

119TH CONGRESS  
2D SESSION

# S. 5022

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

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## IN THE SENATE OF THE UNITED STATES

JULY 16, 2026

Mr. BOOKER (for himself, Mr. SCHUMER, Mr. WYDEN, Mr. BENNET, Mr. FETTERMAN, Mrs. GILLIBRAND, Mr. HICKENLOOPER, Mr. LUJÁN, Mr. PADILLA, Mr. PETERS, Ms. SMITH, Mr. WARNOCK, Mr. MARKEY, Mr. MERKLEY, Mrs. MURRAY, Ms. WARREN, and Mr. WELCH) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

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

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

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

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

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

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

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

Subtitle A—Decriminalization of Cannabis

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

Subtitle B—Public Safety and States' Rights

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

TITLE II—RESEARCH, TRAINING, AND PREVENTION

Subtitle A—Public Health and Biomedical Research

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

Subtitle B—Cannabis-Impaired Driving Prevention

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

TITLE III—RESTORATIVE JUSTICE AND OPPORTUNITY

Subtitle A—Opportunity Trust Fund Programs

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

- Sec. 305. Pilot program.
- Sec. 306. Eliminating disparities among cannabis-related legitimate businesses and service providers.

#### Subtitle B—Restorative Justice

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

### TITLE IV—TAXATION AND ESTABLISHMENT OF TRUST FUND

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

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

#### Subtitle A—Public Health

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

#### Subtitle B—Federal Cannabis Administration

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

### TITLE VI—WORKPLACE HEALTH AND SAFETY PROVISIONS

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

### TITLE VII—BANKING, HOUSING, AND COMMUNITY DEVELOPMENT

- Sec. 701. Purposes; sense of Congress.
- Sec. 702. Requirements for filing suspicious activity reports.
- Sec. 703. Guidance and examination procedures.
- Sec. 704. Investment in communities.

Sec. 705. Fair access to financial services.

Sec. 706. Consumer protections for individuals with nonviolent criminal record.

#### TITLE VIII—MISCELLANEOUS

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

Sec. 802. Cannabis Products Advisory Committee.

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

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

Sec. 805. Severability.

### 1 **SEC. 2. FINDINGS.**

2       The Congress finds as follows:

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

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

10          (3) 38 States, the District of Columbia, Puerto  
11       Rico, Guam, the U.S. Virgin Islands, and Indian  
12       Tribes have adopted laws allowing legal access to  
13       cannabis, and 24 States, the District of Columbia,  
14       the Commonwealth of the Northern Mariana Is-  
15       lands, and Guam have adopted laws legalizing can-  
16       nabis for adult recreational use.

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

20          (5) The Food and Drug Administration rec-  
21       ommended that cannabis be rescheduled under the

1        Controlled Substances Act, from Schedule I to  
2        Schedule III, having identified “credible scientific  
3        support for the medical use of marijuana”.

4            (6) Legal cannabis businesses support more  
5        than 417,000 jobs throughout the United States.

6            (7)        Legal        cannabis        sales        totaled  
7        \$33,600,000,000 in 2023 and are projected to reach  
8        \$56,900,000,000 by 2028.

9            (8) According to the American Civil Liberties  
10        Union (ACLU), enforcing cannabis prohibition laws  
11        costs taxpayers approximately \$3,600,000,000 a  
12        year.

13            (9) The continued enforcement of cannabis pro-  
14        hibition laws resulted in over 227,000 arrests in  
15        2022, disproportionately impacting people of color  
16        who are almost 4 times more likely to be arrested  
17        for cannabis possession than their White counter-  
18        parts, despite equal rates of use across populations.

19            (10) People of color and Native Americans have  
20        been historically targeted by discriminatory sen-  
21        tencing practices resulting in Black men receiving  
22        drug sentences that are 13.1 percent longer than  
23        sentences imposed for White men and Latinos being  
24        nearly 6.5 times more likely to receive a Federal

1 sentence for cannabis possession than non-Hispanic  
2 Whites.

3 (11) In 2013, simple cannabis possession was  
4 the fourth most common cause of deportation for  
5 any offense and the most common cause of deporta-  
6 tion for drug law violations. Since 2003, the United  
7 States has deported more than 45,000 people whose  
8 most serious conviction was cannabis possession.

9 (12) Fewer than one-fifth of cannabis business  
10 owners identify as non-white.

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

15 (14) Historically disproportionate arrest and  
16 conviction rates make it particularly difficult for  
17 people of color to enter the legal cannabis market-  
18 place, as many States bar these individuals from  
19 participating.

20 (15) Federal law severely limits access to loans  
21 and capital for cannabis businesses, disproportion-  
22 ately impacting minority and Tribal small business  
23 owners.

24 (16) Some States, Indian Tribes, and munici-  
25 palities have taken proactive steps to mitigate in-

1 equalities in the legal cannabis marketplace and en-  
2 sure equal participation in the industry.

3 **SEC. 3. DEFINITIONS.**

4 In this Act:

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

11 (2) CANNABIS OFFENSE.—The term “cannabis  
12 offense” means a criminal offense related to can-  
13 nabis—

14 (A) that, under Federal law, is no longer  
15 punishable pursuant to this Act or the amend-  
16 ments made under this Act; or

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

23 (3) INDIAN TRIBE.—The term “Indian Tribe”  
24 means the governing body of any individually identi-  
25 fied and federally recognized Indian or Alaska Na-

tive tribe, band, nation, pueblo, village, community,  
 affiliated Tribal group, or component reservation in-  
 cluded on the list published most recently as of the  
 date of enactment of this Act pursuant to section  
 104(a) of the Federally Recognized Indian Tribe  
 List Act of 1994 (25 U.S.C. 5131(a)).

# **TITLE I—DECRIMINALIZATION OF CANNABIS, PUBLIC SAFE- TY, AND STATES’ RIGHTS**

## **Subtitle A—Decriminalization of Cannabis**

### **SEC. 101. DECRIMINALIZATION OF CANNABIS.**

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

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

(A) in subsection (c)—

(i) by striking “(10) Marihuana.”;

and

(ii) in paragraph (17), by inserting  
 “in cannabis (as defined in section  
 201(tt)(1) of the Federal Food, Drug, and  
 Cosmetic Act (21 U.S.C. 321(tt)(1))) or

1           tetrahydrocannabinols” before “in hemp”;  
 2           and

3           (B) in subsection (d)(2), by adding at the  
 4           end the following new subparagraph:

5           “(C) Such term does not include any sub-  
 6           stance made of or derived from cannabis (as de-  
 7           fined in section 201(tt)(1) of the Federal Food,  
 8           Drug, and Cosmetic Act (21 U.S.C. 321(tt)(1))  
 9           or hemp (as defined in section 297A of the Ag-  
 10          ricultural Marketing Act of 1946 (7 U.S.C.  
 11          1639o)))”.

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

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

8 (3) RESCHEDULING REVIEW OF NON-CANNABIS  
9 DERIVED TETRAHYDROCANNIBINOLS AND  
10 CANNABIMIMETIC AGENTS.—

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

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

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

4 (1) in section 102 (21 U.S.C. 802)—

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

6 (B) in paragraph (44), by striking “mari-  
7 huana,”;

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

9 (A) in paragraph (1)—

10 (i) in subparagraph (A)—

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

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

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

16 (ii) in subparagraph (B)—

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

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

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

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

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

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

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

5           (A) in paragraph (1)—

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

8               (ii) by striking subparagraph (G);

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

11              (iv) in subparagraph (G), as so redes-  
12      ignated, by striking the period at the end  
13      and inserting a semicolon;

14           (B) in paragraph (2)—

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

17               (ii) by striking subparagraph (G);

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

20              (iv) in subparagraph (G), as so redes-  
21      ignated, by striking the period at the end  
22      and inserting a semicolon;

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

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

4 (c) OTHER CONFORMING AMENDMENTS.—

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

9 (A) in section 15002(a) (16 U.S.C.  
 10 559b(a)) by striking “marijuana and other”;

11 (B) in section 15003(2) (16 U.S.C.  
 12 559c(2)) by striking “marijuana and other”;  
 13 and

14 (C) in section 15004(2) (16 U.S.C.  
 15 559d(2)) by striking “marijuana and other”.

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

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

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

23 (3) FMCSA PROVISIONS.—

24 (A) CONFORMING AMENDMENT.—Section  
 25 31301(5) of title 49, United States Code, is

1 amended by striking “section 31306,” and in-  
 2 serting “sections 31306, 31306a, and sub-  
 3 sections (b) and (c) of section 31310,”.

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

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

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

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

15 (C) DISQUALIFICATIONS.—Section  
 16 31310(b) of title 49, United States Code, is  
 17 amended by adding at the end the following:

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

21 (4) FAA PROVISIONS.—Section 45101 of title  
 22 49, United States Code, is amended—

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

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

3 “(1) any substance not covered under para-  
 4 graph (1) that was a substance under such section  
 5 as of December 1, 2018, and specified by the Sec-  
 6 retary of Transportation.”.

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

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

11 “(1) any substance”; and

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

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

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

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

22 “(A) any substance”; and

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

“(B) any substance not covered under subparagraph (A) that was a substance under such section as of December 1, 2018, and whose use the Secretary of Transportation decides has a risk to transportation safety.”.

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

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

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

(C) in subparagraph (D), by inserting “, cannabis, as defined in section 3 of the Cannabis Administration and Opportunity Act,” after “subsection)”.

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

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

(A) by striking the second sentence and inserting “If any of such merchandise so found consists of smoking opium or opium prepared

1 for smoking, the master of such vessel or per-  
 2 son in charge of such vehicle or the owner of  
 3 such vessel or vehicle or any person directly or  
 4 indirectly responsible for smoking opium or  
 5 opium prepared for smoking being in such mer-  
 6 chandise shall be liable to a penalty of \$500 for  
 7 each ounce thereof so found.”; and

8 (B) by striking the last sentence and in-  
 9 serting “As used in this paragraph, the term  
 10 ‘opiate’ shall have the same meaning given that  
 11 term by section 102(18) of the Controlled Sub-  
 12 stances Act (21 U.S.C. 802(18)).”.

13 (d) RETROACTIVITY.—

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

22 (2) APPLICATION TO PENDING ACTIONS.—With  
 23 respect to any pending criminal charges or case and  
 24 conviction awaiting sentencing that is impacted by  
 25 the amendments to the Controlled Substances Act

1 (21 U.S.C. 801 et seq.) made by this section, the  
2 Government shall drop the relevant charges or seek  
3 dismissal of all pending charges not later than 30  
4 days after the date of enactment of this Act. Any  
5 person held in pretrial detention and entitled to dis-  
6 missal of relevant charges under this provision, and  
7 not detained for any other reason, shall be entitled  
8 to issuance of a writ under section 1361 or 2241 of  
9 title 28, United States Code, to effectuate immediate  
10 release.

11 (3) APPLICATION TO DEFENDANTS PREVIOUSLY  
12 SENTENCED.—Not later than 60 days after the date  
13 of enactment of this Act, the Director of the Bureau  
14 of Prisons, United States Marshals Service, or  
15 United States Parole Commission, as applicable,  
16 shall release from its control, and the sentencing  
17 court shall enter an order vacating the conviction  
18 and sentence for, any individual convicted or sen-  
19 tenced before the date of enactment of this Act for  
20 any Federal offense involving marijuana, marihuana  
21 (as defined in section 102(16) of the Controlled Sub-  
22 stances Act (21 U.S.C. 802(16))), or  
23 tetrahydrocannabinols and is not serving a sentence  
24 for any conduct not covered by this Act or serving  
25 multiple sentences as provided in section 3584 of

1 title 18, United States Code. Any person not so  
2 timely released and entitled to such release under  
3 this provision shall be entitled to issuance of a writ  
4 under section 1361 or 2241 of title 28, United  
5 States Code, to effectuate immediate release.

6 (4) CUMULATIVE SENTENCING RECONSIDER-  
7 ATION.—In the case of a defendant who, before the  
8 date of enactment of this Act, was convicted or sen-  
9 tenced for any Federal offense involving marijuana,  
10 marihuana (as defined in section 102(16) of the  
11 Controlled Substances Act (21 U.S.C. 802(16))), or  
12 tetrahydrocannabinols, and, after vacatur of that  
13 sentence, is also serving a sentence for any other  
14 crime not covered by this Act, or in the case of a  
15 defendant who was convicted or sentenced for any  
16 Federal offense the sentencing range for which was  
17 elevated based on a prior conviction for an offense  
18 involving marijuana, marihuana, or  
19 tetrahydrocannabinols, the sentencing court may, on  
20 motion of the defendant, the Director of the Bureau  
21 of Prisons, the Attorney General, or, on its own mo-  
22 tion, impose a reduced sentence after considering the  
23 factors set forth in section 3553(a) of title 18,  
24 United States Code.

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

5       “(h) CANNABIS.—

6           “(1) TESTING FOR CANNABIS.—

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

10           “(B) EXCEPTION FOR DRUG TESTING.—

11           Notwithstanding subparagraph (A) or the Can-  
12           nabis Administration and Opportunity Act and  
13           the amendments made thereby, the Secretary of  
14           Health and Human Services or the head of an  
15           agency may deem cannabis to be a schedule I  
16           controlled substance within the meaning of sec-  
17           tion 102(6) of the Controlled Substances Act  
18           (21 U.S.C. 802(6)), and unlawful to possess  
19           under title II or III of such Act, exclusively for  
20           the purpose of drug testing of any law enforce-  
21           ment officer (as defined in section 8331 of title  
22           5, United States Code) or any Federal employee  
23           in a position that the head of an agency deter-  
24           mines, in writing, to have significant involve-  
25           ment in national security or the protection of

1 life, property, public health, or public safety,  
2 provided that either such employee is subject to  
3 this section, Executive Order 12564, or other  
4 applicable Federal laws and orders.

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

8 (f) SPECIAL RULE FOR CERTAIN REGULATIONS.—

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

15 (2) CONTROLLED SUBSTANCE DEFINED.—In  
16 this subsection, the term “controlled substance”  
17 means—

18 (A) any substance covered under section  
19 102 of the Controlled Substances Act (21  
20 U.S.C. 802) on the day before the date of en-  
21 actment of this Act; and

22 (B) any substance not covered under sub-  
23 paragraph (A) that was a substance covered  
24 under section 102 of the Controlled Substances

1 Act (21 U.S.C. 802) on December 1, 2018, and  
2 specified by the Secretary of Transportation.

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

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

12 (1) the Secretary of Health and Human Serv-  
13 ices, and

14 (2) the Secretary of the Treasury.

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

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

23 (2) REFERENCES.—Any reference to the Tax  
24 and Trade Bureau or the Alcohol and Tobacco Tax  
25 and Trade Bureau in any law, regulation, map, doc-

ument, record, or other paper of the United States shall be deemed to be a reference to the Alcohol, Tobacco, and Cannabis Tax and Trade Bureau.

(c) MEMORANDUM OF UNDERSTANDING.—

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

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

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

1 (B) to the greatest extent practicable, re-  
2 duction of any unnecessary administrative du-  
3 plication with respect to such regulation.

4 **Subtitle B—Public Safety and**  
5 **States’ Rights**

6 **SEC. 111. STATES’ RIGHTS.**

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

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

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

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

15 (d) INJUNCTIVE RELIEF.—Section 2 of the Act enti-  
 16 tled “An Act divesting intoxicating liquors of their inter-  
 17 state character in certain cases”, approved March 1, 1913  
 18 (commonly known as the “Webb-Kenyon Act”) (27 U.S.C.  
 19 122a), is amended—

20 (1) in subsection (a)—

21 (A) by redesignating paragraphs (2), (3),  
 22 and (4) as paragraphs (3), (4), and (5), respec-  
 23 tively; and

24 (B) by inserting after paragraph (1) the  
 25 following:

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

4 (2) in subsections (b) and (c), by inserting “or  
 5 cannabis” after “intoxicating liquor” each place that  
 6 term appears.

7 **SEC. 112. DIVERSION OF CANNABIS.**

8 (a) IN GENERAL.—

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

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

20 (B) CANNABIS DIVERSION.—

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

23 (I) knowingly grow, manufacture,  
 24 ship, transport, receive, possess, sell,  
 25 or distribute or purchase 10 pounds

1 or more of cannabis without author-  
2 ization under a State law or pursuant  
3 to a permit issued under section 301  
4 of the Federal Alcohol Administration  
5 Act, as added by section 511 of this  
6 Act;

7 (II) knowingly possess 10 pounds  
8 or more of cannabis that bears no evi-  
9 dence of the payment of applicable  
10 State or local cannabis taxes in the  
11 State or locality where the cannabis is  
12 found, if—

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

19 (bb) the cannabis is in the  
20 possession of any person other  
21 than a person holding a permit  
22 under section 301 of the Federal  
23 Alcohol Administration Act, as  
24 added by section 511 of this Act;

1 (III) knowingly grow, manufac-  
2 ture, ship, transport, receive, possess,  
3 sell, or distribute or purchase 20  
4 pounds or more of cannabis without  
5 authorization under a State law or  
6 pursuant to a permit issued under  
7 section 301 of the Federal Alcohol  
8 Administration Act, as added by sec-  
9 tion 511 of this Act; or

10 (IV) knowingly possess 20  
11 pounds or more of cannabis that bears  
12 no evidence of the payment of applica-  
13 ble State or local cannabis taxes in  
14 the State or locality where the can-  
15 nabis is found, if—

16 (aa) the State or local gov-  
17 ernment requires a stamp, im-  
18 pression, or other indication to be  
19 placed on packages or other con-  
20 tainers of cannabis to evidence  
21 payment of cannabis taxes; and

22 (bb) the cannabis is in the  
23 possession of any person other  
24 than a person holding a permit  
25 under section 301 of the Federal

1 Alcohol Administration Act, as  
2 added by section 511 of this Act.

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

5 (I) a common or contract carrier  
6 transporting the cannabis involved  
7 under a proper bill of lading or freight  
8 bill which states the quantity, source,  
9 and destination of the cannabis;

10 (II) a person—

11 (aa) who is licensed or oth-  
12 erwise authorized by the State  
13 where the cannabis is found to  
14 account for and pay cannabis  
15 taxes imposed by such State; and

16 (bb) who has complied with  
17 the accounting and payment re-  
18 quirements relating to such li-  
19 cense or authorization with re-  
20 spect to the cannabis involved;

21 (III) an officer, employee, or  
22 other agent of the United States, an  
23 Indian Tribe, or a State, or any de-  
24 partment, agency, or instrumentality  
25 of the United States, an Indian Tribe,

1 or a State (including any political sub-  
2 division of an Indian Tribe or a State)  
3 having possession of the cannabis in  
4 connection with the performance of of-  
5 ficial duties; or

6 (IV) a person—

7 (aa) involved in the manu-  
8 facture, marketing, or distribu-  
9 tion of a drug containing can-  
10 nabis that is otherwise in compli-  
11 ance with State and Federal law;  
12 and

13 (bb) who possesses cannabis  
14 in connection with the lawful ac-  
15 tivities described in item (aa).

16 (iii) PENALTY.—Any person who vio-  
17 lates—

18 (I) subclause (I) or (II) of clause  
19 (i) shall be imprisoned not more than  
20 1 year, fined not more than \$50,000,  
21 or both; or

22 (II) subclause (III) or (IV) of  
23 clause (i) shall be imprisoned not  
24 more than 5 years, fined not more  
25 than \$100,000, or both.

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

5           (3) ENFORCEMENT.—It shall be the duty of the  
6 Attorney General upon the request of the Secretary  
7 of the Treasury to bring an action for an injunction  
8 against any person who violates, disobeys or dis-  
9 regards any term or provision of this subtitle or of  
10 any lawful notice, order or regulation pursuant  
11 thereto; provided, however, that the Secretary of the  
12 Treasury shall furnish the Attorney General with  
13 such material, evidentiary matter or proof as may be  
14 requested by the Attorney General for the prosecu-  
15 tion of such an action.

16 (b) TRACKING AND TRACING REGULATIONS.—

17           (1) ISSUANCE OF TRACKING AND TRACING REG-  
18 ULATIONS.—

19           (A) IN GENERAL.—Not later than 1 year  
20 after the date of enactment of this Act, the Sec-  
21 retary of the Treasury (referred to in this sec-  
22 tion as the “Secretary”), acting through the  
23 Administrator of the Alcohol, Tobacco, and  
24 Cannabis Tax and Trade Bureau and in coordi-  
25 nation with the Secretary of Health and

1 Human Services, shall issue regulations relating  
 2 to the tracking and tracing of cannabis prod-  
 3 ucts pursuant to paragraph (2).

4 (B) GOOD FAITH CONSULTATION WITH IN-  
 5 DIAN TRIBES.—In issuing regulations under  
 6 subparagraph (A), the Secretary, acting  
 7 through the Administrator of the Alcohol, To-  
 8 bacco, and Cannabis Tax and Trade Bureau  
 9 and in coordination with the Secretary of  
 10 Health and Human Services, shall conduct good  
 11 faith, meaningful, and timely consultations with  
 12 Indian Tribes.

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

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

21 (B) INSPECTION.—In promulgating the  
 22 regulations described in subparagraph (A), the  
 23 Secretary shall consider which records are need-  
 24 ed for inspection to monitor the movement of  
 25 cannabis products from the point of production

1 through distribution to retail outlets to assist in  
2 investigating potential illicit trade, smuggling,  
3 or counterfeiting of cannabis products.

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

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

12 (E) RECORDKEEPING BY RETAILERS.—  
13 The Secretary shall not require any retailer to  
14 maintain records relating to individual pur-  
15 chasers of cannabis products for personal con-  
16 sumption.

17 (3) RECORDS INSPECTION.—

18 (A) IN GENERAL.—If the Secretary has a  
19 reasonable belief that a cannabis product is  
20 part of an illicit trade or smuggling or is a  
21 counterfeit product, each person who manufac-  
22 tures, processes, transports, distributes, re-  
23 ceives, holds, packages, exports, or imports can-  
24 nabis products shall, at the request of an officer  
25 or employee duly designated by the Secretary,

1 permit such officer or employee, at reasonable  
2 times and within reasonable limits and in a rea-  
3 sonable manner, upon the presentation of ap-  
4 propriate credentials and a written notice to  
5 such person, to have access to and copy all  
6 records (including financial records) relating to  
7 such article that are needed to assist the Sec-  
8 retary in investigating potential illicit trade,  
9 smuggling, or counterfeiting of cannabis prod-  
10 ucts. The Secretary shall not authorize an offi-  
11 cer or employee of the government of any of the  
12 several States to exercise authority under the  
13 preceding sentence on Indian country without  
14 the express written consent of the Indian Tribe  
15 involved.

16 (B) FAILURE TO COMPLY.—

17 (i) COMPEL INSPECTIONS.—The dis-  
18 trict courts of the United States shall have  
19 the authority, pursuant to a civil action  
20 brought by the Secretary, to compel access  
21 by any officer or employee duly designated  
22 by the Secretary to any relevant records  
23 described in subparagraph (A).

24 (ii) PENALTY.—Any person who—

1 (I) denies access to any relevant  
2 records described in subparagraph (A)  
3 to any officer or employee duly des-  
4 ignated by the Secretary; or

5 (II) fails to comply with an order  
6 issued by a district court pursuant to  
7 clause (i),

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

9 (4) KNOWLEDGE OF ILLEGAL TRANSACTION.—

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

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

21 (ii) imported, exported, distributed, or  
22 diverted for possible illicit marketing,

23 the manufacturer or distributor shall promptly  
24 notify the Attorney General and the Secretary  
25 of such knowledge.

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

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

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

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

14 (6) CONSIDERATION OF STATE AND OTHER  
 15 PRECEDENT.—In promulgating the regulations de-  
 16 scribed in this subsection, the Secretary shall con-  
 17 sider—

18 (A) recommendations and findings by the  
 19 Cannabis Products Advisory Committee estab-  
 20 lished under section 1111 of the Federal Food,  
 21 Drug, and Cosmetic Act;

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

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

5 **TITLE II—RESEARCH, TRAINING,**  
 6 **AND PREVENTION**

7 **Subtitle A—Public Health and**  
 8 **Biomedical Research**

9 **SEC. 201. SOCIETAL IMPACT OF CANNABIS LEGALIZATION**  
 10 **STUDY.**

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

16 (1) Federal and State law enforcement activi-  
 17 ties, including—

18 (A) arrests related to illicit use, possession,  
 19 production, manufacture, and distribution of  
 20 cannabis; and

21 (B) diversion and seizures of cannabis.

22 (2) Employment and the receipt of Federal wel-  
 23 fare assistance.

24 (3) Changes in the utilization of health care, in-  
 25 cluding hospitalization related to methamphetamine

1 and narcotic use and the use of cannabis for medical  
2 purposes.

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

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

7 (b) REPORT.—The Comptroller General of the  
8 United States—

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

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

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

22 (a) IN GENERAL.—The Secretary of Health and  
23 Human Services (referred to in this section as the “Sec-  
24 retary”), in consultation with the Director of the National

1 Institutes of Health, shall conduct or support research on  
2 the impacts of cannabis.

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

5 (1) the effects of tetrahydrocannabinol on the  
6 human brain;

7 (2) the efficacy of cannabis as a treatment for  
8 specific diseases and conditions, including any im-  
9 pact on chronic pain and post-traumatic stress dis-  
10 order;

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

12 (A) pulmonary function;

13 (B) cardiovascular events;

14 (C) cancer, including testicular, ovarian,  
15 transitional cell, and head, neck, and oral can-  
16 cers, and chronic illnesses;

17 (D) mania;

18 (E) psychosis;

19 (F) cognitive effects; and

20 (G) cannabinoid hyperemesis syndrome;

21 and

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

1       (c) CONSIDERATIONS.—In conducting or supporting  
2 the research under subsection (a), the Secretary may con-  
3 sider—

4           (1) varying forms of cannabis, including—

5               (A) full plants and extracts; and

6               (B) different types of cannabis with signifi-  
7 cant variation in phenotypic traits and various  
8 ratios of tetrahydrocannabinol and cannabidiol  
9 in chemical composition; and

10          (2) varying methods of cannabis delivery, in-  
11 cluding combustible and non-combustible inhalation  
12 and ingestion.

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

22       (e) FUNDING.—In addition to amounts otherwise  
23 available, there is appropriated, out of any funds in the  
24 Treasury not otherwise appropriated, \$200,000,000 for

1 each of fiscal years 2026 through 2030 to carry out this  
 2 section.

3 **SEC. 203. PUBLIC HEALTH SURVEILLANCE AND DATA COL-**  
 4 **LECTION.**

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

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

10 (2) in subsection (a)—

11 (A) in paragraph (2)—

12 (i) in subparagraph (C) by inserting  
 13 “and adverse health effects of cannabis  
 14 use” before the period; and

15 (ii) in subparagraph (D) by inserting  
 16 “, cannabis, and polysubstance use” before  
 17 the period; and

18 (B) in paragraph (4), by inserting “and  
 19 collect data to better understand the use and  
 20 health effects of cannabis, stimulants, and  
 21 polysubstances, and” after “conduct studies  
 22 and evaluations”;

23 (3) in subsection (e), by striking “\$496,000,000  
 24 for each of fiscal years 2019 through 2023” and in-

1       serting “\$596,000,000 for each of fiscal years 2026  
2       through 2030”; and

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

4       “(f) **ADDITIONAL FUNDING.**—In addition to amounts  
5 otherwise available, there is appropriated, out of any funds  
6 in the Treasury not otherwise appropriated, \$100,000,000  
7 for each of fiscal years 2026 through 2030 to carry out  
8 this section.”.

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

10       Part D of title V of the Public Health Service Act  
11 (42 U.S.C. 290dd et seq.) is amended by adding at the  
12 end the following:

13       **“SEC. 554. AWARDS TO PREVENT UNDERAGE CANNABIS**  
14                       **USE.**

15       “(a) **IN GENERAL.**—The Secretary, acting through  
16 the Assistant Secretary, shall award grants, contracts, and  
17 cooperative agreements to eligible entities to prevent and  
18 reduce underage cannabis use.

