BILL NAME:


WHAT THIS BILL DOES:

This legislation would legalize and regulate the cultivation, production, and sale of recreational cannabis in the District.

IMPORTANTANCE OF THE BILL:

In 2014, voters of the District overwhelmingly approved Initiative 71, which legalized the possession and cultivation of limited amounts of cannabis by residents age 21 and above. A month later, Congress included a rider in the Consolidated and Further Continuing Appropriations Act, 2015 prohibiting the District from using any funds to enact legislation taxing and regulating cannabis. This has led to a flourishing “grey market” with no regulations in place to protect consumers or the District.

To address this problem, I am pleased to introduce the Comprehensive Cannabis Legalization and Regulation Act of 2021 with my colleagues Councilmembers Allen, Cheh, Henderson, McDuffie, Pinto, and Nadeau. The Act is the culmination of over a year of work by my office and various stakeholders to draft a proposal that creates a comprehensive regulatory framework for the cultivation, production, and sale of recreational cannabis while centering reinvestment and opportunity for people and communities hit hardest by the drug war. To accomplish this, the bill includes:

- **A regulatory scheme to license the cultivation, production, and retail sale of cannabis in the District.** Regulations would be drafted by the renamed Alcoholic Beverage and Cannabis Administration (ABCA) in consultation with a Marijuana Advisory Committee composed of experts and community members. This would include use of a seed-to-sale tracking system to ensure that legal cannabis is not diverted into the illicit market.

- **A robust social equity program to provide opportunities for entrepreneurship to individuals most impacted by the War on Drugs.** At least half of all cannabis business licenses would be set aside for Social Equity Applicants, defined as residents who have been previously convicted of cannabis related offenses or have lived ten of the last twenty years in areas with high rates of poverty, unemployment, and cannabis-related arrests. Thirty percent of tax revenues from the sale of cannabis would be deposited into a Cannabis Equity and Opportunity Fund to provide loans, grants and technical assistance to these applicants.
• **A community reinvestment program for communities most impacted by the War on Drugs.** Fifty percent of tax revenues from the sale of cannabis would be deposited into a Community Reinvestment Program Fund. The fund would be used to provide grants to organizations addressing issues such as economic development, homeless prevention, support for returning citizens, and civil legal aid in areas with high poverty, unemployment, and gun violence.

• **Automatic expungement of D.C. Code cannabis-related arrests and convictions, and opportunities for re-sentencing of cannabis-related convictions.** In this bill, the Clerk of the Superior Court of the District of Columbia would search and automatically expunge any D.C. Code arrests and convictions of cannabis-related offenses. Incarcerated people would have an opportunity to have their sentence for cannabis-related offenses modified, vacated, or set aside.

This bill also includes provisions that would protect the supply of medical cannabis products for qualified patients, protect District residents who legally possess and consume cannabis so that they do not lose benefits, employment, or access to other critical resources, authorize banks to conduct business with licensees, allow for local tax deductions for licensee business expenses, and implement a robust public education campaign to inform residents of the law and responsible use of cannabis products.

This legislation will address inequities in the cannabis industry while providing for the safety and well-being of communities across the District. Previous iterations of this legislation did not go far enough to right the wrongs of the past or provide access to opportunities for our residents, particularly Black residents who have been unjustly targeted by the drug war. While we must wait for the congressional rider to be lifted before this Act could be implemented, it is my hope that with a Democratic majority in the Senate, that time will come soon.

Chairman Phil Mendelson
A BILL

IN THE COUNCIL OF THE DISTRICT COLUMBIA

To amend Title 25 of the District of Columbia Official Code to establish the Alcoholic Beverage and Cannabis Board and the Alcoholic Beverage and Cannabis Administration; to establish that the Chairperson of the ABCA Board may also have demonstrated knowledge in the cannabis industry; to establish the Cannabis Regulation Division; to establish the Cannabis Advisory Committee; to define various terms for new chapters through 30; to prohibit discrimination; to prohibit the sale of marijuana or marijuana products without a license; to prohibit exchanges of marijuana for purchasing another item; to provide the Board with the authority to issue marijuana licenses for 3 year periods; to create the Cannabis Equity and Opportunity Fund; to set aside a certain percentage of licenses for Social Equity Applicants; to establish grant and loan programs for Social Equity Applicants; to create requirement for the transfer of Social Equity Applicant licenses; to establish the Community Reinvestment Program and Board; to authorize the Board to create incentives for the production of medical marijuana and medical marijuana products; to create cultivation, manufacturer, microbusiness, off-premises retailer, and testing facility license categories; to create a research and development license category; to require laboratory agent registration with the ABCA; to require marijuana microbusinesses and off-premises retailers to obtain a delivery endorsement from the Board to deliver marijuana and marijuana products to District residents' homes; to create general qualifications for applicants; to require an applicant to have at least one or more directors, owners, or partners who are District residents that, individually or collectively, own 60% or more of the licensed establishment; to establish general qualifications for proposed establishments; to clarify when the appropriateness standards apply to marijuana license applications; to prohibit a microbusiness or off-premises retailer from being located within 400 feet of schools or recreation centers or in a residential-use district; to require the Board to give notice to the public for 45 days of various marijuana license applications; to establish procedures for Board hearings and decisions; to establish licensing fees for marijuana license applications; to establish requirements for filing a protest; to provide an affected ANC great weight; to establish general operating and product testing requirements; to require posting of licenses; to
establish hours of operation for marijuana licensees; to require licensees use a Board-
approved seed-to-sale tracking system; to establish maximum permitted sale amounts for
microbusinesses and off-premises retailers; to create packaging and labeling requirements
for marijuana products; to restrict what can be displayed on signs or logos from
marijuana licensees; to restrict the content and methods for advertising marijuana and
marijuana products; to prohibit licensees from giving free samples, promotional
giveaways, or mandating tie-in purchases for marijuana or marijuana product; to prohibit
the sale of marijuana or marijuana products to minors; to prohibit minors from entering a
licensed premises; to require the production of valid photo identification for entrance on
to the premises or for the sale of marijuana or marijuana products; to require security
plans and measures for licensed marijuana establishments; to require safekeeping by
ABCA of licenses that are temporarily suspended; to provide enforcement authority to
ABCA investigators, the Board, and MPD; to require the Board to establish a civil
penalty fine schedule by rulemaking; to prohibit the sale of marijuana or marijuana
products at licensed alcohol and tobacco establishments; to prohibit the sale of alcohol or
tobacco infused marijuana products; to prohibit tampering with packages or containers; to
make it unlawful to provide vaping devices to persons under 21 years of age; to make it
unlawful to forge a marijuana license; to provide a penalty for violations where no
specific penalty is provided; to prohibit purchase, possession, use or consumption by
persons under the age of 21; to impose an excise tax on marijuana sold or transferred
from cultivators to distributors, manufacturers, and retailers; to direct revenues to the
General Fund; to expunge records for marijuana convictions and adjudications; to
establish the authority for financial institutions to transact business with licensees; to
create a portal to ensure compliance of financial institutions; to exempt information
related to the location of cannabis properties owned by a cannabis cultivator or
manufacturer from FOIA disclosure; and to allow the transfer to another person 21 years
or older marijuana weighing ‘one ounce or less, or one clone, regardless of weight.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
act may be cited as the “Comprehensive Cannabis Legalization and Regulation Act of 2021”.

Sec. 2. Title 25 of the District of Columbia Official Code is amended as follows:

(a) The word “ABRA” is replaced with the word “ABCA” wherever it appears in this
Title.”.

(b) Chapter 1 is amended as follows:

(1) Section 25-101 is amended as follows:

(A) Subsection (1) is amended to read as follows:
“(1) “ABCA” means the Alcoholic Beverage and Cannabis Administration established by § 25-202.”.

(B) Subsection (11) is amended to read as follows:

“(11) “Board” means the Alcoholic Beverage and Cannabis Board established by § 25-201.

(c) Chapter 2 is amended as follows:

(1) The title of § 25-201 is amended to read as follows:

“§ 25-201. Establishment of the Alcoholic Beverage and Cannabis Board—appointment and responsibilities.”

(2) The first sentence of Section 25-201 is amended to read as follows:

“There is established an Alcoholic Beverage and Cannabis Board.”.

(3) Section 25-206 is amended to read as follows:

(A) Subsection (f)(2) is amended to read as follows:

“(f)(2) The chairperson shall have a demonstrated knowledge of the laws and regulations related to the sale and delivery of alcoholic beverages in the District and shall also have demonstrated knowledge of the cannabis industry.”.

(A) Subsection (g) is amended to read as follows:

“(g) No members or employee of the Board, directly or indirectly, individually, or as a member of a partnership, association, or limited liability company, or a shareholder in a corporation, shall have any interest in selling, transporting, or storing alcoholic beverages or marijuana products, or receive a commission or profit from any person licensed under this title to sell alcoholic beverages or cannabis products; provided, that a Board member or employee may purchase, transport, or keep in his or her possession an alcoholic beverage or
marijuana product for his or her personal use or the use of the members of his or her family or guests.”.

(4) A new section 25-213 is added to read as follows:

“Sec. 25-213. Cannabis Regulation Division; Chief of Cannabis Regulation.

“(a) There is established a Cannabis Regulation Division ("Division") within the Alcoholic Beverage and Cannabis Administration, which shall have as its head a Chief of Cannabis Regulation.

“(b)(1) The Division shall be responsible for the administration of this act and any laws and regulations under the Legalization of Marijuana for Medical Treatment Initiative of 1999, effective February 25, 2010 (D.C. Law 13-315, D.C. Official Code § 7-1671.01 et seq.).

“(c) The Chief of Cannabis Regulation shall be appointed by, and report directly to, the Director of the Alcohol and Cannabis Control Administration.

“(c) The Chief of Cannabis Regulation shall:

“(1) Be a resident of the District within 6 months of the commencement of his or her term of office;

“(2) Possess skills and expertise relevant to the regulation of cannabis.”.

(5) A new section 25-214 is added to read as follows:

“(a) The Mayor shall appoint a Marijuana Advisory Committee to study and make recommendations to the Board on the regulation and taxation of marijuana in the District.

“(b) The Committee shall consist of the following members:

“(1) The Director of ABCA, who shall serve as the Committee Chair;

“(2) The Commissioner of DISB or his or her designee;

“(3) The Attorney General of the District of Columbia or his or her designee;

“(4) The Chief Financial Officer or his or her designee;

“(5) The Director of the Public Defender Service for the District of Columbia or his or her designee;

“(6) The Director of the Department of Health or his or her designee;

“(6) A person with expertise in marijuana cultivation;

“(7) A person with expertise in marijuana product manufacturing;

“(8) A person with experience selling licensed marijuana or marijuana products;

“(9) A person with expertise in criminal justice reform;

“(10) Two persons from Disproportionately Impacted Areas as defined in D.C. Code § 25-2101;

“(11) A person with expertise in economic development;
“(12) A person with expertise in racial and economic justice; and
“(13) A person who is a current qualified patient under the District’s medical marijuana program.”.
“(c)(1) Members of the Committee identified in (b)(5) through (b)(11) of this subsection shall serve for terms of 3 years.
“(2) A member shall disclose any conflicts of interest and recuse him or herself from the discussion or consideration of any recommendations where a conflict of interest exists.
“(d)(1) The Committee shall advise on the preparation of regulations and consider all matters submitted to it by the Board.
“(2) Where the Board rejects recommendations from the Committee, it must provide the Committee a justification for the rejection.
“(e) The Chair may establish subcommittees in order to expedite the work of the Committee.”.

(6) A new section 25-215 is added to read as follows:

“Sec. 25-215. Cannabis license data portal.

“ABCA shall establish a public portal that includes information on the following:

“(a) The number of licenses available, pending approval, and awarded in each license category, including Social Equity Applicants;
“(b) The demographic characteristics of licensees;
“(c) License numbers and other relevant information on licensed marijuana establishments in the District;

“(d) Monthly production and sales activity; and

“(e) Monthly enforcement and compliance data, including the number and type(s) of violations and the number and type(s) of enforcement visits;

“(f) The location of Disproportionately Impacted Areas in the District; and

“(g) Annual data on the distribution of grant, equity or loans as described in D.C. Official Code § 25-2107.”.

