

Alert

November 25, 2019



Landmark Cannabis Legislation Approved by Judiciary Committee

On Wednesday, November 20, 2019, the House Judiciary Committee approved, by a vote of 24 to 10, a bill that is being referred to by many advocates as a landmark bill for the cannabis community. This bill, titled the Marijuana Opportunity Reinvestment and Expungement Act of 2019 and referred to by many as the MORE Act, is a multifaceted piece of legislation that aims to remove cannabis from the list of federally controlled substances while simultaneously employing steps to reinvest in communities that have been disproportionately impacted by the war on drugs. The committee vote on the MORE Act comes just weeks after the House of Representatives overwhelmingly passed the Secure and Fair Enforcement Banking Act of 2019 (the SAFE Act), which contemplated expanding access to banking services for cannabis industry participants.

The MORE Act includes provisions for the clearing of criminal records for those with low-level marijuana offenses and for the removal of cannabis from the controlled substances list. The MORE Act also includes provisions facilitating veteran access to cannabis products, by allowing Veterans Administration physicians to recommend medicinal cannabis products to patients in certain circumstances. The MORE Act would impose a 5 percent federal excise tax on non-medicinal cannabis products, the proceeds of which would be put towards an "opportunity trust fund" that would fund legal assistance and employment training in those communities disproportionately affected by the war on drugs. The MORE Act would also facilitate access to banking services for legitimate cannabis businesses and would allow for certain business tax incentives that are currently unavailable to cannabis businesses under the Internal Revenue Code.

Advocates are optimistic about the potential for passage of the MORE Act in the Democrat-controlled House of Representatives, while passage is much less certain in the Republican-led Senate. The MORE Act lacks bipartisan support, and critics argue that it does not adequately address issues involving cultivation, distribution, and the sale and use of cannabis. Though proponents are hailing this legislation as a step towards legalization, with Senate passage questionable, this Act may be one step forward on a long road ahead.

The latest draft of the Marijuana Opportunity Reinvestment and Expungement Act of 2019 is available [here](#).

If you want to learn more about the issues discussed in this Alert, please contact a member of Cozen O'Connor's Cannabis Industry Team.

DISCLAIMER: Cannabis is still classified as a Schedule I controlled substance by the U.S. Drug Enforcement Agency, and as such it remains a federal crime to grow, sell and/or use cannabis. Any content contained herein is not intended to provide legal advice to assist with violation of any state or federal law.



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Industry Sectors

- Cannabis