19       “(b) **ELIGIBLE ENTITIES.**—To receive an award  
20 under this section, an entity shall be a State, political sub-  
21 division of a State, Indian Tribe or Tribal organization,  
22 an urban Indian organization, a nonprofit community-  
23 based organization, or any other nonprofit entity the Sec-  
24 retary determines appropriate.

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

4           “(1) establish, enhance, and support culturally-  
5 and linguistically-appropriate programs, including  
6 community-based, school-based, and higher-edu-  
7 cation based programs, and programs that target  
8 youth within the juvenile justice and child welfare  
9 systems, that offer screening, prevention, early inter-  
10 vention, diagnosis, treatment, referral, and recovery  
11 support services related to underage cannabis use;

12           “(2) design, test, evaluate, and disseminate evi-  
13 dence-based and evidence-informed strategies to  
14 maximize the effectiveness of community-wide ap-  
15 proaches to preventing and reducing underage can-  
16 nabis use;

17           “(3) educate children, adolescents, youth, par-  
18 ents, health care providers, and communities about  
19 the dangers of underage cannabis use, including im-  
20 paired driving due to cannabis use;

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

23           “(5) strengthen collaboration among commu-  
24 nities, the Federal Government, and State, local,

1 and Tribal governments to prevent underage can-  
2 nabis use;

3 “(6) address community norms regarding un-  
4 derage cannabis use, reduce opportunities for under-  
5 age cannabis use, and reduce the prevalence of nega-  
6 tive consequences associated with underage cannabis  
7 use; and

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

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

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

24 “(f) FUNDING.—In addition to amounts otherwise  
25 available, there is appropriated, out of any funds in the

1 Treasury not otherwise appropriated, \$15,000,000 for  
 2 each of fiscal years 2026 through 2030 to carry out this  
 3 section.

4 “(g) DEFINITIONS.—For the purposes of this sec-  
 5 tion—

6 “(1) the terms ‘Indian Tribe’ and ‘Tribal orga-  
 7 nization’ have the meanings given such terms in sec-  
 8 tion 4 of the Indian Self-Determination and Edu-  
 9 cation Assistance Act; and

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

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

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

22 (1) educate the public about—

23 (A) the negative consequences of underage  
 24 cannabis use and cannabis impaired driving;  
 25 and

1 (B) the public health and safety benefits of  
2 evidence-based and evidence-informed policies to  
3 reduce underage cannabis use and cannabis im-  
4 paired driving, and build community and paren-  
5 tal support for, and cooperation with, enforce-  
6 ment of such policies;

7 (2) be conducted—

8 (A) through multiple media sources;

9 (B) in a manner that is culturally and lin-  
10 guistically appropriate; and

11 (C) in a manner that reflects best practices  
12 in public health communication, including in ac-  
13 cessible formats.

14 (3) CONSULTATION REQUIREMENT.—In car-  
15 rying out the campaign under this subsection, the  
16 Secretary shall consult with interested parties, in-  
17 cluding medical, public health, consumer, parent,  
18 disability, law enforcement, community-based, and  
19 other stakeholders, as determined by the Secretary.

20 (b) EDUCATION AND AWARENESS CAMPAIGN FOR  
21 CANNABIS USE.—The Secretary, in coordination with the  
22 heads of other appropriate departments and agencies and  
23 working through existing programs and activities, as ap-  
24 propriate, shall advance the education and awareness of  
25 the public (including health care providers, consumers,

1 workplaces, and other appropriate entities) regarding can-  
2 nabis use. The education and awareness campaigns under  
3 this subsection shall address—

4           (1) any dangers and negative consequences of  
5 cannabis use;

6           (2) awareness and prevention of cannabis use  
7 disorder;

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

12           (4) the effects of cannabis when mixed with  
13 other substances; and

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

16       (c) REPORT TO CONGRESS.—The Secretary shall  
17 submit an annual report to the Committee on Health,  
18 Education, Labor, and Pensions of the Senate and the  
19 Committee on Energy and Commerce of the House of  
20 Representatives detailing the production, broadcasting,  
21 and evaluation of the campaigns under subsections (a) and  
22 (b). Such reports shall include—

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

1           (2) the need for, and likely effectiveness of, an  
 2       expanded campaign under either such subsection;  
 3       and

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

6       (d) FUNDING.—In addition to amounts otherwise  
 7       available, there is appropriated, out of any funds in the  
 8       Treasury not otherwise appropriated, \$5,000,000 for each  
 9       of fiscal years 2026 through 2030 to carry out this sec-  
 10      tion.

11   **SEC. 206. INCREASING AVAILABILITY OF CANNABIS PROD-**  
 12                           **UCTS FOR RESEARCH PURPOSES.**

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

24       (b) GUIDANCE.—In carrying out subsection (a), the  
 25       Secretary may develop guidance clarifying how entities en-

1 gaged in extramural research supported by the Federal  
2 Government may access cannabis products available to be  
3 sold directly to consumers.

4 (c) CONGRESSIONAL BRIEFING.—Not later than 1  
5 year after the date of enactment of this Act, the Secretary  
6 shall brief the Committee on Health, Education, Labor,  
7 and Pensions and the Committee on the Judiciary of the  
8 Senate and the Committee on Energy and Commerce and  
9 the Committee on the Judiciary of the House of Rep-  
10 resentatives on the activities under subsection (a).

11 (d) FUNDING.—In addition to amounts otherwise  
12 available, there is appropriated, out of any funds in the  
13 Treasury not otherwise appropriated, \$275,000,000 for  
14 each of fiscal years 2026 through 2030 to carry out this  
15 section.

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

17 Part A of title IV of the Public Health Service Act  
18 (42 U.S.C. 281 et seq.) is amended by inserting at the  
19 end the following:

20 **“SEC. 404P. TRANS-NIH CANNABIS CONSORTIUM.**

21 “(a) ESTABLISHMENT.—The Director of NIH shall  
22 establish and maintain a consortium to be known as the  
23 Trans-NIH Cannabis Research Consortium (referred to in  
24 this section as the ‘Consortium’) to coordinate cannabis

1 research programs across the National Institutes of  
2 Health.

3 “(b) MEMBERSHIP.—The members of the Consor-  
4 tium shall be appointed by the Director of NIH and con-  
5 sist of representatives of multiple national research insti-  
6 tutes and national centers.

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

10 “(d) DUTIES.—In coordinating cannabis research  
11 programs across the National Institutes of Health, the  
12 Consortium shall—

13 “(1) establish cannabis research priorities;

14 “(2) identify gaps and opportunities for re-  
15 search collaborations involving multiple national re-  
16 search institutes and national centers; and

17 “(3) identify opportunities to develop the next  
18 generation of cannabis researchers.

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

23 “(f) REPORTING.—No later than 1 year after the  
24 date of enactment of the Cannabis Administration and  
25 Opportunity Act, and every 2 years thereafter, the Consor-

1 tium shall submit to the Committee on Health, Education,  
2 Labor, and Pensions of the Senate and the Committee on  
3 Energy and Commerce of the House of Representatives,  
4 and make publicly available on the website of the National  
5 Institutes of Health, a report on—

6 “(1) any research project involving cannabis  
7 and involving more than one national research insti-  
8 tute or national center that was supported during  
9 the review period;

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

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

16 “(4) details on the composition of awards for  
17 early-career researchers, including demographic de-  
18 tails indicating the proportion of recipients from  
19 populations that have been underrepresented in can-  
20 nabis research; and

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

1 **SEC. 208. CANNABIS RESEARCH INTERAGENCY ADVISORY**  
2 **COMMITTEE.**

3 (a) IN GENERAL.—There is established within the  
4 Department of Health and Human Services a Cannabis  
5 Research Interagency Advisory Committee (referred to in  
6 this subsection as the “Advisory Committee”) for purposes  
7 of coordinating—

8 (1) Federal research activities relating to can-  
9 nabis; and

10 (2) aspects of all Federal programs and activi-  
11 ties relating to cannabis research, in order to ensure  
12 the adequacy and technical soundness of such pro-  
13 grams and activities, to minimize barriers to such  
14 programs and activities, to provide for the full com-  
15 munication and exchange of information necessary  
16 to maintain adequate coordination of such programs  
17 and activities.

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

21 (1) The National Institutes of Health.

22 (2) The Centers for Disease Control and Pre-  
23 vention.

24 (3) The Food and Drug Administration.

25 (4) The Substance Abuse and Mental Health  
26 Services Administration.

1           (5) The Office of the Assistant Secretary of  
2     Health.

3           (6) The Office of Minority Health.

4           (7) The Drug Enforcement Administration.

5           (8) The Alcohol, Tobacco, and Cannabis Tax  
6     and Trade Bureau (as so redesignated by section  
7     102 of this Act).

8           (9) The Department of Transportation.

9           (10) Any other agency with subject matter ex-  
10    pertise that the Secretary of Health and Human  
11    Services determines appropriate to advance research  
12    on cannabis.

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

15           (1) monitor cannabis research across all rel-  
16    evant Federal departments and agencies, including  
17    coordination of Federal activities with respect to  
18    cannabis;

19           (2) develop a summary of advances in cannabis  
20    research;

21           (3) identify barriers to conducting or sup-  
22    porting cannabis research;

23           (4) make recommendations to the Secretary of  
24    Health and Human Services regarding any appro-  
25    priate changes to such activities;

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

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

9                   (A) proposed budgetary requirements; and

10                   (B) recommendations to ensure that can-  
11       nabis research of the Department of Health and  
12       Human Services and of other Federal depart-  
13       ments and agencies are not unnecessarily dupli-  
14       cative; and

15           (7) submit to Congress and the President—

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

18                   (B) an annual update to the strategic plan  
19       described in paragraph (5), including any  
20       progress made in achieving the goals outlined in  
21       such strategic plan.

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

23       (a) IN GENERAL.—The Secretary of Health and  
24       Human Services (referred to in this section as the “Sec-  
25       retary”) shall award grants, contracts, or cooperative

1 agreements to public and nonprofit entities (including con-  
2 sortiums of such entities) to conduct or support research  
3 on short- and long-term health effects of cannabis, consid-  
4 ering beneficial and harmful effects and public health im-  
5 pacts. Such research may—

6           (1) consider the etiology, epidemiology, and  
7 health effects of cannabis use in at-risk or under re-  
8 searched populations, such as pediatric and older  
9 populations, individuals with chronic illnesses, preg-  
10 nant and lactating women and their infants and chil-  
11 dren, and heavy cannabis users;

12           (2) consider the pharmacokinetic and  
13 pharmacodynamic properties of cannabis, modes of  
14 delivery, different concentrations, in various popu-  
15 lations, including the dose-response relationships of  
16 cannabis and tetrahydrocannabinol or other  
17 cannabinoids;

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

21           (4) consider the short- and long-term harms  
22 and benefits associated with exposure to chemicals  
23 and other products commonly involved in the grow-  
24 ing, possessing, and selling of cannabis;

1           (5) utilize clinical trials on the potential bene-  
2       ficial and harmful health effects of using different  
3       forms of cannabis, such as inhaled whole cannabis  
4       plant and oral cannabis;

5           (6) seek to characterize the health effects of  
6       cannabis on unstudied and understudied health  
7       endpoints, such as epilepsy in pediatric populations,  
8       symptoms of post-traumatic stress disorder, child-  
9       hood and adult cancers, cannabis-related overdoses  
10      and poisonings, and other high-priority health  
11      endpoints; and

12          (7) provide support for the development of  
13      novel diagnostic technologies that allow for rapid,  
14      accurate, and noninvasive assessment of cannabis  
15      exposure and impairment.

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

20      (c) PRIORITY.—In selecting award recipients under  
21      this section, the Secretary shall give priority to any entity  
22      that is a minority-serving institution (defined, for pur-  
23      poses of this subsection, as an institution and program  
24      described in section 326(e)(1) of the Higher Education  
25      Act of 1965 (20 U.S.C. 1063b(e)(1)) and institution de-

1 scribed in section 371(a) of such Act (20 U.S.C.  
2 1067q(a))).

3 (d) CONSIDERATIONS.—In making awards under this  
4 section, the Secretary, to the extent practicable, may en-  
5 sure equitable distribution of awards among the geo-  
6 graphical regions of the United States.

7 (e) REPORTING.—

8 (1) REPORTS FROM ENTITIES.—Each entity, or  
9 consortium of such entities, that receives an award  
10 under this section shall submit an annual report to  
11 the Secretary on the activities conducted under such  
12 award, and other information as the Secretary may  
13 require.

14 (2) REPORT TO CONGRESS.—Not later than 5  
15 years after the date of enactment of this Act and  
16 every 5 years thereafter, the Secretary shall submit  
17 to the Committee on Health, Education, Labor, and  
18 Pensions of the Senate and the Committee on En-  
19 ergy and Commerce of the House of Representatives  
20 a report that provides a summary of the activities  
21 associated with awards made under this section.

22 (3) PUBLIC AVAILABILITY.—The Secretary  
23 shall make reports submitted under paragraph (2)  
24 publicly available on the website of the Department  
25 of Health and Human Services.

1 (f) FUNDING.—In addition to amounts otherwise  
 2 available, there is appropriated, out of any funds in the  
 3 Treasury not otherwise appropriated, \$200,000,000 for  
 4 each of fiscal years 2026 through 2030 to carry out this  
 5 section.

6 **SEC. 210. DEPARTMENT OF VETERANS AFFAIRS CLINICAL**  
 7 **TRIALS ON THE EFFECTS OF CANNABIS ON**  
 8 **CERTAIN HEALTH OUTCOMES OF VETERANS**  
 9 **WITH CHRONIC PAIN AND POST-TRAUMATIC**  
 10 **STRESS DISORDER.**

11 (a) CLINICAL TRIALS REQUIRED.—

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

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

20 (A) with respect to covered veterans diag-  
 21 nosed with chronic pain, an evaluation of the  
 22 effects of the use of cannabis on—

23 (i) osteopathic pain (including pain in-  
 24 tensity and pain-related outcomes);

1 (ii) the reduction or increase in opioid  
2 use or dosage;

3 (iii) the reduction or increase in  
4 benzodiazepine use or dosage;

5 (iv) the reduction or increase in alco-  
6 hol use;

7 (v) inflammation;

8 (vi) sleep quality;

9 (vii) agitation; and

10 (viii) quality of life; and

11 (B) with respect to covered veterans diag-  
12 nosed with post-traumatic stress disorder, an  
13 evaluation of the effects of the use of cannabis  
14 on—

15 (i) the symptoms of post-traumatic  
16 stress disorder (PTSD) as established by  
17 or derived from the clinician administered  
18 PTSD scale, the PTSD checklist, the  
19 PTSD symptom scale, the post-traumatic  
20 diagnostic scale, and other applicable  
21 methods of evaluating symptoms of post-  
22 traumatic stress disorder;

23 (ii) the reduction or increase in  
24 benzodiazepine use or dosage;

- 1 (iii) the reduction or increase in alco-
- 2 hol use;
- 3 (iv) mood;
- 4 (v) anxiety;
- 5 (vi) social functioning;
- 6 (vii) agitation;
- 7 (viii) suicidal ideation; and
- 8 (ix) sleep quality, including frequency
- 9 of nightmares and night terrors.

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

- 14 (A) pulmonary function;
- 15 (B) cardiovascular events;
- 16 (C) head, neck, and oral cancer;
- 17 (D) testicular cancer;
- 18 (E) ovarian cancer;
- 19 (F) transitional cell cancer;
- 20 (G) intestinal inflammation;
- 21 (H) motor vehicle accidents;
- 22 (I) mania;
- 23 (J) psychosis;
- 24 (K) cognitive effects;
- 25 (L) cannabinoid hyperemesis syndrome;

- 1 (M) neuropathy;
- 2 (N) spasticity;
- 3 (O) substance use disorder; or
- 4 (P) mental health disorder.

5 (b) LONG-TERM OBSERVATIONAL STUDY.—The Sec-  
6 retary may carry out a long-term observational study of  
7 the participants in the clinical trials required by sub-  
8 section (a).

9 (c) TYPE OF CANNABIS.—

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

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

- 19 (A) Less than 1:5.
- 20 (B) Between 1:2 and 1:5.
- 21 (C) Approximately 1:2.
- 22 (D) Approximately 1:1.
- 23 (E) Approximately 2:1.
- 24 (F) Between 2:1 and 5:1.
- 25 (G) More than 5:1.

1 (d) USE OF CONTROL AND EXPERIMENTAL  
2 GROUPS.—The clinical trials required by subsection (a)  
3 shall include both a control group and an experimental  
4 group that shall—

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

6 (2) represent the demographics of the veteran  
7 population, as determined by the most recent data  
8 from the American Community Survey of the Bu-  
9 reau of the Census that is available prior to the  
10 commencement of the clinical trials.

11 (e) LIMITATION ON ENROLLMENT OF CERTAIN VET-  
12 ERANS.—In enrolling veterans in a clinical trial under sub-  
13 section (a), the Secretary shall avoid enrolling veterans  
14 who—

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

17 (2) have contraindications to medicinal can-  
18 nabis, which may include—

19 (A) veterans with acute psychosis or at-  
20 risk of psychosis;

21 (B) veterans for whom cannabis is contra-  
22 indicated based on current medications taken,  
23 prescribed and nonprescribed;

24 (C) veterans with severe cardiovascular,  
25 immunological, liver, or kidney disease; and

1 (D) veterans who are pregnant or  
2 breastfeeding.

3 (f) DATA PRESERVATION.—The clinical trials re-  
4 quired by subsection (a) shall include a mechanism to en-  
5 sure the preservation of all data, including all data sets,  
6 collected or used for purposes of such trials in a manner  
7 that will facilitate further research.

8 (g) IMPLEMENTATION.—Not later than 180 days  
9 after the date of the enactment of this Act, the Secretary  
10 shall—

11 (1) develop a plan to implement this section  
12 and submit such plan to the Committee on Veterans’  
13 Affairs of the Senate and the Committee on Vet-  
14 erans’ Affairs of the House of Representatives; and

15 (2) issue any requests for proposals the Sec-  
16 retary determines appropriate for such implementa-  
17 tion.

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

24 (i) PERIODIC REPORTS.—During the five-year period  
25 beginning on the date of the enactment of this Act, the

1 Secretary shall submit periodically, but not less frequently  
 2 than annually, to the Committee on Veterans’ Affairs of  
 3 the Senate and the Committee on Veterans’ Affairs of the  
 4 House of Representatives reports on the implementation  
 5 of this section.

6 (j) COVERED VETERAN DEFINED.—In this section,  
 7 the term “covered veteran” means a veteran who is en-  
 8 rolled in the patient enrollment system of the Department  
 9 of Veterans Affairs established and operated under section  
 10 1705(a) of title 38, United States Code.

11 **SEC. 211. CANNABIS RESEARCH INFRASTRUCTURE**  
 12 **GRANTS.**

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

16 **“PART BB—CANNABIS RESEARCH**  
 17 **INFRASTRUCTURE GRANT PROGRAM**  
 18 **“SEC. 899. CANNABIS RESEARCH INFRASTRUCTURE GRANT**  
 19 **PROGRAM.**

20 “(a) IN GENERAL.—The Secretary, in consultation  
 21 with the Secretary of Health and Human Services and,  
 22 as appropriate, with other relevant Federal agencies, shall  
 23 award grants, on a competitive basis, to institutions of  
 24 higher education to enable such institutions to develop or  
 25 enhance the necessary infrastructure for exploratory can-

1 nabis research, including the cultivation of cannabis for  
2 research purposes.

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

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

11 “(2) how such projects will address the research  
12 infrastructure needs of the institution of higher edu-  
13 cation.

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

16 “(1) institutions of higher education described  
17 in section 371(a);

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

20 “(3) institutions of higher education with expe-  
21 rience in conducting or supporting cannabis research  
22 or developing academic courses or programs for stu-  
23 dents in the cannabis industry.

24 “(d) USE OF FUNDS.—An institution of higher edu-  
25 cation that receives a grant under this section shall use

1 the grant funds to develop or enhance the necessary infra-  
2 structure for exploratory cannabis research, including—

3 “(1) cultivating cannabis for research purposes;

4 “(2) purchasing, renting, or leasing scientific or  
5 laboratory equipment;

6 “(3) constructing or upgrading cultivation or  
7 laboratory facilities;

8 “(4) purchasing or enhancing storage and secu-  
9 rity needs;

10 “(5) establishing school policies, procedures, or  
11 training to conduct or support research, such as  
12 policies and training to safely handle and store sub-  
13 stances;

14 “(6) paying State fees to apply for and receive  
15 certificates or registrations to handle certain sub-  
16 stances; or

17 “(7) recruiting or retaining staff necessary for  
18 developing or enhancing the cannabis research infra-  
19 structure of the institution of higher education, in-  
20 cluding for training and support purposes.

21 “(e) AWARDS.—Notwithstanding any other provision  
22 of law, activities supported by grants under this section  
23 shall not be considered violations of section 120 for the  
24 purposes of enforcing or assessing compliance with that  
25 section.

1 “(f) DEFINITIONS.—In this section:

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

4 “(A) a public institution of higher edu-  
5 cation, including additional locations, at which  
6 the highest awarded degree, or the predomi-  
7 nantly awarded degree, is an associate degree;  
8 or

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

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

14 “(g) FUNDING.—In addition to amounts otherwise  
15 available, there is appropriated, out of any funds in the  
16 Treasury not otherwise appropriated, \$200,000,000 for  
17 each of fiscal years 2026 through 2030 to carry out this  
18 section.”.

## 19 **Subtitle B—Cannabis-Impaired** 20 **Driving Prevention**

### 21 **SEC. 221. DEFINITIONS.**

22 In this subtitle:

23 (1) ADMINISTRATOR.—The term “Adminis-  
24 trator” means the Administrator of the National  
25 Highway Traffic Safety Administration.

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

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

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

6           (a) CANNABIS-IMPAIRED DRIVING DATA.—

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

14                   (A) THC in their system; or

15                   (B) a combination of THC and another  
16          substance in their system.

17           (2) NATIONAL ROADSIDE SURVEY.—

18           (A) IN GENERAL.—Not later than 1 year  
19          after the date of enactment of this Act, the Ad-  
20          ministrator shall initiate a National Roadside  
21          Survey to collect data on drivers with THC in  
22          their system.

23           (B) REPORT.—Not later than 3 years after  
24          the date of enactment of this Act, the Secretary  
25          shall submit to the Committees on Commerce,

Science, and Transportation, Environment and Public Works, and Health, Education, Labor, and Pensions of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report summarizing the data acquired, and conclusions drawn, from the National Roadside Survey required under subparagraph (A).

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

(1) STUDY REQUIRED.—

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

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

(i) whether there is an increased likelihood of crashing a motor vehicle after recent cannabis use;

(ii) the effect of cannabis on driving behavior;

(iii) whether there is a correlation between THC level (as tested in oral fluids) and level of impairment;

1 (iv) whether the current Standard  
2 Field Sobriety Test developed by the Na-  
3 tional Highway Traffic Safety Administra-  
4 tion accurately identifies cannabis impair-  
5 ment;

6 (v) whether driving behavior changes  
7 depending on frequency of cannabis use;

8 (vi) whether there are any potential  
9 increased risks associated with using can-  
10 nabis together with another substance; and

11 (vii) any other data necessary to im-  
12 prove safe driving outcomes, as determined  
13 by the Secretary.

14 (2) REPORT.—Not later than 3 years after the  
15 date of enactment of this Act, and annually there-  
16 after until the date on which the study required  
17 under paragraph (1) is complete, the Secretary shall  
18 submit to the Committees on Commerce, Science,  
19 and Transportation, Environment and Public Works,  
20 and Health, Education, Labor, and Pensions of the  
21 Senate and the Committee on Transportation and  
22 Infrastructure of the House of Representatives a re-  
23 port summarizing the data acquired, and conclusions  
24 drawn, from the study required under paragraph  
25 (1).

1 **SEC. 223. DOT CANNABIS-IMPAIRED DRIVING PREVENTION**  
2 **PROGRAMS.**

3 (a) IN GENERAL.—The Secretary shall research and  
4 implement data-driven strategies to educate the public  
5 about the dangers of cannabis-impaired driving, which  
6 shall include the following:

7 (1) CANNABIS-IMPAIRED DRIVING USE PREVEN-  
8 TION BEST PRACTICES.—

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

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

1           (2) CANNABIS-IMPAIRED DRIVING USE PREVEN-  
2           TION CAMPAIGNS.—Not later than 2 years after the  
3           date of enactment of this Act, the Secretary shall es-  
4           tablish and carry out national campaigns to prevent  
5           cannabis-impaired driving, including—

6                   (A) cannabis-impaired driving involving the  
7                   use of cannabis and another substance; and

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

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

16               (1) collecting data, including behavioral data,  
17               and comparing that data from before and after the  
18               campaigns;

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

21               (B) analyzing feedback from those stakeholders  
22               on what the stakeholders saw as strengths and  
23               weaknesses of the campaigns;

24               (3) determining whether the campaigns accom-  
25               plished the objectives the Secretary set out to ac-

1       comply through analysis of data relating to the  
2       campaigns; and

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

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

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

20           (2) includes recommendations for future im-  
21      paired driving campaigns; and

22           (3) includes any determinations that a national  
23      campaign or an activity carried out by a State using  
24      a grant awarded under section 409 of title 23,

1 United States Code, is ineffective at preventing can-  
 2 nabis-impaired driving.

3 **SEC. 224. STATE CANNABIS-IMPAIRED DRIVING PREVEN-**  
 4 **TION GRANT PROGRAM.**

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

8 **“§ 409. State cannabis-impaired driving prevention**  
 9 **grant program**

10 “(a) DEFINITIONS.—In this section:

11 “(1) CANNABIS.—The term ‘cannabis’ has the  
 12 meaning given the term in subsection (tt) of section  
 13 201 of the Federal Food, Drug, and Cosmetic Act  
 14 (21 U.S.C. 321).

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

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

21 “(b) ESTABLISHMENT.—Not later than 1 year after  
 22 the date of enactment of the Cannabis Administration and  
 23 Opportunity Act, the Secretary, acting through the Ad-  
 24 ministrator of the National Highway Traffic Safety Ad-  
 25 ministration, shall establish a program to provide grants

1 to States, in accordance with subsection (c), to implement  
 2 programs to prevent impaired driving due to cannabis use.

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

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

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

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

17 “(1) Enforcement activities, including—

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

22 “(B) to increase the capacity of impaired  
 23 driving toxicology testing laboratories in the  
 24 State to support impaired driving investiga-  
 25 tions, including to purchase equipment, hire

1 staff, provide training, and improve procedures,  
2 including to improve toxicology testing stand-  
3 ards to be consistent with the standards con-  
4 tained in the document of the National Safety  
5 Council entitled ‘Recommendations for Toxi-  
6 cological Investigation of Drug-Impaired Driv-  
7 ing and Motor Vehicle Fatalities–2021 Update’  
8 (or a successor document);

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

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

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

1 “(i) handling cannabis-impaired driv-  
2 ing cases;

3 “(ii) hiring traffic safety resource  
4 prosecutors;

5 “(iii) hiring judicial outreach liaisons;  
6 and

7 “(iv) establishing driving while intoxi-  
8 cated courts.

9 “(2) Data collection activities, including—

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

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

20 “(3) Education activities, including—

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

1 with the use of cannabis and another substance;  
2 and

3 “(B) to participate in national campaigns  
4 organized by the Secretary under section  
5 223(a)(2) of the Cannabis Administration and  
6 Opportunity Act.

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

13 “(f) GRANT AMOUNTS.—

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

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

22 “(g) FEDERAL SHARE.—

23 “(1) IN GENERAL.—For the first 3 fiscal years  
24 after the date on which the grant program is estab-  
25 lished under subsection (b), and each fiscal year

1       thereafter for a State that meets the condition de-  
2       scribed in paragraph (2)(B) during that fiscal year,  
3       the Federal share of the costs of activities carried  
4       out with a grant awarded under the grant program  
5       shall be 80 percent in any fiscal year in which the  
6       State is awarded a grant.

7               “(2) DECREASED FEDERAL SHARE.—

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

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

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

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

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

1       “(h) FUNDING.—In addition to amounts otherwise  
2 available, there is appropriated, out of any money in the  
3 Treasury not otherwise appropriated, \$45,000,000 for  
4 each of fiscal years 2026 through 2030 to carry out this  
5 section.”.