(d) A new Chapter 21 is added to read as follows:

CHAPTER 21. GENERAL PROVISIONS, SOCIAL EQUITY, COMMUNITY REINVESTMENT, AND MEDICAL MARIJUANA INCENTIVES.

“25-2101. Definitions

For purposes of chapters 21 through 29 of this title, the following terms shall apply:

“(1) “Adult” means a person who is 21 years of age or older.

“(2) “Cannabidiol” or “CBD” means a non-psychoactive cannabinoid found in the plant Cannabis sativa L. or Cannabis indica or any other preparation thereof that is essentially free from plant material and has a tetrahydrocannabinol level of no more than 3%.

“(3) “Cannabinoid” means any of the chemical compounds that are the active principles of marijuana.

“(4) “Cannabis” means marijuana.

“(5) “Child-resistant” means special packaging that is:
“(A) Designed or constructed to be significantly difficult for children under five years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R. 1700.20 (1995). Note that this Rule does not include any later amendments or editions to the Code of Federal Regulations;

“(B) Opaque so that the packaging does not allow the product to be seen without opening the packaging material; and

“(C) Resealable for any product intended for more than a single-use or containing multiple servings.

“(6) “Disproportionately Impacted Area” means a census tract or comparable geographic area that satisfies the following criteria as determined by the Cannabis Regulation Division of the Alcoholic Beverage and Cannabis Administration:

“(A) Meets at least one of the following criteria:

“(i) The area has a poverty rate of at least 15%; or

“(ii) The share of households in the area that receive public assistance income as defined by the Census Bureau is at least 4%; or

“(iii) The area has an average unemployment rate, as determined by the Department of Employment Services, that is more than 120% of the national unemployment average as determined by the United States Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application; and

“(B) Has or had high rates of arrest, conviction, and incarceration related to the sale, possession, use, cultivation, manufacture, or transport of cannabis.

“(7) “DFS” means the Department of Forensic Sciences.

“(8) “DOH” means the Department of Health, also known as DC Health.
“(9) “Edible marijuana product” means any marijuana product for which the intended use is oral consumption, including any type of food, drink, or pill.

“(10) “Electronic smoking device” shall have the same meaning as it is used in the Electronic Cigarette Parity Amendment Act of 2016, effective February 18, 2017 (D.C. Law 21-189; D.C. Official Code § 7-741.01(1)).

“(11) “FEMS” means the Fire and Emergency Medical Services Department.

“(12) “Finished marijuana” means usable marijuana, cannabis resin or cannabis concentrate.

“(13) “Hemp” means a plant of the genus Cannabis and any part of the plant, whether growing or not, containing a delta-9 tetrahydrocannabinol (THC) concentration of no more than three-tenths of one percent (0.3%) on a dry weight basis.

“(14) “Laboratory agent” means an employee of an independent testing facility who transports, possesses, or tests marijuana.

“(15) “Marijuana” means all parts of the plant from the genus Cannabis, whether growing or not, with a THC concentration greater than 0.3% on a dry weight basis, the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation on the plant, its seeds or resin. The term does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom) fiber, oil, cake, or the sterilized seed of the plant which is incapable of germination.

“(16) “Marijuana concentrate” means a product derived from cannabis that is produced by extracting cannabinoids from the plant through the use of propylene glycol, glycerin, butter,
middle chain triglyceride oils, olive oil or other typical cooking fats; water, ice, or dry ice; or butane, propane, CO2, ethanol, or isopropanol.

“(17) “Marijuana establishment” means a marijuana cultivator, independent testing laboratory, marijuana product manufacturer, marijuana retailer, or any other type of licensed marijuana-related business.

“(18) “Marijuana tincture” means an alcoholic extract of cannabis commonly used in the production of marijuana extracts.

“(19) “Member of an impact family” means an individual who has a parent, legal guardian, child, spouse, or dependent, or was a dependent of an individual who, prior to the effective date of this Act, was arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under this Act.

“(20) “Minor” means a person who is 20 years of age or younger.

“(21) “MPD” means the Metropolitan Police Department.

“(22) “OAH” means the Office of Administrative Hearings.

“(23) “OTR” means the Office of Tax and Revenue.

“(24) “Qualified social equity applicant” means social equity applicant who has been awarded a conditional license under this act to operate a cannabis business establishment.

“(25) “Research project” means a discrete scientific endeavor to answer a research question or a set of research questions. A research project must include the description of a defined protocol, clearly articulated goal(s), defined methods and outputs, and a defined start and end date.

“(26) “Sale” or “sell” includes offering for sale, keeping for sale, cultivating or manufacturing for sale, soliciting orders for sale, trafficking in, importing, exporting, bartering,
delivering for value or in any way other than by purely gratuitously transferring. Every delivery
of cannabis or a cannabis product made other than purely gratuitously shall constitute a sale.

“(27) “Seed to sale tracking system” means an inventory control system used by ABCA
and licensees under this title to track the cultivation, manufacturing, and sales of marijuana and
marijuana products.

“(28) “Social equity applicant” means an applicant that is a resident of the District that
meets one of the following criteria:

“(A) An applicant with at least 60% ownership and control by one or more
individuals who have resided for at least 10 of the preceding 20 years in a Disproportionately
Impacted Area; or

“(B) An applicant with at least 60% ownership and control by one or more
individuals who have been arrested for, convicted of, or adjudicated delinquent for any offense
that is eligible for expungement under this Act or are members of an impacted family.

“(29) “Straw ownership” is nominal ownership without the attendant benefits and risks of
genuine ownership, where someone, often for a fee, allows themselves to be named on
documents or purports in writing to be an owner, in whole or in part, to the government for the
sake of satisfying a regulatory requirement. Straw ownership for the sake of satisfying a
regulatory requirement is a species of fraud and may be used to submit a false claim.

“(30) “Sweat equity contributions” are non-monetary investments that founders, owners,
and employees contribute to a business venture, through which they obtain shares of ownership
as specified in a service agreement.

“(31) “THC” means tetrahydrocannabinol.”.

“§ 25-2102. Sale of cannabis or cannabis products without a license prohibited.
“(a) No person shall sell cannabis or cannabis products in the District without having first obtained an appropriate license as required by this title.

“(b) No cultivator or manufacturer located within the District shall offer marijuana or any marijuana products for sale to, or solicit orders for the sale of marijuana or marijuana products from, any person not licensed under this title.

“(c) This Act shall not be construed to regulate or include hemp plants and hemp products as the Agriculture Improvement Act of 2018 legalized industrial hemp under Federal law [Public Law No.: 115-334].

“(d) It shall be unlawful to give marijuana or marijuana products for free to a person in exchange for their purchasing another item or service, making a donation, engaging in advocacy, joining a club or organization, or paying a cover charge for a party or event. Such a transaction shall constitute a sale of marijuana and shall be unlawful without a license.”.

§ 25-2103. Authority to grant licenses.

“(a) The Board may issue licenses to persons who meet the requirements set forth in this title.

“(b) All marijuana licenses issued under this title shall be valid for a term of 3 years and may be renewed upon completion of the renewal procedures established by the Board and payment of the required fees.

“(c) A license to sell cannabis or cannabis products can only be granted by the Board upon completion of the application and review process as contained in this title.

“(d) A license for a marijuana establishment shall describe the location of where the rights of the license are to be exercised.
“(e) The Board, in issuing licenses, may require that certain conditions be met if it determines that the inclusion of conditions will be in the best interest of the locality, section, or portion of the District where the licensed establishment is to be located. The Board, in setting the conditions, shall state, in writing, the rationale for the determination.”.

“§ 25-2104. Social equity in the cannabis industry.

“(a) There is established a fund designated as the Cannabis Equity and Opportunity Fund (“Fund”), which shall be separate from the General Fund of the District of Columbia. 30% of monies obtained pursuant to D.C. Official Code § 25-3001 shall be deposited into the Fund without regard to fiscal year limitation pursuant to an act of Congress, and used solely to pay the costs of operating and maintaining the Fund and for the purposes stated in subsection (c) of this section. All funds, interest, and other amounts deposited into the Fund shall not be transferred or revert to the General Fund of the District of Columbia at the end of any fiscal year or at any other time but shall continually be available for the uses and purposes set forth in this section, subject to authorization by Congress in an appropriations act.

“(b) The Mayor shall administer the monies deposited into the Fund.

“(c) The fund shall be used for the purposes of providing loans, equity, and grants as outlined in D.C. Official Code § 25-2106, and for the following purposes:

“(1) To pay for outreach to attract and support Social Equity Applicants;

“(2) To conduct any study or research concerning the participation of people of color, women, veterans, or people with disabilities in the cannabis industry, including, without limitation, barriers to such individuals entering the industry as equity owners of marijuana establishments;
“(3) To assist with job training and technical assistance for residents in Disproportionately Impacted Areas.”.


“(b) The Board may approve set-asides for Social Equity Applicants in other license categories created by regulations.

“(c) Straw ownership for the sake of fulfilling the ownership requirements of Social Equity Applicant licenses section is banned, both for the District resident(s) and the out of state residents purporting to give the District resident(s) a 60% ownership share.

“§ 25-2106. Loans and grants to social equity applicants.

“(a) ABCA shall establish grant, equity, and loan programs for the purposes of providing financial assistance, loans, grants, equity, and technical assistance to Social Equity Applicants.

“(b) ABCA has the power to:

“(1) Provide Cannabis Social Equity loans, equity, and grants from appropriations from the Cannabis Equity and Opportunity Fund to assist Social Equity Applicants in gaining entry to, and successfully operating in, the District's regulated cannabis marketplace;

“(2) Enter into agreements that set forth terms and conditions of the financial assistance, accept funds or grants, and engage in cooperation with private entities to carry out the purposes of this section;

“(3) Fix, determine, charge, and collect any premiums, fees, charges, costs, and expenses, including application fees, commitment fees, program fees, financing charges, or publication fees in connection with its activities under this section;
“(4) Provide staff, administration, and related support required to administer this section;
“(5) Establish application, notification, contract, and other forms, procedures, or rules deemed necessary and appropriate; and
“(6) Utilize vendors or contract work to carry out the purposes of this act.
“(c) Grants made under this section shall be awarded on a competitive and annual basis. Grants made under this Section shall further and promote the goals of this act, including the promotion of Social Equity Applicants, job training and workforce development, and technical assistance to Social Equity Applicants.
“(d) Loans made under this section shall be in such principal amount and form and contain such terms and provisions with respect to security, insurance, reporting, delinquency charges, default remedies, and other matters as ABCA shall determine appropriate to protect the public interest and to be consistent with the purposes of this section. The terms and provisions may be less than required for similar loans not covered by this section.
“(e) Beginning January 1, 2023 and each year thereafter, ABCA shall annually report to the Council on the outcomes and effectiveness of this section that shall include the following:
“(1) The number of persons or businesses receiving financial assistance under this section;
“(2) The amount in financial assistance awarded in the aggregate, in addition to the number of loans made that are outstanding and the number of grants awarded;
“(3) The location of the project engaged in by the person or business; and
“(4) If applicable, the number of new jobs and other forms of economic output created as a result of financial assistance.
“(f) The Board shall include engagement with individuals with limited English proficiency as part of its outreach provided or targeted to attract and support Social Equity Applicants.”.

“§ 25-2107. Transfer of license awarded to a social equity applicant.

“(a) In the event a Social Equity Applicant seeks to transfer, sell, or grant a cannabis business establishment license within 5 years after it was issued to a person or entity that does not qualify as a Social Equity Applicant, the transfer agreement shall require the new license holder to pay the Cannabis Equity and Opportunity Fund an amount equal to:

“(1) Any fees that were waived by the Board based on the applicant's status as a Social Equity Applicant, if applicable;

“(2) Any outstanding amount owed by the Qualified Social Equity Applicant for a loan through the Cannabis Equity and Opportunity Fund, if applicable; and

“(3) The full amount of any grants that the Qualified Social Equity Applicant received from ABCA, if applicable.

“(b) In cases where a Social Equity Applicant seeks to transfer, sell, or grant a cannabis business establishment license to a non-Social Equity Applicant, the Board shall consider whether the transfer would undermine the set-aside thresholds established in D.C. Official Code § 25-2106 when determining approval of said transfer.

“(c) Transfers of cannabis business establishment licenses awarded to a Social Equity Applicant are subject to all other provisions of this Act, and rules regarding transfers.”.

