

[DISCUSSION DRAFT]

117TH CONGRESS
1ST SESSION

H. R. _____

To amend the controlled substances Act regarding marihuana, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. MACE introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the controlled substances Act regarding marihuana, and for other purposes.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “States Reform Act”.

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

Sec. 1. Short title; table of contents.

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

Sec. 101. Federal decriminalization of cannabis, and state control deference.

TITLE II—REGULATION OF MARIJUANA LIKE ALCOHOL

Sec. 201. Food and drug administration.

Sec. 202. Department of agriculture regulation of raw cannabis like barley, hops, and grain.

Sec. 203. Addition of raw cannabis to certain authorities relating to agricultural production.

“Subtitle H—Raw Cannabis Production

“Sec. 298A. Definitions.

“Sec. 298B. State and tribal plans.

“Sec. 298C. Department of agriculture plan.

“Sec. 298D. Authority to issue regulations and guidelines.

Sec. 204. Administration like alcohol under tax and trade bureau.

Sec. 205. Transferring agency functions with regard to marijuana.

Sec. 206. Transition safe harbor and administrative remedies.

Sec. 207. Unfair advertising practices and 21 age limit.

Sec. 208. Federal cannabis administration under the federal alcohol act.

“TITLE III—CANNABIS

“Sec. 301. Unlawful business without cannabis permit.

“Sec. 302. Procedure for issuance of cannabis permit.

“Sec. 304. Definitions.

TITLE III— DESIGNATED STATE MEDICAL CANNABIS PRODUCT SAFETY ACT

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

“PART J—DESIGNATED STATE MEDICAL CANNABIS PRODUCTS

“Sec. 360ggg. Definitions.

“Sec. 360ggg-1. Regulation of medical cannabis products.

“Sec. 360ggg-2. Cannabis-infused foods, beverages, and supplements.

“Sec. 360ggg-3. Cannabis cosmetics.

“Sec. 360ggg-4. Liability and method of payment.

“Sec. 360ggg-5. Private right of action and administrative remedy.

TITLE IV—SMALL BUSINESS ADMINISTRATION PROVISIONS

Sec. 401. Fair small business administration access.

Sec. 402. Disaster loan nondiscrimination.

Sec. 403. Microloan nondiscrimination.

Sec. 404. Small business investment company debenture nondiscrimination.

“Sec. 321. Debentures to finance cannabis-related businesses and service providers.

Sec. 405. State or local development loan non-discrimination.

“Sec. 511. Loans to cannabis-related legitimate businesses and service providers.

Sec. 406. Rulemaking and disbursement.

Sec. 407. Administrative procedure act and mandamus remedies.

TITLE V— IMPOSITION OF CANNABIS EXCISE TAX

- Sec. 501. Law enforcement retraining and successful second chances fund.
- “Sec. 9512. Law enforcement retraining and second chances fund.
- Sec. 502. Cannabis revenue and regulation act.

“CHAPTER 56—CANNABIS PRODUCTS

“SUBCHAPTER A—IMPOSITION OF TAX

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

“SUBCHAPTER B—OPERATIONS

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

“SUBCHAPTER C—PENALTIES

- “Sec. 5921. Civil penalties.
- Sec. 503. Reports and conforming amendments.

TITLE VI—VETERANS’ CARE AND ACCESS

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

TITLE VII—MISCELLANEOUS UPDATES AND TECHNICAL AMENDMENTS

- Sec. 701. United states international cannabis commerce policy.
- Sec. 702. Continued federal employee drug testing.
- Sec. 703. Demographic data on new industry of cannabis business owners and employees.
- Sec. 704. Conforming amendment to create uniformity of references in existing law to cannabis, marijuana, or marihuana.
- Sec. 705. Effective upon enactment.

1 **TITLE I—DECRIMINALIZATION**
2 **OF MARIJUANA AND DEF-**
3 **ERENCE TO STATE POWERS**
4 **OF PROHIBITION**

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

7 (a) PREEMPTION OF CANNABIS REMOVED FROM
8 SCHEDULE OF CONTROLLED SUBSTANCES.—

9 (1) REMOVAL OF FEDERAL CONTROLLED SUB-
10 STANCES ACT PREEMPTION.—Subsection (c) of
11 schedule I of section 202(c) of the Controlled Sub-
12 stances Act (21 U.S.C. 812) is amended—

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

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

19 (2) TREATMENT LIKE ALCOHOL IN CON-
20 TROLLED SUBSTANCES ACT.—The Controlled Sub-
21 stances Act (21 U.S.C. 802(6)) is amended—by in-
22 serting “Marihuana,” after “malt beverages,”.

23 (3) RESIDUAL RULEMAKING.—Not later than
24 30 days after the date of the enactment of this Act,
25 the Attorney General shall administratively revise

1 the current regulations at 21 C.F.R.1308.11 and re-
2 lated provisions to clarify that for the purposes of
3 the Controlled Substances Act and related statutes,
4 in light of the States Reform Act, marihuana and
5 tetrahydrocannabinols are each be deemed by Con-
6 gress to be a drug or other substance that does not
7 meet the requirements for inclusion in any schedule.
8 Such administrative rulemaking amendments shall
9 not be subject to the requirements of Administrative
10 Procedures Act other than notice of changes in the
11 Federal Register. Any regulations inconsistent with
12 this Act shall be deemed invalid on the date of en-
13 actment of this Act for all purposes including but
14 not limited to any offense committed, case pending,
15 conviction entered, and, in the case of a juvenile, any
16 offense committed, case pending, and adjudication of
17 juvenile delinquency entered before, on, or after the
18 date of enactment of this Act.

19 (b) CONFORMING AMENDMENTS TO CONTROLLED
20 SUB-STANCES ACT AND CONTROLLED SUBSTANCES IM-
21 PORT AND EXPORT ACT.—The Controlled Substances Act
22 (21 U.S.C. 801 et seq.) is amended—

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

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

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

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

4 (3) in section 402(c)(2)(B) (21 U.S.C.
5 842(c)(2)(B)), by striking “, marihuana,”;

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

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

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

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

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

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

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

20 (9) Section 1010(b) of the Controlled Sub-
21 stances Import and Export Act (21 U.S.C. 960) is
22 amended—

23 (A) in paragraph (1)—

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

- 1 (ii) by striking subparagraph (G); and
2 (iii) by redesignating subparagraph
3 (H) as subparagraph (G);
4 (B) in paragraph (2)—
5 (i) in subparagraph (F), by inserting
6 “or” after the semicolon;
7 (ii) by striking subparagraph (G); and
8 (iii) by redesignating subparagraph
9 (H) as subparagraph (G);
10 (C) in paragraph (3), by striking “para-
11 graphs (1), (2), and (4)” and inserting “para-
12 graphs (1) and (2)”;
13 (D) by striking paragraph (4); and
14 (E) by redesignating paragraphs (5), (6),
15 and (7) as paragraphs (4), (5), and (6), respec-
16 tively.

17 (c) OTHER CONFORMING AMENDMENTS.—

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

- 22 (A) in section 15002(a) (16 U.S.C.
23 559b(a)) by striking “marijuana and other”;

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

4 (C) in section 15004(2) (16 U.S.C.
5 559d(2)) by striking “marijuana and other”.

6 (2) INTERCEPTION OF COMMUNICATIONS.—Sec-
7 tion 2516 of title 18, United States Code, is amend-
8 ed—

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

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

13 (3) FMCSA PROVISIONS.—

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

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

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

24 (ii) by striking the period at the end
25 and inserting

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

5 (C) DISQUALIFICATIONS.—Section
6 31310(b) of title 49, United States Code, is
7 amended by adding at the end the following:

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

11 (4) FAA PROVISIONS.—Section 45101 of title
12 49, United States Code, is amended—

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

15 “(A) any substance”; and

16 (B) by striking the period at the end and
17 inserting

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

22 (5) FRA PROVISIONS.—Section 20140(a) of title
23 49, United States Code, is amended—

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

1 “(A) any substance”; and

2 (B) by striking the period at the end and
3 inserting

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

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

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

12 “(A) any substance”; and

13 (B) by striking the period at the end and
14 inserting

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

20 (7) GCA PROVISIONS.—Section 921(a) of title
21 18, United States Code, is amended—

22 (A) by adding at the end the following:

23 “(36) The term ‘unlawful user of or addicted to
24 any controlled substance’ shall not include a person
25 by reason of unlawful use of or addiction to mari-

1 huana (as defined in section 102(16) of the Con-
2 trolled Substances Act, 21 U.S.C. § 802(16)).”.

3 (d) SECOND CHANCES FOR NONVIOLENT CANNABIS
4 OFFENDERS.—

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

14 (A) LIMITATION OF RETROACTIVE APPLI-
15 CATION TO NON-VIOLENT AND RELATED NON-
16 VIOLENT MARIHUANA OFFENSES.—Such appli-
17 cation and retroactivity described in this section
18 (d) shall extend to any non-violent offence or
19 offenses covered under subparagraph (1) and
20 any related non-violent offenses that would not
21 have satisfied all elements of the charged of-
22 fense or offenses but for the involvement of
23 marijuana, marihuana as defined in 21 U.S.C.
24 § 802(16), or tetrahydrocannabinols, related
25 non-violent cases pending, related non-violent

1 convictions entered, and, in the case of a juve-
2 nile, any related non-violent offense committed,
3 related non-violent case pending, or related non-
4 violent adjudication of juvenile delinquency en-
5 tered before, on, or after the date of enactment
6 of this Act. This provision is meant to be ex-
7 tended to non-violent offenses charged, pending,
8 or otherwise, previously found to be crimes of
9 violence subsequently found to be unconsti-
10 tutionally vague or restricted, e.g., *United*
11 *States v. Davis*, 139 S. Ct. 2319 (2019) (hold-
12 ing 18 U.S.C. § 924(c) residual clause uncon-
13 stitutionally vague); *Sessions v. Dimaya*, 138 S.
14 Ct. 1204 (2018) (finding 18 U.S.C. § 16(b) to
15 be unconstitutionally void for vagueness as in-
16 corporated into other statutes).

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

24 (C) SCOPE.—This provision applies to each
25 and every organ of the federal government.

1 (D) POST-PASSAGE LIMITATION.—This
2 provision does not apply to acts or transactions
3 occurring after the passage of this Act that are
4 not in compliance with this Act and other appli-
5 cable laws.

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

11 (F) DUI EXCLUSION.—This provision does
12 not apply specifically to convictions or sentences
13 of an offense of operating a motor vehicle under
14 the influence of a drug or alcohol within the
15 meaning of Title 18 of the U.S. Code, section
16 13(b), an offense of operating or being in actual
17 physical control of a motor vehicle within the
18 meaning of Title 36, Section 4.23 of the Code
19 of Federal Regulations, or drunken or reckless
20 operation of vehicle, aircraft or vessel within the
21 meaning of article 111 of the Uniform Code of
22 Military Justice, Title 10 of the U.S. Code, sec-
23 tion 911;

24 (G) JUDICIAL REVIEW.—questions of non-
25 violence are reviewable in any proceeding initi-

1 ated under this section (d) or the following sec-
2 tion (e). For an example of a person considered
3 under this law to be a non-violent cannabis of-
4 fender based on the totality of facts in the case,
5 please refer to the case of *United States v.*
6 *Angelos*, 345 F. Supp. 2d 1227 (D. Utah
7 2004).

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

21 (3) APPLICATION TO DEFENDANTS PREVIOUSLY
22 SENTENCED.—In the case of a defendant who, be-
23 fore the date of enactment of this Act, was convicted
24 or sentenced for any Federal offense involving mari-
25 juana, marihuana as defined in 21 U.S.C. §

1 802(16), or tetrahydrocannabinols and not serving a
2 sentence for any conduct not covered by this Act or
3 serving multiple sentences as provided in 18 U.S.C.
4 § 3584, the Director of the Bureau of Prisons,
5 United States Marshals Service, or U.S. Parole
6 Commission shall release such individual from its
7 control within 14 days after the date of enactment
8 of the of this Act. Any person not so timely released
9 and entitled to such under this provision shall be en-
10 titled to issuance of a writ under 28 U.S.C. § 2241
11 or 28 U.S.C. § 1361, to effectuate immediate re-
12 lease.

13 (4) CUMULATIVE SENTENCING RECONSIDER-
14 ATION.—In the case of a defendant who, before the
15 date of enactment of this Act, was convicted or sen-
16 tenced for any Federal offense involving marijuana,
17 marihuana, or tetrahydrocannabinols but is also
18 serving a sentence for any other crime not covered
19 by this Act, the sentencing court may, on motion of
20 the defendant, the Director of the Bureau of Pris-
21 ons, the attorney for the Government, or on its own
22 motion, impose a reduced sentence after considering
23 the factors set forth in section 3553(a) of title 18,
24 United States Code.

1 (5) CESSATION OF ALL MARIHUANA ADMINIS-
2 TRATIVE ACTIONS AND REPATRIATION OF PROP-
3 ERTY.—Notwithstanding any other provision of law,
4 the federal government shall not pursue, and shall
5 immediately desist any present administrative or en-
6 forcement action, or criminal or civil asset forfeiture
7 proceeding, against any U.S. person where the cause
8 of controversy is rooted in the illicit marihuana, as
9 defined in 21 U.S.C. § 802(16), or
10 tetrahydrocannabinols trade for non-violent acts hav-
11 ing occurred between the passage of the Marijuana
12 Tax Act of 1937 (Pub. L. 75–238, 50 Stat. 551)
13 and this Act, nor shall the proceeds of such trade or
14 acts be considered the proceeds of illegal drug trade
15 or any kind of criminal or illicit activity under sec-
16 tions 981, 1956 or 1957 of title 18, United States
17 Code, or any other provision of law, even if such ac-
18 tivity occurred before the date of enactment of this
19 Act.