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

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

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

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

22       **SEC. 226. FUNDING.**

23       In addition to amounts otherwise available, there is  
24 appropriated, out of any money in the Treasury not other-

1 wise appropriated, \$30,000,000 for each of fiscal years  
 2 2026 through 2030 to carry out sections 222 and 223.

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

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

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

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

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

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

18 “(b) DIRECTOR.—The Cannabis Justice Office shall  
 19 be headed by a Director who shall be appointed by the  
 20 Assistant Attorney General for the Office of Justice Pro-  
 21 grams. The Director shall report to the Assistant Attorney  
 22 General for the Office of Justice Programs. The Director  
 23 shall award grants and may enter into compacts, coopera-  
 24 tive agreements, and contracts on behalf of the Cannabis  
 25 Justice Office. The Director may not engage in any em-

1 ployment other than that of serving as the Director, nor  
 2 may the Director hold any office in, or act in any capacity  
 3 for, any organization, agency, or institution with which the  
 4 Office makes any contract or other arrangement.

5 “(c) EMPLOYEES.—

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

11 “(2) INITIAL HIRES.—Not later than 180 days  
 12 after the date of enactment of this section, the Di-  
 13 rector shall—

14 “(A) hire not less than  $\frac{1}{3}$  of the total  
 15 number of employees of the Cannabis Justice  
 16 Office;

17 “(B) not greater than  $\frac{1}{2}$  of the employees  
 18 assigned to the Cannabis Justice Office by term  
 19 appointment that may after 2 years be con-  
 20 verted to career appointment; and

21 “(C) hire not fewer than 1 employee to  
 22 serve as a Tribal Relations Coordinator.

23 “(3) LEGAL COUNSEL.—At least 1 employee  
 24 hired for the Cannabis Justice Office shall serve as

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

(2) COMMUNITY REINVESTMENT GRANT PROGRAM.—Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10101 et seq.) is amended by adding at the end the following:

17   **“SEC. 3061. AUTHORIZATION.**

18        “The Director of the Cannabis Justice Office shall  
19 establish and carry out a grant program, known as the  
20 ‘Community Reinvestment Grant Program’, to provide eli-  
21 gible entities with funds to administer services for individ-  
22 uals adversely impacted by the War on Drugs, including—

23 “(1) job training;

24 “(2) reentry services;

1           “(3) legal aid for civil and criminal cases, in-  
2           cluding expungement of cannabis convictions;  
3           “(4) literacy programs;  
4           “(5) youth recreation or mentoring programs;  
5           and  
6           “(6) health education programs.

7   **“SEC. 3062. DEFINITIONS.**

8           “In this part:

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

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

1           “(3) The term ‘individual adversely impacted by  
2           the War on Drugs’ has the meaning given the term  
3           in section 301(b)(1) of the Cannabis Administration  
4           and Opportunity Act.

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

7                   “(A) a Native Hawaiian organization (as  
8                   defined in section 6207 of the Elementary and  
9                   Secondary Education Act of 1965 (20 U.S.C.  
10                  7517));

11                  “(B) the Department of Hawaiian Home  
12                  Lands; and

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

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

16                   (1) DEFINITIONS.—In this subsection:

17                           (A) ADMINISTRATION; ADMINISTRATOR.—

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

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

24                                   (i) to create an automatic process, at  
25                                   no cost to an individual, to expunge, de-

1                   stroy, or seal criminal records for cannabis  
2                   offenses; and

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

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

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

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

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

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

(i) who has had an income below 250 percent of the Federal Poverty Level for not fewer than 5 of the past 10 years, as of the date on which the individual seeks to participate in a program established under this section or an amendment made by this section; and

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

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

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

(G) STATE.—The term “State” means—

- 1 (i) each of the several States;
- 2 (ii) the District of Columbia;
- 3 (iii) the Commonwealth of Puerto
- 4 Rico; and
- 5 (iv) any territory or possession of the
- 6 United States.

7 (2) CANNABIS RESTORATIVE OPPORTUNITY  
8 PROGRAM.—

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

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

21 (B) TRIBAL SET ASIDE.—Of the amounts  
22 made available to carry out subparagraph (A),  
23 5 percent shall be used to provide loans and  
24 technical assistance under section 7(m) of the  
25 Small Business Act (15 U.S.C. 636(m)) to as-

1           sist small business concerns owned and con-  
2           trolled by socially and economically disadvan-  
3           taged individuals that operate in the jurisdic-  
4           tion of an eligible Indian Tribe.

5           (3) EQUITABLE LICENSING GRANT PROGRAM.—

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

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

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

24                           (ii) is a first-time applicant.

1 (B) A prohibition on the denial of a can-  
2 nabis license based on a conviction for a can-  
3 nabis offense that took place before the eligible  
4 State or locality (or, in the case of a locality,  
5 the State in which the locality is located) or eli-  
6 gible Indian Tribe legalized the production, dis-  
7 tribution, or possession of cannabis or the date  
8 of enactment of this Act, as applicable.

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

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

20 (E) The establishment of a cannabis li-  
21 censing board that—

22 (i) is reflective of the racial, ethnic,  
23 economic, and gender composition of the  
24 eligible State or locality or eligible Indian  
25 Tribe;

(ii) includes at least 1 representative from an eligible Indian Tribe that has jurisdiction within that eligible State or locality or that has Tribal jurisdiction, as applicable; and

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

(4) STUDY ON PROGRAMS.—

(A) GAO STUDY.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Comptroller General of the United States, in consultation with the Administrator, shall conduct a study on the individuals and entities receiving assistance under the Cannabis Restorative Opportunity and Equitable Licensing Programs established under paragraphs (2) and (3), respectively, which shall include—

(i) the types of assistance by State; and

(ii) a description of—

(I) the efforts by the Administration to increase access to capital for cannabis-related small business concerns owned and controlled by socially

1 and economically disadvantaged indi-  
 2 viduals and small business concerns  
 3 owned and controlled by individuals  
 4 adversely impacted by the War on  
 5 Drugs; and

6 (II) the racial, ethnic, economic  
 7 and gender composition of the eligible  
 8 State or locality.

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

13 (i) the Committee on Small Business  
 14 and Entrepreneurship of the Senate;

15 (ii) the Committee on Small Business  
 16 of the House of Representatives;

17 (iii) the Committee on the Judiciary  
 18 of the Senate; and

19 (iv) the Committee on the Judiciary of  
 20 the House of Representatives.

21 (c) APPROPRIATIONS.—

22 (1) COMMUNITY REINVESTMENT GRANT PRO-  
 23 GRAM.—In addition to amounts otherwise available,  
 24 there is appropriated, out of any funds in the Treas-  
 25 ury not otherwise appropriated, \$1,650,000,000 for

1       fiscal year 2026, to remain available until September  
 2       30, 2030, to carry out the program under part PP  
 3       of title I of the Omnibus Crime Control and Safe  
 4       Streets Act of 1968 (34 U.S.C. 10101 et seq.), as  
 5       added by subsection (a)(2).

6           (2) CANNABIS RESTORATIVE OPPORTUNITY  
 7       PROGRAM.—In addition to amounts otherwise avail-  
 8       able, there is appropriated, out of any funds in the  
 9       Treasury not otherwise appropriated, \$17,000,000  
 10      for fiscal year 2026, to remain available until Sep-  
 11      tember 30, 2030, to carry out the program under  
 12      subsection (b)(2).

13          (3) EQUITABLE LICENSING GRANT PROGRAM.—  
 14      In addition to amounts otherwise available, there is  
 15      appropriated, out of any funds in the Treasury not  
 16      otherwise appropriated, \$550,000,000 for fiscal year  
 17      2026, to remain available until September 30, 2030,  
 18      to carry out the program under subsection (b)(3).

19   **SEC. 302. COMPREHENSIVE OPIOID, STIMULANT, AND SUB-**  
 20           **STANCE USE DISORDER PROGRAM.**

21          (a) IN GENERAL.—Part LL of title I of the Omnibus  
 22      Crime Control and Safe Streets Act of 1968 (34 U.S.C.  
 23      10701 et seq.) is amended—

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

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

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

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

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

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

15 (b) APPROPRIATION.—In addition to amounts other-  
 16 wise available, there is appropriated, out of any funds in  
 17 the Treasury not otherwise appropriated, \$200,000,000  
 18 for each of fiscal years 2026 through 2030 to carry out  
 19 the program under part LL of title I of the Omnibus  
 20 Crime Control and Safe Streets Act of 1968, as amended  
 21 by subsection (a) of this section.

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

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

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

11 “(1) CANNABIS; CANNABIS PRODUCT.—The  
 12 terms ‘cannabis’ and ‘cannabis product’ have the  
 13 meanings given those terms in section 201 of the  
 14 Federal Food, Drug, and Cosmetic Act (21 U.S.C.  
 15 321).

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

21 “(A) engages in any activity described in  
 22 subparagraph (B) pursuant to a law established  
 23 by an Indian tribe (as defined in section  
 24 8(a)(13)), a State, or a political subdivision of  
 25 a State, as determined by that Indian tribe (as  
 26 so defined), State, or political subdivision; and

1           “(B) participates in any business or orga-  
2           nized activity that involves handling cannabis or  
3           cannabis products, including cultivating, pro-  
4           ducing, manufacturing, selling, transporting,  
5           displaying, dispensing, distributing, or pur-  
6           chasing cannabis or cannabis products.

7           “(3) CANNABIS-RELATED SERVICE PROVIDER.—  
8           The term ‘cannabis-related service provider’—

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

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

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

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

1 (b) SMALL BUSINESS DEVELOPMENT CENTERS.—

2 Section 21(c) of the Small Business Act (15 U.S.C.  
3 648(c)) is amended by adding at the end the following:

4 “(9) SERVICES FOR CANNABIS-RELATED LEGITI-  
5 MATE BUSINESSES AND SERVICE PROVIDERS.—A small  
6 business development center may not decline to provide  
7 services to an otherwise eligible small business concern  
8 under this section solely because the concern is a cannabis-  
9 related legitimate business or cannabis-related service pro-  
10 vider.”.

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

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

20 (d) SCORE.—Section 8(b)(1)(B) of the Small Busi-  
21 ness Act (15 U.S.C. 637(b)(1)(B)) is amended by adding  
22 at the end the following: “The head of the SCORE pro-  
23 gram established under this subparagraph may not decline  
24 to provide services to an otherwise eligible small business

1 concern solely because the concern is a cannabis-related  
 2 legitimate business or cannabis-related service provider.”.

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

6 “(i) SERVICES FOR CANNABIS-RELATED LEGITIMATE  
 7 BUSINESSES AND SERVICE PROVIDERS.—A Veteran Busi-  
 8 ness Outreach Center may not decline to provide services  
 9 to an otherwise eligible small business concern under this  
 10 section solely because the concern is a cannabis-related le-  
 11 gitimate business or cannabis-related service provider.”.

12 (f) COMMUNITY NAVIGATORS PILOT PROGRAM.—  
 13 Section 5004 of the American Rescue Plan Act of 2021  
 14 (15 U.S.C. 9013) is amended—

15 (1) by redesignating subsection (d) as sub-  
 16 section (e); and

17 (2) by inserting after subsection (c) the fol-  
 18 lowing:

19 “(d) ASSISTANCE TO CANNABIS-RELATED LEGITI-  
 20 MATE BUSINESSES AND SERVICE PROVIDERS.—The Ad-  
 21 ministrator may not decline to make a grant to or enter  
 22 into a contract or cooperative agreement with an entity  
 23 under this section solely because the entity is a cannabis-  
 24 related business or cannabis-related service provider (as

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

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

6 “(38) LOANS TO CANNABIS-RELATED LEGITI-  
7 MATE BUSINESSES AND SERVICE PROVIDERS.—The  
8 Administrator may not decline to provide a guar-  
9 antee for a loan under this subsection, and a lender  
10 may not decline to make a loan under this sub-  
11 section, to an otherwise eligible small business con-  
12 cern solely because the concern is a cannabis-related  
13 legitimate business or cannabis-related service pro-  
14 vider.”.

15 (h) DISASTER LOANS.—Section 7(b) of the Small  
16 Business Act (15 U.S.C. 636(b)) is amended—

17 (1) by redesignating the second paragraph (16)  
18 (relating to statute of limitations) as paragraph  
19 (17); and

20 (2) by inserting after paragraph (17), as so re-  
21 designated, the following:

22 “(18) ASSISTANCE TO CANNABIS-RELATED LE-  
23 GITIMATE BUSINESSES AND SERVICE PROVIDERS.—  
24 The Administrator may not decline to provide assist-  
25 ance under this subsection to an otherwise eligible

1 small business concern solely because the concern is  
2 a cannabis-related legitimate business or cannabis-  
3 related service provider.”.

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

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

18 (j) SMALL BUSINESS INVESTMENT COMPANY DE-  
19 BENTURES TO FINANCE CANNABIS-RELATED LEGITI-  
20 MATE BUSINESSES AND SERVICE PROVIDERS.—Part A of  
21 title III of the Small Business Investment Act of 1958  
22 (15 U.S.C. 681 et seq.) is amended by adding at the end  
23 the following:

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

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

12 “(b) OTHER ASSISTANCE.—A small business invest-  
13 ment company may not decline to provide assistance under  
14 this title to an otherwise eligible small business concern  
15 solely because the small business concern is a cannabis-  
16 related legitimate business or cannabis-related service pro-  
17 vider (as defined in section 3 of the Small Business Act  
18 (15 U.S.C. 632)).”.

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

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

25 “(a) LOANS AND LOAN GUARANTEES.—The Admin-  
26 istrator may not decline to make or provide a guarantee

1 for a loan under this title to an otherwise eligible qualified  
 2 State, Tribal, or local development company solely because  
 3 such qualified State, Tribal, or local development company  
 4 provides financing to an entity that is a cannabis-related  
 5 legitimate business or cannabis-related service provider (as  
 6 defined in section 3 of the Small Business Act (15 U.S.C.  
 7 632)).

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

15 **SEC. 304. DEMOGRAPHIC DATA OF CANNABIS BUSINESS**  
 16 **OWNERS AND EMPLOYEES.**

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

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

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

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

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

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

16 (d) DEFINITIONS.—In this section:

17 (1) CANNABIS INDUSTRY.—The term “cannabis  
18 industry” means the industry, in any State, jurisdic-  
19 tion of an Indian Tribe, or locality in the United  
20 States, in which an individual or entity—

21 (A) conducts businesses pursuant to a per-  
22 mit issued under section 302 of the Federal Al-  
23 cohol Administration Act, as added by section  
24 511; or

1 (B) is otherwise licensed or permitted  
 2 under the law in such State, jurisdiction of such  
 3 Indian Tribe, or law in such locality to engage  
 4 in a commercial cannabis-related activity.

5 (2) OWNER.—The term “owner”, with respect  
 6 to a business, means an individual or entity that is  
 7 defined as an owner under the State, Tribal, or local  
 8 law where the individual or entity is licensed or per-  
 9 mitted to operate such business.

10 (3) STATE.—The term “State” means—

11 (A) each of the several States;

12 (B) the District of Columbia;

13 (C) the Commonwealth of Puerto Rico;

14 and

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

17 **SEC. 305. PILOT PROGRAM.**

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

20 “(o) PILOT PROGRAM.—

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

22 “(A) ELIGIBLE INTERMEDIARY.—The term  
 23 ‘eligible intermediary’ means—

24 “(i) a private, nonprofit entity, includ-  
 25 ing a private, nonprofit community devel-

1           opment corporation, a consortium of pri-  
2           vate, nonprofit organizations or nonprofit  
3           community development corporations, and  
4           an agency of or nonprofit entity estab-  
5           lished by a Native American Tribal Gov-  
6           ernment, that—

7                       “(I) seeks or has been awarded a  
8                       loan from the Administrator to make  
9                       loans to small business concerns  
10                      under this subsection; and

11                     “(II) has not less than 1 year of  
12                     experience making loans to startup or  
13                     socially and economically disadvan-  
14                     tagged small business concerns;

15                     “(ii) a community development finan-  
16                     cial institution, as defined in section 103 of  
17                     the Community Development Banking and  
18                     Financial Institutions Act of 1994 (12  
19                     U.S.C. 4702); and

20                     “(iii) a minority depository institution,  
21                     as defined in section 308 of the Financial  
22                     Institutions Reform, Recovery, and En-  
23                     forcement Act of 1989 (12 U.S.C. 1463  
24                     note).

1           “(B) INDIVIDUAL ADVERSELY IMPACTED  
2 BY THE WAR ON DRUGS.—The term ‘individual  
3 adversely impacted by the War on Drugs’ has  
4 the meaning given the term in section 301(b) of  
5 the Cannabis Administration and Opportunity  
6 Act.

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

10           “(D) SOCIALLY AND ECONOMICALLY DIS-  
11 ADVANTAGED SMALL BUSINESS CONCERN.—The  
12 term ‘socially and economically disadvantaged  
13 small business concern’ has the meaning given  
14 the term in section 8(a)(4)(A).

15           “(2) ESTABLISHMENT.—There is established a  
16 10-year small business intermediary lending pilot  
17 program under which the Administrator may—

18           “(A) make direct loans to eligible inter-  
19 mediaries for the purpose of making loans to  
20 startup small business concerns, small business  
21 concerns owned and controlled by individuals  
22 adversely impacted by the War on Drugs, or so-  
23 cially and economically disadvantaged small  
24 business concerns; and

1 “(B) in conjunction with the direct loans  
2 described in subparagraph (A), make grants to  
3 eligible intermediaries for the purpose of pro-  
4 viding intensive marketing, management, regu-  
5 latory compliance, and technical assistance to  
6 the small business concerns described in sub-  
7 paragraph (A) that receive a loan under this  
8 subsection.

9 “(3) LOANS TO ELIGIBLE INTERMEDIARIES.—

10 “(A) APPLICATION.—Each eligible inter-  
11 mediary desiring a loan under this subsection  
12 shall submit an application to the Adminis-  
13 trator that describes—

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

16 “(ii) the size and range of loans to be  
17 made;

18 “(iii) the interest rate and terms of  
19 loans to be made;

20 “(iv) the geographic area to be served  
21 and the economic, poverty, and unemploy-  
22 ment characteristics of the area;

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

1           “(vi) the marketing, management,  
2           regulatory compliance, and other technical  
3           assistance to be provided in connection  
4           with a loan made under this subsection;  
5           and

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

8           “(B) LOAN LIMITS.—No loan may be  
9           made to an eligible intermediary under this sub-  
10          section if the total amount outstanding and  
11          committed to the eligible intermediary by the  
12          Administrator would, as a result of such loan,  
13          exceed \$10,000,000 during the participation of  
14          the eligible intermediary in the Program.

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

18          “(D) APPLICABLE INTEREST RATE.—  
19          Loans made by the Administrator to an eligible  
20          intermediary under the Program shall bear an  
21          annual interest rate equal to the interest rate  
22          described in subsection (m)(3)(F)(ii).

23          “(E) FEES; COLLATERAL.—The Adminis-  
24          trator may not charge any fees or require col-

1 lateral with respect to any loan made to an eli-  
2 gible intermediary under this subsection.

3 “(F) DELAYED PAYMENTS.—The Adminis-  
4 trator shall not require the repayment of prin-  
5 cipal or interest on a loan made to an eligible  
6 intermediary under the Program during the 2-  
7 year period beginning on the date of the initial  
8 disbursement of funds under that loan.

9 “(G) MAXIMUM PARTICIPANTS AND  
10 AMOUNTS.—During each fiscal year, the Ad-  
11 ministrator may make loans under the Pro-  
12 gram—

13 “(i) to not more than 30 eligible inter-  
14 mediaries; and

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

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

18 “(A) IN GENERAL.—The Administrator,  
19 through an eligible intermediary, shall make  
20 loans to the small business concerns described  
21 in paragraph (2) for eligible uses under sub-  
22 section (a).

23 “(B) MAXIMUM LOAN.—An eligible inter-  
24 mediary may not make a loan under this sub-

1 section of more than \$200,000 to any 1 small  
2 business concern.

3 “(C) APPLICABLE INTEREST RATES.—

4 “(i) IN GENERAL.—Subject to clause  
5 (ii), a loan made by an eligible inter-  
6 mediary to a small business concern under  
7 this subsection—

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

10 “(II) shall bear an interest rate  
11 specified by the eligible intermediary  
12 in the application of the eligible inter-  
13 mediary for a loan under this sub-  
14 section.

15 “(ii) RESTRICTIONS.—The Adminis-  
16 trator may limit the interest rate or pro-  
17 vide forbearance or deferment on repay-  
18 ment of a loan made by an eligible inter-  
19 mediary to a small business concern under  
20 this section.

21 “(D) REVIEW RESTRICTIONS.—The Ad-  
22 ministrator may not review individual loans  
23 made by an eligible intermediary to a small  
24 business concern before approval of the loan by  
25 the eligible intermediary.

1           “(5) FUNDING.—In addition to amounts other-  
 2       wise available, there is appropriated, out of any  
 3       funds in the Treasury not otherwise appropriated,  
 4       for fiscal year 2026, to remain available until Sep-  
 5       tember 30, 2030—

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

8           “(B) \$41,000,000 to carry out paragraph  
 9       (2)(B).

10          “(6) TERMINATION.—The authority of the Ad-  
 11       ministrator to make loans under the Program shall  
 12       terminate on the date that is 10 years after the date  
 13       of enactment of this subsection.

14          “(7) SENSE OF THE SENATE.—It is the sense  
 15       of the Senate that the Administrator should issue  
 16       regulations to ensure that the processing and dis-  
 17       bursement of loans under this subsection prioritizes  
 18       individuals adversely impacted by the War on  
 19       Drugs.”.

20       **SEC. 306. ELIMINATING DISPARITIES AMONG CANNABIS-RE-**  
 21                               **LATED LEGITIMATE BUSINESSES AND SERV-**  
 22                               **ICE PROVIDERS.**

23       (a) DEFINITIONS.—In this section—

24           (1) the terms “cannabis-related legitimate busi-  
 25       ness” and “cannabis-related service provider” have

1 the meanings given those terms in section 3 of the  
 2 Small Business Act (15 U.S.C. 632), as added by  
 3 section 303; and

4 (2) the term “individual adversely impacted by  
 5 the War on Drugs” has the meaning given the term  
 6 in section 301(b).

7 (b) REVIEW.—The Administrator of the Small Busi-  
 8 ness Administration—

9 (1) shall review regulations, policies, and guid-  
 10 ance of the Administration to eliminate disparities  
 11 for cannabis-related legitimate businesses and can-  
 12 nabis-related service providers, including by reducing  
 13 regulatory burdens and increasing loan eligibility for  
 14 minority businesses and individuals adversely im-  
 15 pacted by the War on Drugs; and

16 (2) in carrying out paragraph (1), may consider  
 17 effective, State-level systems designed to eliminate  
 18 disparities for cannabis-related legitimate businesses  
 19 and cannabis-related service providers.

## 20 **Subtitle B—Restorative Justice**

### 21 **SEC. 311. RESENTENCING AND EXPUNGEMENT.**

22 (a) EXPUNGEMENT OF FEDERAL CANNABIS OF-  
 23 FENSE CONVICTIONS FOR INDIVIDUALS NOT UNDER A  
 24 CRIMINAL JUSTICE SENTENCE.—

1           (1) IN GENERAL.—Not later than 1 year after  
2           the date of enactment of this Act, each judicial dis-  
3           trict shall conduct a comprehensive review and issue  
4           an order expunging each conviction or adjudication  
5           of juvenile delinquency for a Federal cannabis of-  
6           fense entered by each district court of the United  
7           States in the judicial district during the period be-  
8           ginning on May 1, 1971, and ending on the day be-  
9           fore the date of enactment of this Act. Each district  
10          court of the United States shall also issue an order  
11          expunging any arrests associated with each ex-  
12          punged conviction or adjudication of juvenile delin-  
13          quency.

14          (2) NOTIFICATION.—To the greatest extent  
15          practicable, each district court of the United States  
16          shall notify each individual whose arrest, conviction,  
17          or adjudication of delinquency has been expunged  
18          pursuant to this subsection that their arrest, convic-  
19          tion, or adjudication of juvenile delinquency has been  
20          expunged, and the effect of such expungement.

21          (3) RIGHT TO PETITION COURT FOR  
22          EXPUNGEMENT.—At any point after the date of en-  
23          actment of this Act, any individual with a prior con-  
24          viction or adjudication of juvenile delinquency for a  
25          Federal cannabis offense, who is not serving a crimi-

1       nal sentence, may file a motion for expungement. If  
2       the expungement of such a conviction or adjudica-  
3       tion of juvenile delinquency is required pursuant to  
4       this Act, the court shall expunge the conviction or  
5       adjudication, and any associated arrests. If the indi-  
6       vidual is indigent, counsel shall be appointed to rep-  
7       resent the individual in any proceedings under this  
8       subsection.

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

14              (5) CERTIFICATION.—The court shall provide a  
15       certificate to the individual receiving expungement  
16       for a prior Federal cannabis offense. Any records of  
17       this certification shall be sealed under paragraph  
18       (4).

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

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

24              (2) shall be immune from any civil or criminal  
25       penalties related to perjury, false swearing, or false

1 statements, for a failure to disclose such arrest, con-  
2 viction, or adjudication; and

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

5 (c) EXCEPTION.—An individual who at sentencing re-  
6 ceived an aggravating role adjustment pursuant to section  
7 3B1.1(a) of the United States Sentencing Guidelines in  
8 relation to a Federal cannabis offense conviction shall not  
9 be eligible for expungement of that Federal cannabis of-  
10 fense conviction under this section, unless a district court  
11 of the United States conducting the sentencing review  
12 finds mitigating factors to warrant expungement, includ-  
13 ing the age of the individual at the time of the arrest,  
14 conviction, or adjudication, the role of the individual in  
15 the offense, or whether it was the first Federal cannabis  
16 offense committed by the individual.

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

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

5 (f) DEFINITIONS.—In this section:

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

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

14 (3) The term “serving a criminal sentence”  
15 means, with respect to an individual, that the indi-  
16 vidual is serving a term of probation, parole, super-  
17 vised release, imprisonment, official detention, pre-  
18 release custody, or work release, pursuant to a sen-  
19 tence or disposition of juvenile delinquency imposed  
20 on or after May 1, 1971.

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

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

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

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

9 **SEC. 313. NO ADVERSE EFFECT FOR PURPOSES OF THE IM-**  
10 **MIGRATION LAWS.**

11 (a) IN GENERAL.—For purposes of the immigration  
12 laws (as defined in section 101(a) of the Immigration and  
13 Nationality Act (8 U.S.C. 1101(a))), cannabis may not be  
14 considered a controlled substance, and an alien may not  
15 be denied any benefit or protection under the immigration  
16 laws based on any event, including conduct, a finding, an  
17 admission, addiction or abuse, an arrest, a juvenile adju-  
18 dication, or a conviction, relating to cannabis, regardless  
19 of whether the event occurred before, on, or after the ef-  
20 fective date of this Act.

21 (b) AMENDMENTS TO THE IMMIGRATION AND NA-  
22 TIONALITY ACT.—The Immigration and Nationality Act  
23 (8 U.S.C. 1101 et seq.) is amended—

24 (1) in section 101(f)(3) (8 U.S.C. 1101(f)(3)),  
25 by striking “(except as such paragraph relates to a

1 single offense of simple possession of 30 grams or  
2 less of marihuana”;

3 (2) in section 210(c)(2)(B)(ii)(III) (8 U.S.C.  
4 1160(c)(2)(B)(ii)(III)), by striking “, except for so  
5 much of such paragraph as relates to a single of-  
6 fense of simple possession of 30 grams or less of  
7 marihuana”;

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

12 (4) in section 237(a)(2)(B)(i) (8 U.S.C.  
13 1227(a)(2)(B)(i)), by striking “, other than a single  
14 offense involving possession for one’s own use of 30  
15 grams or less of marijuana”;

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

19 “(A) RIGHT TO FILE.—

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

24 “(ii) REMOVAL ORDERS IMPACTED BY  
25 CANNABIS OFFENSES.—In addition to the

1 motion authorized under clause (i), a re-  
2 moval order shall be reconsidered upon a  
3 motion filed at any time by a noncitizen  
4 demonstrating that—

5 “(I) such order was based, in  
6 whole or in part, on an offense relat-  
7 ing to cannabis that rendered the non-  
8 citizen deportable or inadmissible; or

9 “(II) an offense relating to can-  
10 nabis—

11 “(aa) rendered the noncit-  
12 izen ineligible for a benefit or re-  
13 lief under this Act; or

14 “(bb) formed all or part of  
15 the basis for the denial of a ben-  
16 efit or relief under this Act.