“§ 25-2108. Community reinvestment program fund.

“(a) There is established a Community Reinvestment Program Fund (“Fund”) which shall be separate from the General Fund of the District of Columbia. 50% of monies obtained pursuant
to D.C. Official Code § 25-3001 shall be deposited into the Fund without regard to fiscal year limitation pursuant to an act of Congress, and used solely to pay the costs of operating and maintaining the Fund and for the purposes stated in subsection (b) of this section. All funds, interest, and other amounts deposited into the Fund shall not be transferred or revert to the General Fund of the District of Columbia at the end of any fiscal year or at any other time but shall continually be available for the uses and purposes set forth in this section, subject to authorization by Congress in an appropriations act.

“(b) Monies from the Fund shall be used to provide grants to community-based organizations that address economic development, mental health treatment, substance use disorder treatment, non-law enforcement violence prevention services, homeless prevention services, re-entry services, youth development, and civil legal aid in eligible program areas as determined by ABCA in subsection (c).

“(c)(1) Within 180 days after the effective date of this act, ABCA and the Deputy Mayor for Economic Development shall identify areas in the District that are eligible to participate in the Community Reinvestment Program. Eligibility shall be determined by an analysis of data that finds that the area is high need, underserved, disproportionately impacted by economic disinvestment, and experiences high levels of gun violence, unemployment, or child poverty.

“(2) ABCA and the Deputy Mayor for Economic Development shall send to the Council and make publicly available its analysis and identification of eligible areas in the District. ABCA shall recalculate the eligibility data every 4 years.

“(d) There is established a Community Reinvestment Program Board (CRPB) that is responsible for the selection of grantees eligible under subsections (b) and (c). The Board shall be under the Deputy Mayor for Economic Development, who shall work in consultation with
ABCA. The CRPB shall be constituted within 180 days after the eligible areas have been
designated. Members shall be appointed by the Mayor, with the advice and consent of the
Council pursuant to section 2(a) of the Confirmation Act of 1978, effective March 3, 1979 (D.C.
Law 2-142; D.C. Official Code § 1-523.01(a)), and shall include:

“(1) Three members of community-based organizations that provide services such
as job placement and training, educational services, workforce development, and wealth-building
in marginalized communities.

“(2) Three persons who have been previously incarcerated in the District; and

“(3) Three persons from areas eligible for grant funding under the Community
Reinvestment Program.

“(e) The Board shall also include the following ex-officio members:

“(4) The Director of Department of Employment Services or his or her designee;

“(5) The Director of the Office of Neighborhood Safety and Engagement or his or
her designee; and

“(6) The Director of the Department of Health or his or her designee.

“(f) A non-ex-officio member shall disclose any conflicts of interest and recuse him or
herself from the discussion or consideration of any grant application or program recommendation
where a conflict of interest exists.

“(f) Within 12 months after the effective date of this Act, the CRPB shall:

“(1) Develop a process to solicit community input on the types of programs and
grant activities that should be a priority within eligible areas;

“(2) Develop a process to solicit applications from eligible areas;
“(3) Identify resources sufficient to support the full administration and evaluation of the program, including building and sustaining core program capacity;

“(4) Review grant applications and proposed agreements and approve the distribution of resources;

“(5) Develop a performance measurement system that focuses on positive outcomes;

“(6) Develop a process to support ongoing monitoring and evaluation;

“(7) Deliver an annual report to the Mayor and the Council on the distribution of grant funding, performance measurement outcomes, grantee activities, and any other information deemed necessary.

(g) The Fund shall be subject to annual audits by the Office of the Chief Financial Officer, which shall be submitted to Council no later than February 1 of each year. The audit shall examine and determine compliance with all applicable laws, rules, and regulations. The audit reports shall be submitted to the Council and the Mayor.”.


“The Board is authorized, through rulemaking, to develop and provide incentives for licensees to produce an adequate supply of medical marijuana and medical marijuana products for qualified patients. Incentives may include the lowering of application and license fees, expedited application and license review, or other financial or non-financial incentives for licensees who will dedicate a percentage of his or her marijuana cultivation, manufacturing, or retail sale to the cultivation, manufacturing, or sale of medical marijuana or medical marijuana products.”.

(e) A new Chapter 22 is added to read as follows:
CHAPTER 22. CLASSIFICATION OF LICENSES.

“§ 25-2201. Cultivation licenses.

“(a) A cultivation license shall authorize the licensee to grow and produce medicinal and/or recreational marijuana for sale and delivery at wholesale directly to manufacturers, testing facilities, and retailers.

“(b) The holder of a cultivation license shall not be permitted to sell or deliver cannabis or cannabis products directly to the consumer.

“(c) Cannabis or cannabis products shall not be consumed, smoked, applied, or vaped on the licensed premises.

“(d) The holder of a cultivation license shall provide the Board with the method of disposal used when a testing facility determines that pesticides, mold, or mildew exceed permitted levels or that the cannabis plants are otherwise not suitable for retail distribution.

“(e) The Board may create tiers or types of cultivation licenses that are based on square footage, plant count, or annual sales.”.

“§ 25-2202. Manufacturer licenses.

“(a) A manufacturer's license shall authorize the licensee to process, package, and label medicinal and/or recreational marijuana and medicinal and/or recreational marijuana products for sale and delivery at wholesale directly to testing facilities and retailers.

“(b) The holder of a manufacturer’s license shall not be permitted to sell or deliver any cannabis or cannabis products directly to the consumer.

“(c) Cannabis or cannabis products shall not be consumed, smoked, applied, or vaped on the licensed premises.”.
§ 25-2203. Marijuana microbusiness licenses.

“(a)(1) A marijuana microbusiness license shall authorize the licensee to cultivate, manufacture, and sell at retail medical and/or recreational marijuana and medical and/or recreational marijuana products.

“(2) The holder of a microbusiness license shall be permitted to sell any cannabis or cannabis products to off-premises retailers for sale.

“(b) A marijuana microbusiness shall not have a total canopy of more than 1,500 square feet for the cultivation of medical and/or recreational marijuana.

“(c) The holder of a marijuana microbusiness license shall comply with all applicable laws and regulations regarding cultivation, manufacturing, and sale of marijuana and marijuana products.

“(d) Medical marijuana and medical marijuana products must be stored in a manner that separates these products from recreational marijuana or recreational marijuana products.

“(e) Cannabis or cannabis products shall not be opened, or the contents consumed, smoked, applied, or vaped, at licensed establishments.”.

§ 25-2204. Off-Premises retailer’s licenses.

“(a)(1) An off-premises retailer’s license shall authorize the licensee to sell medical and/or recreational marijuana, and medical and/or recreational marijuana products received from a licensed cultivator, or manufacturer, at retail directly to qualifying patients and caregivers, or customers.

“(2) In order to sell medical marijuana or medical marijuana products, an off-premises retailer must:

“(A) Register in a form and manner specified by the Board; and
“(B) Store and display medical marijuana and medical marijuana products in a manner that separates these products from recreational marijuana or recreational marijuana products.

“(b) Cannabis or cannabis products shall not be opened, or the contents consumed, smoked, applied, or vaped, at licensed establishments.

“(c) The holder of an off-premises retailer’s license shall not be permitted to sell any cannabis or cannabis products to other licensees for resale.

“(d) The Board shall propose regulations creating new off-premises license categories, fees, and permitted hours of sales and operation within 18 months of the effective date of the Act. The Board shall consider, but not be limited to, examining whether and under what conditions off-premises retail sales of marijuana and marijuana products should be permitted at full-service grocery stores as defined under § 25-101(22A), farmer’s markets, hotels, and events in which the licensee has been approved for a one-day substantial change as defined by regulation.”.

“§ 25-2205. On-premises retailer’s licenses.

“(a) The Board shall propose regulations creating new on-premises license categories, fees, and permitted hours of sales and operation within 18 months of the effective date of the Act. The Board shall consider, but not be limited to, safe use centers, creative arts venues, hotels, social clubs, restaurants, and temporary events.

“(b) Notwithstanding any other District law, the Board shall consider whether the on-premises consumption of edibles, vaping, or smoking cannabis should be permitted. In no event shall the vaping or smoking of cannabis be permitted on outdoor public space, federally owned land or buildings, or space owned or leased by the facility, at street level, or adjacent to the street
or sidewalk. As part of its review, the Board shall also consider whether hookah lounges offering cannabis products should be permitted.

“(c) The Board shall consult with DOH and the FEMS in preparing regulations pursuant to this section.”.


“(a) A testing facility license shall authorize the licensee to test medical and recreational marijuana plants and medicinal and recreational manufactured products for contaminants and potency.

“(b) The holder of a testing facility license shall be permitted to transport samples to and from another licensee.

“(c)(1) The Board, in coordination with the DFS, shall establish certification and testing protocols for the sampling, testing, and analysis of medical and recreational marijuana and medical and recreational marijuana products.  

“(2) Certification protocols shall include, at a minimum, an analysis of a testing facility’s standard operating procedures and facilities and equipment.

“(d) DFS may obtain samples sufficient to perform tests and may conduct inspections of licensees’ premises in order to effect the purposes of this title.”.

“§ 25-2206. Research and development facility licenses.

“(a) A research and development facility license shall authorize the licensee to cultivate or possess medical marijuana and medical marijuana products for the use in research projects only.
“(b) A licensed cultivation, manufacturer, or microbusiness may transfer medical
marijuana or medical marijuana products to a research and development facility for use in
research projects only.

“(c) At a minimum, Board approved regulations for research and development facilities
shall include a description of authorized research activities for research and development
facilities, establish thresholds for the number of medical cannabis plants that a research and
development facility may possess at any one time, define procedures for medicinal cultivators or
manufacturers to transfer medical marijuana and medical marijuana products to a research and
development facility, and establish minimum standards for research involving animal or human
subjects, with minimum standards for human subject research conforming to the Federal Policy
for the Protection of Human Subjects.”.

§ 25-2207. Laboratory agent registration.

“(a) A laboratory agent volunteering or working at a licensed testing facility shall register
with the ABCA prior to starting work or volunteering.

“(b) The holder of a testing facility license may apply to ABCA for a registration card for
each affiliated laboratory agent by submitting at a minimum the name, address, and date of birth
of the laboratory agent.

“(c) The holder of a testing facility license shall notify ABCA within one business day if
a laboratory agent ceases to be associated with the laboratory, and the laboratory agent’s
registration card shall be immediately revoked by ABCA.

“(d) A registered laboratory agent shall not be subject to arrest, prosecution, civil
penalty, sanctions, or disqualifications under District law, and shall not be subject to seizure or
forfeiture of assets under District law for actions taken under the authority of a licensed testing
facility and consistent with applicable District laws, regulations, and issuances, including
possessing, processing, storing, transferring or testing marijuana within the District of Columbia,
provided the registered laboratory agent presents his or her registration card to MPD, any other
law enforcement official, or an ABCA investigator or DFS inspector who questions the
laboratory agent concerning their marijuana-related activities.
“(c) The fee for a laboratory agent registration card shall be determined by rulemaking by
the Board.
“§ 25-2208. Delivery endorsement.
“(a) The holder of a marijuana microbusiness or off-premises retailer’s license shall
obtain a delivery endorsement from the Board to be eligible to deliver applicable cannabis or
cannabis products directly to District resident’s homes.
“(b) The Board may issue rules providing for delivery endorsements by a contractor of a
marijuana microbusiness or off-premises retailer, provided that the contractor is approved by the
Board, is not a for-hire vehicle service, and does not use vehicles with markings relating to
cannabis.
“(c) There shall be no additional fee for a delivery endorsement.”.
(f) A new Chapter 23 is added to read as follows:
CHAPTER 23. LICENSEE AND ESTABLISHMENT QUALIFICATIONS.
“§ 25-2301. General qualifications for all applicants.
“(a)(1) Before issuing, transferring to a new owner, or renewing a license, the Board shall
determine that the applicant meets all of the following criteria:
“(A) The applicant is at least 21 years of age.
“(B) The applicant has not been convicted of an offense that is directly related to the business for which a license is held or sought.

