

**COUNCIL OF THE DISTRICT OF COLUMBIA  
COMMITTEE OF THE WHOLE  
COMMITTEE REPORT**

1350 Pennsylvania Avenue, NW, Washington, DC 20004

DRAFT

---

**TO:** All Councilmembers

**FROM:** Chairman Phil Mendelson  
Committee of the Whole

**DATE:** December 6, 2022

**SUBJECT:** Report on Bill 24-113, “Medical Cannabis Amendment Act of 2022”

The Committee of the Whole, to which Bill 24-113, the “Medical Cannabis Amendment Act of 2022”<sup>1</sup> was referred, reports favorably thereon with amendments, and recommends approval by the Council.

CONTENTS

I.	Background And Need.....	1
II.	Legislative Chronology.....	13
III.	Summary Of Testimony.....	13
IV.	Impact On Existing Law .....	13
V.	Fiscal Impact.....	14
VI.	Racial Equity Impact.....	14
VII.	Section-By-Section Analysis .....	14
VIII.	Committee Action.....	15
IX.	Attachments .....	15

**I. BACKGROUND AND NEED**

On February 25, 2021, Bill 24-113, the “Medical Cannabis Amendment Act of 2021” was introduced by Chairman Mendelson at the request of the Mayor. As introduced, the bill would amend the Legalization of Marijuana for Medical Treatment Initiative of 1999 to create safe-use treatment, education tasting, and delivery endorsements, increase the number of dispensaries from 8 to 16, provide a pathway for returning citizens to work in the medical cannabis industry, and eliminate the plant count for cultivation facilities, among other things.

***Medical Cannabis in the District of Columbia***

In November 1998, voters of the District of Columbia overwhelmingly approved Initiative 59, titled the “Legalization of Marijuana for Medical Treatment Initiative of 1998.” As drafted, the Initiative would have allowed patients to use cannabis for medical purposes if they received a recommendation from a licensed physician and allowed residents to organize not-for-profit

---

<sup>1</sup> Formerly titled the “Medical Cannabis Amendment Act of 2021.”

corporations for the purpose of cultivating and distributing cannabis to medical patients.<sup>2</sup> Because the District is not a state and is therefore subject to the authority of Congress, within weeks of its passage, Republican Representative Robert Barr moved an amendment to block the implementation of the Initiative.<sup>3</sup> Despite multiple lawsuits and attempts to overturn the Barr Amendment, it remained in effect until July 2009.<sup>4</sup>

With Congress no longer blocking the will of District voters, the Council worked quickly to approve D.C. Law 18-210, the “Legalization of Marijuana for Medical Treatment Initiative Amendment Act of 2010.”<sup>5</sup> The law created a medical cannabis program under the auspices of the Department of Health. Under the law, medical patients could obtain a medical cannabis registration card after receiving a recommendation from a licensed medical practitioner. To obtain a recommendation, a qualifying patient had to have a qualifying medical condition or be undergoing qualifying medical treatment. Qualifying medical conditions included human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), glaucoma, multiple sclerosis, and cancer. Qualifying medical treatments included chemotherapy, the use of azidothymidine or protease inhibitors, and radiotherapy. Patients who received a medical cannabis card could obtain medical cannabis from one of 5 dispensaries in the District.<sup>6</sup>

The District’s medical cannabis law remained unchanged until 2014 when the Council approved D.C. Law 20-474, the “Medical Marijuana Expansion Amendment Act of 2014.” This law reduced barriers to medical cannabis for qualifying patients by striking the list of qualifying medical conditions and increasing the number of plants a cultivation center could possess from 95 to 500.<sup>7</sup> The Council expanded the program once more in 2016 with the approval of D.C. Law 21-209, the “Medical Marijuana Omnibus Amendment Act of 2016.” This law changed the definition of an authorized practitioner to allow for more medical professionals to recommend the use of medical cannabis, created a testing laboratory license, increased the cap on the number of cultivation centers and dispensaries that could operate in the District, and increased the number of plants that a cultivation center could possess from 500 to 1,000, among other things.<sup>8</sup>

Due to the restrictions on who could purchase and use medical cannabis and the statutory cap on how many cultivation centers and dispensaries could operate in the District, the medical cannabis program was small and underutilized until very recently. As Figure 1 shows, there were less than 7,000 registered patients in the program until June 2020. Changes made to the law on an emergency and temporary basis have significantly increased the number of registered patients, however. After the implementation of self-certification in July of this year, the number of registered patients grew from over 14,000 to nearly 25,000.<sup>9</sup>

---

<sup>2</sup> Ballot Initiative 59 (<https://www.washingtonpost.com/wp-srv/local/longterm/library/dcelections/races/dcq59.htm>).

<sup>3</sup> District of Columbia Appropriations Act, 1999, Pub.L. No. 105-277, § 171, 112 Stat. 2681 (1998).

<sup>4</sup> See, for instance, *Marijuana Policy Project v. D.C. Board of Elec. and Eth.*, 191 F. Supp. 2d 196 (D.D.C. 2002).

<sup>5</sup> D.C. Law 18-210.

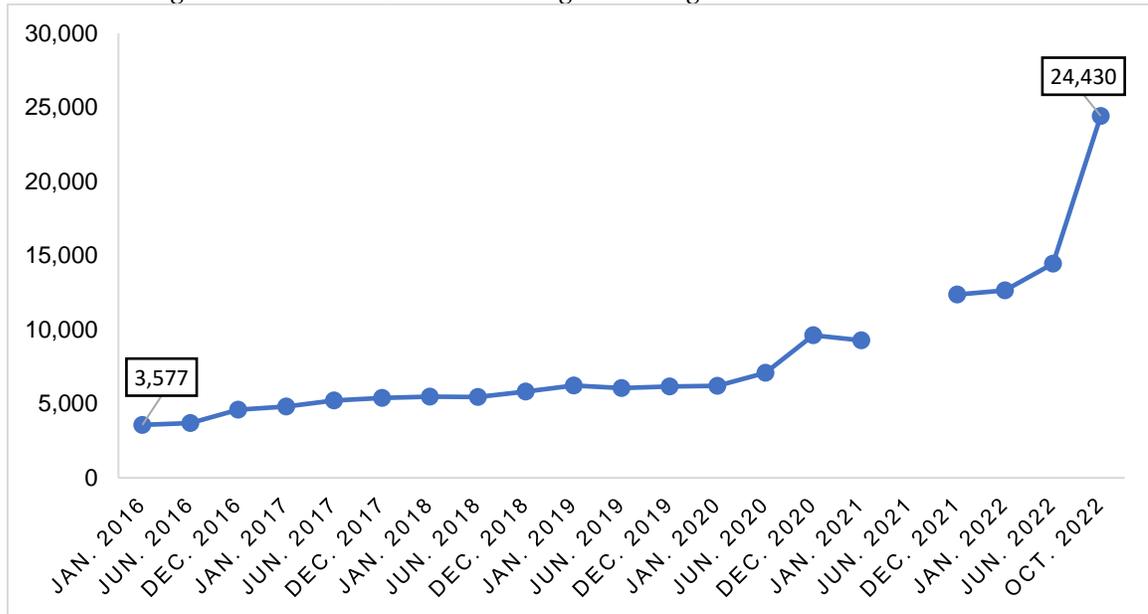
<sup>6</sup> *Id.*

<sup>7</sup> D.C. Law 20-474.

<sup>8</sup> D.C. Law 21-209.

<sup>9</sup> This includes patients whose cards had expired or lapsed prior to October 31, 2022. The Medical Marijuana Patient Access Extension Second Emergency Amendment Act of 2022 (D.C. Act 24-565) allows these patients to continue using expired cards until March 31, 2022. An identical temporary is currently under Congressional review.

Figure 1. Medical Cannabis Program - Registered Patients<sup>10</sup>



Note: Data for June 2021 is unavailable.

### Bill 24-113

Since the passage of D.C. Law 21-209, the Mayor and Council have addressed issues with the medical cannabis program on a piecemeal basis, often via emergency legislation. Bill 24-113, then, represents the first comprehensive overhaul of the District’s medical cannabis law in over 6 years. As introduced, the bill would amend the Legalization of Marijuana for Medical Treatment Initiative of 1999 to create safe-use treatment, education tasting, and delivery endorsements, increase the number of dispensaries from 8 to 16, provide a pathway for returning citizens to work in the medical cannabis industry, and eliminate the plant count for cultivation facilities, among other things.

Based on feedback from stakeholders and coordination with other Committees, the Committee Print from the Committee on Judiciary and Public Safety (CJPS) included many significant changes to the bill, including:

- Allowing qualifying patients ages 21 and above to self-certify for medical cannabis;
- Removing statutory caps on the number of cultivation centers and dispensaries that can locate within a single election ward;
- Setting aside at least 50% of all new cultivation center, manufacturer, and dispensary licenses for social equity applicants and medical cannabis-certified business enterprises;

<sup>10</sup> The number of patients registered with the medical cannabis program was pulled from old “Medical Marijuana and Integrative Therapy Update” reports from DC Health and program metric reports from the Alcoholic Beverage Regulation Administration.

- Restricting the use of criminal records when determining whether to issue a license for a cultivation center, manufacturer, or dispensary;
- Establishing transitional licenses that would allow currently unlicensed cannabis dispensaries to transition to a valid dispensary license;
- Creating a program to provide grants and loans to social equity applicants and medical cannabis-certified business enterprises; and
- Prescribing civil penalties and enforcement for the operation of unlicensed cannabis businesses. Enforcement could begin after the application period for transitional licenses.

The provisions regarding self-certification, removing the statutory cap on cultivation centers, and restricting the use of criminal records are worth highlighting. First, self-certification will allow more people experiencing health, mental health, and other chronic health-related issues to use cannabis for medical purposes. As the CJPS Committee Report noted, a doctor’s visit can be prohibitive for many people in the District, very few medical professionals are registered with ABRA, and there are many people with undiagnosed diseases that are unlikely to receive a recommendation to use medical cannabis from a licensed medical professional due to the lack of a diagnosis.<sup>11</sup> Second, removing the statutory cap on the number of cultivation centers and dispensaries that may operate in a single Ward will give ABRA the flexibility to issue as many licenses as are necessary to meet demand. This is a far more thoughtful approach to licensing than establishing an arbitrary cap. Third, restricting the use of criminal records for purposes of determining whether someone should receive a license—except for purposes of determining whether an applicant qualifies as a social equity applicant—will provide returning citizens more access to opportunities in the medical cannabis market. To date, returning citizens have been unjustly shut out of opportunities for business ownership and jobs in the medical cannabis market in the District.

On November 29, 2022, the Committee on Business and Economic Development (CBED) marked Bill 24-113. The Committee Print from CBED retains most of the changes made by the Committee on Judiciary and Public Safety but includes numerous additions and amendments that are meant to expand the medical cannabis program, increase access to opportunities for returning citizens, and decrease financial burdens on licensed medical cannabis businesses. These include:<sup>12</sup>

- Allowing the Alcoholic Beverage and Cannabis Administration to issue conditional licenses;
- The creation of a courier license that would allow a third party contracted with a retailer to deliver medical cannabis to qualifying patients;
- The creation of an internet retailer license that would allow a medical cannabis retailer to operate without a physical storefront for medical cannabis purchases;
- The creation of a summer garden endorsement that would allow retailers with a safe-use facility endorsement to offer qualifying patients space to purchase and consume medical cannabis in a private outdoor space;

---

<sup>11</sup> The Committee on Judiciary and Public Safety, Bill 24-113, Committee Report, October 21, 2022, pgs. 2-3.

<sup>12</sup> This is not a comprehensive list of all changes made by the Committee on Business and Economic Development.

- Setting aside all new manufacturer, retailer, internet retailer, and courier licenses for social equity applicants for the first three years after the effective date of the act;
- Delaying enforcement against unlicensed cannabis businesses to 225 days after the application period for unlicensed establishments; and
- Allowing licensed medical cannabis businesses to deduct the “ordinary and necessary” costs of conducting business with respect to District income taxes.

The Print from Committee of the Whole retains a majority of the alterations and additions made by CBED, including the creation of an internet retailer license. While some external stakeholders have raised concerns that this license category runs afoul of the law, the Committee is not convinced. Currently, several medical cannabis dispensaries in the District already allow for online pre-ordering, delivery, or pick-up.<sup>13</sup> To place an order online, a patient has to enter their information, including their medical cannabis ID card registration number. Internet retailers would need to follow the same procedures. The only difference is that an internet retailer would not have a physical storefront.

That said, the Committee of the Whole Print makes substantive changes in three areas: the definition of social equity applicant, setting aside all new licenses for social equity applicants for three years, and the timeline for enforcement against unlicensed establishments. Each of these issues is discussed in more detail below.

### ***The Definition of Social Equity Applicant***

The Committee of the Whole Print changes the definition of social equity applicant from what is contained in the Print marked up by the CBED. In CBED’s Print, a social equity applicant is defined as an applicant who must meet at least two of the following criteria:

1. At least one owner who is a District resident, individually or collectively owns at least 50% of the business, and is a returning citizen;
2. At least one owner who is a District resident, individually or collectively owns at least 50% of the business, and is married to or in a civil union, has a child, or is the child of a person or has a non-parent legal guardian who is or has been incarcerated in the District or in any other jurisdiction for a cannabis or drug-related offense;
3. At least one owner who is a District resident, individually or collectively owns at least 50% of the business, and has been a District resident of a disproportionately impacted area, as defined by the ABC Board, for at least 10 of the past 20 years;
4. At least one owner who is a District resident, individually or collectively owns at least 50% of the business and has resided in public housing or qualified for the Housing Choice Voucher Program in the District in the past 20 years or is married to or in a civil union, has a child, or is the child of a person or has a non-parent legal guardian who is or has resided in public housing or qualified for the Housing Choice Voucher program in the District in the past 20 years; or

---

<sup>13</sup> See, for instance, Herbal Alternatives or Takoma Wellness websites, both of which allow qualifying patients to order online and provide qualifying patients the opportunity for delivery of cannabis products to their home.

5. At least one owner who is a District resident, individually or collectively owns at least 50% of the business and has an income that does not exceed 400% of the median family income level.

The Committee supports criteria prioritizing returning citizens and their families, as this has a direct nexus to the harms caused by the War on Drugs. Additionally, the Committee supports criteria that will prioritize low-and-middle income residents of the District. The Committee finds that the other criteria included in the CBED are either unnecessary or would not enhance social equity within the medical cannabis industry in the District, however. The criterion for an individual who received a housing choice voucher or lived in public housing in the District sometime in the last 20 years is unnecessary because these individuals are extremely unlikely to have incomes above 150% of the median family income. And the inclusion of a criterion for people who have resided in a “disproportionately impacted area” for 10 of the last 20 years is unlikely to advance equity. While the term “disproportionately impacted area” is not defined in the CBED Print, anyone who is a long-term resident of said area is likely to be a homeowner who can afford to stay in their neighborhood. Additionally, an applicant could satisfy CBED’s definition of a social equity applicant if they have resided in a “disproportionately impacted area” 10 of the last 20 years and have a family income just below the 400% threshold, thereby undercutting the prioritization of returning citizens, the families of returning citizens, and lower-income applicants.

Given these facts, the Committee of the Whole Print retains the first, second, and fifth criteria from CBED’s print. The Committee of the Whole Print alters the income threshold for the fifth criterion, however, from no more than 400% median family income to no more than 150% median family income to target low-and-middle applicants more appropriately. Table 1 shows the difference between the upper bound of the two income thresholds.<sup>14</sup> Under CBED’s Print, for instance, a family of four with over half a million dollars in income would qualify as a social equity applicant. With the 150% threshold, this is reduced to just \$200,000 in family income for a family of four.

Table 1. Comparing Income Thresholds in Committee Prints

	<b>1 Person</b>	<b>2 Persons</b>	<b>3 Persons</b>	<b>4 Persons</b>
400% MFI	\$398,450	\$455,400	\$512,300	\$569,200
150% MFI	\$149,400	\$170,750	\$192,100	\$213,450

With all of this in mind, the Committee of the Whole Print defines a social equity applicant as someone who meets at least two of the following criteria:

- At least one owner who is a District resident, individually or collectively owns at least 50% of the business, and is a returning citizen;
- At least one owner who is a District resident, individually or collectively owns at least 50% of the business, and is married to or in a civil union, has a child, or is the child of a person

---

<sup>14</sup> Median family income for fiscal year 2022 is \$142,300. Pursuant to the methodology used by the United States Department of Housing and Urban Development, the Committee multiplied \$142,300 by 400% and 150% to generate an estimate for a 4-person family. Thresholds for one-person, two-person, and three-person families were calculated by multiplying the 4-person family threshold by 70%, 80%, and 90% respectively. See, United States Department of Housing and Urban Development, Median Family Income Calculation Methodology ([here](#)).

or has a non-parent legal guardian who is or has been incarcerated in the District or in any other jurisdiction for a cannabis or drug-related offense; or

- At least one owner who is a District resident, individually or collectively owns at least 50% of the business and has an income that does not exceed 150% of the median family income as set forth by the United States Department of Housing and Urban Development, adjusted for household size, at the time he or she submits the application.

### ***Social Equity Applicant Set-Asides***

In CBED's Print, *all* new licenses issued after the effective date of the bill would be set aside for social equity applicants. After the three-year exclusivity period ends, social equity applicants would receive "priority review." The Committee of the Whole supports setting aside some licenses for social equity applicants, as experiences in other jurisdictions suggest that point-based systems and other policies meant to increase business ownership opportunities for people harmed by the War on Drugs have failed to meet their stated goals.<sup>15</sup> That said, the Committee is concerned that setting aside all licenses would be unlikely to withstand legal challenge due to the dormant commerce clause, a legal doctrine established by the courts, inferred from the text and history of the Commerce Clause in the United States Constitution.

Prior to the ratification of the United States Constitution, Congress did not have the power to regulate interstate commerce. As a result, states often enacted tariffs and other protectionist trade laws that disadvantaged imports or products from other states. In 1781, Virginia's General Assembly approved an act imposing "duties" on all liquor, wine, flour, sugar, or coffee.<sup>16</sup> Similar laws were adopted in Massachusetts,<sup>17</sup> New York,<sup>18</sup> Connecticut,<sup>19</sup> Rhode Island,<sup>20</sup> and South Carolina.<sup>21</sup> Congress attempted to address interstate commerce under the Articles of Confederation several times, but any amendments to the Articles had to be approved by all states, and several states refused to ratify proposals. Due to the problems that arose from Congress' lack of authority to regulate interstate commerce, the Framers of the United States Constitution included this authority as one of Congress's enumerated powers in Article 1, Section 8. The text of the Commerce Clause reads:

*"The Congress shall have the Power... To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;"*

In the early 19<sup>th</sup> century, commerce clause cases were generally decided based on whether a state law interfered with Congress's authority to regulate or, in circumstances where Congress

---

<sup>15</sup> See, for instance, the current situation in Illinois. Alexander Lakhtman, "Illinois Social Equity Program Near Collapse, Say Advocates," Filter Magazine, September 12, 2022 (<https://filtermag.org/illinois-social-equity-marijuana-collapse/>).

<sup>16</sup> An Act for ascertaining certain Taxes and Duties, and for establishing a permanent Revenue. November 1781, Ch. XL, at 27.

<sup>17</sup> Act of March 22, 1783, Ch. XXXII, Acts and Laws of the Commonwealth of Massachusetts (1783).

<sup>18</sup> Spaulding, E. W. (1932). New York in the Critical Period. 1783–1789. In New York in the Critical Period. 1783–1789. Columbia University Press.

<sup>19</sup> Act of May 1784, Connecticut Acts, at 269.

<sup>20</sup> Act of February 1783, Rhode Island Acts, at 45.

<sup>21</sup> Act of August 13, 1783, Acts Passed at a General Assembly... in the State of South Carolina 1-2 (1783).

had yet to regulate the commerce in question, whether the law unduly burdened interstate commerce.<sup>22</sup> While cases such as *Gibbons v. Ogden*<sup>23</sup> and *Willson v. Black-Bird Creek Marsh Co.*<sup>24</sup> would lay the groundwork for the dormant commerce clause, the doctrine was not firmly established until *Cooley v. Board of Warden* and *Welton v. Missouri*. At issue in *Cooley* was a Pennsylvania law that required ships to engage a local pilot when entering or leaving the port of Philadelphia. Writing for the majority, Justice Benjamin Curtis reasoned that because Congress had not expressly prohibited state regulations on this issue, and the subject did not—in the Court’s estimation—require a national uniform policy, the law in question did not violate the commerce clause.<sup>25</sup> At issue in *Welton* was a Mississippi law that required a peddler’s license for merchants selling goods from other states but did not require a license if the goods were produced in Missouri. Relying on *Cooley*, the *Welton* Court reasoned that the law violated the commerce clause because the selling of goods requires uniform regulation. More importantly, however, the *Welton* Court stated that even though Congress had not regulated this area of commerce, “Its inaction on this subject... is equivalent to a declaration that inter-State commerce shall be free and untrammelled.”<sup>26</sup>

Since *Welton*, the Supreme Court has developed and now applies two principles under the dormant commerce clause. First, with limited exceptions, state and local laws that discriminate against out-of-state goods or residents are *per se* invalid. Second, that state and local laws that are not facially discriminatory against out-of-state goods or residents must be narrowly tailored and serve a “legitimate local purpose.”<sup>27</sup> In *Tennessee Wine and Spirits Retailers Association v. Thomas*,<sup>28</sup> for instance, the Supreme Court held struck down a law in Tennessee that required applicants for a liquor license to have resided in the state for at least two years. Writing for the majority, Justice Samuel Alito wrote that the law is unconstitutional because it “... blatantly favors the state’s residents...” and cannot be justified by “a valid factor unrelated to economic protectionism.”<sup>29</sup>

As a result of this case law, federal courts have uniformly held that licensure residency requirements in medical and recreational cannabis laws, or provisions that exclude out-of-state applicants, violate the dormant commerce clause. Two recent cases on licensing requirements in cannabis laws are illustrative: *Lowe v. City of Detroit* and *Variscite NY One, Inc. v. State of New York et al.* In *Lowe*, a resident of River Ridge—a suburb just outside of the City of Detroit—challenged provisions in a recreational cannabis ordinance that provided a certain class of applicants in the City of Detroit with priority review, meaning their applications would be reviewed before any applicants from non-Detroit residents. The City of Detroit defended the provisions as a necessary corrective to the harms wrought by the War on Drugs, stating that the priority review was meant to “assist residents who have been most harmed by the criminalization

---

<sup>22</sup> See, for instance,

<sup>23</sup> *Gibbons v. Ogden*, 22 U.S. 1, 6 L. Ed. 23, 9 U.S. (Wheat.) 1, 1824 U.S. LEXIS 370 (1824).

<sup>24</sup> *Willson v. Black-Bird Creek Marsh Co.*, 27 U.S. 245 (1829).

<sup>25</sup> *Welton v. Missouri*, 53 U.S. 299 (1851).

<sup>26</sup> *Welton v. State of Missouri*, 91 U.S. 275 (1875).

<sup>27</sup> *Department of Revenue of Ky. v. Davis*, 553 U. S. 328, 338 (2008). See, also, *Oregon Waste Systems, Inc. v. Department of Environmental Quality of Ore.*, 511 U. S. 93, 100–101 (1994); *Maine v. Taylor*, 477 U. S. 131, 138 (1986).

<sup>28</sup> 53 U.S. (12 How.) 299 (1852).