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

21 (6) in section 244(c)(2)(A)(iii)(II) (8 U.S.C.  
22 1254a(c)(2)(A)(iii)(II)) by striking “, except for so  
23 much of such paragraph as relates to a single of-  
24 fense of simple possession of 30 grams or less of  
25 marijuana”;

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

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

11 **SEC. 314. PROVISION BY HEALTH CARE PROVIDERS OF THE**  
 12                   **DEPARTMENT OF VETERANS AFFAIRS OF**  
 13                   **RECOMMENDATIONS AND OPINIONS RE-**  
 14                   **GARDING VETERAN PARTICIPATION IN CAN-**  
 15                   **NABIS PROGRAMS.**

16       Not later than 180 days after the date of the enact-  
 17      ment of this Act, the Secretary of Veterans Affairs shall  
 18      update all applicable regulations, guidance, memoranda,  
 19      and policies of the Department of Veterans Affairs to au-  
 20      thorize physicians and other health care providers em-  
 21      ployed by the Department—

22           (1) to provide recommendations and opinions to  
 23      veterans regarding the participation of such veterans  
 24      in cannabis programs authorized under State or  
 25      Federal law; and

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

3 **SEC. 315. PROVISION BY HEALTH CARE PROVIDERS OF IN-**  
4 **DIAN HEALTH PROGRAMS OF RECOMMENDA-**  
5 **TIONS AND OPINIONS REGARDING PARTICI-**  
6 **PATION IN CANNABIS PROGRAMS.**

7       Not later than 180 days after the date of enactment  
8 of this Act, the Director of the Indian Health Service shall  
9 update all applicable regulations, guidance, memoranda,  
10 and policies of the Indian Health Service to authorize  
11 health care providers (as defined in section 805(a) of the  
12 Indian Health Care Improvement Act (25 U.S.C.  
13 1675(a)))—

14           (1) to provide recommendations and opinions to  
15       patients relating to the participation of those pa-  
16       tients in State or Tribal cannabis programs author-  
17       ized under Federal or State law; and

18           (2) to complete forms reflecting those rec-  
19       ommendations and opinions.

1 **TITLE IV—TAXATION AND ES-**  
 2 **TABLISHMENT OF TRUST**  
 3 **FUND**

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

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

10 **“CHAPTER 56—CANNABIS PRODUCTS**

“SUBCHAPTER A. TAX ON CANNABIS PRODUCTS

“SUBCHAPTER B. AUTHORIZATION AND BOND REQUIREMENTS

“SUBCHAPTER C. OPERATIONS

“SUBCHAPTER D. PENALTIES

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

“Sec. 5901. Imposition of tax.

“Sec. 5902. Definitions.

“Sec. 5903. Liability and method of payment.

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

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

12 **“SEC. 5901. IMPOSITION OF TAX.**

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

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

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

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

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

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

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

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

19          “(c) APPLICABLE EQUIVALENT AMOUNT.—

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

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

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

“(2) APPLICABLE RATES.—

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

“(B) THC PRODUCTS.—For purposes of paragraph (1)(B), the term ‘applicable rate per

gram’ means, with respect to any cannabis product removed during any calendar year, 25 percent of the prevailing sales price of tetrahydrocannabinol sold in the United States during the 12-month period ending one calendar quarter before such calendar year, expressed on a per gram basis, as determined by the Secretary.

“(d) TIME OF ATTACHMENT ON CANNABIS PRODUCTS; LIEN FOR TAX.—

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

“(2) LIEN FOR TAX.—

“(A) IN GENERAL.—The tax imposed by this section shall be a first lien on the cannabis product from the time the product is in existence as such until the tax is paid.

“(B) EXCEPTIONS.—The lien imposed by this paragraph shall terminate in the case of products produced at a cannabis production facility when such products are—

1 “(i) withdrawn from bonded premises  
2 on determination of tax,

3 “(ii) withdrawn from bonded premises  
4 free of tax under provisions of section  
5 5904(a), or

6 “(iii) exported, deposited in a foreign-  
7 trade zone, or deposited in a customs  
8 bonded warehouse.

9 “(e) CREDIT FOR QUALIFIED DOMESTIC MANUFAC-  
10 TURERS.—

11 “(1) IN GENERAL.—In the case of a qualified  
12 domestic manufacturer of cannabis products, there  
13 shall be allowed as a credit against any tax imposed  
14 by subsection (a) for the calendar year an amount  
15 equal to 50 percent of the applicable tax amount for  
16 such calendar year.

17 “(2) APPLICABLE TAX AMOUNT.—

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

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

23 “(ii) the phase-in amount.

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

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

7 “(ii) for the first calendar year subse-  
8 quent to the calendar year described in  
9 clause (i), \$2,000,000,

10 “(iii) for the second calendar year  
11 subsequent to the calendar year described  
12 in clause (i), \$3,000,000,

13 “(iv) for the third calendar year sub-  
14 sequent to the calendar year described in  
15 clause (i), \$4,000,000, and

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

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

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

25 “(i) received in bond,

1 “(ii) imported,

2 “(iii) smuggled into the United  
3 States, or

4 “(iv) produced other than as author-  
5 ized by this chapter.

6 “(B) SUBSTANTIAL PROCESSING EXCEP-  
7 TION.—Subparagraph (A)(i) shall not apply  
8 with respect to any cannabis which is trans-  
9 ferred in bond solely as unprocessed plant mat-  
10 ter if such cannabis is processed by the tax-  
11 payer to produce an extract which contains no  
12 plant matter.

13 “(C) CONTRACT PACKAGING AND LABEL-  
14 ING EXCEPTION.—In the case of cannabis  
15 transferred in bond from the person who pro-  
16 duced such cannabis (hereinafter referred to as  
17 ‘transferor’) to another person for packaging or  
18 labeling of such cannabis, and returned to the  
19 transferor for removal, subparagraph (A)(i)  
20 shall not apply, but only if the transferor re-  
21 tains title during the entire period between such  
22 production and removal.

23 “(4) SINGLE TAXPAYER.—Pursuant to rules  
24 issued by the Secretary, 2 or more entities (whether  
25 or not under common control) that produce any can-

1       nabis product under a license, franchise, or other ar-  
 2       rangement shall be treated as a single taxpayer for  
 3       purposes of the application of this subsection.

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

6               “(A) shall be determined at the same time  
 7       the tax is determined under subsection (a) of  
 8       this section, and

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

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

16   **“SEC. 5902. DEFINITIONS.**

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

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

24              “(2) CANNABIS FLOWER.—The term ‘cannabis  
 25      flower’ means any cannabis plant product consisting

1 of the flower of the plant *Cannabis sativa* L., or any  
 2 other part of such plant with significant concentra-  
 3 tions of tetrahydrocannabinol as designated by the  
 4 Secretary.

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

8 “(A) is a cannabis product, and

9 “(B) does not contain any cannabis that  
 10 has been processed, extracted, or concentrated  
 11 (other than harvesting, drying, curing, or trim-  
 12 ming).

13 “(4) THC PRODUCT.—The term ‘THC product’  
 14 means any cannabis product other than a cannabis  
 15 plant product.

16 “(5) TETRAHYDROCANNABINOL.—The term  
 17 ‘tetrahydrocannabinol’ means total  
 18 tetrahydrocannabinol equivalent (as defined in para-  
 19 graph (1)(B) of section 297A of the Agricultural  
 20 Marketing Act of 1946 (7 U.S.C. 1639o)).

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

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

1 “(2) PRODUCER.—

2 “(A) IN GENERAL.—The term ‘producer’  
3 means any person who plants, cultivates, har-  
4 vests, grows, manufactures, produces, com-  
5 pounds, converts, processes, prepares, or pack-  
6 ages any cannabis product.

7 “(B) PERSONAL USE EXCEPTION.—Subject  
8 to such regulations as the Secretary shall pre-  
9 scribe, the term ‘producer’ shall not include any  
10 individual otherwise described in subparagraph  
11 (A) if the only cannabis product described in  
12 such subparagraph with respect to such indi-  
13 vidual is for personal or family use and not for  
14 sale, provided—

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

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

23 “(iii) the quantity of cannabis prod-  
24 ucts planted, cultivated, and grown by such  
25 individual does not exceed the personal use

1 production limitations determined by the  
 2 Secretary as are necessary to protect the  
 3 public and protect the revenue.

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

6 “(A) is in the United States and to whom  
 7 non-tax-paid cannabis products, produced in a  
 8 foreign country or a possession of the United  
 9 States, are shipped or consigned,

10 “(B) removes cannabis products for sale or  
 11 consumption in the United States from a cus-  
 12 toms bonded warehouse, or

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

16 “(4) EXPORT WAREHOUSE PROPRIETOR.—

17 “(A) IN GENERAL.—The term ‘export  
 18 warehouse proprietor’ means any person who  
 19 operates an export warehouse.

20 “(B) EXPORT WAREHOUSE.—The term  
 21 ‘export warehouse’ means a bonded internal  
 22 revenue warehouse for the storage of cannabis  
 23 products, upon which the internal revenue tax  
 24 has not been paid—

1 “(i) for subsequent shipment to a for-  
 2 eign country or a possession of the United  
 3 States, or

4 “(ii) for consumption beyond the ju-  
 5 risdiction of the internal revenue laws of  
 6 the United States.

7 “(5) CANNABIS PRODUCTION FACILITY.—The  
 8 term ‘cannabis production facility’ means an estab-  
 9 lishment which is qualified under subchapter B to  
 10 perform any operation for which such qualification is  
 11 required under such subchapter.

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

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

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

18 “(A) the transfer of cannabis products  
 19 from the premises of a producer (or the trans-  
 20 fer of such products from the bonded premises  
 21 of a producer to a non-bonded premises of such  
 22 producer),

23 “(B) release of such products from cus-  
 24 toms custody, or

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

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

5           “(A) except as otherwise provided in this  
6           paragraph, the price for which the cannabis  
7           product is sold in the sale which occurs in con-  
8           nection with the removal of such product,

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

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

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

18          “(a) LIABILITY FOR TAX.—

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

22               “(2) TRANSFER OF LIABILITY.—

23                   “(A) IN GENERAL.—When cannabis prod-  
24                   ucts are transferred, without payment of tax,

1           pursuant to subsection (b) or (c) of section  
2           5904—

3                   “(i) except as provided in clause (ii),  
4                   the transferee shall become liable for the  
5                   tax upon receipt by the transferee of such  
6                   articles, and the transferor shall thereupon  
7                   be relieved of their liability for such tax,  
8                   and

9                   “(ii) in the case of cannabis products  
10                  which are released in bond from customs  
11                  custody for transfer to the bonded prem-  
12                  ises of a producer, the transferee shall be-  
13                  come liable for the tax on such articles  
14                  upon release from customs custody, and  
15                  the importer shall thereupon be relieved of  
16                  their liability for such tax.

17                  “(B) RETURNED TO BOND.—All provisions  
18                  of this chapter applicable to cannabis products  
19                  in bond shall be applicable to such articles re-  
20                  turned to bond upon withdrawal from the mar-  
21                  ket or returned to bond after previous removal  
22                  for a tax-exempt purpose.

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

24                  “(1) IN GENERAL.—

1           “(A) TAXES PAID ON BASIS OF RETURN.—

2           The taxes imposed by section 5901 shall be  
3           paid on the basis of return. The Secretary shall,  
4           by regulations, prescribe the period or the event  
5           to be covered by such return and the informa-  
6           tion to be furnished on such return.

7           “(B) APPLICATION TO TRANSFEREES.—In

8           the case of any transfer to which subsection  
9           (a)(2)(A) applies, the tax under section 5901 on  
10          the transferee shall (if not otherwise relieved by  
11          reason of a subsequent transfer to which such  
12          subsection applies) be imposed with respect to  
13          the removal of the cannabis product from the  
14          bonded premises of the transferee.

15          “(C) POSTPONEMENT.—Any postponement

16          under this subsection of the payment of taxes  
17          determined at the time of removal shall be con-  
18          ditioned upon the filing of such additional  
19          bonds, and upon compliance with such require-  
20          ments, as the Secretary may prescribe for the  
21          protection of the revenue. The Secretary may,  
22          by regulations, require payment of tax on the  
23          basis of a return prior to removal of the can-  
24          nabis products where a person defaults in the  
25          postponed payment of tax on the basis of a re-

1 turn under this subsection or regulations pre-  
2 scribed thereunder.

3 “(D) ADMINISTRATION AND PENALTIES.—

4 All administrative and penalty provisions of this  
5 title, insofar as applicable, shall apply to any  
6 tax imposed by section 5901.

7 “(2) TIME FOR PAYMENT OF TAXES.—

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

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

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

24 “(ii) SPECIAL RULE FOR ENTRY OF  
25 WAREHOUSING.—Except as provided in

1 clause (iv), in the case of an entry for  
 2 warehousing, the last day for payment of  
 3 tax shall not be later than the 14th day  
 4 after the last day of the semimonthly pe-  
 5 riod during which the article is removed  
 6 from the first such warehouse.

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

15 “(iv) EXCEPTION FOR ARTICLES DES-  
 16 TINED FOR EXPORT.—Clauses (ii) and (iii)  
 17 shall not apply to any article which is  
 18 shown to the satisfaction of the Secretary  
 19 to be destined for export.

20 “(C) CANNABIS PRODUCTS BROUGHT INTO  
 21 THE UNITED STATES FROM PUERTO RICO.—In  
 22 the case of cannabis products which are  
 23 brought into the United States from Puerto  
 24 Rico and subject to tax under section 7652, the  
 25 last day for payment of tax shall be the 14th

1 day after the last day of the semimonthly pe-  
2 riod during which the article is brought into the  
3 United States.

4 “(D) SPECIAL RULE WHERE DUE DATE  
5 FALLS ON SATURDAY, SUNDAY, OR HOLIDAY.—  
6 Notwithstanding section 7503, if, but for this  
7 subparagraph, the due date under this para-  
8 graph would fall on a Saturday, Sunday, or a  
9 legal holiday (as defined in section 7503), such  
10 due date shall be the immediately preceding day  
11 which is not a Saturday, Sunday, or such a hol-  
12 iday.

13 “(E) SPECIAL RULE FOR UNLAWFULLY  
14 PRODUCED CANNABIS PRODUCTS.—In the case  
15 of any cannabis products produced in the  
16 United States at any place other than the  
17 premises of a producer that has filed the bond  
18 and obtained the authorization required under  
19 this chapter, tax shall be due and payable im-  
20 mediately upon production.

21 “(3) TAXPAYERS LIABLE FOR TAXES OF NOT  
22 MORE THAN \$100,000.—

23 “(A) IN GENERAL.—

24 “(i) MORE THAN \$10,000 AND NOT  
25 MORE THAN \$100,000 IN TAXES.—Except as

1 provided in clause (ii), in the case of any  
2 taxpayer who reasonably expects to be lia-  
3 ble for not more than \$100,000 in taxes  
4 imposed with respect to cannabis products  
5 under sections 5901 and 7652 for the cal-  
6 endar year and who was liable for not  
7 more than \$100,000 in such taxes in the  
8 preceding calendar year, the last day for  
9 the payment of tax on withdrawals, remov-  
10 als, and entries (and articles brought into  
11 the United States from Puerto Rico) shall  
12 be the 14th day after the last day of the  
13 calendar quarter during which the action  
14 giving rise to the imposition of such tax oc-  
15 curs.

16 “(ii) NOT MORE THAN \$10,000 IN  
17 TAXES.—In the case of any taxpayer who  
18 reasonably expects to be liable for not  
19 more than \$10,000 in taxes imposed with  
20 respect to cannabis products under sec-  
21 tions 5901 and 7652 for the calendar year  
22 and who was liable for not more than  
23 \$10,000 in such taxes in the preceding cal-  
24 endar year, the last day for the payment of  
25 tax on withdrawals, removals, and entries

1 (and articles brought into the United  
2 States from Puerto Rico) shall be the 14th  
3 day after the last day of the calendar year.

4 “(B) NO APPLICATION AFTER LIMIT EX-  
5 CEEDED.—

6 “(i) EXCEEDS \$100,000 LIMIT.—Sub-  
7 paragraph (A)(i) shall not apply to any  
8 taxpayer for any portion of the calendar  
9 year following the first date on which the  
10 aggregate amount of tax due under sec-  
11 tions 5901 and 7652 from such taxpayer  
12 during such calendar year exceeds  
13 \$100,000, and any tax under such sections  
14 which has not been paid on such date shall  
15 be due on the 14th day after the last day  
16 of the semimonthly period in which such  
17 date occurs.

18 “(ii) EXCEEDS \$10,000 LIMIT.—Sub-  
19 paragraph (A)(ii) shall not apply to any  
20 taxpayer for any portion of the calendar  
21 year following the first date on which the  
22 aggregate amount of tax due under sec-  
23 tions 5901 and 7652 from such taxpayer  
24 during such calendar year exceeds  
25 \$10,000, and any tax under such sections

1           which has not been paid on such date shall  
2           be due on the 14th day after the last day  
3           of the calendar quarter in which such date  
4           occurs.

5           “(C) CALENDAR QUARTER.—For purposes  
6           of this paragraph, the term ‘calendar quarter’  
7           has the same meaning given such term under  
8           section 5061(d)(4)(C).

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

20          “(c) DETERMINATION OF PRICE.—

21                  “(1) CONSTRUCTIVE SALE PRICE.—

22                          “(A) IN GENERAL.—If an article is sold di-  
23                          rectly to consumers, sold on consignment, or  
24                          sold (otherwise than through an arm’s length  
25                          transaction) at less than the fair market price,

1 or if the price for which the article sold cannot  
2 be determined, the tax under section 5901(a)  
3 shall be—

4 “(i) computed on the price for which  
5 such articles are sold, in the ordinary  
6 course of trade, by producers thereof, as  
7 determined by the Secretary, and

8 “(ii) imposed on either person in-  
9 volved in such sale, as determined by the  
10 Secretary.

11 “(B) ARM’S LENGTH.—

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

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

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

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

1 “(ii) CONTROLLED GROUPS.—

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

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

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

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

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

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

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

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

19           “(B) a conditional sale, or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 “(3) in any drug containing cannabis which is  
 6 in compliance with Federal and State law, or

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

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

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

24 “(2) LABELING.—Cannabis products may not  
 25 be transferred or removed under this subsection un-

1 less such products bear such marks, labels, or no-  
2 tices as the Secretary shall by regulations prescribe.

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

11 “(d) CANNABIS PRODUCTS EXPORTED AND RE-  
12 TURNED.—Cannabis products classifiable under item  
13 9801.00.10 of the Harmonized Tariff Schedule of the  
14 United States (relating to duty on certain articles pre-  
15 viously exported and returned), as in effect on the date  
16 of the enactment of the Cannabis Administration and Op-  
17 portunity Act, may be released from customs custody,  
18 without payment of that part of the duty attributable to  
19 the internal revenue tax for delivery to the original pro-  
20 ducer of such cannabis products or to the export ware-  
21 house proprietor authorized by such producer to receive  
22 such products, in accordance with such regulations and  
23 under such bond as the Secretary shall prescribe. Upon  
24 such release such products shall be subject to this chapter

1 as if they had not been exported or otherwise removed  
 2 from internal revenue bond.

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

4 “(a) CREDIT OR REFUND.—

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

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

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

17 “(2) CANNABIS PRODUCTS LOST OR DE-  
 18 STROYED IN BOND.—

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

23 “(i) in the case of loss by theft, unless  
 24 the Secretary finds that the theft occurred  
 25 without connivance, collusion, fraud, or

1 negligence on the part of the proprietor of  
2 the cannabis production facility, owner,  
3 consignor, consignee, bailee, or carrier, or  
4 their employees or agents,

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

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

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

duction facility, owner, consignor, consignee,  
bailee, or carrier, or their employees or agents.

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

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

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

“(3) VOLUNTARY DESTRUCTION.—The propri-  
etor of a cannabis production facility or other per-

1        sons liable for the tax imposed by this chapter or by  
 2        section 7652 with respect to any cannabis product in  
 3        bond may voluntarily destroy such products, but  
 4        only if such destruction is under such supervision  
 5        and under such regulations as the Secretary may  
 6        prescribe.

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

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

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

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

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

1           “(2) extracts with a tetrahydrocannabinol con-  
2           centration of not more than the allowable  
3           tetrahydrocannabinol equivalent amount as described  
4           in paragraph (1)(C) of section 297A of the Agricul-  
5           tural Marketing Act of 1946 (7 U.S.C. 1639o),  
6           shall be eligible for drawback at the time when such can-  
7           nabis is used in the manufacture of such products as pro-  
8           vided for in this section.

9           “(b) REGISTRATION AND REGULATION.—Every per-  
10          son claiming drawback under this section shall—

11           “(1) register annually with the Secretary,

12           “(2) keep such books and records as may be  
13           necessary to establish the fact that cannabis received  
14           by such person and on which the tax has been deter-  
15           mined were used in a manner described in sub-  
16           section (a), and

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

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

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

1           “(2) require the attendance of the person filing  
2           the claim or of any officer or employee of such per-  
3           son or the attendance of any other person having  
4           knowledge in the premises, and

5           “(3) take testimony with reference to any mat-  
6           ter covered by the claim and to administer oaths to  
7           any person giving such testimony.

8           “(d) DRAWBACK.—

9           “(1) RATE OF DRAWBACK.—In the case of can-  
10          nabis on which the tax under this subchapter has  
11          been paid or determined, and which has been used  
12          as provided in this section, a drawback shall be al-  
13          lowed at a rate equal to 90 percent of the amount  
14          of such tax which has been paid or determined.

15          “(2) CLAIMS.—

16                 “(A) IN GENERAL.—Subject to subpara-  
17                 graph (B), such drawback shall be due and pay-  
18                 able quarterly upon filing of a proper claim  
19                 with the Secretary.

20                 “(B) EXCEPTION.—

21                         “(i) MONTHLY BASIS.—In the case of  
22                         any person entitled to such drawback who  
23                         elects in writing to file monthly claims  
24                         therefor, such drawback shall be due and

1 payable monthly upon filing of a proper  
2 claim with the Secretary.

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

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

13 “(C) ADDITIONAL REQUIREMENT.—No  
14 claim under this section shall be allowed unless  
15 filed with the Secretary within the 6 months  
16 next succeeding the quarter in which the can-  
17 nabis covered by the claim was used as provided  
18 in this section.

19 “(3) ALLOWANCE OF DRAWBACK EVEN WHERE  
20 CERTAIN REQUIREMENTS NOT MET.—

21 “(A) IN GENERAL.—No claim for draw-  
22 back under this subsection shall be denied in  
23 the case of a failure to comply with any require-  
24 ment imposed under this section or any rule or  
25 regulation issued thereunder upon the claim-

1 ant's establishing to the satisfaction of the Sec-  
2 retary that cannabis on which the tax has been  
3 paid or determined was in fact used in a man-  
4 ner described in subsection (a).

5 “(B) PENALTY.—

6 “(i) IN GENERAL.—In the case of a  
7 failure to comply with any requirement im-  
8 posed under this section or any rule or reg-  
9 ulation issued thereunder, the claimant  
10 shall be liable for a penalty of \$1,000 for  
11 each failure to comply unless it is shown  
12 that the failure to comply was due to rea-  
13 sonable cause.

14 “(ii) PENALTY MAY NOT EXCEED  
15 AMOUNT OF CLAIM.—The aggregate  
16 amount of the penalties imposed under  
17 clause (i) for failures described in subpara-  
18 graph (A) in respect of any claim shall not  
19 exceed the amount of such claim (deter-  
20 mined without regard to clause (i)).

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

1       **“Subchapter B—Authorization and Bond**  
 2                               **Requirements**

“Sec. 5911. Establishment and bond.

“Sec. 5912. Application.

“Sec. 5913. Cannabis production facility.

3       **“SEC. 5911. ESTABLISHMENT AND BOND.**

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

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

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

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

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

21                               “(C) receive authorization from the Sec-  
 22 retary to operate.

23                      “(3) PERSONAL USE EXCEPTION.—This sub-  
 24 section shall not apply with respect the activities of

1 an individual who is not treated as a producer by  
2 reason of section 5902(b)(2)(B).

3 “(b) BOND.—

4 “(1) WHEN REQUIRED.—Every person, before  
5 commencing business as a producer or an export  
6 warehouse proprietor, shall file such bond, condi-  
7 tioned upon compliance with this chapter and regu-  
8 lations issued thereunder, in such form, amount, and  
9 manner as the Secretary shall by regulation pre-  
10 scribe. A new or additional bond may be required  
11 whenever the Secretary considers such action nec-  
12 essary for the protection of the revenue.

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

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

23 “(4) REMOVAL OF BOND REQUIREMENTS.—

24 “(A) IN GENERAL.—During any period to  
25 which subparagraph (A) of section 5903(b)(3)

1 applies to a taxpayer (determined after applica-  
2 tion of subparagraph (B) thereof), such tax-  
3 payer shall not be required to furnish any bond  
4 with respect to engaging in any business as a  
5 producer or an export warehouse proprietor.

6 “(B) SATISFACTION OF BOND REQUIRE-  
7 MENTS.—Any taxpayer for any period described  
8 in subparagraph (A) shall be treated as if suffi-  
9 cient bond has been furnished for purposes of  
10 engaging in such business for purposes of any  
11 requirements relating to bonds under this chap-  
12 ter.

13 **“SEC. 5912. APPLICATION.**

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

23 **“SEC. 5913. CANNABIS PRODUCTION FACILITY.**

24 “A cannabis production facility, including noncontig-  
25 uous portions thereof, shall be so located, constructed, and

- 1 equipped, as to afford adequate protection to the revenue,  
 2 as regulations prescribed by the Secretary may provide.

### 3 **“Subchapter C—Operations**

“Sec. 5921. Inventories, reports, and records.

“Sec. 5922. Packaging and labeling.

“Sec. 5923. Purchase, receipt, possession, or sale of cannabis products after removal.

“Sec. 5924. Restrictions relating to marks, labels, notices, and packages.

“Sec. 5925. Restriction on importation of previously exported cannabis products.

#### 4 **“SEC. 5921. INVENTORIES, REPORTS, AND RECORDS.**

5 “Every cannabis enterprise shall—

6 “(1) make a true and accurate inventory at the  
 7 time of commencing business, at the time of concluding business, and at such other times, in such  
 8 manner and form, and to include such items, as the  
 9 Secretary shall by regulation prescribe, with such in-  
 10 ventories to be subject to verification by any internal  
 11 revenue officer,  
 12

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

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

1 **“SEC. 5922. PACKAGING AND LABELING.**

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

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

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

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

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

23 “(1) for experimental purposes, or

24 “(2) transferred to the bonded premises of an-  
25 other producer or export warehouse proprietor or re-

1 leased in bond from customs custody for delivery to  
2 a producer.

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

5 “(a) RESTRICTION.—No person shall—

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

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

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

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

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

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

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

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

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

23      **“SEC. 5925. RESTRICTION ON IMPORTATION OF PRE-**  
24                                   **VIOUSLY EXPORTED CANNABIS PRODUCTS.**

25      “(a) EXPORT LABELED CANNABIS PRODUCTS.—

1           “(1) IN GENERAL.—Cannabis products pro-  
2       duced in the United States and labeled for export-  
3       tation under this chapter—

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

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

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

22          “(2) ALTERATIONS BY PERSONS OTHER THAN  
23      ORIGINAL PRODUCER.—This section shall apply to  
24      articles labeled for export even if the packaging or  
25      the appearance of such packaging to the consumer

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

6 “(3) EXPORTS INCLUDE SHIPMENTS TO PUER-  
 7 TO RICO.—For purposes of this section, section  
 8 5904(d), section 5931, and such other provisions as  
 9 the Secretary may specify by regulations, references  
 10 to exportation shall be treated as including a ref-  
 11 erence to shipment to the Commonwealth of Puerto  
 12 Rico.

