

119TH CONGRESS
1ST SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

Mr. BOOKER introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

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

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

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

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

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

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

2

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.

3

- 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
22 Controlled Substances Act, from Schedule I to
23 Schedule III, having identified “credible scientific
24 support for the medical use of marijuana”.

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

3 (7) Legal cannabis sales totaled
4 \$33,600,000,000 in 2023 and are projected to reach
5 \$56,900,000,000 by 2028.

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

10 (9) The continued enforcement of cannabis pro-
11 hibition laws resulted in over 227,000 arrests in
12 2022, disproportionately impacting people of color
13 who are almost 4 times more likely to be arrested
14 for cannabis possession than their White counter-
15 parts, despite equal rates of use across populations.

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

24 (11) In 2013, simple cannabis possession was
25 the fourth most common cause of deportation for

1 any offense and the most common cause of deporta-
2 tion for drug law violations. Since 2003, the United
3 States has deported more than 45,000 people whose
4 most serious conviction was cannabis possession.

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

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

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

16 (15) Federal law severely limits access to loans
17 and capital for cannabis businesses, disproportion-
18 ately impacting minority and Tribal small business
19 owners.

20 (16) Some States, Indian Tribes, and munici-
21 palities have taken proactive steps to mitigate in-
22 equalities in the legal cannabis marketplace and en-
23 sure equal participation in the industry.

24 **SEC. 3. DEFINITIONS.**

25 In this Act:

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

7 (2) CANNABIS OFFENSE.—The term “cannabis
8 offense” means a criminal offense related to can-
9 nabis—

10 (A) that, under Federal law, is no longer
11 punishable pursuant to this Act or the amend-
12 ments made under this Act; or

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

19 (3) INDIAN TRIBE.—The term “Indian Tribe”
20 means the governing body of any individually identi-
21 fied and federally recognized Indian or Alaska Na-
22 tive tribe, band, nation, pueblo, village, community,
23 affiliated Tribal group, or component reservation in-
24 cluded on the list published most recently as of the
25 date of enactment of this Act pursuant to section

1 104(a) of the Federally Recognized Indian Tribe
2 List Act of 1994 (25 U.S.C. 5131(a)).

3 **TITLE I—DECRIMINALIZATION**
4 **OF CANNABIS, PUBLIC SAFE-**
5 **TY, AND STATES’ RIGHTS**
6 **Subtitle A—Decriminalization of**
7 **Cannabis**

8 **SEC. 101. DECRIMINALIZATION OF CANNABIS.**

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

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

14 (A) in subsection (c)—

15 (i) by striking “(10) Marihuana.”;

16 and

17 (ii) in paragraph (17), by inserting

18 “in cannabis (as defined in section

19 201(tt)(1) of the Federal Food, Drug, and

20 Cosmetic Act (21 U.S.C. 321(tt)(1))) or

21 tetrahydrocannabinols” before “in hemp”;

22 and

23 (B) in subsection (d)(2), by adding at the

24 end the following new subparagraph:

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

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

1 venile, any offense committed, case pending, and ad-
2 judication of juvenile delinquency entered before, on,
3 or after the date of enactment of this Act.

4 (3) RESCHEDULING REVIEW OF NON-CANNABIS
5 DERIVED TETRAHYDROCANNIBINOLS AND
6 CANNABIMIMETIC AGENTS.—

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

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

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

24 (1) in section 102 (21 U.S.C. 802)—

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

11

1 (B) in paragraph (44), by striking “mari-
2 huana,”;

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

4 (A) in paragraph (1)—

5 (i) in subparagraph (A)—

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

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

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

11 (ii) in subparagraph (B)—

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

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

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

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

21 (iv) by striking subparagraph (D);

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

24 (vi) in subparagraph (D)(i), as so re-
25 designated, by striking “subparagraphs (C)