<sup>29</sup> *Tennessee Wine and Spirits Retailers Assn. v. Thomas*, 139 S. Ct. 2449, 204 L. Ed. 2d 801 (2019).

of marijuana-related conduct and to limit the monopolization of adult-use licenses by those who have not experienced the systemic effects of the War on Drugs...”<sup>30</sup> In his order granting Lowe a temporary injunction, Judge Bernard Friedman rejected the argument put forward by the city, stating that it is “... irrational to grant the preference to residents of Detroit but deny it to those of other communities, such as neighboring River Rouge, when residents of both cities presumably suffered from the War on Drugs to the same extent.”<sup>31</sup>

In *Variscite NY One, Inc.*, a firm owned by a justice-involved Michigan resident, challenged provisions of New York State’s Marihuana Regulation & Taxation Act that require an applicant for a Conditional Adult Use Retail Dispensary (CAURD) license to maintain “significant presence in New York State...” and be “justice-involved,” which means they must have a conviction for a cannabis-related offense in New York State.<sup>32</sup> The owner of Variscite applied for one of these licenses but was deemed ineligible due to not having a “significant presence” in New York. As a result, Variscite filed suit against the state in the United States District Court in the Northern District of New York.<sup>33</sup> On November 10, 2022, Senior District Judge Gary Sharpe issued an order enjoining the state from issuing any CAURD licenses in several geographic areas. In his order, Judge Sharpe notes that the State of New York could not show that the law is sufficiently narrowly tailored and approvingly cites Variscite’s contention that another “nondiscriminatory method could address the supposed collateral consequences of cannabis criminalization...”<sup>34</sup>

Similar rulings and orders have been issued in all other known cases involving licensing provisions in medical and recreational cannabis laws, including *NPG, LLC v. City of Portland*,<sup>35</sup> *Toigo v. Dep’t of Health & Senior Servs.*,<sup>36</sup> *Finch v. Treto*,<sup>37</sup> and *Ne. Patients Grp. v. Me. Dep’t of Admin. & Fin. Servs.*<sup>38</sup> It is also worth noting that, in all cases thus far, courts have rejected the argument that because the federal Controlled Substances Act prohibits the possession, sale, and distribution of cannabis, Congress has exercised its right to regulate cannabis under the Commerce Clause.<sup>39</sup>

Given these facts, the Committee Print from the Committee of the Whole strikes the three-year exclusivity period for social equity applicants in the CBED Print and instead sets aside at least 50% of all new manufacturer, retailer, internet retailer, and courier licenses for social equity applicants. The Committee believes this set aside will withstand legal scrutiny for several reasons. First, it does not discriminate against non-District residents. For any applications not set aside for social applicants, a non-District resident could apply for and receive a medical cannabis business

---

<sup>30</sup> *Lowe v. City of Detroit*, 544 F. Supp. 3d 804 (E.D. Mich. 2021).

<sup>31</sup> *Id.*

<sup>32</sup> N.Y.C.R.R. § 116.2(a).

<sup>33</sup> *Variscite NY One, Inc. v. State of New York et al.*, No. 1:22-cv-1013 (GLS/DJS) (N.D.N.Y.).

<sup>34</sup> *Id.*

<sup>35</sup> *NPG, LLC v. City of Portland*, Docket No. 2:20-cv-00208-NT (D. Me. Aug. 14, 2020).

<sup>36</sup> *Toigo v. Dep’t of Health & Senior Servs.*, No. 20-4243-CV-C-NKL (W.D. Mo. Jan. 24, 2022).

<sup>37</sup> *Finch v. Treto*, No. 22 C 1508, 2022 WL 2073572 (N.D. Ill. June 9, 2022).

<sup>38</sup> *Ne. Patients Grp. v. Me. Dep’t of Admin. & Fin. Servs.*, 554 F. Supp. 3d 177 (D. Me. 2021).

<sup>39</sup> See, for instance, *NPG, LLC v. City of Portland*. In her order, District Judge Nancy Torresen addresses this argument by stating “although the Controlled Substances Act criminalizes marijuana, it does not affirmatively grant states the power to ‘burden interstate commerce’ in a manner which would otherwise not be permissible.””

license. Additionally, applications from non-District residents will be evaluated at the same time as those submitted by District residents who qualify as social equity applicants. Second, it is more narrowly tailored than the three-year exclusivity window for social equity applicants envisioned in the CBED Print, and the Committee finds that alternatives, such as job training programs, are extremely unlikely to result in returning citizens being able to own or operate a medical cannabis business.<sup>40</sup> Third, it serves a legitimate local purpose but does not unduly burden interstate commerce. As noted earlier in this report, many returning citizens have been excluded from the industry due to our current laws and regulations.<sup>41</sup> Additionally, low-and-middle income residents often face significant barriers to entry, including high application and license fees, lack of access to capital, and other issues.<sup>42</sup> The definition of social equity applicant in the Committee of the Whole Print ensures that these residents have an opportunity to own a medical cannabis business without excluding non-District residents from licensure for three years.

### ***Enforcement Against Unlicensed Establishments***

In the Prints for CJPS and CBED, unlicensed establishments are given the opportunity to apply for medical cannabis licenses, but the timeline for potential enforcement against unlicensed establishments that did not receive a license differs. In CJPS's Print, enforcement could begin 180 days after the effective date of the bill. This would be enough time to encompass the application window for unlicensed establishments. In CBED's Print, enforcement could begin 225 days after the close of the application window for unlicensed establishments. The Committee of the Whole supports providing these establishments an opportunity to apply for medical cannabis licenses but believes pushing potential enforcement that far into the future would do more harm than good, particularly for new medical cannabis businesses.

We do not know how many unlicensed cannabis establishments currently exist in the District, but research by the Committee suggests there are well over 100 currently operating. Because these establishments are not licensed to sell cannabis, they do not follow laws and regulations that apply to licensed medical cannabis establishments. For instance, licensed medical cannabis establishments cannot locate within 300 feet of a preschool, primary or secondary school, or recreation center.<sup>43</sup> The Committee is aware of at least a dozen unlicensed establishments located within 300 feet of preschools, primary or secondary schools, or recreation centers, however. Additionally, licensed medical cannabis dispensaries can only sell medical cannabis grown by licensed cultivators, as transporting cannabis across state lines could subject the District

---

<sup>40</sup> Indeed, the Committee is not aware of any studies which provide evidence that preference systems or workforce training programs increase business formation and ownership. Meanwhile, evidence suggests that contracting set-asides, which are similar in nature to the set-asides prescribed by this law, have been increased business ownership. For instance, Chatterji, Fairlie, and Chay (2014) find that contracting set-asides for minority-owned businesses significantly increased Black business ownership in the targeted sectors (Chatterji, A. K., Chay, K. Y., & Fairlie, R. W. (2014). The impact of city contracting set-asides on black self-employment and employment. *Journal of Labor Economics*, 32(3), 507-561.). See, also, Marion, J. (2009). Firm racial segregation and affirmative action in the highway construction industry. *Small Business Economics*, 33(4), 441-453.

<sup>41</sup> D.C. Official Code § 7-1671.06(j).

<sup>42</sup> See, for instance, the Minority Cannabis Business Association's 2022 National Cannabis Equity Report (<https://mjbizdaily.com/wp-content/uploads/2022/02/National-Cannabis-Equity-Report-1.pdf>).

<sup>43</sup> D.C. Official Code § 7-1671.06(g).

to federal enforcement activities for interstate drug trafficking.<sup>44</sup> Unlicensed establishments, on the other hand, are acquiring much of their cannabis from outside of the District.

These and other requirements in our medical cannabis laws and regulations, while sensible and necessary, generate compliance costs that unlicensed establishments do not have to bear. All of this gives unlicensed establishments a competitive advantage over licensed medical cannabis establishments. And as the Council has seen and heard over the past year, current medical cannabis licensees have been negatively impacted by the growing number of unlicensed establishments. Delaying enforcement well beyond the application period for unlicensed establishments will harm current licensees. Delaying enforcement well beyond the application period for unlicensed establishments will also negatively impact any new licensees, as they are likely to have smaller profit margins than current licensees, making them more vulnerable to financial distress.

Given these facts, the Committee of the Whole Print would allow enforcement to begin after ABCA makes a determination as to which unlicensed establishments will receive medical cannabis licenses. Here's how this would work in practice: Unlicensed establishments can apply for a medical cannabis license during the 60-day application window. Once the application window closes, ABCA will review the applications and determine which applicants will receive a medical cannabis retailer or internet retailer license. ABCA will issue licenses to those applicants who meet the criteria set forth in Section 7a, which include specific operation and location requirements, possessing a valid basic business license and certificate of occupancy, and demonstrating payment of applicable taxes.<sup>45</sup> Applicants who do not meet these criteria and therefore do not receive a license will be sent a written denial from the ABC Board, giving them 30 days to close before they would be subject to potential fines and closure. The Committee believes this is a more appropriate enforcement process and timeline.

### ***Cannabis Use Data Collection***

The Committee of the Whole Print includes one addition, not present in the Prints from CJPS or CBED, related to data collection. The Print amends D.C. Official Code § 7-731.01(a) to require the Department of Health to include questions related to the use of cannabis in its Behavioral Risk Factor Surveillance System (BRFSS) questionnaire. This was added to the Print because the District lacks adequate data on the use of cannabis by District residents, particularly regarding the medical use of cannabis. Currently, the only survey with cannabis use information for residents in the District of Columbia is the National Survey on Drug Use and Health (NSDUH), a nationwide survey funded by the Substance Abuse and Mental Health Services Administration. While the NSDUH contains some inciteful information on cannabis use, it does not include any questions asking respondents whether they use cannabis for medical purposes.<sup>46</sup> By contrast, the

---

<sup>44</sup> *Id.*, (a).

<sup>45</sup> The Committee Print would not require that these individuals *all* be District residents or social equity applicants, as the Prints marked up by CJPS and CBED did. Consistent with this Committee's analysis of dormant commerce clause jurisprudence, the Print would require at least 50% be set aside for social equity applicants.

<sup>46</sup> The survey contains questions that ask respondents whether they have used cannabis in their lifetime, in the last 12 months, or in the last 30 days. The survey also asks respondents how they obtained cannabis (bought, traded, etc.) and how often they use cannabis. This information can only be publicly accessed through the Restricted-Use Data Analysis System (RDAS), whereas BRFSS data files can be downloaded directly from the CDC website for secondary analysis.

Centers for Disease Control and Prevention has an optional “marijuana use” module for the BRFSS that specifically asks respondents whether their recent cannabis use (i.e., use of cannabis within the last 30 days) was for medical or non-medical purposes. For reasons that are unclear to the Committee, the Department of Health has not used this module since 2013, leaving policymakers without any data on the medical use of cannabis.<sup>47</sup> The amendment to D.C. Official Code § 7-731.01(a) would rectify this.

### ***Miscellaneous Changes***

In addition to the issues and changes discussed in prior portions of this report, the Committee of the Whole Print contains minor changes to the Print from CBED. For instance, the Committee of the Whole Print directs the first \$100,000 in fines collected from enforcement against unlicensed establishments to the Litigation Support Fund administered by the Office of the Attorney General. The remainder of any fines collected would be deposited into the Medical Cannabis Social Equity Fund. A few other minor changes include:

- Ensuring that any repayments on loans given to social equity applicants would be credited to the Medical Cannabis Social Equity Fund;
- Providing that ABCA shall waive 75% of any non-refundable fees for social equity applicants rather than establishing a process for DSLBD to reimburse ABCA;
- Clarifying that Advisory Neighborhood Commissions may protest new applications, and renewal applications, for cultivation centers and manufacturers in addition to applications for retailers and internet retailers;
- Adding language that would prohibit the holder of a cultivation center license from holding more than one retailer or internet retailer license;
- Striking requirements for curbside delivery to take place under video surveillance; and
- Allowing cultivation centers that were awarded licenses on or before September 28, 2022 to automatically receive a manufacturer’s license, provided that the licensees pay the required fee.

Other changes to CBED’s Print are technical in nature and do not have a substantive effect on the provisions.

### ***Conclusion***

For years, the District’s medical cannabis market has been struggling to expand due to the high cost of fees to patients and various requirements on medical cannabis businesses that have hindered innovation and placed artificial caps on the number of licenses that could be issued in a given Ward. Bill 24-113 represents an opportunity to correct this dynamic by allowing qualifying patients to self-certify, creating new license categories and endorsements, and striking the statutory cap. But as marked up by the Committee on Judiciary and Public Safety, the Committee on

---

<sup>47</sup> See, The Department of Health, “Marijuana in the District of Columbia, July 2016 (<https://doh.dc.gov/sites/default/files/dc/sites/doh/publication/attachments/Marijuana%20Report%20Final%2005%2016%2016.pdf>).

Business and Economic Development, and the Committee of the Whole, Bill 24-113 goes further, increasing access to business ownership by establishing a process for unlicensed establishments to become legal, and rectifying the harms caused to District residents by the War on Drugs. It does the latter in a number of ways, including by striking language in our code that excludes anyone with a felony conviction from owning a medical cannabis business or being an employee of a medical cannabis business and by setting aside licenses for social equity applicants who are returning citizens, family members of returning citizens, or low-or-middle income District residents. These are desperately needed reforms that will benefit qualifying patients and residents across the District. Given these facts, the Committee recommends Council approval of the Committee of the Whole Print for Bill 24-113.

## **II. LEGISLATIVE CHRONOLOGY (ABBREVIATED)**

- February 26, 2021 Bill 24-113, the “Medical Cannabis Amendment Act of 2021” is introduced by Chairman Mendelson at the request of the Mayor.
- November 19, 2021 The Committee of the Whole, the Committee on Business and Economic Development, and the Committee on the Judiciary and Public Safety hold a public hearing on two bills, including Bill 24-113.
- October 21, 2021 The Committee on the Judiciary and Public Safety marks up Bill 24-113.
- November 29, 2022 The Committee on Business and Economic Development marks up Bill 24-113.
- December 6, 2022 The Committee of the Whole marks up Bill 24-113.

## **III. SUMMARY OF TESTIMONY**

Testimony from public witnesses on Bill 24-113 was primarily supportive. Fred Moosally, the Director of the Alcoholic Beverage Regulation Administration, testified on behalf of the Executive at the Committee’s joint public hearing on two bills, including Bill 24-113. Director Moosally testified in support of the bill.

## **IV. IMPACT ON EXISTING LAW**

Bill 24-113 would amend the Attorney General for the District of Columbia Clarification and Elected Term Amendment Act of 2010 to deposit \$100,000 in revenue from fines issued to unlicensed establishments and commercial property owners allowing unlicensed establishments to operate; amend the Legalization of Marijuana for Medical Treatment Initiative of 1999 to allow qualifying patients to self-certify, to establish a process for unlicensed establishments to obtain a medical cannabis business license, to create new license categories and endorsements, and to promote social equity in the medical cannabis market in the District; amend D.C. Official Code § 47–2844 to create a civil enforcement process for businesses and commercial property owners distributing or selling cannabis without a license; amend Title 25 of the District of Columbia

Official Code to make conforming definitional changes; amend The Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia to make conforming definitional changes; and amend Chapter 18 and Chapter 20 of Title 47 to make conforming definitional changes, amendments to the law regulating the medical cannabis sales tax, and adding a local tax deduction for licensed medical cannabis businesses.

## V. FISCAL IMPACT

## VI. RACIAL EQUITY IMPACT

## VII. SECTION-BY-SECTION ANALYSIS

Section 2 Amends the Attorney General for the District of Columbia Clarification and Elected Term Amendment Act of 2010 to deposit \$100,000 collected from fines against unlicensed establishments.

Section 3 Amends the Legalization of Marijuana for Medical Treatment Initiative of 1999 to insert new definitions and amend existing definitions, to allow qualifying medical patients to self-certify for medical cannabis, to create new license categories for internet retailers and couriers, to create safe use treatment facility, education tasting, delivery, and summer garden endorsements, to establish a grant and loan program for social equity applicants, and to grant ABCA the authority to issue cease and desist orders to persons who violate the law.

Section 4 Amends D.C. Official Code § 7-731.01(a) to require the Department of Health to include questions related to the use of cannabis in its BRFSS questionnaire.

Section 5 Amends subsection (a-2) of D.C. Official Code § 47-2844 to provide for civil penalties for unlicensed cannabis businesses operating in the District.

Section 6 Provides civil penalties for commercial property owners who allow unlicensed cannabis businesses to operate on their property.

Section 7 Amends Title 25 of the D.C. Official Code to change ABRA to ABCA and Alcoholic Beverage Regulation Administration to Alcoholic Beverage and Cannabis Administration.

Section 8 Amends the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia to change

ABRA to ABCA and Alcoholic Beverage Regulation Administration to Alcoholic Beverage and Cannabis Administration.

Section 9 Amends D.C. Official Code §§ 47-1801.04 and 47-1803.03(a) to allow licensed medical cannabis businesses to deduct ordinary and necessary expenses of conducting business from District income taxes. Also amends D.C. Official Code § 47-2002(a)(7) to direct sales tax revenue from the sale of medical cannabis to the Medical Cannabis Social Equity Fund.

Section 10 Standard applicability provision for legislation that is subject to appropriation.

Section 11 Standard fiscal impact statement provision.

Section 12 Standard effective date provision.

## VIII. COMMITTEE ACTION

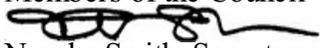
## IX. ATTACHMENTS

1. Bill 24-113 as introduced.
2. Committee on the Judiciary and Public Safety report on Bill 24-113 without attachments.
3. Committee on Business and Economic Development report on Bill 24-113 without attachment.
4. Fiscal Impact Statement for Bill 24-113.
5. Legal Sufficiency Determination for Bill 24-113.
6. Racial Equity Impact Assessment for Bill 24-113.
7. Comparative Print for Bill 24-113.
8. Committee Print for Bill 24-113.

**COUNCIL OF THE DISTRICT OF COLUMBIA**  
**1350 Pennsylvania Avenue, N.W.**  
**Washington D.C. 20004**

Memorandum

---

To : Members of the Council  
From :  Nyasha Smith, Secretary to the Council  
Date : Monday, March 1, 2021  
Subject : Referral of Proposed Legislation

Notice is given that the attached proposed legislation was introduced in the Office of the Secretary on Friday, February 26, 2021. Copies are available in Room 10, the Legislative Services Division.

TITLE: "Medical Cannabis Amendment Act of 2021", B24-0113

INTRODUCED BY: Chairman Mendelson, at the request of Mayor

The Chairman is referring this legislation sequentially to the Committee on Judiciary and Public Safety, the Committee on Business and Economic Development, and the Committee of the Whole.

Attachment

cc: General Counsel  
Budget Director  
Legislative Services



**MURIEL BOWSER**  
**MAYOR**

February 26, 2021

The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia  
1350 Pennsylvania Avenue, N.W., Suite 504  
Washington, D.C. 20004

Dear Chairman Mendelson:

Today, I am transmitting to the Council of the District of Columbia (Council) for its consideration and approval the "Medical Cannabis Amendment Act of 2021." The bill seeks to amend 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.), as amended to ensure that the District's medical cannabis program is operating optimally for the benefit of the District's qualifying patients. A few of the amendments include:

1. Eliminating the requirement that qualifying patients register with a dispensary; thus, allowing qualifying patients to obtain their medical cannabis and medical cannabis products from any dispensary registered in the District.
2. Allowing dispensaries to operate safe use treatment facilities as well as offer tastings and demonstrations and/or classes with the proper endorsements;
3. Allowing dispensaries to deliver medical cannabis and medical cannabis products directly to qualifying patients and caregivers in the District as well as offer curbside pickup;
4. Allowing all returning citizens to work at a medical cannabis business;
5. Limiting the prohibition preventing persons with felony convictions from being officers, owners, or agents of a dispensary, cultivation center, and testing facilities to crimes of violence, a gun offense, tax evasion, fraud and credit card fraud occurring within the previous three years;
6. Eliminating the count on the number of plants that a cultivation center can grow;
7. Increasing the number of permitted dispensaries from eight to 16, and increasing the number of permitted dispensaries in each ward to two; and
8. Eliminating testing laboratory facilities when determining the cap in an election ward for cultivation centers.

The bill also further expounds upon the Alcoholic Beverage Control Board's responsibilities and authority to enforce the District's medical cannabis program.

For these reasons discussed above, I urge the Council to take prompt and favorable action on the enclosed proposed bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser".

Muriel Bowser



Chairman Phil Mendelson  
at the request of the Mayor

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Legalization of Marijuana for Medical Treatment Initiative of 1999 to rename the term “medical marijuana” to “medical cannabis” and the word “marijuana” to “cannabis”; to authorize the Alcoholic Beverage Control Board to review security plans; to allow qualifying patients and their caregivers to purchase medical cannabis from any dispensary located in the District; to prohibit a cultivation center that owns a dispensary from charging the dispensary it has an ownership interest in a lower price than it charges other dispensaries; to increase the number of permitted dispensaries from 8 to 16; to allow 2 dispensaries in each ward; to allow testing laboratories to be located in any ward; to award preference points to returning citizens or District residents arrested or convicted for a marijuana offense or to veteran-owned business enterprises applying for a medical cannabis cultivation center, dispensary, or testing laboratory registration; to establish that medical cannabis registrations for cultivation centers, dispensaries, and testing laboratories are valid for 3 years with some exceptions; to authorize the Alcoholic Beverage Control Board to charge a late fee for each business day that a cultivation, dispensary, or testing laboratory registration has not been renewed by the conclusion of the renewal period; to eliminate the cultivation center plant count limit on a permanent basis; to remove the prohibition preventing individuals with a felony conviction for possession with intent to distribute marijuana from being a director, owner, officer, agent or employee of a cultivation center, dispensary or testing laboratory; to limit and reduce the prohibition timeframe for other felony convictions for directors, owners, officers, or agents of a dispensary, cultivation center, or testing laboratory to crimes of violence, a gun offense, tax evasion, fraud, or credit card fraud that have occurred within the last 3 years to apply for licensure; to remove the prohibition preventing individuals with a felony conviction from working at a dispensary, cultivation center, or testing laboratory; to create and allow dispensaries to obtain a safe use treatment facility endorsement to allow medical cannabis to be administered on-site to qualifying patients; to create and allow dispensaries to obtain an education tasting endorsement to offer cooking and how to classes and demonstrations and tastings for educational purposes to qualifying patients and caregivers on-site; to allow dispensaries to obtain a delivery endorsement that will allow them to deliver medical cannabis and offer curbside pickup to qualifying patients and caregivers; to clarify that the Alcoholic Beverage Control Board may issue and adjudicate fines to registered cultivation centers, dispensaries and testing

1 laboratories; and to require the Board to submit a proposed schedule of civil  
2 penalties to the Council within 120 days.

3  
4 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,  
5 That this act may be cited as the “Medical Cannabis Amendment Act of 2021”.

6  
7 Sec. 2. The Legalization of Marijuana for Medical Treatment Initiative of 1999,  
8 effective February 25, 2010 (D.C. Law 13-315; D.C. Official Code § 7-1671.01 et seq.),  
9 is amended as follows:

10 (a) The phrase “medical marijuana” is replaced with the phrase “medical  
11 cannabis” and the phrase “marijuana” is replaced with the word “cannabis” where it  
12 appears.

13 (b) The table of contents is amended to add the following sections:

14 “Section 7a. Safe use treatment facility endorsement”

15 “Section 7b. Education tasting endorsement”

16 “Section 7c. Dispensary delivery endorsement.

17 (c) Section 6 (D.C. Official Code § 7-1671.05) is amended as follows:

18 (1) Paragraph (3) is amended by striking the phrase “that expire annually” where it  
19 appears.

20 (2) Paragraph (11)(c) is repealed.

21 (3) Paragraph (12) is amended as follows:

22 (A) Subparagraph (A) is amended by striking the phrase “District and  
23 federal law relating to marijuana” and inserting the phrase “District and federal law  
24 relating to cannabis and rules issued in accordance with section 14”.

25 (B) Subparagraph (D) is amended by striking the phrase “that has been  
26 assessed by the Metropolitan Police Department”.

1 (d)Section 7 (D.C. Official Code § 7-1671.06) is amended as follows:

2 (1) Subsection (c) is amended to read as follows:

3 “(c) A dispensary may dispense and deliver medical cannabis and distribute  
4 paraphernalia to any qualifying patient or the qualifying patient’s caregiver in the District  
5 of Columbia, and a qualifying patient or the qualifying patient’s caregiver shall only  
6 obtain medical cannabis and paraphernalia from a registered dispensary.”.

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

8 “(c)(1) A cultivation center that also owns a dispensary shall be prohibited  
9 from charging the dispensary in which it has an ownership interest a lower price for  
10 medical cannabis or medical cannabis products than it charges other dispensaries.”

11 (3) Subsection (d) is amended as follows:

12 (A) Paragraph (2) is amended as follows:

13 (i) Subparagraph (A) is amended by striking the phrase “may increase  
14 the number to as many as 8” and inserting the phrase “may increase the number to as  
15 many as 16” in its place.

16 (ii) Subparagraph (C)(i) is amended by striking the phrase “no more than  
17 one dispensary” with the phrase “no more than 2 dispensaries” wherever it appears.

18 (iii) Subparagraph (C)(ii) is deleted.

19 (B) Paragraph (3)(A) is amended to read as follows:

20 “(3)(A) The number of cultivation centers and testing laboratories that may be  
21 registered to operate in the District shall be determined by the Mayor by rules issued in  
22 accordance with section 14; provided, that the total number of cultivation centers  
23 registered to operate within an election ward established by the Council in section 4 of

1 the Redistricting Procedure Act of 1981, effective March 16, 1982 (D.C. Law 4-87; D.C.  
2 Official Code § 1-1041.03), shall not exceed 6. There shall not be a limit on the number  
3 of testing laboratories operating within an election ward established by the Council in  
4 section 4 of the Redistricting Procedure Act of 1981, effective March 16, 1982 (D.C. Law  
5 4-87; D.C. Official Code § 1-1041.03).”

