

H.R. 3617 – Marijuana Opportunity Reinvestment and Expungement Act (MORE Act)

Prepared by NCSL staff

Overview: This bill would decriminalize and de-schedule cannabis, expunge certain cannabis related offenses, and reinvest in persons and communities adversely affected by the War on Drugs. De-scheduling cannabis would remove cannabis and cannabis derivatives from the Controlled Substances Act, allowing states and localities to legalize the sale and consumption of cannabis products by eligible individuals.

Sec. 2 – Findings

In this section, the bill acknowledges issues with the cannabis criminalization and the current state-level legal cannabis marketplace. Nearly every state and territory has legalized recreational or medical cannabis, despite it being a Schedule I substance, on par in illegality with heroin and LSD. Legal cannabis sales are projected to reach \$40.5 billion by 2020. Currently, cannabis prohibition costs taxpayers around \$3.6 billion per year and minorities are disproportionately affected, with high incarceration rates and harsher sentences than non-Hispanic whites. Exorbitant licensure fees for cannabis sales in legal states create a situation where minorities are less likely to benefit from legal sales.

Sec. 3 – Decriminalization of Cannabis

This section removes cannabis and cannabis derivatives from the Controlled Substances Act (21 U.S.C. ch. 13 § 801 et seq.) and tasks the Attorney General with creating a final rule for the removal of cannabis from the schedules of controlled substances. It also removes cannabis from several federal laws that impose penalties for possession or transportation of cannabis.

Sec. 4 – Demographic Data of Cannabis Business Owners

This section gives the Bureau of Labor Statistics the duty of recording and publicizing the demographic data of business owners and employees in the cannabis industry. Personally identifiable information would be kept confidential and not made available to the public.

Sec. 5 – Creation of Opportunity Trust Fund and Imposition of Taxes with Respect to Cannabis Products

This section creates the Opportunity Trust Fund within the United States Treasury. The trust fund would be funded through federal taxes levied on cannabis products produced or imported into the United States. The tax would start at 5% of the sale price of the product and increase to 8% in 1% intervals over five years. States and localities would not be preempted from levying additional taxes on cannabis products. Cannabis sellers would be responsible for collecting the tax. This section amends applicable tax laws with penalties for nonpayment of cannabis related taxes. It also outlines the necessary procedures for attaining permits and bonds necessary to open a cannabis operation.

This section also creates the Cannabis Justice Office within the Department of Justice's Office of Justice Programs. This office would establish and implement the Community Reinvestment Grant Program, which would fund services for individuals impacted by the War on Drugs. These

services include job training, reentry services, legal aid, literacy programs, youth recreation and mentoring, substance abuse disorder services, and health education programs.

This section also creates the Cannabis Restorative Opportunity Program, a grant program administered by the Small Business Administration. This program would provide loans and technical assistance to small cannabis businesses owned and controlled by socially and economically disadvantaged individuals.

Sec. 7 – Availability of Small Business Administration Programs and Services to Cannabis-Related Legitimate Businesses and Service Providers

Section 7 defines a “cannabis related legitimate business” as a manufacturer, producer, or any person or company that is a small business concern and that legally participates in any business activity that involves handling cannabis or cannabis products, including cultivating, producing, manufacturing, selling, transporting, displaying, dispensing, distributing, or purchasing cannabis or cannabis products. This definition is for the purposes of SBA program eligibility. This section also outlines regulations for loans and other finance topics.

Sec. 8 – No Discrimination in the Provision of a Federal Public Benefit on the Basis of Cannabis

This section prohibits federal agencies from denying public benefits to individuals based on past or present use or possession of cannabis, or based on a past conviction for a cannabis offense.

Sec. 9 – No Adverse Effect for Purposes of the Immigration Laws

This section forbids consideration of cannabis use or prior arrest or conviction for cannabis offenses for the purposes of immigration laws.

Sec. 10 – Resentencing and Expungement

This section obligates each federal district to conduct a comprehensive review and expunge each conviction or adjudication of juvenile delinquency for non-violent federal cannabis offenses between May 1, 1971 and the date of enactment of the bill. The courts must notify each individual who receives an expungement. This section also gives any individual currently serving a sentence for a non-violent federal cannabis offense the right to a sentencing review hearing. After a sentencing hearing the court shall expunge any applicable offenses and arrests, vacate the existing sentence, and order the sealing of all records related to the applicable offense.

Sec. 11 – References in Existing Law to Marijuana or Marihuana

The section replaces “marijuana” with “cannabis” in all federal statutes, regulations, and agency and administrative documents.

Sec. 12 – Severability

This section provides that if any provision of this bill is found unconstitutional, that provision shall be severed from the rest of the bill.

Sec. 13 – Cannabis Offense Defined

This section defines a cannabis offense as (1) a federal criminal offense related to cannabis that would no longer be punishable under the bill or (2) a criminal offense that under state law is no longer an offense after the adoption of a state law authorizing the sale or use of cannabis.

Sec. 14 – Rulemaking

This section obligates the Department of the Treasury, and Department of Justice, and the Small Business Administration to administer and/or amend rules to carry out the provisions of the bill.

Sec. 15 - Societal Impact of Marijuana Legalization Study

This section obligates the Comptroller General to provide Congress a study that addresses the societal impact of the legalization of recreational cannabis by states. The section lists topics the study should include such as workplace changes, tax revenue, changes in government spending, public health effects, education impacts, organized crime, and interstate drug trade.