1 and (D)” and inserting “subparagraph
2 (C)”;
3 (B) by striking paragraph (4); and
4 (C) by redesignating paragraphs (5), (6),
5 and (7) as paragraphs (4), (5), and (6), respec-
6 tively;
7 (3) in section 402(c)(2)(B) (21 U.S.C.
8 842(c)(2)(B)), by striking “, marihuana,”;
9 (4) in section 403(d)(1) (21 U.S.C. 843(d)(1)),
10 by striking “, marihuana,”;
11 (5) in section 418(a) (21 U.S.C. 859(a)), by
12 striking the last sentence;
13 (6) in section 419(a) (21 U.S.C. 860(a)), by
14 striking the last sentence;
15 (7) in section 422(d) (21 U.S.C. 863(d))—
16 (A) in the matter preceding paragraph (1),
17 by striking “marijuana, cocaine, hashish, hash-
18 ish oil,” and inserting “cocaine,”; and
19 (B) in paragraph (5), by striking “, such
20 as a marihuana cigarette,”;
21 (8) in section 516(d) (21 U.S.C. 886(d)), by
22 striking “section 401(b)(6)” each place the term ap-
23 pears and inserting “section 401(b)(5)”;
24 (9) in section 1010(b) (21 U.S.C. 960(b))—
25 (A) in paragraph (1)—

- 1 (i) in subparagraph (F), by inserting
- 2 “or” after the semicolon;
- 3 (ii) by striking subparagraph (G);
- 4 (iii) by redesignating subparagraph
- 5 (H) as subparagraph (G); and
- 6 (iv) in subparagraph (G), as so redes-
- 7 ignated, by striking the period at the end
- 8 and inserting a semicolon;
- 9 (B) in paragraph (2)—
- 10 (i) in subparagraph (F), by inserting
- 11 “or” after the semicolon;
- 12 (ii) by striking subparagraph (G);
- 13 (iii) by redesignating subparagraph
- 14 (H) as subparagraph (G); and
- 15 (iv) in subparagraph (G), as so redes-
- 16 ignated, by striking the period at the end
- 17 and inserting a semicolon;
- 18 (C) by striking paragraph (4); and
- 19 (D) by redesignating paragraphs (5), (6),
- 20 and (7) as paragraphs (4), (5), and (6), respec-
- 21 tively.

22 (c) OTHER CONFORMING AMENDMENTS.—

- 23 (1) NATIONAL FOREST SYSTEM DRUG CONTROL
- 24 ACT OF 1986.—The National Forest System Drug

1 Control Act of 1986 (16 U.S.C. 559b et seq.) is
2 amended—

3 (A) in section 15002(a) (16 U.S.C.
4 559b(a)) by striking “marijuana and other”;

5 (B) in section 15003(2) (16 U.S.C.
6 559c(2)) by striking “marijuana and other”;
7 and

8 (C) in section 15004(2) (16 U.S.C.
9 559d(2)) by striking “marijuana and other”.

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

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

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

17 (3) FMCSA PROVISIONS.—

18 (A) CONFORMING AMENDMENT.—Section
19 31301(5) of title 49, United States Code, is
20 amended by striking “section 31306,” and in-
21 serting “sections 31306, 31306a, and sub-
22 sections (b) and (c) of section 31310,”.

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

1 (i) by striking “means any substance”

2 and inserting the following: “means—

3 “(1) any substance”; and

4 (ii) by striking the period at the end

5 and inserting “; and

6 “(2) any substance not covered under para-

7 graph (1) that was a substance under such section

8 as of December 1, 2018, and specified by the Sec-

9 retary of Transportation.”.

10 (C) DISQUALIFICATIONS.—Section

11 31310(b) of title 49, United States Code, is

12 amended by adding at the end the following:

13 “(3) In this subsection and subsection (c), the

14 term ‘controlled substance’ has the meaning given

15 such term in section 31306(a).”.