6 (C) Paragraph (5) is amended as follows:

7 (i) Subparagraph (A) is amended to read as follows:

8 “(A)An application for registration of a dispensary, cultivation center, or  
9 testing laboratory submitted by:

10 “(i) A District resident who is a veteran-owned business enterprise as  
11 defined in D.C. Official Code § 2-218.38 shall be awarded preference points equal to 10  
12 points or 4% of the available points, whichever is more;

13 “(ii) A returning citizen or a District resident who has been arrested or  
14 convicted for a cannabis offense shall be awarded preference points equal to 50 points or  
15 20% of the available points, whichever is more;

16 “(iii) A medical cannabis certified business enterprise, or applicant eligible  
17 to be a medical cannabis certified business enterprise, shall be awarded preference points  
18 equal to 50 points or 20% of the available points, whichever is more;or

19 “(iv) An applicant that is both a returning citizen and a medical cannabis  
20 certified business enterprise or also a veteran-owned business enterprise shall only  
21 receive preference points equal to 50 points or 20% of the available points, whichever is  
22 more.”.

23 (ii) Subparagraph (D) is amended by adding a new sub-subparagraph (iii)

1 to read as follows:

2 (iii) "Returning citizen" shall have the same meaning as defined in  
3 section 2 of The Office of Ex-Offender Affairs and Commission on Re-entry and Ex-  
4 offender Affairs Establishment Act of 2006, effective March 8, 2007 (D.C. Law 16-243;  
5 D.C. Official Code § 24-1301(5)), as amended."

6 (4) A new subsection (d-1) is added to read as follows:

7 "(d-1)(A) Dispensary, cultivation center, and testing laboratory registrations  
8 shall be paid annually by credit card or cashier's check, money order, or certified check  
9 made payable to the D.C. Treasurer. The fee for the first year shall be paid at the time of  
10 the application and the renewal fee shall be paid on or before the anniversary date of  
11 issuance of the registration. All payments are due at the time the applications are filed  
12 and are non-refundable.

13 "(B) The Board shall, by rule issued in accordance with section 14, establish  
14 or modify the initial application and renewal fees for dispensary, cultivation center, and  
15 testing laboratory registrations.

16 "(C) A dispensary, cultivation center, and testing laboratory registration shall  
17 be valid for 3 years, unless:

18 "(i) Suspended or revoked; or

19 "(ii) The registration takes effect on a date in between the dates established by  
20 the Board for the regular registration period of each registration, in which case the  
21 registration shall be valid only until the end of the registration period.

22 "(D) The Board may impose a late fee upon an applicant for a cultivation  
23 center, dispensary, or testing laboratory that fails to timely renew their registration in the

1 amount of \$50 for each business day after the due date of payment. The total amount of  
2 the late fee to be paid shall not exceed the annual cost of the registration. The Board may  
3 suspend a previously approved registration until the renewal fee is paid. A cultivation  
4 center, dispensary or testing laboratory that has not timely renewed its registration shall  
5 not be permitted to operate with an expired registration.

6 “(E) The Board may suspend a registration where the payment was made by  
7 the applicant with a check returned unpaid, invalid credit card, or any other form of  
8 payment that is denied by an intermediary institution. The applicant, in addition to any  
9 late fees imposed by the Board under paragraph (D), shall also be charged with a \$100  
10 returned check /denied payment fee.”.

11 (5) Subsection (e)(2) is repealed.

12 (6) Subsection (j) is amended to read as follows:

13 “(j)(1) No director, officer, member, incorporator, or agent of a dispensary,  
14 cultivation center, or testing laboratory who has access to the medical cannabis at the  
15 dispensary, cultivation center, or testing laboratory shall have a felony conviction for a  
16 crime of violence, a gun offense, or for tax evasion, fraud or credit card fraud within the 3  
17 years preceding the date the application is filed with ABRA; provided, that the ABC  
18 Board shall not disqualify any of the foregoing individuals solely for a felony conviction  
19 of possession with intent to distribute marijuana that occurred prior to the application  
20 being filed.

21 “(2) The ABC Board shall not disqualify an employee of a dispensary, cultivation  
22 center, or testing laboratory who has access to medical cannabis at the dispensary,  
23 cultivation center, or testing laboratory from working at the dispensary, cultivation

1 center, or testing laboratory solely because he or she has been convicted of a felony  
2 before filing the application.

3 “(3) The ABC Board may establish additional criminal background requirements  
4 by rulemaking for testing laboratory agents that are responsible for testing cannabis and  
5 cannabis products and may consult with other District agencies regarding an applicant’s  
6 record of adherence to other regulatory requirements before granting an application.”.

7 (e) New sections 7a, 7b, and 7c are added to read as follows:

8 “Section 7a. Safe use treatment facility endorsement

9 “(a) Notwithstanding any other provision in this chapter, the holder of a  
10 dispensary registration shall be eligible to apply to the Board for a safe use treatment  
11 facility endorsement. The holder of a safe use treatment facility endorsement shall be  
12 permitted to:

13 “(1) Sell medical cannabis and medical cannabis paraphernalia at the dispensary  
14 to qualifying patients or the qualifying patient’s caregiver to be administered on the  
15 registered premises by or to the qualifying patient at the time of purchase within  
16 designated consumption areas on the registered premises that are separated from the  
17 remainder of the registered premises by a secure door and having a separate ventilation  
18 system;

19 “(2) Allow a qualifying patient or the qualifying patient’s caregiver to remove  
20 from the registered premises unused medical cannabis or medical cannabis paraphernalia  
21 that has been purchased from the dispensary in accordance with the requirements and  
22 limits set forth in this title; provided that it is packaged in a sealed and secure and labeled  
23 container.

1 (3) Offer or sell food that does not contain cannabis in the safe use treatment  
2 facility; and

3 (4) Offer recorded or background music in the safe use treatment facility.

4 “(b) A dispensary with a safe use treatment facility endorsement shall not:

5 “(1) Allow a person to consume alcohol, tobacco or tobacco products in the safe  
6 use treatment facility;

7 “(2) Allow any member of the public other than a qualifying patient or the  
8 qualifying patient’s caregiver to enter into the safe use treatment facility;

9 “(3) Allow a person to bring into or administer in the safe use treatment facility any  
10 medical cannabis or medical cannabis products that were not purchased at the dispensary  
11 unless otherwise permitted by the Board by rulemaking;

12 “(4) Sell, offer to sell, or provide medical cannabis or medical cannabis  
13 paraphernalia in excess of the quantity limits set forth in this chapter or regulations issued  
14 in accordance with section 14;

15 “(5) Encourage or permit an organized game or contest on the registered premises  
16 that involves consuming cannabis or cannabis products or the awarding of cannabis or  
17 cannabis products; or

18 “(6) Advertise or promote in any way, either on or off the premises, a practice  
19 prohibited under this section.

20 “(c) A dispensary’s safe use treatment facility area shall have the following  
21 characteristics:

1           “(1) The area where medical cannabis is to be administered on-site by qualifying  
2 patients shall be isolated from the other areas of the dispensary, separated by walls and a  
3 secure door, and shall have access only from the dispensary;

4           “(2) A smoke-free area for employees to monitor the safe use treatment facility  
5 area; and

6           “(3) A ventilation system that directs air from the safe use treatment facility area  
7 to the outside of the building through a filtration system sufficient to remove visible  
8 smoke, consistent with all applicable building codes and regulations.

9           “(d) A dispensary with a safe use treatment facility endorsement shall:

10           “(1) Install security cameras that are operable and able to record for a minimum of  
11 30 days;

12           “(2) Display conspicuous warning labels that are visible to the qualifying patient  
13 and the qualifying patient’s caregiver concerning administering medical cannabis and  
14 medical cannabis products;

15           “(3) Destroy all unadministered medical cannabis left abandoned or unclaimed in  
16 the safe use treatment facility area; and

17           “(4) Package and label all medical cannabis or medical cannabis products  
18 purchased to be administered on the premises of the safe use treatment facility in  
19 accordance with regulations issued in accordance with section 14.

20           “(e) An applicant for a safe use treatment facility endorsement shall complete an  
21 application on a form the Board proscribes by regulations issued in accordance with  
22 section 14.

1           “(f) The initial application fee for the safe use treatment facility endorsement shall  
2 be \$1,000. The endorsement shall be valid for 3 years with an annual registration fee of  
3 \$2,000.

4           “Section 7b. Education tasting endorsement

5           “(a) Notwithstanding any other provision in this chapter, the holder of a  
6 dispensary registration shall be eligible to apply to the Board for an education tasting  
7 endorsement. The holder of an education tasting endorsement shall be permitted to offer  
8 cooking and how-to classes and demonstrations and tastings for educational purposes to  
9 qualifying patients and caregivers on-site. Activities offered by a dispensary under an  
10 education tasting endorsement shall be permitted to occur on the registered premises of  
11 the dispensary. However, educational activities that include the smoking of medical  
12 cannabis by qualifying patients shall only occur in a Board-approved safe use treatment  
13 facility.

14           “(b) A dispensary with an education tasting endorsement shall not:

15           “(1) Allow a person to consume alcohol, tobacco or tobacco products on the  
16 registered premises;

17           “(2) Allow a qualifying patient or caregiver to leave the registered premises with  
18 medical cannabis that was made available or offered as part of the educational activity; ;

19           “(3) Advertise or promote in any way, either on or off the premises, a practice  
20 prohibited under this section; or

21           “(4) make unsubstantiated medical claims about cannabis or cannabis products.

22           “(c) A dispensary holding educational activities shall:

1           “(1) Display in the registered area conspicuous warning labels that are visible to  
2 the qualifying patient and the qualifying patient’s caregiver concerning the consumption  
3 of medical cannabis and medical cannabis products;

4           “(2) Destroy all unconsumed medical cannabis remaining from the educational  
5 activity; and

6           “(3) Ensure that containers of medical cannabis to be used for educational  
7 activities are labeled as such and may not be sold.

8           “(d) The holder of the dispensary registration may offer educational activities on  
9 the registered premises between the hours of 7:00 a.m. and 9:00 p.m., 7 days a week.

10           “(e) The Board shall establish by regulation permitted medical cannabis tasting or  
11 consumption limits for educational activities.

12           “(f) An applicant for an education tasting endorsement shall complete an  
13 application on a form the Board proscribes by regulations issued in accordance with  
14 section 14.

15           “(g) The initial application fee for an education tasting endorsement shall be  
16 \$130. The endorsement shall be valid for 3 years with an annual registration fee of  
17 \$130.”.

18           “Section 7c. Dispensary delivery endorsement.

19           “(a) Notwithstanding any other provision in this chapter, the holder of a  
20 dispensary registration shall be eligible to apply to the Board for a delivery endorsement.  
21 The holder of a delivery endorsement shall be permitted to offer curbside pickup and  
22 deliver medical cannabis directly to a qualifying patient or the qualifying patient’s  
23 caregiver at residential and commercial building addresses located in the District that are

1 not on District government or Federal property or public or private school grounds. For  
2 purposes of this section, a public or private park shall not be considered to be either a  
3 residential or commercial building address.

4 “(b) A dispensary with a dispensary delivery endorsement shall:

5 “(1) Receive and only accept an order by electronic or other means from a  
6 qualifying patient or the qualifying patient’s caregiver;

7 “(2) Deliver only to the qualifying patient or the qualifying patient’s caregiver at  
8 the District of Columbia address provided on the order and shall not “drop off” the  
9 product without verifying the identity of the recipient;

10 “(3) Deliver no more than once per day to the qualifying patient or the qualifying  
11 patient’s caregiver;

12 “(4) Travel only through the District of Columbia and not any surrounding  
13 jurisdiction to make deliveries;

14 “(5) Abide by the rules posted of any landlord or property owner with respect to  
15 prohibitions on cannabis deliveries on its property;

16 “(6) Abide such rules and standards as may be established by the Board  
17 concerning lack of advertisements and cannabis-related logos on the vehicles used for  
18 delivery; and overnight storage of any product if necessary; and

19 “(7) Use its employees to deliver medical cannabis or medical cannabis products.

20 “(c) At the time of the order, a dispensary with a delivery endorsement shall  
21 require the qualifying patient or the qualifying patient’s caregiver to provide information  
22 necessary to verify that the qualifying patient or the qualifying patient’s caregiver is  
23 qualified to purchase and receive a delivery of medical cannabis or medical cannabis

1 products in accordance with this chapter and regulations issued in accordance with  
2 section 14.

3 “(d)(1) Prior to transferring possession of the order to a qualifying patient or the  
4 qualifying patient’s caregiver, the dispensary shall inspect the qualifying patient’s or his  
5 or her caregiver’s government issued identification card and registration identification  
6 card issued pursuant to this chapter to verify the possession of a valid registration  
7 identification card and that the information provided at the time the order was placed  
8 matches the information listed on the government issued identification card.

9 “(2) The dispensary’s failure to check the qualifying patient’s or his or her  
10 caregiver’s government issued identification card and registration identification card  
11 information in accordance with paragraph (1) of this subsection may result in the Board  
12 issuing a fine against the dispensary or suspending or revoking its registration in  
13 accordance with this chapter or regulations issued in accordance with section 14.

14 “(e) A dispensary with a delivery endorsement shall maintain, in each vehicle  
15 used for deliveries of medical cannabis or medical cannabis products, a secure, locked  
16 storage compartment for purposes of transporting and securing cash used as payment and  
17 the medical cannabis or medical cannabis products. The dispensary shall not store cash  
18 and medical cannabis or medical cannabis products in the same storage compartments.

19 “(f) A dispensary with a delivery endorsement shall be limited to the number of  
20 vehicles established by the Board by regulations issued pursuant to section 14.

21 “(g) A dispensary with a delivery endorsement shall only be permitted to dispense  
22 medical cannabis or medical cannabis products through curbside pickup or at-the-door

1 pickup to a qualifying patient or caregiver if the dispensary complies with the following  
2 requirements:

3 (1) A dispensary shall only be permitted to dispense medical cannabis through  
4 curbside pickup or at-the-door pickup to a qualifying patient or caregiver registered in the  
5 Program or a qualifying patient enrolled in another jurisdiction's medical cannabis  
6 program;

7 (2) A dispensary shall implement a mechanism or process for a qualifying patient  
8 or caregiver to submit a copy of the qualifying patient's or caregiver's medical cannabis  
9 registration card and valid government issued identification card to the dispensary for  
10 verification prior to dispensing;

11 (3) The dispensary shall ensure that the entire exchange of medical cannabis or  
12 medical cannabis products to the qualifying patient or caregiver is clearly captured on the  
13 dispensary's video surveillance system;

14 (4) The dispensary shall only provide curbside pickup at curbside directly in front  
15 of the dispensary and in view of the dispensary's video surveillance cameras. If the  
16 dispensary's location or video surveillance system is not equipped to meet this  
17 requirement, the dispensary shall not provide curbside pickup or at-the-door pickup.

18 (5) The dispensary shall implement procedures to ensure that curbside pickup or  
19 at-the-door pickup is completed quickly and efficiently; and

20 (6) The dispensary shall implement a mechanism or recordkeeping process for  
21 qualifying patients or caregivers to document receipt of curbside pickup or at-the door  
22 pickup.

1           “(h) The holder of the delivery endorsement may offer curbside pickup or deliver  
2 medical cannabis during the hours of 9:00 a.m. to 9:00 p.m., 7 days a week.

3           “(i) Applicants for the dispensary delivery endorsement shall complete an  
4 application proscribed by the Board by regulations issued pursuant to section 14.

5           “(j) The initial application fee for the endorsement shall be \$300. The  
6 endorsement shall be valid for 3 years with an annual registration fee of \$300.”.

7           (e) Section 9 (D.C. Official Code § 7-1671.08) is amended as follows:

8                 (1) Subsection (d) is amended to read as follows:

9                 “(d) The ABC Board may impose and adjudicate civil fines for violations  
10 of this title and rules issued in accordance with section 14 committed by registered  
11 cultivation centers, dispensaries, and testing laboratories.

12                 (2) A new subsection (e) is added to read as follows:

13                 “(e) Within 120 days of the effective date of the act, the ABC Board shall  
14 submit proposed regulations setting forth a schedule of civil penalties and fine ranges  
15 (“schedule”) for violations of this title for a 90-day period of review, including Saturdays,  
16 Sundays, holidays, and periods of Council recess. If the Council does not approve, in  
17 whole or in part, the proposed regulations within the 90-day review period, the  
18 regulations shall be deemed approved. The schedule shall replace all civil penalties,  
19 except as expressly provided in this title.

20           Sec. 3. Fiscal impact statement.

21           The Council adopts the fiscal impact in the committee report as the fiscal impact  
22 statement required by section 4a of the General Legislative Procedures Act of 1975 of  
23 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

1           Sec. 4. Effective date.

2           This act shall take effect following approval by the Mayor (or in the event of veto  
3 by the Mayor, action by the Council to override the veto), a 30-day period of  
4 congressional review as provide din section 602(c)(1) of the District of Columbia Home  
5 Rule Act, approved December 24, 1073 (87 Stat. 813; D.C. Official Code § 1-  
6 206.02(c)(1)), and publication in the District of Columbia Register.

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE ATTORNEY GENERAL



ATTORNEY GENERAL  
KARL A. RACINE

Legal Counsel Division

MEMORANDUM

**TO:** Ronan Gulstone  
Director  
Office of Policy and Legislative Affairs

**FROM:** Brian K. Flowers  
Deputy Attorney General  
Legal Counsel Division

**DATE:** February 25, 2021

**SUBJECT:** Legal Sufficiency Review of Draft Bill, the “Medical Cannabis Amendment Act of 2021”  
(AE-21-197)

---

**This is to Certify that** this Office has reviewed the above-referenced draft legislation and found it to be legally sufficient. If you have any questions in this regard, please do not hesitate to call me at 724-5524.

*BKF/a.parker*  
\_\_\_\_\_  
Brian K. Flowers

**Council of the District of Columbia**  
**COMMITTEE ON THE JUDICIARY & PUBLIC SAFETY**  
**COMMITTEE REPORT**  
1350 Pennsylvania Avenue, N.W., Washington, DC 20004

---

To: Members of the Council of the District of Columbia

From: Councilmember Charles Allen *CA*  
Chairperson, Committee on the Judiciary and Public Safety

Date: October 21, 2022

Subject: Report on B24-0113, the “Medical Cannabis Amendment Act of 2022”

---

The Committee on the Judiciary and Public Safety, to which Bill 24-0113, the “Medical Cannabis Amendment Act of 2022”, was referred, reports favorably thereon, and recommends approval by the Council of the District of Columbia.

**CONTENTS**

Statement of Purpose and Effect _____	Page 2
Legislative History _____	Page 8
Position of the Executive _____	Page 8
Advisory Neighborhood Commission Comments _____	Page 8
Witness List and Hearing Record _____	Page 8
Impact on Existing Law _____	Page 13
Fiscal Impact _____	Page 13
Racial Equity Impact _____	Page 14
Section-by-Section Analysis _____	Page 14
Committee Action _____	Page 15
List of Attachments _____	Page 16

## **STATEMENT OF PURPOSE AND EFFECT**

### **I. Purpose and Effect**

Bill 24-0113, the “Medical Cannabis Amendment Act of 2022”, was introduced on February 26, 2021 by Chairman Phil Mendelson at the request of Mayor Muriel Bowser. The bill was referred sequentially to the Committee on the Judiciary and Public Safety, the Committee on Business and Economic Development, and the Committee of the Whole on March 2, 2021. The three Committees held a joint public hearing on the bill on November 19, 2021.

As introduced, B24-0113 proposed a number of changes to the District’s medical cannabis program, including increasing the number of dispensary licenses from eight to sixteen; allowing up to fourteen licensed cultivation centers and testing laboratories in the District; establishing a points system for veteran-owned, returning citizen-owned, and medical cannabis certified business enterprise cultivation center, dispensary, and testing laboratory applications; prohibiting ownership of cannabis facility licenses for individuals with certain convictions within the last three years; and creating three new endorsement categories for dispensaries. The Committee Print retains some of these provisions, but makes numerous changes and streamlines the entire medical cannabis statute, including allowing qualifying patients ages 21 and above to self-certify that they have a qualifying medical or dental condition, creating manufacturer licenses, expanding the ability of individuals with criminal records to fully participate in the program, establishing a robust social equity program that prioritizes economically disadvantaged residents and returning citizens, and providing appropriate civil penalties for illegal cannabis distribution and sales.

### **II. Committee Reasoning**

#### *a. The Need for Self-Certification*

Under current law and Bill 24-0113 as introduced, a District resident must receive a recommendation from an authorized practitioner and register with the Alcoholic Beverage Regulation Administration (“ABRA”) to purchase, possess, and use medical cannabis. While this requirement may seem reasonable, it creates significant barriers for patients in need of relief.

First, the cost of a doctor’s visit may be prohibitive for many patients, particularly if they lack healthcare insurance or their healthcare plan has a high deductible. Diagnostic tools and procedures used to determine the presence of cancers, heart disease and other chronic conditions can run hundreds or thousands of dollars. Additionally, certain conditions—such as mental illnesses—carry significant societal stigma that makes clinical diagnosis and treatment extremely difficult.

Second, even if a prospective patient has the money and time to undergo the required assessment and receive a recommendation for medicinal cannabis, finding a registered practitioner can be difficult. At the end of Fiscal Year 2022, data from ABRA shows that there are 641 active

practitioners in the District.<sup>1</sup> While this may seem like a sizable population of practitioners, there are more than 11,000 licensed physicians in the District alone,<sup>2</sup> meaning less than 5% of all licensed physicians in the District are registered. Additionally, many physicians know very little about the potential medicinal qualities of cannabis or cannabis rules and regulations. This is not unique to any particular jurisdiction and leaves many patients unable to access medical cannabis.

Finally, approximately 1 in 13 people in America have an undiagnosed disease.<sup>3</sup> These include rare disorders that are difficult to recognize, atypical symptoms of more common disorders, medical conditions that have yet to be described, and symptoms that cannot be explained medically. In the District, there may be approximately 50,000 people with undiagnosed diseases.<sup>4</sup> Given the nature of their conditions, it would be extremely difficult for many of these residents to receive a recommendation to use medical cannabis from an authorized practitioner.

These barriers and obstacles help explain why the medical cannabis program in the District remains underutilized. According to data from September 2022, there are currently just over 22,000 patients in the District registered with ABRA.<sup>5</sup> Of these patients, fewer than 6,000 District residents purchased any medicinal cannabis.<sup>6</sup> With these facts in mind, the Committee Print allows qualifying patients ages 21 and above to self-certify that they have a qualifying medical or dental condition on a form provided by ABRA.

#### *b. Self-Certification Is Permissible*

Due to language included in Congressional appropriations bills since 2015, the District is prohibited from obligating or expending any available funds to legalize or reduce penalties associated with the possession, use, or distribution of any schedule I substance under the Controlled Substances Act. The text of the provision in question reads as follows:

No funds available for obligation or expenditure by the District of Columbia government under any authority may be used to enact any law, rule, or regulation to legalize or otherwise reduce penalties associated with the possession, use, or distribution of any schedule I substance under the Controlled Substances Act (21 U.S.C. 801 *et seq.*) or any tetrahydrocannabinols derivative for recreational purposes.<sup>7</sup>

As written, the Committee believes the Print does not run afoul of this language for two reasons. First, the Print does not reduce any criminal penalties associated with the possession, use,

---

<sup>1</sup> *Medical Cannabis Program Report, September 2022*, ABRA, [https://abra.dc.gov/sites/default/files/dc/sites/abra/page\\_content/attachments/MCP%20Metrics%20September%2022.pdf](https://abra.dc.gov/sites/default/files/dc/sites/abra/page_content/attachments/MCP%20Metrics%20September%2022.pdf).

<sup>2</sup> Young, A., Chaudhry, H. J., Pei, X., Arnhart, K., Dugan, M., & Steingard, S. A. (2019). FSMB census of licensed physicians in the United States, 2018. *Journal of Medical Regulation*, 105 (2), 7-23.

<sup>3</sup> Angelis, A., Tordrup, D., & Kanavos, P. (2015). Socio-economic burden of rare diseases: a systematic review of cost of illness evidence. *Health Policy*, 119(7), 964-979.

<sup>4</sup> This assumes that approximately 7.6% of District residents have an undiagnosed disease.

<sup>5</sup> *Supra* note 1.

<sup>6</sup> *Id.*

<sup>7</sup> Pub. L. No. 116-6, § 809.

or distribution of cannabis in the District. The District’s Controlled Substances Act (D.C. Official Code § 48-901.01, *et seq.*) is unaltered by the Print. Second, the plain language of the bill does not legalize recreational possession, distribution, or use of cannabis. Rather it allows qualifying *medical* patients to self-certify that they meet the criteria under the law.