“(2) Pursuant to paragraph (a)(1) of this subsection, the Board shall determine whether a conviction of an offense of an applicant or licensee is directly related to the business for which a license is sought or held by considering the totality of the following factors:

“(A) Whether the elements of the offense are directly related, by clear and convincing evidence to the specific duties and responsibilities of the business;

“(B) Any evidence produced by the applicant or licensee concerning their rehabilitation and fitness, including:

“(i) Evidence as to whether the applicant, licensee, registrant, person certified, or person permitted by this act to practice in the District has recidivated;

“(ii) Evidence demonstrating compliance with any terms and conditions of probation, supervised release, or parole;

“(iii) The length of time that has elapsed since the offense was committed;

“(iv) The age at which the offense was committed;

“(v) Any circumstances related to the offense, including mitigating circumstances;

“(vi) Evidence of work history, particularly any training or work experience related to the occupation; and

“(vii) Letters of reference.

“(b) A prior conviction for possession of, possession for sale, manufacture, transportation, or cultivation of a controlled substance shall not be the sole ground for denial of a
license, provided that, this shall not apply to convictions for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.

“(c) To determine whether an applicant or licensee meets the criteria in this section, the Board may obtain criminal history records of criminal convictions maintained by the Federal Bureau of Investigation and the Metropolitan Police Department. The Board shall:

“(1) Inform the applicant that a criminal background check will be conducted;
“(2) Obtain written approval from the applicant to conduct a criminal background check;
“(3) Coordinate with the Metropolitan Police Department to obtain a set of qualified fingerprints from the applicant; and
“(4) Obtain any additional identifying information from the applicant that is required for the Metropolitan Police Department and the Federal Bureau of Investigation to complete a criminal background check.”.

“25-2302. Restrictions on holding a conflict of interest.

“(a) An applicant or licensee shall not hold more than 2 cultivation, manufacturer, or off-premises retailer's licenses; provided, however, that a licensee may hold 2 off-premises retailer’s licenses, 2 cultivation licenses, and 2 manufacturer licenses.

“(b) An applicant for a testing facility license shall not hold a direct or indirect interest in a cultivation, manufacturer, microbusiness, or off-premises retailer’s license.

“(c) A marijuana microbusiness applicant or licensee shall not hold a direct or indirect interest in any other license type.
“(d) Any licensed facility under this title may be licensed to grow, manufacture, or distribute marijuana under the federal Drug Enforcement Administration Controlled Substances Act registration to supply legitimate researchers in the United States. The ABCA-approved seed to sale tracking system shall be used for these plants, and participation in the federal research program shall be included in the application, annual registration, and license renewal documents.”.

“§ 25-2303. Ownership by Residents and Local Hire requirements.

“(a) Except for those owners of medical marijuana facilities licensed as of the effective date of this Act, an applicant for a cultivation, manufacturer's, microbusiness, or off-premises retailer’s license shall have one or more District residents, which individually or collectively, own at least 60% of the licensed establishment. Persons claiming to be District residents shall submit adequate proof of District residency according to standards determined by ABCA and affirm an intent and commitment to maintaining District residency during the period of ownership of a licensed facility covered by the requirements of this subsection. Such person or persons designated as District resident owners shall receive a return on investment and shall incur obligations and risks on equal footing with all other owners in proportion to their ownership shares.

“(b) If the District resident owner(s) who submit proof of residency according to subsection (a) is not a or the majority owner, those who do own such a majority stake, individually or collectively, must affirm on the application, under penalty of perjury, that the 60% owner(s) identified in subsection (a) has and will have all the proportional benefits and obligations accorded to a 60% owner.
“(c) Straw ownership for the sake of fulfilling the ownership requirements of this section is banned, both for the District resident(s) and the out of state residents purporting to give the District resident(s) a 60% ownership share in a licensee under this subsection.

“(d) Any District resident owner designated as owning at least 60% of the applicant or licensee's business may only satisfy a quarter of its required capital contribution and other indicia and obligations of ownership under this subsection through “sweat equity” — time spent providing services to the company in support of its District licensee pursuant to an agreement describing:

“(1) The scope of work that the District resident owner(s) will perform;

“(2) The dollar amount that it will be compensated for its services, if any, in addition to the dollar amounts that will be credited to its capital contribution;

“(3) The date or time period when the District resident owner(s) will receive compensation and returns on its investment; and

“(4) An explanation of when the District resident owner(s) will receive their return or returns as compared to other owners.

“(e) Except for those owners of medical marijuana facilities licensed as of the effective date of this Act, a cultivation, manufacturer's, microbusiness or off-premises retailer’s licensee shall have at least 60% of its licensed employees submit adequate proof of District residency according to standards determined by ABCA, and that proof shall affirm an intent and severe offenses and encompass occasional or inadvertent failure to comply with basic administrative procedures and protocols or minor changes to plans submitted in licensing documents that do not affect the health, safety, or welfare of the public, nor the integrity of the program established and regulated by this title.
“(f) The Board shall require annual certification of the owners’ continued District residency and upon license renewals may require such proof as it deems necessary of ownership if such District residency was an element of the initial granting of a license or transfer of a license, and the Board shall revoke the license of any license holder that no longer maintains the 60% ownership by District residents requirement.

“(g) The Board shall require annual certification of compliance with the local hiring requirements. If a licensee covered by local hiring requirements falls below the 60% local hiring requirement and does not submit clear and convincing evidence that it has cured the deficit within 90 days, the Board shall revoke the licensee’s license.”.

“(h) In addition to any fines imposed for violations or prosecutions, ABCA is authorized to issue warnings, impose additional conditions on licensees, ban persons who have committed violations from participating or purchasing cannabis or working in establishments licensed under this act.

“(i) The Board may develop and provide incentives to promote the hiring of District residents who reside in Disproportionately Impacted Areas as defined in § 25-2101(6).

“(j) Exceptions to local ownership and local hire requirements in subsections (a) and (e) shall apply to license renewals as well as initial licenses.”.

“§ 25-2304. Qualification of establishments.

“(a) No license shall be issued to an applicant unless he or she provides the Board with a zoning determination letter, issued by DCRA, stating that the establishment to be licensed is located within a zone that permits the establishment's operation.

“(b) The applicant shall bear the burden of proving to the satisfaction of the Board
that the establishment for which the license is sought is appropriate for the locality, section, or
portion of the District where it is to be located; provided, that if proper notice has been given
under subchapter II of Chapter 4 of this title, and no objection to the appropriateness of the
establishment is filed with the Board, the establishment shall be presumed to be appropriate for
the locality, section, or portion of the District where it is located.”

“(c) No license shall be issued to an applicant that holds an alcohol license or a license to
sell tobacco at the same location unless otherwise authorized by the Board.


“(a) To qualify for the issuance, renewal of a license, or transfer of a license, an applicant
for a cultivation, manufacturer, microbusiness, or off-premises retailer license shall be required

“(b)(1) The Board shall also consider whether issuance of the license would create or
contribute to an overconcentration of licensed establishments which is likely to affect adversely
the locality, section, or portion in which the establishment is located.

“(2) The Board may also consider whether there is an under-concentration of
licensed establishments in other localities, sections, or portions of the District to ensure a more
equitable distribution of establishments.

“(c) No marijuana license shall be issued to an outlet, property, establishment or
business that sells motor vehicle gasoline or has drive-through sales.”.

“25-2306. Transfer of licensed establishment to a new owner.

“(a) In determining the appropriateness of the transfer of a marijuana establishment to a
new owner, the Board shall consider only the applicant’s qualifications as set forth in D.C.
Official Code § 25-2301, and whether any sale defeats or impairs the social equity thresholds in

“(b) Notwithstanding subsection (a), the Board shall deny a transfer of ownership application to a new owner and cancel the marijuana license if the previous applicant either:

“(1) Failed to open for business within 180 days of being issued a marijuana license or 365 days for a Social Equity Applicant;

“(2) Stopped operating within 90 days of being issued a marijuana license for more than 14 calendar days in the absence of a showing of good cause and approval by ABCA for a longer period of delay or closure. This subsection shall not apply to an applicant that has stopped operations due to a fire, flood, or other natural disaster, a public health emergency, or due to rebuilding or reconstruction.

“(c) For the purposes of this section, the term "public health emergency" means a period of time for which the Mayor has declared a public health emergency pursuant to D.C. Official Code § 7-2304.01.”.

“§ 25-2307. Transfer of licensed establishment to a new location.

“(a) The Board shall consider an application to transfer a license to a new location according to the same standards and procedures as an application for an initial license and shall not presume appropriateness if a protest to the application is filed as set forth in Chapter 6.

“(b) An application to transfer a license to a new location shall not be permitted to be filed by an applicant who:

“(1) Failed to open for business within 180 days of being issued a marijuana license;
“(2) Stopped operating within 90 days of being issued a marijuana license for more than 14 calendar days in the absence of a showing of good cause and approval by ABCA for a longer period of delay or closure. This subsection shall not apply to an applicant that has stopped operations due to a fire, flood, or other natural disaster, a public health emergency, or due to rebuilding or reconstruction.

“(c) For the purposes of this section, the term "public health emergency" means a period of time for which the Mayor has declared a public health emergency pursuant to § 7-2304.01.

“§ 25-2308. Restrictions on proximity to schools and recreation centers.

“(a) The Board shall not issue, except as to entities licensed as of the effective date of this act, a cultivation, manufacturer, microbusiness, or off-premises retailer’s license to any establishment located within 400 feet of the proximity of a pre-existing public, private, or parochial primary, elementary, or high, or the boundary of a recreation area operated by the District of Columbia Department of Parks and Recreation.

“(b) This subsection shall not apply to an applicant that was approved by ABRA for a medical marijuana license at the same location prior to the effective date of the act.”.

“§ 25-2309. Off-Premises retail license prohibited in residential-use districts.

“No microbusiness or off-premises retailer’s license shall be issued for or transferred to a business operating in a residential-use district as defined in the zoning regulations and shown in the official atlases of the Zoning Commission for the District, including areas designated R, RF, and RA.

“§ 25-2310. Restrictions on the total number of cannabis business licenses.
“(a) The Board may, through rulemaking, consider restrictions on the total number of
licenses issued under each license category in Chapter 22, provided that any such restriction shall
be:

“(1) Based on an analysis of the supply of legal cannabis and cannabis products
necessary to significantly shrink the scale of the illicit cannabis market, and available evidence
on the impacts of cannabis businesses on crime and property values; and

“(2) Subject to revision by the Board should developments in the legal cannabis
market and/or social conditions of the District necessitate such a revision.

“(b) Any analysis conducted pursuant to paragraph (a)(1) of this section shall be sent to
the Council and made publicly available for comment.

“(c) Any restriction on the total number of licenses shall not affect the percentage of
licenses set aside for Social Equity Applicants.”.

(g) A new Chapter 24 is added to read as follows:

CHAPTER 24. APPLICATION AND REVIEW PROCESS.

§ 25-2401. Form of application.

“The Board shall propose regulations within 180 days of the effective date of the Act
setting forth the license application requirements on forms approved by the Board for marijuana
licenses.”.

§ 25-2402. New license application for cultivators, manufacturers, microbusinesses, or
retailers.

“(a)(1) The Board shall only consider and process applications from owners of currently
licensed medical marijuana establishments and Social Equity Applicants in the year following
the issuance of final regulations and the establishment of an ABCA-approved seed-to-sale tracking system.

“(2) The Board may consider and process applications from owners of currently licensed medical marijuana establishments on an expedited basis during this time.

“(b) The Board may begin accepting applications other cultivation, manufacturer, microbusiness and off-premises retailer’s licenses not in subparagraph (a) at any time after the one-year period is over.

“(c) After the initial one-year period, any new Social Equity Applicant licenses shall be considered on an expedited basis by the Board.

“(c) The Board shall provide notice in the D.C. Register at least 30 days in advance of accepting any new applications, except for testing facility licenses, regarding (1) the number of licenses in each class or ward being made available, and (2) where to find information regarding the license application process.

“(d) A license application for a testing facility may be made at any time after the effective date of the act.”.

“§ 25-2403. License renewal.

“The Board shall propose regulations within 180 days of the effective date of this act setting forth the license application requirements on forms approved by the Board for renewing licenses.”.

“§ 25-2404. Notice by Board.

“Pursuant to D.C. Official Code §§ 25-421 and 25-423, the Board shall provide notice to the public for 45 days of new and renewal license applications for cultivation, manufacturer, microbusiness, and retailer’s licenses. The Board may approve settlement agreements that
include enforceable provisions listed in D.C. Official Code § 25-446.01 between parties eligible to file a protest under Chapter 6 of this title regardless of whether a protest has been filed.”.

