AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 3884
OFFERED BY MR. NADLER OF NEW YORK

Strike all that follows after the enacting clause and insert the following:

SEC. 1. SHORT TITLE.

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

SEC. 2. FINDINGS.

The Congress finds as follows:

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

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

(3) 33 States, the District of Columbia, Puerto Rico, and Guam have adopted laws allowing legal access to cannabis, and 11 States, the District of Columbia, and the Commonwealth of the Northern
Mariana Islands have adopted laws legalizing cannabis for adult recreational use.

(4) A total of 47 States have reformed their laws pertaining to cannabis despite the Schedule I status of marijuana and its Federal criminalization.

(5) Legal cannabis sales totaled $9.5 billion in 2017 and are projected to reach $23 billion by 2022.

(6) According to the American Civil Liberties Union (ACLU), enforcing cannabis prohibition laws costs taxpayers approximately $3.6 billion a year.

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

(8) People of color have been historically targeted by discriminatory sentencing practices resulting in Black men receiving drug sentences that are 13.1 percent longer than sentences imposed for White men and Latinos being nearly 6.5 times more likely to receive a Federal sentence for cannabis possession than non-Hispanic Whites.

(9) In 2013, simple cannabis possession was the fourth most common cause of deportation for any of-
fense and the most common cause of deportation for drug law violations.

(10) Fewer than one-fifth of cannabis business owners identify as minorities and only approximately 4 percent are black.

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

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

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

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

SEC. 3. DECRIMINALIZATION OF CANNABIS.

(a) CANNABIS REMOVED FROM SCHEDULE OF CONTROLLED SUBSTANCES.—
(1) Removal in Statute.—Subsection (c) of schedule I of section 202(e) of the Controlled Substances Act (21 U.S.C. 812) is amended—

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

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

(2) Removal from Schedule.—Not later than 180 days after the date of the enactment of this Act, the Attorney General shall finalize a rule-making under section 201(a)(2) removing marihuana and tetrahydrocannabinols from the schedules of controlled substances. Marihuana and tetrahydrocannabinols shall each be deemed to be a drug or other substance that does not meet the requirements for inclusion in any schedule. A rule-making under this paragraph shall be considered to have taken effect as of the date of enactment of this Act for purposes of any offense committed, case pending, conviction entered, and, in the case of a juvenile, any offense committed, case pending, and adjudication of juvenile delinquency entered before, on, or after the date of enactment of this Act.
(b) CONFORMING AMENDMENTS TO CONTROLLED SUBSTANCES ACT.—The Controlled Substances Act (21 U.S.C. 801 et seq.) is amended—

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

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

(A) in paragraph (1)—

(i) in subparagraph (A)—

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

(II) by striking clause (vii); and

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

(ii) in subparagraph (B)—

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

(II) by striking clause (vii); and

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

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

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

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

(B) by striking paragraph (4); and

(C) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively;

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

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

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

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

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

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

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

(e) Other Conforming Amendments.—


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

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

and

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

(2) Interception of Communications.—Section 2516 of title 18, United States Code, is amended—

(A) in subsection (1)(e), by striking “marihuana,”; and

(B) in subsection (2) by striking “marihuana”.

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

SEC. 4. DEMOGRAPHIC DATA OF CANNABIS BUSINESS OWN-
ERS AND EMPLOYEES.

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

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

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

(b) Demographic Data.—The data collected under
subsection (a) shall include data regarding—

(1) age;

(2) certifications and licenses;

(3) disability status;

(4) educational attainment;

(5) family and marital status;

(6) nativity;

(7) race and Hispanic ethnicity;

(8) school enrollment;

(9) veteran status; and

(10) sex.
(c) CONFIDENTIALITY.—The name, address, and other identifying information of individuals employed in the cannabis industry shall be kept confidential by the Bureau and not be made available to the public.

(d) DEFINITIONS.—In this section:

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

(2) CANNABIS INDUSTRY.—The term “cannabis industry” means an individual or entity that is licensed or permitted under a State or local law to engage in commercial cannabis-related activity.

(3) OWNER.—The term “owner” means an individual or entity that is defined as an owner under the State or local law where the individual or business is licensed or permitted.

SEC. 5. CREATION OF OPPORTUNITY TRUST FUND AND IMPOSITION OF TAX ON CANNABIS PRODUCTS.