The District established a medical cannabis program— the subject of this bill— in 2010.<sup>8</sup> Under recreational cannabis laws, residents are not required to provide any documentation regarding a qualifying medical condition. In fact, in all recreational cannabis laws in the United States, residents only need to prove they are of age to purchase and use cannabis legally. In contrast to these laws, and as noted earlier in this report, the Committee Print will require individuals of qualifying ages 21 and above who want to purchase and use medical cannabis to self-certify, under threat of potential penalties, that they have a qualifying medical or dental condition. Adult residents would have to fill out and submit a new form every two years. Anyone who does not have a valid form or registration card would be prohibited from purchasing or using medical cannabis. Given these facts, the Committee believes the Print does not intersect with the congressional prohibition on legalizing cannabis.

### *c. Cannabis Licenses and Racial and Economic Equity*

As introduced, Bill 24-0113 would increase the number of dispensary licenses to sixteen and allow up to fourteen cultivation centers and testing laboratories. With the changes the Print makes to requirements for qualifying patients, the number of patients in the medical cannabis program— currently at roughly 22,000—will likely increase. An increase in the number of patients will, at some point, necessitate a greater number of cultivation centers and dispensaries to satisfy patient demand. As such, the Committee Print removes the cap on the number of cultivation centers and dispensaries in the Code altogether, giving ABRA the flexibility to license the number of facilities necessary to meet potential demand. To ensure that ABRA does not license too many of these entities, however, the Print includes language that would require ABRA to conduct and publish an analysis showing the need for additional licenses beyond those currently in existence.

Removing the cap on licenses and restrictions on the number of cultivation centers and dispensaries in any election ward will provide more opportunities for entry into the medical cannabis market. It is not enough, however, to simply remove license caps and restrictions. When establishing the medical cannabis program in 2010, the District failed to be intentional in prioritizing racial and economic equity. Black District residents have borne the brunt of the war on drugs, making up roughly 90% of all cannabis arrests since 2001<sup>9</sup> despite using cannabis at similar rates as white residents. The negative consequences of these arrests, and any subsequent convictions, are manifold. Arrest and incarceration are associated with poor physical and mental health outcomes, housing instability, declining employment prospects and decreases in lifetime earnings, reductions in civic engagement, and family separations.

---

<sup>8</sup> Legalization of Marijuana for Medical Treatment Initiative Amendment Act of 2010, D.C. Law 18-210 (57 DCR 4798), effective July 27, 2010.

<sup>9</sup> See, Paul Schwartzman and John D. Harden, “D.C. legalized marijuana, but one thing didn’t change: Almost everyone arrested on pot charges is Black,” WASH. POST (Sept. 15, 2020).

To rectify this, the Print makes several notable changes to the introduced version that will increase opportunities for business ownership and entrepreneurship for low-income and formerly incarcerated Black District residents. First, it establishes a new license category for manufacturers, which will authorize licensees to produce medical cannabis products such as concentrates and edibles. Half of these licenses must be set aside for medical cannabis certified business enterprises and social equity applicants that meet the following ownership requirements:

1. For a medical cannabis certified business enterprise, one or more owners who are economically disadvantaged individuals or individuals who have been subjected to racial or ethnic prejudice or bias because of their identity as a member of a group without regard to their individual qualities, who are District residents, and must own at least 60% of the licensed business; and
2. For social equity applicants, one or more owners who are returning citizens—meaning District residents who were arrested, incarcerated, or convicted for a cannabis-related offense—who are District residents and must own at least 60% of the licensed business.

Second, the Print requires that half of all new licenses for cultivation centers or dispensaries beyond those currently in existence must be set aside for medical cannabis certified business enterprises and returning citizens. Third, the Print creates a scoring system that must be used by ABRA for licenses not subject to set-asides that grants 50 points, or up to 20% of available points, to applicants who meet the requirements for medical cannabis certified business enterprises and social equity applicants. Fourth, it requires ABRA to waive 75% of any non-refundable application fees for medical cannabis certified business enterprises and social equity applicants. Finally, the Print amends the allowable uses for the Medical Cannabis Administration Fund to include the provision of loans, grants, and equity to medical cannabis certified business enterprises and social equity applicants to help with start-up and operating costs and provide technical assistance. These changes will provide much greater opportunity for low-income Black residents and returning citizen than the bill as introduced.

#### *d. New Endorsement Categories*

The Print maintains the three new endorsement categories for licensed medical cannabis dispensaries that are included in the introduced version: a safe use treatment facility endorsement, an education tasting endorsement, and a dispensary delivery endorsement.

The safe-use treatment facility endorsement will permit dispensaries to establish a designated consumption area for patients to use medicinal cannabis. In the District, a majority of residents are tenants renting units in apartment buildings.<sup>10</sup> Since cannabis is federally illegal, housing providers are not required to provide reasonable accommodations to facilitate medical cannabis use for patients at their properties. This leaves many patients without the space to use medical cannabis even though it is legal in the District. A designated consumption area at a medical cannabis dispensary would provide this space.

---

<sup>10</sup> Data from the Census Bureau's 2019 American Community Survey (5-Year Estimate) estimates that 58% of all housing units in the District are renter-occupied.

To ensure that safe use treatment facilities do not have negative impacts on the employees of dispensary or the surrounding area, the Print includes language requiring dispensaries to establish a smoke-free area for employees to monitor the consumption area, and to use a ventilation system that includes a pollution control unit or odor control unit that eliminates all detectable odor, smoke, and by-product of combustion. It would also require applicants for a safe use treatment facility endorsement to submit specific information on air change and filter types used by the facility.

The education tasting endorsement will permit dispensaries to offer cooking and how-to classes, demonstrations, and tastings for educational purposes to qualifying patients and caregivers. Such educational classes and demonstrations could have myriad benefits for qualifying patients. For instance, educational demonstrations and classes could also provide patients with information on the least harmful ways to use cannabis or how to mitigate unwanted side effects of cannabis.

The dispensary delivery endorsement will permit a dispensary to deliver medical cannabis and medical cannabis products to qualifying patients. Deliveries are subject to certain requirements, and deliveries to any address on District government property, federal property, or public or private school grounds will be prohibited. Much of the language for this endorsement category was included in the bill as introduced. The only substantive changes made by the Committee Print include allowing ABRA to determine the number of deliveries allowed to qualifying patient or caregiver in a single day, requiring the use of a GPS device or application to track deliveries, and prohibiting the display of any words or images on the vehicle that would indicate the vehicle is being used to deliver cannabis.

*e. Civil Penalties for Illegal Cannabis Distribution and Sales*

On February 26, 2015, Initiative 71 (I-71) became law in the District. While I-71 only authorizes the possession or transfer *without remuneration* of two ounces or less of cannabis, illegal so-called “I-71 compliant” store fronts and delivery services quickly emerged. These illegal store fronts and delivery services offer costumers products such as a t-shirt, a piece of art, or cookies with a “gift” of cannabis. These store fronts and delivery services are not regulated, meaning they sell untraced, untested product to consumers without standard security protocols. Most of these illegal storefronts do not pay sales tax on their products, or appropriately file income taxes. These stores also do not have zoning approval to locate at their current sites, and because they are illegally operated, have not been subject to comments from Advisory Neighborhood Commissions.

In the past, the Metropolitan Police Department has enforced against several of these store fronts and charged owners, but the United States Attorney’s Office for the District of Columbia generally declines to prosecute these cases. In many cases, the owners simply relocate to a new location and resume operations.<sup>11</sup> Given the ineffectiveness of criminal penalties, the Print would provide a mechanism for reasonable civil enforcement – commensurate with enforcement in

---

<sup>11</sup> Michelle Goldchain, “Police Raids Persist Amid D.C.’s Gray Market,” The Outlaw Report, February 25, 2020. Available at <https://outlawreport.com/police-raids-cannabis-dc/>.

similar contexts like businesses proffering illegal goods and synthetic drugs - against these illegal store fronts and delivery services. The Print would:

1. Enable the Mayor to seal the premises, issue fines of up to \$20,000, and revoke basic business licenses of any operators; and
2. Enable the Mayor to levy civil fines of up to \$10,000 against commercial property owners who continue to allow illegal activity to occur on their premises.

Individuals subject to potential penalties can submit a remediation plan to the District that outlines how they will keep illegal activity from continuing to occur on the premises. Additionally, operators could request an administrative hearing after being notified that the premises has been sealed and penalties have been assessed. If they continue to engage in illegal activity, penalties increase.

*f. Miscellaneous Provisions*

In B24-0113 as introduced, no one with a felony conviction for a crime of violence, gun offense, or a conviction for tax evasion, fraud, or credit card fraud within the last three years would qualify for a license. While this a significant improvement over current statutory language that disqualifies anyone with a felony conviction (except for a felony conviction solely for possession with intent to distribute prior to July 17, 2014), it would still disqualify certain returning citizens in the District based on an arbitrary time-frame and provide no mechanism for these returning citizens to demonstrate that they are rehabilitated. As such, the Committee Print adopts language from legislation authored by Committee Chairperson Allen, the Removing Barriers to Occupational Licensing for Returning Citizens Act of 2020 (D.C. Law 23-305; 68 DCR 3419). This language requires ABRA to adopt an individualized approach to assessing criminal records that must consider:

- Whether the offense is directly related to the license sought or the specific duties and responsibilities of employment; and
- Evidence of rehabilitation, including compliance with the term and conditions of probation, supervised release, or parole, the length of time that has elapsed since the offense, employment history, and any mitigating circumstances.

Additionally, as a part of the criminal background check process, ABRA would not be able to inquire into or consider convictions that have been sealed, expunged, vacated, or pardoned, juvenile adjudications, or non-conviction information such participation in a diversion program or an arrest that did not result in a conviction.

*g. Conclusion*

Rather than make technical and minor changes to the bill as introduced, the Committee Print takes a more holistic approach by making it easier for patients to access medical cannabis, removing unnecessary caps and restrictions on the number of licenses, and prioritizing equity for new licenses, among many other amendments to the statute. In the Committee's view, these

changes are necessary to provide relief to patients, current business owners, and people from marginalized communities who have been previously excluded from the medical cannabis market.

### **LEGISLATIVE HISTORY**

- February 26, 2021 B24-0113 is introduced by Chairman Mendelson at the request of the Mayor.
- March 2, 2021 B24-0113 is sequentially referred to the Committee on the Judiciary and Public Safety, the Committee on Business and Economic Development, and the Committee of the Whole.
- March 5, 2021 Notice of Intent to Act on B24-0113 is published in the *District of Columbia Register*.
- October 1, 2021 Notice of Public Hearing on B24-0113 is published in the *District of Columbia Register*.
- November 19, 2021 Joint Public Hearing on B24-0113 is held by the Committee of the Whole, the Committee on Business and Economic Development, and the Committee on the Judiciary and Public Safety.
- October 21, 2022 Consideration and vote on B24-0113 by the Committee on the Judiciary and Public Safety.

### **POSITION OF THE EXECUTIVE**

The Committees did not receive testimony or comments from the Executive.

### **ADVISORY NEIGHBORHOOD COMMISSION COMMENTS**

The Committee did not receive testimony or comments from Advisory Neighborhood Commissions.

### **WITNESS LIST AND HEARING RECORD**

On Friday, November 19, 2021, the Committee on the Judiciary and Public Safety, Committee on Business and Economic Development, and Committee of the Whole held a joint public hearing on B24-0113. A video recording of the hearing can be viewed at <https://entertainment.dc.gov/page/2021-council-district-columbia-hearings>. The following witnesses testified at the hearing or submitted written testimony to the Committees:

## Public Witnesses

*Rabbi Jeffrey Kahn – Takoma Wellness Center, Inc.*

Rabbi Kahn testified in support of the bill. He stated that the proposed legislation aims to maintain and strengthen the District’s medical cannabis program. He also said that the District has one of the most diverse cannabis industries in the nation, and he is encouraged by the bill’s provisions that would keep the medical cannabis industry as local and as diverse as possible.

*Grace Hyde – Chief Operation Officer, Phyto Cultivation, LLC*

Ms. Hyde testified in support of the bill. She stated that the medical cannabis market cannot compete with the illegal shops across the city. She testified that as a result of a large number of illegal shops, medical cannabis patients are buying products at the illegal shops with no assurances that the products they buy are safe. She described how these products are not produced in the District and how they are primarily produced elsewhere and end up being transported to the District through criminal transport networks. She stated that medical cannabis patients use medical cannabis to maintain their quality of life and to keep illnesses and chronic conditions in check.

*Edward Weidenfeld – Co-Founder/Chair, Phyto Cultivation, LLC*

Mr. Weidenfeld’s testimony mirrored that of Ms. Hyde.

*Andras Kirschner – Chief Executive Officer, Phyto Cultivation, LLC*

Mr. Kirschner testified in support of the bill. He testified that the District’s legal medical cannabis licensees are “getting crushed” by the District’s illegal market and are in dire jeopardy. He said that a comprehensive approach is needed to save the medical cannabis market, reinforce it to meet the challenge of a recreational market, and prepare for transition to a regulated adult-use framework. He proposed three amendments to the bill. He proposed repealing ABRA registration requirements for patients and caregivers, enacting civil enforcement measures against the illegal market, and permitting legal medical licensees to deduct ordinary and necessary business expenses on District tax filings.

*David Julyan – Julyan & Julyan*

Mr. Julyan addressed the District’s illegal market and how Initiative 71 has been used to create it. He testified that a pathway for the illegal market should be created.

*Nikolas Schiller – Co-Founder, D.C. Marijuana Justice*

Mr. Schiller testified that the medical cannabis program should be reformulated. He stated that the medical cannabis program is currently failing because it was designed to be extremely restrictive. He argued that there should be no caps on the numbers of cultivation centers or dispensaries. He advocated that the medical cannabis program become an over-the-counter program.

*Kris Furnish – Co-Founder, Maryland Marijuana Justice*

Ms. Furnish testified with respect to the testing of cannabis products. She stated that since cannabis was legalized for medical use, not a single accredited facility is in operation to test cannabis for the presence of heavy metals and dangerous chemicals and pesticides. She urged the Council to amend the bill to create incentives for cultivators to grow clean and environmentally sustainable cannabis.

*Rachel Ramone Donlan – Consumer Director, D.C. Cannabis Business Association*

Ms. Donlan testified regarding the need to include more women in the industry. She argued that there should be no tax on medical cannabis.

*Adam Eidinge – Co-Founder, D.C. Marijuana Justice*

Mr. Eidinge testified regarding rights to grow cannabis at home. He stated that the ballot initiative allowed medical cannabis program cultivators to not have a monopoly over cultivation in the District. He argued that the bill should add more home grow rights.

*Alan Amsterdam – Representative, Capitol Hemp/Amsterdam Abracy*

Mr. Amsterdam testified concerning the regulation of medical cannabis licenses and taxation on medical products. He advocated for increasing the number of licenses for cultivation and dispensaries, which will allow the medical cannabis industry to flourish. He argued that medical cannabis should not be taxed, bringing it in line with how tax law treats medical products generally.

*Lisa Scott – Representative, D.C. Cannabis Business Association*

Ms. Scott provided testimony on the need to revise the medical cannabis program. She stated that the program needs to allow for offsite production of edible products or allow for independent contractors to provide edibles for medical dispensaries.

*Doni Crawford – Senior Policy Analyst, D.C. Fiscal Policy Institute*

Ms. Crawford submitted written testimony proposing two amendments to the bill. The first amendment would include entrepreneurship protections for all returning citizens and people with certain felony convictions. The second amendment would make sure that dispensaries and cultivation centers are distributed evenly across all wards.

*Michael Johnson – Policy Analyst, D.C. Fiscal Policy Institute*

Mr. Johnson submitted written testimony proposing an amendment to the bill. He advocated for the bill including a provision that would remove the current exclusions preventing those convicted of certain felony offenses within the previous three years from gaining ownership

within dispensaries, cultivation centers, and testing facilities. He argued that returning citizens with cannabis-related offenses may offer valuable insight in the transition to a legal cannabis market, and these barriers should be removed to allow for ownership and wealth-creation.

*Lauren Berlekamp – Public Witness*

Ms. Berlekamp testified regarding expanding testing for medical and home grow and over-the-counter medical cannabis. She stated that the medical cannabis program needs to be reformulated because it was designed to be extremely restrictive. She argued against a cap on the number of cultivation centers of dispensaries and that patients should be able to self-certify. She viewed paying a doctor to give a recommendation, paying the District government to receive a card, and paying taxes on medicine as impediments to safe access to quality cannabis products. She testified that the District government would take in more tax revenue, employ more adults, and provide more cannabis to adults when the medical cannabis program becomes an over-the-counter program.

*Jennifer Dayle Fink – Public Witness*

Ms. Fink submitted written testimony regarding her experience as a registered cannabis oil patient. She advocated for the law to allow growing and expand the number of licenses to all people, not just those with financial resources.

*Corey Barnette – Public Witness*

Mr. Barnette testified in support of the bill. He noted the bill addresses a number of items in need of attention. However, he believes there remains a sizeable barrier to the medical cannabis program: the administrative hurdle to entry. He stated that patients aged 21 or older should be able to attest to their medical cannabis need. He believes this would channel patients away from the illicit market. He also urged the Council to curtail the illicit market.

*Jamila Hogan – Public Witness*

Ms. Hogan testified in support of the bill. She stated that she is the first black woman on the East Coast to manage a dispensary, and her work has been focused on patient wellness and community education on mental wellness. She noted that the District has failed to provide safe access and testing for medical marijuana, which leaves patients “in the dark” about the products they purchase. Currently, there are no standards for testing, and she has personally witnessed violations by legal operators.

*Caroline Phillips – Founder & Producer, National Cannabis Festival*

Ms. Phillips testified in support of the bill. She believes that the District needs to eliminate the difficult process to get a medical cannabis card. She suggested that the District make medical cannabis cards free, because people are trying to access medicine. If we lower fees, then more people will have access to the medical program.

*Sebastian Medina-Tayac – Public Witness*

Mr. Medina-Tayac testified in support of the bill. He noted that many people turned to cannabis as medicine during the pandemic. Cannabis is a growing segment of revenue in the wellness industry.

*Linda Greene – Owner/CEO, Anacostia Organics*

Ms. Greene testified in support of the bill as a legally licensed dispensary owner whose business has been open for three years.

*Yvette Alexander – CEO, Y. Alexander & Associates*

Ms. Alexander testified in support of the bill. She stated that her clients are the only legally operated cannabis dispensaries in the District, and they are some of the most diverse business owners. She noted that the medical program in the District has about 6,000 patients, a number that has declined during the pandemic. She supports the legislation with some recommendations. She suggested repealing the ABRA registration requirement for patients and medication professionals. She also noted that enforcement is a priority because illegal businesses have shut down legally licensed businesses.

*Dawn Lee-Carty – Representative, Speak Life*

Ms. Lee-Carty testified in support of the bill. She noted that chronically ill patients and patients with conditions like epilepsy, as well as veterans, are the reason we are having the current discussion. She further stated that from 2014 to today, there have been no protections for patients, such as lab testing of products. She stated that her daughter is epileptic, and she has been directly affected by the lack of testing when a product made her sick. She urged the Council to incorporate protections for patients for clean and safe consumption.

*Zoey Lee-Carty – Representative, Speak Life*

Ms. Lee-Carty testified in support of the bill and echoed her mother's testimony about protecting patients with mechanisms to ensure clean and safe medicine.

*Bobby Mcleod – Representative, Home Grower Cannabis Group*

Mr. Mcleod testified in support of the legislation. He believes the bill could go further to increase minority opportunities in the cannabis industry. He suggested that new license holders are given the knowledge and training needed to run their businesses.

*Tiffany Barnard Davidson – Public Witness*

Ms. Davidson testified in opposition to the bill. She stated that in 2018 her son struggled with an addiction to marijuana, and she saw firsthand the deleterious consequences of the drug.

*Kymone Freeman – Founder, We Act Radio*

Mr. Freeman testified in support of the bill as a good start to applying a racial equity lens to public policy.

### **Government Witnesses**

*Fred P. Moosally – Director, Alcoholic Beverage Regulation Administration*

Director Moosally testified in support of the bill, as introduced.

### **IMPACT ON EXISTING LAW**

B24-0113 amends the Legalization of Marijuana for Medical Treatment Initiative of 1999 to rename the phrase “medical marijuana” to “medical cannabis” and the word “marijuana” to “cannabis”, to remove the requirement of a bona fide relationship between a qualifying patient and an authorized practitioner, to provide definitions for “economically-disadvantaged individuals”, “manufacturers”, “medical cannabis certified business enterprises”, “non-resident cardholders”, “pesticides”, “returning citizens”, “social equity applicants”, “straw ownership”, “transitional licenses”, and “unregistered establishments”, to allow qualifying patients ages 21 and older to self-certify that they have a qualifying medical or dental condition or are undergoing a qualifying medical or dental treatment, to increase the amount of dried cannabis that qualifying patients and caregivers may possess, to allow for the issuance of 2-year qualifying patient and caregiver registration cards, to require testing laboratories to test medical cannabis and medical cannabis products for mycotoxins, pesticides, and heavy metals, to establish a manufacturer’s license, to remove statutorily-prescribed limits on the number of facilities that may locate in certain areas, to create criteria, application processes, preference points, and licensure prioritizations for social equity applicants and medical cannabis certified business enterprises, to remove the plant count limit, to prescribe the criteria for evaluating criminal histories, to create transitional licenses for unregistered establishments, to create safe use treatment facility, education tasting, and dispensary delivery endorsements, to amend the authorized uses of the Medical Cannabis Administration Fund to allow ABRA to use monies in the fund for equity, grants, and loans to social equity applicants and medical cannabis certified business enterprises, and to establish those equity, grant, and loan programs. The bill further amends D.C. Official Code § 47–2844 to create a civil enforcement mechanism for businesses and commercial property owners illegally distributing or selling cannabis, and amends Title 22-C of the District of Columbia Municipal Regulations to allow qualifying patients to establish residency in the District with one document, including a telephone bill or bank statement containing a District address.

### **FISCAL IMPACT**

B24-0113 is sequentially referred to the Committee on the Judiciary and Public Safety, followed by the Committee on Business and Economic Development and the Committee of the Whole, respectively, and the latter will therefore obtain a fiscal impact statement from the District’s Chief Financial Officer.

## **RACIAL EQUITY IMPACT**

B24-0113 is sequentially referred to the Committee on the Judiciary and Public Safety, followed by the Committee on Business and Economic Development and the Committee of the Whole, respectively, and the latter will therefore obtain a Racial Equity Impact Assessment from the Council Office of Racial Equity.

### **SECTION-BY-SECTION ANALYSIS**

- Section 1** States the short title of the legislation.
- Section 2** Amends the Legalization of Marijuana for Medical Treatment Initiative of 1999 to rename the phrase “medical marijuana” to “medical cannabis” and the word “marijuana” to “cannabis”, to remove the requirement of a bona fide relationship between a qualifying patient and an authorized practitioner, to provide definitions for “economically-disadvantaged individuals”, “manufacturers”, “medical cannabis certified business enterprises”, “non-resident cardholders”, “pesticides”, “returning citizens”, “social equity applicants”, “straw ownership”, “transitional licenses”, and “unregistered establishments”, to allow qualifying patients ages 21 and older to self-certify that they have a qualifying medical or dental condition or are undergoing a qualifying medical or dental treatment, to increase the amount of dried cannabis that qualifying patients and caregivers may possess, to allow for the issuance of 2-year qualifying patient and caregiver registration cards, to require testing laboratories to test medical cannabis and medical cannabis products for mycotoxins, pesticides, and heavy metals, to establish a manufacturer’s license, to remove statutorily-prescribed limits on the number of facilities that may locate in certain areas, to create criteria, application processes, preference points, and licensure prioritizations for social equity applicants and medical cannabis certified business enterprises, to remove the plant count limit, to prescribe the criteria for evaluating criminal histories, to create transitional licenses for unregistered establishments, to create safe use treatment facility, education tasting, and dispensary delivery endorsements, to amend the authorized uses of the Medical Cannabis Administration Fund to allow ABRA to use monies in the fund for equity, grants, and loans to social equity applicants and medical cannabis certified business enterprises, and to establish those equity, grant, and loan programs.
- Section 3** Amends D.C. Official Code § 47–2844 to create a civil enforcement mechanism for businesses illegally distributing or selling cannabis. and amends Title 22-C of the District of Columbia Municipal Regulations to allow qualifying patients to establish residency in the District with one document, including a telephone bill or bank statement containing a District address.

- Section 4      Creates a civil enforcement mechanism for commercial property owners illegally distributing or selling cannabis.
- Section 5      Amends Title 22-C of the District of Columbia Municipal Regulations to allow qualifying patients to establish residency in the District with one document, including a telephone bill or bank statement containing a District address.
- Section 6      Contains the applicability clause.
- Section 7      Contains the fiscal impact statement.
- Section 8      Contains the effective date.