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

## 17 **“Subchapter D—Penalties**

“Sec. 5931. Civil penalties.

“Sec. 5932. Criminal penalties.

### 18 **“SEC. 5931. CIVIL PENALTIES.**

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

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

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

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

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

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

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

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

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

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

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

12 **“SEC. 5932. CRIMINAL PENALTIES.**

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

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

14 shall, for each such offense, be fined not more than  
15 \$10,000, or imprisoned not more than 5 years, or both.

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

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

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

23           “(a) CREATION OF TRUST FUND.—There is estab-  
24 lished in the Treasury of the United States a trust fund  
25 to be known as the ‘Opportunity Trust Fund’ (referred

1 to in this section as the ‘Trust Fund’), consisting of such  
 2 amounts as may be appropriated or credited to such fund  
 3 as provided in this section or section 9602(b).

4 “(b) TRANSFERS TO TRUST FUND.—There are here-  
 5 by appropriated to the Trust Fund amounts equivalent to  
 6 the net revenues received in the Treasury from the taxes  
 7 imposed under subchapter A of chapter 56.

8 “(c) TRANSFERS TO GENERAL FUND.—The Sec-  
 9 retary shall pay from time to time from the Trust Fund  
 10 into the general fund of the Treasury amounts equivalent  
 11 to the amounts appropriated under the Cannabis Adminis-  
 12 tration and Opportunity Act.”.

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

17 (1) conduct a study concerning the characteris-  
 18 tics of the cannabis industry, including—

19 (A) the number of persons operating can-  
 20 nabis enterprises at each level of such industry,

21 (B) the volume of sales,

22 (C) the amount of tax collected each year,

23 (D) the areas of evasion, and

1                   (E) the impact of disparate State taxes on  
2                   diversion and smuggling of cannabis products,  
3                   and

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

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

18           (e) DRAWBACK ON TAX FOR DISTILLED SPIRITS  
19 USED IN PRODUCTION OF CANNABIS OR HEMP.—Section  
20 5111 of the Internal Revenue Code of 1986 is amended  
21 by striking “or perfume” and inserting “perfume, can-  
22 nabis products, or hemp-derived products”.

23           (f) INTEREST OF INTERNAL REVENUE OFFICER OR  
24 EMPLOYEE IN PRODUCTION OF CANNABIS PRODUCTS.—

1 Section 7214(b) of the Internal Revenue Code of 1986 is  
2 amended—

3 (1) in the heading, by striking “TOBACCO OR  
4 LIQUOR PRODUCTION” and inserting “PRODUCTION  
5 OF TOBACCO, LIQUOR, OR CANNABIS PRODUCTS”,  
6 and

7 (2) by striking “or cigarettes” and inserting  
8 “cigarettes, or cannabis products (as defined in sec-  
9 tion 5902(a)(1))”.

10 (g) PAPERS, TUBES, AND WRAPPERS.—Section 5702  
11 of the Internal Revenue Code of 1986 is amended—

12 (1) in subsection (e)—

13 (A) by inserting “or a cannabis product”  
14 after “tobacco”, and

15 (B) by inserting “(including for use as a  
16 cannabis cigarette wrapper)” after “cigarette  
17 wrapper”,

18 (2) in subsection (f), by inserting “(including  
19 for use in making cannabis cigarettes)” after “mak-  
20 ing cigarettes”, and

21 (3) in subsection (o), by inserting “(including  
22 for use in making cannabis cigarettes)” after “wrap-  
23 per thereof”.

24 (h) CONFORMING AMENDMENTS.—

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

5           (2) The heading of subsection (a) of section  
 6       7608 of such Code is amended by inserting “CAN-  
 7       NABIS PRODUCTS,” after “TOBACCO,”.

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

“CHAPTER 56. CANNABIS PRODUCTS”.

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

“Sec. 9512. Opportunity Trust Fund.”.

14          (i) EFFECTIVE DATE.—

15           (1) IN GENERAL.—Except as otherwise pro-  
 16      vided in this subsection, the amendments made by  
 17      this section shall apply to removals, and applications  
 18      under section 5912 of the Internal Revenue Code of  
 19      1986 (as added by subsection (a)), after 180 days  
 20      after the date of the enactment of this Act.

21           (2) OTHER AMENDMENTS.—The amendments  
 22      made by subsections (b), (c), (d), (f), (g), and (h)  
 23      shall take effect on the date of the enactment of this  
 24      Act.

1 **TITLE V—PUBLIC HEALTH, CAN-**  
 2 **NABIS ADMINISTRATION, AND**  
 3 **TRADE PRACTICES**

4 **Subtitle A—Public Health**

5 **SEC. 501. FDA REGULATION OF CANNABIS.**

6 (a) IN GENERAL.—The Federal Food, Drug, and  
 7 Cosmetic Act (21 U.S.C. 301 et seq.) is amended by add-  
 8 ing at the end the following:

9 **“CHAPTER XI—CANNABIS PRODUCTS**

10 **“SEC. 1101. CENTER FOR CANNABIS PRODUCTS.**

11 “Not later than 90 days after the date of enactment  
 12 of the ‘Cannabis Administration and Opportunity Act’, the  
 13 Secretary shall establish within the Food and Drug Ad-  
 14 ministration the Center for Cannabis Products, which  
 15 shall report to the Commissioner of Food and Drugs in  
 16 the same manner as the other agency centers within the  
 17 Food and Drug Administration. The Center shall be re-  
 18 sponsible for the implementation of this chapter and re-  
 19 lated matters assigned by the Commissioner.

20 **“SEC. 1102. ADULTERATED CANNABIS PRODUCTS.**

21 “(a) IN GENERAL.—A cannabis product shall be  
 22 deemed to be adulterated if—

23 “(1) it consists in whole or in part of any filthy,  
 24 putrid, or decomposed substance, or is otherwise  
 25 contaminated by any added poisonous or added dele-

1       terious substance that may render the product inju-  
2       rious to health;

3           “(2) it has been manufactured, prepared, proc-  
4       essed, packed, or held in insanitary conditions  
5       whereby it may have been contaminated with filth,  
6       or whereby it may have been rendered injurious to  
7       health;

8           “(3) it bears or contains any poisonous or dele-  
9       terious substance that may render it injurious to  
10      health;

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

14          “(5) it bears or contains an unsafe color addi-  
15      tive that is unsafe within the meaning of section  
16      721(a); or

17          “(6) the methods used in, or the facilities or  
18      controls used for, its manufacture, preparing, proc-  
19      essing, packing, or storage are not in conformity  
20      with applicable requirements under section 1105(c).

21      “(b) EXCEPTIONS TO CERTAIN FOOD REQUIRE-  
22      MENTS FOR FOODS CONTAINING CANNABIS.—Provided  
23      that an article that is a food (as defined in section 201(f))  
24      and that is also a cannabis product (as defined in section  
25      201(tt)(2)) otherwise complies with all applicable require-

1 ments for food under chapter IV and all applicable re-  
 2 quirements for cannabis products under this chapter, such  
 3 article shall not be deemed—

4 “(1) adulterated under section 402(a)(2)(C)(i)  
 5 solely on account of constituents made or derived  
 6 from cannabis; or

7 “(2) a food to which has been added a drug for  
 8 which substantial clinical investigations have been  
 9 instituted and for which the existence of such inves-  
 10 tigations has been made public for purposes of sec-  
 11 tion 301(l) solely on account of constituents made  
 12 or derived from cannabis.

13 **“SEC. 1103. MISBRANDED CANNABIS PRODUCTS.**

14 “A cannabis product shall be deemed to be mis-  
 15 branded—

16 “(1) if its labeling or advertising is false or mis-  
 17 leading in any particular;

18 “(2) unless it bears a label containing—

19 “(A) a prominent statement that the prod-  
 20 uct contains cannabis;

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

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

1           “(D) a statement of its form as specified  
2           in regulations promulgated pursuant to section  
3           1105(a);

4           “(E) the amount of tetrahydrocannabinol  
5           in the product, and if the product is packaged  
6           and labeled in such a way as to suggest more  
7           than one serving, dose, or the equivalent, the  
8           amount of tetrahydrocannabinol in such serv-  
9           ing, dose, or the equivalent;

10          “(F) adequate directions for use, if deemed  
11          necessary for the protection of the public health  
12          in regulations promulgated pursuant to section  
13          1105(a);

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

18          “(H) such other information as the Sec-  
19          retary determines, in regulations promulgated  
20          pursuant to section 1105(a), to be necessary for  
21          the protection of the public health;

22          “(3) if its label or labeling bears a statement  
23          describing the role of a cannabis constituent in-  
24          tended to affect the structure or any function of the  
25          body of humans or other animals, unless—

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

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

9           “(4) if any word, statement, or other informa-  
10          tion required by or under authority of this Act to  
11          appear on the label or labeling is not prominently  
12          placed thereon with such conspicuousness (as com-  
13          pared with other words, statements, designs, or de-  
14          vices, in the labeling) and in such terms as to render  
15          it likely to be read and understood by the ordinary  
16          individual under customary conditions of purchase  
17          and use;

18          “(5) if it purports to be, or is represented as,  
19          a cannabis product which is subject to a cannabis  
20          product standard established under section 1106 un-  
21          less such cannabis product is in all respects in con-  
22          formity with such standard;

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

1           “(7) if it was manufactured, prepared, propa-  
 2           gated, compounded, or processed in an establishment  
 3           not duly registered under section 1104 or if it was  
 4           not included in a list required by section 1104; or  
 5           “(8) if it is intended for consumption or appli-  
 6           cation by an individual under 21 years of age.

7   **“SEC. 1104. ANNUAL REGISTRATION.**

8           “(a) REGISTRATION BY OWNERS AND OPERATORS.—  
 9   On or before December 31 of each year, every person who  
 10   owns or operates any establishment in any State engaged  
 11   in the manufacture, preparation, compounding, or proc-  
 12   essing of a cannabis product shall register with the Sec-  
 13   retary the name, places of business, and all such establish-  
 14   ments of that person.

15          “(b) REGISTRATION BY NEW OWNERS AND OPERA-  
 16   TORS.—Every person upon first engaging in the manufac-  
 17   ture, preparation, compounding, or processing of a can-  
 18   nabis product in any establishment owned or operated in  
 19   any State by that person shall immediately register with  
 20   the Secretary that person’s name, place of business, and  
 21   such establishment.

22          “(c) REGISTRATION OF ADDED ESTABLISHMENTS.—  
 23   Every person required to register under subsection (a) or  
 24   (b) shall immediately register with the Secretary any addi-  
 25   tional establishment which that person owns or operates

1 in the United States and in which that person begins the  
2 manufacture, preparation, compounding, or processing of  
3 a cannabis product.

4 “(d) UNIFORM PRODUCT IDENTIFICATION SYS-  
5 TEM.—The Secretary may by regulation prescribe a uni-  
6 form system for the identification of cannabis products  
7 and may require that persons who are required to list such  
8 cannabis products under subsection (g) shall list such can-  
9 nabis products in accordance with such system.

10 “(e) PUBLIC ACCESS TO REGISTRATION INFORMA-  
11 TION.—The Secretary shall make available for inspection  
12 any registration filed under this section.

13 “(f) REGISTRATION BY FOREIGN ESTABLISH-  
14 MENTS.—Any establishment within a foreign country en-  
15 gaged in the manufacture, preparation, compounding, or  
16 processing of a cannabis product that is imported or of-  
17 fered for import into the United States, shall register  
18 under subsection (a), (b), or (c), as applicable, and shall  
19 include with the registration the name of the United  
20 States agent for the establishment.

21 “(g) REGISTRATION INFORMATION.—

22 “(1) PRODUCT LIST.—

23 “(A) IN GENERAL.—Every person who reg-  
24 isters with the Secretary under subsection (a),

(b), or (c) shall, at the time of registration under such subsection, file with the Secretary—

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

“(ii) such other information as the Secretary, in consultation with the Secretary of the Treasury and the Attorney General, may require, by regulation, to carry out the purposes of the Cannabis Administration and Opportunity Act, including the amendments made by such Act, including chapter 56 of subtitle E of the Internal Revenue Code of 1986.

“(B) FORM AND MANNER OF LIST.—The list under subparagraph (A)(i) shall be prepared in such form and manner as the Secretary may prescribe and shall be accompanied by a copy of all consumer information and other labeling for such cannabis product, a represent-

1           ative sampling of advertisements for such can-  
2           nabis product, and, upon request by the Sec-  
3           retary, a copy of all advertisements for a par-  
4           ticular cannabis product.

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

9                   “(A) Prior to the introduction into com-  
10                  mercial distribution of a cannabis product that  
11                  has not been included in any list previously filed  
12                  by the registrant, a list containing such can-  
13                  nabis product.

14                  “(B) A notice of discontinuance of the  
15                  manufacture, preparation, compounding, or  
16                  processing for commercial distribution of a can-  
17                  nabis product included in a list filed under sub-  
18                  paragraph (A) or paragraph (1), and the date  
19                  of such discontinuance.

20                  “(C) A notice of resumption of the manu-  
21                  facture, preparation, compounding, or proc-  
22                  essing for commercial distribution of the can-  
23                  nabis product with respect to which a notice of  
24                  discontinuance was reported under subpara-  
25                  graph (B).

1           “(D) A list of each cannabis product in-  
 2           cluded in a notice filed under subparagraph (C)  
 3           prior to the resumption of the introduction into  
 4           commercial distribution of such cannabis prod-  
 5           uct.

6           “(3) PUBLICATION.—The Secretary shall pub-  
 7           lish on the website of the Food and Drug Adminis-  
 8           tration every registration and list filed pursuant to  
 9           this section and the information accompanying every  
 10          list not later than 10 days after the applicable date  
 11          of filing.

12          “(4) DEPARTMENT OF THE TREASURY AC-  
 13          CESS.—The Secretary shall establish a format and  
 14          procedure for appropriate Department of the Treas-  
 15          ury officials to access the information received by  
 16          the Secretary under this subsection, in a prompt and  
 17          secure manner.

18   **“SEC. 1105. GENERAL PROVISIONS FOR CONTROL OF CAN-**  
 19           **NABIS PRODUCTS.**

20          “(a) RESTRICTIONS ON SALE AND DISTRIBUTION.—

21           “(1) REMOTE SALES.—Not later than 2 years  
 22          after the date of enactment of the Cannabis Admin-  
 23          istration and Opportunity Act, the Secretary shall  
 24          propose, and not later than 3 years after such date  
 25          of enactment the Secretary shall finalize, regulations

1 regarding the promotion, sale, and distribution of  
2 cannabis products that occur through means other  
3 than a direct, face-to-face exchange between a re-  
4 tailer and a consumer, in order to prevent the sale  
5 and distribution of cannabis products to individuals  
6 who have not attained the age of 21, including re-  
7 quirements for age verification.

8 “(2) PREVENTING USE OF CANNABIS PRODUCTS  
9 IN MINORS.—The Secretary shall, by regulation, im-  
10 pose such restrictions on advertising, promotion, and  
11 marketing of cannabis products as the Secretary de-  
12 termines necessary and appropriate to prevent the  
13 consumption or application of cannabis products by  
14 individuals under 21 years of age. Such regulations  
15 shall prohibit the advertising, promotion, and mar-  
16 keting of cannabis products, whether directly or in-  
17 directly, to individuals under 21 years of age, and  
18 any other action that has the primary purpose of ini-  
19 tiating or increasing the use of cannabis products in  
20 such individuals.

21 “(3) OTHER REGULATIONS.—In addition to the  
22 restrictions under paragraphs (1) and (2), the Sec-  
23 retary may, by regulation, impose other restrictions  
24 on the sale and distribution of cannabis products, in-  
25 cluding restrictions on the access to, and the adver-

1       tising and promotion of, the cannabis product, if the  
2       Secretary determines that such regulation would be  
3       appropriate for the protection of the public health.

4               “(4) GOOD FAITH CONSULTATION WITH INDIAN  
5       TRIBES.—In issuing regulations under paragraphs  
6       (1), (2), and (3), the Secretary shall conduct good  
7       faith, meaningful, and timely consultations with In-  
8       dian Tribes (as defined in section 3 of the Cannabis  
9       Administration and Opportunity Act).

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

15       “(c) GOOD MANUFACTURING PRACTICE REQUIRE-  
16       MENTS.—The Secretary shall issue regulations requiring  
17       that the methods used in, and the facilities and controls  
18       used for, the manufacture, preparing, processing, packing,  
19       and holding of a cannabis product conform to current good  
20       manufacturing practice, including testing for pesticide  
21       chemical residues regardless of whether a tolerance for  
22       such chemical residues has been established.

1 **“SEC. 1106. CANNABIS PRODUCT STANDARDS.**

2       “(a) IN GENERAL.—The Secretary shall, by regula-  
3 tion, adopt cannabis product standards that are appro-  
4 priate for protection of the public health.

5       “(b) CONTENT OF STANDARDS.—A cannabis product  
6 standard established under this section shall include provi-  
7 sions—

8               “(1) on the ingredients of the cannabis product,  
9 including, where appropriate—

10                   “(A) cannabinoid yields of the product,  
11 which may consider or address, as appropriate,  
12 different types of cannabinoids and the inter-  
13 action between the constituents of the product;

14                   “(B) provisions respecting the construc-  
15 tion, components, ingredients, additives, con-  
16 stituents, including smoke constituents, and  
17 properties of the cannabis product, which may  
18 consider, as appropriate, the interaction be-  
19 tween constituents and components of the can-  
20 nabis product; and

21                   “(C) provisions for the reduction or elimi-  
22 nation of harmful constituents or components  
23 of the product, including smoke constituents;

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

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

4           “(4) for the measurement of the characteristics  
5           of the cannabis product, where appropriate;

6           “(5) requiring that the sale and distribution of  
7           the cannabis product be restricted but only to the  
8           extent that the sale and distribution of a cannabis  
9           product may be restricted under a regulation under  
10          this Act;

11          “(6) where appropriate, requiring the use and  
12          prescribing the form and content of labeling for the  
13          proper use of the cannabis product and any potential  
14          adverse effects of the product; and

15          “(7) requiring cannabis products containing  
16          foreign-grown cannabis to meet the same standards  
17          applicable to cannabis products containing domesti-  
18          cally grown cannabis.

19          “(c) PERIODIC REEVALUATION OF STANDARDS.—  
20          The Secretary shall provide for periodic evaluation of can-  
21          nabis product standards established under this section to  
22          determine whether such standards should be changed to  
23          reflect new medical, scientific, or other technological data.

1 **“SEC. 1107. RECALL AUTHORITY.**

2       “(a) IN GENERAL.—If the Secretary finds that there  
3 is a reasonable probability that a cannabis product would  
4 cause serious, adverse health consequences or death, the  
5 Secretary shall issue an order requiring the appropriate  
6 person (including the manufacturers, importers, distribu-  
7 tors, or retailers of the cannabis product) to immediately  
8 cease distribution of such cannabis product. The order  
9 shall provide the person subject to the order with an op-  
10 portunity to appear and introduce testimony, to be held  
11 not later than 20 days after the date of the issuance of  
12 the order, on the actions required by the order and on  
13 whether the order should be amended to require a recall  
14 of such cannabis product. If, after providing an oppor-  
15 tunity to appear and introduce testimony, the Secretary  
16 determines that inadequate grounds exist to support the  
17 actions required by the order, the Secretary shall vacate  
18 the order.

19       “(b) AMENDMENT OF ORDER TO REQUIRE RE-  
20 CALL.—

21               “(1) IN GENERAL.—If, after providing an op-  
22 portunity to appear and introduce testimony under  
23 subsection (a), the Secretary determines that the  
24 order should be amended to include a recall of the  
25 cannabis product with respect to which the order  
26 was issued, the Secretary shall, except as provided in

1 paragraph (2), amend the order to require a recall.  
 2 The Secretary shall specify a timetable in which the  
 3 cannabis product recall will occur and shall require  
 4 periodic reports to the Secretary describing the  
 5 progress of the recall.

6 “(2) NOTICE.—An amended order under para-  
 7 graph (1)—

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

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

13 In providing the notice required by subparagraph  
 14 (B), the Secretary may use the assistance of retail-  
 15 ers and other persons who distributed such cannabis  
 16 product. If a significant number of such persons  
 17 cannot be identified, the Secretary shall notify such  
 18 persons pursuant to section 705(b).

19 **“SEC. 1108. RECORDS AND REPORTS ON CANNABIS PROD-**  
 20 **UCTS.**

21 “(a) IN GENERAL.—Every person who is a cannabis  
 22 product manufacturer or importer of a cannabis product  
 23 shall establish and maintain such records, make such re-  
 24 ports, and provide such information, as the Secretary may  
 25 by regulation reasonably require to assure that such can-

1 nabis product is not adulterated or misbranded and to oth-  
 2 erwise protect public health.

3 “(b) REPORTS OF REMOVALS AND CORRECTIONS.—

4 “(1) IN GENERAL.—Except as provided in para-  
 5 graph (2), the Secretary shall by regulation require  
 6 a cannabis product manufacturer or importer of a  
 7 cannabis product to report promptly to the Secretary  
 8 any corrective action taken or removal from the  
 9 market of a cannabis product undertaken by such  
 10 manufacturer or importer if the removal or correc-  
 11 tion was undertaken—

12 “(A) to reduce a risk to health posed by  
 13 the cannabis product; or

14 “(B) to remedy a violation of this chapter  
 15 caused by the cannabis product which may  
 16 present a risk to health.

17 A cannabis product manufacturer or importer of a  
 18 cannabis product who undertakes a corrective action  
 19 or removal from the market of a cannabis product  
 20 that is not required to be reported under this sub-  
 21 section shall keep a record of such correction or re-  
 22 moval.

23 “(2) EXCEPTION.—No report of the corrective  
 24 action or removal of a cannabis product may be re-  
 25 quired under paragraph (1) if a report of the correc-

1        tive action or removal is required and has been sub-  
 2        mitted under subsection (a).

3        **“SEC. 1109. PROHIBITION ON FLAVORED ELECTRONIC CAN-**  
 4                                   **NABIS PRODUCT DELIVERY SYSTEM.**

5        “(a) IN GENERAL.—Any electronic cannabis product  
 6        delivery system shall not contain an artificial or natural  
 7        flavor (other than cannabis) that is a characterizing fla-  
 8        vor, including menthol, mint, mango, strawberry, grape,  
 9        orange, clove, cinnamon, pineapple, vanilla, coconut, lico-  
 10      rice, cocoa, chocolate, cherry, or coffee.

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

17      **“SEC. 1110. PRESERVATION OF STATE, TRIBAL, AND LOCAL**  
 18                                   **AUTHORITY.**

19      “(a) IN GENERAL.—Nothing in this chapter, or rules  
 20      promulgated under this chapter, shall be construed to  
 21      limit the authority of a Federal agency (including the  
 22      Armed Forces), a State or political subdivision of a State,  
 23      or the government of an Indian Tribe (as defined in sec-  
 24      tion 3 of the Cannabis Administration and Opportunity  
 25      Act) to enact, adopt, promulgate, and enforce any law,

1 rule, regulation, or other measure with respect to cannabis  
 2 products that is in addition to, or more stringent than,  
 3 requirements established under this chapter, including a  
 4 law, rule, regulation, or other measure relating to or pro-  
 5 hibiting the manufacture, sale, distribution, possession,  
 6 exposure to, access to, advertising and promotion of, or  
 7 use of cannabis products by individuals of any age, infor-  
 8 mation reporting to the State or Indian Tribe (as so de-  
 9 fined), or measures relating to fire safety or environmental  
 10 standards for cannabis products. No provision of this  
 11 chapter shall limit or otherwise affect any State, Tribal,  
 12 or local taxation of cannabis products.

13 “(b) RULE OF CONSTRUCTION REGARDING PRODUCT  
 14 LIABILITY.—No provision of this chapter relating to a  
 15 cannabis product shall be construed to modify or otherwise  
 16 affect any action or the liability of any person under the  
 17 product liability law of any State or Indian Tribe (as so  
 18 defined).”.

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

21 (a) DEFINITIONS.—Section 201 of the Federal Food,  
 22 Drug, and Cosmetic Act (21 U.S.C. 321) is amended—  
 23 (1) in paragraph (g)(1)(C), by striking “(other  
 24 than food)” and inserting “(other than food or can-  
 25 nabis products)”;

1           (2) in paragraph (ff)(1), by striking “(other  
2       than tobacco)” and inserting “(other than a tobacco  
3       product or cannabis product)”;

4           (3) in paragraph (rr)(4), by inserting “cannabis  
5       product,” after “medical device,”; and

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

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

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

10          “(ii) the seeds thereof;

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

13          “(iv) every compound, manufacture, salt, deriv-  
14       ative, mixture, or preparation of such plant, its  
15       seeds or resin.

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

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

19          “(ii) the mature stalks of such plant, fiber pro-  
20       duced from such stalks, oil or cake made from the  
21       seeds of such plant, any other compound, manufac-  
22       ture, salt, derivative, mixture, or preparation of such  
23       mature stalks (except the resin extracted therefrom),  
24       fiber, oil, or cake, or the sterilized seed of such plant  
25       which is incapable of germination.

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

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

7       “(3) With respect to cannabis or a cannabis product,  
8 the term ‘manufacture’ includes the planting, cultivation,  
9 growing, and harvesting of cannabis.”.

10       (b) PROHIBITED ACTS.—Section 301 of the Federal  
11 Food, Drug, and Cosmetic Act (21 U.S.C. 331) is amend-  
12 ed—

13               (1) by inserting “cannabis product,” after “to-  
14 bacco product,” each place it appears in paragraphs  
15 (g) and (h);

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

18               (3) in paragraph (p)—

19                       (A) by striking “510 or 905” and inserting  
20 “510, 905, or 1104”;

21                       (B) by striking “or 905(j)” and inserting  
22 “905(j), or 1104(g)”;

23                       (C) by striking “or 905(i)(3)” and insert-  
24 ing “, 905(i)(3), or 1104(g)(2)”;

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

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

5           (6) by adding at the end the following:

6       “(jjj)(1) The sale or distribution of a cannabis prod-  
7     uct to any person younger than 21 years of age.

8       “(2) The sale or distribution, in any retail single  
9     transaction, of more than 10 ounces of any cannabis prod-  
10    uct.

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

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

18       “(kkk)(1) The introduction or delivery for introduc-  
19    tion into commerce of any cannabis product that is adul-  
20    terated or misbranded.

21       “(2) The adulteration or misbranding of any can-  
22    nabis product in commerce.

23       “(3) The receipt in commerce of any cannabis prod-  
24    uct that is adulterated or misbranded, and the delivery  
25    or proffered delivery thereof for pay or otherwise.

1       “(4) The alteration, mutilation, destruction, obliteration,  
2       tion, or removal of the whole or any part of the labeling  
3       of, or the doing of any other act with respect to a cannabis  
4       product, if such act is done while such article is held for  
5       sale (whether or not the first sale) after shipment in commerce  
6       and results in such article being adulterated or misbranded.  
7       branded.

8       “(III) The failure to comply with the requirements of  
9       section 524D.”.

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

13               (1) in subsection (a)—

14                       (A) in paragraph (1), by inserting “cannabis  
15                       product,” after “drug,”; and

16                       (B) in paragraph (2), by inserting “or cannabis  
17                       product” after “tobacco product”;

18               (2) in subsection (d)(1), by inserting “cannabis  
19       product,” after “tobacco product,”; and

20               (3) in subsection (g), by striking “or tobacco  
21       product” each place it appears in paragraphs (1)  
22       and (2)(A) and inserting “, tobacco product, or cannabis  
23       product”.

1 (d) FACTORY INSPECTION.—Section 704 of the Fed-  
2 eral Food, Drug, and Cosmetic Act (21 U.S.C. 374) is  
3 amended—

4 (1) in subsection (a)—

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

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

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

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

15 (e) PUBLICITY.—Section 705(b) of the Federal Food,  
16 Drug, and Cosmetic Act (21 U.S.C. 375(b)) is amended  
17 by inserting “cannabis products,” after “tobacco prod-  
18 ucts,”.

