

JULY 2026

KEY TAKEAWAYS:

- The CAOIA is a comprehensive marijuana legalization bill that was reintroduced in the U.S. Senate in July 2026. If passed, the legislation would federally decriminalize marijuana by removing ("descheduling") it from the Controlled Substances Act (CSA).
- The CAOIA would begin repairing the harms caused by marijuana criminalization by supporting job training, reentry services, health education, youth prevention, and legal aid.
- The CAOIA would improve marijuana regulation by strengthening worker protections, ensuring small businesses and entrepreneurs can meaningfully participate in legal markets, and advancing marijuana research to protect public health.
- Recently, the federal government has taken steps to advance the rescheduling of marijuana from Schedule I to Schedule III on the CSA. This would lift some research barriers and create tax breaks for marijuana businesses. However, as long as marijuana remains in any schedule under the CSA, it will be illegal at the federal level. Congressional legislation like the CAOIA is needed to federally 'deschedule' or decriminalize marijuana.

WHAT DOES THE CAOIA DO?

Ends the federal criminalization of marijuana.

By removing marijuana from the CSA, the CAOIA clearly and unambiguously decriminalizes marijuana at the federal level. This is the most crucial element of federal marijuana reform. As long as marijuana remains listed anywhere in the CSA, steep criminal penalties for marijuana and related barriers will stay in place.

Creates pathways to reduced criminal sentences and expungements, restoring jobs, housing, and civil rights for those with marijuana convictions.

The CAOIA would allow for reductions in sentences for those currently incarcerated for marijuana convictions, as well as set up a system to automatically expunge previous marijuana convictions. Expungements of previous marijuana arrests are necessary to address the harms caused by the collateral consequences of a marijuana conviction, such as difficulty finding a job, accessing public benefits like SNAP/TANF or securing housing assistance, and the restoration of other rights such as voting.

Establishes an Opportunity Trust Fund to support job training, reentry, and health education for communities harmed by marijuana criminalization.

To address the social harms caused by marijuana criminalization, impacting people who were incarcerated and the communities that were disproportionately targeted for enforcement, the CAOIA creates an Opportunity Trust Fund funded by federal marijuana tax revenue. This program would finance services in communities that need it most, such as job training, reentry support, literacy programs, youth programs, legal aid, and health education.

Advances public health by easing research restrictions to study marijuana's health benefits and risks.

Marijuana's placement in the CSA has inhibited doctors and scientists from fully investigating the potential health benefits that marijuana and its derivatives may provide. Despite the passage of the Medical Marijuana and Cannabidiol Research Expansion Act in 2022, which was designed to ease some of the burdens imposed upon doctors and scientists, it remains significantly difficult to research marijuana.¹ Even under rescheduling, the 2022 law imposes extra legal burdens for researching marijuana.² As long as marijuana remains on the CSA, researchers will continue to face administrative hurdles in investigating the potential evidence-based risks associated with high-THC products. Descheduling marijuana through the CAOAs would lift many of the existing barriers to research and help unlock the full medical and scientific benefits and risks of marijuana.

The CAOAs further advance public health through the formation of the Cannabis Products Advisory Committee. The committee would be composed of federal officials, health experts, and advocates representing patients, consumers, workers, industry, and regulators. They would make recommendations to further improve marijuana laws and regulations from a public health perspective. Additionally, the CAOAs restricts marijuana sales to underage youth and prevents marijuana products from being marketed towards them.

Promotes fairness in the marijuana industry for small businesses.

As long as marijuana remains federally criminalized, small businesses and workers in the state-regulated marijuana industry will be needlessly disadvantaged compared to those working in other regulated industries. The CAOAs would legalize the state-regulated marijuana industry and end the tax penalty imposed by Section 280E of the Internal Revenue Code. It would also establish the Cannabis Restorative Opportunity Program and the Equitable Licensing Grant Program within the Small Business Administration to support the inclusion of impacted people in the marijuana industry.

Currently, the tax relief from partially rescheduling medical marijuana will primarily benefit larger businesses. State-licensed medical marijuana companies tend to be larger corporations than adult-use marijuana businesses, making it more likely that small businesses will be left behind.

Protects workers and creates career opportunities

Descheduling marijuana would help open the door for federally supported apprenticeship and pre-apprenticeships programs to improve the skills of marijuana workers. Additionally, legalization would remove much of the ambiguity regarding National Labor Relations Act (NLRA) and Fair Labor Standards Act (FLSA) protections and empower workers to unionize and assert their rights as employees. In addition to increasing workplace safety, these rights have been shown to improve wages for marijuana workers.³ The CAOAs provides explicit protections for workers under the Occupational Safety and Health Act (OSHA) and helps companies to prevent and remediate workplace hazards.

BACKGROUND: WHY WE MUST END MARIJUANA CRIMINALIZATION

The harms of federal marijuana criminalization include barriers to jobs, housing, and food assistance.

