

**[DISCUSSION DRAFT]**

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R.** \_\_\_\_\_

To prohibit Federal agencies from taking any adverse action against a person solely because the person provides business assistance to a cannabis-related legitimate business, 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, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. RESCENTIALER introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To prohibit Federal agencies from taking any adverse action against a person solely because the person provides business assistance to a cannabis-related legitimate business, 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, and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Capital Lending and  
3 Investment for Marijuana Businesses Act” or the  
4 “CLIMB Act”.

5 **SEC. 2. PROHIBITION ON FEDERAL AGENCIES TAKING CER-**  
6 **TAIN ACTIONS AGAINST PERSONS WHO PRO-**  
7 **VIDE BUSINESS ASSISTANCE TO CANNABIS-**  
8 **RELATED LEGITIMATE BUSINESSES.**

9 (a) IN GENERAL.—A Federal agency may not take  
10 any adverse action against a person solely because the per-  
11 son provides business assistance to a cannabis-related le-  
12 gitimate business or service provider.

13 (b) DEFINITIONS.—In this section:

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

16 (A) providing a financial product or serv-  
17 ice;

18 (B) selling insurance or surety products;

19 (C) providing debt or equity capital or re-  
20 ceiving dividends, interest, or distributions of  
21 that capital;

22 (D) providing accounting services;

23 (E) the sale, lease, or rental of real estate;

24 (F) providing equipment, parts, sub-  
25 stances, or testing services needed to produce

1           cannabis in compliance with the laws and regu-  
2           lations in the applicable State;

3           (G) providing advertising or marketing  
4           services;

5           (H) providing management consulting  
6           services;

7           (I) providing legal services or compliance  
8           services;

9           (J) providing information technology, soft-  
10          ware, or communications services;

11          (K) provision of packaging, transportation,  
12          or other logistics services; and

13          (L) underwriting, dealing, placement or  
14          public distribution of securities issued by a can-  
15          nabis-related legitimate business, including the  
16          listing of any such securities on any exchange  
17          or trading venue, or any provision of services  
18          related to the foregoing.

19          (2) CANNABIS.—The term “cannabis” has the  
20          meaning given that term in section 6(m)(1) of the  
21          Securities Exchange Act of 1934.

22          (3) CANNABIS-RELATED LEGITIMATE BUSI-  
23          NESS.—The term “cannabis-related legitimate busi-  
24          ness” has the meaning given that term in section  
25          6(m)(1) of the Securities Exchange Act of 1934.

1           (4) FINANCIAL PRODUCT OR SERVICE.—The  
2 term “financial product or service” has the meaning  
3 given that term in section 1002 of the Consumer Fi-  
4 nancial Protection Act of 2010 (12 U.S.C. 5481).

5           (5) PERSON.—The term “person” means an in-  
6 dividual, a partnership, a corporation, a limited li-  
7 ability company, a business trust, a joint stock com-  
8 pany, a trust, an unincorporated association, a joint  
9 venture, or any other entity.

10          (6) SERVICE PROVIDER.—The term “service  
11 provider” has the meaning given that term in sec-  
12 tion 6(m)(1) of the Securities Exchange Act of  
13 1934.

14          (7) STATE.—The term “State” means each of  
15 the several States, the District of Columbia, each of  
16 the territories of the United States, and each Indian  
17 Tribe.

18 **SEC. 3. SAFE HARBOR FOR NATIONAL SECURITIES EX-**  
19 **CHANGES.**

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

22       “(m) SAFE HARBOR FOR CANNABIS-RELATED LE-  
23 GITIMATE BUSINESSES AND SERVICE PROVIDERS.—

24           “(1) DEFINITIONS.—In this subsection:

1           “(A) CANNABIS.—The term ‘cannabis’ has  
2           the meaning given the term ‘marihuana’ in sec-  
3           tion 102 of the Controlled Substances Act (21  
4           U.S.C. 802).

5           “(B) CANNABIS PRODUCT.—The term  
6           ‘cannabis product’ means any article that con-  
7           tains cannabis, including an article that is a  
8           concentrate, an edible, a tincture, a cannabis-in-  
9           fused product, or a topical.

10          “(C) CANNABIS-RELATED LEGITIMATE  
11          BUSINESS.—The term ‘cannabis-related legiti-  
12          mate business’ means an issuer that—

13                 “(i) initiates, engages, or participates  
14                 in any business or organized activity that  
15                 involves cannabis or cannabis products, in-  
16                 cluding cultivating, warehousing, pro-  
17                 ducing, manufacturing, processing, selling,  
18                 transporting, displaying, dispensing, dis-  
19                 tributing, or purchasing cannabis or can-  
20                 nabis products; and

21                 “(ii) engages in the activity described  
22                 in clause (i) pursuant to a law established  
23                 by a State or a political subdivision of a  
24                 State, as determined by that State or polit-  
25                 ical subdivision.

1           “(D) MARKET PARTICIPANT.—The term  
2           ‘market participant’ means any broker dealer,  
3           underwriter, clearing agency or clearinghouse,  
4           securities depository, credit rating agency, al-  
5           ternative trading system, investment adviser,  
6           self-regulatory organization, or transfer agent.

7           “(E) SERVICE PROVIDER.—The term ‘serv-  
8           ice provider’ means—

9                   “(i) an issuer that—

10                           “(I) sells or otherwise provides  
11                           goods or services to a cannabis-related  
12                           legitimate business; or

13                           “(II) provides any business serv-  
14                           ice relating to cannabis or a cannabis  
15                           product, including—

16                                   “(aa) legal, compliance, or  
17                                   accounting services;

18                                   “(bb) sale, leasing, or rent-  
19                                   ing of real estate or equipment;

20                                   “(cc) provision of parts, sub-  
21                                   stances, or testing services need-  
22                                   ed to produce cannabis in compli-  
23                                   ance with the laws and regula-  
24                                   tions in the applicable State;

1                   “(dd) advertising or mar-  
2                   keting services;

3                   “(ee) management con-  
4                   sulting services;

5                   “(ff) information technology,  
6                   software, or communications  
7                   services; and

8                   “(gg) packaging, transpor-  
9                   tation, or other logistics services;  
10                  and

11                  “(ii) is not a cannabis-related legiti-  
12                  mate business.

13                  “(F) STATE.—The term ‘State’ means  
14                  each of the several States, the District of Co-  
15                  lumbia, each of the territories of the United  
16                  States, and each Indian Tribe.

17                  “(2) SAFE HARBOR.—Notwithstanding section  
18                  32 of this Act, the Controlled Substances Act (21  
19                  U.S.C. 801 et seq.), or any other Federal law, it  
20                  shall not be unlawful for a national securities ex-  
21                  change registered pursuant to subsection (a) or any  
22                  market participant to take the following actions in  
23                  connection with the securities of a cannabis-related  
24                  legitimate business or a service provider:

1                   “(A) To have listed, list, or intend to list  
2                   such securities.

3                   “(B) To permit the trading of such securi-  
4                   ties on a national securities exchange.

5                   “(C) To facilitate the offering, listing, or  
6                   trading of such securities on a national securi-  
7                   ties exchange”.

8   **SEC. 4. EFFECTIVE DATE.**

9                   This Act and the amendment made by this Act shall  
10                  take effect 180 days after the date of enactment of this  
11                  Act.