(a) TRUST FUND.—

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

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

“(b) Transfers to Trust Fund.—There are hereby appropriated to the Trust Fund amounts equivalent to the net revenues received in the Treasury from the tax imposed by section 5701(h).

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

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

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

“(3) 20 percent to the Administrator of the Small Business Administration to carry out section 6(b)(1) of the Marijuana Opportunity Reinvestment and Expungement Act of 2019.

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

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

“Sec. 9512. Opportunity trust fund.”.

(b) IMPOSITION OF TAX.—

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

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

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

“(q) CANNABIS PRODUCT.—

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

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

“(3) CANNABIS.—The term ‘cannabis’—

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

“(B) does not include—

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

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

(3) CANNABIS PRODUCTS TREATED AS TOBACCO PRODUCTS.—Section 5702(c) of such Code is amended by striking “and roll-your-own tobacco”
and inserting “roll-your-own tobacco, and cannabis products”.

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

“(r) MANUFACTURER OF CANNABIS PRODUCTS.—

“(1) IN GENERAL.—Any person who plants, cultivates, harvests, produces, manufactures, compounds, converts, processes, prepares, or packages any cannabis product shall be treated as a manufacturer of cannabis products (and as manufacturing such cannabis product).

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

“(3) APPLICATION OF RULES RELATED TO MANUFACTURERS OF TOBACCO PRODUCTS.—Any reference to a manufacturer of tobacco products, or to manufacturing tobacco products, shall be treated as including a reference to a manufacturer of cannabis products, or to manufacturing cannabis products, respectively.”.
(5) Application of Certain Rules for Determining Price.—Section 5702(l) of such Code is amended—

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

(B) by inserting “AND CANNABIS PRODUCTS” after “CIGARS” in the heading thereof.

(6) Conforming Amendment.—Section 5702(j) of such Code is amended by adding at the end the following new sentence: “In the case of a cannabis product, the previous sentence shall be applied by substituting ‘from a facility of a manufacturer required to file a bond under section 5711’ for ‘from the factory or from internal revenue bond under section 5704’.”.

(c) Effective Date.—

(1) In General.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to articles manufactured or imported in calendar quarters beginning more than one year after the date of the enactment of this Act.

(2) Trust Fund.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.
SEC. 6. OPPORTUNITY TRUST FUND PROGRAMS.

(a) CANNABIS JUSTICE Office; COMMUNITY REINVESTMENT Grant Program.—

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

"SEC. 110. CANNABIS JUSTICE Office.

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

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

"(c) EMPLOYEES.—

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

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

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

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

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

“(d) DUTIES AND FUNCTIONS.—The Cannabis Justice Office is authorized to—

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

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

“PART OO—COMMUNITY REINVESTMENT GRANT PROGRAM

“SEC. 3052. AUTHORIZATION.

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

“(1) job training;

“(2) reentry services;

“(3) legal aid for civil and criminal cases, including expungement of cannabis convictions;

“(4) literacy programs;

“(5) youth recreation or mentoring programs;

and

“(6) health education programs.

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

“SEC. 3053. FUNDING FROM OPPORTUNITY TRUST FUND.

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

“SEC. 3054. DEFINITIONS.

“In this part:

“(1) The term ‘cannabis conviction’ means a conviction, or adjudication of juvenile delinquency, for a cannabis offense (as such term is defined in section 13 of the Marijuana Opportunity Reinvestment and Expungement Act of 2019).

“(2) The term ‘substance use treatment’ means an evidence-based, professionally directed, deliberate, and planned regimen including evaluation, observation, medical monitoring, harm reduction, and rehabilitative services and interventions such as pharmacotherapy, mental health services, and individual and group counseling, on an inpatient or outpatient basis, to help patients with substance use disorder reach remission and maintain recovery.

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

“(4) The term ‘individuals most adversely impacted by the War on Drugs’ has the meaning given that term in section 6 of the Marijuana Opportunity Reinvestment and Expungement Act of 2019.”.

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

(1) CANNABIS OPPORTUNITY PROGRAM.—The Administrator of the Small Business Administration shall establish and carry out a program, to be known as the “Cannabis Opportunity Program” to provide any eligible State or locality funds to make loans under section 7(m) of the Small Business Act (15 U.S.C. 363(m)) to assist small business concerns owned and controlled by socially and economically disadvantaged individuals, as defined in section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C)) that operate in the cannabis industry.