16 (4) FAA PROVISIONS.—Section 45101 of title

17 49, United States Code, is amended—

18 (A) by striking “means any substance”

19 and inserting the following: “means—

20 “(1) any substance”; and

21 (B) by striking the period at the end and

22 inserting “; and

23 “(1) any substance not covered under para-

24 graph (1) that was a substance under such section

1 as of December 1, 2018, and specified by the Sec-
2 retary of Transportation.”.

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

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

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

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

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

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

18 “(A) any substance”; and

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

21 “(B) any substance not covered under sub-
22 paragraph (A) that was a substance under such
23 section as of December 1, 2018, and whose use
24 the Secretary of Transportation decides has a
25 risk to transportation safety.”.

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

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

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

7 (C) in subparagraph (D), by inserting “,
8 cannabis, as defined in section 3 of the Can-
9 nabis Administration and Opportunity Act,”
10 after “subsection”).

11 (8) OTHER CONTRABAND.—Section
12 80302(a)(1) of title 49, United States Code, is
13 amended by striking “, including marihuana (as de-
14 fined in section 102 of that Act (21 U.S.C. 802)),”.

15 (9) TARIFF ACT PROVISIONS.—Section
16 584(a)(2) of the Tariff Act of 1930 (19 U.S.C.
17 1584(a)(2)) is amended—

18 (A) by striking the second sentence and in-
19 serting “If any of such merchandise so found
20 consists of smoking opium or opium prepared
21 for smoking, the master of such vessel or per-
22 son in charge of such vehicle or the owner of
23 such vessel or vehicle or any person directly or
24 indirectly responsible for smoking opium or
25 opium prepared for smoking being in such mer-

1 chandise shall be liable to a penalty of \$500 for
2 each ounce thereof so found.”; and

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

8 (d) RETROACTIVITY.—

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

17 (2) APPLICATION TO PENDING ACTIONS.—With
18 respect to any pending criminal charges or case and
19 conviction awaiting sentencing that is impacted by
20 the amendments to the Controlled Substances Act
21 (21 U.S.C. 801 et seq.) made by this section, the
22 Government shall drop the relevant charges or seek
23 dismissal of all pending charges not later than 30
24 days after the date of enactment of this Act. Any
25 person held in pretrial detention and entitled to dis-

1 missal of relevant charges under this provision, and
2 not detained for any other reason, shall be entitled
3 to issuance of a writ under section 1361 or 2241 of
4 title 28, United States Code, to effectuate immediate
5 release.

6 (3) APPLICATION TO DEFENDANTS PREVIOUSLY
7 SENTENCED.—Not later than 60 days after the date
8 of enactment of this Act, the Director of the Bureau
9 of Prisons, United States Marshals Service, or
10 United States Parole Commission, as applicable,
11 shall release from its control, and the sentencing
12 court shall enter an order vacating the conviction
13 and sentence for, any individual convicted or sen-
14 tenced before the date of enactment of this Act for
15 any Federal offense involving marijuana, marihuana
16 (as defined in section 102(16) of the Controlled Sub-
17 stances Act (21 U.S.C. 802(16))), or
18 tetrahydrocannabinols and is not serving a sentence
19 for any conduct not covered by this Act or serving
20 multiple sentences as provided in section 3584 of
21 title 18, United States Code. Any person not so
22 timely released and entitled to such release under
23 this provision shall be entitled to issuance of a writ
24 under section 1361 or 2241 of title 28, United
25 States Code, to effectuate immediate release.