20 (A) LIMITATION TO ONLY CANNABIS.—
21 This provision applies solely to persons who
22 traded exclusively in marijuana, marihuana as
23 defined in 21 U.S.C. § 802(16), or
24 tetrahydrocannabinols rather than other sub-

1 stances controlled under the Controlled Sub-
2 stances Act;

3 (B) SCOPE.—This provision applies to
4 each and every organ of the federal government.

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

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

15 (E) DUI EXCLUSION.—This provision does
16 not apply specifically to convictions or sentences
17 of an offense of operating a motor vehicle under
18 the influence of a drug or alcohol within the
19 meaning of Title 18 of the U.S. Code, section
20 13(b), an offense of operating or being in actual
21 physical control of a motor vehicle within the
22 meaning of Title 36, Section 4.23 of the Code
23 of Federal Regulations, or drunken or reckless
24 operation of vehicle, aircraft or vessel within the
25 meaning of article 111 of the Uniform Code of

1 Military Justice, Title 10 of the U.S. Code, sec-
2 tion 911.

3 (6) APPLICATION TO MILITARY LAW.—Notwith-
4 standing any other provision of law, the provisions
5 of this section (d) shall apply to proceedings involv-
6 ing military courts, tribunals, courts martial, and of-
7 fenses under the Uniform Code of Military Justice.

8 (A) Former servicemembers and veterans
9 that received other than honorable, bad con-
10 duct, or dishonorable discharges premised solely
11 on non-violent cannabis offenses covered under
12 this section (d) shall be entitled to petition and
13 receive from a service branch discharge review
14 board or the Board of Correction for Military
15 Records, as jurisdictionally appropriate, an up-
16 grade to a general discharge.

17 (e) EXPUNGEMENT OF NON-VIOLENT FEDERAL CAN-
18 NABIS OFFENSES.—Subsection (e) of 18 U.S.C. § 3607
19 is amended—

20 (1) by adding (1) before “If”; and

21 (2) by adding the following after “thereof”;

22 “(2) Not later than 1 year after the date of the
23 enactment of this Act, each Federal district shall
24 conduct a comprehensive review and issue an order
25 expunging, without financial commitment from the

1 offender, each conviction or adjudication for any
2 Federal offense involving marijuana, marihuana as
3 defined in 21 U.S.C. § 802(16), or
4 tetrahydrocannabinols, including related non-violent
5 marihuana offenses, entered by each Federal court
6 in the district before the date of enactment of this
7 Act. Each Federal court shall also issue an order
8 expunging any arrests associated with each ex-
9 punged conviction or adjudication. The expungement
10 order shall direct that there be expunged from all of-
11 ficial records all references to his or her arrest for
12 the offense, the institution of criminal proceedings
13 against him, and the results thereof.”.

14 (3) by adding (3) before “The.”.

15 **TITLE II—REGULATION OF**
16 **MARIJUANA LIKE ALCOHOL**

17 **SEC. 201. FOOD AND DRUG ADMINISTRATION.**

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

21 (b) This clause shall not be construed to limit the
22 Food and Drug Administration’s role in regulating des-
23 ignated state medical cannabis products, drugs or botan-
24 ical drugs containing cannabis or its derivatives, cannabis
25 cosmetics, or dietary supplements containing cannabis or

1 its derivatives under Part J of Subtitle V of title 21 of
2 the United States Code (The Designated State Medical
3 Cannabis Product Safety Act).

4 **SEC. 202. DEPARTMENT OF AGRICULTURE REGULATION OF**
5 **RAW CANNABIS LIKE BARLEY, HOPS, AND**
6 **GRAIN.**

7 (a) **USDA TO REGULATE RAW CANNABIS FARM-**
8 **ING.**—The United States Department of Agriculture shall
9 regulate the farming and production of raw cannabis, in-
10 cluding, but not limited to, the seeds, mature stalks, and
11 cultivation of raw cannabis as a traditional agricultural
12 commodity, such as grain, hops, and barley, and as a spe-
13 cialty crop.

14 (b) **RULEMAKING AUTHORITY.**—Not later than 90
15 days after the date of enactment of this Act, the Secretary
16 of Agriculture or his or her designee shall.—

17 (1) issue guidance and enter formal rulemaking
18 as necessary to carry out this Act and to bring raw
19 cannabis into line with the treatment of other tradi-
20 tional agricultural commodities, such as grain, hops,
21 and barley

22 (2) issue guidance dually-designating raw can-
23 nabis as a specialty crop in addition to an agricul-
24 tural commodity.

1 (3) without regard to the notice and comment
2 provisions of section 553 of title 5, United States
3 Code, the Secretary of Agriculture shall revise part
4 990 of title 7, Code of Federal Regulations, make
5 any conforming changes that are necessary as a re-
6 sult of this section and the amendments made by
7 this section.

8 (c) RAW CANNABIS DEFINED; NOT FINISHED CAN-
9 NABIS PRODUCTS.—Raw cannabis refers to marihuana
10 within the meaning of section 801(16) of the Controlled
11 Substances Act (21 U.S.C. 801 et seq.) including, but not
12 limited to, all parts of the plant *Cannabis sativa* L.,
13 whether growing or not; the seeds thereof, and the mature
14 stalks of the plant. Raw cannabis does not include finished
15 products meant for commercial sale as cannabis products
16 regulated under Title III of the Federal Alcohol Adminis-
17 tration Act or designated state medical cannabis products
18 regulated under Part J of the Food, Drug, and Cosmetic
19 Act, such as the resin extracted from any part of such
20 plant; and every compound, manufacture, salt, derivative,
21 mixture, or preparation of such plant or its resin (or in-
22 dustrial hemp).

23 (d) RIGHT OF ACTION.—An adversely-affected person
24 or business shall have private right of action under the
25 Administrative Procedure Act (5 U.S.C. 500 et seq.) and

1 the Mandamus Act (28 U.S.C. 1361) to compel the Sec-
2 retary or the designated officer, employee or agent of the
3 Department of Agriculture to promulgate regulations or
4 undertake and finalize rulemaking required under this Act
5 that are not promulgated or published within the time
6 frames set forth herein, or to act on applications for the
7 permits or licenses herein required, within the time frames
8 set forth herein, or to enjoin agency action. The exclusive
9 venue for bringing any such action shall be the District
10 Court for the District of Columbia. Upon demonstration
11 of undue delay or failure to adhere strictly to statutory
12 deadlines, or other violations of law and equity, equitable
13 relief in the form of a writ of mandamus compelling action
14 shall issue, among such other relief as the court may see
15 fit.

16 **SEC. 203. ADDITION OF RAW CANNABIS TO CERTAIN AU-**
17 **THORITIES RELATING TO AGRICULTURAL**
18 **PRODUCTION.**

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

22 **“Subtitle H—Raw Cannabis**
23 **Production**

24 **“SEC. 298A. DEFINITIONS.**

25 “(a) In this subtitle:

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

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

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

10 “(4) STATE.—The term ‘State’ means—

11 “(A) a State;

12 “(B) the District of Columbia;

13 “(C) the Commonwealth of Puerto Rico;

14 and

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

17 “(5) STATE DEPARTMENT OF AGRICULTURE.—

18 The term ‘State department of agriculture’ means
19 the agency, commission, or department of a State
20 government responsible for agriculture in the State.

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

24 **“SEC. 298B. STATE AND TRIBAL PLANS.**

25 “(a) SUBMISSION.—

1 “(1) IN GENERAL.—A State or Indian tribe de-
2 siring to have primary regulatory authority over the
3 production of the raw cannabis in the State or terri-
4 tory of the Indian tribe shall submit to the Sec-
5 retary, through the State department of agriculture
6 (in consultation with the Governor and chief law en-
7 forcement officer of the State) or the Tribal govern-
8 ment, as applicable, a plan under which the State or
9 Indian tribe monitors and regulates that production
10 as described in paragraph (2).

11 “(2) CONTENTS.—A State or Tribal plan re-
12 ferred to in paragraph (1)—

13 “(A) shall only be required to include—

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

20 “(ii) a procedure for the effective dis-
21 posal of products that are produced in vio-
22 lation of this subtitle; and

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

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

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

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

11 “(B) REFERENCES IN PLANS.—A State or
12 Tribal plan referred to in paragraph (1) may
13 include a reference to a law of the State or In-
14 dian tribe regulating the production of raw can-
15 nabis, to the extent that law is consistent with
16 this subtitle.

17 “(b) APPROVAL.—

18 “(1) IN GENERAL.—Not later than 60 days
19 after receipt of a State or Tribal plan under sub-
20 section (a), the Secretary shall—

21 “(A) approve the State or Tribal plan if
22 the State or Tribal plan complies with sub-
23 section (a); or

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

4 “(2) AMENDED PLANS.—If the Secretary dis-
5 approves a State or Tribal plan under paragraph
6 (1)(B), the State, through the State department of
7 agriculture (in consultation with the Governor and
8 chief law enforcement officer of the State) or the
9 Tribal government, as applicable, may submit to the
10 Secretary an amended State or Tribal plan that
11 complies with subsection (a).

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

16 “(d) VIOLATIONS.—

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

21 “(2) NEGLIGENT VIOLATIONS.—

22 “(A) IN GENERAL.—A raw cannabis pro-
23 ducer in a State or the territory of an Indian
24 tribe for which a State or Tribal plan is ap-
25 proved under subsection (b) shall be subject to

1 subparagraph (B) of this paragraph if the State
2 department of agriculture or Tribal govern-
3 ment, as applicable, determines that the raw
4 cannabis producer has negligently violated the
5 State or Tribal plan, including by negligently—

6 “(i) failing to provide a legal descrip-
7 tion of land on which the producer pro-
8 duces raw cannabis; or

9 “(ii) failing to obtain a license or
10 other required authorization from the
11 State department of agriculture or Tribal
12 government, as applicable.

13 “(B) CORRECTIVE ACTION PLAN.—A raw
14 cannabis producer described in subparagraph
15 (A) shall comply with a plan established by the
16 State department of agriculture or Tribal gov-
17 ernment, as applicable, to correct the negligent
18 violation, including—

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

22 “(ii) a requirement that the raw can-
23 nabis producer shall periodically report to
24 the State department of agriculture or
25 Tribal government, as applicable, on the

1 compliance of the raw cannabis producer
2 with the State or Tribal plan for a period
3 of not less than the next 2 calendar years.

4 “(C) RESULT OF NEGLIGENT VIOLA-
5 TION.—Except as provided in subparagraph
6 (D), a raw cannabis producer that negligently
7 violates a State or Tribal plan under subpara-
8 graph (A) shall not be subject to any criminal
9 or civil enforcement action by the Federal Gov-
10 ernment or any State government, Tribal gov-
11 ernment, or local government other than the en-
12 forcement action authorized under subpara-
13 graph (B).

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

20 “(3) OTHER VIOLATIONS.—If the State depart-
21 ment of agriculture or Tribal government in a State
22 or the territory of an Indian tribe for which a State
23 or Tribal plan is approved under subsection (b), as
24 applicable, determines that a raw cannabis producer
25 in the State or territory has violated the State or

1 Tribal plan with a culpable mental state greater
2 than negligence—

3 “(A) the State department of agriculture
4 or Tribal government, as applicable, shall im-
5 mediately report the raw cannabis producer
6 to—

7 “(i) the Secretary of Agriculture; and

8 “(ii) in the case of a State department
9 of agriculture, the chief agricultural official
10 of the State; and

11 “(B) paragraph (1) of this subsection shall
12 not apply to the violation.

13 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
14 are authorized to be appropriated such sums as are nec-
15 essary to carry out this section.

16 “(f) EFFECT.—Nothing in this section prohibits the
17 production of raw cannabis in a State or the territory of
18 an Indian tribe for which a State or Tribal plan is not
19 approved under this section in accordance with other Fed-
20 eral laws (including regulations).

21 **“SEC. 298C. DEPARTMENT OF AGRICULTURE PLAN.**

22 “(a) DEPARTMENT OF AGRICULTURE PLAN.—

23 “(1) IN GENERAL.—In the case of a State or
24 Indian tribe for which a State or Tribal plan is not
25 approved under section 298B, the production of raw

1 cannabis in that State or the territory of that Indian
2 tribe shall be subject to a plan established by the
3 Secretary to monitor and regulate that production in
4 accordance with paragraph (2).

5 “(2) CONTENT.—A plan established by the Sec-
6 retary under paragraph (1) shall include—

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

12 “(C) a procedure for the effective disposal
13 of—

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

17 “(ii) products derived from those
18 plants;

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

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

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

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

8 “(c) VIOLATIONS.—

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

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

22 **“SEC. 298D. AUTHORITY TO ISSUE REGULATIONS AND**
23 **GUIDELINES.**

24 “(a) The Secretary shall have sole authority to issue
25 Federal regulations and guidelines that relate to the pro-

1 duction of raw cannabis, including Federal regulations
2 and guidelines that relate to the implementation of section
3 298B.

4 “(b) No later than 90 days after enactment, the Sec-
5 retary of Agriculture shall propose regulations imple-
6 menting this Act.”.

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

25 (b) FUNDING FOR RAW CANNABIS RESEARCH.—

1 (1) SUPPLEMENTAL AND ALTERNATIVE
2 CROPS.—Section 1473D(c)(3)(E) of the National
3 Agricultural Research, Extension, and Teaching Pol-
4 icy Act of 1977 (7 U.S.C. 3319d(c)(3)(E)) is
5 amended by striking “(including hemp (as defined in
6 section 297A of the Agricultural Marketing Act of
7 1946))”; by inserting “(including hemp and raw
8 cannabis (as defined in sections 297A and 298A of
9 the Agricultural Marketing Act of 1946, respec-
10 tively))” after “material”.

11 (2) CRITICAL AGRICULTURAL MATERIALS.—
12 Section 5(b)(9) of the Critical Agricultural Materials
13 Act (7 U.S.C. 178c(b)(9)) is amended by striking
14 “(including hemp (as defined in section 297A of the
15 Agricultural Marketing Act of 1946))”; by inserting
16 “(including hemp and raw cannabis (as defined in
17 sections 297A and 298A of the Agricultural Mar-
18 keting Act of 1946, respectively))” after “hydro-car-
19 bon-containing plants”.