In 1971, the enactment of the federal CSA designated marijuana as a Schedule I substance. This meant that the federal government criminalized it because it considers marijuana to have no accepted medical use and a high potential for abuse. In April 2026, the Trump Administration's Department of Justice ("DOJ") issued an order that partially rescheduled marijuana by placing two categories of products under Schedule III of the CSA: (1) FDA-approved drugs containing marijuana and (2) products from state-licensed medical marijuana businesses.⁴ Despite the acknowledgement that marijuana has accepted medical use and does not have a high potential for abuse, all other forms of marijuana remain in Schedule I of the CSA, including products from state-licensed, adult-use marijuana businesses. Simply put, rescheduling marijuana does not end its criminalization.

Drug scheduling has often been shaped more by politics and stigma than science. The placement of marijuana in the CSA established significant criminal penalties for marijuana production, distribution, possession, and use.⁵ Negative outcomes of marijuana's placement in the CSA include:

- Tens of thousands of people arrested, convicted, and incarcerated on federal marijuana charges.
- Targeted, discriminatory policing of Black and Brown communities. Black people are 3.6 times more likely than white people to be arrested for marijuana.⁶
- Despite pardons for some marijuana possession cases in 2022 and 2023, it is estimated that approximately 3,000 people remain incarcerated for federal marijuana charges.⁷
- The influence of federal marijuana criminalization on state marijuana laws still results in hundreds of thousands of marijuana-related arrests annually.⁸

The impact of federal marijuana criminalization extends far beyond the walls of federal prisons. For example, people convicted for federal marijuana offenses experience:

- Separation from their families, causing emotional and financial distress.⁹
- Poor prison conditions, leading to negative physical and mental health consequences that impact those who are incarcerated, as well as the broader public.¹⁰
- Difficulty finding work, housing, or food assistance due to collateral barriers from arrest or incarceration.¹¹
- Risk of immigrant detention and deportation—even for working in legal state-regulated marijuana businesses—because marijuana remains federally criminalized.¹²

Marijuana's placement in the CSA has also created harm beyond the criminal justice system.

- Researchers face barriers in studying the health risks and medical benefits of marijuana.
- Small marijuana businesses are unable to access Small Business Administration loans, grants, and deductions.
- Protections for marijuana workers under the NLRA, FLSA, and OSHA are ambiguous and employees are subject to an uneven patchwork of state and local laws.

Passing the CAO would end federal marijuana criminalization, open up health research, help small marijuana businesses, and better protect workers.

IS MOVING ("RESCHEDULING") MARIJUANA ON THE CSA ENOUGH, OR DO WE NEED TO DESCHEDULE IT?

Marijuana must be fully removed ("descheduled") from the CSA, not just rescheduled. Despite the 2026 order by the Trump Administration's DOJ to reclassify FDA-approved drugs containing marijuana and products from state-licensed medical marijuana businesses under Schedule III, marijuana will remain federally criminalized as long as it's on the CSA.

Maintaining marijuana on the CSA means:

- Mandatory minimum criminal sentences will continue to apply.
- Adult-use marijuana programs and some state-authorized medical marijuana activity will still be federally illegal.
- Individuals with previous convictions will continue to be denied federal benefits.
- Non-citizens will still face risk of detention and deportation.
- Workers will continue to lack federal workplace safety standards and benefits.

Generally, rescheduling a drug to a less restrictive schedule loosens the restrictions around researching it. However, marijuana research will continue to face additional burdens. A September 2024 report from the Congressional Research Service found that researchers of “marijuana or CBD containing drugs would not benefit from these looser restrictions associated with rescheduling without congressional action.”¹³ This is due to the Medical Marijuana and Cannabidiol Research Expansion Act, which was signed into law in 2022, and “created separate requirements for marijuana researchers and manufacturers to expedite registration with the DEA, and these separate requirements would not be affected by rescheduling without additional congressional action.”¹⁴ While the 2026 partial rescheduling order from the DOJ will ease some barriers to research, by allowing state-licensed medical marijuana products for non-clinical research, many other challenges will remain.

To truly decriminalize marijuana at the federal level and address the harms of criminalization, Congress must pass a legislative solution like the CAO that will fully deschedule marijuana from the CSA.

WHAT CAN I DO TO SUPPORT THE CAO?

Contact your senators, and urge them to join the CAO as a cosponsor. The CAO will end decades of discriminatory marijuana criminalization, begin to repair past harms, and prioritize equity, public health, and reinvestment in federal marijuana law and policy.

END NOTES

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3. Economic Policy Institute, “Ensuring the High Road in Cannabis” September 20, 2021. <https://files.epi.org/uploads/233733.pdf>.
4. U.S. Department of Justice, “Schedules of Controlled Substances: Rescheduling of Food and Drug Administration Approved Products Containing Marijuana and Products Containing Marijuana Subject to a Qualifying State-Issued License From Schedule I to Schedule III; Corresponding Change to Permit Requirements,” final order. April 23, 2026. <https://www.justice.gov/opa/media/1437441/dl>.
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13. Kafka, Dorothy C. *Legal Effect of Marijuana Rescheduling on FDA’s Regulation of Cannabis*. Congressional Research Service, 2024. <https://www.congress.gov/crs-product/LSB1227>.
14. Ibid.