(2) EQUITABLE LICENSING GRANT PROGRAM.— The Administrator of the Small Business Administration shall establish and carry out a grant program, to be known as the “Equitable Licensing
Grant Program”, to provide any eligible State of locality funds to develop and implement equitable cannabis licensing programs that minimize barriers to cannabis licensing and employment for individuals most adversely impacted by the War on Drugs, provided that each grantee includes in its cannabis licensing program at least four of the following:

(A) A waiver of cannabis license application fees for individuals who have had an income below 250 percent of the Federal Poverty Level for at least 5 of the past 10 years who are first-time applicants.

(B) A prohibition on the denial of a cannabis license based on a conviction for a cannabis offense that took place prior to State legalization of cannabis or the date of enactment of this Act, as appropriate.

(C) A prohibition on criminal conviction restrictions for licensing except with respect to a conviction related to owning and operating a business.

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

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

(3) DEFINITIONS.—In this subsection:

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

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

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

(B) The term “eligible State or locality” means a State or locality that has taken steps to—
(i) create an automatic process, at no
cost to the individual, for the
expungement, destruction, or sealing of
criminal records for cannabis offenses; and

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

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

SEC. 7. AVAILABILITY OF SMALL BUSINESS ADMINISTRA-
TION PROGRAMS AND SERVICES TO CAN-
NABIS-RELATED LEGITIMATE BUSINESSES
AND SERVICE PROVIDERS.

(a) Definitions Relating to Cannabis-Related
Legitimate Businesses and Service Providers.—
Section 3 of the Small Business Act (15 U.S.C. 632) is
amended by adding at the end the following new sub-
section:
“(ff) CANNABIS-RELATED LEGITIMATE BUSINESSES

AND SERVICE PROVIDERS.—In this Act:

“(1) CANNABIS.—The term ‘cannabis’—

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

“(B) does not include—

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

or

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

“(2) CANNABIS-RELATED LEGITIMATE BUSINESS.—The term ‘cannabis-related legitimate business’ means a manufacturer, producer, or any per-
son or company that is a small business concern and
that—

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

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

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

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

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

“(ii) provides any business services,
including the sale or lease of real or any
other property, legal or other licensed serv-
ices, or any other ancillary service, relating
to cannabis; and
“(B) does not include a business, organization, or other person that participates in any business or organized activity that involves handling cannabis or cannabis products, including cultivating, producing, manufacturing, selling, transporting, displaying, dispensing, distributing, or purchasing cannabis or cannabis products.”

(b) Small Business Development Centers.—

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

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

(c) Women’s Business Centers.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following new subsection:

“(p) Services for cannabis-related legitimate businesses and service providers.—A woman’s business center may not decline to provide services
to an otherwise eligible small business concern under this section solely because such concern is a cannabis-related legitimate business or service provider.”.

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

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

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

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

“(36) LOANS TO CANNABIS-RELATED LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.—The
Administrator may not decline to provide a guarantee for a loan under this subsection to an otherwise eligible small business concern solely because such concern is a cannabis-related legitimate business or service provider.”.

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

“(16) Assistance to Cannabis-Related Legitimate Businesses and Service Providers.—The Administrator may not decline to provide assistance under this subsection to an otherwise eligible borrower solely because such borrower is a cannabis-related legitimate business or service provider.”.

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

“(14) Assistance to Cannabis-Related Legitimate Businesses and Service Providers.—An eligible intermediary may not decline to provide assistance under this subsection to an otherwise eligible borrower solely because such borrower is a cannabis-related legitimate business or service provider.”.
(i) **STATE OR LOCAL DEVELOPMENT COMPANY LOANS.**—Title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) is amended by adding at the end the following new section:

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

“The Administrator may not decline to provide a guarantee for a loan under this title to an otherwise eligible State or local development company solely because such State or local development company provides financing to an entity that is a cannabis-related legitimate business or service provider (as defined in section 3(ff) of the Small Business Act).”.
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**SEC. 8. NO DISCRIMINATION IN THE PROVISION OF A FEDERAL PUBLIC BENEFIT ON THE BASIS OF CANNABIS.**

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

(b) **SECURITY CLEARANCES.**—Federal agencies may not use past or present cannabis or marijuana use as cri-
teria for granting, denying, or rescinding a security clearance.