19 (f) PRESUMPTION.—Section 709 of the Federal  
20 Food, Drug, and Cosmetic Act (21 U.S.C. 379a) is  
21 amended by inserting “cannabis product,” after “tobacco  
22 product,”.

23 (g) IMPORTS AND EXPORTS.—Section 801 of the  
24 Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381)  
25 is amended—

1 (1) in subsection (a)—

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

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

7 (C) by striking “or section 905(h)” and in-  
8 serting “, 905(h), or 1104”; and

9 (2) in subsection (e), by striking “tobacco prod-  
10 uct or” and inserting “tobacco product, cannabis  
11 product, or”.

12 **SEC. 503. EXPEDITED REVIEW.**

13 Subchapter A of chapter V of the Federal Food,  
14 Drug, and Cosmetic Act (21 U.S.C. 351 et seq.) is amend-  
15 ed by adding at the end the following:

16 **“SEC. 524C. EXPEDITED REVIEW OF CERTAIN DRUGS CON-**  
17 **TAINING CANNABIS.**

18 “(a) ESTABLISHMENT OF PROGRAM.—The Secretary  
19 shall establish a program to expedite the development and  
20 review of applications for drugs containing cannabis that  
21 are manufactured by a small business concerned owned  
22 and controlled by socially and economically disadvantaged  
23 individuals or Native entities that operate in the cannabis  
24 industry.

1       “(b) REQUEST FOR DESIGNATION.—A sponsor of a  
2 drug containing cannabis that is manufactured by a small  
3 business concern owned and controlled by socially and eco-  
4 nomically disadvantaged individuals or Native entities that  
5 operate in the cannabis industry may request that the Sec-  
6 retary designate such drug for expedited review under this  
7 section. A request for designation may be made concur-  
8 rently with, or at any time after, the submission of an  
9 application for the investigation of the drug under section  
10 505(i) or section 351(a)(3) of the Public Health Service  
11 Act.

12       “(c) ACTIONS.—The actions to expedite the develop-  
13 ment and review of an application designated for expedited  
14 review under this section may include, as appropriate—

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

18               “(2) providing timely advice to, and interactive  
19 communication with, the sponsor regarding the de-  
20 velopment of the drug to ensure that the develop-  
21 ment program to gather the nonclinical and clinical  
22 data necessary for approval is as efficient as prac-  
23 ticable; and

24               “(3) priority review, as described in the Manual  
25 of Policies and Procedures of the Food and Drug

1 Administration and goals identified in the letters de-  
2 scribed in section 101(b) of the Prescription Drug  
3 User Fee Amendments of 2017.

4 “(d) EXPEDITED REVIEW GUIDANCE.—Not later  
5 than 1 year after the date of enactment of the Cannabis  
6 Administration and Opportunity Act, and after good faith,  
7 meaningful, and timely consultation with Native entities,  
8 the Secretary shall issue guidance on the implementation  
9 of this section. Such guidance shall—

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

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

15 “(e) DEFINITIONS.—In this section:

16 “(1) DRUG CONTAINING CANNABIS.—The term  
17 ‘drug containing cannabis’ means any drug that con-  
18 tains any article made or derived from cannabis.

19 “(2) NATIVE ENTITY.—The term ‘Native entity’  
20 means—

21 “(A) an Indian Tribe (as defined in section  
22 3 of the Cannabis Administration and Oppor-  
23 tunity Act);

1 “(B) a Native Corporation (as defined in  
 2 section 3 of the Alaska Native Claims Settle-  
 3 ment Act (43 U.S.C. 1602)); and

4 “(C) a Native Hawaiian-serving entity.

5 “(3) NATIVE HAWAIIAN-SERVING ENTITY.—The  
 6 term ‘Native Hawaiian-serving entity’ means—

7 “(A) a Native Hawaiian organization (as  
 8 defined in section 6207 of the Elementary and  
 9 Secondary Education Act of 1965 (20 U.S.C.  
 10 7517));

11 “(B) the Department of Hawaiian Home  
 12 Lands; and

13 “(C) the Office of Hawaiian Affairs.

14 “(4) SMALL BUSINESS CONCERN OWNED AND  
 15 CONTROLLED BY SOCIALLY AND ECONOMICALLY DIS-  
 16 ADVANTAGED INDIVIDUALS.—The term ‘small busi-  
 17 ness concern owned and controlled by socially and  
 18 economically disadvantaged individuals’ has the  
 19 meaning given the term in section 8(d)(3)(C) of the  
 20 Small Business Act.

21 **“SEC. 524D. SECURITY REQUIREMENTS FOR DRUGS CON-**  
 22 **TAINING CANNABIS.**

23 “(a) IN GENERAL.—The sponsor of any application  
 24 under section 505 for a drug containing cannabis shall  
 25 provide effective controls and procedures to guard against

1 theft and diversion of such drug, which may include, if  
 2 the Secretary determines necessary, a risk evaluation and  
 3 mitigation strategy under section 505–1.

4 “(b) STANDARDS.—The Secretary shall prescribe, by  
 5 regulation, standards for controls and procedures for  
 6 drugs described in subsection (a).

7 “(c) DEFINITION.—For purposes of this section, the  
 8 term ‘drug containing cannabis’ means any drug that con-  
 9 tains any article made or derived from cannabis.”.

10 **SEC. 504. REGULATION OF CANNABIDIOL.**

11 (a) CBD AS A DIETARY SUPPLEMENT.—Section  
 12 201(ff)(3)(B) of the Federal Food, Drug, and Cosmetic  
 13 Act (21 U.S.C. 321(ff)(3)(B)) is amended, in the matter  
 14 preceding subclause (i), by inserting “, except in the case  
 15 of cannabidiol derived from hemp (as defined in section  
 16 297A of the Agricultural Marketing Act of 1946)” after  
 17 “include”.

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

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

23 “(A) such dietary supplement contains no more  
 24 than an amount of cannabidiol per recommended  
 25 daily serving that the Secretary may establish (and

1       revise or repeal as appropriate), subject to para-  
2       graph (2), through an interim final rule, notwith-  
3       standing any requirement for notice and comment  
4       that may otherwise apply under section 553 of title  
5       5, United States Code;

6               “(B) such dietary supplement is the subject of  
7       a notification submitted to the Secretary in accord-  
8       ance with section 413(a)(2); and

9               “(C) the labeling and packaging of such dietary  
10      supplement conforms with any requirements that the  
11      Secretary establishes regarding labeling or pack-  
12      aging of dietary supplements containing cannabidiol  
13      (which may be promulgated (and revised or repealed  
14      as appropriate) by the Secretary through an interim  
15      final rule, notwithstanding any requirement for no-  
16      tice and comment that may otherwise apply under  
17      section 553 of title 5, United States Code).

18      “(2)(A) The amount of cannabidiol established in ac-  
19      cordance with paragraph (1)(A)—

20              “(i) shall be a threshold above which the Sec-  
21      retary may not accept new dietary ingredient notifi-  
22      cations; and

23              “(ii) shall not be interpreted as a determination  
24      that lower amounts of cannabidiol are safe.

1       “(B) The Secretary shall establish such a threshold  
2 based on such factors as the Secretary determines to be  
3 appropriate, which may include a consideration of whether  
4 the review of new dietary ingredient notifications for prod-  
5 ucts containing higher levels of cannabidiol may be unduly  
6 burdensome.”.

7       (c) NEW DIETARY INGREDIENT.—Section 413(a)(1)  
8 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C.  
9 350b(a)(1)) is amended by inserting “contains no  
10 cannabidiol and” before “contains only dietary ingredi-  
11 ents”.

12       (d) NEW PROHIBITED ACT.—Section 301 of the Fed-  
13 eral Food, Drug, and Cosmetic Act (21 U.S.C. 331), as  
14 amended by section 502(b)(6), is further amended by add-  
15 ing at the end the following:

16       “(mmm) The introduction or delivery for introduction  
17 into interstate commerce of any product labeled as a die-  
18 tary supplement that fails to meet the definition of a die-  
19 tary supplement under section 201(ff).”.

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

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

4 (1) in subsection (a)(1), in the first sentence,  
5 by inserting “or any article which may not be intro-  
6 duced or delivered for introduction into interstate  
7 commerce under section 301(iii),” before “shall be  
8 liable”; and

9 (2) in subsection (d)(1), in the first sentence,  
10 by inserting “, or any product otherwise introduced  
11 or delivered for introduction into interstate com-  
12 merce in violation of section 301(iii) and condemned  
13 under this section,” after “under this section”.

14 (g) CBD AS A FOOD ADDITIVE.—

15 (1) IN GENERAL.—Not later than 1 year after  
16 the date of enactment of this Act, the Secretary of  
17 Health and Human Services (referred to in this sub-  
18 section as the “Secretary”) shall issue draft guid-  
19 ance describing criteria by which the Secretary in-  
20 tends to evaluate the safety of cannabidiol as a food  
21 additive in any food additive petition under section  
22 409 of the Federal Food, Drug, and Cosmetic Act  
23 (21 U.S.C. 348). The Secretary shall publish final  
24 guidance within 180 days of the close of the public  
25 comment period on such draft guidance.

1           (2) ADVISORY COMMITTEE.—Before issuing  
2       draft guidance under paragraph (1), the Secretary  
3       shall convene and consult an advisory committee,  
4       which shall include experts qualified in the subject  
5       matter.

6 **SEC. 505. TRANSITION PERIODS.**

7       (a) TRANSITION PERIOD FOR CANNABIS PROD-  
8       UCTS.—With respect to a cannabis product that was mar-  
9       keted in the United States within 30 days of the date of  
10      enactment of this Act pursuant to a State law permitting  
11      the marketing of such product, such product shall not be  
12      considered to be in violation of chapter XI of the Federal  
13      Food, Drug, and Cosmetic Act (as added by section 501)  
14      or section 301 of the Federal Food, Drug, and Cosmetic  
15      Act (21 U.S.C. 331), as amended by this title, as applica-  
16      ble, during the 18-month period following the date of en-  
17      actment of this Act.

18      (b) SUBMISSION OF APPLICATIONS FOR PREVIOUSLY  
19      MARKETED DRUGS CONTAINING CANNABIS.—

20           (1) TRANSITION PERIOD FOR DRUGS CON-  
21      TAINING CANNABIS.—With respect to a drug con-  
22      taining cannabis that was being marketed in the  
23      United States within 30 days after the date of en-  
24      actment of this Act pursuant to a State law permit-  
25      ting cannabis for medical use, such drug shall not be

1 considered to be in violation of chapter V or section  
2 301 of the Federal Food, Drug, and Cosmetic Act  
3 (21 U.S.C. 331; 351 et seq.) during the 3-year pe-  
4 riod following the date of enactment of this Act.

5 (2) SUBMISSION OF APPLICATIONS.—

6 (A) IN GENERAL.—As a condition for con-  
7 tinuing to market a drug described in para-  
8 graph (1) during the 3-year period specified in  
9 such paragraph, during the 18-month period  
10 beginning on the effective date of this Act, the  
11 manufacturer shall submit a new drug applica-  
12 tion under section 505(b) of the Federal Food,  
13 Drug, and Cosmetic Act (21 U.S.C. 355(b)) for  
14 such drug.

15 (B) TRANSITION PERIOD.—Except as pro-  
16 vided in subparagraph (C), with respect to a  
17 drug containing cannabis for which an applica-  
18 tion is submitted as described in subparagraph  
19 (A), the manufacturer of such product may con-  
20 tinue to market such drug in the State de-  
21 scribed in paragraph (1) during the 3-year pe-  
22 riod beginning on the effective date of this Act.

23 (C) EXCEPTION.—If the Secretary of  
24 Health and Human Services issues an order re-  
25 fusing to approve an application under section

1           505(d) of the Federal Food, Drug, and Cos-  
2           metic Act (21 U.S.C. 355(d)) for a drug that  
3           contains cannabis, such drug shall not be eligi-  
4           ble for continued marketing under subpara-  
5           graph (B).

6           (3) END OF TRANSITION PERIOD.—Beginning  
7           on the date that is 3 years after the date of enact-  
8           ment of this Act the Secretary may take enforce-  
9           ment action, as appropriate, for a drug described in  
10          paragraph (1) (including such a drug that is the  
11          subject of a pending application under section 505  
12          of the Federal Food, Drug, and Cosmetic Act (21  
13          U.S.C. 355)) found to be in violation of chapter V  
14          or section 301 of the Federal Food, Drug, and Cos-  
15          metic Act.

16          (4) RULE OF CONSTRUCTION.—Nothing in this  
17          subsection shall be construed to prohibit the mar-  
18          keting of a cannabis product otherwise in compliance  
19          with relevant provisions of the Federal Food, Drug,  
20          and Cosmetic Act (21 U.S.C. 301 et seq.).

21          (c) DEFINITION.—For purposes of this section, the  
22          term “drug containing cannabis” means any drug that  
23          contains any article made or derived from cannabis.

1 **SEC. 506. AMENDMENT TO THE POISON PREVENTION PACK-**  
 2 **AGING ACT.**

3 Section 2(2)(B) of the Poison Prevention Packaging  
 4 Act of 1970 (15 U.S.C. 1471(2)(B)) is amended by strik-  
 5 ing “or cosmetic” and inserting “cosmetic, or cannabis  
 6 product,”.

7 **SEC. 507. FUNDING FOR FDA.**

8 In addition to amounts otherwise available, there is  
 9 appropriated, out of any funds in the Treasury not other-  
 10 wise appropriated, \$425,000,000 for each of fiscal years  
 11 2026 through 2030 to carry out this title and the amend-  
 12 ments made by this title.

13 **Subtitle B—Federal Cannabis**  
 14 **Administration**

15 **SEC. 511. FEDERAL CANNABIS ADMINISTRATION.**

16 (a) IN GENERAL.—The Federal Alcohol Administra-  
 17 tion Act (27 U.S.C. 201 et seq.) is amended by adding  
 18 at the end the following:

19 **“TITLE III—CANNABIS**

20 **“SEC. 301. UNLAWFUL BUSINESSES WITHOUT CANNABIS**  
 21 **PERMIT.**

22 “(a) IMPORT.—It shall be unlawful, except pursuant  
 23 to a permit issued under this title by the Secretary—

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

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

5       “(b) MANUFACTURE AND SALE.—It shall be unlaw-  
6       ful, except pursuant to a permit issued under this title  
7       by the Secretary—

8           “(1) to engage in the business of cultivating,  
9       producing,       manufacturing,       packaging,       or  
10       warehousing cannabis; or

11          “(2) for any person so engaged to sell, offer or  
12       deliver for sale, contract to sell, or ship, in interstate  
13       or foreign commerce, directly or indirectly or  
14       through an affiliate, cannabis so cultivated, pro-  
15       duced, manufactured, packaged, or warehoused.

16       “(c) RESALE.—It shall be unlawful, except pursuant  
17       to a permit issued under this title by the Secretary—

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

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

24       “(d) TRANSITION RULE.—Subject to section 302(e),  
25       in the case of a person who has filed a complete and accu-

1 rate application for a permit under this section within 90  
 2 days of the date on which the Secretary has issued any  
 3 necessary guidance and forms with respect to such appli-  
 4 cations, this section shall not apply to such person during  
 5 the period prior to any determination under section 302  
 6 as to the entitlement of such person to such permit, pro-  
 7 vided that such person is in compliance with—

8           “(1) any applicable regulations under this title;  
 9       and

10           “(2) payment of any taxes imposed under chap-  
 11       ter 56 of the Internal Revenue Code of 1986.

12 **“SEC. 302. PROCEDURE FOR ISSUANCE OF CANNABIS PER-**  
 13 **MITS.**

14       “(a) ENTITLEMENT TO PERMIT.—

15           “(1) IN GENERAL.—The Secretary shall issue a  
 16       permit for operations requiring a permit under sec-  
 17       tion 301 unless the Secretary finds that—

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

22           “(B) the operations proposed to be con-  
 23       ducted by the applicant are in violation of the  
 24       law of the State in which they are to be con-  
 25       ducted; or

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

3           “(2) DISQUALIFYING OFFENSES.—

4           “(A) IN GENERAL.—For the purposes of  
5           paragraph (1), a disqualifying offense is any  
6           felony violation of any provision of Federal or  
7           State criminal law relating to cannabis or can-  
8           nabis products (including the taxation thereof),  
9           if the conviction occurred after the date of en-  
10          actment of the Cannabis Administration and  
11          Opportunity Act and not later than 3 years be-  
12          fore the date of the application.

13          “(B) WAIVER PURSUANT TO FINDING OF  
14          MITIGATION OR REHABILITATION AND FITNESS  
15          FOR OCCUPATION.—Notwithstanding subpara-  
16          graph (A), an offense shall not be considered a  
17          disqualifying offense if, pursuant to a submis-  
18          sion of waiver request by the applicant to the  
19          Secretary, the Secretary finds (following a re-  
20          view and recommendation with respect to such  
21          waiver request by the Cannabis Products Advi-  
22          sory Committee established under section 602  
23          of the Cannabis Administration and Oppor-  
24          tunity Act) that the applicant has established  
25          sufficient mitigation or rehabilitation and fit-

1           ness to maintain cannabis operations in compli-  
2           ance with State and Federal law by providing—

3                   “(i) evidence showing that—

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

9                           “(II) the applicant has complied  
10                          with all terms and conditions of pro-  
11                          bation or parole; or

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

14                           “(I) the circumstances relating to  
15                           the offense, including mitigating cir-  
16                           cumstances or social conditions sur-  
17                           rounding the commission of the of-  
18                           fense;

19                           “(II) the age of the applicant  
20                           when the applicant committed the of-  
21                           fense;

22                           “(III) the period of time that has  
23                           elapsed since the applicant committed  
24                           the offense;

1                   “(IV) additional evidence of edu-  
2                   cational, training, or work activities  
3                   that the applicant has participated in,  
4                   including during any period of incar-  
5                   ceration;

6                   “(V) letters of reference by per-  
7                   sons who have been in contact with  
8                   the applicant since the applicant was  
9                   released from any correctional institu-  
10                  tion; and

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

14           “(b) REFUSAL OF PERMIT; HEARING.—If upon ex-  
15           amination of any application for a permit the Secretary  
16           has reason to believe that the applicant is not entitled to  
17           such permit, the Secretary shall so notify the applicant  
18           and, upon request by the applicant, afford the applicant  
19           due notice and opportunity for hearing on the application.  
20           If the Secretary, after affording such notice and oppor-  
21           tunity for hearing, still finds that the applicant is not enti-  
22           tled to a permit hereunder, the Secretary shall by order  
23           deny the application stating the findings which are the  
24           basis for the order.

25           “(c) FORM OF APPLICATION.—

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

2 “(A) prescribe the manner and form of ap-  
3 plications for permits under this title (including  
4 the facts to be set forth in the application);

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

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

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

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

20 “(d) CONDITIONS.—

21 “(1) IN GENERAL.—A permit under this title  
22 shall be conditioned upon—

23 “(A) compliance with all other Federal  
24 laws relating to production and sale of can-  
25 nabis, as well as compliance with all State laws

1 relating to said activities in the State in which  
2 the permit applicant resides and does business;

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

9 “(C) compliance with—

10 “(i) the labor laws described in para-  
11 graph (1) of subsection (j), as determined  
12 in accordance with paragraph (2) of such  
13 subsection; and

14 “(ii) the reporting requirements of  
15 subsection (j)(3).

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

20 “(A) has had an income below 250 percent  
21 of the Federal Poverty Level for not fewer than  
22 5 of the 10 years preceding the date on which  
23 the individual submits an application for a per-  
24 mit under this title; and

25 “(B) is a first-time applicant.

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

3               “(1) GENERALLY.—After due notice and oppor-  
4   tunity for hearing, the Secretary may order a permit  
5   under this title—

6               “(A) revoked or suspended for such period  
7               as the Secretary deems appropriate, if the Sec-  
8               retary finds that the permittee has willfully vio-  
9               lated any of the conditions of the permit, but  
10              for a first violation of the conditions the permit  
11              shall be subject to suspension only;

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

16              “(C) annulled if the Secretary finds that  
17              the permit was procured through fraud, or mis-  
18              representation, or concealment of material fact.

19              “(2) ORDER TO STATE BASIS FOR ORDER.—  
20   The order shall state the findings which are the  
21   basis for the order.

22              “(3) JOINT DEVELOPMENT OF ENFORCEMENT  
23   REGULATIONS.—The Secretary, in coordination with  
24   the Secretary of Labor and the National Labor Re-  
25   lations Board, shall, through regulations, establish

1 criteria for making determinations under paragraph  
2 (1).

3 “(4) JOINT ENFORCEMENT.—The Secretary of  
4 Labor and the National Labor Relations Board shall  
5 provide to the Secretary any assistance in carrying  
6 out this subsection as determined necessary by the  
7 Secretary.

8 “(5) CERTAIN VIOLATIONS UNDER THE NA-  
9 TIONAL LABOR RELATIONS ACT DEEMED WILL-  
10 FUL.—A violation of the condition under subsection  
11 (d)(1)(C) with respect to compliance with section 8  
12 of the National Labor Relations Act (29 U.S.C.  
13 158) as described in subsection (j)(1)(C) shall be  
14 deemed willful for purposes of paragraph (1)(A) if  
15 the National Labor Relations Board finds that the  
16 permittee has engaged in—

17 “(A) a discharge in violation of subsection  
18 (a) of such section 8;

19 “(B) a violation of such section 8 during  
20 the period in which a representation election  
21 under such Act is pending with respect to the  
22 employees of the permittee; or

23 “(C) a withdrawal of recognition of the  
24 recognized or certified collective-bargaining rep-  
25 resentative under such Act with respect to the

1 employees of the permittee that is in violation  
2 of such section 8.

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

7 “(1) in person by any officer or employee of the  
8 Secretary designated by him or any internal revenue  
9 or customs officer authorized by the Secretary for  
10 the purpose; or

11 “(2) by mailing the order by registered mail,  
12 addressed to the applicant or respondent at his last  
13 known address in the records of the Secretary.

14 “(g) DURATION.—

15 “(1) GENERAL RULE.—Except as otherwise  
16 provided in this subsection, a permit issued under  
17 this title shall continue in effect until suspended, re-  
18 voked, or annulled as provided in this title, or volun-  
19 tarily surrendered.

20 “(2) EFFECT OF TRANSFER.—If operations  
21 under a permit issued under this title are trans-  
22 ferred, the permit automatically terminates 30 days  
23 after the date of that transfer, unless an application  
24 is made by the transferee before the end of that pe-  
25 riod for a permit under this title for those oper-

1        ations. If such an application is made, the out-  
2        standing permit shall continue in effect until such  
3        application is finally acted on by the Secretary.

4            “(3) DEFINITION OF TRANSFER.—For the pur-  
5        poses of this section, the term ‘transfer’ means any  
6        change of ownership or control, whether voluntary or  
7        by operation of law.

8            “(h) JUDICIAL REVIEW.—

9            “(1) IN GENERAL.—A permittee or applicant  
10        for a permit under this title may obtain judicial re-  
11        view under chapter 7 of title 5, United States Code,  
12        of the denial of the application of that applicant or,  
13        in the case of a permittee, the denial of an applica-  
14        tion by the transferee of that permittee or the sus-  
15        pension, revocation, or annulment of a permit with  
16        respect to that permittee.

17            “(2) LABOR LAW VIOLATIONS.—Notwith-  
18        standing paragraph (1), with respect to a violation  
19        of the condition described in subsection (d)(1)(C),  
20        the findings of fact and conclusions of law by the  
21        Secretary, or, pursuant to subsection (e)(4), the Sec-  
22        retary of Labor or the National Labor Relations  
23        Board, concerning the appropriateness of sus-  
24        pending, revoking, or annulling a permit as provided

1 in this title, if supported by substantial evidence on  
2 the whole, shall be conclusive.

3 “(i) STATUTE OF LIMITATIONS.—

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

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

16 “(j) LABOR LAWS.—

17 “(1) IN GENERAL.—A labor law described in  
18 this paragraph is any of the following:

19 “(A) Any provision under the Fair Labor  
20 Standards Act of 1938 (29 U.S.C. 201 et seq.),  
21 including any regulations promulgated under  
22 such Act.

23 “(B) Any provision under the Occupational  
24 Safety and Health Act of 1970 (29 U.S.C. 651  
25 et seq.), including any standard promulgated

1 under section 6 of such Act (29 U.S.C. 655) or  
 2 any other regulation promulgated under such  
 3 Act, or any standard or regulation promulgated  
 4 under an applicable State plan approved by the  
 5 Secretary of Labor under section 18 of such  
 6 Act (29 U.S.C. 667) that is identical or equiva-  
 7 lent to a standard promulgated under such sec-  
 8 tion 6.

9 “(C) Section 8 of the National Labor Rela-  
 10 tions Act (29 U.S.C. 158), including any regu-  
 11 lations promulgated under such section.

12 “(2) FINDINGS OF LABOR LAW VIOLATIONS.—

13 “(A) IN GENERAL.—For purposes of sub-  
 14 section (d)(1)(C)(i), a permittee shall be consid-  
 15 ered in violation of a labor law described in  
 16 paragraph (1) if any of the following findings  
 17 are made with respect to the permittee:

18 “(i) FAIR LABOR STANDARDS ACT OF  
 19 1938.—With respect to a labor law de-  
 20 scribed in paragraph (1)(A)—

21 “(I) a finding through an order  
 22 or judgment of a Federal or State  
 23 court that the permittee has violated  
 24 any provision of the Fair Labor  
 25 Standards Act of 1938, including any

1 regulation promulgated under such  
2 Act; or

3 “(II) a finding through a final  
4 order of the Secretary of Labor that  
5 the permittee has violated any provi-  
6 sion of such Act, including such a reg-  
7 ulation.

8 “(ii) OCCUPATIONAL SAFETY AND  
9 HEALTH ACT OF 1970.—With respect to a  
10 labor law described in paragraph (1)(B)—

11 “(I) a finding through an order  
12 or judgment of a Federal or State  
13 court that the permittee has violated  
14 any provision of the Occupational  
15 Safety and Health Act of 1970, in-  
16 cluding any standard promulgated  
17 under section 6 of such Act or any  
18 other regulation promulgated under  
19 such Act, or any standard or regula-  
20 tion promulgated under an applicable  
21 State plan approved by the Secretary  
22 of Labor under section 18 of such Act  
23 (29 U.S.C. 667) that is identical or  
24 equivalent to a standard promulgated  
25 under such section 6; or

1                   “(II) a finding through a final  
2                   order issued by the Occupational  
3                   Safety and Health Review Commis-  
4                   sion, or an equivalent final decision of  
5                   any State agency or administrative  
6                   body, that the permittee has com-  
7                   mitted a violation described in sub-  
8                   clause (I).

9                   “(iii) NATIONAL LABOR RELATIONS  
10                  ACT.—With respect to a labor law de-  
11                  scribed in paragraph (1)(C), a finding by  
12                  the National Labor Relations Board that  
13                  the permittee has violated section 8 of the  
14                  National Labor Relations Act (29 U.S.C.  
15                  158), including a regulation promulgated  
16                  under such section, by committing an un-  
17                  fair labor practice under such section.

18                  “(B) EXCEPTION.—Notwithstanding sub-  
19                  paragraph (A), a permittee shall not be consid-  
20                  ered in violation of a labor law described in  
21                  paragraph (1) if a finding described in subpara-  
22                  graph (A) with respect to the permittee is  
23                  through an order or judgment that has been re-  
24                  versed, vacated, or rescinded.

1           “(3) REPORTING REQUIREMENTS.—Not later  
2           than 30 days after a finding described in paragraph  
3           (2) has been made with respect to a permittee, the  
4           permittee shall notify the Secretary of such finding  
5           in such form and manner as the Secretary, in co-  
6           ordination with the Secretary of Labor and the Na-  
7           tional Labor Relations Board, shall prescribe.

8   **“SEC. 303. DELIVERY OF HEMP INADVERTENTLY EXCEED-**  
9                           **ING PERMISSIBLE CONCENTRATION OF**  
10                          **DELTA-9 TETRAHYDROCANNABINOL.**

11          “(a) IN GENERAL.—The Secretary, in coordination  
12          with the Secretary of Agriculture and the Secretary of  
13          Health and Human Services, shall issue regulations to es-  
14          tablish a process for the lawful delivery of hemp described  
15          in subsection (b) to a cannabis enterprise holding a permit  
16          issued under this title and authorized pursuant to section  
17          5911 of the Internal Revenue Code of 1986.

