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(Original Signature of Member)

115TH CONGRESS
2D SESSION

H. RES.

Urging action to increase equity within the legal cannabis marketplace.

IN THE HOUSE OF REPRESENTATIVES

Ms. LEE submitted the following resolution; which was referred to the
Committee on _____

RESOLUTION

Urging action to increase equity within the legal cannabis
marketplace.

Whereas the communities that have been most harmed by
cannabis prohibition are benefiting the least from the
legal marijuana marketplace;

Whereas 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;

Whereas 30 States and the District of Columbia have adopt-
ed laws allowing legal access to cannabis, and 9 States
and the District of Columbia have adopted laws legalizing
cannabis for adult recreational use;

Whereas legal cannabis sales totaled \$6.7 billion in 2016 and are projected to reach \$50 billion by 2026;

Whereas according to the American Civil Liberties Union (ACLU), enforcing cannabis prohibition laws costs taxpayers about \$3.6 billion a year;

Whereas 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;

Whereas 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;

Whereas, in 2013, simple cannabis possession was the fourth most common cause of deportation for any offense and the most common cause of deportation for drug law violations;

Whereas it is estimated that less than 1 percent of the cannabis industry is owned or operated by people of color;

Whereas applicants for cannabis licenses are limited by numerous laws, regulations, and exorbitant permit applications and licensing fees in these States, which can total more than \$700,000;

Whereas 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;

Whereas Federal law severely limits access to loans and capital for cannabis businesses, disproportionately impacting minority small business owners; and

Whereas some States and municipalities have taken proactive steps to mitigate inequalities in the legal cannabis marketplace and ensure equal participation in the industry: Now, therefore, be it

1 *Resolved,*

2 **SECTION 1. SHORT TITLE.**

3 This resolution may be cited as the “Realizing Equitable & Sustainable Participation in Emerging Cannabis Trades Resolution” or the “RESPECT Resolution”.

6 **SEC. 2. BEST PRACTICES AND STEPS TO ADDRESS DISPARITIES IN THE CANNABIS MARKETPLACE PARTICIPATION; ADDRESS, REVERSE, AND REPAIR CERTAIN EFFECTS OF THE WAR ON DRUGS.**

11 (a) IN GENERAL.—The House of Representatives encourages States and localities to adopt best practices and take bold steps referred to in subsection (b) to address disparities in the cannabis marketplace participation and to address, reverse, and repair the most egregious effects of the war on drugs on communities of color, in particular to those who now hold criminal records for a substance that is now legal and regulated.

1 (b) BEST PRACTICES AND STEPS.—The practices
2 and steps referred to in this subsection include—

3 (1) establishing licensing and application fees
4 that are reasonable to cover only the costs of pro-
5 gram implementation and necessary regulations;

6 (2) creating a system where licensing is to be
7 obtained at the city or county level and should be
8 based on regulations determined by the local juris-
9 diction that meet the State’s minimum require-
10 ments, which allows the community to determine the
11 type and number of businesses, avoids arbitrary caps
12 on licenses, and results in an industry more rep-
13 resentative of the local market;

14 (3) in States where license caps are completely
15 unavoidable, establishing local oversight and control
16 of cannabis licenses by allowing local cities and mu-
17 nicipalities to prioritize licenses for local citizens and
18 residents, especially individuals most impacted by
19 the war on drugs, by taking into account and
20 prioritizing—

21 (A) long-term residency within the State or
22 locality,

23 (B) individuals whose income is less than
24 80 percent of the median household income
25 within a county,

1 (C) individuals who have been formerly in-
2 carcerated,

3 (D) individuals with prior drug law viola-
4 tions, and

5 (E) individuals living within a jurisdiction
6 that is heavily policed; and

7 (4) adopting laws and implementing regulations
8 that will allow small cultivators to thrive in the legal
9 market;

10 (5) creating more equitable licensing by—

11 (A) eliminating broad felony restrictions
12 for licensing,

13 (B) focusing restrictions on entering the
14 market to those, determined on a case-by-case
15 basis for both licensees and employees, with
16 criminal convictions that are relevant to the
17 owning and operating of a business, and

18 (C) prohibiting previous cannabis convic-
19 tions from consideration as justification for a
20 denial of a license;

21 (6) creating an automatic process, at no cost
22 for the individual, for the expungement or sealing of
23 criminal records for cannabis offenses that is inclu-
24 sive of individuals currently on parole or under any
25 probationary agreement, for cannabis offenses;

1 (7) establishing a process for resentencing per-
2 sons serving sentences for cannabis convictions and
3 redesignating of penalties for persons previously con-
4 victed of cannabis-related crimes for which the pen-
5 alties have been reduced or removed;

6 (8) eliminating suspicionless drug testing for
7 nonsafety sensitive positions;

8 (9) eliminating punishment or other penaliza-
9 tion for persons currently under parole, probation,
10 or other State supervision, or released on bail await-
11 ing trial, for conduct otherwise allowed under State
12 cannabis laws;

13 (10) setting aside a percentage of the tax rev-
14 enue from cannabis sales to be reinvested in commu-
15 nities that have been most affected by cannabis ar-
16 rests and the drug war, which most frequently have
17 been communities of color, including programs for
18 job training, reentry services, expungement expenses,
19 public libraries, community centers, programs and
20 opportunities dedicated to youth, and health edu-
21 cation programs;

22 (11) using a percentage of tax revenue to estab-
23 lish a special fund to provide small business invest-
24 ments to support people of color entering into the
25 legal marijuana industry;

1 (12) establishing cannabis regulatory and over-
2 sight bodies and commissions that reflect the racial,
3 ethnic, economic, and gender makeup of the sur-
4 rounding community;

5 (13) creating employment and subcontracting
6 requirements for cannabis licensee in order to use
7 the ancillary business activity generated by the can-
8 nabis industry to employ people of color; and

9 (14) including provisions designating spaces for
10 public consumption, either by the licensing of social
11 entities or by creating these spaces.