SEC. 9. NO ADVERSE EFFECT FOR PURPOSES OF THE IMMIGRATION LAWS.

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

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

(1) means all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin; and

(2) does not include—

(A) hemp, as defined in section 297A of the Agricultural Marketing Act of 1946; or
(B) the mature stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination.

(e) CONFORMING AMENDMENTS TO IMMIGRATION AND NATIONALITY ACT.—The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended—

1. in section 212(h), by striking “and subparagraph (A)(i)(II) of such subsection insofar as it relates to a single offense of simple possession of 30 grams or less of marijuana”;

2. in section 237(a)(2)(B)(i), by striking “other than a single offense involving possession for one’s own use of 30 grams or less of marijuana”;

3. in section 101(f)(3), by striking “(except as such paragraph relates to a single offense of simple possession of 30 grams or less of marihuana)”;

4. in section 244(c)(2)(A)(iii)(II) by striking “except for so much of such paragraph as relates to a single offense of simple possession of 30 grams or less of marijuana”;


(5) in section 245(h)(2)(B) by striking “(except for so much of such paragraph as related to a single offense of simple possession of 30 grams or less of marijuana)”;

(6) in section 210(c)(2)(B)(ii)(III) by striking “, except for so much of such paragraph as relates to a single offense of simple possession of 30 grams or less of marihuana”; and

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

SEC. 10. RESENTENCING AND EXPUNGEMENT.

(a) EXPUNGEMENT OF FEDERAL CANNABIS OFFENSE CONVICTIONS FOR INDIVIDUALS NOT UNDER A CRIMINAL JUSTICE SENTENCE.—

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

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

(3) Right to Petition Court for Expungement.—At any point after the date of enactment of this Act, any individual with a prior conviction or adjudication of juvenile delinquency for a Federal cannabis offense, who is not under a criminal justice sentence, may file a motion for expungement. If the expungement of such a conviction or adjudication of juvenile delinquency is required pursuant to this Act, the court shall expunge the conviction or adjudication, and any associated arrests. If the individual is indigent, counsel shall be appointed to represent the individual in any proceedings under this subsection.

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

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

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

(2) **Potential Reduced Resentencing.**—After a sentencing hearing under paragraph (1), a court shall—

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

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

(C) order that all records related to a conviction or adjudication of juvenile delinquency that has been expunged or a sentence or disposition of juvenile delinquency that has been vacated under this Act be sealed and only be made available by further order of the court.

(c) Effect of Expungement.—An individual who has had an arrest, a conviction, or juvenile delinquency adjudication expunged under this section—

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

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

(d) Definitions.—In this section:

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

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

(3) The term “under a criminal justice sentence” means, with respect to an individual, that the individual is serving a term of probation, parole, supervised release, imprisonment, official detention, pre-release custody, or work release, pursuant to a sentence or disposition of juvenile delinquency imposed on or after the effective date of the Controlled Substances Act (May 1, 1971).

SEC. 11. REFERENCES IN EXISTING LAW TO MARIJUANA OR MARIHUANA.

Wherever, in the statutes of the United States or in the rulings, regulations, or interpretations of various administrative bureaus and agencies of the United States—

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

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

SEC. 12. SEVERABILITY.

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

SEC. 13. CANNABIS OFFENSE DEFINED.

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

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

(2) that, under State law, is no longer an of-

fense or that was designated a lesser offense or for
which the penalty was reduced under State law pur-
suant to or following the adoption of a State law au-

thorizing the sale or use of cannabis.

SEC. 14. RULEMAKING.

Unless otherwise provided in this Act, not later than
1 year after the date of enactment of this Act, the Depart-
ment of the Treasury, the Department of Justice, and the
Small Business Administration shall issue or amend any
rules, standard operating procedures, and other legal or
policy guidance necessary to carry out implementation of
this Act. After the 1-year period, any publicly issued sub-
regulatory guidance, including any compliance guides,
manuals, advisories and notices, may not be issued without 60-day notice to appropriate congressional committees. Notice shall include a description and justification for additional guidance.