18          “(b) HEMP DESCRIBED.—Hemp referred to in sub-  
19          section (a) is *Cannabis sativa* L. inadvertently produced  
20          with a total tetrahydrocannabinol equivalent concentration  
21          of more than the allowable tetrahydrocannabinol equiva-  
22          lent amount as described in paragraph (1)(C) of section  
23          297A of the Agricultural Marketing Act of 1946 (7 U.S.C.  
24          1639o)—

1           “(1) before September 30, 2021, by an institu-  
2           tion of higher education or State department of agri-  
3           culture that grows or cultivates industrial hemp  
4           under section 7606 of the Agricultural Act of 2014  
5           (7 U.S.C. 5940); or

6           “(2) by a producer of hemp under subtitle G of  
7           the Agricultural Marketing Act of 1946 (7 U.S.C.  
8           1639o et seq.).

9   **“SEC. 304. UNFAIR COMPETITION AND UNLAWFUL PRAC-**  
10                   **TICES.**

11           “(a) IN GENERAL.—It shall be unlawful for any per-  
12           son engaged in the business of importing cannabis into  
13           the United States, or cultivating, producing, manufac-  
14           turing, packaging, or warehousing cannabis, or purchasing  
15           cannabis for resale at wholesale, directly or indirectly or  
16           through an affiliate, to do any of the following:

17           “(1) EXCLUSIVE OUTLET.—To require, by  
18           agreement or otherwise, that any retailer engaged in  
19           the sale of cannabis products, purchase any such  
20           products from such person to the exclusion in whole  
21           or in part of cannabis sold or offered for sale by  
22           other persons in interstate or foreign commerce, if  
23           such requirement is made in the course of interstate  
24           or foreign commerce, or if such person engages in  
25           such practice to such an extent as substantially to

1       restrain or prevent transactions in interstate or for-  
2       eign commerce in any such products, or if the direct  
3       effect of such requirement is to prevent, deter,  
4       hinder, or restrict other persons from selling or of-  
5       fering for sale any such products to such retailer in  
6       interstate or foreign commerce.

7               “(2) TIED HOUSE.—To induce through any of  
8       the following means, any retailer, engaged in the  
9       sale of cannabis products to purchase any such prod-  
10      ucts from such person to the exclusion in whole or  
11      in part of cannabis sold or offered for sale by other  
12      persons in interstate or foreign commerce, if such  
13      inducement is made in the course of interstate or  
14      foreign commerce, or if such person engages in the  
15      practice of using such means, or any of them, to  
16      such an extent as substantially to restrain or prevent  
17      transactions in interstate or foreign commerce in  
18      any such products, or if the direct effect of such in-  
19      ducement is to prevent, deter, hinder, or restrict  
20      other persons from selling or offering for sale any  
21      such products to such retailer in interstate or for-  
22      eign commerce:

23               “(A) Acquiring or holding (after the expi-  
24      ration of any existing license) any interest in

1 any license with respect to the premises of the  
2 retailer.

3 “(B) Acquiring any interest in real or per-  
4 sonal property owned, occupied, or used by the  
5 retailer in the conduct of his business.

6 “(C) Furnishing, giving, renting, lending,  
7 or selling to the retailer, any equipment, fix-  
8 tures, signs, supplies, money, services, or other  
9 thing of value, subject to such exceptions as the  
10 Secretary shall by regulation prescribe, having  
11 due regard for public health, the quantity and  
12 value of articles involved, established trade cus-  
13 toms not contrary to the public interest and the  
14 purposes of this subsection.

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

17 “(E) Guaranteeing any loan or the repay-  
18 ment of any financial obligation of the retailer.

19 “(F) Extending to the retailer credit for a  
20 period in excess of the credit period usual and  
21 customary to the industry for the particular  
22 class of transactions, as ascertained by the Sec-  
23 retary of the Treasury and prescribed by regu-  
24 lations by him.

1           “(G) Requiring the retailer to take and  
2           dispose of a certain quota of any of such prod-  
3           ucts.

4           “(3) COMMERCIAL BRIBERY.—To induce  
5           through any of the following means, any trade buyer  
6           engaged in the sale of cannabis products, to pur-  
7           chase any such products from such person to the ex-  
8           clusion in whole or in part of cannabis products sold  
9           or offered for sale by other persons in interstate or  
10          foreign commerce, if such inducement is made in the  
11          course of interstate or foreign commerce, or if such  
12          person engages in the practice of using such means,  
13          or any of them, to such an extent as substantially  
14          to restrain or prevent transactions in interstate or  
15          foreign commerce in any such products, or if the di-  
16          rect effect of such inducement is to prevent, deter,  
17          hinder, or restrict other persons from selling or of-  
18          fering for sale any such products to such trade  
19          buyer in interstate or foreign commerce:

20               “(A) Commercial bribery.

21               “(B) Offering or giving any bonus, pre-  
22               mium, or compensation to any officer, or em-  
23               ployee, or representative of the trade buyer.

24           “(4) CONSIGNMENT SALES.—To sell, offer for  
25          sale, or contract to sell to any trade buyer engaged

1 in the sale of cannabis products, or for any such  
2 trade buyer to purchase, offer to purchase, or con-  
3 tract to purchase, any such products on consignment  
4 or under conditional sale or with the privilege of re-  
5 turn or on any basis otherwise than a bona fide sale,  
6 or where any part of such transaction involves, di-  
7 rectly or indirectly, the acquisition by such person  
8 from the trade buyer or his agreement to acquire  
9 from the trade buyer other cannabis products, if  
10 such sale, purchase, offer, or contract is made in the  
11 course of interstate or foreign commerce, or if such  
12 person or trade buyer engages in such practice to  
13 such an extent as substantially to restrain or prevent  
14 transactions in interstate or foreign commerce in  
15 any such products or if the direct effect of such sale,  
16 purchase, offer, or contract is to prevent, deter,  
17 hinder, or restrict other persons from selling or of-  
18 fering for sale any such products to such trade  
19 buyer in interstate or foreign commerce.

20 “(5) LABELING.—To sell or ship or deliver for  
21 sale or shipment, or otherwise introduce in interstate  
22 or foreign commerce, or to receive therein, or to re-  
23 move from customs custody for consumption, any  
24 cannabis product in packages, unless such products  
25 are packaged, and labeled in conformity with such

1 regulations, to be prescribed by the Secretary, with  
2 respect to packaging, marking, branding, and label-  
3 ing and size of container—

4 “(A) as will prohibit deception of the con-  
5 sumer with respect to such products or the  
6 quantity thereof and as will prohibit, irrespec-  
7 tive of falsity, such statements relating to man-  
8 ufacturing processes, analyses, guarantees, and  
9 scientific or irrelevant matters as the Secretary  
10 finds to be likely to mislead the consumer;

11 “(B) as will provide the consumer with in-  
12 formation described in section 1103 of the Fed-  
13 eral Food, Drug, and Cosmetic Act;

14 “(C) as will require compliance with sec-  
15 tion 112(b) of the Cannabis Administration and  
16 Opportunity Act;

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

21 “(E) as will prevent deception of the con-  
22 sumer by use of a trade or brand name that is  
23 the name of any living individual of public  
24 prominence, or existing private or public organi-  
25 zation, or is a name that is in simulation or is

1 an abbreviation thereof, and as will prevent the  
2 use of a graphic, pictorial, or emblematic rep-  
3 resentation of any such individual or organiza-  
4 tion, if the use of such name or representation  
5 is likely falsely to lead the consumer to believe  
6 that the product has been indorsed, made, or  
7 used by, or produced for, or under the super-  
8 vision of, or in accordance with the specifica-  
9 tions of, such individual or organization.

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

20 “(A) prevent deception of the consumer  
21 with respect to the products advertised and as  
22 will prohibit, irrespective of falsity, such state-  
23 ments relating to manufacturing processes,  
24 analyses, guaranties, and scientific or irrelevant

1 matters as the Secretary finds to be likely to  
2 mislead the consumer;

3 “(B) provide the consumer with adequate  
4 information as to the identity and quality of the  
5 products advertised, the characteristics thereof,  
6 and the person responsible for the advertise-  
7 ment;

8 “(C) prohibit statements that are dispar-  
9 aging of a competitor’s products or are false,  
10 misleading, obscene, or indecent; and

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

14 “(b) REMOVAL OR DESTRUCTION OF LABEL.—It  
15 shall be unlawful for any person to alter, mutilate, destroy,  
16 obliterate, or remove any mark, brand, or label upon can-  
17 nabis products held for sale in interstate or foreign com-  
18 merce or after shipment therein, except as authorized by  
19 Federal law or except pursuant to regulations of the Sec-  
20 retary authorizing relabeling for purposes of compliance  
21 with the requirements of this subsection or of State law.

22 “(c) EXCEPTIONS.—

23 “(1) CONSIGNMENT SALES.—Paragraph (4) of  
24 subsection (a) shall not apply to transactions involv-  
25 ing solely the bona fide return of merchandise for

1 ordinary and usual commercial reasons arising after  
2 the merchandise has been sold.

3 “(2) LABELING.—Paragraph (5) of such sub-  
4 section shall not apply to the use of the name of any  
5 person engaged in business as a manufacturer of  
6 cannabis products, nor to the use by any person of  
7 a trade or brand name used by him or his prede-  
8 cessor in interest prior to the date of enactment of  
9 the Cannabis Administration and Opportunity Act.

10 “(3) ADVERTISING.—Paragraph (6) of such  
11 subsection shall not apply to the publisher of any  
12 newspaper, periodical, or other publication, or radio  
13 broadcaster, unless such publisher or radio broad-  
14 caster is engaged in the business of importing can-  
15 nabis into the United States, or cultivating, pro-  
16 ducing, manufacturing, packaging, or warehousing  
17 cannabis, or purchasing cannabis for resale at whole-  
18 sale, directly or indirectly or through an affiliate.

19 “(4) STATE LAW.—With respect to subsection  
20 (a)(2), subparagraphs (A), (B), (C), (E), and (F) of  
21 such subsection shall apply to transactions between  
22 a retailer or trade buyer in any State and a pro-  
23 ducer, importer, or wholesaler of cannabis products  
24 outside such State only to the extent that the law  
25 of such State imposes similar requirements with re-

1       spect to similar transactions between a retailer or  
2       trade buyer in such State and a producer, importer,  
3       or wholesaler of cannabis products in such State, as  
4       the case may be.

5           “(5) PROPRIETARY INTEREST.—Pursuant to  
6       regulations or other guidance promulgated by the  
7       Secretary, with respect to subparagraphs (A) and  
8       (B) of subsection (a)(2), rules similar to the rules of  
9       sections 6.27 and 6.33 of title 27, Code of Federal  
10      Regulations (as in effect on the date of enactment  
11      of this title), shall apply.

12   **“SEC. 305. REMEDIES FOR VIOLATIONS.**

13       “(a) CRIMINAL FINE.—

14           “(1) GENERALLY.—Whoever violates section  
15      301 shall be fined not more than \$1,000.

16           “(2) SETTLEMENT IN COMPROMISE.—The Sec-  
17      retary may decide not to refer a violation of such  
18      section to the Attorney General for prosecution but  
19      instead to collect a payment from the violator of no  
20      more than \$500 for that violation.

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

24   **“SEC. 306. DEFINITIONS.**

25       “In this title—

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

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

6           “(3) the term ‘State’ includes the District of  
7           Columbia, Puerto Rico, and any territory or posses-  
8           sion of the United States.”.

9           (b) APPROPRIATIONS.—In addition to amounts other-  
10          wise available, there is appropriated, out of any funds in  
11          the Treasury not otherwise appropriated, for fiscal year  
12          2026—

13               (1) \$15,000,000 to the Secretary of Labor for  
14               carrying out the activities of the Secretary of Labor  
15               under section 302 of the Federal Alcohol Adminis-  
16               tration Act, to remain available until September 30,  
17               2030; and

18               (2) \$10,000,000 to the National Labor Rela-  
19               tions Board for carrying out the activities of the Na-  
20               tional Labor Relations Board under such section, to  
21               remain available until September 30, 2030.

1 **SEC. 512. INCREASED FUNDING FOR THE ALCOHOL, TO-**  
 2 **BACCO, AND CANNABIS TAX AND TRADE BU-**  
 3 **REAU.**

4 In addition to any other amounts otherwise available  
 5 to the Alcohol, Tobacco, and Cannabis Tax and Trade Bu-  
 6 reau, there is appropriated, out of any funds in the Treas-  
 7 ury not otherwise appropriated, \$100,000,000 for each of  
 8 the fiscal years 2026 through 2030 to carry out—

9 (1) sections 102 and 112 of this Act,

10 (2) chapter 56 of the Internal Revenue Code of  
 11 1986 (as added by section 401 of this Act),

12 (3) title III of the Federal Alcohol Administra-  
 13 tion Act (as added by section 511 of this Act), and

14 (4) section 1111 of the Homeland Security Act  
 15 of 2002 (6 U.S.C. 531).

16 **TITLE VI—WORKPLACE HEALTH**  
 17 **AND SAFETY PROVISIONS**

18 **SEC. 601. DEFINITIONS.**

19 In this title:

20 (1) CANNABIS INDUSTRY.—The term “cannabis  
 21 industry” means any operation described in section  
 22 301 of the Federal Alcohol Administration Act, as  
 23 added by section 511.

24 (2) EMPLOYEE; EMPLOYER.—The terms “em-  
 25 ployee” and “employer” have the meanings given

1 such terms in section 3 of the Occupational Safety  
2 and Health Act of 1970 (29 U.S.C. 652).

3 (3) EMPLOYER IN THE CANNABIS INDUSTRY.—  
4 The term “employer in the cannabis industry”  
5 means an employer engaged in any operation requir-  
6 ing a permit under section 301 of the Federal Alco-  
7 hol Administration Act, as added by section 511.

8 (4) PERSON.—The term “person” has the  
9 meaning given such term in section 3 of the Occupa-  
10 tional Safety and Health Act of 1970 (29 U.S.C.  
11 652).

12 (5) SECRETARY.—The term “Secretary” means  
13 the Secretary of Labor.

14 (6) WORKER IN THE CANNABIS INDUSTRY.—  
15 The term “worker in the cannabis industry” means  
16 any individual performing work for remuneration in  
17 the cannabis industry.

18 **SEC. 602. FINDING REGARDING EMPLOYERS IN THE CAN-**  
19 **NABIS INDUSTRY.**

20 Congress finds that employers in the cannabis indus-  
21 try are required to comply with occupational safety and  
22 health standards issued under section 6 of the Occupa-  
23 tional Safety and Health Act of 1970 (29 U.S.C. 655)  
24 and other regulations issued under such Act.

1 **SEC. 603. CANNABIS AS A TARGETED TOPIC FOR SUSAN**  
2 **HARWOOD TRAINING GRANT PROGRAM.**

3 The Secretary shall, in awarding Susan Harwood  
4 training grants under the Occupational Safety and Health  
5 Act of 1970 (29 U.S.C. 651 et seq.) for the 2 fiscal years  
6 following the date of enactment of this Act, designate can-  
7 nabis as a targeted topic for such grants.

8 **SEC. 604. GUIDANCE ON RECOMMENDED PRACTICES.**

9 (a) IN GENERAL.—Not later than 60 days after the  
10 date of enactment of this Act, the Assistant Secretary of  
11 Labor for Occupational Safety and Health and the Direc-  
12 tor of the National Institute for Occupational Safety and  
13 Health of the Department of Health and Human Services  
14 shall jointly issue guidance on recommended practices to  
15 protect workers in the cannabis industry.

16 (b) CONTENTS.—The guidance required under this  
17 section shall—

18 (1) address the hazards workers in the cannabis  
19 industry face throughout the life cycle of cannabis,  
20 including from cultivation to sale and resale;

21 (2) provide methods to protect such workers;  
22 and

23 (3) indicate specific occupational safety and  
24 health standards promulgated under section 6 of the  
25 Occupational Safety and Health Act of 1970 (29  
26 U.S.C. 655), and any other requirements through

1 regulations issued under such Act, that apply to the  
2 cannabis industry, including an indication of any  
3 training requirement that employers in the cannabis  
4 industry are subject to under any occupational safe-  
5 ty and health standard promulgated under such sec-  
6 tion 6 or under any other regulations issued under  
7 such Act.

8 **SEC. 605. WORKPLACE IMPACT OF CANNABIS LEGALIZA-**  
9 **TION.**

10 (a) STUDY.—

11 (1) IN GENERAL.—Not later than 1 year after  
12 the date of enactment of this Act, the Director of  
13 the National Institute for Occupational Safety and  
14 Health shall conduct research on the impact of the  
15 legalization of recreational cannabis by States on the  
16 workplace, which may include—

17 (A) barriers for the Director and extra-  
18 mural partners in conducting occupational safe-  
19 ty and health research with respect to cannabis,  
20 including to further identify potential hazards,  
21 characterize exposures, and evaluate associa-  
22 tions between exposures and adverse health ef-  
23 fects;

24 (B) occupational health and safety training  
25 for workers in the cannabis industry;

1 (C) the controls and actions taken by em-  
2 ployers in the cannabis industry to protect  
3 workers and the effectiveness of such controls  
4 and actions;

5 (D) efficacy of cannabis for treating occu-  
6 pational related injuries or illnesses; and

7 (E) other topics as determined relevant by  
8 the Director.

9 (2) COLLABORATION.—In conducting the re-  
10 search under paragraph (1), the Director of the Na-  
11 tional Institute for Occupational Safety and Health  
12 may collaborate with the Occupational Safety and  
13 Health Administration, other relevant Federal de-  
14 partments and agencies, and relevant public and pri-  
15 vate stakeholders.

16 (3) APPROPRIATIONS.—In addition to amounts  
17 otherwise available, there is appropriated, out of any  
18 funds in the Treasury not otherwise appropriated,  
19 \$2,000,000 for each of fiscal years 2026 through  
20 2028 to carry out paragraph (1).

21 (b) BEST PRACTICES.—Not later than 2 years after  
22 the date of enactment of this Act, the Director of the Na-  
23 tional Institute for Occupational Safety and Health shall  
24 develop a set of recommendations outlining policies, best  
25 practices, and training recommendations for use by em-

1 ployers that are planning to transition or update work-  
2 place policies related to the use of recreational cannabis.

3 **SEC. 606. GRANTS FOR COMMUNITY-BASED EDUCATION,**  
4 **OUTREACH, AND ENFORCEMENT WITH RE-**  
5 **SPECT TO THE RIGHTS OF WORKERS IN THE**  
6 **CANNABIS INDUSTRY.**

7 (a) DEFINITION OF ELIGIBLE ENTITY.—In this sec-  
8 tion, the term “eligible entity” means—

- 9 (1) a public or private nonprofit organization  
10 with experience educating workers of their rights; or  
11 (2) a partnership of organizations described in  
12 paragraph (1).

13 (b) PROGRAM AUTHORIZED.—The Secretary shall  
14 award grants to eligible entities, on a competitive basis,  
15 to enable the eligible entities to carry out—

- 16 (1) one or more activities to—  
17 (A) educate workers in the cannabis indus-  
18 try of their rights under Federal, State, and  
19 local civil rights, labor, and employment laws,  
20 with a focus on providing such education to  
21 such workers who are low-wage workers;  
22 (B) educate persons hiring workers in the  
23 cannabis industry regarding their obligations  
24 under such laws; or

1 (C) connect and refer workers in the can-  
2 nabis industry to additional services, as appro-  
3 priate and available, to assist them in pursuing  
4 their rights under such laws; or

5 (2) any other activity the Secretary may reason-  
6 ably prescribe for the purposes of supporting work-  
7 ers in the cannabis industry.

8 (c) APPLICATIONS.—

9 (1) IN GENERAL.—An eligible entity desiring a  
10 grant under this section shall submit an application  
11 to the Secretary at such time, in such manner, and  
12 containing such information as the Secretary may  
13 require.

14 (2) PARTNERSHIP APPLICATIONS.—In the case  
15 of an eligible entity that is a partnership, the eligible  
16 entity may designate, in the application, a single or-  
17 ganization in the partnership as the lead entity for  
18 purposes of receiving and disbursing funds.

19 (3) CONTENTS.—An application described in  
20 paragraph (1) shall include—

21 (A) information on the training and edu-  
22 cation that will be provided through the grant  
23 to workers in the cannabis industry and persons  
24 hiring workers in the cannabis industry;

1 (B) information on any geographic area  
2 targeted by the activities supported through the  
3 grant; and

4 (C) the method by which the eligible entity  
5 will measure the results of the activities sup-  
6 ported through the grant and a method by  
7 which the eligible entity will assess the demo-  
8 graphics of the workers served by such activi-  
9 ties.

10 (d) DURATION OF GRANTS.—Each grant awarded  
11 under this section shall be for a period of not more than  
12 3 years.

13 (e) AMOUNT OF GRANTS.—Each grant awarded  
14 under this section shall be in an amount not to exceed  
15 \$300,000.

16 (f) REPORTING REQUIREMENTS.—Each eligible enti-  
17 ty receiving a grant under this section shall, as determined  
18 by the Secretary, report to the Secretary the demographics  
19 of the workers served by the grant and the results of the  
20 activities supported by the grant as such demographics  
21 and results are measured by the methods described in the  
22 application submitted by the entity under subsection  
23 (c)(3)(C).

24 (g) APPROPRIATIONS.—In addition to amounts other-  
25 wise available, there is appropriated, out of any funds in

1 the Treasury not otherwise appropriated, \$15,000,000 for  
2 each of fiscal years 2026 through 2030 to carry out this  
3 section.

4 **TITLE VII—BANKING, HOUSING,**  
5 **AND COMMUNITY DEVELOP-**  
6 **MENT**

7 **SEC. 701. PURPOSES; SENSE OF CONGRESS.**

8 (a) PURPOSES.—The purposes of this title are—

9 (1) to reinvest in low- or moderate-income areas  
10 and communities most affected by the War on  
11 Drugs; and

12 (2) encourage financial institutions to provide  
13 financial services to small or minority-owned busi-  
14 nesses in the communities described in paragraph  
15 (1).

16 (b) SENSE OF CONGRESS.—It is the sense of Con-  
17 gress that each appropriate Federal financial supervisory  
18 agency should use its authority pursuant to section 804  
19 of the Community Reinvestment Act of 1977 (12 U.S.C.  
20 2901) when examining financial institutions to encourage  
21 the institutions to help meet the credit needs of the local  
22 communities in which they are chartered, consistent with  
23 the safe and sound operation of such institutions, includ-  
24 ing those communities that are most affected by the War  
25 on Drugs.

1 **SEC. 702. REQUIREMENTS FOR FILING SUSPICIOUS ACTIV-**  
2 **ITY REPORTS.**

3 Section 5318(g) of title 31, United States Code, is  
4 amended—

5 (1) by redesignating paragraph (11) as para-  
6 graph (12); and

7 (2) by inserting after paragraph (10) the fol-  
8 lowing:

9 “(11) REQUIREMENTS FOR CANNABIS-RELATED  
10 LEGITIMATE BUSINESSES.—

11 “(A) DEFINITIONS.—In this paragraph:

12 “(i) CANNABIS.—The term ‘cannabis’  
13 has the meaning given the term in section  
14 3 of the Cannabis Administration and Op-  
15 portunity Act.

16 “(ii) CANNABIS-RELATED LEGITIMATE  
17 BUSINESS; CANNABIS-RELATED SERVICE  
18 PROVIDER.—The terms ‘cannabis-related  
19 legitimate business’ and ‘cannabis-related  
20 service provider’ have the meanings given  
21 the terms in section 3 of the Small Busi-  
22 ness Act (15 U.S.C. 632).

23 “(iii) FINANCIAL SERVICE.—The term  
24 ‘financial service’—

25 “(I) means—

1           “(aa) a financial product or  
2           service, as defined in section  
3           1002 of the Consumer Financial  
4           Protection Act of 2010 (12  
5           U.S.C. 5481), regardless of  
6           whether the customer receiving  
7           the product or service is a con-  
8           sumer or commercial entity; and

9           “(bb) a financial product or  
10          service, or any combination of  
11          products and services, permitted  
12          to be provided by—

13               “(AA) a national bank  
14               or a financial subsidiary  
15               pursuant to the authority  
16               provided under the para-  
17               graph designated as the  
18               ‘Seventh’ of section 5136 of  
19               the Revised Statutes (12  
20               U.S.C. 24) or section 5136A  
21               of the Revised Statutes (12  
22               U.S.C. 24a); or

23               “(BB) a Federal credit  
24               union, pursuant to the au-  
25               thority provided under the

1 Federal Credit Union Act  
2 (12 U.S.C. 1751 et seq.);  
3 and

4 “(II) includes—

5 “(aa) the business of insur-  
6 ance;

7 “(bb) whether performed di-  
8 rectly or indirectly, the author-  
9 izing, processing, clearing, set-  
10 tling, billing, transferring for de-  
11 posit, transmitting, delivering, in-  
12 structing to be delivered, recon-  
13 ciling, collecting, or otherwise ef-  
14 fectuating or facilitating of pay-  
15 ments or funds, if such payments  
16 or funds are made or transferred  
17 by any means, including by the  
18 use of credit cards, debit cards,  
19 other payment cards, or other ac-  
20 cess devices, accounts, original or  
21 substitute checks, or electronic  
22 funds transfers;

23 “(cc) acting as a money  
24 transmitting business that di-  
25 rectly or indirectly makes use of

1 a depository institution in con-  
2 nection with effectuating or fa-  
3 cilitating a payment for a can-  
4 nabis-related legitimate business  
5 or cannabis-related service pro-  
6 vider in compliance with section  
7 5330 of title 31, United States  
8 Code, and any applicable State  
9 law; and

10 “(dd) acting as an armored  
11 car service for processing and de-  
12 positing with a depository institu-  
13 tion or a Federal reserve bank  
14 with respect to any monetary in-  
15 struments, as defined in section  
16 1956(c) of title 18, United States  
17 Code.

18 “(B) REPORT.—With respect to a financial  
19 institution or any director, officer, employee, or  
20 agent of a financial institution that reports a  
21 suspicious transaction pursuant to this sub-  
22 section, if the reason for the report relates to  
23 a cannabis-related legitimate business or can-  
24 nabis-related service provider, the report shall  
25 comply with appropriate guidance issued by the

1 Financial Crimes Enforcement Network. Not  
2 later than the end of the 180-day period begin-  
3 ning on the date of enactment of this para-  
4 graph, the Secretary shall update the February  
5 14, 2014, guidance titled ‘BSA Expectations  
6 Regarding Marijuana-Related Businesses’  
7 (FIN–2014–G001) or issue new regulations to  
8 ensure that the guidance—

9 “(i) is consistent with the purpose and  
10 intent of the Cannabis Administration and  
11 Opportunity Act;

12 “(ii) addresses the deposit and move-  
13 ment of cash held by cannabis-legitimate  
14 business or cannabis-related service pro-  
15 vider as of the date of enactment of this  
16 paragraph; and

17 “(iii) does not significantly inhibit the  
18 provision of financial services to a can-  
19 nabis-related legitimate business or can-  
20 nabis-related service provider in the United  
21 States.

22 “(C) PURPOSE.—Any guidance or regula-  
23 tion required under this section shall ensure  
24 that a financial institution and any director,  
25 employee, officer, or agent of a financial institu-

tion continues to report suspicious activities related to cannabis-related legitimate businesses and preserve the ability of the Financial Crimes Enforcement Network and law enforcement to prevent and combat illicit activity. The Financial Crimes Enforcement Network shall promulgate regulations or issue guidance as necessary on financial institutions that provide financial services to cannabis-related legitimate businesses, cannabis-related service providers, or employees, owners, or operators, regarding obligations related to anti-money laundering and under this subchapter, including addressing the filing of suspicious activity reports consistent with this section, customer due diligence requirements, indirect relationships with cannabis-related legitimate businesses, and verification and documentation requirements for financial institutions intending to handle funds from cannabis-related legitimate businesses to ensure such funds are clearly linked with law, other lawful activity, and regulations. The Secretary shall ensure that such regulations are consistent with the purpose and intent of the Cannabis Administration and Opportunity Act

1 while ensuring the Financial Crimes Enforce-  
2 ment Network has sufficient resources to pre-  
3 vent and combat illicit activity.”.