20 (c) LEGITIMACY OF RAW CANNABIS RESEARCH.—

21 (1) IN GENERAL.—Section 7606 of the Agricul-
22 tural Act of 2014 (7 U.S.C. 5940) is amended—

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

1 (B) by adding at the end the following:

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

3 “(1) IN GENERAL.—The Secretary shall con-
4 duct a study of agricultural pilot programs—

5 “(A) to determine the economic viability of
6 the domestic production and sale of raw can-
7 nabis; and

8 “(2) REPORT.—Not later than 120 days after
9 the date of enactment of this subsection, the Sec-
10 retary shall submit to Congress a report describing
11 the results of the study conducted under paragraph
12 (1).”.

13 (d) FEDERAL CROP INSURANCE.—

14 (1) DEFINITION OF RAW CANNABIS.—Section
15 502(b) of the Federal Crop Insurance Act (7 U.S.C.
16 1502(b)) is amended—

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

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

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

1 (2) INSURANCE PERIOD.—Section 508(a)(2) of
2 the Federal Crop Insurance Act (7 U.S.C.
3 1508(a)(2)) is amended by striking “sweet potatoes,
4 and hemp” and inserting “sweet potatoes, hemp,
5 and raw cannabis”.

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

9 (A) in paragraph (1)(B)—

10 (i) by adding at the end the following:

11 “(iii) WAIVER FOR RAW CANNABIS.—

12 The Corporation may waive the viability
13 and marketability requirement under
14 clause (i)(I) in the case of a policy or pilot
15 program relating to the production of raw
16 cannabis.”; and

17 (B) in paragraph (3)(C)—

18 (i) by adding at the end the following:

19 “(v) in the case of reviewing policies and other mate-
20 rials relating to the production of raw cannabis, may waive
21 the viability and marketability requirement under sub-
22 paragraph (A)(ii)(I).”.

23 (4) AGRICULTURAL COMMODITY.—Section 518
24 of the Federal Crop Insurance Act (7 U.S.C. 1518)

1 is amended by inserting “ raw cannabis,” before
2 “aquacultural species”.

3 (5) RESEARCH AND DEVELOPMENT AUTHOR-
4 ITY.—Section 522(b) of the Federal Crop Insurance
5 Act (7 U.S.C. 1522(b)) is amended—

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

8 “(L) WAIVER FOR RAW CANNABIS.—The
9 Board may waive the viability and marketability
10 requirements under this paragraph in the case
11 of research and development relating to a policy
12 to insure the production of raw cannabis.”; and

13 (B) in paragraph (3)—

14 (i) by adding at the end the following:

15 “(C) WAIVER FOR RAW CANNABIS.—The
16 Corporation may waive the marketability re-
17 quirement under subparagraph (A) in the case
18 of research and development relating to a policy
19 to insure the production of raw cannabis.”.

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

1 Marketing Act of 1946, respectively)” after “horticulture”
2 and before “and”.

3 **SEC. 204. ADMINISTRATION LIKE ALCOHOL UNDER TAX**
4 **AND TRADE BUREAU.**

5 (a) ADDITION OF CANNABIS TO CERTAIN LEGAL AU-
6 THORITIES RELATING TO INTOXICATING LIQUORS.—

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

10 (A) by inserting “, or cannabis,” after “in-
11 toxicating liquors or liquids”; and

12 (B) by striking “such liquids or liquors”
13 and inserting “such liquids, liquors, or can-
14 nabis”.

15 (2) WEBB-KENYON ACT.—The Act of March 1,
16 1913 (commonly known as the Webb-Kenyon Act;
17 27 U.S.C. 122), is amended—

18 (A) by inserting “cannabis or any” after
19 “what-soever, of any”; and

20 (B) by inserting “cannabis or” after
21 “which said”.

22 (C) by adding at the end of Section 122b
23 the following new subsection:

24 “(C) CANNABIS REGULATION.—The Sec-
25 retary of the Treasury, acting through the Alco-

1 hol and Tobacco Tax and Trade Bureau of the
2 Department of the Treasury shall have primary
3 authority regarding federal regulation of the
4 interstate and international trade in, and pro-
5 motion, sale, and distribution of, cannabis prod-
6 ucts.

7 “(1) The Secretary shall, not later than 6
8 months of the enactment of this Act, publish an in-
9 terim final rule in accordance with the Administra-
10 tive Procedures Act (5 U.S.C. § 500 et seq.) regard-
11 ing the promotion, sale, and distribution of cannabis
12 products. No later than 9 months after the enact-
13 ment of this Act, the Secretary shall finalize and
14 publish as a final rule, regulations regarding the
15 promotion, sale, and distribution of cannabis prod-
16 ucts.

17 “(2) The Secretary shall expeditiously develop
18 and implement a track-and-trace system for can-
19 nabis in interstate commerce.

20 “(3) Not later than 1 year after the date of en-
21 actment of this Act the Secretary shall publish an
22 interim final rule, and not later than 2 years after
23 such date of enactment the Secretary shall finalize,
24 regulations regarding the promotion, sale, and dis-
25 tribution of cannabis products that occur through

1 means other than a direct, face-to-face exchange be-
2 tween a retailer and a consumer, in order to prevent
3 the sale and distribution of cannabis products to in-
4 dividuals who have not attained the age of 21, in-
5 cluding requirements for age verification.

6 “(4) Rule of Construction. It is the intention of
7 Congress that this Act be read consistently with the
8 jurisprudence interpreting the Acts amended above
9 and not as superseding or changing prior construc-
10 tion of the Acts with respect to the laws of the
11 United States generally or the Article I Commerce
12 Clause.”.

13 (3) VICTIMS OF TRAFFICKING AND VIOLENCE
14 PROTECTION ACT OF 2000.—Section 2 of the Victims
15 of Trafficking and Violence Protection Act of 2000
16 (27 U.S.C. 122a) is amended—

17 (A) in subsection (a)—

18 (i) by redesignating paragraphs (3)
19 and (4) as paragraphs (4) and (5), respec-
20 tively; and

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

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

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

4 **SEC. 205. TRANSFERRING AGENCY FUNCTIONS WITH RE-**
5 **GARD TO MARIJUANA.**

6 (a) TRANSFER OF JURISDICTION FROM DRUG EN-
7 FORCEMENT ADMINISTRATION TO BUREAU OF ALCOHOL,
8 TOBACCO, FIREARMS AND EXPLOSIVES.—The functions
9 of the Attorney General, acting through the Administrator
10 of the Drug Enforcement Administration relating to can-
11 nabis enforcement, shall hereafter be administered by the
12 Attorney General, acting through the Director of the Bu-
13 reau of Alcohol, Tobacco, Firearms and Explosives.

14 (b) REDESIGNATION OF BUREAU OF ALCOHOL, TO-
15 BACCO, FIREARMS AND EXPLOSIVES AS BUREAU OF AL-
16 COHOL, TOBACCO, CANNABIS, FIREARMS AND EXPLO-
17 SIVES.—

18 (1) REDESIGNATION.—The Bureau of Alcohol,
19 Tobacco, Firearms and Explosives is hereby re-
20 named the “Bureau of Alcohol, Tobacco, Cannabis,
21 Firearms and Explosives”.

22 (2) REFERENCES.—Any reference to the Bu-
23 reau of Alcohol, Tobacco, Firearms and Explosives
24 in any law, regulation, map, document, record, or
25 other paper of the United States shall be deemed to

1 be a reference to the Bureau of Alcohol, Tobacco,
2 Cannabis, Firearms and Explosives.

3 (c) REDESIGNATION OF ALCOHOL AND TOBACCO
4 TAX AND TRADE BUREAU AS ALCOHOL, TOBACCO, AND
5 CANNABIS TAX AND TRADE BUREAU.—

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

11 (2) REFERENCES.—Any reference to the Tax
12 and Trade Bureau or the Alcohol and Tobacco Tax
13 and Trade Bureau in any law, regulation, map, doc-
14 ument, record, or other paper of the United States
15 shall be deemed to be a reference to the Alcohol, To-
16 bacco, and Cannabis Tax and Trade Bureau.

17 **SEC. 206. TRANSITION SAFE HARBOR AND ADMINISTRA-**
18 **TIVE REMEDIES.**

19 (a) SAFE HARBOR.—No person shall be deemed to
20 be in violation of this Act for engaging in interstate com-
21 merce in cannabis products or designated state medical
22 cannabis products, possessing cannabis products or des-
23 igned state medical cannabis products, producing or
24 manufacturing cannabis products or designated state med-
25 ical cannabis products, or farming raw cannabis, until

1 after the Secretary of the Treasury promulgates final reg-
2 ulations in accordance with this Act. Nothing in this sec-
3 tion shall be construed to impact in any respect obligations
4 of any person to comply with otherwise applicable can-
5 nabis laws of the State, Territory, or Possession of the
6 United States in which they are doing business before the
7 effective date of this Act.

8 (b) PRIVATE RIGHT OF ACTION.—Any state-licensed
9 cannabis business or adversely-affected person shall have
10 private right of action under the Administrative Procedure
11 Act (5 U.S.C. § 500 et seq.) and the Mandamus Act (28
12 U.S.C. § 1361) to compel any officer, employee or agency
13 of the United States to promulgate regulations required
14 under this Act that are not promulgated within the time
15 frames set forth herein or to enjoin agency action. The
16 exclusive venue for bringing any such action shall be the
17 District Court for the District of Columbia. Upon dem-
18 onstration of undue delay or failure to adhere strictly to
19 statutory deadlines, equitable relief in the form of a writ
20 of mandamus compelling action shall issue, among such
21 other relief as the court may see fit.

22 (c) the term “State” as used in this section 206 in-
23 cludes the District of Columbia, Puerto Rico, and any
24 commonwealth, territory, enclave, Indian tribe of the
25 United States.

1 **SEC. 207. UNFAIR ADVERTISING PRACTICES AND 21 AGE**
2 **LIMIT.**

3 (a) IN GENERAL.—It shall be unlawful for any per-
4 son engaged in the business of importing marijuana into
5 the United States, or cultivating, producing, manufac-
6 turing, packaging, or warehousing marijuana, or pur-
7 chasing marijuana for resale at wholesale, directly or indi-
8 rectly or through an affiliate, to publish or disseminate
9 or cause to be published or disseminated by radio broad-
10 cast, or in any newspaper, periodical or other publication
11 or by any sign or outdoor advertisement or any other
12 printed or graphic matter, any advertisement of mari-
13 juana, if such advertisement is in, or is calculated to in-
14 duce sales in, interstate or foreign commerce, or is dis-
15 seminated by mail, unless such advertisement is in con-
16 formity with such regulations, to be prescribed by the Sec-
17 retary of the Treasury, or the Secretary’s delegate (re-
18 ferred to in this section as the “Secretary”), as will—

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

25 (2) provide the consumer with adequate infor-
26 mation as to the identity and quality of the products

1 advertised, the characteristics thereof, and the per-
2 son responsible for the advertisement;

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

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

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

20 (c) PROTECT KIDS.—

21 (1) Not later than 60 days after the date of en-
22 actment of this Act, the Secretary of the Treasury
23 shall promulgate regulations that—

24 (A) require restrictions on the advertising
25 and promotion of products related to cannabis,

1 if the Secretary determines that such regulation
2 would be appropriate for the protection of the
3 public health, taking into account—

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

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

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

15 (E) impose restrictions on the advertising
16 and promotion of products related to cannabis
17 consistent with and to the full extent permitted
18 by the First Amendment to the Constitution of
19 the United States.

20 (d) NATIONAL MINIMUM CANNABIS USE AGE OF
21 21.—

22 (1) ESTABLISHMENT OF FEDERAL MINIMUM
23 CANNABIS AGE.—Chapter 1 of title 23 of the United
24 States Code, is amended by adding at the end the
25 following—

1 “(a) WITHHOLDING OF FUNDS FOR NONCOMPLI-
2 ANCE.—

3 “(1) IN GENERAL.—

4 “(A) The Secretary of Transportation shall
5 withhold 8 per centum of the amount required
6 to be apportioned to any State under each of
7 sections 104(b)(1), 104(b)(3), and
8 104(b)(4)?**[1]** of Title 23 of the United States
9 Code on the first day of each fiscal year after
10 the second fiscal year beginning after Sep-
11 tember 30, 2019, in which the purchase or pub-
12 lic possession in such State of cannabis by a
13 person who is less than twenty-one years of age
14 is lawful.

15 “(B) EFFECT OF WITHHOLDING OF
16 FUNDS.—No funds withheld under this section
17 from apportionment to any State after Sep-
18 tember 30, 2019, shall be available for appor-
19 tionment to that State.

20 “(C) CANNABIS DEFINED.—As used in this
21 section, the term ‘cannabis’ means the same as
22 ‘marihuana’ as defined in 21 U.S.C. § 802(16).

23 “(D) MEDICAL EXCEPTION.—The Sec-
24 retary shall not apply any withholding under
25 this section to States which lawfully permit the

1 use of designated state medical cannabis prod-
2 ucts, within the meaning of Part J of the Food
3 Drug and Cosmetics Act, by persons under the
4 age of 21 on the recommendation or prescrip-
5 tion of a qualified medical professional con-
6 sistent with state law.”.

7 **SEC. 208. FEDERAL CANNABIS ADMINISTRATION UNDER**
8 **THE FEDERAL ALCOHOL ACT.**

9 The Federal Alcohol Administration Act (27 U.S.C.
10 201 et seq.) is amended by adding at the end the fol-
11 lowing:

12 **“TITLE III—CANNABIS**

“Sec. 301. Unlawful business without cannabis permit.

“Sec. 302. Procedure for issuance of cannabis permit.

“Sec. 304. Definitions.