“§ 25-2405. Board hearings and decisions.

“Board hearings, determining factors, and decisions shall follow the procedures set forth in Subchapters II and IV of Chapter 4 of this title. Board decisions shall be issued pursuant to D.C. Official Code § 25-433.”.

(h) A new Chapter 25 is added to read as follows:

CHAPTER 25. APPLICATION AND LICENSE FEES.

“§ 25-2501. Application fee.

“(a) The initial application fee for a cultivation, manufacturing, microbusiness, off-premises retailer, or testing facility, license shall be $1,000.

“(b) The initial application fee shall be paid at the time of application to the D.C. Treasurer.”.

“§ 25-2502. License fees.

“(a) The initial fees and renewal fees for licenses shall be set forth below:

<table>
<thead>
<tr>
<th>License Class</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultivation</td>
<td>$7,000</td>
</tr>
<tr>
<td>Manufacturer</td>
<td>$7,000</td>
</tr>
<tr>
<td>Microbusiness</td>
<td>50% of all applicable license fees</td>
</tr>
<tr>
<td>Off-premises retailer</td>
<td>$7,000</td>
</tr>
<tr>
<td>Testing facility</td>
<td>$5,000</td>
</tr>
<tr>
<td>Research and development facility</td>
<td>$2,500</td>
</tr>
</tbody>
</table>

“(b) There shall be no additional fee for microbusiness or off-premises retailers that register to sell medical marijuana or medical marijuana products pursuant to D.C. Official Code § 25-220(a)(2).
“(c) A licensee’s failure to timely remit the license fee shall be cause for the Board to suspend the license until the licensee pays the fee and any fines imposed by the Board for late payment. The Board shall cancel the license if the licensee is more than 30 days delinquent on payment of the annual fee.”.

“§ 25-2503. Alteration of application or license fees.

“The Board may propose regulations, pursuant to D.C. Official Code § 25-2202, to alter the license fees established by this chapter or to create additional license categories.”.

“§ 25-2504. Fee waivers for social equity applicants.

“(a) For Social Equity Applicants, the Board shall waive 75% of any nonrefundable license application fees, any nonrefundable fees associated with receiving a license to operate a marijuana establishment, and any surety bond or other financial requirements.

“(b) The Board may require Social Equity Applicants to attest that they meet the requirements for a fee waiver as provided in subsection (a).

“(c)(1) If the Board determines that an applicant who applied as a Social Equity Applicant is not eligible for such status, the Board shall provide notice to the applicant.

“(2) Upon receipt of the notice, the applicant shall have 15 days to provide alternative evidence that he or she qualifies as a Social Equity Applicant.

“(3) The Board shall make a determination of the applicant’s status 10 days after the receipt of any alternative evidence. The Board shall notify the applicant of this determination.

“(d) If the applicant does not qualify as a Social Equity Applicant, he or she may pay the remainder of the waived fee and be considered as a non-Social Equity Applicant. If he or she cannot do this, then ABCA may keep the initial application fee to cover any administrative costs associated with the application process, and the application shall not be considered.”.
(h) A new Chapter 26 is added to read as follows:

CHAPTER 26. PROTESTS.

“§ 25-2601. Standing to file a protest and protest requirements.

“A person with standing under D.C. Official Code § 25-601 shall be permitted to file a protest of a new, renewal, or transfer to new location application for a cultivation, manufacturer, microbusiness, or retailer’s license.”.

“§ 25-2602. Filing a protest—timing and requirements.

“(a) Any person objecting, under D.C. Official Code § 25-601, to the approval of an application shall notify the Board in writing of his or her intention to object and the grounds for the objection within the protest period.

“(b) If the Board has reason to believe that the applicant did not comply fully with the notice requirements set forth in subchapter II of Chapter 4, it shall extend the protest period as needed to ensure that the public has been given notice and has had adequate opportunity to respond.”.

“§ 25-2603. ANC Comments.

“(a) The Board shall give the recommendations of an affected ANC great weight pursuant to the requirements set forth in D.C. Official Code § 25-609.

“(b) In the event that an affected ANC submits a settlement agreement to the Board on a protested license application, the Board, upon its approval of the settlement agreement, shall dismiss any protest of a group of no fewer than 5 residents or property owners meeting the requirements of D.C. Official Code § 25-601(2). The Board shall not dismiss a protest filed by another affected ANC, a citizens association, or an abutting property owner meeting the
requirements of D.C. Official Code § 25-601(3) upon the Board’s approval of an ANC’s
settlement agreement submission.”.

(i) A new Chapter 27 is added to read as follows:

CHAPTER 27. OPERATING STANDARDS.

“§ 25-2701. General operating requirements.

“(a) A licensee shall be required to secure every entrance to the establishment so that
access to areas containing cannabis or cannabis products is restricted to the owner or approved
employees.

“(b) A licensee shall secure its inventory and equipment during and after hours to deter
and prevent theft of marijuana, marijuana products, and marijuana accessories.

“(c)(1) A licensee shall not cultivate, process, test, store, or manufacture marijuana or
marijuana products at any location other than at a physical address approved by the Board and
within an area that is enclosed and secured in a manner that prevents access by persons not
permitted by the marijuana establishment to access that area.

“(2) A licensee who has a cultivation and manufacturing license may co-locate
licenses in order to minimize the impacts associated with business operations. The Board shall
develop rules for the co-location of cultivation and manufacturing licenses.

“(d) A licensee shall not allow the cultivation, processing, manufacture, sale, or display
of cannabis or cannabis products to be visible from a public place without the use of binoculars,
aircraft, or other optical aids.

“(e) Investigators or officers from ABCA, DCRA, DFS, DOH, FEMS, and MPD
shall be permitted to inspect the entire licensed premises during its hours of operation and, if
within their office’s responsibilities, to obtain samples sufficient for testing pursuant to this title,
and an ABCA investigator or MPD officer shall be permitted to audit the books and records of
the licensed establishment during its hours of operation.

“(f) ABCA-licensed microbusinesses and off-premises retailers shall not admit any
person, other than a person hired to guard the premises pursuant to a security plan filed with the
ABCA, who is carrying a gun or other weapon.”.

“(a) No cannabis or cannabis product shall be sold or otherwise marketed by a licensee
that has not first been tested by an independent testing facility licensed by the Board.

“(b) An independent testing facility shall report any results indicating contamination to
the Board and DOH within 72 hours of identification.

“(c) In the event that only one licensed testing facility exists in the District, the Board
may establish, through rulemaking, reasonable prices for testing facility services.”.

“(a) A person receiving a license to operate a marijuana establishment shall post the
license conspicuously in the licensed establishment. If a settlement agreement is a part of the
license, the license shall be marked “settlement agreement on file” by the Board, and the licensee
shall make a copy of the settlement agreement immediately accessible to any member of the
public, ABCA investigator, or MPD officer upon request.

“(b) A microbusiness or off-premises retailer’s licensee shall post window lettering in a
conspicuous place on the front window or front door of the licensed premises that contains the
correct name or names of the licensee and the class and number of the license in plain and legible
lettering not less than one inch nor more than 1.25 inches in height.

“(§ 25-2704. Hours of operation for cultivation and manufacturers.
The sale or delivery of cannabis or cannabis products by a marijuana cultivator or manufacturer shall only be permitted only between the hours of 6:00 a.m. and midnight, seven days a week, or as may be further limited pursuant to D.C. Official Code § 25-2706.”.

“§ 25-2705. Hours of operation for retail sales.

“(a) A licensee authorized to sell marijuana or marijuana products at retail to consumers shall be permitted to sell cannabis or cannabis products between the hours of 7 a.m. and midnight, seven days a week, or as may be further limited pursuant to D.C. Official Code § 25-2706.

“(b) A licensee under a microbusiness or off-premises retailer's license that possesses a delivery endorsement shall also be permitted to deliver cannabis or cannabis products to the homes of District residents between the hours of 7 a.m. and midnight, 7 days a week.”.

“§ 25-2706. Board authorized to further restrict hours of operation for a particular applicant or licensee.

“At the time of initial application of any class of license or at renewal, the Board may further limit the hours of sale and delivery for a particular applicant or licensee:

“(a) Based upon the Board’s findings of fact and conclusions of law, and order following a protest hearing; or

“(b) Under the terms of a settlement agreement.”.

“§ 25-2707. Seed-to-sale tracking and wholesale purchase systems.

“(a) A licensee shall be required to utilize and record inventory in a seed-to-sale tracking system selected and approved by the Board. The licensee shall be responsible for purchasing radio-frequency identification (RFID) tags and hardware to utilize the designated software and
may be charged a user fee by the Board. The Board shall establish rules regarding the entry of
data by licensees into the seed-to-sale tracking system.

“(b) In addition to a seed-to-sale tracking system in subsection (a), the Board may,
through rulemaking, require all licensees to utilize a wholesale purchasing system for wholesale
buying and selling of marijuana and marijuana products.

“§ 25-2708. Permitted sale amounts for microbusinesses and off-premises retailers.
“(a) An off-premises licensee shall not sell more than the following to a customer in
either one transaction or in one day:

“(1) One ounce of usable marijuana flower;
“(2) 5 grams of marijuana concentrate;
“(3)(i) 16 ounces of marijuana-infused edibles;
“(ii) Marijuana-infused edibles sold by an off-premises licensee shall have
a serving size limit of 5 milligrams of THC with a total product dose of 100 milligrams.
“(4) 72 ounces of cannabinoid product in liquid form;
“(5) 30 milliliters of a marijuana tincture, or a container of tincture containing
more than 1500 milligrams of CBD; or
“(6) 1000 milligrams of CBD e-liquid for use in an electronic smoking device.

“(b) Permitted sale amounts under subsection (a) of this section may be adjusted by the
Board for qualified patients participating in the District’s medical marijuana program.”.

“§ 25-2709. Packaging requirements.
“(a) Prior to sale at a marijuana microbusiness or transfer to an off-premises retailer, all
marijuana and marijuana products shall be packaged in a child-resistant container.
“(b) Containers shall not include any characters, symbols, or names similar to those identified by or appealing to children or adolescents.”.

§ 25-2710. Labeling requirements.

“(a) Prior to sale at a marijuana microbusiness or transfer to an off-premises retailer, every container of marijuana and marijuana products shall be affixed with a label that identifies:

“(1) The license numbers of the cultivator, manufacturer, microbusiness, and off-premises retailer where the marijuana or marijuana product was cultivated, manufactured, and offered for sale, as applicable;

“(2) The net contents;

“(3) The level of THC and CBD contained in the product in percentage terms or in amount per serving, or both, as appropriate to the product, and as may be prescribed by ABCA.

“(4) Information on gases, solvents, and chemicals used in marijuana extraction, if applicable;

“(5) Instructions on usage;

“(6) For marijuana products, a list of ingredients and possible allergens; and

“(7) For edible marijuana products, a nutrition fact panel.

“(b) Labels shall not include any characters, symbols, or names similar to those identified by or appealing to children or adolescents.

“(c) Labels shall not contain any false or misleading statements and shall not make health-related claims.”.

§ 25-2711. Signage and logos.
“(a)(1) Marijuana licensees shall not use signage or logos that include animals, cartoon characters, or other images particularly appealing to children and adolescents.

“(2) Logos shall not contain medical symbols, images of marijuana, marijuana paraphernalia, or colloquial references to marijuana.

“(b) No signage placed on the exterior of a licensed marijuana establishment or elsewhere in the District, including the licensee’s trade name, shall be illuminated or contain intermittent flashing lights.

“(c) No signage shall not contain false or misleading statements.

“(d) A sign that does not conform to this section shall be removed.”.

§ 25-2712. Advertising and marketing restrictions.

“(a) Any advertisement of marijuana or marijuana products shall not:

“(1) Use include animals, cartoon characters, or other images particularly appealing to children and adolescents.

“(2) Depict someone who is or appears to be under 21 years of age consuming marijuana; and

“(3) Promote excessive consumption.

“(b) Any radio or television broadcast or publication advertising marijuana or marijuana products shall be limited to audiences that can be reasonably expected to consist of at least 75% of persons 21 years of age or older.