**COMMITTEE ACTION**

On October 21, 2022, the Committee on the Judiciary and Public Safety held an Additional Meeting to consider B24-0113, the “Medical Cannabis Amendment Act of 2022”. The meeting was called to order at 2:10 p.m. Chairperson Charles Allen recognized a quorum consisting of himself and Councilmembers Anita Bonds, Mary M. Cheh, and Brooke Pinto. Chairperson Allen, without objection, moved the Committee Report and Print for B24-0113 en bloc, with leave for staff to make technical, conforming, and editorial changes.

Councilmember Pinto commented that she supported the bill, noting that there should be broad access to cannabis in the District, despite sustained interference by Congress. District residents want a recreationally regulated marketplace, in addition to a medical system. She expressed her enthusiastic support for the bill and its efforts to make medical cannabis more accessible and inclusive to those who need it. Councilmember Bonds noted the number of broad changes in the bill, as proposed, and those included in the Committee Print. She stated that she hoped the bill would remedy the inequities in the unregulated “gifting” economy. She asked Chairperson Allen whether the bill included training for new license holders, to which Chairperson Allen highlighted ABRA’s fund for grants, equity, and loans. She also expressed her concern around the number of licenses needed in the community. She stated her support for public safety and opposition to unregulated businesses that sell goods potentially unsafe for public consumption.

The Committee then voted 4-0 to approve the Committee Report and Print, with the Members voting as follows:

*YES:*            Chairperson Allen and Councilmembers Bonds, Cheh, and Pinto

*NO:*             None

*PRESENT:*    None

*ABSENT:*      Councilmember Vincent C. Gray

## **LIST OF ATTACHMENTS**

- (A) B24-0113, as introduced
- (B) Notice of Public Hearing, as published in the *District of Columbia Register*
- (C) Agenda and Witness List
- (D) Witness Testimony
- (E) Legal Sufficiency Determination
- (F) Comparative Committee Print
- (G) Committee Print

**Council of the District of Columbia  
COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT  
COMMITTEE REPORT**

1350 Pennsylvania Avenue, N.W., Washington, D.C. 20004

---

**To:** Members, Council of the District of Columbia  
**From:** Councilmember Kenyan R. McDuffie, Chairperson   
**Date:** November 29, 2022  
**Subject:** Report on B24-113, the “Medical Cannabis Amendment Act of 2022”

---

The Committee on Business and Economic Development, to which B24-113, the “Medical Cannabis Amendment Act of 2022” was referred, reports favorably on the legislation and recommends approval by the Council of the District of Columbia.

**CONTENTS**

I. Background and Need _____	Page 2
II. Statement of Purpose and Effect _____	Page 4
III. Legislative History _____	Page 14
IV. Position of the Executive _____	Page 15
V. Advisory Neighborhood Commission Comments _____	Page 15
VI. Witness List and Hearing Record _____	Page 15
VII. Impact on Existing Law _____	Page 26
VIII. Fiscal Impact _____	Page 27
IX. Racial Equity Impact _____	Page 27
X. Section-by-Section Analysis _____	Page 28
XI. Committee Action _____	Page 29
XII. List of Attachments _____	Page 30

## **I. BACKGROUND AND NEED**

### ***Origins of Cannabis, Racist Associations, and The War on Drugs***

The history of cannabis policy in the United States is fraught with racism and criminalization.<sup>1</sup> In Eastern cultures, people first used cannabis for thousands of years for religious purposes, as medicine, and to make clothing, canvas, shoes, sails, and other products.<sup>2</sup> By the early twentieth century, cannabis usage in the United States was concentrated within Mexican American communities. Many members of these communities had recently fled the Mexican Revolution, and this led the media to falsely associate Mexican use of cannabis with crime and violence. As a result, the Spanish word for cannabis, “marihuana,” replaced the scientific name of the plant and was stigmatized.<sup>3</sup> The media and society subsequently created false narratives that the use of cannabis by Black men led to violence and sexual relationships with white women.<sup>4</sup> Similar narratives that Japanese soldiers used cannabis to debilitate the strength of US soldiers persisted during World War II.<sup>5</sup>

These cannabis associations led to the adoption of federal, state, and local legislation that banned or restricted the use of cannabis for many years throughout the United States. By 1931, nearly two-thirds of the country had banned cannabis and within six more years, the federal Marijuana Tax Act criminalized the possession of cannabis.<sup>6</sup> But when cannabis usage became associated with white people in the 1960s, Congress and states reduced penalties and decriminalized cannabis possession, respectively.

However, President Nixon still declared a War on Drugs, provisionally classified cannabis as a Schedule I substance under the Controlled Substances Act, and rejected the scientific recommendations of his National Commission on Marihuana and Drug Abuse that cannabis possession be decriminalized.<sup>7,8</sup> President Nixon’s political aide, John Ehrlichman, later famously admitted:

“You want to know what this was really all about? The Nixon campaign in 1968, and the Nixon White House after that, had two enemies: the antiwar left and black people. You understand what I’m saying? We knew we couldn’t make it illegal to be either against the [Vietnam] war or black, but by getting the public to associate the hippies with marijuana and blacks with heroin, and then criminalizing both heavily, we could disrupt those communities. We could arrest their leaders, raid their homes, break up their meetings and

---

<sup>1</sup> Doni Crawford, [First in Line: A Reparative Approach to Recreational Cannabis Policy](#), DC Fiscal Policy Institute, February 16, 2021.

<sup>2</sup> Barney Warf, “High Points: An Historical Geography of Cannabis,” *Geographical Review*, 104 (4): 418-421, October 2014.

<sup>3</sup> Laura Smith, [How a racist hate-monger masterminded America’s War on Drugs](#), Timeline, February 28, 2018.

<sup>4</sup> Warf, pg. 430.

<sup>5</sup> Eric Schlosser, “[Reefer Madness](#),” *The Atlantic*, August 1994 Issue.

<sup>6</sup> *Ibid.*

<sup>7</sup> Schedule I substances have no accepted medical use and are considered high potential for abuse.

<sup>8</sup> David Downs, [The Science behind the DEA’s Long War on Marijuana](#), *Scientific American*, April 19, 2016.

vilify them night after night on the evening news. Did we know we were lying about the drugs? Of course we did.”<sup>9</sup>

The War on Drugs ultimately led to the mass incarceration of Black and brown people, which also had generational effects on their communities.<sup>10</sup> Prior arrests and convictions for cannabis-related offenses negatively impacts an individual’s ability to secure housing, employment, financial assistance for higher education and businesses, etc. And this not only hurts the individual with prior contact with the criminal justice system but also parents, partners, spouses, and children.<sup>11</sup> Additionally, while Black and brown people were criminalized for cannabis-related offenses, they are largely shut out of ownership opportunities within the now legal cannabis industry nationwide (though Black people own medical cannabis dispensaries and a cultivation center in DC).<sup>12</sup>

Thus, the history of U.S. cannabis policy and the devastation wrought by the War on Drugs necessitates accountability for past harms in the design of cannabis legislation. Without such accounting, existing racial inequities will be exacerbated.

### ***Cannabis Policy in DC and Congressional Interference***

In 1998, District residents passed Initiative 59, a ballot measure to legalize cannabis for medical use.<sup>13</sup> But due to a Congressional prohibitive budget rider, this ballot initiative did not go into effect until more than 10 years later with the passage of B18-622, the “Legalization of Marijuana for Medical Treatment Initiative Amendment Act of 2010.” Similarly, District residents approved Initiative 71 in 2014 to legalize the possession of and ability to grow small amounts of cannabis for personal use. Congress once again interfered with the will of District voters by prohibiting the District from using funds to tax and regulate the recreational use of cannabis. This budget rider remains in place today – one of the many legacies of the District’s lack of statehood and autonomy.

Initiative 71 also legalized the transfer of a small amount of cannabis without payment. Savvy business owners have subsequently operationalized a loophole in the law by establishing a variety of businesses (i.e., food, clothing, art, etc.) and transferring or “gifting” cannabis to customers with the purchase of an item.<sup>14</sup> Since these businesses are unregulated (unlicensed as medical cannabis businesses), there is no definitive registry on how many exist, but some have estimated that there could be as many as 200 I-71 gifting shops in DC. These businesses employ hundreds of District residents, many of whom are Black. The I-71 gifting business model generates millions in sales each year, directly impacting the revenue potential of licensed medical cannabis

---

<sup>9</sup> Dan Baum, [Legalize It All: How to win the war on drugs](#), Harper’s Magazine, April 2016 issue.

<sup>10</sup> Ta-Nehisi Coates, [The Black Family in the Age of Mass Incarceration](#), The Atlantic, October 2015 Issue.

<sup>11</sup> U.S. Commission on Civil Rights, [Collateral Consequences: The Crossroads of Punishment, Redemption, and the Effects on Communities](#), June 2019.

<sup>12</sup> Amanda Chicago Lewis, [America’s Whites-Only Weed Boom: How Black People are Being Shut Out of America’s Weed Boom - Whitewashing the Green Rush](#), BuzzFeed News, March 16, 2016.

<sup>13</sup> Council of the District of Columbia, [Committee Report on B18-622](#), “Legalization of Marijuana for Medical Treatment Initiative Amendment Act of 2010”, March 30, 2010.

<sup>14</sup> Martin Austerhuhle, [D.C.’s Marijuana ‘Gifters’ Are Stepping Into The Political Arena](#), DCist, February 25, 2022.

businesses. For example, licensed medical cannabis businesses have stated that the loss of emergency COVID-19 pandemic protections for medical cannabis patients sent some of their existing customers to the gray market.<sup>15,16</sup>

## **II. STATEMENT OF PURPOSE AND EFFECT**

Bill 24-113, the “Medical Cannabis Amendment Act of 2022”, was introduced on February 26, 2021 by Chairman Phil Mendelson at the request of Mayor Muriel Bowser. The bill was referred sequentially to the Committee on the Judiciary and Public Safety, the Committee on Business and Economic Development, and the Committee of the Whole on March 2, 2021. The three Committees held a joint public hearing on the bill on November 19, 2021. As introduced, this bill amends the Legalization of Marijuana for Medical Treatment Initiative of 1999 to ensure that the District’s medical cannabis program is operating optimally for the benefit of the District’s qualifying patients.

### ***The Bill as Introduced***

As introduced, the purpose of Bill 24-113 is to allow qualifying medical cannabis patients to obtain medical cannabis and medical cannabis products from any dispensary in the District, to allow medical cannabis dispensaries to operate safe use treatment facilities and other tastings, demonstrations or classes with proper endorsements, to allow dispensaries to deliver medical cannabis and medical cannabis products directly to qualifying patients, to allow all returning citizens to work at a medical cannabis business, to limit the crimes that would exclude someone from being an officer, owner or agent of a medical cannabis business to crimes involving gun violence or a gun offense, tax evasion, or fraud and credit card fraud occurring within the past three years, to eliminate the count on the number of plans a medical cannabis cultivation center may grow, to increase the number of permitted dispensaries from eight to sixteen and increase the number of permitted dispensaries in each ward to two, and to exclude testing laboratory facilities when determining the cap on the number of cultivation centers in a ward.

### ***Committee Print***

The Committee on the Judiciary and Public Safety (“CJPS”) held a markup of B24-113 on October 21, 2022. The Committee on Business and Economic Development (“CBED”) incorporated most of CJPS’s Committee Print changes but made modifications to the sections on social equity, returning citizens, unregistered establishments, and civil enforcement. Those changes and CBED’s additions to the Committee Print are summarized in detail below.

---

<sup>15</sup> Ibid.

<sup>16</sup> Kyle Jaeger, [DC Lawmakers Remove Marijuana Bill Provision That Threatened Crackdown On Unregulated Market](#), Marijuana Moment, November 1, 2021.

## ***A. Cannabis***

The introduced version of B24-113 replaced “marijuana” with the scientific term “cannabis” throughout the Legalization of Marijuana for Medical Treatment Initiative of 1999. CBED expanded this by replacing “marijuana” with “cannabis” throughout the D.C. Official Code and renaming the Alcoholic Beverage Regulation Administration to the Alcoholic Beverage and Cannabis Administration. The Print also renames the Alcoholic Beverage Control Board to the Alcoholic Beverage and Cannabis Board.

## ***B. Self-Certification and Non-Resident Patient Access***

Under current permanent law and Bill 24-113 as introduced, a District resident must receive a recommendation from an authorized practitioner and register with the Alcoholic Beverage Regulation Administration to purchase, possess, and use medical cannabis. The Council passed emergency legislation in June to allow individuals 21 years of age and older to self-certify that they are utilizing cannabis for medical purposes.<sup>17</sup> CJPS’s Print would permanently allow qualifying patients ages 21 and above to self-certify that they have a qualifying medical or dental condition. CBED incorporates CJPS’s language into its Print, clarifies that patients must certify on a form provided by ABCA, and permanently permits a non-resident qualifying patient visiting DC to receive a 30-day temporary non-resident registration identification card. CBED’s Print also allows the ABC Board to establish alternative or additional processes for patients to register in the medical cannabis program or obtain temporary or permanent approval to purchase medical cannabis.

CBED incorporates CJPS’s rationale on the need and permissibility of self-certification below for reference.

### *The Need for Self-Certification*

While the existing permanent requirement that a District resident receive a recommendation from an authorized practitioner may seem reasonable, it creates significant barriers for patients in need of relief. First, the cost of a doctor’s visit may be prohibitive for many patients, particularly if they lack healthcare insurance or their healthcare plan has a high deductible. Diagnostic tools and procedures used to determine the presence of cancers, heart disease and other chronic conditions can run hundreds or thousands of dollars. Additionally, certain conditions—such as mental illnesses—carry significant societal stigma that makes clinical diagnosis and treatment extremely difficult.

Second, even if a prospective patient has the money and time to undergo the required assessment and receive a recommendation for medicinal cannabis, finding a registered practitioner can be difficult. At the end of Fiscal Year 2022, data from ABRA shows that there are 641 active practitioners in the District.<sup>18</sup> While this may seem like a sizable population of practitioners, there

---

<sup>17</sup> Council of the District of Columbia, [Medical Marijuana Self-Certification Emergency Amendment Act of 2022](#), June 27, 2022.

<sup>18</sup> Alcoholic Beverage and Regulation Administration, [Medical Cannabis Program Report](#), September 2022..

are more than 11,000 licensed physicians in the District alone, meaning less than 5% of all licensed physicians in the District are registered.<sup>19</sup> Additionally, many physicians know very little about the potential medicinal qualities of cannabis or cannabis rules and regulations. This is not unique to any particular jurisdiction and leaves many patients unable to access medical cannabis.

Finally, approximately 1 in 13 people in America have an undiagnosed disease.<sup>20</sup> These include rare disorders that are difficult to recognize, atypical symptoms of more common disorders, medical conditions that have yet to be described, and symptoms that cannot be explained medically. In the District, there may be approximately 50,000 people with undiagnosed diseases.<sup>21</sup> Given the nature of their conditions, it would be extremely difficult for many of these residents to receive a recommendation to use medical cannabis from an authorized practitioner.

These barriers and obstacles help explain why the medical cannabis program in the District remains underutilized. According to data from September 2022, there are currently just over 22,000 patients in the District registered with ABRA.<sup>22</sup> Of these patients, fewer than 6,000 District residents purchased any medicinal cannabis.<sup>23</sup>

### *Self-Certification Is Permissible*

Due to language included in Congressional appropriations bills since 2015, the District is prohibited from obligating or expending any available funds to legalize or reduce penalties associated with the possession, use, or distribution of any schedule I substance under the Controlled Substances Act. The text of the provision in question reads as follows:

“No funds available for obligation or expenditure by the District of Columbia government under any authority may be used to enact any law, rule, or regulation to legalize or otherwise reduce penalties associated with the possession, use, or distribution of any schedule I substance under the Controlled Substances Act (21 U.S.C. 801 *et seq.*) or any tetrahydrocannabinols derivative for recreational purposes.”<sup>24</sup>

As written, the Committee believes the Print does not run afoul of this language for two reasons. First, the Print does not reduce any criminal penalties associated with the possession, use, or distribution of cannabis in the District. The District’s Controlled Substances Act (D.C. Official Code § 48-901.01, *et seq.*) is unaltered by the Print. Second, the plain language of the bill does not legalize recreational possession, distribution, or use of cannabis. Rather it allows qualifying *medical* patients to self-certify that they meet the criteria under the law.

---

<sup>19</sup> Young, A., Chaudhry, H. J., Pei, X., Arnhart, K., Dugan, M., & Steingard, S. A. (2019). FSMB census of licensed physicians in the United States, 2018. *Journal of Medical Regulation*, 105 (2), 7-23.

<sup>20</sup> Angelis, A., Tordrup, D., & Kanavos, P. (2015). Socio-economic burden of rare diseases: a systematic review of cost of illness evidence. *Health Policy*, 119(7), 964-979.

<sup>21</sup> This assumes that approximately 7.6% of District residents have an undiagnosed disease.

<sup>22</sup> *Supra* note 18.

<sup>23</sup> *Ibid.*

<sup>24</sup> Pub. L. No. 116-6, § 809.

The District established a medical cannabis program—the subject of this bill—in 2010.<sup>25</sup> Under recreational cannabis laws, residents are not required to provide any documentation regarding a qualifying medical condition. In fact, in all recreational cannabis laws in the United States, residents only need to prove they are of age to purchase and use cannabis legally. In contrast to these laws, and as noted earlier in this report, the Committee Print will require individuals of qualifying ages 21 and above who want to purchase and use medical cannabis to self-certify, under threat of potential penalties, that they have a qualifying medical or dental condition. Adult residents would have to fill out and submit a new form every two years. Anyone who does not have a valid form or registration card would be prohibited from purchasing or using medical cannabis. Given these facts, the Committee believes the Print does not intersect with the congressional prohibition on legalizing cannabis.

### ***C. Cannabis Licenses and Racial and Economic Equity***

#### *License Categories*

CJPS's Print establishes a new license category for manufacturers which will authorize licensees to produce medical cannabis products such as concentrates and edibles. CBED's Print incorporates this category and adds four new license categories to expand opportunities for eligible businesses to enter the medical cannabis market. First, it creates a retailer license which replaces the existing dispensary license category. This is to distinguish between a brick-and-mortar business and a new internet retailer license category. An internet retailer is a platform or business that is licensed to conduct business in the District; provides delivery services and facilitates the sale of medical cannabis products for deliveries to qualifying patients or caregivers through the internet; and does not have a physical location that is open to the public. Second, the Print creates a courier license for a business that has a contractual relationship with a retailer to provide delivery services and uses its own employees or independent contractors. Third, the Print establishes a one-year conditional license for applicants without a proposed location to allow them time to secure a lease or purchase a building. The conditional license will be set aside for medical cannabis certified business enterprises and social equity applicants as defined later below.

#### *License Caps*

As introduced, Bill 24-113 would increase the number of dispensary licenses to sixteen and allow up to fourteen cultivation centers and testing laboratories. With the changes the Print makes to requirements for qualifying patients, the number of patients in the medical cannabis program — currently at roughly 22,000 — will likely increase. An increase in the number of patients will, at some point, necessitate a greater number of cultivation centers and retailers to satisfy patient demand. As such, CJPS's Print removes the cap on the number of cultivation centers and retailers in the Code altogether, giving ABCA the flexibility to license the number of facilities necessary to meet potential demand. CBED's Print incorporates that change and allows unregistered establishments to apply for cultivation licenses to help increase supply and expand who has access to cultivation opportunities (see section E). In order to further address supply, the

---

<sup>25</sup> Legalization of Marijuana for Medical Treatment Initiative Amendment Act of 2010, D.C. Law 18-210 (57 DCR 4798), effective July 27, 2010.

Print also allows licensees to physically expand registered facilities into adjacent real property that they own or have a lease for to increase production of medical cannabis or medical cannabis products.

Removing the cap on licenses and restrictions on the number of cultivation centers and dispensaries in any election ward will provide more opportunities for entry into the medical cannabis market and social equity.<sup>26</sup> It is not enough, however, to simply remove license caps and restrictions. When establishing the medical cannabis program in 2010, the District failed to be intentional in prioritizing racial and economic equity. Black District residents have borne the brunt of the war on drugs, making up roughly 90% of all cannabis arrests since 2001 despite using cannabis at similar rates as white residents.<sup>27</sup> The negative consequences of these arrests, and any subsequent convictions, are manifold. Arrest and incarceration are associated with poor physical and mental health outcomes, housing instability, declining employment prospects and decreases in lifetime earnings, reductions in civic engagement, and family separations.

To rectify this, the Print makes several notable changes to the introduced version that will increase opportunities for business ownership and entrepreneurship for low-income and formerly incarcerated Black District residents.

### *Returning Citizens*

In B24-113 as introduced, no one with a felony conviction for a crime of violence, gun offense, or a conviction for tax evasion, fraud, or credit card fraud within the last three years would qualify for a license. While this a significant improvement over current statutory language that disqualifies anyone with a felony conviction (except for a felony conviction solely for possession with intent to distribute prior to July 17, 2014), it would still disqualify certain returning citizens in the District based on an arbitrary time-frame and provide no mechanism for these returning citizens to demonstrate that they are rehabilitated. As such, the CJPS Print adopts language from legislation authored by Committee Chairperson Allen, the Removing Barriers to Occupational Licensing for Returning Citizens Act of 2020 (D.C. Law 23-305; 68 DCR 3419). This language requires ABRA to adopt an individualized approach to assessing criminal records that must consider:

- Whether the offense is directly related to the license sought or the specific duties and responsibilities of employment; and
- Evidence of rehabilitation, including compliance with the term and conditions of probation, supervised release, or parole, the length of time that has elapsed since the offense, employment history, and any mitigating circumstances.

Additionally, as a part of the criminal background check process, ABCA would not be able to inquire into or consider convictions that have been sealed, expunged, vacated, or pardoned,

---

<sup>26</sup> Minority Cannabis Business Association, [MCBA National Cannabis Equity Report](#), 2022.

<sup>27</sup> Paul Schwartzman and John D. Harden, [D.C. legalized marijuana, but one thing didn't change: Almost everyone arrested on pot charges is Black](#), The Washington Post, Sept. 15, 2020.

juvenile adjudications, or non-conviction information such participation in a diversion program or an arrest that did not result in a conviction.

CBED incorporates these changes but restores a provision from the introduced version that broadly allows all returning citizens to work at a medical cannabis business. It also expands the definition of returning citizens to mean a District resident who was arrested, convicted, or incarcerated for a cannabis or drug-related offense.

### *Medical Cannabis CBEs, Social Equity, Set Asides, and Restrictions*

CJPS's Print set aside half of manufacturer licenses, cultivation licenses, and retailer licenses for medical cannabis certified business enterprises and social equity applicants that meet ownership requirements and creates a scoring system that must be used by ABCA for licenses not subject to set asides. CBED's Print amends the definition of medical cannabis certified business enterprises and social equity applicants and set asides, and establishes new license restrictions.

First, to qualify as a medical cannabis certified business enterprise, the entity shall meet the same requirements set forth in emergency legislation passed by the Council last year.<sup>28</sup> Second, CBED expands on CJPS's social equity focus on returning citizens in its social equity criteria by stating that an applicant must meet two of the following five criteria:

- One or more of the owners of the applicant owning more than 50% of the business is a District resident who is a returning citizen as defined by this title;
- One or more of the owners of the applicant owning more than 50% of the business has been a District resident for the last two years and is married to or in a civil union, has a child, or is the child of a person or has a non-parent legal guardian who is or has been incarcerated in the District or in any other jurisdiction for a cannabis or drug-related offense;
- One or more of the owners of the applicant owning more than 50% of the business has been a resident of a disproportionately impacted area, as defined by the ABC Board, for at least 10 of the past 20 years;
- One or more of the owners of the applicant owning more than 50% of the business has resided in public housing or qualified for the Housing Choice Voucher Program in the District in the past 20 years or is married to or in a civil union, has a child, or is the child of a person or has a non-parent legal guardian who is or has resided in public housing or qualified for the Housing Choice Voucher program in the District in the past 20 years; or,
- One or more of the owners of the applicant owning more than 50% of the business has income at the time of the application that does not exceed 400% of the median family income level.

---

<sup>28</sup> Council of the District of Columbia, [Fifty-Point Preference Clarification Emergency Amendment Act of 2021](#), November 2, 2021.

Third, with the exception of retailer licenses, CBED's Print sets aside manufacturer, internet, courier, and cultivation licenses to medical cannabis certified business enterprises and social equity applicants for three years. After three years, medical cannabis certified business enterprises and social equity applicants will receive priority review. Additionally, retailer licenses will be set aside for one year for those applicants and after that year, they will receive priority review. Fourth, the CBED Print outlines license restrictions to prevent conflicts of interests in medical cannabis licenses. For example, no licensee holding a testing laboratory license shall hold either a cultivator, manufacturer, retailer, internet retailer, or courier license.

