

117TH CONGRESS
2ND SESSION

H.R. _____

To amend any applicable federal law to permit access to community development, small business, minority development, and any other public or private financial capital sources for investment in and financing of cannabis-related legitimate businesses, and to amend the Securities Exchange Act of 1934 to create a safe harbor for national securities exchanges to list the securities of issuers that are cannabis-related legitimate businesses.

IN THE HOUSE OF REPRESENTATIVES

June 23, 2022

MR. CARTER introduced the following bill; which was referred to the Committee on _____

A BILL

To amend any applicable federal law to permit access to community development, small business, minority development, and any other public or private financial capital sources for investment in and financing of cannabis-related legitimate businesses, and to amend the Securities Exchange Act of 1934 to create a safe harbor for national securities exchanges to list the securities of issuers that are cannabis-related legitimate businesses.

1 *Be it enacted by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2

3 This Act may be cited as the “Capital Lending and In-
4 vestment for Marijuana Businesses” Act (the CLIMB Act).

5 **SEC. 2. PERMITTING ACCESS TO COMMUNITY**
6 **DEVELOPMENT, SMALL BUSINESS, MINORITY**
7 **DEVELOPMENT AND FINANCIAL INSTITUTION**
8 **CAPITAL FOR INVESTMENT IN AND FINANCING OF**
9 **CANNABIS-RELATED LEGITIMATE BUSINESSES**
10 **AND THEIR SERVICE PROVIDERS.**

11 (a) PROSCRIPTION AGAINST FEDERAL AGENCY
12 ACTION.--No agency of the federal government shall:

13 (i) initiate or otherwise support bringing civil,
14 criminal, regulatory or administrative actions that would
15 disqualify any business person or governmental author-
16 ity from holding or obtaining any charter, license, regis-
17 tration, or official status, from maintaining, applying for
18 or receiving funding, appropriations, grants, contracts,
19 or other forms of monetary or non-monetary assistance
20 from a governmental authority, or from marketing, of-
21 fering, or selling any security, banking, or insurance or
22 other financial services product, because such business
23 or person:

24 (A) provides business assistance to a can-
25 nabis-related legitimate business or service pro-
26 vider; or

27 (B) receives cash or other compensation for
28 providing business assistance to a cannabis-re-
29 lated legitimate business or service provider
30 which cash or other compensation is generated
31 from or is proceeds of the business operations of
32 a cannabis-related legitimate business or service
33 provider.

34 (b) DEFINITIONS.—

1 (1) BUSINESS ASSISTANCE.—The term “busi-
2 ness assistance” means—

3 (i) provision of financial services including
4 but not by way of limitation, commercial banking,
5 deposit-taking, trust services, capital raising,
6 lending, brokerage, prime brokerage, securities fi-
7 nance services, investment banking, custody ser-
8 vices, credit card services, money transfer ser-
9 vices, securities underwriting and investment ad-
10 visory services;

11 (ii) sale of insurance or surety products;

12 (iii) providing debt or equity capital and
13 the receipt of dividends, interest, or distributions
14 of that capital;

15 (iv) provision or accounting services;

16 (v) sale, leasing or renting of real estate;

17 (vi) provision of equipment, parts, sub-
18 stances or testing services needed to produce ma-
19 rijuana, hemp or extracts therefrom and to comply
20 with the law, rules and regulations for testing in
21 the applicable U.S. state, commonwealth, Wash-
22 ington, D.C., Indian Tribe or U.S. Territory;

23 (vii) provision of advertising or marketing
24 services;

25 (viii) provision of management consulting
26 services;

27 (ix) provision of legal services or compli-
28 ance services;

29 (x) provision of information technology,
30 software and communications services;

31 (xi) provision of packaging, transportation,
32 or other logistics services; and

1 (xii) underwriting, dealing, placement or
2 public distribution of securities issued by a canna-
3 bis-related legitimate business, including the list-
4 ing of any such securities on any exchange or trad-
5 ing venue, or any provision of services related to
6 the foregoing.

7 (2) GOVERNMENTAL AUTHORITY.—The
8 term “governmental authority” means any federal, state,
9 municipal, national, local, tribal, or other governmental
10 department, court, commission, board, bureau, agency
11 or instrumentality or political subdivision thereof, or any
12 entity or officer exercising executive, legislative or judi-
13 cial, regulatory or administrative functions of or pertain-
14 ing to any government or any court, in each case,
15 whether of the United States or a state, territory or pos-
16 session thereof, a foreign sovereign entity or country or
17 jurisdiction or the District of Columbia.