“(c) A marijuana establishment’s website or any advertisement shall not make health-related claims and shall indicate that marijuana and marijuana products are for persons 21 years of age or older.
“(d)(1) A marijuana licensee shall be prohibited from advertising marijuana or marijuana products on any exterior sign, special sign as defined in Section N101 of Subtitle 12-A of the D.C. Construction Code, or outdoor billboard.

“(2) Advertisements related to marijuana or marijuana products shall not be displayed on the exterior or interior of any window or door of licensed marijuana establishment.

“(e) Any advertisement of marijuana or marijuana product shall not contain false or misleading statements.

“(f) No person shall publish or disseminate or cause to be published or disseminated, directly or indirectly, through any radio or television broadcast, in any newspaper, magazine, periodical, or other publication, or by any sign, placard, or any printed matter, an advertisement or cannabis or cannabis products that are not in conformity with this title.”.

“§ 25-2713. Restrictions on samples, prizes and sweepstakes, and tie-in purchases.

“(a) The holder of a microbusiness or off-premises retail license shall not be permitted to:

“(1) Provide free samples of any cannabis product to customers; or

“(2) Give away free marijuana products as part of a promotional giveaway or sweepstakes.

“(b) The holder of a cultivation or manufacturer’s license shall not require, directly or indirectly, a retailer to purchase any type of cannabis product in order to purchase any other cannabis product.”.

“§ 25-2714. Sale to minors and intoxicated persons prohibited; restriction on minor’s entrance to licensed premises.

“(a) The sale or delivery of marijuana or marijuana products to the following persons is prohibited:
“(1) A person under the age of 21, either for the person’s own use or for the use of any other person, is prohibited, provided that:

“(A) A microbusiness or off-premises retailer may sell medical cannabis or medical cannabis products to qualified patients age 18 to 20 who are participating in the District’s medical marijuana program.

“(B) A microbusiness or off-premises retailer may sell medical cannabis or medical cannabis products to parents, legal guardians, or caregivers of qualified patients under the age of 18 who are participating in the District’s medical marijuana program.

“(2) An intoxicated person, or any person who appears to be intoxicated or under the influence.

“(b)(1) A microbusiness or off-premises retailer shall not permit a person under the age of 21 to enter the licensed premises unless the person is a qualified patient age 18 to 20 with a valid medical marijuana registration card.

“(2) A microbusiness or off-premises retailer shall not permit a patron to enter the licensed establishment until the licensee or the licensee’s employee is shown a valid identification document showing that the individual is 21 years of age or older, or in the case of a patient age 18 to 20 who is participating in the medical marijuana program, a valid identification document and a valid registration card.

“(c) It shall be an affirmative defense of violating subsection (b) or (c) of this section that the licensee or the licensee’s employee was shown a valid identification document that the licensee or the licensee’s employee reasonably believed was valid and that the licensee or the licensee’s employee reasonably believed that the person was of age.
“(d) Notwithstanding the provisions of this section, the holder of a microbusiness or off-premises retailer’s license shall not discriminate on any basis prohibited by Unit A of Chapter 14 of Title 2 of the D.C. Code.”.

“§ 25-2715. Production of valid identification document required.

“(a) A licensee shall refuse to sell or deliver cannabis or cannabis products to any person who cannot or refuses to provide the licensee with a valid identification document.

“(b) A licensee or a licensee’s employee shall take reasonable steps to ascertain whether any person to whom the licensee sells or delivers cannabis or cannabis products is of legal age.

“(c) In order to ensure individual privacy is protected, customers shall not be required to provide microbusiness or off-premises retailer with personal information other than a valid, government-issued identification necessary to determine the customers' age.”.

“§ 25-2716. Sale or distribution of cannabis or cannabis products by minors prohibited.

“A licensee shall not allow any person under the age of 21 to volunteer or work at a marijuana establishment.”.

“§ 25-2717. Security plans and measures.

“(a) A licensed marijuana establishment shall be required to submit a security plan with its license application. At a minimum, the plan shall:

“(1) Account for the prevention of theft or diversion of cannabis;

“(2) Demonstrate safety procedures for employees and patrons;

“(3) Establish procedures, equipment, and designs that provide for safe delivery and storage of currency; and
“(4) Demonstrates that all security procedures, equipment, and designs are and will be kept compliant with all applicable laws and rules, including regulations issued by the Board to implement this act.

“(b) A licensed marijuana establishment shall be required to maintain security cameras and video footage that satisfies the requirements of § 25-402(4)(4).

“(c) ABCA-licensed microbusinesses and off-premises retailers shall not admit any person, other than a person hired to guard the premises pursuant to its security plan filed with the ABCA, who is carrying a gun or other weapon.”.

“§ 25-2718. Public space plan.

“(a) A licensed marijuana establishment shall be required to submit a public space plan showing what, if any, potential impacts the establishment will have on:

“(1) Local vehicular traffic and parking; and

“(2) Pedestrian traffic around the premises.

“(b) The public space plan shall identify strategies or mechanisms to mitigate potential negative impacts.”.

“§ 25-2719. Temporary surrender of license—safekeeping.

“(a)(1) A marijuana license that is discontinued for any reason for more than 14 calendar days shall be surrendered by the licensee to the Board for safekeeping.

“(2) The licensee shall submit to ABCA a plan to dispose of cannabis or cannabis products upon surrendering their license.

“(b)(1) The Board shall hold the license until the licensee resumes business at the licensed establishment or the license is transferred to a new owner. If the licensee has not
initiated proceedings to resume operations or transfer within one year, the Board shall deem the license abandoned and cancel the license.

“(2) The Board may extend the period in paragraph (1) if a licensee can demonstrate:

“(A) A good faith effort has been made to resume operations or transfer the license; and

“(B) Personal or financial hardships have caused delays in resuming operations or transferring the license.

“(c) ABCA shall review licenses in safekeeping every 6 months to ensure that the licensee is making reasonable progress on returning to operation.

“(d) A license suspended by the Board under this title shall be stored at ABCA.

“(e) A license shall not be eligible for safekeeping and shall be canceled by the Board if the licensee failed to open for business within 180 days of initially being issued a marijuana license or 365 days for Social Equity Applicants, or stopped within 90 days of initially being issued a marijuana license.

§ 25-2720. Authorized products and methods of sale.

“(a) Except as permitted by the Board, a microbusiness or off-premises retailer shall not be authorized to sell any products or services other than cannabis, cannabis products, or cannabis paraphernalia intended for the storage or use of cannabis or cannabis products.

“(b) It shall be unlawful for microbusinesses or off-premises retailers, or any other business or person in the District, to offer cannabis or cannabis products via a vending machine.

“(c) Microbusinesses and off-premises retailers shall keep all products secured behind a counter, locked door, or under glass not accessible to the customer. Customers are not permitted
to help themselves to a product but shall place an order with authorized employees of the retailer.”

“§ 25-2721. Delivery of cannabis and cannabis products.

“(a) Deliveries shall only be made by the holder of a microbusiness or off-premises retailer’s license that has a delivery endorsement.

“(b) Microbusiness and off-premises retailers shall only be permitted to deliver to a District residence or at the business location via curbside pickup but shall not be permitted to deliver to residences located on college campuses and universities.

“(c)(1) The person ordering the delivery shall be at the home or at the business for curbside pickup at the time of the delivery.

“(2) For purposes of this section, “at the home” includes on the steps of the residence or in the yard of the residence.

“(d) Prior to transfer of marijuana or marijuana product to the consumer, a microbusiness or off-premises retailer shall require the person ordering the delivery to sign for the delivery and shall ensure that the name on the valid identification document matches the name of the customer who placed the order.

“(e) Marijuana microbusinesses and off-premises retailers offering home delivery or curbside pickup must state prominently on their website or by telephone that it is illegal under federal law to receive, possess, or use marijuana in federally-funded public housing under the Controlled Substances Act, so long as that remains the case.

“(h) Landlords remain free to ban the delivery of combustible marijuana to their tenants at premises they own, notwithstanding the legality of such delivery.
“(i) If a landlord or property owner posts a sign reasonably designed to be visible from the front door saying “No combustible marijuana deliveries to this building” any delivery service must cancel the order for a combustible marijuana product placed by a tenant at the residence.

“(j) Except as may be authorized by the Board in subsection (h), no deliveries shall be made to licensed businesses, including hotels and restaurants, nor shall deliveries be made to public parks or in public spaces, and it is an affirmative duty of an off-premises retailer to verify that the address for delivery is a residential address.

“(h) No deliveries may take place on federally owned land or on the premises of federally owned buildings.

“(i) The Board is authorized to issue regulations regarding verifying the identity and age of the customer, the status of an address as a residence, and record retention for deliveries. No sooner than two years after the effective date of this act, the Board may establish a system to expand permissible delivery locations in the District.”.

(j) A new Chapter 28 is added to read as follows:

CHAPTER 28. ENFORCEMENT, INFRACTIONS, AND PENALTIES.

“§ 25-2801. Authority of the Board and ABCA investigators.

“(a) The Board shall have the authority to enforce the provisions of this title with respect to licensees and with respect to any person not holding a license and selling marijuana and marijuana products without a license in violation of the provisions of this title.

“(b) ABCA investigators shall issue citations for civil violations of this title that are set forth in the schedule of penalties established under D.C. Code § 25-2803.

“(c) ABCA investigators may:
“(1) Request and check the identification of a patron inside of or attempting to enter an establishment with a marijuana license;

“(2) Seize evidence that substantiates a violation under this title, which shall include the seizing of marijuana or marijuana products believed to have been sold to minors and fake identification documents used by minors.

“(d) ABCA investigators may seize a marijuana license from an establishment if:

“(1) The marijuana license has been suspended, revoked, or canceled by the Board;

“(2) The business is no longer in existence; or

“(3) The business has been closed by another District government agency.

“(e) Any show cause enforcement hearings brought by the Board for violations of this title shall follow the procedures set forth in D.C. Code § 25-447.”.

“§ 25-2802. Revocation or suspension of licenses for violations of this title.

“(a) Pursuant to Subchapter II of Chapter 8, the Board may fine, suspend, summarily suspend or revoke the license of a licensee.

“(b) Pursuant to D.C. Code § 25-827, or if the Chief of Police finds that a licensed establishment is diverting cannabis product out of state, selling cannabis or cannabis products to minors, or if the facility is associated with crimes of violence, the Chief of Police may close a marijuana establishment for up to 96 hours.”.

“§ 25-2803. Civil penalties.

“(a) In the rules implementing this act, the Board shall include a schedule of civil penalties and fine ranges for violations of this title.
“(b) The schedule shall contain three tiers that shall reflect the severity of the violation for which the penalty is proposed:

“(1) Tier 1 shall apply to violations that may hurt the efficiency and overall performance of programs for the regulated sale of cannabis, such as failure to comply with basic administrative procedures and protocols and minor changes to plans that do not affect the health safety or welfare of the public.

“(2) Tier 2 shall apply to violations that are more severe than Tier 1 but generally do not have an immediate or potential negative impact on the health, safety, and welfare of the public. This tier may include violations of advertising and marketing requirements, violations of packaging and labeling requirements that do not directly impact patient or consumer safety, and minor or clerical errors in the seed-to-sale tracking system.

“(3) Tier 3 shall apply to violations that generally have an immediate or potential negative impact on the health, safety, and welfare of the public, including selling to minors, making false statements, or utilizing advertising or marketing materials that target minors.

“(c) The schedule shall contain escalating penalties for repeat violations and a list of potential mitigating or aggravating factors that may be considered when determining the imposition of a civil penalty.

§ 25-2804. Alcohol or tobacco infused marijuana.

“(a) Except in the case of tincture products containing distilled spirits in conformance with regulations issued by the Tax and Trade Bureau of the United States Department of Treasury, it shall be unlawful for a person to sell or offer for sale alcohol that has been infused with marijuana; or marijuana products that have been infused with tobacco products.

“(b) A licensee shall not sell or offer for sale alcohol that has been infused with
marijuana except in the case of tinctures that are infused with distilled spirits in conformance
with regulations issued by the Tax and Trade Bureau; or tobacco products.

“(c) A licensee who violates this section shall be assessed a civil fine in an amount of no
more than $1,000.”.

“§ 25-2805. Tampering with packaging or container.