13 **“SEC. 301. UNLAWFUL BUSINESS WITHOUT CANNABIS PER-**
14 **MIT.**

15 “In order to regulate effectively interstate and for-
16 eign commerce in cannabis and to protect the revenue and
17 enforce the postal laws with respect to cannabis.—

18 “(a) IN GENERAL.—Notwithstanding section 205 of
19 the States Reform Act, every person, before commencing
20 commerce in cannabis, and at such other time as the Sec-
21 retary shall by regulation prescribe, shall make application
22 for the permit provided for in section 303. The application
23 shall be in such form as the Secretary shall prescribe and

1 shall set forth, truthfully and accurately, the information
2 called for on the form.

3 “(b) IMPORT.—It shall be unlawful, except pursuant
4 to a permit issued under this title by the Secretary of the
5 Treasury (hereinafter in this title referred to as the ‘Sec-
6 retary’)—

7 “(1) to engage in the business of importing
8 cannabis into the United States; or

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

13 “(c) MANUFACTURE AND SALE.—It shall be unlaw-
14 ful, except pursuant to a permit issued under this title
15 by the Secretary—

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

19 “(2) for any person so engaged to sell, offer or
20 deliver for sale, contract to sell, or ship, in interstate
21 or foreign commerce, directly or indirectly or
22 through an affiliate, cannabis so produced, manufac-
23 tured, packaged, or warehoused.

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

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

3 “(2) for any person so engaged to receive or to
4 sell, offer or deliver for sale, contract to sell, or ship,
5 in interstate or foreign commerce, directly or indi-
6 rectly or through an affiliate, cannabis so purchased.

7 “(e) REMEDIES FOR VIOLATIONS.—It shall be unlaw-
8 ful, except pursuant to a permit issued under this title
9 by the Secretary—

10 “(1) CIVIL FINE.—

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

13 “(B) SETTLEMENT IN COMPROMISE.—The
14 Secretary ay decide not to refer a violation of
15 this section to the Attorney General for pros-
16 ecution but instead to collect a payment from
17 the violator of no more than \$500 for that vio-
18 lation.

19 “(2) CIVIL ACTION FOR RELIEF.—The Attorney
20 General may, in a civil action, obtain appropriate re-
21 lief to prevent and restrain a violation of this title.

22 **“SEC. 302. PROCEDURE FOR ISSUANCE OF CANNABIS PER-**
23 **MIT.**

24 “(a) WHO ENTITLED TO PERMIT.—

1 “(1) GENERALLY.—The Secretary shall issue a
2 permit for operations requiring a permit under Sec-
3 tion 301, and the applicant shall be entitled to such,
4 unless the Secretary finds that—

5 “(A) the applicant (or if the applicant is a
6 corporation, any of its officers, directors, or
7 principal stockholders) has, prior to the date of
8 application, been convicted of a disqualifying of-
9 fense.

10 “(B) the applicant is, by reason of busi-
11 ness experience, financial standing, or trade
12 connections, not likely to commence operations
13 within a reasonable period or to maintain such
14 operations in conformity with Federal law; or

15 “(C) that the operations proposed to be
16 conducted by the applicant are in violation of
17 the law of the State in which they are to be
18 conducted.

19 “(D) has failed to disclose any material in-
20 formation required or made any material false
21 statement in the application therefor.

22 “(2) DISQUALIFYING OFFENSES.—For the pur-
23 poses of paragraph (1)—

24 “(A) GENERALLY.—except as provided for
25 in subparagraph (B), a disqualifying offense is

1 an offense related to the production, consump-
2 tion, or sale of marijuana that is—

3 “(i) a felony under Federal or State
4 law, if the conviction occurred not later
5 than 3 years before the date of application;
6 or

7 “(ii) a misdemeanor under Federal or
8 State law, if the conviction occurred not
9 later than 1 year before the application.

10 “(B) EXCLUDED OFFENSES.—A disquali-
11 fying offense does not include a Federal or
12 State offense based on conduct that—

13 “(i) was legal under state law in the
14 State when and where the conduct took
15 place; or

16 “(ii) is as of the date of the applica-
17 tion, no longer an offense in that state; or

18 “(iii) STATE SECOND CHANCES PRAC-
19 TICES SAFE HARBOR.—A state has exam-
20 ined, or is in the in the process of exam-
21 ining, for the issuance of a state license to
22 engage in cannabis commerce, the offense
23 or offenses in question, and has awarded
24 the applicant a state license to engage in
25 cannabis commerce.

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

3 “(A) GRANDFATHERING.—Any person li-
4 censed by a state cannabis regulatory authority
5 before the passage of this Act to produce, ware-
6 house, distribute or otherwise transport can-
7 nabis products, and in good standing with that
8 regulatory authority, shall be issued necessary
9 federal permits, licenses, or the like to engage
10 in federally-regulated commerce upon applica-
11 tion for the same to the Alcohol and Tobacco
12 Tax and Trade Bureau of the Department of
13 the Treasury.

14 “(B) PROSPECTIVE FEDERAL-STATE PER-
15 MIT COMITY.—Any person licensed by a state
16 cannabis regulatory authority after the passage
17 of this Act to produce, warehouse, distribute or
18 otherwise transport cannabis products, and in
19 good standing with that regulatory authority
20 shall be issued necessary federal permits to en-
21 gage in federally-regulated commerce upon ap-
22 plication for the same.

23 “(C) RULE OF CONSTRUCTION.—Nothing
24 in this Act, or the lawful exercise of rights or
25 privileges granted herein, shall be construed to

1 infringe upon or prejudice the ability of a state-
2 licensed cannabis business to apply for a permit
3 to engage in interstate or foreign commerce.

4 “(b) REFUSAL OF PERMIT; HEARING.—If upon ex-
5 amination of any application for a permit the Secretary
6 has reason to believe that the applicant is not entitled to
7 such permit, the Secretary shall so notify the applicant
8 and, upon request by the applicant, afford the applicant
9 due notice and opportunity for hearing on the application
10 within the meaning of the Administrative Procedure Act
11 (5 U.S.C. 500 et seq.). If the Secretary, after affording
12 such notice and opportunity for hearing, still finds that
13 the applicant is not entitled to a permit hereunder, the
14 Secretary shall by order deny the application stating the
15 findings which are the basis for the order. The provisions
16 of 27 C.F.R. Part 200— Rules of Practice in Permit Pro-
17 ceedings, as amended from time to time, shall be applica-
18 ble to the jurisdiction, powers, and duties of the Secretary
19 of the Treasury under this section.

20 “(c) FORM OF APPLICATION.—

21 “(1) GENERALLY.—The Secretary shall—

22 “(A) prescribe within 60 days of the effec-
23 tive date of this Act, and consistent with the
24 Paperwork Reduction Act, the manner and
25 form of all applications for permits under this

1 title (including the facts to be set forth there-
2 in);

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

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

7 “(2) SEPARATE TYPES OF APPLICATIONS AND
8 PERMITS.—To the extent deemed necessary by the
9 Secretary for the efficient administration of this
10 title, the Secretary may require separate applications
11 and permits with respect to the various classes of
12 cannabis, and with respect to the various classes of
13 persons entitled to permits under this title.

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

17 “(d) CONDITIONS.—A permit under this title shall be
18 conditioned upon—

19 “(1) COMPLIANCE.—compliance with all appli-
20 cable Federal laws relating to production, sale and
21 consumption of cannabis, as well as compliance with
22 all applicable State laws relating to said activities in
23 the State in which the permit applicant resides and
24 does business; and

1 “(2) USER FEE.—payment to the Secretary of
2 a reasonable permit fee in an amount determined by
3 the Secretary to be sufficient collectively over time
4 to offset the cost of implementing and overseeing all
5 aspects of cannabis regulation by the Federal Gov-
6 ernment. For the first 3 years following promulga-
7 tion of regulations by the Secretary under section
8 204 of the States Reform Act, in order to ensure
9 small business access, such fee may not exceed
10 \$10,000 per permit.

11 “(A) SBA FEE WAIVER.—The Secretary
12 shall waive the user for an applicant that is a
13 small business or a socially and economically
14 disadvantaged business is a business within the
15 meaning of the Small Business Act of 1953 (15
16 U.S.C. ch. 14A.), as interpreted by the Admin-
17 istrator of the Small Business Administration.

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

20 “(1) GENERALLY.—After due notice and oppor-
21 tunity for hearing consistent with the Administrative
22 Procedure Act (5 U.S.C. § 500 et seq.), the Sec-
23 retary may order a permit under this title—

24 “(A) revoked or suspended for such period
25 as the Secretary deems appropriate, if the Sec-

1 retary finds that the permittee has willfully vio-
2 lated any of the conditions of the permit, but
3 for a first violation of the conditions the permit
4 shall be subject to suspension only;

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

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

13 “(2) ORDER TO STATE BASIS FOR ORDER.—
14 The order shall state the findings which are the
15 basis for the order.

16 “(f) SERVICE OF ORDERS.—Each order of the Sec-
17 retary with respect to any denial of application, suspen-
18 sion, revocation, annulment, or other proceedings, shall be
19 served—

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

24 “(2) by mailing the order by registered mail,
25 addressed to the applicant or respondent at his or

1 her last known address in the records of the Sec-
2 retary.

3 “(g) PROCEEDINGS.—The provisions of 27 C.F.R.
4 Part 200— Rules of Practice in Permit Proceedings, as
5 amended from time to time, shall be applicable to the ju-
6 risdiction, powers, and duties of the Secretary of the
7 Treasury under this section.

8 “(h) DURATION.—

9 “(1) GENERAL RULE.—Except as otherwise
10 provided in this subsection, a permit issued under
11 this title shall continue in effect until suspended, re-
12 voked, or annulled as provided in this title, or volun-
13 tarily surrendered.

14 “(2) EFFECT OF TRANSFER.—If operations
15 under a permit issued under this title are trans-
16 ferred, the permit automatically terminates 30 days
17 after the date of that transfer, unless an application
18 is made by the transferee before the end of that pe-
19 riod for a permit under this title for those oper-
20 ations. If such an application is made, the out-
21 standing permit shall continue in effect until such
22 application is finally acted on by the Secretary.

23 “(3) DEFINITION OF TRANSFER.—For the pur-
24 poses of this section, the term ‘transfer’ means any

1 change of ownership or control, whether voluntary or
2 by operation of law.

3 “(i) APPEAL AND JUDICIAL REVIEW.—

4 “(1) IN GENERAL.—An appeal may be taken by
5 the permittee or applicant for a permit from any
6 order of the Secretary of the Treasury denying an
7 application for, or suspending, revoking, or annul-
8 ling, a basic permit. Such appeal shall be taken by
9 filing, in the court of appeals of the United States
10 within any circuit wherein such person resides or
11 has his or her principal place of business, or in the
12 United States Court of Appeals for the District of
13 Columbia, within sixty days after the entry of such
14 order, a written petition praying that the order of
15 the Secretary be modified or set aside in whole or
16 in part. A copy of such petition shall be forthwith
17 transmitted by the clerk of the court to the Sec-
18 retary, or any officer designated by the Secretary for
19 that purpose, and thereupon the Secretary shall file
20 in the court the record upon which the order com-
21 plained of was entered, as provided in section 2112
22 of title 28. Upon the filing of such petition such
23 court shall have exclusive jurisdiction to affirm,
24 modify, or set aside such order, in whole or in part.
25 No objection to the order of the Secretary shall be

1 considered by the court unless such objection shall
2 have been urged before the Secretary or unless there
3 were reasonable grounds for failure so to do. The
4 finding of the Secretary as to the facts, if supported
5 by substantial evidence, shall be conclusive. If any
6 party shall apply to the court for leave to adduce ad-
7 ditional evidence, and shall show to the satisfaction
8 of the court that such additional evidence is material
9 and that there were reasonable grounds for failure
10 to adduce such evidence in the proceeding before the
11 Secretary, the court may order such additional evi-
12 dence to be taken before the Secretary and to be ad-
13 duced upon the hearing in such manner and upon
14 such terms and conditions as to the court may seem
15 proper. The Secretary may modify his or her find-
16 ings as to the facts by reason of the additional evi-
17 dence so taken, and he or she shall file with the
18 court such modified or new findings, which, if sup-
19 ported by substantial evidence, shall be conclusive,
20 and his or her recommendation, if any, for the modi-
21 fication or setting aside of the original order. The
22 judgment and decree of the court affirming, modi-
23 fying, or setting aside, in whole or in part, any such
24 order of the Secretary shall be final, subject to re-
25 view by the Supreme Court of the United States

1 upon certiorari or certification as provided in section
2 1254 of title 28. The commencement of proceedings
3 under this subsection shall, unless specifically or-
4 dered by the court to the contrary, operate as a stay
5 of the Secretary's order. These proceedings shall be
6 subject to the requirements of the Administrative
7 Procedure Act (5 U.S.C. 500 et seq.). Should the
8 permittee substantially prevail, such permittee shall be
9 entitled to attorneys' fees and costs associated with
10 compelling a decision under this Section.

11 “(2) ADDITIONAL APPLICANT MANDAMUS REM-
12 EDY.—Should the Secretary fail to make a permit
13 application decision within ninety days of submission
14 of a completed application, an applicant shall have
15 the right to compel a decision and issuance of a per-
16 mit pursuant to 28 U.S.C. § 1361 in any United
17 States District Court where the applicant resides or
18 does business or in the United States District Court
19 for the District of Columbia. Should the applicant
20 substantially prevail, such applicant shall be entitled
21 to attorneys' fees and costs associated with compel-
22 ling a decision under this Section. Such mandamus
23 remedy shall be in addition to any other remedies
24 available to applicants under the Administrative Pro-
25 cedures Act.

1 “(j) STATUTE OF LIMITATIONS.—

2 “(1) IN GENERAL.—No proceeding for the sus-
3 pension or revocation of a permit for violation of any
4 condition thereof relating to compliance with Federal
5 law shall be instituted by the Secretary more than
6 18 months after conviction of the violation of Fed-
7 eral law, or, if no conviction has been had, more
8 than 3 years after the violation occurred.