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

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

24 “(h) CANNABIS.—

25 “(1) TESTING FOR CANNABIS.—

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

4 “(B) EXCEPTION FOR DRUG TESTING.—
5 Notwithstanding subparagraph (A) or the Can-
6 nabis Administration and Opportunity Act and
7 the amendments made thereby, the Secretary of
8 Health and Human Services or the head of an
9 agency may deem cannabis to be a schedule I
10 controlled substance within the meaning of sec-
11 tion 102(6) of the Controlled Substances Act
12 (21 U.S.C. 802(6)), and unlawful to possess
13 under title II or III of such Act, exclusively for
14 the purpose of drug testing of any law enforce-
15 ment officer (as defined in section 8331 of title
16 5, United States Code) or any Federal employee
17 in a position that the head of an agency deter-
18 mines, in writing, to have significant involve-
19 ment in national security or the protection of
20 life, property, public health, or public safety,
21 provided that either such employee is subject to
22 this section, Executive Order 12564, or other
23 applicable Federal laws and orders.

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

4 (f) SPECIAL RULE FOR CERTAIN REGULATIONS.—

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

11 (2) CONTROLLED SUBSTANCE DEFINED.—In
12 this subsection, the term “controlled substance”
13 means—

14 (A) any substance covered under section
15 102 of the Controlled Substances Act (21
16 U.S.C. 802) on the day before the date of en-
17 actment of this Act; and

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

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

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

10 (1) the Secretary of Health and Human Serv-
11 ices, and

12 (2) the Secretary of the Treasury.

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

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

21 (2) REFERENCES.—Any reference to the Tax
22 and Trade Bureau or the Alcohol and Tobacco Tax
23 and Trade Bureau in any law, regulation, map, doc-
24 ument, record, or other paper of the United States
25 shall be deemed to be a reference to the Alcohol, To-
26 bacco, and Cannabis Tax and Trade Bureau.

1 (c) MEMORANDUM OF UNDERSTANDING.—

2 (1) IN GENERAL.—For purposes of carrying out
3 the purposes of this Act, not later than 180 days
4 after the date of enactment of this Act, the Sec-
5 retary of the Treasury (acting through the Alcohol,
6 Tobacco, and Cannabis Tax and Trade Bureau, as
7 so redesignated under subsection (b)) and the Sec-
8 retary of Health and Human Services (acting
9 through the Commissioner of Food and Drugs) shall
10 enter into memorandum of understanding regarding
11 coordination of their respective responsibilities with
12 regard to regulation of cannabis and cannabis prod-
13 ucts.

14 (2) COMPLIANCE BURDENS.—For purposes of
15 establishing the memorandum of understanding de-
16 scribed in paragraph (1), the Secretary of the Treas-
17 ury and the Secretary of Health and Human Serv-
18 ices shall include consideration of—

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

23 (B) to the greatest extent practicable, re-
24 duction of any unnecessary administrative du-
25 plication with respect to such regulation.

1 **Subtitle B—Public Safety and**
2 **States’ Rights**

3 **SEC. 111. STATES’ RIGHTS.**

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

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

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

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

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

17 (1) in subsection (a)—

18 (A) by redesignating paragraphs (2), (3),
19 and (4) as paragraphs (3), (4), and (5), respec-
20 tively; and

21 (B) by inserting after paragraph (1) the
22 following:

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

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

4 **SEC. 112. DIVERSION OF CANNABIS.**

5 (a) IN GENERAL.—

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

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

17 (B) CANNABIS DIVERSION.—

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

20 (I) knowingly grow, manufacture,
21 ship, transport, receive, possess, sell,
22 or distribute or purchase 10 pounds
23 or more of cannabis without author-
24 ization under a State law or pursuant
25 to a permit issued under section 301

1 of the Federal Alcohol Administration
2 Act, as added by section 511 of this
3 Act; or

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

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

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

22 (III) knowingly grow, manufac-
23 ture, ship, transport, receive, possess,
24 sell, or distribute or purchase 20
25 pounds or more of cannabis without

1 authorization under a State law or
2 pursuant to a permit issued under
3 section 301 of the Federal Alcohol
4 Administration Act, as added by sec-
5 tion 511 of this Act; or

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

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

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

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

1 (I) a common or contract carrier
2 transporting the cannabis involved
3 under a proper bill of lading or freight
4 bill which states the quantity, source,
5 and destination of the cannabis;