18 (3) PERSON.—The term “person” means an in-
19 dividual, a partnership, a corporation, a limited liability
20 company, a business trust, a joint stock company, a trust,
21 an unincorporated association, a joint venture, a govern-
22 mental authority or any other entity of whatever nature.

23 **SEC. 3. SAFE HARBOR FOR NATIONAL SECURITIES**
24 **EXCHANGES.**

25 Section 6 of the Securities Exchange Act of 1934 (15
26 U.S.C. 78f) is amended by adding at the end the following:

27 “(m) SAFE HARBOR FOR CANNABIS-RELATED
28 LEGITIMATE BUSINESSES AND SERVICE PRO-
29 VIDERS.—

30 “(1) DEFINITIONS.—In this subsection--

31 “(A) CANNABIS.—The term ‘cannabis’
32 has the meaning given the term ‘marihuana’ in
33 section 102 of the Controlled Substances Act (21
34 U.S.C. 802);

1 “(B) CANNABIS PRODUCT.—The term
2 ‘cannabis product’ means any article that contains
3 cannabis, including an article that is a concentrate,
4 an edible, a tincture, a cannabis-infused product,
5 or a topical;

6 “(C) CANNABIS-RELATED LEGITI-
7 MATE BUSINESS.—The term ‘cannabis-related
8 legitimate business’ means an issuer that—

9 “(i) initiates, engages, or participates in
10 any business or organized activity that in-
11 volves cannabis or cannabis products, in-
12 cluding cultivating, warehousing, produc-
13 ing, manufacturing, processing, selling,
14 transporting, displaying, dispensing, dis-
15 tributing, or purchasing cannabis or canna-
16 bis products; and

17 “(ii) engages in the activity described in
18 clause (i) pursuant to a law established by a
19 State or a political subdivision of a State, as
20 determined by that State or political subdi-
21 vision.

22 “(D) MARKET PARTICIPANT.—The term
23 ‘market participant’ means any broker dealer, under-
24 writer, clearing agency or clearinghouse, securities de-
25 pository, credit rating agency, alternative trading sys-
26 tem, investment adviser, self-regulatory organization, or
27 transfer agent.

28 “(E) SERVICE PROVIDER.—The term ‘service
29 provider’ means—

30 “(i) an issuer that—

31 “(I) sells or otherwise provides goods or
32 services to a cannabis-related legitimate
33 business; or

1 “(II) provides any business service relating
2 to cannabis or cannabis product, including
3 without limitation, —

4 “(1) legal, compliance, or accounting
5 services;

6 “(2) sale, leasing or renting of real
7 estate or equipment;

8 “(3) provision of parts, substances or
9 testing services needed to produce mariju-
10 ana, hemp or extracts therefrom and to
11 comply with the law, rules and regulations
12 for testing in the applicable U.S. state, com-
13 monwealth, Washington, D.C., Indian
14 Tribe or U.S. Territory;

15 “(4) advertising or marketing ser-
16 vices;

17 “(5) management consulting ser-
18 vices;

19 “(6) information technology, soft-
20 ware and communications services; and

21 “(7) packaging, transportation or
22 other logistics services; and

23 “(ii) is not a cannabis-related legitimate business;
24 and

25 “(F) STATE.—The term ‘State’ means each of
26 the several States, the District of Columbia, the Com-
27 monwealth of Puerto Rico, and each of the territories
28 and possessions of the United States.

29 “(2) SAFE HARBOR.—Notwithstanding section
30 32 of this Act, the Controlled Substances Act (21 USC
31 801 et. seq.), or any other Federal law, it shall not be
32 unlawful for a national securities exchange registered
33 pursuant to subsection (a) or any market participant to

1 have listed, list, or intend to list, or permits the trading,
2 or facilitates the offering, listing, or trading on a national
3 securities exchange, of the securities of a cannabis-re-
4 lated legitimate business or a service provider.’’.

5 **SEC. 4. EFFECTIVE DATE.**

6 This Act and the amendment made in section 2 shall take
7 effect 180 days after the date of enactment of this Act.