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

14 “(k) PERMIT APPLICATION.—

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

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

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

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

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

1 “(6) DEADLINE.—Within 90 days of receipt of
2 an application, the Secretary or his or her delegate
3 must notify the applicant whether the application
4 has been approved or denied. This 90 day period
5 may be extended once, by an additional 90 days, if
6 the Secretary or his or her designee finds that un-
7 usual circumstances require additional time to con-
8 sider the issues presented by an application. If the
9 Secretary or the appropriate designee extends the
10 period, he or she must notify the applicant by letter,
11 along with a brief explanation of the unusual cir-
12 cumstances causing the time period for consideration
13 of the application to be extended. If the applicant re-
14 ceives no decision from the Secretary or his or her
15 designee within the time periods set forth in this
16 paragraph, the applicant may file a mandamus ac-
17 tion as provided for in this section.

18 **“SEC. 304. DEFINITIONS.**

19 “In this title—

20 “(1) the term ‘marijuana’ or ‘cannabis’ has the
21 same meaning given the term ‘marihuana’ in Section
22 102 of the Controlled Substances Act (21 U.S.C.
23 121); and

24 “(2) the term ‘State’ includes the District of
25 Columbia, Puerto Rico, and any commonwealth, ter-

1 ritory, enclave, Indian tribe, or possession of the
2 United States.”.

3 **TITLE III— DESIGNATED STATE**
4 **MEDICAL CANNABIS PROD-**
5 **UCT SAFETY ACT**

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

8 Subtitle V of title 21 of the United States Code (The
9 Food, Drug, and Cosmetic Act) is amended by adding at
10 the end the following new Part:

11 **“PART J—DESIGNATED STATE MEDICAL**
12 **CANNABIS PRODUCTS**

“Sec. 360ggg. Definitions.

“Sec. 360ggg-1. Regulation of medical cannabis products.

“Sec. 360ggg-2. Cannabis-infused foods, beverages, and supplements.

“Sec. 360ggg-3. Cannabis cosmetics.

“Sec. 360ggg-4. Liability and method of payment.

“Sec. 360ggg-5. Private right of action and administrative remedy.

13 **“SEC. 360ggg. DEFINITIONS.**

14 “(a) In this part:

15 “(1) The term ‘designated state medical can-
16 nabis product’ means an article that—

17 “(A) is produced by a state and federally-
18 licensed or permitted medical cannabis business,
19 pursuant to a state medical cannabis program
20 and contains ‘marihuana,’ as defined in section
21 102(16) of the Controlled Substances Act.

1 “(B) Any other article that contains either
2 ‘marihuana,’ as defined in section 102 of the
3 Controlled Substances Act, 21 U.S.C. § 802,
4 deemed appropriate by the Secretary, after tak-
5 ing into account any investigational new drug
6 application or investigational new animal drug
7 application for the same medical cannabis prod-
8 uct submitted in accordance with regulations
9 applicable to such applications in title 21 of the
10 Code of Federal Regulations, unless any period
11 of exclusivity for a new drug under section
12 355(c)(3)(E)(ii) of this title or section
13 355(j)(5)(F)(ii) of this title, or the extension of
14 any such period under section 355a of this title,
15 or any period of exclusivity for a new animal
16 drug under section 360b(c)(2)(F) of this title,
17 applicable to such medical cannabis product has
18 not expired.

19 “(C) any article that contains either ‘mari-
20 huana,’ as defined in section 102(16) of the
21 Controlled Substances Act, 21 U.S.C. §
22 802(16) that also meets the standards set forth
23 in an official compendium.

24 “(D) does not mean articles or cannabis
25 products produced and intended for nonmedical

1 use, such as those regulated under Title III of
2 the Federal Alcohol Administration Act (27
3 U.S.C. 201 et seq.).

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

8 **“SEC. 360ggg-1. REGULATION OF MEDICAL CANNABIS PROD-**
9 **UCTS.**

10 “(a) **MEDICAL CANNABIS REGULATION AND AU-**
11 **THORITY.**—The Food and Drug Administration shall have
12 jurisdiction over the regulation of designated state medical
13 cannabis products described herein.

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

16 “(1) **SUBMISSION.**—Beginning 30 days after
17 the effective date of this act, any person who seeks
18 to initially introduce or deliver for introduction a
19 designated state medical cannabis product into inter-
20 state commerce may file with the Secretary a re-
21 quest for certification as a designated state medical
22 cannabis product. Any such request shall contain the
23 following information:

24 “(A) A description of the designated state
25 medical cannabis product.

1 “(B) The name and address of the spon-
2 sor.

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

7 “(D) Any other information deemed appro-
8 priate by the Secretary to determine whether
9 the designated state medical cannabis product
10 is in fact a designated state medical cannabis
11 product.

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

16 “(A) the designated state medical cannabis
17 product subject to the certification is not in fact
18 a designated state medical cannabis product.

19 “(B) the request does not contain the in-
20 formation required under paragraph (1) or oth-
21 erwise lacks sufficient information to permit the
22 Secretary to determine that the designated
23 state medical cannabis product is in fact a des-
24 ignated state medical cannabis product; or

1 “(C) denying the request is necessary to
2 protect the public health.

3 “(3) EFFECT OF CERTIFICATION.—

4 “(A) IN GENERAL.—

5 “(i) APPROVED USES.—A designated
6 state medical cannabis product for which a
7 certification is granted under paragraph
8 (2) is deemed, alone or in combination, as
9 medically appropriate, with another des-
10 ignated state medical cannabis product or
11 products for which a certification or certifi-
12 cations have been granted, to be sold in
13 interstate commerce as a non-drug des-
14 ignated state medical cannabis product, for
15 the following indications for use:

16 “(I) the treatment of arthritis.

17 “(II) the treatment of chemo-
18 therapy-induced and non-chemo-
19 therapy-induced nausea and vomiting

20 “(III) the stimulation of appetite

21 “(IV) the treatment of the symp-
22 toms of patients with HIV/AIDS or
23 for anorexia associated with AIDS

24 “(V) the treatment of temporary
25 or chronic pain and analgesia.

1 “(VI) the treatment of muscle
2 spasms

3 “(VII) the treatment of insomnia
4 and restlessness

5 “(VIII) The treatment of post-
6 traumatic stress disorder

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

9 “(X) Any other indication for use
10 consistent with state medical cannabis
11 law and medical cannabis labeling
12 practice in the state in which the
13 product is to be sold to the end con-
14 sumer

15 “(XI) Any other indication for
16 use for a designated state medical
17 cannabis product or combination of
18 designated state medical cannabis
19 products deemed appropriate by the
20 Secretary, unless any period of exclu-
21 sivity for a new drug under clause (iii)
22 or (iv) of section 355(c)(3)(E) of this
23 title, clause (iii) or (iv) of section
24 355(j)(5)(F) of this title, or section
25 360cc of this title, or the extension of

1 any such period under section 355a of
2 this title, applicable to such indication
3 for use for such medical cannabis
4 product or combination of products
5 has not expired.

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

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

14 “(II) a warning statement con-
15 cerning the use of the medical cannabis
16 products as determined by the Sec-
17 retary by regulation; and

18 “(III) appropriate directions and
19 warnings concerning storage and han-
20 dling.

21 “(B) INAPPLICABILITY OF EXCLUSIVITY
22 PROVISIONS.—

23 “(i) No exclusivity for a certified med-
24 ical cannabis product. No designated state
25 medical cannabis product deemed under

1 subparagraph (A)(i) to have in effect an
2 approved application is eligible for any pe-
3 riod of exclusivity for a new drug under
4 section 355(c), 355(j), or 360cc of this
5 title, or the extension of any such period
6 under section 355a of this title, on the
7 basis of such deemed approval.

8 “(ii) EFFECT ON CERTIFICATION.—
9 No period of exclusivity under section
10 355(c), 355(j), or section 360cc of this
11 title, or the extension of any such period
12 under section 355a of this title, with re-
13 spect to an application for a drug product,
14 shall prohibit, limit, or otherwise affect the
15 submission, grant, or effect of a certifi-
16 cation under this section, except as pro-
17 vided in subsection (a)(3)(A)(i)(VIII) and
18 section 360ddd(1)(H) of this title.

19 “(4) WITHDRAWAL, SUSPENSION, OR REVOCA-
20 TION OF APPROVAL.—

21 “(A) WITHDRAWAL, SUSPENSION OF AP-
22 PROVAL.—Nothing in this part limits the Sec-
23 retary’s authority to withdraw or suspend ap-
24 proval of a drug product, including a designated
25 state medical cannabis product deemed under

1 this section to have in effect an approved appli-
2 cation under section 355 of this title or section
3 360b of this title.

4 “(B) REVOCATION OF CERTIFICATION.—
5 The Secretary may revoke the grant of a certifi-
6 cation under paragraph (2) if the Secretary de-
7 termines that the request for certification con-
8 tains any material omission or falsification.

9 “(5) PRESCRIPTION OR RECOMMENDATION RE-
10 QUIREMENT FOR DESIGNATED STATES MEDICAL
11 CANNABIS PRODUCTS.—

12 “(A) IN GENERAL.—A designated state
13 medical cannabis product is not approved for
14 use without a prescription by a qualified med-
15 ical professional or a recommendation by a
16 qualified medical professional as defined by the
17 law of the state in which the qualified medical
18 professional is providing said prescription or
19 recommendation.

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

1 “(6) NO DRUG PRECLUSION.—Notwithstanding
2 any other law, 21 U.S.C. § 331(ll), the ‘drug pre-
3 clusion’ rule, shall not apply to ‘marihuana,’ as de-
4 fined in 21 U.S.C. § 802(16). Notwithstanding any
5 other federal law or provision of the Food, Drug,
6 and Cosmetics Act, the Food and Drug Administra-
7 tion shall treat cannabis without respect to the doc-
8 trine of drug preclusion. Nothing in this provision is
9 meant to diminish or otherwise affect the ability of
10 the Food and Drug Administration to regulate drug
11 products (as defined in 21 U.S.C. § 321(g)), includ-
12 ing those containing ‘marihuana,’ (as defined in 21
13 U.S.C. § 802(16)) that are intended and marketed
14 for use as a ‘drug’ rather than a “designated state
15 medical cannabis product.

16 “(7) TIMELINE FOR RULEMAKING TO EFFEC-
17 TUATE PROVISION.—Within 30 days of the passage
18 of this Act, the Food and Drug Administration shall
19 promulgate an interim final rule and undertake rule-
20 making under the Administrative Procedure Act (5
21 U.S.C. § 500 et seq.) for the purposes of effec-
22 tuating this provision, including any forms that may
23 be required for application for certification. Such
24 final rule shall be promulgated within 90 days of the
25 publication of the interim final rule.

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

3 “(a) NO SUPPLEMENT/ADDITIVE PRECLUSION.—
4 Notwithstanding any other law, 21 U.S.C. § 321(s)(6),
5 shall not apply to ‘marihuana,’ as defined in 21 U.S.C.
6 § 802(16) nor to ‘industrial hemp’ as defined in 7 U.S.C.
7 § 5490(a)(2). Notwithstanding any other federal law or
8 provision of the Food, Drug, and Cosmetics Act, the Food
9 and Drug Administration shall treat cannabis without re-
10 spect to the doctrine of dietary supplement and food addi-
11 tive preclusion.

12 “(b) CANNABIS-INFUSED DIETARY SUPPLEMENTS;
13 CLASSIFICATION AS OLD DIETARY INGREDIENT.—Not-
14 withstanding any other law, ‘marihuana,’ as defined in 21
15 U.S.C. § 802(16) and ‘industrial hemp’ as defined in 7
16 U.S.C. § 5490(a)(2), shall be deemed to have been mar-
17 keted in the United States as a dietary ingredient before
18 October 15, 1994 for the purposes of 21 U.S.C. §§
19 350b(a), 350b(d).

20 “(1) Within 30 days of the passage of this Act,
21 the Food and Drug Administration shall promulgate
22 an interim final rule and undertake rulemaking
23 under the Administrative Procedure Act (5 U.S.C. §
24 500 et seq.) for the purposes of establishing a stand-
25 ard serving size and further clarifying intended con-
26 ditions of use of whole-plant cannabis extracts and

1 individual cannabinoid extracts used as dietary sup-
2 plements

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

6 “(c) CANNABIS-INFUSED FOODS AND BEVERAGES;
7 CLASSIFICATION AS GENERALLY SAFE THROUGH COM-
8 MON EXPERIENCE.—Notwithstanding any other law,
9 ‘marihuana,’ as defined in 21 U.S.C. § 802(16) or ‘indus-
10 trial hemp’ as defined in 7 U.S.C. § 5490(a)(2), shall be
11 deemed to be generally recognized as safe through experi-
12 ence based on common use in food prior to January 1,
13 1958, for the purposes of 21 U.S.C. § 321(s) and 21
14 C.F.R. § 170.30(a). Cannabis-Infused foods and bev-
15 erages, unless a designated state medical cannabis prod-
16 uct, shall be considered as regulated under Title III of
17 the Federal Alcohol Administration Act, (27 U.S.C. 201
18 et seq.).

19 “(1) Within 30 days of the passage of this Act,
20 the Food and Drug Administration shall promulgate
21 an interim final rule and undertake rulemaking
22 under the Administrative Procedure Act (5 U.S.C. §
23 500 et seq.) for the purposes of establishing a stand-
24 ard serving size and further clarifying conditions of
25 intended use of whole-plant cannabis extracts and

1 individual cannabinoid extracts used as food addi-
2 tives.

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

6 **“SEC. 360ggg-3. CANNABIS COSMETICS.**

7 “(a) CANNABIS ALLOWED IN COSMETICS, ‘SAFE’.—
8 The use of ‘marihuana,’ as defined in 21 U.S.C. § 802(16)
9 and ‘industrial hemp’ as defined in 7 U.S.C. § 5490(a)(2),
10 alone in cosmetic products shall not cause a cosmetic to
11 be adulterated within the meaning of 21 U.S.C. § 361(a)–
12 (e) provided that it is properly labeled and branded within
13 the meaning of Title 21, Chapter 6 of the U.S. Code gen-
14 erally.