6 (II) a person—

7 (aa) who is licensed or oth-
8 erwise authorized by the State
9 where the cannabis is found to
10 account for and pay cannabis
11 taxes imposed by such State; and

12 (bb) who has complied with
13 the accounting and payment re-
14 quirements relating to such li-
15 cense or authorization with re-
16 spect to the cannabis involved;

17 (III) an officer, employee, or
18 other agent of the United States, an
19 Indian Tribe, or a State, or any de-
20 partment, agency, or instrumentality
21 of the United States, an Indian Tribe,
22 or a State (including any political sub-
23 division of an Indian Tribe or a State)
24 having possession of the cannabis in

1 connection with the performance of of-
2 ficial duties; or

3 (IV) a person—

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

10 (bb) who possesses cannabis
11 in connection with the lawful ac-
12 tivities described in item (aa).

13 (iii) PENALTY.—Any person who vio-
14 lates—

15 (I) subclause (I) or (II) of clause
16 (i) shall be imprisoned not more than
17 1 year, fined not more than \$50,000,
18 or both; or

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

23 (2) FINES.—The penalty provided for in this
24 subsection may be recovered by the Secretary of the

1 Treasury or by an action brought by the Attorney
2 General in any court of competent jurisdiction.

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

14 (b) TRACKING AND TRACING REGULATIONS.—

15 (1) ISSUANCE OF TRACKING AND TRACING REG-
16 ULATIONS.—

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

1 to the tracking and tracing of cannabis prod-
2 ucts pursuant to paragraph (2).

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

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

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

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

1 investigating potential illicit trade, smuggling,
2 or counterfeiting of cannabis products.

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

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

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

16 (3) RECORDS INSPECTION.—

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

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

15 (B) FAILURE TO COMPLY.—

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

23 (ii) PENALTY.—Any person who—

24 (I) denies access to any relevant
25 records described in subparagraph (A)

1 to any officer or employee duly des-
2 ignated by the Secretary; or

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

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

7 (4) KNOWLEDGE OF ILLEGAL TRANSACTION.—

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

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

19 (ii) imported, exported, distributed, or
20 diverted for possible illicit marketing,

21 the manufacturer or distributor shall promptly
22 notify the Attorney General and the Secretary
23 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; and

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 posttraumatic 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,

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

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

11 (1) STUDY REQUIRED.—

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

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

18 (i) whether there is an increased like-
19 lihood of crashing a motor vehicle after re-
20 cent cannabis use;

21 (ii) the effect of cannabis on driving
22 behavior;

23 (iii) whether there is a correlation be-
24 tween THC level (as tested in oral fluids)
25 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

1 legal counsel to the Director and shall provide coun-
2 sel to the Cannabis Justice Office.

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

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

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

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

15 **“PART PP—COMMUNITY REINVESTMENT GRANT**
16 **PROGRAM**

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
12 the 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—

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

8 (ii)(I) who has been arrested for, or
9 convicted of, the sale, possession, use,
10 manufacture, or cultivation of cannabis
11 (except for a conviction involving distribu-
12 tion to a minor); or

13 (II) the parent, sibling, spouse, or
14 child of whom has been arrested for, or
15 convicted of, an offense described in sub-
16 clause (I).

17 (F) SMALL BUSINESS CONCERN OWNED
18 AND CONTROLLED BY SOCIALLY AND ECONOMI-
19 CALLY DISADVANTAGED INDIVIDUALS.—The
20 term “small business concern owned and con-
21 trolled by socially and economically disadvan-
22 taged individuals” has the meaning given the
23 term in section 8(d)(3)(C) of the Small Busi-
24 ness Act (15 U.S.C. 637(d)(3)(C)).