Fifth, the CJPS Print required ABRA to waive 75% of any non-refundable application fees for medical cannabis certified business enterprises and social equity applicants. It also amended the allowable uses for the Medical Cannabis Administration Fund to include the provision of loans, grants, and equity to medical cannabis certified business enterprises and social equity applicants to help with start-up and operating costs and provide technical assistance. Given that the Medical Cannabis Social Equity Fund is administered by the Department of Small and Local Business Development in consultation with ABRA, CBED's Print allows DSLBD to reimburse ABCA for those fees on behalf of the applicants. The Print also clarified that the Medical Cannabis Administration Fund shall be used for the purpose of administering the medical cannabis program for now. This will allow ABCA to implement the many changes to medical cannabis program without additional financial difficulty. CBED's Print additionally clarifies that Medical Cannabis Social Equity Fund will be used to provide grants and loans to medical cannabis certified business enterprises and social equity applicants.

#### ***D. New Endorsement Categories***

The Print maintains the three new endorsement categories for licensed medical cannabis retailers that are included in the introduced version and CJPS's Print: a safe use treatment facility endorsement, an education tasting endorsement, and a delivery endorsement. CBED's Print adds a fourth endorsement category: a summer garden endorsement. CBED's Print further clarifies that the holder of an internet retailer registration is not eligible for a safe use treatment facility endorsement nor an education tasting endorsement given that its location will not be open to the public. CBED's Print also clarifies how the delivery endorsement will operate for retailers and internet retailers.

The safe use treatment facility endorsement will permit retailers to establish a designated consumption area for patients to use medicinal cannabis. In the District, a majority of residents are tenants renting units in apartment buildings.<sup>29</sup> Since cannabis is federally illegal, housing providers are not required to provide reasonable accommodations to facilitate medical cannabis use for patients at their properties. This leaves many patients without the space to use medical cannabis even though it is legal in the District. A designated consumption area at a medical cannabis retailer would provide this space.

---

<sup>29</sup> Data from the Census Bureau's 2019 American Community Survey (5-Year Estimate) estimates that 58% of all housing units in the District are renter-occupied.

The education tasting endorsement will permit retailers to offer cooking and how-to classes, demonstrations, and tastings for educational purposes to qualifying patients and caregivers. Such educational classes and demonstrations could have myriad benefits for qualifying patients. For instance, educational demonstrations and classes could also provide patients with information on the least harmful ways to use cannabis or how to mitigate unwanted side effects of cannabis.

The retailer delivery endorsement will permit a retailer to deliver medical cannabis and medical cannabis products to qualifying patients. Deliveries are subject to certain requirements, and deliveries to any address on District government property, federal property, or public or private school grounds will be prohibited. Much of the language for this endorsement category was included in the bill as introduced. CJPS's Print allows ABCA to determine the number of deliveries allowed to qualifying patient or caregiver in a single day, requires the use of a GPS device or application to track deliveries, and prohibits the display of any words or images on the vehicle that would indicate the vehicle is being used to deliver cannabis. These additions are retained by CBED. CBED also clarifies that internet retailers shall not be required to obtain a delivery endorsement to deliver medical cannabis directly to a qualifying patient or their caregiver, and that internet retailers shall not be permitted to offer curbside pickup at their approved location.

The summer garden endorsement will permit retailers who have a safe use treatment facility endorsement to conduct operations on a *private* summer garden. Operations may include the sale, service, and consumption of medical cannabis on outdoor private spaces. This endorsement category currently exists for eligible licensed alcohol establishments.<sup>30</sup>

### ***E. Transition of Unregistered Establishments and Civil Penalties***

CJPS's Print provided a mechanism for unregistered establishments to enter the medical cannabis market by creating a transitional license, requiring businesses to submit a transitional license compliance plan, requiring ABRA to hold three technical assistance workshops within 30 days after issuing transitional licenses, and issuing permanent licenses once compliance plans were implemented. CBED's Print streamlines this process by simply allowing unregistered establishments to apply for retailer, internet retailer and cultivator licenses for a sixty-day open application period.

CBED's Print retains the eligibility requirements of CJPS but adds a final requirement that the unregistered establishment qualify as a medical cannabis certified business enterprise or a social equity applicant. This will ensure that the unregistered establishments who enter the regulated medical cannabis market still meet the equity goals of the permanent medical cannabis program. CBED's Print also states that unregistered establishments shall not apply for a conditional license in order to meet the requirements of the sixty-day open application period. Additional details on the transition of unregistered establishments such as the publication of applications, timeline, eligibility requirements, and reasons for denial are included in CBED's

---

<sup>30</sup> Alcoholic Beverage Regulation Administration, [Summer Garden/Sidewalk Cafe Endorsement Application](#), 2022.

Print. To CBED’s knowledge, this is the first time that a jurisdiction has attempted to provide a legal pathway for businesses operating in the unregulated market.<sup>31,32</sup>

CJPS’s Print also established a civil enforcement framework for unregistered establishments. The CJPS Print:

1. Enables the Mayor to seal the premises, issue fines of up to \$20,000, and revoke basic business licenses of any operators; and
2. Enables the Mayor to levy civil fines of up to \$10,000 against commercial property owners who continue to allow illegal activity to occur on their premises.

CBED’s Print incorporated this framework and added that enforcement activities shall begin no earlier than 225 days after ABCA’s sixty-day open application period for unregistered establishments and the issuance or denial of all licenses. Additionally, CBED’s Print requires the Mayor to provide a notice to the public 90 days prior to the date of scheduled enforcement activities.

## ***F. Taxes***

### *Medical Cannabis Sales Tax*

For the District’s Fiscal Year (“FY”) 2023 budget and financial plan, CBED recommended a Budget Support Act subtitle to redirect the medical cannabis sales tax that is deposited into the Healthy DC and Healthcare Expansion Fund to create a Medical Cannabis Social Equity Fund.<sup>33</sup> The approved FY 2023 budget and financial plan only redirected revenue in excess of the amount budgeted to the Healthy DC and Healthcare Expansion Fund in FY 2023 to the social equity fund. CBED’s print redirects all revenue about the amount certified to the Healthy DC and Health Care Expansion Fund across the entire financial plan to the Medical Cannabis Social Equity Fund. CBED’s Print further redirects all proceeds of the medical cannabis sales tax to the Medical Cannabis Social Equity Fund starting on October 1, 2026.

Since the transfer of the medical cannabis program from the Department of Health to ABRA, CBED has observed the need for the agency to establish a well-funded social equity program that would provide an opportunity for disenfranchised minority groups to fairly compete in the medical cannabis industry. This Print addition would continue to address the need for upfront funding for medical cannabis certified business enterprises and social equity applicants. The Committee reasons that the medical cannabis sales tax should be used to service medical cannabis equity programs.

---

<sup>31</sup> Julian Shen-Berro and Shannon Young, [The black market strangled California's legal weed industry. Now it's coming for New York.](#), Politico, November 13, 2022.

<sup>32</sup> Ashley Southall, [How New York City Became a Free-for-All of Unlicensed Weed](#), The New York Times, November 23, 2022.

<sup>33</sup> Committee on Business and Economic Development, [Report and Recommendations of the Committee on Business and Economic Development on the Fiscal Year 2023 Budget for Agencies Under Its Purview](#), April 21, 2022.

## *Sales Tax Holiday*

Earlier this year, the DC Council approved emergency legislation which declared a 4/20 medical cannabis sales tax holiday week.<sup>34</sup> As a result, licensed medical cannabis retailers experienced a boost in sales. The CBED Print continues this holiday in 2023 on April 14, 2023 through April 23, 2023.

## *Tax Deductions*

Pursuant to 26 U.S.C. § 162 of the Internal Revenue Code, a business is allowed to deduct all of the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade and business for the purposes of federal taxes.<sup>35</sup> This means that businessowners are able to deduct expenses such as salaries, travel expenses, rental payments, etc. from their taxable income and lower their tax burden. However, in 1982, Congress passed 26 U.S.C. § 280E which forbid businessowners from taking these deductions if their trade or business, or activities of the trade or business, consists of trafficking in controlled substances such as cannabis.<sup>36</sup> States such as California, Colorado, New York, and New Jersey have begun to offer state deductions for these business expenses. CBED's Print therefore allows a licensed medical cannabis business for the purposes of District taxes any federal income tax deduction that is disallowed by Internal Revenue Code § 280E.

District law currently requires retailers to devote 2 percent of their gross revenue to provide medical cannabis on the sliding scale to qualifying patients who meet the income requirements. Qualifying patients whose income is at or less than 200% of the federal poverty level can receive a discount of no less than 20% of its regular retail price from retailers. In operation, this requirement negatively impacts retailers located in Wards 7 and 8 where patients who are more likely to be eligible for the discount, purchase their cannabis. CBED's Print requires retailer and internet retailers to *provide* medical cannabis on the sliding scale. It also permits a licensed retailer or internet retailer for the purposes of District taxes to deduct lost gross income occurring as a result of reduced fee patient sales to the extent that the lost amount exceeds 12 percent of the licensed retailer's or internet retailer's total sales to qualifying patients in a calendar year. The retailers shall not be permitted to claim more than a 20 percent loss on any reduced fee patient sales transactions in that yearly calculation.

## ***G. Data Collection and Flexibility***

Former and current cannabis regulators have often advised states and jurisdictions to collect data and allow flexibility to amend cannabis programs through regulations.<sup>37</sup> CBED's Print does this in a few ways. First, it requires the Medical Cannabis Advisory Committee to submit a

---

<sup>34</sup> Council of the District of Columbia, [Medical Marijuana Patient Access Extension Emergency Amendment Act of 2022](#), February 1, 2022.

<sup>35</sup> 26 U.S.C. § 162.

<sup>36</sup> 26 U.S.C. § 280E

<sup>37</sup> Shaleen Title, [Fair and Square: How to Effectively Incorporate Social Equity Into Cannabis Laws and Regulations](#), Drug Enforcement and Policy Center, Moritz College of Law, The Ohio State University, January 27, 2022.

report to the Mayor and the Council by July 1, 2024. This report will include information on the growth of the District’s medical cannabis program and the effectiveness of license set asides for medical cannabis business enterprises and social equity applicants. Second, CBED’s Print will require ABCA to post a list of unregistered establishments that applied for a retailer or internet retailer license. This will allow the District to officially quantify the number of businesses who had been operating as I-71 gifting shops. Third, CBED’s Print allows ABCA the flexibility to make changes to the program through rulemaking. This allows the ABC Board the ability to:

- Create additional license categories;
- Modify the number of licenses that a licensee may hold for license categories;
- Limit the number of retailers and internet retailers in a Ward, ANC, or Single Member District;
- Stop accepting medical cannabis applications if it is in the best interests of the medical cannabis program; and,
- Modify criteria to ensure that the medical cannabis program is receiving applications from and approving licenses for medical cannabis certified business enterprises and social equity applicants.

**H. Conclusion**

Rather than make technical and minor changes to the bill as introduced, the Committee Print takes a more holistic approach by making it easier for patients to access medical cannabis, removing unnecessary caps and restrictions on the number of licenses, and prioritizing equity for new licenses, among many other amendments to the statute. In the Committee’s view, these changes are necessary to provide relief to patients, business owners, and people from marginalized communities who have been previously excluded from the medical cannabis market.

**III. LEGISLATIVE HISTORY**

Feb 26, 2021	B24-113 is introduced by Chairman Mendelson at the request of the Mayor.
Mar 2, 2021	B24-113 is sequentially referred to Committee on Judiciary and Public Safety, Committee on Business and Economic Development, and the Committee of the Whole.
Mar 5, 2021	Notice of Intent to Act on B24-113 is published in the <i>District of Columbia Register</i> .
Sep 24, 2021	Notice of Public Hearing is filed in the Office of the Secretary.
Oct 1, 2021	Notice of Public Hearing is published in the <i>District of Columbia Register</i> .
Nov 19, 2021	The Committee on Judiciary and Public Safety, Committee on Business and Economic Development, and Committee of the Whole held a joint public hearing on B24-113.

Oct 20, 2022 Notice of Mark-up is filed in the Office of Secretary by the Committee on Judiciary and Public Safety.

Oct 21, 2022 B24-113 is marked up by the Committee on Judiciary and Public Safety.

Nov 28, 2022 Notice of Mark-up is filed in the Office of Secretary by the Committee on Business and Economic Development.

Nov 29, 2022 B24-113 is marked up by the Committee on Business and Economic Development

In accordance with the referral sequence, Bill 24-113 will proceed to the Committee of the Whole.

#### **IV. POSITION OF THE EXECUTIVE**

The Committee held a public hearing on November 19, 2021, and received testimony from Fred Moosally, Director, Alcoholic Beverage Regulation Administration. Director Moosally provided oral and written testimony in support of B24-113 as introduced, on behalf of the Alcoholic Beverage Regulation Administration. While Director Moosally focused most of his testimony on B24-118, he also provided recommendations for maintaining a strong medical cannabis program. Director Moosally recommended that the Council make permanent provisions adopted in B24-0194, the *Medical Cannabis Emergency Amendment Act of 2021*, to allow all returning citizens with convictions for cannabis and other drug offenses to work at and own cannabis businesses. Director Moosally also supported the District allowing licensed medical cannabis businesses, for the purposes of District taxes, any federal income tax deduction that is disallowed by Internal Revenue Code § 280E.

Director Moosally submitted a written follow-up letter in response to the Committee's written request for additional information related to B24-113. This response is included in the official hearing record.

#### **V. ADVISORY NEIGHBORHOOD COMMISSION COMMENTS**

The Committees have not received a formal resolution on B24-113 from any Advisory Neighborhood Commissions. However, the Committee received oral testimony from the chairperson of Advisory Neighborhood Commission 8C which is summarized below as a public witness testimony.

#### **VI. WITNESS LIST AND HEARING RECORD**

On November 19, 2021, the Committee of the Whole, the Committee on Business and Economic Development, and the Committee on the Judiciary and Public Safety held a joint public

hearing on B24-113, the “Medical Cannabis Amendment Act of 2022,” and B24-118, the “Comprehensive Cannabis Legalization and Regulation Act of 2021.” A video recording of the public hearing is available online at [oct.dc.gov](https://www.oct.dc.gov). The hearing record remained open until December 3, 2021. Director Fred Moosally testified on behalf of the Alcoholic Beverage Regulation Administration and his testimony is described above in the Position of the Executive section. The public witness testimonies pertaining to B24-113 and related medical cannabis issues are summarized below.

*Salim Adofo, Chair, ANC 8C*

Salim Adofo provided oral testimony in support of B24-113 and its prioritization of returning citizens in employment. Commissioner Adofo recommended that there be a mechanism in place to right the wrongs of the war on drugs, including providing reparations for people who have been incarcerated. He also stressed the importance of ensuring that there is no oversaturation of cannabis facilities in areas of the city where food deserts are most prevalent.

*Meredith Kinner, D.C. Craft Cannabis Coalition*

Meredith Kinner provided oral and written testimony on behalf of D.C. Craft Cannabis Coalition. Although her testimony focused on B24-118, Ms. Kinner recommended that DC provide a phaseout or an offramp for “gray market” businesses and postpone making those practices illegal until the regulated market becomes operational.

*Rabbi Jeffrey Kahn, Takoma Wellness Center, Inc.*

Rabbi Jeffrey Kahn provided oral and written testimony as the owner of a licensed medical cannabis dispensary in DC. While the bulk of Rabbi Kahn’s testimony focused on B24-118, he stated that the District must maintain and strengthen its medical cannabis program. Rabbi Kahn also testified to the importance of encouraging greater diversity and local ownership in any expansion of DC’s medical cannabis program.

*Grace Hyde, COO of Phyto Cultivation LLC*

Grace Hyde provided oral and written testimony as a representative of one of DC’s licensed cultivation centers. Ms. Hyde stated that legal medical cannabis businesses are in jeopardy due to the prevalence of unregulated cannabis sales throughout the District. She recommended that the bill be amended to repeal ABRA registration requirements for patients and caregivers; to provide qualified I-71 shops with a pathway to the legal market and enact civil enforcement measures against the illicit market; and to permit legal medical licensees to deduct ordinary and necessary business expenses on their DC tax filings (items currently prohibited by federal tax code 280E on federal tax filings), as Colorado, Oregon and California have already done.

*Edward Weidenfeld, Co-Founder and Chairman of Phyto Cultivation LLC*

Edward Weidenfeld provided oral and written testimony as a representative of one of DC’s licensed cultivation centers and a medical cannabis patient. Mr. Weidenfeld shared that the medical cannabis market provides him with safe products at a reliable dosage but that the legal market cannot compete with the illicit market.

*David S. Julyan, Julyan & Julyan*

David S. Julyan provided oral and written testimony as an attorney who represents Phyto Cultivation LLC. Mr. Julyan stated that District law does not authorize a “gray market” nor “I-71 compliant” cannabis sellers and that their existence results in over \$36 million in uncollected tax revenue by the District. He recommended an aggressive civil enforcement program that is limited to fines and for repeat violators, revocation of business licenses and permits, once there is a pathway to legal for these businesses.

*Nikolas Schiller, Co-Founder of DC Marijuana Justice*

Nikolas Schiller provided oral and written testimony in support of B24-113 with several recommendations for strengthening it. Mr. Schiller recommended that the bill be amended to: lower fees and broaden and increase the number of cannabis licenses available, including the creation of a cottage license; reformulate the medical cannabis market to make it more inclusive including by simplifying access to cannabis and eliminating the cap on dispensaries and cultivation centers; and provide I-71 shops with amnesty and the opportunity to receive a license.

*Kris Furnish, Co-Founder of Maryland Marijuana Justice*

Kris Furnish provided oral and written testimony focused on cannabis product testing and the importance of ensuring cannabis is safe from harmful contaminants. Ms. Furnish recommended that the legislation be amended to add third-party testing facilities, and incentives for cultivators to grow clean and environmentally sustainable cannabis that is tested and does not contribute to climate change. She also recommended that the legislation include the creation of business programs to help entrepreneurs who have been disproportionately harmed by the failed war on drugs to access the industry. Ms. Furnish concluded her testimony with the recommendation that DC automatically expunge cannabis-related charges of DC residents who have been negatively impacted by prohibition.

*RachelRamone Donlan, Consumer Director of DC Cannabis Business Association*

RachelRamone Donlan provided oral and written testimony in support of B24-113, with a focus on consumer safety and inclusion. Ms. Donlan supported the creation of a cottage license and stated that women should be specifically added anytime the phrase “social justice” or “equity” is mentioned in cannabis legislation and that funding be provided for them to succeed. She also recommended that DC challenge the validity of the law that punishes residents in federal housing from using cannabis in the privacy of their own homes and to place a moratorium on evictions for using cannabis. Ms. Donlan further recommended that the District remove the tax on medical cannabis.

*Adam Eiding, Co-Founder of DC Marijuana Justice*

Adam Eiding provided oral and written testimony in support of the legislation. While the majority of Mr. Eiding’s testimony focused on B24-118, he recommended that the District should expand cannabis home grow rights to be more cost-effective, achieve social equity, and provide a larger cannabis supply for DC’s medical program dispensary operators, particularly through a cottage industry.

*Alan Amsterdam, Owner of Capitol Hemp/Amsterdam Abracy*

Alan Amsterdam provided oral and written testimony on B24-113, with a focus on micro-entities. Mr. Amsterdam recommended that the District increase the number of licenses available

for cultivation and dispensaries to alleviate bottlenecks and allow the medical cannabis program to flourish prior to a full-scale cannabis adult-use industry. He also advocated for DC to eliminate the tax on medical cannabis, establish licenses for cannabis research and development, and create a cannabis testing regulatory framework.

*Lisa Scott, President of DC Cannabis Business Association*

Lisa Scott provided oral and written testimony on B24-113, with a focus on regulation and entrepreneurship. Ms. Scott stated that (societal) fear of cannabis leads to overregulation, especially around quantity and dosage, and that cannabis should be regulated similarly to alcohol. Her written testimony focused on the importance of social equity, and the need for immediate expungement and increased access to affordable cultivation licenses, especially for current and future local entrepreneurs.

*Queen Adesuyi, Senior National Policy Manager, Drug Policy Alliance*

Queen Adesuyi provided oral and written testimony focused on B24-118, but stated that the Drug Policy Alliance is “supportive of the ways that the medical marijuana bill being heard today improves access in DC’s medical program.”

*Desley Brooks, Former District 6 Member of the Oakland City Council*

Desley Brooks provided oral and written testimony on the lessons learned from Oakland, California as the founder and author of the Oakland Cannabis Equity Program. Although the focus of her testimony was on B24-118, Ms. Brooks stated that equity is intentional and that, “equity, in this instance, does not mean women, veterans, disabled people, etc.” She stressed the importance that legislation center the Black community and cautioned that broad social equity eligibility would fail to eliminate inequities.

*Doni Crawford, Senior Policy Analyst, DC Fiscal Policy Institute*

Doni Crawford provided oral and written testimony in support of B24-113. In her written testimony, Ms. Crawford recommended that the bill strengthen employment and entrepreneurship opportunities for returning citizens by not prohibiting individuals with certain felony convictions within the last three years from applying to be a director, owner, officer, or agent of a dispensary, cultivation center, or testing laboratory. She also recommended that license set asides for returning citizens be considered and that the District continue to monitor the placement of cannabis dispensaries and cultivation centers to ensure equitable access and fair distribution in communities, and make legislative changes as needed.

*Michael Johnson, Jr., Policy Analyst, DC Fiscal Policy Institute*

Michael Johnson, Jr. provided oral and written testimony in support of B24-113. In his written testimony, Mr. Johnson recommended that the bill be amended to remove exclusions that would prevent those convicted of certain felony offenses from gaining ownership of medical dispensaries, cultivation centers, and testing facilities. He also stated that returning citizens with cannabis-related offenses should be seen as individuals who can offer valuable insight in the transition to a legal cannabis market.

*Michael Krawitz, Veterans for Medical Cannabis Access*

Michael Krawitz provided oral testimony in support of the legislation. Mr. Krawitz recommended that DC not tax cannabis for medical use and provide amnesty for I-71 businesses. He also offered that the bill should also center veterans (who make up all races and backgrounds) in equity efforts, in addition to people of color and especially African Americans.

*Amanda Krause, Volunteer Coordinator for the DC Cannabis Campaign*

Amanda Krause provided oral and written testimony in support of B24-118 but centered her oral testimony on consumer safety. Ms. Krause recommended that legislation ultimately include adequate testing for pesticides, rodenticides, and heavy metals in cannabis.

*DC Scroger, Blue and Yellow Studios*

DC Scroger provided oral and written testimony in support of B24-113. DC Scroger recommended that DC develop an independent cannabis testing lab and rely on lessons learned from California and Oregon's testing lab formation, as attached to his written testimony. He also recommended no caps on cultivation micro licenses and that the city allow all eligible social equity applicants to receive licenses.

*Mark Nagib, Owner of Pink Fox*

Mark Nagib provided oral and written testimony on B24-113. Mr. Nagib spoke to the importance of DC providing an avenue for I-71 businesses to transfer operations to the regulated market. He recommended that the comprehensive bill amend social equity applicant to include I-71 businesses who have paid all required taxes for the last two years and that the Council delay enactment of the prohibition on I-71 transactions until ABRA issues its first recreational cannabis dispensary license.

*Shad Ewart, Professor, Anne Arundel Community College*

Shad Ewart provided oral and written testimony on one recommendation: that DC remove the caps on cannabis licenses, similar to Oklahoma and New Mexico. Mr. Ewart expressed that this would achieve social justice through equitable entrepreneurship; increase competition that may dissuade Multi-State Operators (MSOs) from monopolizing licenses; allow ownership and wealth to stay in DC; and put downward pressure on cannabis prices to the consumer and patient's benefit.

*Lauren Berlekamp, Public Witness*

Lauren Berlekamp provided oral and written testimony with numerous recommendations for strengthening both bills. Regarding B24-113, Ms. Berlekamp recommended completely reformulating the medical cannabis program to include no caps on cultivation centers or dispensaries and the ability for patients to self-certify for cannabis. She also recommended expanding the number of licenses available and lowering license fees; creating adequate cannabis testing in DC; and amnesty for I-71 businesses.

*Corey Barnette, Founder and Operator of Kinfolk Dispensary and District Growers*

Corey Barnette provided oral and written testimony as the owner of a licensed medical cannabis dispensary and cultivation center in DC. Mr. Barnette stated that administrative hurdles to entry into the medical cannabis program exist and as a result, he recommended self-attestation for patients and same-day access. He also recommended that the proposed Alcoholic Beverage

Cannabis Administration be given freedom to re-design patient entry methods to allow medical cannabis operators to better compete with the illicit market and that the Council take action through emergency legislation to introduce civil penalties to shut down that same market.