4 **SEC. 703. GUIDANCE AND EXAMINATION PROCEDURES.**

5 Not later than 180 days after the date of enactment  
6 of this Act and consistent with the updated Financial  
7 Crimes Enforcement Network guidance described in para-  
8 graph (11)(B) of section 5318(g) of title 31, United States  
9 Code, as added by section 702 of this title, the Federal  
10 Financial Institutions Examination Council, in consulta-  
11 tion with the Financial Crimes Enforcement Network,  
12 shall develop uniform guidance and examination proce-  
13 dures for depository institutions that provide financial  
14 services to cannabis-related legitimate businesses and can-  
15 nabis-related service providers.

16 **SEC. 704. INVESTMENT IN COMMUNITIES.**

17 (a) CDFI SUPPORT.—In addition to funds otherwise  
18 available, there is appropriated out of any money in the  
19 Treasury not otherwise appropriated, \$200,000,000 for  
20 each of fiscal years 2026 through 2030 to the Community  
21 Development Financial Institutions Fund established  
22 under section 104 of the Community Development Bank-  
23 ing and Financial Institutions Act of 1994 (12 U.S.C.  
24 4703) to provide grants to expand lending and investment

1 in low- or moderate-income areas, including those most af-  
 2 fected by the War on Drugs.

3 (b) MDI SUPPORT.—In addition to funds otherwise  
 4 available, there is appropriated out of any money in the  
 5 Treasury not otherwise appropriated, \$200,000,000 for  
 6 each of fiscal years 2026 through 2030 to the Emergency  
 7 Capital Investment Fund established under section  
 8 104A(b) of the Community Development Banking and Fi-  
 9 nancial Institutions Act of 1994 (12 U.S.C. 4703a(b)) to  
 10 support the efforts of low- and moderate-income commu-  
 11 nity financial institutions to, among other things, provide  
 12 loans, grants, and forbearance for small businesses, mi-  
 13 nority-owned businesses, and consumers, especially in low-  
 14 income and underserved communities, including those  
 15 most affected by the War on Drugs.

16 (c) GRANTS TO ADDRESS HOUSING AND COMMUNITY  
 17 DEVELOPMENT NEEDS OF INDIVIDUALS AND COMMU-  
 18 NITIES ADVERSELY IMPACTED BY THE WAR ON  
 19 DRUGS.—

20 (1) DEFINITIONS.—In this subsection:

21 (A) ELIGIBLE ACTIVITY.—The term “eligi-  
 22 ble activity”—

23 (i) means any eligible activity—

24 (I) described in title I of the  
 25 Housing and Community Development

1 Act of 1974 (42 U.S.C. 5301 et seq.),  
2 the HOME Investment Partnerships  
3 Act (42 U.S.C. 12721 et seq.), or sec-  
4 tion 415 of the McKinney-Vento  
5 Homeless Assistance Act (42 U.S.C.  
6 11374); and

7 (II) that addresses the needs of  
8 individuals and census tracts in the  
9 provisions described in subclause (I);  
10 and

11 (ii) does not include administrative ex-  
12 penses that exceed 15 percent of the  
13 amount of a grant made under this sub-  
14 section.

15 (B) ELIGIBLE GRANTEE.—The term “eligi-  
16 ble grantee” includes any State, unit of general  
17 local government, or Indian tribe eligible to re-  
18 ceive a grant under title I of the Housing and  
19 Community Development Act of 1974 (42  
20 U.S.C. 5301 et seq.).

21 (C) INDIVIDUAL ADVERSELY IMPACTED BY  
22 THE WAR ON DRUGS.—The term “individual  
23 adversely impacted by the War on Drugs” has  
24 the meaning given the term in section  
25 301(b)(1).

1 (D) STATE; UNIT OF GENERAL LOCAL  
2 GOVERNMENT; INDIAN TRIBE.—The terms  
3 “State”, “unit of general local government”,  
4 and “Indian tribe” have the meanings given the  
5 terms in section 102 of the Housing and Com-  
6 munity Development Act of 1974 (42 U.S.C.  
7 5302).

8 (2) GRANTS.—In addition to funds otherwise  
9 available, there is appropriated out of any money in  
10 the Treasury not otherwise appropriated,  
11 \$300,000,000 for each of fiscal years 2026 through  
12 2030 to the Secretary of Housing and Urban Devel-  
13 opment for grants to eligible grantees for eligible ac-  
14 tivities to address the housing and community devel-  
15 opment needs of—

16 (A) individuals adversely impacted by the  
17 War on Drugs; and

18 (B) housing and community development  
19 needs of census tracts where a disproportionate  
20 share of residents are individuals described in  
21 subparagraph (A), as determined by the Sec-  
22 retary.

23 (3) AWARD CRITERIA.—In awarding grants  
24 under this subsection, the Secretary of Housing and  
25 Urban Development shall establish criteria for

1       awards as may be necessary to demonstrate that the  
2       eligible grantee has the need, capacity, and commit-  
3       ment to carry out a grant under this subsection to  
4       address the needs described in paragraph (2).

5           (4) ADMINISTRATION AND TECHNICAL ASSIST-  
6       ANCE.—Of the amount appropriated under this sec-  
7       tion, not greater than 10 percent shall be available  
8       to the Secretary of Housing and Urban Development  
9       for administration, evaluation, and technical assist-  
10      ance activities to carry out the grant program under  
11      this subsection.

12   **SEC. 705. FAIR ACCESS TO FINANCIAL SERVICES.**

13       (a) IN GENERAL.—All persons shall be entitled to the  
14      full and equal enjoyment of the goods, services, facilities,  
15      privileges, and accommodations of any financial institu-  
16      tion, as defined in section 803 of the Payment, Clearing,  
17      and Settlement Supervision Act of 2010 (12 U.S.C. 5462),  
18      without discrimination on the ground of race, color, reli-  
19      gion, national origin, and sex (including sexual orientation  
20      and gender identity).

21       (b) PRIVATE RIGHT OF ACTION.—

22           (1) IN GENERAL.—Whenever any person has  
23      engaged or there are reasonable grounds to believe  
24      that any person is about to engage in any act or  
25      practice prohibited by subsection (a), a civil action

1 for preventive relief, including an application for a  
2 permanent or temporary injunction, restraining  
3 order, or other order, may be instituted by the per-  
4 son aggrieved.

5 (2) COSTS.—In any action commenced pursu-  
6 ant to this section, the court, in its discretion, may  
7 allow the prevailing party, other than the United  
8 States, a reasonable attorney's fee as part of the  
9 costs, and the United States shall be liable for costs  
10 the same as a private person.

11 (3) JURISDICTION.—The district courts of the  
12 United States shall have jurisdiction of proceedings  
13 instituted pursuant to this section and shall exercise  
14 the same without regard to whether the aggrieved  
15 party shall have exhausted any administrative or  
16 other remedies that may be provided by law.

17 (4) EXCLUSIVE MEANS.—The remedies pro-  
18 vided in this subsection shall be the exclusive means  
19 of enforcing the rights based on this section, but  
20 nothing in this section shall preclude any individual  
21 or any State or local agency from asserting any  
22 right based on any other Federal or State law not  
23 inconsistent with this section, including any statute  
24 or ordinance requiring nondiscrimination in goods,  
25 services, facilities, privileges, and accommodations of

1 any financial institution, or from pursuing any rem-  
 2 edy, civil or criminal, which may be available for the  
 3 vindication or enforcement of such right.

4 **SEC. 706. CONSUMER PROTECTIONS FOR INDIVIDUALS**  
 5 **WITH NONVIOLENT CRIMINAL RECORD.**

6 No institution may deny financial services to an ap-  
 7 plicant solely based on a prior conviction for a nonviolent  
 8 cannabis offense.

9 **TITLE VIII—MISCELLANEOUS**

10 **SEC. 801. COMPTROLLER GENERAL REVIEW OF LAWS AND**  
 11 **REGULATIONS.**

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

15 (1) determine if any changes in them are desir-  
 16 able in light of the purposes and provisions of this  
 17 Act;

18 (2) identify any use of the terms “marijuana”  
 19 or “marihuana” in the rulings, regulations, or inter-  
 20 pretations of various administrative bureaus and  
 21 agencies of the United States and recommend that  
 22 such terms be replaced with the term “cannabis”;  
 23 and

24 (3) identify any use of the terms “marijuana”  
 25 or “marihuana” in the statutes of the United States

1 and propose any amendments necessary to such  
2 statutes to replace such terms with the term “can-  
3 nabis”.

4 (b) REPORT.—Not later than 2 years after the date  
5 of the enactment of this Act, the Comptroller General shall  
6 make to Congress and the relevant agencies such rec-  
7 ommendations relating to the results of the review de-  
8 scribed in subsection (a) as the Comptroller General  
9 deems appropriate.

10 **SEC. 802. CANNABIS PRODUCTS ADVISORY COMMITTEE.**

11 (a) ESTABLISHMENT.—

12 (1) IN GENERAL.—There is established the  
13 Cannabis Products Advisory Committee (in this sec-  
14 tion referred to as the “Committee”).

15 (2) PURPOSE.—The Committee shall advise any  
16 relevant Federal regulatory body, agency, or bureau  
17 regarding the administration of this Act (including  
18 any amendments made by this Act).

19 (b) MEMBERSHIP.—

20 (1) APPOINTMENTS.—

21 (A) IN GENERAL.—The Committee shall be  
22 composed of 22 members who are appointed by  
23 the Secretary of Health and Human Services  
24 (in this section referred to as the “Secretary”).

1 (B) DATE.—The Secretary shall make the  
2 appointments described in subparagraph (A)  
3 not later than 60 days after the date of enact-  
4 ment of this section.

5 (2) TERM OF SERVICE.—

6 (A) IN GENERAL.—Each member of the  
7 Committee shall serve a term of 5 years from  
8 the date of appointment by the Secretary. No  
9 member may be removed prior to the expiration  
10 of his or her term without a showing of good  
11 cause.

12 (B) REAPPOINTMENT.—A member may be  
13 reappointed but may not serve more than 2  
14 terms.

15 (C) VACANCIES.—

16 (i) IN GENERAL.—Any vacancy in the  
17 Committee shall be filled by the Secretary  
18 not later than 90 days after the vacancy.

19 (ii) TERM.—A member appointed to  
20 fill a vacancy in the Committee shall serve  
21 as a member of the Committee for the re-  
22 mainder of the original term of appoint-  
23 ment.

24 (3) MEMBERSHIP COMPOSITION.—The Com-  
25 mittee shall be composed of the following members:

1 (A) INDUSTRY STAKEHOLDERS.—Three  
2 representatives from the cannabis industry, not  
3 less than 1 of which is an individual rep-  
4 resenting a historically underrepresented com-  
5 munity or an individual adversely impacted by  
6 the War on Drugs (as defined in section 301 of  
7 this Act), including—

8 (i) 2 individuals who represent the  
9 viewpoint of cannabis cultivators and proc-  
10 essors; and

11 (ii) 1 individual who represents the  
12 viewpoint of cannabis wholesalers and re-  
13 tailers.

14 (B) EQUITY AND SOCIAL JUSTICE ADVO-  
15 CATE.—One individual with experience in equity  
16 and social justice advocacy with respect to the  
17 cannabis industry and criminal justice.

18 (C) STATE CANNABIS REGULATOR.—One  
19 individual who represents the viewpoint of State  
20 cannabis regulators.

21 (D) CONSUMERS AND PATIENTS.—One in-  
22 dividual who represents the viewpoint of can-  
23 nabis consumers and patients.

24 (E) PUBLIC HEALTH, MEDICINE, OR  
25 SCIENCE.—Four individuals who are technically

1 qualified by training and experience in public  
2 health, medicine, or other sciences, including—

3 (i) 2 individuals with domestic or  
4 international cannabinoid research experi-  
5 ence, 1 of whom shall also have experience  
6 treating patients using medical cannabis;  
7 and

8 (ii) 2 individuals with experience in  
9 substance use and misuse prevention,  
10 intervention, and treatment, 1 of whom  
11 shall have such experience pertaining to in-  
12 dividuals under 21 years of age.

13 (F) PUBLIC SAFETY.—One individual with  
14 experience in public safety with respect to can-  
15 nabis and the cannabis industry.

16 (G) OFFICE OF NATIONAL DRUG CONTROL  
17 POLICY.—One representative from the Office of  
18 National Drug Control Policy.

19 (H) DEPARTMENT OF VETERANS AF-  
20 FAIRS.—One representative from the Depart-  
21 ment of Veterans Affairs.

22 (I) ALCOHOL, TOBACCO, AND CANNABIS  
23 TAX AND TRADE BUREAU.—One representative  
24 from the Alcohol, Tobacco, and Cannabis Tax  
25 and Trade Bureau.

1           (J) NATIONAL GOVERNORS ASSOCIA-  
2           TION.—One representative from the National  
3           Governors Association.

4           (K) DEPARTMENT OF TRANSPORTATION.—  
5           One representative from the Department of  
6           Transportation.

7           (L) DEPARTMENT OF HEALTH AND  
8           HUMAN SERVICES.—Four representatives from  
9           the Department of Health and Human Services,  
10          including from the Food and Drug Administra-  
11          tion, the Centers for Disease Control and Pre-  
12          vention, the National Institutes of Health, and  
13          the Substance Abuse and Mental Health Serv-  
14          ices Administration.

15          (M) LABOR UNIONS.—One labor union  
16          representative.

17          (N) INDIAN TRIBE.—One representative  
18          from an Indian Tribe.

19          (4) ADMINISTRATIVE SUPPORT.—The Secretary  
20          shall furnish the Committee clerical and other assist-  
21          ance to enable the Committee to perform its duties.

22          (5) COMPENSATION.—

23               (A) COMPENSATION OF MEMBERS.—A  
24               member of the Committee who is not an officer  
25               or employee of the Federal Government shall be

1 compensated at a rate fixed by the Secretary,  
2 which may not exceed the daily equivalent of  
3 the rate in effect under the Senior Executive  
4 Schedule under section 5382 of title 5, United  
5 States Code, for each day (including travel  
6 time) during which the member is engaged in  
7 the performance of the duties of the Committee.

8 (B) TRAVEL EXPENSES.—While away from  
9 their home or regular place of business in the  
10 performance of services for the Committee, a  
11 member of the Committee shall be allowed trav-  
12 el expenses, including per diem in lieu of sub-  
13 sistence, at rates authorized by section 5703 of  
14 title 5, United States Code, for persons in Gov-  
15 ernment service employed intermittently.

16 (6) CHAIR.—The Committee shall select a  
17 Chair from among the members of the Committee.

18 (7) SUBCOMMITTEES.—The Committee may es-  
19 tablish subcommittees to facilitate the ability of the  
20 Committee to discharge its duties (as described in  
21 subsection (c)).

22 (c) DUTIES.—The Committee shall—

23 (1) consider all matters submitted to it by the  
24 Secretary;

1           (2) on its own initiative, recommend to the Sec-  
2       retary guidelines, rules, and regulations and any  
3       changes to guidelines, rules, and regulations that the  
4       Committee considers important or necessary for the  
5       Secretary's review and consideration, with a focus on  
6       ensuring equity and social justice in such guidelines,  
7       rules, and regulations;

8           (3) consider the safety of introducing new can-  
9       nabis products into the market;

10          (4) review and recommend public health surveil-  
11       lance activities to monitor population-level health ef-  
12       fects with respect to cannabis;

13          (5) identify and prioritize gaps in the science  
14       important to public health and medicine with respect  
15       to cannabis;

16          (6) make recommendations to the Secretary of  
17       the Treasury regarding approval of waivers of dis-  
18       qualifying offenses with respect to permit applica-  
19       tions under section 302(a)(2)(B) of the Federal Al-  
20       cohol Administration Act (27 U.S.C. 201 et seq.) (as  
21       added by section 511); and

22          (7) not later than 1 year after the date of en-  
23       actment of this section, and annually thereafter,  
24       publish a publicly available report describing the ac-  
25       tivities of the Committee, including any rec-

ommendations the Committee made to the Secretary during the reporting period and whether such recommendations were implemented.

(d) MEETINGS.—

(1) FREQUENCY.—

(A) IN GENERAL.—The Committee shall meet on a quarterly basis but may meet more frequently if necessary.

(B) CANCELLATION.—

(i) IN GENERAL.—Subject to clause (ii), the Chair may cancel a Committee meeting not less than 3 business days prior to such meeting if, in consultation with the members of the Committee, the Chair determines—

(I) the meeting is not needed; or

(II) there will not be a quorum present at such meeting.

(ii) EXCEPTIONS.—Any meeting may be canceled by the Chair at any time due to inclement weather or an emergency situation.

(2) VOTING.—

(A) QUORUM.—

1 (i) IN GENERAL.—A majority of the  
2 members of the Committee shall constitute  
3 a quorum.

4 (ii) REQUIREMENT.—A quorum of  
5 members shall be required for any decision  
6 of the Committee.

7 (iii) EFFECT OF NO QUORUM.—In the  
8 absence of such a quorum, any business  
9 transacted by the Committee shall be null  
10 and void, except any measure taken to ob-  
11 tain a quorum or to reschedule another  
12 meeting.

13 (B) MAJORITY VOTE.—Any decision by or  
14 recommendation to the Secretary of the Treas-  
15 ury or the Secretary of Health and Human  
16 Services from the Committee shall be adopted  
17 by a majority vote of the Committee.

18 (C) CONSENSUS; VOTE RECORDING.—

19 (i) IN GENERAL.—Decision-making by  
20 the Committee shall be by consensus when  
21 possible.

22 (ii) NO CONSENSUS.—

23 (I) VOTE.—If consensus cannot  
24 be reached by the Committee, a vote

1 of the members of the Committee will  
2 be taken.

3 (II) QUORUM REQUIRED.—To  
4 take a vote under subclause (I), a  
5 quorum of the members shall be  
6 present.

7 (III) RECORDING.—The results  
8 of any vote taken under subclause (I)  
9 shall be recorded, as well as any state-  
10 ment of concurrence or disagreement,  
11 if applicable.

12 (3) TELECONFERENCE.—A member may fully  
13 participate in a meeting via teleconference.

14 (4) CONFIDENTIALITY.—

15 (A) IN GENERAL.—Any discussion of the  
16 Committee relative to the work of the Com-  
17 mittee is regarded as confidential information  
18 and may not be discussed in any form outside  
19 the context of the Committee meetings.

20 (B) WAIVER REQUESTS.—Any materials  
21 submitted to the Committee under section  
22 302(a)(2)(B) of the Federal Alcohol Adminis-  
23 tration Act (27 U.S.C. 201 et seq.) (as added  
24 by section 511), and any transcript made with

1           respect to such submission regarding any par-  
2           ticular person, shall be redacted.

3           (5) NON-APPLICATION OF FACA.—Section 10 of  
4           the Federal Advisory Committee Act (5 U.S.C.  
5           App.) shall not apply to any part of a meeting held  
6           by the Committee with respect to a waiver request  
7           submitted to the Committee under section  
8           302(a)(2)(B) of the Federal Alcohol Administration  
9           Act (27 U.S.C. 201 et seq.) (as added by section  
10          511).

11          (e) STATEMENTS OF POLICY.—A member of the  
12          Committee may not make a statement of policy that pur-  
13          ports to be that of the Committee unless the Committee  
14          has adopted such a policy, except that any such member  
15          shall not be prohibited from stating his or her personal  
16          opinion, provided the opinion is clearly identified as such.

17          (f) TERMINATION.—Section 1013 of chapter 10 of  
18          title 5, United States Code (commonly referred to as the  
19          “Federal Advisory Committee Act”) shall not apply to the  
20          Committee.

21   **SEC. 803. DEFINITION OF HEMP UNDER USDA DOMESTIC**  
22                   **HEMP PRODUCTION PROGRAM.**

23          (a) IN GENERAL.—Section 297A(1) of the Agricul-  
24          tural Marketing Act of 1946 (7 U.S.C. 1639o(1)) is  
25          amended—

1 (1) by striking “The term” and inserting the  
 2 following:

3 “(A) IN GENERAL.—The term”; and

4 (2) in subparagraph (A) (as so designated), by  
 5 striking “with a delta-9 tetrahydrocannabinol con-  
 6 centration of not more than 0.3 percent on a dry  
 7 weight basis.” and inserting the following: “and any  
 8 products made or derived from such plant or parts,  
 9 with a total tetrahydrocannabinol equivalent con-  
 10 centration of not more than the allowable  
 11 tetrahydrocannabinol equivalent amount described in  
 12 subparagraph (C).

13 “(B) TOTAL TETRAHYDROCANNABINOL  
 14 EQUIVALENT.—

15 “(i) IN GENERAL.—Subject to clause  
 16 (ii), in subparagraph (A), the term ‘total  
 17 tetrahydrocannabinol equivalent’ means—

18 “(I) any tetrahydrocannabinol,  
 19 including—

20 “(aa) delta-8  
 21 tetrahydrocannabinol;

22 “(bb) delta-9  
 23 tetrahydrocannabinol;

24 “(cc) delta-10  
 25 tetrahydrocannabinol; and

1 “(dd) tetrahydrocannabinolic  
2 acid; and

3 “(II) any other substance de-  
4 scribed in paragraph (tt)(1)(A) of sec-  
5 tion 201 of the Federal Food, Drug,  
6 and Cosmetic Act (21 U.S.C. 321)  
7 that has similar effects on the body as  
8 a substance described in item (aa),  
9 (bb), or (cc) of subclause (I), includ-  
10 ing through interaction with other  
11 substances in the applicable product.

12 “(ii) EXCLUSION OF ISOMERS.—The  
13 Secretary of Health and Human Services,  
14 in consultation with the Secretary of the  
15 Treasury and the Attorney General, may  
16 exclude 1 or more isomers of  
17 tetrahydrocannabinol from the definition  
18 under clause (i).

19 “(C) ALLOWABLE  
20 TETRAHYDROCANNABINOL EQUIVALENT  
21 AMOUNT.—

22 “(i) IN GENERAL.—Subject to clause  
23 (ii), the allowable tetrahydrocannabinol  
24 equivalent amount referred to in subpara-  
25 graph (A) is—

1 “(I) except as provided in sub-  
2 clause (II), 1 milligram of total  
3 tetrahydrocannabinol per 100 grams  
4 on a dry weight basis (or a propor-  
5 tionate amount of any fraction there-  
6 of); and

7 “(II) in the case of any specified  
8 plant product described in clause (iii),  
9 0.7 percent total tetrahydrocannabinol  
10 equivalent on a dry weight basis.

11 “(ii) MODIFICATION; DETERMINATION  
12 WITH RESPECT TO  
13 TETRAHYDROCANNABINOLIC ACID.—For  
14 purposes of clause (i), under regulations  
15 promulgated by the Secretary of Health  
16 and Human Services, in consultation with  
17 the Secretary of the Treasury and the At-  
18 torney General—

19 “(I) the Secretary may modify  
20 the allowable tetrahydrocannabinol  
21 equivalent amounts described in  
22 clause (i) if the Secretary determines  
23 that the effects on the body of such  
24 substance or interaction of substances  
25 differ significantly from the effects on

1                   the           body           of           delta-9  
2                   tetrahydrocannabinol; and

3                   “(II) rules similar to the rules re-  
4                   lating to the determination of ‘Total  
5                   THC’ in section 990.1 of title 7, Code  
6                   of Federal Regulations (as in effect on  
7                   the date of enactment of the Cannabis  
8                   Administration and Opportunity Act),  
9                   shall apply in calculating the ratio of  
10                  tetrahydrocannabinolic acid described  
11                  in subparagraph (B)(i)(I)(dd) taken  
12                  into account for purposes of deter-  
13                  mining                  the                  allowable  
14                  tetrahydrocannabinol                  equivalent  
15                  amount.

16                  “(iii) SPECIFIED PLANT PRODUCT.—A  
17                  specified plant product referred to in  
18                  clause (i)(II) is any item described in para-  
19                  graph (tt)(1)(A) of section 201 of the Fed-  
20                  eral Food, Drug, and Cosmetic Act (21  
21                  U.S.C. 321) that does not contain any  
22                  item described in that paragraph that has  
23                  been processed, extracted, or concentrated  
24                  (other than harvesting, drying, curing, or  
25                  trimming).”.

1       (b) TECHNICAL AMENDMENTS.—Section 781 of divi-  
2 sion B of the Continuing Appropriations, Agriculture,  
3 Legislative Branch, Military Construction and Veterans  
4 Affairs, and Extensions Act, 2026 (Public Law 119–37;  
5 139 Stat. 558), is amended—

6           (1) by striking “Effective” in the matter pre-  
7 ceding paragraph (1) and all that follows through  
8 “Within 90 days of the enactment of this act” in  
9 paragraph (3) and inserting “Not later than 90 days  
10 after the date of enactment of this Act”;

11          (2) by redesignating subparagraphs (A) through  
12 (D) as paragraphs (1) through (4), respectively, and  
13 indenting appropriately; and

14          (3) in paragraph (4) (as so redesignated), by  
15 striking “paragraph (3)(C)” and inserting “para-  
16 graph (3)(C) of section 297A of the Agricultural  
17 Marketing Act of 1946, as amended by this section  
18 (as in effect on the day before the date of enactment  
19 of the Cannabis Administration and Opportunity  
20 Act) on the date that is 365 days after the date of  
21 enactment of this Act”.

1 **SEC. 804. GRANTS FOR HIRING AND TRAINING RELATING**  
2 **TO CANNABIS ENFORCEMENT.**

3 (a) AMENDMENT.—Section 1701 of title I of the Om-  
4 nibus Crime Control and Safe Streets Act of 1968 (34  
5 U.S.C. 10381) is amended—

6 (1) by redesignating subsection (m) as sub-  
7 section (q);

8 (2) by redesignating subsection (n) as sub-  
9 section (r); and

10 (3) by inserting after subsection (l) the fol-  
11 lowing:

12 “(m) COPS GRANTS FOR SMALL DEPARTMENTS TO  
13 COMBAT ILLICIT CANNABIS PRODUCTION AND DISTRIBUTION.—  
14 TION.—

15 “(1) ELIGIBLE ENTITY DEFINED.—In this sub-  
16 section, the term ‘eligible entity’ means a law en-  
17 forcement agency that—

18 “(A) has not more than 50 sworn law en-  
19 forcement officers;

20 “(B) serves not more than 50,000 resi-  
21 dents; and

22 “(C) demonstrates a need for additional  
23 personnel to combat illicit cannabis production  
24 and distribution.

1           “(2) GRANTS.—The Attorney General shall  
2           award competitive grants to eligible entities for hir-  
3           ing—

4                   “(A) sworn law enforcement officers;

5                   “(B) non-sworn law enforcement officers;

6                   “(C) investigators; and

7                   “(D) community outreach specialists.

8           “(n) CANNABIS LAW EDUCATION PROGRAMS AND  
9           TECHNICAL ASSISTANCE.—

10           “(1) PROGRAM DEVELOPMENT.—The Attorney  
11           General shall develop Federal education programs  
12           and technical assistance for State and local law en-  
13           forcement agencies to develop the knowledge and ex-  
14           pertise necessary to ensure—

15                   “(A) the enforcement of State and Federal  
16                   cannabis laws; and

17                   “(B) that the enforcement described in  
18                   subparagraph (A) is consistent with the Con-  
19                   stitution of the United States.

20           “(2) STATE-SPECIFIC TRAINING AND GUID-  
21           ANCE.—The Director of the Bureau of Justice As-  
22           sistance shall develop State-specific training and  
23           guidance for law enforcement agencies within a ju-  
24           risdiction for use in the Federal education programs  
25           described in paragraph (1).

1           “(3) GRANTS.—The Attorney General shall  
2       award grants to law enforcement agencies for the  
3       costs associated with training under this sub-  
4       section.”.

5       (b) APPROPRIATIONS.—In addition to amounts other-  
6       wise available, there is appropriated, out of any funds in  
7       the Treasury not otherwise appropriated, \$15,000,000 for  
8       each of fiscal years 2026 through 2030 to carry out this  
9       section.

10   **SEC. 805. SEVERABILITY.**

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

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