“(a) A licensee or a licensee’s employee shall not knowingly:

“(1) Misrepresent the brand or contents of any marijuana product sold or offered
for sale;

“(2) Tamper with the contents of any marijuana packaging;

“(3) Remove or obliterate any label from marijuana packaging being offered for
sale;

“(4) Deliver or sell the contents of any marijuana packaging that has had its label
removed or obliterated.

“(b) It shall be unlawful for a person to willfully or knowingly alter, forge counterfeit,
endorse, or make use of any false or misleading document reasonably calculated to deceive the
public as being a genuine marijuana license issued by ABCA.”.


“(a) It shall be unlawful for a person to sell, offer for sale, or give a vaping device to a
person who is under 21 years of age.

“(b) A licensee shall not sell, offer for sale, or give a vaping device to a customer who is
under 21 years of age.

“(c) A licensee who violates this section shall be assessed a civil fine in an amount of no
more than $1,000.”.
“§ 25-2806. Forged licenses.

“(a) It shall be unlawful for a person to willfully or knowingly alter, forge counterfeit, endorse, or make use of any false or misleading document reasonably calculated to deceive the public as being a genuine license issued by ABCA.

“(b) It shall be unlawful for a person to willfully or knowingly furnish to a member of MPD or an ABCA investigator an altered, forged, counterfeited, endorsed or false or misleading document reasonably calculated to deceive MPD or the ABCA investigator as being a genuine license issued by ABCA.

“(c) A person convicted of a violation of this section shall be fined no more than the amount set forth in D.C. Official Code § 22-3571.01, or incarcerated for more than 1 year or both.”.

“§25-2807. Other penalties.

“(a) Any person who significantly alters or at all falsifies any reports, documents, or plans, or misrepresents any information required for licensing or purchasing marijuana under this title shall be guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not more than the amount set forth in D.C. Official Code § 22-3571.01, or imprisoned for not more than one year, or both.

“(b) Any person required to file taxes for sales or transfer of marijuana or marijuana products under this title who willfully attempts in any manner to evade or defeat a tax, or the payment there; any person who knowingly diverts marijuana or marijuana products outside of the regulated system, shall be guilty of a felony and, upon conviction, shall be fined not more than the amount set forth in D.C. Official Code § 22-3571.01, or imprisoned for not more than
three years, or both. The penalty provided herein shall be in addition to other penalties provided
under District or federal law.

“(c) Violations of this section that are misdemeanors shall be prosecuted on information
filed in the Superior Court of the District of Columbia by the Office of the Attorney General.
Violations of this subsection that are felonies shall be prosecuted by the United States Attorney
for the District of Columbia.

“(d) In addition to any civil penalties or fines imposed, ABCA is authorized to issue
warnings, impose additional conditions on licensees, ban persons who have committed violations
from participating or purchasing cannabis or working in establishments under this act.

“(e) A civil fine may be imposed by ABCA as an alternative sanction for any violation of
this title for which no specific penalty is provided, or any rules or regulations issued under the
authority of this title, under Chapter 18 of Title 2. Adjudication of an infraction that is contested
or appealed under this section shall be heard by OAH pursuant to Chapter 18 of Title 2.”.

(j) A new Chapter 29 is added to read as follows:

CHAPTER 29. LIMITATIONS ON CONSUMERS; PUBLIC EDUCATION.

“§ 25-2901. Purchase, possession, use, or consumption by persons under the age of 21;
misrepresentation of age; penalties.

“(a)(1) No person who is under 21 years age shall purchase, attempt to purchase, possess,
use, or consume marijuana or marijuana products in the District, provided that this shall not
apply to minors ages 18 to 20 participating in the District’s medical marijuana program.

“(2) Only an authorized parent, legal guardian, or caregiver shall be allowed to
purchase marijuana or marijuana products for minors under the age of 18 who are participating
in the District’s medical marijuana program.
“(b) No person shall falsely represent his or her age or possess as proof of age an identification document which is in any way fraudulent for the purpose of purchasing, possessing, using, or consuming cannabis in the District.

“(c) No person shall present a fraudulent identification document for the purposes of entering an establishment possessing an off-premises retailer’s license licensed under chapter 21 of this title.

“(d) For the purpose of determining valid representation of age, each person shall be required to present to the establishment owner or representative at least one form of valid identification, which shall have been issued by an agency of government (local, state, federal, or foreign) and shall contain the name, date of birth, signature, and photograph of the individual; provided, that a military identification card issued by an agency of government (local, state, federal, or foreign) shall be an acceptable form of valid identification whether or not it contains the individual's signature.

“(e) Any person guilty of violating this section shall be subject to fines and penalties as follows:

“(1) Upon the first violation, a fine of not more than $25, or the performance of 10 hours of community service;

“(2) Upon the second violation, a fine of not more than $50, the performance of 15 hours of community service, or both; and

“(3) Upon the third and subsequent violations, a fine of not more than $100, the performance of 20 hours of community service, or both.
“(f) If the individual subject to penalties in subsection (e) is under the age of 18, the Office of Administrative Hearings shall mail a copy of the notice of violation to the parent or guardian of the person to whom the notice of violation is issued at the address provided by the person at the time the citation is issued pursuant to § 48-1202.

“§ 25-2902. Marijuana paraphernalia.

“A person 21 years of age or older shall not be arrested, prosecuted, penalized or disqualified and shall not be subject to seizure or forfeiture of assets for possessing, purchasing or otherwise obtaining or manufacturing marijuana accessories or for selling or otherwise transferring marijuana accessories to a person who is 21 years of age or older.”.


“The Board shall develop and implement a public education campaign that includes information on:

“(a) Who is legally authorized to purchase, possess, and use marijuana or marijuana products pursuant to the Comprehensive Cannabis Legalization and Regulation Act of 2021;

“(b) Sale and dosage limits pursuant to the Comprehensive Cannabis Legalization and Regulation Act of 2021 and applicable regulations;

“(c) Places or locations where the possession and/or use of marijuana or marijuana products are prohibited;

“(d) Methods of marijuana use, including the effects and potentials risks associated with each method;

“(e) The health effects of marijuana use; and
“(f) Responsible use and harm reduction strategies, including safe storage of marijuana and marijuana products in the home, not operating a motor vehicle while impaired, avoiding the use of marijuana and marijuana products while pregnant, and not consuming marijuana with alcohol or other drugs.”.

(j) A new Chapter 30 is added to read as follows:

CHAPTER 30. TAXES AND REVENUES.

“§ 25-3001. Imposition and collection of taxes.

“(a)(1) A tax is imposed upon all vendors for the privilege of selling retail marijuana and marijuana products. The rate of such tax shall be 13% of the gross receipts from sales or charges for retail marijuana or marijuana products.

“(2) For medical marijuana and medical marijuana products, the rate of such tax shall be 6% of the gross receipts from sales or charges.

“(b) The taxes imposed in subsection (a) shall be collected by the off-premises retailer from the purchaser on all sales of retail marijuana or marijuana products.”.

“§ 25-3002. Income taxes and tax exemptions.

“(a) Licensees shall be subject to applicable income taxes pursuant to Chapter 18 of Title 47.

“(b) For License carriers engaged in the commercial cannabis supply chain of cultivation, manufacturing, and off-premises retail, there shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, as defined in D.C. Official Code § 47-1803.03(a). Any business expenses allowed under this paragraph shall be subject to the same limitations as provided for the Internal Revenue Code of 1986; however, a licensed cannabis business shall be allowed, for the purposes of District taxes,
any federal income tax deduction that is disallowed by Internal Revenue Code §280E. This
deduction shall be available for all corporations, including limited liability corporations (LLCs)
and sole proprietors established as corporations. The Office of Tax and Revenue shall accept a
federal pro forma return that includes business expenses and calculate District of Columbia
income tax liability using the pro forma return.

“(c) Deductions prescribed in D.C. Official Code § 47-1803.03(d) shall not be
allowed under this Chapter.”.

“§ 25-3003. Revenues.
“(a) All funds obtained from initial marijuana licensing and permitting fees shall be
deposited into the Cannabis Equity and Opportunity Fund established in D.C. Official Code §
22-2105.
“(b) All funds obtained from renewal of marijuana licenses and permits, and penalties
and fines, shall be deposited into the General Fund of the District of Columbia.
“(c) Except as provided in D.C. Official Code §§ 25-2104 and 25-2108, all funds
obtained from the tax imposed under D.C. Official Code § 25-3001 shall be deposited into the
General Fund of the District of Columbia.”.

Sec. 4. The District of Columbia Uniform Controlled Substances Act of 1981, effective
August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-901.01 et seq.) is amended as follows:
(a) Section 102 (D.C. Official Code § 48-901.02) is amended as follows:
(1) Paragraph (3) is amended as follows:
(A) Subparagraph (A) is amended by striking the phrase “whether growing
or not” and inserting the phrase “whether growing or not, and whether in edible form or not” in
its place.
(B) Subparagraph (B) is amended by striking the phrase “form such resin” and inserting the phrase “from such resin, whether in edible form or not” in its place.

(2) A new paragraph (13A) is added to read as follows:

“(13A) “Marijuana concentrates” means products consisting wholly or in part of a substance derived from any part of the cannabis plant by a mechanical or chemical extraction process.

“(b) Section 401 (D.C. Official Code § 48-904.01) is amended to read as follows:

(1) A new subsection (c-1) is added to read as follows:

“(c-1)(1) It is unlawful for any person who is not licensed as a cultivator under this act or registered as a cultivation center and authorized by regulations promulgated under the Legalization of Marijuana for Medical Treatment Initiative of 1999, effective July 27, 2010 (D.C. Law 13-315; D.C. Official Code § 7-1671.01 et seq.), to knowingly or intentionally;

“(A) Use butane, hexane, propane, or other explosive gases to extract or separate resin from marijuana, or Tetrahydrocannabinol from marijuana; or

“(B) Use any other liquid chemical, compressed gas, or commercial product, other than alcohol or ethanol, that has a flashpoint at or lower than 38 degrees Celsius or 100 degrees Fahrenheit, for the purpose of manufacturing marijuana concentrates.

“(2) Any person who violates this subsection is guilty of a felony and, upon conviction, may be imprisoned for not more than 3 years, fined not more than the amount set forth in section 101 of the Criminal Fine Proportionality Amendment Act of 2012, effective June 11, 2013 (D.C. Law 19-317; D.C. Official Code § 22-3571.01), or both.”.

Sec. 5. Discrimination prohibited.
“(a) Neither the presence of cannabinoid components or metabolites in a person's bodily fluids nor possession of cannabis-related paraphernalia, nor conduct related to the use of cannabis or the participation in cannabis-related activities lawful under this act by a custodial or non-custodial parent, grandparent, legal guardian, foster parent, or other person charged with the well-being of a child shall form the sole basis for any action or proceeding by a child welfare agency or in family or juvenile court, any adverse finding, adverse evidence, or restriction of any right or privilege in a proceeding related to adoption of a child, acting as a foster parent of a child, or a person’s fitness to adopt a child or act as a foster parent of a child, or serve as the basis of any adverse finding, adverse evidence or restriction of any right or privilege in a proceeding related to guardianship, conservatorship, trusteeship, the execution of a will, or the management of an estate, unless the person's actions in relation to cannabis created an unreasonable danger to the safety of the minor or otherwise show the person to not be competent as established by clear and convincing evidence. This section applies only to conduct protected under this act.

“(b) A person shall not be denied eligibility for public assistance programs based solely on conduct that is permitted under this act unless otherwise required by federal law.

“(c) No landlord may be penalized or denied any benefit under District law for leasing to a person who uses cannabis under this act.

“(d) Nothing in this Act may be construed to require any person or establishment in lawful possession of property to allow a guest, client, lessee, customer, or visitor to use cannabis on or in that property.”.

Sec. 6. Expungement of marijuana-related arrests and convictions.
“(a)(1) Commencing 180 days after the effective date of this act, the Clerk of the District
of Columbia Superior Court shall conduct a comprehensive review and issue an order expunging
each arrest, prosecution, conviction or adjudication of juvenile delinquency for a violation of the
(D.C. Law 4-29; D.C. Official Code § 48-901.02 et seq.) relating to marijuana or marijuana
paraphernalia except as provided in subsection (c).