25 (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.—

The Administrator shall establish and carry out a grant program, to be known as the “Equitable Licensing Grant Program”, to provide any eligible State or locality or eligible Indian Tribe funds to develop and implement equitable cannabis licensing programs that minimize barriers to cannabis licensing and employment for individuals adversely impacted by the War on Drugs, provided that each grantee includes in the cannabis licensing program of the grantee not less than 4 of the following elements:

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

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

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;

1 (ii) includes at least 1 representative
2 from an eligible Indian Tribe that has ju-
3 risdiction within that eligible State or lo-
4 cality or that has Tribal jurisdiction, as
5 applicable; and

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

8 (4) STUDY ON PROGRAMS.—

9 (A) GAO STUDY.—Not later than 1 year
10 after the date of enactment of this Act, and an-
11 nually thereafter, the Comptroller General of
12 the United States, in consultation with the Ad-
13 ministrator, shall conduct a study on the indi-
14 viduals and entities receiving assistance under
15 the Cannabis Restorative Opportunity and Eq-
16 uitable Licensing Programs established under
17 paragraphs (2) and (3), respectively, which
18 shall include—

19 (i) the types of assistance by State;
20 and

21 (ii) a description of—

22 (I) the efforts by the Administra-
23 tion to increase access to capital for
24 cannabis-related small business con-
25 cerns 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-
17bursement 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—

1 “(A) in the case of any cannabis product
2 not described in subparagraph (B), the product
3 of the applicable rate per ounce multiplied by
4 the number of ounces of such product (and a
5 proportionate tax at the like rate on all frac-
6 tional parts of an ounce of such product), and

7 “(B) in the case of any THC product, the
8 product of the applicable rate per gram multi-
9 plied by the number of grams of
10 tetrahydrocannabinol in such product (and a
11 proportionate tax at the like rate on all frac-
12 tional parts of a gram of tetrahydrocannabinol
13 in such product).

14 “(2) APPLICABLE RATES.—

15 “(A) IN GENERAL.—For purposes of para-
16 graph (1)(A), the term ‘applicable rate per
17 ounce’ means, with respect to any cannabis
18 product removed during any calendar year, 25
19 percent of the prevailing sales price of cannabis
20 flowers sold in the United States during the 12-
21 month period ending one calendar quarter be-
22 fore such calendar year, expressed on a per
23 ounce basis, as determined by the Secretary.

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

1 gram’ means, with respect to any cannabis
2 product removed during any calendar year, 25
3 percent of the prevailing sales price of
4 tetrahydrocannabinol sold in the United States
5 during the 12-month period ending one cal-
6 endar quarter before such calendar year, ex-
7 pressed on a per gram basis, as determined by
8 the Secretary.

9 “(d) TIME OF ATTACHMENT ON CANNABIS PROD-
10 UCTS; LIEN FOR TAX.—

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

17 “(2) LIEN FOR TAX.—

18 “(A) IN GENERAL.—The tax imposed by
19 this section shall be a first lien on the cannabis
20 product from the time the product is in exist-
21 ence as such until the tax is paid.

22 “(B) EXCEPTIONS.—The lien imposed by
23 this paragraph shall terminate in the case of
24 products produced at a cannabis production fa-
25 cility 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

provided in clause (ii), in the case of any taxpayer who reasonably expects to be liable for not more than \$100,000 in taxes imposed with respect to cannabis products under sections 5901 and 7652 for the calendar year and who was liable for not more than \$100,000 in such taxes in the preceding calendar year, the last day for the payment of tax on withdrawals, removals, and entries (and articles brought into the United States from Puerto Rico) shall be the 14th day after the last day of the calendar quarter during which the action giving rise to the imposition of such tax occurs.

“(ii) NOT MORE THAN \$10,000 IN TAXES.—In the case of any taxpayer who reasonably expects to be liable for not more than \$10,000 in taxes imposed with respect to cannabis products under sections 5901 and 7652 for the calendar year and who was liable for not more than \$10,000 in such taxes in the preceding calendar year, the last day for the payment of 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-

1 duction facility, owner, consignor, consignee,
2 bailee, or carrier, or their employees or agents.