15 “(1) Within 30 days of the passage of this Act,
16 the Food and Drug Administration shall promulgate
17 an interim final rule and undertake rulemaking
18 under the Administrative Procedure Act (5 U.S.C. §
19 500 et seq.) to effectuate this provision.

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

23 “(b) RULE OF CONSTRUCTION.—Notwithstanding
24 section 360ggg–3(a) of this title, any cosmetic containing
25 ‘marihuana,’ as defined in 21 U.S.C. § 802(16) and ‘in-

1 dustrial hemp’ as defined in 7 U.S.C. § 5490(a)(2), in-
2 cluding any extract thereof, where the cannabis component
3 actually renders it a poisonous or deleterious substance,
4 injurious to users under the conditions of use prescribed
5 in the labeling thereof, or under such conditions of use
6 as are customary or usual, may be considered adulterated
7 within the meaning of 21 U.S.C. § 361 and/or misbranded
8 under 21 U.S.C. § 362.

9 **“SEC. 360ggg-4. LIABILITY AND METHOD OF PAYMENT.**

10 “(a) A designated state medical cannabis product,
11 alone or in combination with another designated state
12 medical cannabis product or products (as medically appro-
13 priate) deemed under section 360ggg-1 of this title to
14 have in effect an approved application shall not be as-
15 sessed fees under section 379h(a) or 379j-12(a) of this
16 title on the basis of such deemed approval.

17 **“SEC. 360ggg-5. PRIVATE RIGHT OF ACTION AND ADMINIS-**
18 **TRATIVE REMEDY.**

19 “(a) RIGHT OF ACTION.—An adversely-affected per-
20 son or business shall have private right of action under
21 the Administrative Procedure Act (5 U.S.C. 500 et seq.)
22 and the Mandamus Act (28 U.S.C. 1361) to compel the
23 Administrator or any other any officer, employee or agent
24 of the Food And Drug Administration to promulgate regu-
25 lations or undertake and finalize rulemaking required

1 under this Act that are not promulgated or published
2 within the time frames set forth herein, or to provide the
3 certification of designated state medical cannabis products
4 within the time frames set forth herein, or to enjoin agen-
5 cy action. The exclusive venue for bringing any such action
6 shall be the District Court for the District of Columbia.
7 Upon demonstration of undue delay or failure to adhere
8 strictly to statutory deadlines, or other violations of law
9 and equity, equitable relief in the form of a writ of man-
10 damus compelling action shall issue, among such other re-
11 lief as the court may see fit.”

12 **TITLE IV—SMALL BUSINESS**
13 **ADMINISTRATION PROVISIONS**

14 **SEC. 401. FAIR SMALL BUSINESS ADMINISTRATION ACCESS.**

15 Section 7(a) of the Small Business Act (15 U.S.C.
16 636(a)) is amended by adding at the end the following
17 new paragraph:

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

20 “(A) IN GENERAL.—The Administrator
21 may not decline to provide a guarantee for a
22 loan under this subsection to an otherwise eligi-
23 ble small business concern solely because such
24 concern is a cannabis-related legitimate busi-
25 ness or service provider.

1 “(B) DEFINITIONS.—In this paragraph:

2 “(i) CANNABIS.—The term ‘cannabis’
3 has the meaning given the term ‘mari-
4 huana’ in section 102 of the Controlled
5 Substances Act.

6 “(ii) CANNABIS PRODUCT.—The term
7 ‘cannabis product’ means any article which
8 contains cannabis, including an article
9 which is a designated state medical can-
10 nabis product withing the meaning of Part
11 J of the Federal Food, Drug, and Cos-
12 metics Act.

13 “(iii) CANNABIS-RELATED LEGITI-
14 MATE BUSINESS.—The term ‘cannabis-re-
15 lated legitimate business’ means a can-
16 nabis farmer, cannabis producer, or any
17 person or company that is a small business
18 concern and that—

19 “(I) engages in any activity de-
20 scribed in subclause (II) pursuant to
21 a law established by a State or a po-
22 litical subdivision of a State, as deter-
23 mined by such State or political sub-
24 division; and

1 “(II) participates in any business
2 or organized activity that involves
3 handling cannabis or cannabis prod-
4 ucts, including cultivating, producing,
5 manufacturing, selling, transporting,
6 displaying, dispensing, retailing,
7 wholesaling, distributing, or pur-
8 chasing cannabis or cannabis prod-
9 ucts.

10 “(iv) CANNABIS PRODUCER.—The
11 term ‘cannabis producer’ means a person
12 who manufactures, compounds, converts,
13 processes, prepares, or packages cannabis
14 or cannabis products.

15 “(v) CANNABIS FARMER.—The term
16 ‘cannabis farmer’ means a person who
17 plants, cultivates, harvests, or in any way
18 facilitates the natural growth of cannabis.

19 “(vi) SERVICE PROVIDER.—The term
20 ‘service provider’—

21 “(I) means a business, organiza-
22 tion, or other person that—

23 “(aa) sells goods or services
24 to a cannabis-related legitimate
25 business; or

1 “(bb) provides any business
2 services, including the sale or
3 lease of real or any other prop-
4 erty, legal or other licensed serv-
5 ices, or any other ancillary serv-
6 ice, relating to cannabis; and

7 “(II) does not include a business,
8 organization, or other person that
9 participates in any business or orga-
10 nized activity that involves handling
11 cannabis or cannabis products, includ-
12 ing cultivating, producing, manufac-
13 turing, selling, transporting, dis-
14 playing, dispensing, retailing, whole-
15 saling, distributing, or purchasing
16 cannabis or cannabis products.

17 “(vii) STATE.—The term ‘State’
18 means each of the several States, the Dis-
19 trict of Columbia, Puerto Rico, and any
20 territory or possession of the United
21 States.”.

22 **SEC. 402. DISASTER LOAN NONDISCRIMINATION.**

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

1 “(16) ASSISTANCE TO CANNABIS-RELATED LE-
2 GITIMATE BUSINESSES AND SERVICE PROVIDERS.—
3 The Administrator may not decline to provide assist-
4 ance under this subsection to an otherwise eligible
5 borrower solely because such borrower is a cannabis-
6 related legitimate business or service provider (as
7 defined in subsection (a)(36)).”.

8 **SEC. 403. MICROLOAN NONDISCRIMINATION.**

9 Section 7(m) of the Small Business Act (15 U.S.C.
10 636(m)(13)) is amended by adding at the end the fol-
11 lowing new paragraph:

12 “(14) ASSISTANCE TO CANNABIS-RELATED LE-
13 GITIMATE BUSINESSES AND SERVICE PROVIDERS.—
14 An eligible intermediary may not decline to provide
15 assistance under this subsection to an otherwise eli-
16 gible borrower solely because such borrower is a can-
17 nabis-related legitimate business or service provider
18 (as defined in subsection (a)(36)).”.

19 **SEC. 404. SMALL BUSINESS INVESTMENT COMPANY DEBEN-
20 TURE NONDISCRIMINATION.**

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

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

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

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

16 **SEC. 405. STATE OR LOCAL DEVELOPMENT LOAN NON-DIS-**
17 **CRIMINATION.**

18 Title V of the Small Business Investment Act of 1958
19 (15 U.S.C. 695 et seq.) is amended by adding at the end
20 the following new section:

21 **“SEC. 511. LOANS TO CANNABIS-RELATED LEGITIMATE**
22 **BUSINESSES AND SERVICE PROVIDERS.**

23 “The Administrator may not decline to provide a
24 guarantee for a loan under this title to an otherwise eligi-
25 ble State or local development company solely because
26 such State or local development company provides financ-

1 ing to an entity that is a cannabis-related legitimate busi-
2 ness or service provider (as defined in section 7(a)(36) of
3 the Small Business Act).”.

4 **SEC. 406. RULEMAKING AND DISBURSEMENT.**

5 Not later than 30 days after the date of the enact-
6 ment of this Act, the Administrator of the Small Business
7 Administration shall issue or amend any rules or interim
8 final rules, standard operating procedures, other legal or
9 policy guidance necessary to carry out the requirements
10 of this Act and the amendments made by this Act. The
11 Administrator shall begin incurring obligations and dis-
12 bursing funds made available to the Administration for the
13 purposes of carrying out this act within 45 days of the
14 enactment of this Act.

15 **SEC. 407. ADMINISTRATIVE PROCEDURE ACT AND MAN-**
16 **DAMUS REMEDIES.**

17 Should the Administrator fail to issue or amend any
18 rules or interim final rules, standard operating procedures,
19 other legal or policy guidance necessary to carry out the
20 requirements of this Act and the amendments made by
21 this Act within the 30 days described above, or fail to
22 make an application decision within thirty days of submis-
23 sion of a completed application, an applicant shall have
24 the right to compel action under the Administrative Proce-
25 dure Act (5 U.S.C. § 500 et seq.) and the Mandamus Act

1 (28 U.S.C. § 1361), in any United States District Court
2 where the applicant resides or does business or in the
3 United States District Court for the District of Columbia.
4 Should the applicant substantially prevail, such applicant
5 shall be entitled to attorneys fees and costs associated with
6 compelling a decision under this Section. Such mandamus
7 remedy shall issue upon demonstration of failure to meet
8 deadlines described herein.

9 **TITLE V— IMPOSITION OF**
10 **CANNABIS EXCISE TAX**

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

13 (a) ESTABLISHMENT OF FUND.—Subchapter A of
14 Chapter 98 of the Internal Revenue Code of 1986 is
15 amended by adding at the end the following section—

16 **“SEC. 9512. LAW ENFORCEMENT RETRAINING AND SECOND**
17 **CHANCES FUND.**

18 “(a) CREATION OF LAW ENFORCEMENT AND SEC-
19 OND CHANCES FUND.—There is established in the Treas-
20 ury of the United States a fund to be known as the ‘Law
21 Enforcement Retraining and Successful Second Chances
22 Fund’ (referred to in this section as the ‘Law Enforcement
23 and Second Chances Fund’), consisting of such amounts
24 as may be appropriated or credited to such a fund as pro-
25 vided in this section or section 9602(b).

1 “(b) AUTHORIZATION OF APPROPRIATIONS.—To
2 carry out this section, there are authorized to be appro-
3 priated to the Law Enforcement and Second Chances
4 Fund such sums as may be necessary to carry out the
5 purposes of this subchapter for fiscal year 2022, to remain
6 available until expended.

7 “(c) FUTURE FISCAL YEARS.—For the ten (10) fis-
8 cal years following fiscal year 2022, there is authorized
9 to be appropriated to the Law Enforcement and Second
10 Chances Fund such sums as may be necessary to carry
11 out the purposes of this subchapter.

12 “(d) AVAILABILITY OF LAW ENFORCEMENT AND
13 SECOND CHANCES FUND.—Amounts in the Law Enforce-
14 ment and Second Chances Fund shall be available, until
15 expended, as provided under this section.

16 “(e) SET-ASIDES.—

17 “(1) CRISIS STABILIZATION AND COMMUNITY
18 REENTRY GRANT PROGRAM.—of the amounts in the
19 Law Enforcement and Second Chances Fund.—

20 “(A) 10% shall be set aside for grants
21 made under section 3052(a) of Part OO of the
22 Omnibus Crime Control and Safe Streets Act of
23 1968.

24 “(B) 10% shall be set aside for grants
25 made under section 3052(b) of Part OO of the

1 Omnibus Crime Control and Safe Streets Act of
2 1968.

3 “(2) EDWARD BYRNE MEMORIAL JUSTICE AS-
4 SISTANCE GRANT PROGRAM.—of the amounts in the
5 Law Enforcement and Second Chances Fund, 10%
6 shall be set aside for grants made under Part A of
7 Title 34 of the U.S. Code.

8 “(3) COMMUNITY-ORIENTED POLICING SERV-
9 ICES HIRING PROGRAM.—of the amounts in the Law
10 Enforcement and Second Chances Fund, 10% shall
11 be set aside for activities authorized by the Violent
12 Crime Control and Law Enforcement Act of 1994
13 (Public Law 103–322); the Omnibus Crime Control
14 and Safe Streets Act of 1968 (‘the 1968 Act’); and
15 the Violence Against Women and Department of
16 Justice Reauthorization Act of 2005 (Public Law
17 109–162) (‘the 2005 Act’). No less than 5% of this
18 set-aside shall be directed towards grants made
19 under section 1701 of title I of the 1968 Act (42
20 U.S.C. 3796dd) for the hiring and rehiring of addi-
21 tional career law enforcement officers under part Q
22 of such title notwithstanding subsection (i) of such
23 section.

24 “(4) SUCCESSFUL SECOND CHANCES PRO-
25 GRAM.—of the amounts in the Law Enforcement

1 and Second Chances Fund, 30% shall be set aside
2 for the Small Business Administrator to carry out
3 the provisions of Title IV of the States Reform Act.

4 “(5) VETERANS MENTAL HEALTH FUNDING.—
5 of the amounts in the Law Enforcement and Second
6 Chances Fund, 10% shall be set aside for the Sec-
7 retary of the Veterans Affairs to carry out the provi-
8 sions of Title 38 of the U.S. Code, section 1720I(a)
9 and 1720I(c).

10 “(6) STATE RESPONSE TO OPIOID ADDICTION
11 FUNDING.—of the amounts in the Law Enforcement
12 and Second Chances Fund, 5% shall be set aside for
13 the Secretary of Health and Human Services to
14 carry out the provisions of Title 42 of the U.S.
15 Code, section 290ee-3.

16 “(7) UNDERAGE YOUTH USE PREVENTION
17 FUNDING.—of the amounts in the Law Enforcement
18 and Second Chances Fund, 5% shall be set aside for
19 the Assistant Secretary for Mental Health and Sub-
20 stance Use of the Substance Abuse and Mental
21 Health Services Administration to help prevent un-
22 derage cannabis use in carrying out the provisions of
23 Title 42 of the U.S. Code.