*Jennifer Snowden, Founder and CEO of High Road Delivery*

Jennifer Snowden provided oral and written testimony as the founder and CEO of High Road Delivery, a cannabis software/e-commerce delivery platform operating in DC. Ms. Snowden supported self-attestation for patients and included language modifications in her written testimony to better protect returning citizens from larger entities that operate as strawmen. She also recommended removing purchase limits from the bill.

*Anthony Bowlds, CEO of 4 Tech Media*

Anthony Bowlds provided oral testimony as an individual who was negatively impacted by the war on drugs and since then, has worked at testing facilities outside of DC and participated in Oregon's Marijuana Initiative Law in the 1980's. Mr. Bowlds currently works within the seed to sale tracking industry and wants to see additional provisions for research and development for both medical and recreational cannabis.

*Adam Bartley, Public Witness*

Adam Bartley provided oral testimony as a medical cannabis patient of Takoma Wellness Center. Mr. Bartley shared that access to medical cannabis cards is very difficult without the privilege that he has been afforded. He recommended that the Council allow for self-certification and find pathways for illegal pop-ups to operate legally. He also recommended that DC remove the tax on medical cannabis.

*Jocelyn Bogen, Public Witness*

Jocelyn Bogen provided oral testimony as a medical cannabis patient of Takoma Wellness Center. Ms. Bogen shared that her use of medical cannabis to address certain ailments has been successful and less toxic than prescription drugs and over the counter medications.

*Joe Tierney, Founder of Gentleman Toker*

Joe Tierney provided oral and written testimony in full support of B24-113. Mr. Tierney also recommended that the Council remove language that would eliminate the I-71 market before a fully operational recreational market and instead, focus on making enough licenses available to support their inclusion.

*Jamila Hogan, CEO of The Green Life*

Jamila Hogan provided oral and written testimony as the first Black woman to manage a dispensary on the East Coast. Ms. Hogan stated that DC's medical cannabis program has been exclusionary and recommended that the Council immediately allow local growers to sell directly to dispensaries. Additionally, she recommended that licensed and unlicensed growers not be burdened by cannabis testing costs and instead, that tax revenue be used to support those costs.

*Bryan Jackson, District Flora*

Bryan Jackson provided written testimony as a resident and business owner in Ward 7. Mr. Jackson recommended that DC properly regulate the cannabis industry and empower the

communities that were most harmed by the war on drugs. He recommended that DC tailor its social equity definition to include: residents who have resided in high crime areas, in wards 7 or 8 for 10 of the last 20 years, people who have lost housing due to eviction or foreclosure, and people convicted of a non-violent cannabis related crime in DC before the passage of I-71.

*Forest Tyrone Hayward, Lyrical Clothing*

Forest Tyrone Hayward provided oral and written testimony. Mr. Hayward shared a personal story on the obstacles that he has had to face and overcome to provide for his family and communities. He recommended that the Council include [I-71 gifting shops] and allow them with a fair chance on a level playing field to generate revenue for their families and communities.

*Courtney Davis, Executive Director of Marijuana Matters*

Courtney Davis provided written testimony on the importance of centering those most harmed by criminalization of cannabis. Ms. Davis recommended that the Council consider ways to protect current medical patients by ensuring that they have access to affordable medication. She also shared a social equity toolkit that provides recommendations for cannabis regulations that address social justice and community reinvestment, and improve economic conditions for those most harmed by the failed war on drugs.

*Caroline Phillips, Founder and Producer of the National Cannabis Festival*

Caroline Phillips provided oral testimony. Ms. Phillips stated that forcing closure of I-71 businesses would be unfair given the precedent that has been set. She recommended that the Council increase the number of licenses available and establish training programs to help transition unregulated business owners into the regulated market. Ms. Phillips also recommended that licensed medical cannabis business owners receive a tax abatement given that they have weathered six years of restrictive regulations that have impeded their ability to grow. She further recommended that DC make medical cards free, raise license fees, and increase patient access to the medical program.

*Linda Mercado Greene, Owner and CEO of Anacostia Organics*

Linda Mercado Greene provided oral and written testimony in support of B24-113 and as the owner of the first licensed medical cannabis dispensary to operate East of the River. Ms. Greene recommended that the Council adopt self-attestation for patients and that ABRA be able to waive fees to increase greater access to medical cannabis. She also supported and recommended that DC prioritize and include licensing set asides for returning citizens who are residents of DC and were previously jailed or imprisoned for cannabis-related offenses.

*Yvette Alexander, CEO of Y. Alexander & Associates*

Yvette Alexander provided oral and written testimony on behalf of the DC Cannabis Trade Association (DCCTA) and in support of B24-113. The association provided four recommendations to grow the licensed medical cannabis market: 1. Repeal ABRA registration for patients and physicians; 2. Impose civil penalties against illegal cannabis businesses; 3. Grant legal medical operators the ability to deduct ordinary and necessary business expenses on their DC tax return, effective for 2021 tax filing; and 4. The creation of an ABRA-directed market study to determine the DC demand for licenses before additional licenses are made available for application.

*Eric Spencer, Secretary of D.C. Caucus for Returning Citizens*

Eric Spencer provided oral and written testimony as a returning citizen. Mr. Spencer supported increasing the number of licensed dispensaries to sixteen, but he recommended that four to six of the new nine licenses be set aside for returning citizens. He further recommended that the District allot 60 points to returning citizens with cannabis convictions regardless of whether they are a medical certified business enterprise. Mr. Spencer also recommended that DC provide a loan fund of \$20 to \$30 million for returning citizens who intend to pursue a medical cannabis license, including access to DMPED's Commercial Property Acquisition Fund.

*Dawn Lee-Carty, Speak Life*

Dawn Lee-Carty provided oral and written testimony. According to Ms. Lee-Carty, her daughter ingested a Piperonyl Butoxide (PBO) tainted bottle of CBD oil from Takoma Wellness Center that sent her into respiratory arrest. She recommended that DC swiftly incorporate lab testing to protect patients from incidents like these.

*Zoey Lee-Carty, Speak Life*

Zoey Lee-Carty provided oral testimony. According to Ms. Lee-Carty, she suffered and still suffers adverse effects from a reaction to PBO tainted CBD oil from Takoma Wellness Center, after medicating successfully with cannabis for seven years. Since her exposure to PBO, Ms. Lee-Carty has had to medicate with pharmaceuticals which causes her to feel spacey. She recommended that DC test medical cannabis products for PBO and all harmful products used during cultivation.

*Pete Muldoon, CEO and Farmer of Muldoon Hemp*

Pete Muldoon provided oral and written testimony, with recommendations for creating a more equitable cannabis industry. Mr. Muldoon recommended that DC create more licenses that are affordable and accessible to all DC residents, especially residents with lower incomes. He stated that I-71 businesses should be allowed to join the legal market to provide economic opportunities. Mr. Muldoon also recommended that all cannabis be tested locally, and that onsite consumption be allowed at cannabis facilities.

*Olivia Naugle, Legislative Analyst, Marijuana Policy Project*

Olivia Naugle provided oral and written testimony. While the majority of her testimony focused on B24-118, Ms. Naugle recommended that the Council and regulators work to incorporate the "grey market" into the legal, regulated industry. Without licensing more businesses, she believed that the illicit market, the risk of violence, the lack of testing and labeling, arrests and associated trauma will continue to thrive.

*Bobby Mcleod, Home Grower Cannabis Group*

Bobby Mcleod provided oral and written testimony in support of the bill with some additions. Mr. Mcleod recommended that all new license holders be required to complete a quality cannabis training program that covers all aspects of the industry from cultivation to processing, and distribution to retail marketing. He also recommended that instead of seeking to eliminate I-71 businesses, the city should create a pathway to legitimize those businesses and allow those entrepreneurs to continue to make a living.

*Veronica Chapman, Public Witness*

Veronica Chapman provided oral and written testimony as a non-smoker of cannabis, who was also asked to speak on behalf of some seniors. Ms. Chapman shared their experiences suffering with health issues and incurring financial costs to seal their homes due to cannabis smoke irritation. She recommended that the District provide cannabis in the form of a pill, liquid, edible, topical, transdermal patch, or tablet and if necessary, require patients to use filtering devices to contain the smoke in their own home. Additionally, she suggested the creation of a grant program that provides homeowners and landlords with funds to seal the walls between their homes or apartment units and provide exhaust fans to help with ventilation. Ms. Chapman concluded her testimony by recommending that DC provide free healthcare or treatment to those affected by secondhand cannabis smoke.

*Tiffany Davidson, Moms Against Marijuana Addiction*

Tiffany Davidson provided written testimony against both bills. Ms. Davidson disputed research that cannabis is not addictive and testified that her son struggled with cannabis addiction. She further implored the Council to not legalize cannabis.

*Michael Liszewski, Principal, The Enact Group*

Michael Liszewski provided oral and written testimony in support of the bills. While the majority of Mr. Liszewski's testimony focused on B24-118, he recommended that DC mitigate its lack of adequate cultivation space by allowing residents who currently grow cannabis to become cottage industry growers who can sell their cannabis to distributors for testing and packaging for retail. Mr. Liszewski also recommended that DC begin to engage in interstate compact negotiations to ensure an adequate supply of cannabis prior to legalization. Additionally, he recommended that DC both provide a legal pathway for I-71 businesses and provide relief for medical operators who have played by the rules, such as by passing B24-113 and offering reasonable periods of tax abatements and license fee waivers (especially after the creation of an adult-use market).

*Darel Dawson, Peace in the Air*

Darel Dawson provided oral testimony on cannabis stigma and economic opportunity. He stated that connections between cannabis use and violence are false and should be dispelled. Mr. Dawson also recommended eliminating the caps on cannabis licenses.

*Peter Stinson, Manager, East Coast Amsterdam LLC*

Peter Stinson provided oral and written testimony on how to better protect existing cannabis businesses and expanding social equity in licensing. Mr. Stinson recommended that the legislation include a bridge for current I-71 businesses that are in compliance with other DC rules and regulations to move into the regulated framework. He also recommended that all cannabis licenses be limited to DC residents, that a robust social equity category apply to all license types, and that DC ensure a license category for "farmer's markets" for people who grow in their homes to be able to sell their produce.

*Ariadna Mondragon, Public Witness*

Ariadna Mondragon provided oral testimony as a cannabis gifting market consumer. Ms. Mondragon recommended that the gifting market be able to legally join the medical cannabis dispensaries and that automatic expungement be a vital component to any legislation.

*Grace Reeder, I-71 Committee*

Grace Reeder provided oral and written testimony on behalf of the I-71 Committee. Ms. Reeder urged the Council to consider the harmful impact of statements that refer to I-71 small businesses as part of an illegal or illicit market instead of the unregulated market. She recommended that the Council protect I-71 businesses by allowing them access to licenses at the same time as the medical facilities.

*Tim Slayton, Urban Aroma*

Tim Slayton provided oral testimony in support of I-71 businesses. Mr. Slayton recommended that the city work with these businesses and maintain the status quo until a plan is in place for a proper transition into the regulated market. He also recommended that DC also eliminate barriers to accessing licenses and that no criminal charges, punishment, or civil penalties against I-71 be enacted.

*Kymone Freeman, We Act Radio*

Kymone Freeman provided oral and written testimony on gifting stores and likened their actions as civil disobedience to a racist system that has sought to criminalize and disenfranchise Black people. Mr. Freeman recommended that the bill provide a clear pathway for small businesses in the grey market to obtain licenses.

*Donald Temple, Public Witness*

Donald Temple provided oral testimony on I-71 businesses and how they reflect a paradox created by a space in the law. Mr. Temple stated that young people with knowledge, skills, and abilities have figured out an entry into the cannabis marketplace. He recommended that I-71 businesses be included in the regulated market process and that a meaningful number of licenses be allotted to them.

*Richard Gerald, Generational Equity Movement*

Richard Gerald provided oral testimony in support of the Generational Equity Movement amendment. Mr. Gerald testified that after a misstep, he acquired and grew professional skills while working at an I-71 gifting shop. He recommended that his place of employment be regulated and that he not be put at personal risk of raids and job loss.

*Mike Fizczko, Generational Equity Movement*

Mike Fizczko provided oral testimony in support of the Generational Equity Movement amendment. Mr. Fizczko recommended that I-71 gifting shops be provided a pathway to the regulated cannabis market and that any additional regulation include I-71 businesses.

*Abdul Muhammad, Generational Equity Movement*

Abdul Muhammad provided oral and written testimony in support of the Generational Equity Movement amendment. Mr. Muhammad stated that I-71 gifting shops have singlehandedly removed the stigma of cannabis within the District. He recommended that I-71 businesses be allowed to exist in an industry that they have already been able to excel in.

*Tori Reeder, Generational Equity Movement*

Tori Reeder provided oral testimony in support of the Generational Equity Movement amendment. Ms. Reeder remarked that she has professionally grown and flourished in her work with I-71 businesses. She recommended that I-71 businesses be given a seat at the regulatory table and that DC provide a path for them to be the industry leaders of the future.

*Mackenzie Manns, Generational Equity Movement*

Mackenzie Manns provided oral and written testimony in support of the Generational Equity Movement amendment. Ms. Manns stated that Black entrepreneurs were industry leaders in Seattle's quasi-legal medical market before being pushed completely out once recreational use was adopted. She recommended that the Council pass legislation to give millennials, Black entrepreneurs, and DC residents a piece of the leaf by allowing I-71 businesses to become regulated.

*Louise Perry., Generational Equity Movement*

Louise Perry provided oral testimony in support of the Generational Equity Movement amendment. Ms. Perry remarked that I-71 gifting shops provide staff with professional development, conflict resolution strategies, incentives to support their personal goals, philanthropy, work in their communities, and hands on training. She recommended that the Council work with Black-owned I-71 stores and provide a real pathway to regulation.

*Kimberly Johnson., Generational Equity Movement*

Kimberly Johnson provided oral and written testimony in support of the Generational Equity Movement amendment. Ms. Johnson stated that the closure of grey market gifting shops will put hundreds of Black DC millennial residents out of work in the thick of a global pandemic. She recommended that the bill include and regulate gifting shops that provide for the local community and help stimulate the DC economy.

*Isang Udokwere, Generational Equity Movement*

Isang Udokwere provided oral and written testimony in support of the Generational Equity Movement amendment. Mr. Udokwere stated that the oldest American tradition is Black labor for white profit and disregard for the humanity and equity of the builders. He recommended that the Council create an unobstructed path to regulation for I-71 gifting shops.

*Lindsay Black, Generational Equity Movement*

Lindsay Black provided oral and written testimony in support of the Generational Equity Movement amendment. Ms. Black remarked that she has never had firsthand experience with seeing Black people have access to the opportunity to build generational wealth with legal ownership in this multi-billion-dollar industry. She recommended that the voices of I-71 minority and millennial cannabis business owners and employees be uplifted through regulation.

*Dominique Allen, Generational Equity Movement*

Dominique Allen provided oral testimony in support of the Generational Equity Movement amendment. Ms. Allen shared her personal experience working within the I-71 gifting community and the potential for job loss if these businesses are shut down. She recommended that the Council pass the Generational Equity amendment and the regulation of I-71 gifting shops.

*Moira Cyphers, Compass GR/Generational Equity Movement*

Moira Cyphers provided oral and written testimony on behalf of the Generational Equity Movement. While the majority of her testimony focused on B24-118, Ms. Cyphers recommended that the Council increase minority and locally owned business participation in the cannabis industry, including those with existing industry expertise due to their work within I-71. She further recommended exemption for qualifying I-71 cannabis businesses from immediate cannabis sales prohibition and the creation of an I-71 cannabis business registry.

*Megan McFarlane, Holistic Industries*

Megan McFarlane provided written testimony on behalf of Holistic Industries, a licensed medical cannabis company and multi-state operator of cultivation centers and dispensaries. Ms. McFarlane testified in support of B24-113 and provisions to impose civil infractions on unregulated cannabis businesses. She also recommended that the bill include the right to self-attestation for medical cannabis patients and that a study be completed to determine increased demand before additional licenses are made open for application. Ms. McFarlane also recommended that the bill grant medical cannabis operators the ability to deduct ordinary and necessary business expenses on their DC tax returns.

*Caitlin Gibson, Public Witness*

Caitlin Gibson provided written testimony to recommend that DC create a plan to transition legacy businesses into the legal market. Ms. Gibson recommended a transitional permit be issued by DCRA to legacy operators who register and complete application for proof of compliance.

## **VII. IMPACT ON EXISTING LAW**

B24-113 amends the Legalization of Marijuana for Medical Treatment Initiative of 1999 to rename the phrase “medical marijuana” to “medical cannabis” and the word “marijuana” to “cannabis”, to remove the requirement of a bona fide relationship between a qualifying patient and an authorized practitioner, to provide definitions for “ABC Board”, “ABCA”, “courier”, “DSLBD”, “internet retailer”, “manufacturers”, “medical cannabis certified business enterprises”, “non-resident cardholders”, “pesticides”, “retailer”, “returning citizens”, “social equity applicants”, “straw ownership”, and “unregistered establishments”, to allow qualifying patients ages 21 and older to self-certify that they have a qualifying medical or dental condition or are undergoing a qualifying medical or dental treatment, to increase the amount of dried cannabis that qualifying patients and caregivers may possess, to allow for the issuance of 2-year qualifying patient and caregiver registration cards, to require testing laboratories to test medical cannabis and medical cannabis products for mycotoxins, pesticides, and heavy metals, to establish manufacturer, internet, retailer, courier, and conditional licenses and license limits to prevent conflicts of interests, to remove statutorily-prescribed limits on the number of facilities that may locate in certain areas, to create criteria, application processes, and licensure prioritizations for social equity applicants and medical cannabis certified business enterprises, to remove the plant count limit, to prescribe the criteria for evaluating criminal histories, to create a sixty-day open license application period for unregistered establishments, to create safe use treatment facility, education tasting, retailer delivery, internet retailer deliveries, and summer garden endorsements, to amend the authorized sources and uses of the Medical Cannabis Social Equity Fund to allow ABRA to use

monies in the fund for equity, grants, and loans to social equity applicants and medical cannabis certified business enterprises, to establish those grant, and loan programs, to require the Medical Cannabis Advisory Committee to submit a report to the Mayor and the Council on the growth of the District’s medical cannabis program, the effects of licenses set asides and any other comments the Committee believes to be important no later than July 1, 2024, and to allow the Mayor to issue rules creating additional license categories.

B24-113 further amends D.C. Official Code § 47–2844 to create a civil enforcement mechanism for unregistered establishments and commercial property owners of those establishments and amends Title 22-C of the District of Columbia Municipal Regulations to allow qualifying patients to establish residency in the District with one document, including a telephone bill or bank statement containing a District address. Additionally, B24-113 amends Title 25 of the D.C. Official Code to rename the phrases “ABRA” to “ABCA”, “Alcoholic Beverage Regulation Administration” to “Alcoholic Beverage and Cannabis Administration”, “Alcoholic Beverage Control Board” to “Alcoholic Beverage and Cannabis Board”, and define “ABCA Fund” as the “Alcoholic Beverage and Cannabis Administration Fund”. The bill also amends The Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia to rename the phrase “ABRA” to “ABCA”, and define “ABC Board” as the “Alcoholic Beverage and Cannabis Board” and “ABCA” as the “Alcoholic Beverage and Cannabis Administration”. Finally, B24-113 amends Title 47 of the D.C. Official Code to allow licensed medical cannabis businesses, for the purposes of District taxes, any federal income tax deduction that is disallowed by Internal Revenue Code § 280E, to allow a licensed retailer or internet retailer for the purposes of District taxes to deduct loss gross income occurring as a result of reduced fee patient sales, pursuant to D.C. Official Code § 7-1671.05(15)(B), to the extent the lost amount exceeds twelve percent of the licensed retailer’s or internet retailer’s total sales to qualifying patients in a calendar year, to rename “medical marijuana” to “medical cannabis”, to establish a “4/20 Medical Cannabis Sales Tax Holiday Week” from April 14, 2023 through April 23, 2023, and to collect all medical cannabis sales tax revenue above the amount certified in the approved Fiscal Year 2023 budget for Fiscal Years 2023, 2024, 2025, and 2026 and all proceeds of the tax collected beginning October 1, 2026, and deposit it in the Medical Cannabis Social Equity Fund.

### **VIII. FISCAL IMPACT**

B24-113 is sequentially referred to the Committee on the Judiciary and Public Safety, followed by the Committee on Business and Economic Development and the Committee of the Whole, respectively, and the Committee of the Whole will therefore obtain a fiscal impact statement from the District’s Chief Financial Officer.

### **IX. RACIAL EQUITY IMPACT**

B24-113 is sequentially referred to the Committee on the Judiciary and Public Safety, followed by the Committee on Business and Economic Development and the Committee of the Whole, respectively, and the Committee of the Whole will therefore obtain a Racial Equity Impact Assessment from the Council Office of Racial Equity.

## **X. SECTION-BY-SECTION ANALYSIS**

- Section 1** Contains the short title of the legislation.
- Section 2** Amends the Legalization of Marijuana for Medical Treatment Initiative of 1999 to rename the phrase “medical marijuana” to “medical cannabis” and the word “marijuana” to “cannabis”, to remove the requirement of a bona fide relationship between a qualifying patient and an authorized practitioner, to provide definitions for “ABC Board”, “ABCA”, “courier”, “DSLBD”, “internet retailer”, “manufacturers”, “medical cannabis certified business enterprises”, “non-resident cardholders”, “pesticides”, “retailer”, “returning citizens”, “social equity applicants”, “straw ownership”, and “unregistered establishments”, to allow qualifying patients ages 21 and older to self-certify that they have a qualifying medical or dental condition or are undergoing a qualifying medical or dental treatment, to increase the amount of dried cannabis that qualifying patients and caregivers may possess, to allow for the issuance of 2-year qualifying patient and caregiver registration cards, to require testing laboratories to test medical cannabis and medical cannabis products for mycotoxins, pesticides, and heavy metals, to establish a manufacturer, internet, retailer, courier, and conditional licenses and license limits to prevent conflicts of interests, to remove statutorily-prescribed limits on the number of facilities that may locate in certain areas, to create criteria, application processes, and licensure prioritizations for social equity applicants and medical cannabis certified business enterprises, to remove the plant count limit, to prescribe the criteria for evaluating criminal histories, to create a sixty-day open license application period for unregistered establishments, to create safe use treatment facility, education tasting, retailer delivery, internet retailer deliveries, and summer garden endorsements, to amend the authorized sources and uses of the Medical Cannabis Social Equity Fund to allow ABRA to use monies in the fund for equity, grants, and loans to social equity applicants and medical cannabis certified business enterprises, and to establish those equity, grant, and loan programs, to require the Medical Cannabis Advisory Committee to submit a report to the Mayor and the Council on the growth of the District’s medical cannabis program, the effects of licenses set asides and any other comments the Committee believes to be important no later than July 1, 2024, and to allow the Mayor to issue rules creating additional license categories.
- Section 3** Amends D.C. Official Code § 47–2844 to create a civil enforcement mechanism for unregistered establishments that distribute or sell cannabis.
- Section 4** Creates a civil enforcement mechanism for commercial property owners of unregistered establishments that distribute or sell cannabis.

- Section 5** Amends Title 22-C of the District of Columbia Municipal Regulations to allow qualifying patients to establish residency in the District with one document, including a telephone bill or bank statement containing a District address.
- Section 6** Amends Title 25 of the D.C. Official Code to rename the phrases “ABRA” to “ABCA”; “Alcoholic Beverage Regulation Administration” to “Alcoholic Beverage and Cannabis Administration”; “Alcoholic Beverage Control Board” to “Alcoholic Beverage and Cannabis Board”; and define “ABCA Fund” as the “Alcoholic Beverage and Cannabis Administration Fund”.
- Section 7** Amends The Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia to rename the phrase “ABRA” to “ABCA”; and define “ABC Board” as the “Alcoholic Beverage and Cannabis Board” and “ABCA” as the “Alcoholic Beverage and Cannabis Administration”.
- Section 8** Amends Title 47 of the D.C. Official Code to allow licensed medical cannabis businesses, for the purposes of District taxes, any federal income tax deduction that is disallowed by Internal Revenue Code § 280E; to allow a licensed retailer or internet retailer for the purposes of District taxes to deduct loss gross income occurring as a result of reduced fee patient sales, pursuant to D.C. Official Code § 7-1671.05(15)(B), to the extent the lost amount exceeds twelve percent of the licensed retailer’s or internet retailer’s total sales to qualifying patients in a calendar year; to rename “medical marijuana” to “medical cannabis”; to establish a “4/20 Medical Cannabis Sales Tax Holiday Week” from April 14, 2023 through April 23, 2023; and to collect all medical cannabis sales tax revenue above the amount certified in the approved Fiscal Year 2023 budget for Fiscal Years 2023, 2024, 2025, and 2026 and all proceeds of the tax collected beginning October 1, 2026, and deposit it in the Medical Cannabis Social Equity Fund.
- Section 9** Contains the applicability clause.
- Section 10** Contains the fiscal impact statement.
- Section 11** Contains the effective date.

