advertisement;

“(C) prohibit statements that are disparaging of a competitor’s products or are false, misleading, obscene, or indecent; and

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

“(b) Removal or Destruction of Label.—It shall be unlawful for any person to alter, mutilate, destroy, obliterate, or remove any mark, brand, or label upon cannabis products held for sale in interstate or foreign commerce or after shipment therein, except as authorized by
Federal law or except pursuant to regulations of the Secretary authorizing relabeling for purposes of compliance with the requirements of this subsection or of State law.

“(c) Exceptions.—

“(1) Consignment Sales.—Paragraph (4) of subsection (a) shall not apply to transactions involving solely the bona fide return of merchandise for ordinary and usual commercial reasons arising after the merchandise has been sold.

“(2) Labeling.—Paragraph (5) of such subsection shall not apply to the use of the name of any person engaged in business as a manufacturer of cannabis products, nor to the use by any person of a trade or brand name used by him or his predecessor in interest prior to the date of enactment of the Cannabis Administration and Opportunity Act.

“(3) Advertising.—Paragraph (6) of such subsection shall not apply to the publisher of any newspaper, periodical, or other publication, or radio broadcaster, unless such publisher or radio broadcaster is engaged in the business of importing cannabis into the United States, or cultivating, producing, manufacturing, packaging, or warehousing cannabis, or purchasing cannabis for resale at wholesale, directly or indirectly or through an affiliate.
“SEC. 305. REMEDIES FOR VIOLATIONS.

“(a) CRIMINAL FINE.—

“(1) GENERALLY.—Whoever violates section 301 shall be fined not more than $1,000.

“(2) SETTLEMENT IN COMPROMISE.—The Secretary may decide not to refer a violation of such section to the Attorney General for prosecution but instead to collect a payment from the violator of no more than $500 for that violation.

“(b) CIVIL ACTION FOR RELIEF.—The Attorney General may, in a civil action, obtain appropriate relief to prevent and restrain a violation of this title.

“SEC. 306. DEFINITIONS.

“In this title—

“(1) the term ‘cannabis’ has the meaning given such term in section 3 of the Cannabis Administration and Opportunity Act;

“(2) the term ‘Secretary’ means the Secretary of the Treasury or the Secretary’s delegate; and

“(3) the term ‘State’ includes the District of Columbia, Puerto Rico, and any territory or possession of the United States.”.
SEC. 512. INCREASED FUNDING FOR THE ALCOHOL, TOBACCO, AND CANNABIS TAX AND TRADE BUREAU.

In addition to any other amounts authorized to be appropriated to the Alcohol, Tobacco, and Cannabis Tax and Trade Bureau, there is authorized to be appropriated, for each of the fiscal years 2021 through 2025, $[___________], which shall be used to carry out this Act and the amendments made by this Act.

TITLE VI—MISCELLANEOUS

SEC. 601. COMPTROLLER GENERAL REVIEW OF LAWS AND REGULATIONS.

(a) IN GENERAL.—The Comptroller General shall conduct a review of Federal laws, regulations, and policies to—

(1) determine if any changes in them are desirable in the light of the purposes and provisions of this Act;

(2) identify any use of the terms “marijuana” or “marihuana” in the rulings, regulations, or interpretations of various administrative bureaus and agencies of the United States and direct that such terms be replaced with the term “cannabis”; and

(3) identify any use of the terms “marijuana” or “marihuana” in the statutes of the United States and propose any amendments necessary to such
statutes to replace such terms with the term “cannabis”.

(b) REPORT.—Not later than 2 years after the date of the enactment of this Act, the Comptroller General shall make to Congress and the relevant agencies such recommendations relating to the results of the review described in subsection (a) as the Comptroller General deems appropriate.

SEC. 602. SEVERABILITY.

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