

Cannabis Administration & Opportunity Act Draft Bill Details

1. Decriminalization of Cannabis, Recognition of State law Controlling Cannabis
 - a. This section would remove cannabis from the Controlled Substances Act within 60 days of enactment
 - b. It would transfer primary agency jurisdiction over cannabis from the DEA to the FDA, TTB, and ATF. Once transferred, this jurisdiction would follow similar agency responsibilities established for alcohol and tobacco.
 - c. The bill would recognize state law as controlling the possession, production, and distribution of cannabis, but retains criminal penalties in the case of illegal cannabis diversion, defined as the unlawful possession, production, distribution, or purchase of 10 pounds or more of cannabis in violation of federal or state law, or the unauthorized possession of 10 pounds or more in any state or local jurisdiction for which tax has not been paid
 - d. The bill authorizes the establishment of regulations to track and trace the manufacture and transport of cannabis products.
 - e. The bill would establish 21 years of age as the minimum age to purchase cannabis. Moreover, a provision limiting retail transactions to no more than 10 ounces of cannabis is intended to prevent large purchases for illegal trafficking.
 - f. The bill authorizes the Secretary of Health and Human Services to continue to include cannabis for purposes of drug testing of Federal employees.
2. Research, Training and Prevention
 - a. Cannabis research has been limited up to this point due to its status as a Schedule 1 controlled substance. This bill would direct the Comptroller General to conduct an evaluation of the societal impact of legalization by states with adult-use of cannabis on statistics such as traffic-related deaths and violent crime rates, and to submit a report to Congress within two years.
 - b. The Draft would also direct the Dep. of Health and Human Services to research the effects of cannabis on health conditions.
 - c. Finally, the DOT would be directed to collect data on cannabis-impaired driving to enable the development of an impairment standard for driving under the influence of cannabis.
3. Availability of Small Business Administration Programs and Loans to Cannabis-Related Legitimate Businesses. Many direct and indirect cannabis business have difficulty accessing loans or other financing. The bill allows the Administrator to provide a guarantee for a loan to eligible small businesses that are cannabis-related legitimate businesses or service providers.

4. Restorative Justice and Opportunity Programs

- a. This section of the draft requires expungement of federal non-violent cannabis convictions and resentencing within one year of enactment and encourages states to follow suit; moreover, it explicitly bars these convictions from contributing to adverse effects on immigration and discrimination
- b. This section outlines three grant programs to alleviate the repercussions of the War on Drugs:
 - i. The Community Reinvestment Grant Program: funds nonprofits that provide services such as job training, reentry services, and legal aid
 - ii. The Cannabis Opportunity Program: provides funding to states to make loans to assist small businesses in the cannabis industry owned by socially and economically disadvantaged individual.
 - iii. The Equitable Licensing Grant Program: provides funding to states to implement cannabis licensing programs that minimize barriers for individuals affected by the War on Drugs
- c. Provisions of Medical Cannabis Recommendations by the VA would require the authorizing of physicians employed by the VA and HIS to provide recommendations regarding cannabis

5. Taxation of Cannabis and Establishment of Trust Fund

- a. This section would impose an excise tax on cannabis products, similar to the tax imposed on alcohol and tobacco. This rate would be 10% for the year of enactment, to be increased annually by 5% each year for 5 years. After 5 years, the tax would be levied on a per-ounce rate.
- b. This section would require a federal permit to sell cannabis products at wholesale

6. Public Health, Cannabis Administration, and Trade Practices

- a. This section outlines the FDA's ability to regulate cannabis distribution based on administration standards similar to current regulations for drugs and devices, such as registration and listing requirements, expedite the development and review of applications for drugs containing cannabis manufactured by small-business owners, and create a legal pathway for CBD in dietary supplements.

7. Comptroller General Review and Misc. Provisions

- a. This section instructs the Comptroller General to conduct a review of federal laws, regulations, and policies to identify additional areas in need of changes.

8. Additional Issues and General Items

- a. The draft is requesting comments on issues such as the necessary funding levels and resources for agencies to implement the Bill, consideration of transition rules and effective dates, interactions with state and local laws and international obligations and treaties, and additional opportunities to expand restorative justice.