(2) The order shall direct the prosecutor, any law enforcement agency, and any
pretrial, corrections, or community supervision agency to expunge any affected arrests,
prosecutions, or convictions.

“(b) At any point after the effective date of this Act, any individual with a prior arrest,
prosecution, conviction or adjudication of juvenile delinquency relating to marijuana or
marijuana paraphernalia under the District of Columbia Uniform Controlled Substances Act of
1981, effective August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-901.02 et seq.), who is
not under a criminal justice sentence, may file a motion for expungement, except for offenses in
subsection (c). If the expungement of such an arrest, prosecution, conviction, or adjudication of
juvenile delinquency is required pursuant to this Act, the court shall issue an order to expunge
the arrest, prosecution, conviction, or adjudication and any associated arrests. If the individual is
indigent, counsel shall be appointed to represent the individual in any proceedings under this
subsection.

“(c) Subsections (a) and (b) shall not apply to cases that involving the distribution or sale
of marijuana to minors, except if the arrest or charge was dismissed with prejudice.”.

Sec. 7. Modification of sentences for marijuana-related convictions.
“(a)(1) A defendant serving a sentence for a conviction, whether by trial or by open or negotiated plea, of the District of Columbia Uniform Controlled Substances Act of 1981, effective August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-901.02 et seq.) relating to marijuana or marijuana paraphernalia may file an application to vacate, set aside, or correct the sentence.

“(2) The defendant shall be present at any hearing conducted under this section unless the defendant waives the right to be present. Any proceeding under this section may occur by video teleconferencing, and the requirement of a defendant's presence is satisfied by participation in the video teleconference.

“(3) The court shall issue an opinion in writing stating the reasons for granting or denying an application under this section, but the court may proceed to sentencing immediately after granting an application.

“(b) In determining whether to vacate, set aside, or correct a sentence pursuant to subsection (a) of this section, the court may consider:

“(1) The defendant’s criminal conviction history, including the types of crimes committed, the length of prison commitments, and the remoteness of crimes;

“(2) The defendant’s disciplinary record and record of rehabilitation while incarcerated; and

“(3) Any other evidence the court, within its discretion, determines to be relevant.

“(c) Any defendant whose sentence is reduced under this section shall be resentenced pursuant to D.C. Official Code § 24-403, § 24-403.01, or § 24-903, as applicable.

“(d) This section shall not apply to convictions involving the distribution or sale of marijuana to minors.”.
Sec. 8. Employment and legal cannabis use.

“(a) Except as otherwise provided by law and subsections (b), (c), and (d) of this section, it shall be unlawful for an employer to refuse to hire or to discharge any individual, or otherwise disadvantage any individual, with respect to compensation, terms, conditions, or privileges of employment because he or she lawfully consumes cannabis or cannabis products off the premises of the employer during nonworking and non-call hours. For purposes of this section, an employee is deemed on-call when the employee is scheduled with at least 24 hours' notice by his or her employer to be on standby or otherwise responsible for performing tasks related to his or her employment either at the employer's premises or other previously designated location by his or her employer or supervisor to perform a work-related task.

“(b) Nothing in subsection (a) shall:

“(1) Prohibit an employer from adopting reasonable zero tolerance or drug-free workplace policies, or employment policies concerning drug testing, smoking, consumption, storage, or use of cannabis in the workplace or while on-call provided that the policy is applied in a nondiscriminatory manner;

“(2) Require an employer to permit an employee to be under the influence of or use cannabis in the employer’s workplace or while performing the employee’s job duties or while on call; or

“(3) Limit or prevent an employer from disciplining an employee or terminating the employment of an employee for violating an employer’s employment policies or workplace drug policy.

“(c) An employer may consider an employee to impaired or under the influence of cannabis if the employer has a good faith belief that an employee manifests specific, articulable
symptoms while working that decrease or lessen the employee’s performance of the duties or
tasks of the employee’s job position, including symptoms of the employee’s speech, physical
dexterity, agility, coordination, demeanor, irrational or unusual behavior, or negligence or
carelessness in operating equipment or machinery; disregard for the safety of the employee or
others, or involvement in an accident that results in serious damage to equipment or property;
disruption of a production or manufacturing process; or carelessness that results in any injury to
the employee or others. If an employer elects to discipline an employee on the basis that the
employee is under the influence or impaired by cannabis, the employer must afford the employee
a reasonable opportunity to contest the basis of the determination.

“(d) Nothing in this section shall be construed to create or imply a cause of action for any
person against an employer for:

“(1) Actions, including subjecting an employee or applicant to reasonable drug
and alcohol testing under the employer's workplace drug policy, including an employee's refusal
to be tested or to cooperate in testing procedures or disciplining or termination of employment,
based on the employer's good faith belief that an employee used or possessed cannabis in the
employer's workplace or while performing the employee's job duties or while on call in violation
of the employer's employment policies;

“(2) Actions, including discipline or termination of employment, based on the
employer’s good faith belief that an employee was impaired as a result of the use of cannabis, or
under the influence of cannabis, while at the employer’s workplace or while performing the
employee’s job duties or while on call in violation of the employer’s workplace drug policy; or

“(3) Injury, loss, or liability to a third party if the employer neither knew nor had
reason to know that the employee was impaired.
“(e) Nothing in this section shall be construed to interfere with any federal restrictions on employment or impact an employer’s ability to comply with federal law or cause it to lose federal contract or funding.”.

Sec. 9. Section 23-1321(c)(1)(B)(ix) of the District of Columbia Official Code is amended as to read as follows:

“(ix) Refrain from excessive use of alcohol or marijuana or any use of a narcotic drug or other controlled substance without a prescription by a licensed medical practitioner; provided, that a positive test for the use of marijuana, a violation of § 48-1201, or legal possession or use of marijuana pursuant to the Comprehensive Cannabis Legalization and Regulation Act of 2021 shall not be considered a violation of the conditions of pretrial release, unless the judicial officer expressly prohibits the use or possession of marijuana, as opposed to controlled substances generally, as a condition of pretrial release; the terms “narcotic drug” and “controlled substance” shall have the same meaning as in § 48-901.02;”.

Sec. 10. Section 4(c) of An Act For the establishment of a probation system for the District of Columbia, approved June 25, 191 (36 Stat. 865; D.C. Official Code § 24-304), is amended to read as follows:

“(c) A positive test for the use of marijuana, a violation of § 48-1201, or legal possession or use of marijuana pursuant to the Comprehensive Cannabis Legalization and Regulation Act of 2021 shall not be considered a violation of a condition of probation unless the judicial officer expressly prohibits the use or possession of marijuana, as opposed to controlled substances generally, as a condition of probation.”.

Sec. 11. Section 124 of the 21st Century Financial Modernization Act of 2000, effective June 9, 2001 (D.C. Law 13-308; D.C. Official Code § 26-551.24) is amended to read as follows:
“Sec. 124. Authority to transact business with marijuana licensees.

“(a) A financial institution authorized to conduct business in the District of Columbia pursuant to the District of Columbia Banking Code is authorized to provide financial services to persons or entities with ABCA-approved marijuana licenses; and

“(b) The financial institution shall not be in violation of the following by virtue of providing financial services to persons or entities with ABCA-approved marijuana licenses, provided that the financial institution complies with the Bank Secrecy Act Expectations Regarding Marijuana-Related Businesses Guidelines (FIN-2014-G001), February 14, 2014, in the provision of the financial services:

“(1) Section 2(k) of the District of Columbia Regional Interstate Banking Act of 1985, effective November 23, 1985 (D.C. Law 6-107 § 2(k); D.C. Official Code § 26-109);

“(2) Sections 122; 203(c)(4), (8), (12) and (13); 211(a), (e)(6); 217(6); and 219(a), of the 21st Century Financial Modernization Act of 2000, effective June 9, 2001 (D.C. Law 13-308 § 122; D.C. Official Code § 26-101 et seq., 521, 26-551.22); and

“(3) Section 10c(a)(1) and (2) District of Columbia Regional Interstate Banking Act of 1985, effective November 23, 1985 (D.C. Law 9-42; D.C. Official Code § 26-109(a)(1) and (2)).”.

Sec. 12. Section 125 of the 21st Century Financial Modernization Act of 2000, effective June 9, 2001 (D.C. law 13-308; D.C. Official Code § 26-551.24) is amended to read as follows:

“(a) The Department of Insurance, Securities and Banking, in consultation
with ABCA, shall establish a marijuana license and compliance portal for use by financial

institutions.

“(b) The portal shall be an online portal aggregating data on marijuana businesses from

ABCA. The portal shall be designed to support financial institutions’ compliance and provide

information so that financial institutions can with the Bank Secrecy Act Expectations Regarding


“(c) At a minimum, the portal shall include the following information:

“(1) Licensing and regulatory information;

“(2) Product lists and sources of supply;

“(3) Financial records of licensed establishments, including major transactions;

“(4) Civil or criminal enforcement actions against licensees;

“(5) Evidence of suspicious or illegal activity; and

“(6) Other information to assist financial institutions, as determined by

the Commissioner.”.

Sec. 13. Section 126 of the 21st Century Financial Modernization Act of 2000,
effective June 9, 2001 (D.C. Law 13-308; D.C. Official Code § 26-551.24) is amended to
read as follows:

“Sec. 126. Banking services enhancement.

“(a) DISB shall conduct an analysis of additional changes in laws or regulations that
might enable legal marijuana-related businesses to have better access to banking services and
issue a report on such analysis within 18 months of the effective date of final regulations issued
by the Alcoholic Beverage and Cannabis Board.
“(b) DISB shall issue any rules necessary to repeal or amend any local rules, regulations, and practices that might impair access to financial services by persons licensed pursuant to this act, or to issue such rules to increase the availability of such services.

“(c) Upon the enactment of any statute authorizing state-chartered credit unions in the District of Columbia, it shall be legal under District law for such a credit union to open accounts on behalf of and accept receipts from licensed marijuana businesses from their licensed activities.”.

Sec. 14. Title 2 of the District of Columbia Official Code is amended as follows:

Section 2-534(a) is amended by adding a new paragraph (18) to read as follows:

“(18) Information related to the location of the premises owned by a cultivator or manufacturer licensee.”.

Sec. 15. Section 6 of the Office of the Administrative Hearings Establishment Act Of 2001, effective March 6, 2002 (D.C. Law 14-76; D.C. Official Code § 2-1831.03), is amended by added a new subsection (b-25) to read as follows:

“(b-25) This chapter shall apply to all adjudicated cases arising under D.C. Code § 25-2807.”.

Sec. 16. Section 106a of The Prevention of Child Abuse and Neglect Act of 1977, effective September 23, 1977 (D.C. Law 2-22; D.C. Official Code § 4-1301.06a) is amended by adding new subsections (d) and (e) to read as follows:

“(d) Where a newborn tests positive for the presence of cannabinoid components or metabolites, the positive test result alone shall not be sufficient to commence an investigation pursuant to paragraph (a)(1).
“(c) Legal possession and use of marijuana by parents, legal guardians, or custodians pursuant to the Comprehensive Cannabis Legalization and Regulation Act of 2021 shall not form the sole basis of an investigation pursuant to paragraph (a)(1).”.

Sec. 17. Title 48 of the District of Columbia Official Code is amended as follows:

(a) Section 48-904.01(a)(1)(B) is amended to read as follows:

“(B) Transfer to another person 21 years of age or older, without remuneration, marijuana weighing one ounce or less, or one clone, regardless of weight.”.

(b) Section 48-904.01(a)(1)(C) is amended to read as follows:

“(C) Possess, grow, harvest, or process, within the interior of a house, rental unit, or outdoor space accessible only from inside the house that is in the exclusive control of the resident, and constitutes such person’s principal residence, no more than 6 cannabis plants, with 3 or fewer being mature, flowering plants; provided, that all persons residing within a single house or single rental unit may not possess, grow, harvest, or process, in the aggregate, more than 12 cannabis plants, with 6 or fewer being mature, flowering plants;”

(c) Section 48-904.01a(1) is amended by adding a new paragraph (E) to read as follows:

“(E) “The Mayor shall be responsible for issuing all rules necessary to implement the provisions of this chapter.”.

Sec. 18. Severability.

If any provision of this act, or the application thereof to any person or circumstance, is found by a court invalid, such determination shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application.

Sec. 19. Fiscal impact statement.

Sec. 20. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973, (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.