24 “(f) ALLOTMENT.—All funds for carrying out the
25 provisions of this chapter shall be available for allotment

1 to bureaus and offices of the Department of Justice and
2 the Small Business Administration, and for transfer to
3 such other agencies of the Federal Government, and to
4 such State agencies, as the Secretary of the Treasury may
5 request to cooperate or assist in carrying out the provi-
6 sions of this chapter.”.

7 **SEC. 502. CANNABIS REVENUE AND REGULATION ACT.**

8 Subtitle E of title I of the Internal Revenue Code of
9 1986 is amended by adding at the end the following new
10 chapter:

11 **“CHAPTER 56—CANNABIS PRODUCTS**

“SUBCHAPTER A—IMPOSITION OF TAX

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

“SUBCHAPTER B—OPERATIONS

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

“SUBCHAPTER C—PENALTIES

- “Sec. 5921. Civil penalties.

12 **“Subchapter A—IMPOSITION OF TAX**

13 **“SEC. 5901 IMPOSITION OF TAX.**

14 “(a) IMPOSITION OF EXCISE TAX.—There is hereby
15 imposed on any cannabis product produced in or imported
16 into the United States a tax equal to 3% percent of the

1 removal price of such a cannabis products sold in the
2 United States during the 12-month period ending one cal-
3 endar quarter before such calendar year.

4 “(b) MORATORIUM ON CANNABIS PRODUCT EXCISE
5 TAX INCREASES.—There is hereby imposed, notwith-
6 standing any other law, including, but not limited to Con-
7 gressional Budget and Impoundment Control Act of 1974
8 (Pub. L. 93–344, 88 Stat. 297, 2 U.S.C. §§ 601–688, for
9 the ten calendar years following the passage of this Act,
10 a moratorium on increasing the excise tax imposed on can-
11 nabis products by this Section 5901.

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

15 “(c) REMOVAL PRICE CATEGORIES.—

16 “(1) IN GENERAL.—For the purposes of sub-
17 section (a), the Secretary shall impose the tax on the
18 removal price—

19 “(A) per 454 grams of cannabis flower.

20 “(B) per 100 grams of cannabis pre-rolls.

21 “(C) per 20 grams of cannabis extracts.

22 “(D) per 10 grams of cannabis vaporizer
23 cartridges.

24 “(E) of 20 units of edible cannabis product

1 “(F) of 20 units of cannabis topical or cos-
2 metic product

3 “(2) NEW REMOVAL PRICE CATEGORIES AND
4 BASIS.—For the purposes of subsection (c), the Sec-
5 retary may, under the processes of the Administra-
6 tive Procedure Act (5 U.S.C. 500 et seq.), undertake
7 formal rulemaking to establish new removal price
8 categories and basis for cannabis products that are
9 not covered under subsection (c)(1).

10 “(3) CLARIFYING RULEMAKING.—The Sec-
11 retary the Secretary may, consistent with the Ad-
12 ministrative Procedure Act (5 U.S.C. 500 et seq.),
13 further clarify the application of subsection (c)(1).

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

23 **“SEC. 5902. DEFINITIONS.**

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

1 “(1) CANNABIS PRODUCT.—

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

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

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

15 “(A) a drug—

16 “(i) that is approved under section
17 505 of the Federal Food, Drug, and Cos-
18 metic Act or licensed under section 351 of
19 the Public Health Service Act, or

20 “(ii) for which an investigational use
21 exemption has been authorized under sec-
22 tion 505(i) of the Federal Food, Drug, and
23 Cosmetic Act or under section 351(a) of
24 the Public Health Service Act, or

1 “(B) a combination product (as described
2 in section 503(g) of the Federal Food, Drug,
3 and Cosmetic Act), the constituent parts of
4 which were approved or cleared under section
5 505, 510(k), or 515 of such Act.

6 “(C) a ‘designated state medical cannabis
7 product’ within the meaning of, Part J of Sub-
8 title V of title 21 of the United States Code
9 (The Food, Drug, and Cosmetic Act).

10 “(3) CANNABIS.—the term ‘cannabis’ has the
11 same meaning given to the term ‘marihuana’ under
12 section 102(16) of the Controlled Substances Act,
13 21 U.S.C. § 802(16));

14 “(4) INDUSTRIAL HEMP.—the term ‘industrial
15 hemp’ has the same meaning given to the term ‘in-
16 dustrial hemp’ in Section 297A of the Agricultural
17 Marketing Act of 1946 (7 U.S.C. 1621 et seq.)
18 (codified at 7 U.S.C. 5940(b)(2)).

19 “(b) DEFINITIONS RELATED TO CANNABIS BUSI-
20 NESSES AND PRODUCERS.—For purposes of this chap-
21 ter—

22 “(1) CANNABIS BUSINESS.—The term ‘cannabis
23 Business’ means a producer, importer, or export
24 warehouse proprietor.

25 “(2) PRODUCER.—

1 “(A) IN GENERAL.—The term ‘producer’
2 means any person who manufactures, produces,
3 compounds, converts, processes, prepares, or
4 packages any cannabis product.

5 “(B) PERSONAL USE EXCEPTION.—Subject
6 to regulation prescribed by the Secretary, the
7 term ‘producer’ shall not include any individual
8 otherwise described in subparagraph (A) if the
9 only cannabis product described in such sub-
10 paragraph with respect to such individual is for
11 personal or family use and not for sale.

12 “(C) CANNABIS FARMERS NOT PRO-
13 DUCERS.—A producer does not mean a person
14 who plants, cultivates, harvests, grows the raw
15 agricultural commodity of cannabis not yet fin-
16 ished into a produced article for consumption.
17 This provision shall not be constructed as pre-
18 cluding a cannabis famer from also being a can-
19 nabis producer within the same enterprise.

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

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

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

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

7 “(4) EXPORT WAREHOUSE PROPRIETOR.—

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

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

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

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

22 “(5) CANNABIS PRODUCTION FACILITY.—The
23 term ‘cannabis production facility’ means an estab-
24 lishment which is qualified under subchapter C to

1 perform any operation for which such qualification is
2 required under such subchapter.

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

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

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

9 “(A) the transfer of cannabis products
10 from the premises of a producer (or the trans-
11 fer of such products from the premises of a pro-
12 ducer to the premises of such producer),

13 “(B) release of such products from cus-
14 toms custody, or

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

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

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

23 “(B) in the case of any such sale which is
24 described in section 5903(c), the price deter-
25 mined under such section, and

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

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

7 “(a) LIABILITY FOR TAX.—

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

11 “(2) TRANSFER OF LIABILITY.—

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

16 “(i) except as provided in clause (ii),
17 the transferee shall become liable for the
18 tax upon receipt by the transferee of such
19 articles, and the transferor shall there-
20 upon be relieved of their liability for such
21 tax, and

22 “(ii) in the case of cannabis products
23 which are released from customs custody
24 for transfer to the premises of a producer,
25 the transferee shall become liable for the

1 tax on such articles upon release from cus-
2 toms custody, and the importer shall there-
3 upon be relieved of their liability for such
4 tax.

5 “(B) RETURN.—All provisions of this
6 chapter applicable to cannabis products shall be
7 applicable to such articles returned upon with-
8 drawal from the market or returned after pre-
9 vious removal for a tax-exempt purpose.

10 “(b) METHOD OF PAYMENT OF TAX.—

11 “(1) IN GENERAL.—

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

18 “(B) APPLICATION TO TRANSFEREES.—In
19 the case of any transfer to which subsection
20 (a)(2)(A) applies, the tax under section 5901 on
21 the transferee shall (if not otherwise relieved by
22 reason of a subsequent transfer to which such
23 subsection applies) be imposed with respect to
24 the removal of the cannabis product from the
25 premises of the transferee.

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

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

17 “(2) TIME FOR PAYMENT OF TAXES.—

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

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

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

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

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

1 “(iv) EXCEPTION FOR ARTICLES DES-
2 TINED FOR EXPORT.—Clauses (ii) and (iii)
3 shall not apply to any article which is
4 shown to the satisfaction of the Secretary
5 to be destined for export.

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

15 “(D) SPECIAL RULE WHERE DUE DATE
16 FALLS ON SATURDAY, SUNDAY, OR HOLIDAY.—
17 Notwithstanding section 7503, if, but for this
18 subparagraph, the due date under this para-
19 graph would fall on a Saturday, Sunday, or a
20 legal holiday (as defined in section 7503), such
21 due date shall be the immediately preceding day
22 which is not a Saturday, Sunday, or such a hol-
23 iday.

24 “(E) SPECIAL RULE FOR UNLAWFULLY
25 PRODUCED CANNABIS PRODUCTS.—In the case

1 of any cannabis products produced in the
2 United States at any place other than the
3 premises of a producer that has obtained the
4 permit required under this chapter, tax shall be
5 due and payable immediately upon production.

6 “(3) PAYMENT BY ELECTRONIC FUND TRANS-
7 FER.—Any person who in any 12-month period, end-
8 ing December 31, was liable for a gross amount
9 equal to or exceeding \$1,000,000 in taxes imposed
10 on cannabis products by section 5901 (or section
11 7652) shall pay such taxes during the succeeding
12 calendar year by electronic fund transfer (as defined
13 in section 5061(e)(2)) to a Federal Reserve Bank.
14 Rules similar to the rules of section 5061(e)(3) shall
15 apply to the \$1,000,000 amount specified in the pre-
16 ceding sentence.

17 “(c) DEFINITION OF PRICE.—

18 “(2) CONSTRUCTIVE SALE PRICE.—

19 “(A) IN GENERAL.—If an article is sold di-
20 rectly to consumers, sold on consignment, or
21 sold (otherwise than through an arm’s length
22 transaction) at less than the fair market price,
23 or if the price for which the article sold cannot
24 be determined, the tax under section 5901(a)
25 shall be computed on the price for which such

1 articles are sold, in the ordinary course of
2 trade, by producers thereof, as determined by
3 the Secretary.

4 “(B) ARM’S LENGTH.—

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

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

13 “(II) the parties are members of
14 a family, as defined in section
15 267(c)(4), or

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

19 “(ii) CONTROLLED GROUPS.—

20 “(I) IN GENERAL.—The term
21 ‘controlled group’ has the meaning
22 given to such term by subsection (a)
23 of section 1563, except that ‘more
24 than 50 percent’ shall be substituted

1 for ‘at least 80 percent’ each place it
2 appears in such subsection.

3 “(II) CONTROLLED GROUPS
4 WHICH INCLUDE NONINCORPORATED
5 PERSONS.—Under regulations pre-
6 scribed by the Secretary, principles
7 similar to the principles of subclause
8 (I) shall apply to a group of persons
9 under common control where one or
10 more of such persons is not a corpora-
11 tion.

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

24 “(d) PARTIAL PAYMENTS AND INSTALLMENT AC-
25 COUNTS.—

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

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

11 “(B) a conditional sale, or

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

15 “(2) SALES OF INSTALLMENT ACCOUNTS.—If
16 installment accounts, with respect to payments on
17 which tax is being computed as provided in para-
18 graph (1), are sold or otherwise disposed of, then
19 paragraph (1) shall not apply with respect to any
20 subsequent payments on such accounts (other than
21 subsequent payments on returned accounts with re-
22 spect to which credit or refund is allowable by rea-
23 son of section 6416(b)(5)), but instead—

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

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

4 “(ii) the total tax which would be pay-
5 able if such installment accounts had not
6 been sold or otherwise disposed of (com-
7 puted as provided in paragraph (1)), ex-
8 cept that

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

15 “(i) the proportionate share of the
16 amount for which such accounts are sold
17 which is allocable to each unpaid install-
18 ment payment, by

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

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

1 **“SEC. 5904. EXEMPTION FROM TAX.**

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

8 “(1) exclusively in scientific research by a lab-
9 oratory,

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

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

22 “(4) by a qualified state medical cannabis pa-
23 tient or patients, when the cannabis product is
24 100% donated to the patient or patients

25 “(A) such a donated article must otherwise
26 qualify for use as a ‘designated state medical

1 cannabis product’ within the meaning of The
2 Food, Drug, and Cosmetic Act, Section 360ggg,
3 Part J of Subtitle V of title 21 of the United
4 States Code.

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

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

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

22 “(c) CANNABIS PRODUCTS RELEASED FROM CUS-
23 TOMS CUSTODY.—Cannabis products imported or brought
24 into the United States may be released from customs cus-
25 tody, without payment of tax, for delivery to a producer

1 or export warehouse proprietor if such articles are not put
2 up in packages, in accordance with such regulations as
3 the Secretary shall prescribe.

4 “(d) CANNABIS PRODUCTS EXPORTED AND RE-
5 TURNED.—Cannabis products classifiable under item
6 9801.00.10 of the Harmonized Tariff Schedule of the
7 United States (relating to duty on certain articles pre-
8 viously exported and returned), as in effect on the date
9 of the enactment of the States Reform Act, may be re-
10 leased from customs custody, without payment of that
11 part of the duty attributable to the internal revenue tax
12 for delivery to the original producer of such cannabis prod-
13 ucts or to the export warehouse proprietor authorized by
14 such producer to receive such products, in accordance with
15 such regulations as the Secretary shall prescribe. Upon
16 such release such products shall be subject to this chapter
17 as if they had not been exported or otherwise removed.

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

19 “(a) CREDIT OR REFUND.—

20 “(1) IN GENERAL.—Credit or refund of any tax
21 imposed by this chapter or section 7652 shall be al-
22 lowed or made (without interest) to the producer,
23 importer, or export warehouse proprietor on proof
24 satisfactory to the Secretary that the claimant pro-

1 ducer, importer, or export warehouse proprietor has
2 paid the tax on—

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

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

9 “(2) CANNABIS PRODUCTS LOST OR DE-
10 STROYED.—

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

15 “(i) in the case of loss by theft, unless
16 the Secretary finds that the theft occurred
17 without connivance, collusion, fraud, or
18 negligence on the part of the proprietor of
19 cannabis production facility, owner, con-
20 signor, consignee, bailee, or carrier, or
21 their employees or agents,

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

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

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

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

24 “(D) LIMITATIONS.—Except as provided in
25 subparagraph (E), no tax shall be abated, re-

1 mitted, credited, or refunded under this para-
2 graph where the loss occurred after the tax was
3 determined. The abatement, remission, credit,
4 or refund of taxes provided for by subpara-
5 graphs (A) and (C) in the case of loss of can-
6 nabis products by theft shall only be allowed to
7 the extent that the claimant is not indemnified
8 against or recompensed in respect of the tax for
9 such loss.