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

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

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

24 “(3) VOLUNTARY DESTRUCTION.—The propri-
25 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,

“(2) require the attendance of the person filing
the claim or of any officer or employee of such per-
son or the attendance of any other person having
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.—

“(A) IN GENERAL.—Subject to subpara-
graph (B), such drawback shall be due and pay-
able quarterly upon filing of a proper claim
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 inventories to be subject to verification by any internal
10 revenue officer,

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

14 “(3) keep such records in such manner as the
15 Secretary shall by regulation prescribe, with such
16 records to be available for inspection by any internal
17 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 expor-
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 tigation 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),

1 (b), or (c) shall, at the time of registration
2 under such subsection, file with the Secretary—

3 “(i) a list of all cannabis products
4 which are being manufactured, prepared,
5 compounded, or processed by that person
6 for commercial distribution and which have
7 not been included in any list of cannabis
8 products filed by that person with the Sec-
9 retary under this paragraph or paragraph
10 (2) before such time of registration; and

11 “(ii) such other information as the
12 Secretary, in consultation with the Sec-
13 retary of the Treasury and the Attorney
14 General, may require, by regulation, to
15 carry out the purposes of the Cannabis Ad-
16 ministration and Opportunity Act, includ-
17 ing the amendments made by such Act, in-
18 cluding chapter 56 of subtitle E of the In-
19 ternal Revenue Code of 1986.

20 “(B) FORM AND MANNER OF LIST.—The
21 list under subparagraph (A)(i) shall be pre-
22 pared in such form and manner as the Sec-
23 retary may prescribe and shall be accompanied
24 by a copy of all consumer information and other
25 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 Food,
11 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 **MITTS.**

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 drugs;
11 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

250

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-

1 tion continues to report suspicious activities re-
2 lated to cannabis-related legitimate businesses
3 and preserve the ability of the Financial Crimes
4 Enforcement Network and law enforcement to
5 prevent and combat illicit activity. The Finan-
6 cial Crimes Enforcement Network shall promul-
7 gate regulations or issue guidance as necessary
8 on financial institutions that provide financial
9 services to cannabis-related legitimate busi-
10 nesses, cannabis-related service providers, or
11 employees, owners, or operators, regarding obli-
12 gations related to anti-money laundering and
13 under this subchapter, including addressing the
14 filing of suspicious activity reports consistent
15 with this section, customer due diligence re-
16 quirements, indirect relationships with can-
17 nabis-related legitimate businesses, and
18 verification and documentation requirements for
19 financial institutions intending to handle funds
20 from cannabis-related legitimate businesses to
21 ensure such funds are clearly linked with law,
22 other lawful activity, and regulations. The Sec-
23 retary shall ensure that such regulations are
24 consistent with the purpose and intent of the
25 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 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 the light of the purposes and provisions of
17 this 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-

1 ommendations the Committee made to the Secretary
2 during the reporting period and whether such rec-
3 ommendations were implemented.

4 (d) MEETINGS.—

5 (1) FREQUENCY.—

6 (A) IN GENERAL.—The Committee shall
7 meet on a quarterly basis but may meet more
8 frequently if necessary.

9 (B) CANCELLATION.—

10 (i) IN GENERAL.—Subject to clause
11 (ii), the Chair may cancel a Committee
12 meeting not less than 3 business days prior
13 to such meeting if, in consultation with the
14 members of the Committee, the Chair de-
15 termines—

16 (I) the meeting is not needed; or

17 (II) there will not be a quorum
18 present at such meeting.

19 (ii) EXCEPTIONS.—Any meeting may
20 be canceled by the Chair at any time due
21 to inclement weather or an emergency situ-
22 ation.

23 (2) VOTING.—

24 (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.