10 “(E) APPLICABILITY.—The provisions of
11 this paragraph shall extend to and apply in re-
12 spect of cannabis products lost after the tax
13 was determined and before completion of the
14 physical removal of the cannabis products from
15 the premises.

16 “(3) VOLUNTARY DESTRUCTION.—The propri-
17 etor of a cannabis production facility or other per-
18 sons liable for the tax imposed by this chapter or by
19 section 7652 with respect to any cannabis product
20 may voluntarily destroy such products, but only if
21 such destruction is under such supervision and
22 under such regulations as the Secretary may pre-
23 scribe.

24 “(4) LIMITATION.—Any claim for credit or re-
25 fund of tax under this subsection shall be filed with-

1 in 6 months after the date of the withdrawal from
2 the market, loss, or destruction of the products to
3 which the claim relates, and shall be in such form
4 and contain such information as the Secretary shall
5 by regulations prescribe.

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

10 **“Subchapter B—OPERATIONS**

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

12 “(a) EVERY CANNABIS BUSINESS SHALL MAINTAIN
13 INVENTORIES REQUIRED BY TITLE 26, SECTION 471 OF
14 THE INTERNAL REVENUE CODE AS THE SECRETARY
15 SHALL BY FORMAL RULEMAKING PRESCRIBE, WITH
16 SUCH INVENTORIES TO BE SUBJECT TO VERIFICATION
17 BY ANY INTERNAL REVENUE OFFICIAL DURING BUSI-
18 NESS HOURS, IN SUCH FORM, AT SUCH TIMES, AND FOR
19 SUCH PERIODS AS THE SECRETARY SHALL BY FORMAL
20 RULEMAKING PRESCRIBE.—

21 “(1) The formal rulemaking shall take into con-
22 sideration existing state reporting and inventory
23 tracking mechanisms and be compatible with exist-
24 ing state reporting and inventory tracking mecha-
25 nisms to the extent possible;

1 “(2) The formal rulemaking may allow for the
2 creation of federal processes and systems to supple-
3 ment, and that are compatible with, existing state
4 tracking and reporting mechanisms;

5 “(3) Rulemaking with respect to this section
6 5911 shall take place pursuant to the Administrative
7 Procedure Act (5 U.S.C. 500 et seq.) and encompass
8 Paperwork Reduction Act considerations.

9 **“SEC. 5912. PACKAGING AND LABELING.**

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

13 “(b) MARKS, LABELS, AND NOTICES.—Every pack-
14 age of cannabis products shall, before removal, bear the
15 marks, labels, and notices, if any, that the Secretary by
16 regulation prescribes, including, but not limited to, the
17 total amount of THC or Tetrahydrocannabinol.

18 “(c) LOTTERY FEATURES.—No certificate, coupon,
19 or other device purporting to be or to represent a ticket,
20 chance, share, or an interest in, or dependent on, the event
21 of a lottery shall be contained in, attached to, or stamped,
22 marked, written, or printed on any package of a cannabis
23 product or cannabis products.

24 “(d) EXCEPTIONS.—Subject to regulations pre-
25 scribed by the Secretary, cannabis products may be ex-

1 emptied from subsections (a) and (b) if such products
2 are—

3 “(1) for experimental purposes, or

4 “(2) transferred to the premises of another pro-
5 ducer or export warehouse proprietor or released
6 from customs custody for delivery to a producer.

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

9 “(a) RESTRICTION.—No person shall—

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

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

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

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

1 required under section 5912 or which are put up in
2 packages not bearing the marks, labels, and notices,
3 as required under such section, or

4 “(3) otherwise than with intent to defraud the
5 United States, purchase, receive, possess, offer for
6 sale, or sell or otherwise dispose of, after removal,
7 any cannabis products which are not put up in pack-
8 ages as required under section 5912 or which are
9 put up in packages not bearing the marks, labels,
10 and notices, as required under such section.

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

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

19 **“SEC. 5914. RESTRICTIONS RELATING TO MARKS, LABELS,**
20 **NOTICES, AND PACKAGES.**

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

1 **“SEC. 5915. RESTRICTION ON IMPORTATION OF PRE-**
2 **VIOUSLY EXPORTED CANNABIS PRODUCTS.**

3 “(a) EXPORT LABELED CANNABIS PRODUCTS.—

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

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

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

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

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

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

8 “(3) EXPORTS INCLUDE SHIPMENTS TO PUER-
9 TO RICO.—For purposes of this section, section
10 5904(d), section 5921, and such other provisions as
11 the Secretary may specify by regulations, references
12 to exportation shall be treated as including a ref-
13 erence to shipment to the Commonwealth of Puerto
14 Rico.

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

19 **“Subchapter C—PENALTIES**

20 **“SEC. 5921 CIVIL PENALTIES.**

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

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

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

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

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

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

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

22 shall, in addition to the tax and any other penalty provided
23 in this title, be liable for a penalty equal to the greater
24 of \$10,000 or 10 times the amount of the tax imposed
25 by this chapter. All cannabis products relanded within the

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

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

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

13 “(f) FRAUDULENT OFFENSES.—Whoever, with in-
14 tent to defraud the United States—

15 “(1) engages in business as a cannabis business
16 without filing the application and obtaining the per-
17 mit where required by this chapter or regulations
18 thereunder,

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

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

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

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

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

10 “(B) which, without payment of tax pursu-
11 ant to section 5904, have been diverted from
12 the applicable purpose or use specified in that
13 section, shall, for each such offense, be fined
14 not more than \$10,000, or imprisoned not more
15 than 5 years, or both.

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

19 **SEC. 503. REPORTS AND CONFORMING AMENDMENTS.**

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

24 (1) conduct a study concerning the characteris-
25 tics of the cannabis industry, including the number

1 of persons operating cannabis businesses at each
2 level of such industry, the volume of sales, the
3 amount of tax collected each year, and the areas of
4 evasion, and

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

8 (b) ANNUAL REPORTS REGARDING DETERMINATION
9 OF APPLICABLE RATES.—Not later than 6 months before
10 the beginning of each calendar year to which section
11 5901(a)(2) of the Internal Revenue Code of 1986 (as
12 added by this section) applies, the Secretary of the Treas-
13 ury, or the Secretary’s delegate, shall make publicly avail-
14 able a detailed description of the methodology which the
15 Secretary anticipates using to determine the applicable ex-
16 cise tax rates will apply for such calendar year under sec-
17 tion 5901(c)(2) of such Code.

18 (c) CONFORMING AMENDMENTS.—

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

23 (2) The table of chapters for subtitle E the In-
24 ternal Revenue Code of 1986 is amended by adding
25 at the end the following new chapter:

“CHAPTER 56. CANNABIS PRODUCTS”.

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

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

4 (d) EFFECTIVE DATE.—

5 (1) IN GENERAL.—The amendments made by
6 this section shall apply to sales, and applications for
7 permits under section 5912 of the Internal Revenue
8 Code of 1986 (as added by subsection (a)), after
9 180 days after the date of the enactment of this Act.

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

17 (3) ESTABLISHMENT OF LAW ENFORCEMENT
18 RETRAINING AND SUCCESSFUL SECOND CHANCES
19 FUND.—The amendments made by subsection (a)
20 shall take effect on the date of enactment of this
21 Act.

1 **TITLE VI—VETERANS’ CARE AND**
2 **ACCESS**

3 **SEC. 601. NONDISCRIMINATION IN FEDERAL HIRING FOR**
4 **VETERAN MEDICAL CANNABIS USERS.**

5 (a) IN GENERAL.—It shall be unlawful for a “vet-
6 eran,” as defined in Title 38, section 101(2) of the U.S.
7 Code, to be excluded from employment in the federal gov-
8 ernment solely because the veteran consumes or has con-
9 sumed cannabis, as defined in Title 21, section 802(16)
10 or the United States Code. For the purposes determining
11 if a person is a veteran under this provision, an other than
12 honorable, bad conduct, or dishonorable release premised
13 solely on non-violent cannabis charges covered under Sec-
14 tion 101 of the States Reform Act shall be construed as
15 a general discharge.

16 **SEC. 602. AUTHORIZED PROVISION OF INFORMATION ON**
17 **STATE-APPROVED MARIJUANA PROGRAMS**
18 **TO VETERANS.**

19 (a) AUTHORIZED PROVISION OF INFORMATION.—
20 Notwithstanding the provisions of the Controlled Sub-
21 stances Act (21 U.S.C. 801 et seq.) or any other Federal,
22 State, or local law regulating or prohibiting the provision
23 of information on marijuana, the Secretary of Veterans
24 Affairs shall authorize physicians and other health care
25 providers of the Veterans Health Administration of the

1 Department of Veterans Affairs to provide to veterans who
2 are residents of States with State-approved marijuana
3 programs information regarding the participation of such
4 veterans in such programs, recommend their participation
5 in such programs or use of FDA-approved or designated
6 state medical cannabis products (within the meaning of
7 Part J of the Federal Food Drugs and Cosmetics Act)
8 as part of a course of Veterans Affairs treatment, or pre-
9 scribe the use of FDA-approved or designated state med-
10 ical cannabis products (within the meaning of Part J of
11 the Federal Food Drugs and Cosmetics Act.).

12 (b) DEFINITIONS.—In this section:

13 (1) The term “information” includes details
14 such as informational materials, Internet websites,
15 and relevant contact information for State-approved
16 marijuana programs.

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

20 (3) The term “State” means each of the several
21 States, the District of Columbia, the Commonwealth
22 of Puerto Rico, any territory, federal enclave, or pos-
23 session of the United States, and each federally rec-
24 ognized Indian Tribe.

1 **TITLE VII—MISCELLANEOUS UP-**
2 **DATES AND TECHNICAL**
3 **AMENDMENTS**

4 **SEC. 701. UNITED STATES INTERNATIONAL CANNABIS COM-**
5 **MERCE POLICY.**

6 (a) UNITED STATES FOREIGN POLICY OBJECTIVES
7 WITH RESPECT TO CANNABIS.—

8 (1) The President of the United States and the
9 United States Trade Representative shall send trade
10 missions and engage in treaty-making with foreign
11 jurisdictions that have legalized the import and ex-
12 port of cannabis to provide for the legal trade be-
13 tween the United States and foreign jurisdictions.

14 (2) The principal negotiating objectives of the
15 United States with respect to trade shall include the
16 removal of unjustified foreign barriers to trade in
17 cannabis, cannabis derivatives, and cannabis prod-
18 ucts.

19 (3) The United Nations Ambassador is tasked
20 with similarly ensuring updates to international ac-
21 cords to reflect current practices

22 (b) RULE OF CONSTRUCTION FOR INTERNATIONAL
23 TREATIES RESPECTING DRUG POLICY; FEDERAL PRI-
24 MACY ON SCHEDULING DECISIONS.—

1 (1) It is the policy of the United States that the
2 power of the federal government to control, alter,
3 heighten, lower, abolish, decontrol, or likewise mod-
4 ify drug control scheduling for any particular sub-
5 stance, including cannabis, is a vested power of the
6 Article I constitutional lawmaking power that no
7 treaty, including the 1961 Single Convention on
8 Narcotic Drugs, the 1971 Convention on Psycho-
9 tropic Substances, 1972 Protocol Amending the Sin-
10 gle Convention on Narcotic Drugs, and the 1988
11 United Nations Convention Against Illicit Traffic in
12 Narcotic Drugs and Psychotropic Substances, may
13 infringe upon, oblige or impose a duty on the United
14 States not to undertake at its pleasure, or otherwise
15 modify. This provision shall constitute a rule of con-
16 struction for all federal courts to apply in all cases.

17 **SEC. 702. CONTINUED FEDERAL EMPLOYEE DRUG TESTING.**

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

22 “(h) CANNABIS.—

23 “(1) CONTINUED TESTING.—Notwithstanding
24 the States Reform Act and the amendments made
25 thereby, the Secretary of Health and Human Serv-

1 ices may continue to include cannabis for purposes
2 of drug testing of Federal employees subject to Ex-
3 ecutive Order 12564, or other applicable Federal
4 laws and orders.

5 “(2) DEFINITION.—The term ‘cannabis’ has
6 the meaning given to the term ‘marihuana’ in sec-
7 tion 102 of the Controlled Substances Act (21 6
8 U.S.C. 802).”.

9 (b) SPECIAL RULE FOR CERTAIN REGULATIONS.—

10 (1) IN GENERAL.—The amendments made by
11 this section may not be construed to abridge the au-
12 thority of the Secretary of Transportation, or the
13 Secretary of the department in which the Coast
14 Guard is operating, to regulate and screen for the
15 use of cannabis or a controlled substance within the
16 meaning of section 102 of the Controlled Substances
17 Act (21 U.S.C. 802).

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

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

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

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

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

5 (1) age;

6 (2) certifications and licenses;

7 (3) disability status;

8 (4) educational attainment;

9 (5) family and marital status;

10 (6) nativity;

11 (7) race and Hispanic ethnicity;

12 (8) school enrollment;

13 (9) veteran status; and

14 (10) sex.

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

19 (d) DEFINITIONS.—In this section:

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

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

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

9 **SEC. 704. CONFORMING AMENDMENT TO CREATE UNI-**
10 **FORMITY OF REFERENCES IN EXISTING LAW**
11 **TO CANNABIS, MARIJUANA, OR MARIHUANA.**

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

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

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

22 **SEC. 705. EFFECTIVE UPON ENACTMENT.**

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