## **XI. COMMITTEE ACTION**

On November 29, 2022, the Committee on Business and Economic Development held a markup to consider B24-113, the “Medical Cannabis Amendment Act of 2022”. The markup was called to order at 10:08 a.m. Chairperson McDuffie recognized a quorum consisting of himself and Councilmembers Allen, Cheh, and Gray. Chairperson McDuffie, without objection, moved

the Committee Print and Committee Report for B24-113 with leave for staff to make technical and conforming changes. Councilmember Allen acknowledged Chairperson McDuffie and team's work on the bill and inquired about the committee's changes to the civil enforcement timeline. Chairperson McDuffie responded that the 225 days before enforcement activities can begin would allow time for ABCA to sift through applications and issue licenses, and allow existing I-71 shops to receive them. In response to Councilmember Allen's inquiry about the enforcement timeline for I-71 shops who do not qualify for a license, Chairperson McDuffie stated that there are exiting laws under which enforcement could occur on those shops. Councilmember Allen offered to work with Chairperson McDuffie between the markup and first reading to sort out his outstanding concerns on the enforcement language. Additionally, Councilmember Cheh recommended that the measure could include language stating that I-71 shops be in the process of applying for a license to not be subject to enforcement. This would allow enforcement to begin on problem I-71 shops. Chairperson McDuffie acknowledged that Councilmember Cheh's recommendation is an option and stated that he also hopes to include other changes such as vertical integration for existing medical cannabis businesses in the COW Print. Chairperson McDuffie further remarked that there are problem I-71 shops that should be dealt with, but that good faith I-71 shops should have the opportunity to become legal operators. Chairperson McDuffie concluded the discussion by stating that he wants to ultimately pass the best bill possible that bears in mind safety, and the past harm that has been done to Black and brown communities in DC who were on the receiving end of antiquated drug laws and mass incarceration policies that criminalized cannabis.

Chairperson McDuffie, without objection, moved the Committee Print and Committee Report for B24-113 with leave for staff to make technical and conforming changes. After discussion, the Committee voted 4-0 to approve the Committee Print and Committee Report with the members voting as follows:

*YES:* Chairperson McDuffie and Councilmembers Allen, Cheh, and Gray.

*NO:*

*PRESENT:*

*ABSENT:* Councilmember Pinto.

## **XII. ATTACHMENTS**

- (A) Bill 24-113, as introduced.
- (B) Notice of Public Hearing on B24-113, as published in the *District of Columbia Register*
- (C) Public Hearing Agenda, Witness List, and Witness Testimony
- (D) Legal Sufficiency Determination
- (E) Comparative Committee Print
- (F) Committee Print

COMMITTEE OF THE WHOLE  
COMPARATIVE PRINT  
BILL 24-113

---

D.C. Official Code § 1-301.86b. Litigation Support Fund.

(a) There is established as a special fund the Litigation Support Fund (“Fund”), which shall be administered by the Office of the Attorney General in accordance with this section.

(b) Revenue from the following sources shall be deposited into the Fund:

(1) Subject to the limitations of subsection (d)(3) of this section and notwithstanding any other provision of District law, any recoveries from claims or litigation brought by the Office of the Attorney General on behalf of the District shall be deposited into the Fund;

(2) Funds collected pursuant to § 1-350.02(a-4)(1); ~~and~~

(3) Funds recovered from owners under § 42-3651.06(j)(2), and not deposited into the Tenant Receivership Abatement Fund, in accordance with § 1-301.86e(b)(1)(B); ~~and~~

**(4) The first \$100,000 in fines imposed and collected pursuant to Section 6 of the Medical Cannabis Amendment Act of 2022; and**

**(5) The first \$100,000 in fines imposed and collected pursuant to § 47-2844(a-2)(1B) shall be deposited into the fund.**

\* \* \*

Chapter 16B. Use of Cannabis Marijuana for Medical Treatment.

§ 7-1671.01. Definitions.

§ 7-1671.02. Use of medical cannabis marijuana.

§ 7-1671.03. Restrictions on use of medical cannabis marijuana.

§ 7-1671.04. Recommending authorize practitioner; protections.

§ 7-1671.05. Medical cannabis marijuana program.

**§ 7-1671.05a. Courier license.**

§ 7-1671.06. ~~Dispensaries and cultivation centers.~~ **Cultivation centers, manufacturers, retailers, internet retailers, and testing laboratories.**

**§ 7-1671.06a. Unlicensed establishments transition.**

**§ 7-1671.06b. Unlicensed establishment compliance.**

**§ 7-1671.06c. Safe use treatment facility endorsement.**

**§ 7-1671.06d. Education tasting endorsement.**

**§ 7-1671.06e. Retailer delivery endorsement and internet retailer deliveries.**

**§ 7-1671.06f. Summer garden endorsement.**

§ 7-1671.07. Health Occupations Boards review of medical marijuana authorized practitioner recommendations. **[Repealed]**

§ 7-1671.08. Penalties.

§ 7-1671.08a. Medical Cannabis Administration Fund.

§ 7-1671.08b. Medical Cannabis Social Equity Fund.

**§ 7-1671.08c. Equity, grants, and loans to social equity applicants and medical cannabis certified business enterprises.**

§ 7-1671.09. Medical ~~Cannabis Marijuana~~ Advisory Committee.

§ 7-1671.10. Fees.

§ 7-1671.11. Liability.

§ 7-1671.12. Public and private insurance.

§ 7-1671.13. Rules.

**§ 7-1671.14. Cease and desist orders.**

\* \* \*

**D.C. OFFICIAL CODE § 7-1671.01. DEFINITIONS.**

For the purposes of this chapter, the term:

(1) "ABC Board" means the Alcoholic Beverage and Cannabis Board established by § 25-201 Alcoholic Beverage Control Board.

(1A) "~~ABRA~~ ABCA" means the Alcoholic Beverage and Cannabis Administration established by § 25-202 Alcoholic Beverage Regulation Administration.

(1B) "Adjacent" means located within the same physical structure as, and is abutting, adjoining, bordering, touching, contiguous to, or otherwise physically meeting.

(1C) "Administer" or "administration" means the direct introduction of medical cannabis marijuana, whether by inhalation, ingestion, or any other means, into the body of a person.

(1D) "Advanced practice registered nurse" means an individual licensed and in good standing to practice advanced practice registered nursing under District law.

(1E) "Authorized practitioner" means a physician, advanced practice registered nurse, physician assistant, dentist, or naturopathic physician who is licensed and in good standing to practice under District law.

(2) "Bona fide relationship with a qualifying patient" means a relationship between an authorized practitioner and qualifying patient for which the authorized practitioner:

(A) Has completed a full assessment of the patient's medical or dental history and current medical or dental condition, including a personal physical or dental examination; and

(B) Has responsibility for the ongoing care and treatment of the patient.

**(2A) "Cannabis" shall have the same meaning as provided in section 102(3) 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(3)).**

(3) "Caregiver" means a person ~~who~~ at least 18 years of age who is designated by a qualifying patient as the person authorized, on the qualifying patient's behalf, to possess, obtain from a licensed retailer, internet retailer or courier, dispense, administer, and assist in the administration of medical cannabis.:

~~(A) Is designated by a qualifying patient as the person authorized, on the qualifying patient's behalf, to possess, obtain from a dispensary, dispense, administer, and assist in the administration of medical marijuana;~~

~~(B) Is registered with ABRA as the qualifying patient's caregiver;~~  
~~(C) Is not currently, with the exception of caregivers providing services on behalf of nursing homes and hospices, as those terms are defined in § 44-501(a)(3) and (6), serving as the caregiver for another qualifying patient; and~~  
~~(D) Is at least 18 years of age.~~

(4) "Controlled Substances Act" means Unit A of Chapter 9 of Title 48 [ § 48-901.02 et seq.].

**(4A) "Courier" means a platform or business that is licensed to conduct business in the District, has a contractual relationship with a holder of a medical cannabis retailer or internet retailer to provide delivery services or facilitate the sale of medical cannabis or medical cannabis products for deliveries in the District to qualifying patients or caregivers through the use of the internet, a mobile application, or a similar technology platform, and uses its own employees or independent contractors.**

(5) "Cultivation center" means a facility operated by an organization or business registered with ~~ABRA~~ ABCA pursuant to § 7-1671.05 from or at which medical cannabis marijuana is cultivated, possessed, manufactured, and distributed in the form of medical cannabis marijuana, and paraphernalia is possessed and distributed to dispensaries.

(5A) "Dentist" means an individual who is licensed and in good standing to practice dentistry under District law, but does not include an individual who only holds a dental teaching license.

(6) Repealed.

~~(7) "Dispensary" means a facility operated by an organization or business registered with ABRA pursuant to § 7-1671.05 from or at which medical marijuana is possessed and dispensed and paraphernalia is possessed and distributed to a qualifying patient or a caregiver. [Repealed].~~

(8) "Dispense" means to distribute medical cannabis marijuana to a qualifying patient or caregiver pursuant to this chapter and the rules issued pursuant to § 7-1671.13.

(9) "Distribute" means the actual, constructive, or attempted transfer from one person to another.

**(9A) "DSLBD" means the Department of Small and Local Business Development.**

**(9B) "Economically disadvantaged individual" shall have the same meaning as provided in section 2302(7) of the Small and Certified Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.02(7)).**

**(9C) "Internet retailer" means a platform or business that is licensed to conduct business in the District, provides delivery services, and facilitates the sale of medical cannabis or medical cannabis products for deliveries to qualifying patients or caregivers through the use of the internet, a mobile application, or similar technology platform; and does not have a physical location that is open to the public.**

(10) "Manufacture" means the production, preparation, propagation, compounding, conversion, or processing of cannabis marijuana, either directly or indirectly by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a

combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or re-labeling of its container.

(11) "~~Marijuana~~" ~~shall have the same meaning as provided in § 48-901.02(3)(A).~~  
**[Repealed].**

**(11A) Manufacturer” means a facility operated by an organization or business licensed with ABCA pursuant to section 6 to:**

**(A) Process medical cannabis from cultivation centers into medical cannabis concentrates and medical cannabis-infused products;**

**(B) Package and label medical cannabis concentrates and medical cannabis-infused products for dispensing at licensed retailers and internet retailers; and**

**(C) Sell medical cannabis concentrates and medical cannabis-infused products at wholesale to licensed retailers and internet retailers.**

(12) "Medical cannabis marijuana" means cannabis marijuana cultivated, manufactured, possessed, distributed, dispensed, obtained, or administered in accordance with this chapter and the rules issued pursuant to § 7-1671.13.

**(12A) “Medical cannabis certified business enterprise” means a business enterprise that operates a cultivation center, retailer, internet retailer, courier, manufacturer, or testing laboratory that:**

**(A) Is certified by DSLBD as an equity impact enterprise, as that term is defined in section 2302(8A) of the Small and Certified Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.02(8A)), (“CBE Act”) and rules issued pursuant to the CBE Act;**

**(B) Demonstrates to the satisfaction of DSLBD that more than 50% of the employees of the business enterprise are residents of the District; and**

**(C) Submits a form to ABCA attesting under the penalty of perjury that the annual personal net income of each owner of the enterprise applying for a cultivation center, retailer, internet retailer, cultivator, courier, manufacturer, or testing laboratory license does not exceed \$349,999.**

(12BA) "Medical cannabis marijuana product" means a product derived from or composed of medical cannabis marijuana, in part or in whole.

(13) "Minor" means any person under 18 years of age, but does not include an emancipated minor.

(13A) "Naturopathic physician" means an individual who is licensed and in good standing to practice naturopathic medicine under District law.

**(13B) “Non-resident cardholder” means a non-District resident who:**

**(A) Is not enrolled in another jurisdiction’s medical cannabis program; and**

**(B) Has submitted documentation required by ABCA for a temporary 30-day registration identification card and received confirmation from ABCA of their registration.**

(14) "Paraphernalia" means:

(A) Objects used, intended for use, or designed for use in preparing, storing, ingesting, inhaling, or otherwise introducing medical cannabis marijuana into the human body; and

(B) Kits, objects, devices, or equipment used, intended for use, or designed for use in planting, propagating, manufacturing, cultivating, growing, harvesting, processing, or preparing medical **cannabis marijuana**.

**(14A) “Pesticide” includes:**

**(A) Any substance or mixture of substances intended to prevent, destroy, control, repel, or mitigate any insect, rodent, snail, slug, fungus, weed, and any other form of plant or animal life or virus, except a virus on or in a living person or other animal which is normally considered to be a pest;**

**(B) Any substance or mixture of substances intended to be used as a plant regulator, defoliant, or desiccant; and**

**(C) Any spray adjuvant.**

(15) "Physician" means an individual who is licensed and in good standing to practice medicine or osteopathy under District law.

(15A) "Physician assistant" means an individual who is licensed and in good standing to practice as a physician assistant under District law.

(16) "Program" means the medical **cannabis marijuana** program established by § 7-1671.05.

(17) "Qualifying medical or dental condition" means any condition for which treatment with medical **cannabis marijuana** would be beneficial, as determined by the patient's authorized practitioner.

(18) "Qualifying medical or dental treatment" means:

(A) Chemotherapy;

(B) The use of azidothymidine or protease inhibitors;

(C) Radiotherapy; or

(D) Any other treatment, as determined by rulemaking, whose side effects require treatment through the administration of medical **cannabis marijuana** in the same manner as a qualifying medical or dental condition.

(19) "Qualifying patient" means a resident of the District who has a qualifying medical or dental condition or is undergoing a qualifying medical or dental treatment, or a patient enrolled in another jurisdiction's medical **cannabis marijuana** program; provided, that a patient from another jurisdiction shall not be a qualifying patient if ~~ABRA~~ **ABCA** determines that there is a shortage of medical **cannabis marijuana** or the real-time electronic records system referenced in § 7-1671.05(4)(A) is inactive.

(19A) "Real-time electronic records" means a records system that is able to track the amount of medical **cannabis marijuana** that District residents and patients from another jurisdiction purchase in real-time.

(20) "Residence" means a dwelling or dwelling unit in which a person lives in a particular locality with the intent to make it a fixed and permanent home.

**(20A) “Retailer” means a facility operated by an organization or business licensed with ABCA pursuant to section 6 from or at which medical cannabis is possessed and dispensed, and paraphernalia is possessed and distributed to a qualifying patient or a caregiver.”.**

**(20B) “Returning citizen” means a District resident who was arrested, convicted, or incarcerated for a cannabis or drug-related offense.**

**(20C) “Social equity applicant” means an applicant for licensure with ABCA pursuant to section 6 who satisfies two or more of the following criteria:**

**(A) At least one owner who is a District resident, individually or collectively owns at least 50% of the business, and is a returning citizen;**

**(B) At least one owner who is a District resident, individually or collectively owns at least 50% of the business, and is married to or in a civil union, has a child, or is the child of a person or has a non-parent legal guardian who is or has been incarcerated in the District or in any other jurisdiction for a cannabis or drug-related offense; or**

**(C) At least one owner who is a District resident, individually or collectively owns at least 50% of the business, and has an income that does not exceed 400% of the median family income as set forth by the United States Department of Housing and Urban Development, adjusted for household size, at the time he or she submits the application.**

**(20D) “Straw ownership” means nominal ownership without the attendant benefits and risks of genuine ownership, where a person, often for a fee, allows themselves to be named on documents or purports in writing to be an owner, in whole or in part, for the purpose of satisfying a government regulatory requirement.**

(21) "Testing laboratory" means an entity that is not owned or operated by a director, officer, member, incorporator, agent, or employee of a cultivation center, **manufacturer, retailer, internet retailer, courier, or other license category established by rulemaking or dispensary, and is registered by ABRA ABCA** to test medical **cannabis marijuana** and medical **cannabis marijuana** products that are to be sold under this chapter.

**(22) “Unlicensed establishment” means a sole proprietorship, partnership, or other business entity that:**

**(A) Sells, exchanges as part of a commercial transaction, or delivers cannabis and cannabis products;**

**(B) Operates at or delivers from a specific location in the District; and**

**(C) Is not licensed by ABCA as a cultivation center, retailer, internet retailer, manufacturer, courier or testing laboratory.**

\* \* \*

#### **D.C. OFFICIAL CODE § 7-1671.02. USE OF MEDICAL CANNABIS MARIJUANA.**

(a) Notwithstanding any other District law, a qualifying patient may **purchase**, possess, **use**, and administer medical **cannabis marijuana**, and **purchase**, possess, and use paraphernalia, in accordance with this chapter and the rules issued pursuant to § 7-1671.13.

(b) Notwithstanding any other District law, a caregiver may **obtain**, possess, **and** dispense, **administer, and assist in the administration of** medical **cannabis marijuana** to a qualifying patient, and **obtain**, possess, and use paraphernalia, for the sole purpose of assisting in

the administration of medical cannabis marijuana to a qualifying patient in accordance with this chapter and the rules issued pursuant to § 7-1671.13.

**(b-1) When registering pursuant to section 6, a caregiver shall not be required to submit a criminal background check to ABCA.**

(c) A qualifying patient may purchase, possess, and administer medical cannabis marijuana, and purchase, possess, and use paraphernalia, only for treatment of a qualifying medical condition or the side effects of a qualifying medical treatment and only after having:

(1)(A) Obtained a signed, written recommendation from an authorized practitioner in accordance with § 7-1671.04, **except for individuals 21 years of age and older who shall be permitted to self-certify on a form provided by ABCA that they are utilizing cannabis for medical purposes as part of the registration process;** and

(B) Registered with ~~ABRA~~ ABCA pursuant to § 7-1671.05; or

(2) Enrolled in another jurisdiction's medical cannabis marijuana program.

**(c-1) Where a qualifying patient's or caregiver's registration identification card has expired or will expire at any time between March 1, 2020, and March 31, 2023, and the qualifying patient or caregiver has not submitted an application for a new registration identification card, the qualifying patient or caregiver may continue to obtain, purchase, possess, dispense, use, administer, and assist in the administration of, respectively, medical cannabis in accordance with this act and the rules issued pursuant to section 14 until March 31, 2023. On or after April 1, 2023, the qualifying patient or caregiver shall possess a valid registration identification card to continue to obtain, purchase, possess, dispense, use, administer, and assist in the administration of, respectively, medical cannabis.**

**(c-2) Notwithstanding the requirements of subsection (c) of this section, the ABC Board may, by rule, establish alternative or additional processes and procedures for patients to:**

**(1) Register in the medical cannabis program; or**

**(2) Obtain temporary or permanent approval to purchase medical cannabis from a retailer or internet retailer within one business day.**

(d) A qualifying patient or caregiver shall only obtain, purchase, possess, dispense, use, administer, or assist in the administration of, ~~or dispense~~ medical cannabis marijuana, or obtain, purchase, possess or use paraphernalia, obtained from a retailer or internet retailer dispensary registered with ~~ABCA~~ ABRA pursuant to § 7-1671.05.

(e)(1) A qualifying patient who is a minor may purchase, possess, use, and administer medical cannabis marijuana only after having received a recommendation from an authorized practitioner and registered with ~~ABRA~~ ABCA. ~~if the parent or legal guardian of the minor has signed a written statement affirming that the parent or legal guardian:~~

~~(1) Understands the qualifying medical condition or qualifying medical treatment of the minor;~~

~~(2) Understands the potential benefits and potential adverse effects of the use of medical marijuana, generally, and, specifically, in the case of the minor;~~

~~(3) Consents to the use of medical marijuana for the treatment of the minor's qualifying medical condition or treatment of the side effects of the minor's qualifying medical treatment; and~~

~~(4) Consents to, or designates another adult to, serve as the caregiver for the qualifying patient and the caregiver controls the acquisition, possession, dosage, and frequency of use of medical marijuana by the qualifying patient.~~

(2) A signed, written statement from the minor qualifying patient's parent or legal guardian shall be submitted when registering with ABCA, which affirms that the parent or legal guardian:

(A) Understands the qualifying medical or dental condition or qualifying medical or dental treatment of the minor;

(B) Understands the potential benefits and adverse effects of the use of medical cannabis, generally, and specifically, in the case of the minor;

(C) Consents to the use of medical cannabis for the minor's qualifying medical or dental condition or qualifying medical or dental treatment; and

(D) Consents to, or designates another adult to, serve as the caregiver for the qualifying patient, and the caregiver controls the acquisition, possession, dosage, and frequency of use of medical cannabis by the qualifying patient.

\* \* \*

#### **D.C. OFFICIAL CODE § 7-1671.03. RESTRICTIONS ON USE OF MEDICAL CANNABIS MARIJUANA.**

(a) The maximum amount of medical ~~cannabis marijuana~~ that any qualifying patient or caregiver may possess at any moment is ~~8 2~~ ounces of dried medical ~~cannabis marijuana~~; provided, that the Mayor ~~shall promulgate limits on medical cannabis of forms other than dried medical cannabis through rulemaking, through rulemaking, may increase the quantity of dried medical marijuana that may be possessed up to 4 ounces; and shall promulgate through rulemaking limits on medical marijuana of a form, other than dried.~~

~~(b)(1) Except as provided in paragraph (4) of this subsection, medical marijuana shall not be administered by or to a qualifying patient anywhere other than the qualifying patient's residence, if permitted, the residence of an individual who has given permission to the qualifying patient to administer medical marijuana at his or her residence, if permitted, or at a medical treatment facility when receiving medical care for a qualifying medical condition, if permitted by the facility.~~

~~(2) A qualifying patient or caregiver shall not administer medical marijuana at a dispensary, cultivation center, or testing laboratory.~~

~~(3) Notwithstanding paragraph (1) of this subsection, a qualifying patient shall not use medical marijuana if exposure to the medical marijuana or the medical marijuana smoke would adversely affect the health, safety, or welfare of a minor.~~

~~(4) Medical marijuana, in a non-smokable form, may be administered to a qualifying patient who is enrolled in school at the school of enrollment, if a school has a policy in place for allowing administration of medication at school.~~

(b) Medical cannabis shall only be administered by or to a qualifying patient at:

(1) A qualifying patient's residence, if permitted;

**(2) The residence of an individual who has given permission to the qualifying patient to administer medical cannabis at the individual's residence, if permitted;**

**(3) A medical treatment facility, when receiving medical care for a qualifying medical or dental condition or a qualifying medical or dental treatment, if permitted by the medical treatment facility;**

**(4) A safe use treatment facility licensed by ABCA pursuant to section 7a; or**

**(5) A school in which the qualifying patient is enrolled, if the school has a policy in place for allowing the administration of medication at school, provided that the medical cannabis shall be in non-smokable form.**

(c) A qualifying patient or caregiver shall transport medical **cannabis marijuana** in a labeled container or sealed package in a manner and method established by rulemaking.

(d) Nothing in this chapter permits a person to:

(1) Undertake any task under the influence of medical **cannabis marijuana** when doing so would constitute negligence or professional malpractice; or

(2) Operate, navigate, or be in actual physical control of any motor vehicle, aircraft, or motorboat while under the influence of medical **cannabis marijuana**.

(e) The use of medical **cannabis marijuana** as authorized by this chapter and the rules issued pursuant to § 7-1671.13 does not create a defense to any crime and does not negate the mens rea element for any crime except to the extent of the voluntary-intoxication defense recognized in District of Columbia law.

(f) Notwithstanding any other law, a person or entity may provide information about the existence or operations of a **cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory dispensary, cultivation center, or testing laboratory** to another person pursuant to this law.

(g) A **qualifying qualified** patient, caregiver, or an employee of **a cultivation center, manufacturer, retailer, internet retailer, testing laboratory, or other license category established by rulemaking dispensary, cultivation center, or testing laboratory** who is stopped by the police upon reasonable suspicion or probable cause that the stopped individual is in possession of **cannabis marijuana** may not be further detained or arrested on this basis alone if the police determine that he or she is in compliance with this chapter and the rules issued pursuant to § 7-1671.13.

\* \* \*

#### **D.C. OFFICIAL CODE § 7-1671.04. RECOMMENDING AUTHORIZE PRACTITIONER; PROTECTIONS.**

**~~(a) An authorized practitioner may recommend the use of medical marijuana to a qualifying patient if the authorized practitioner:~~**

**~~(1) Is in a bona fide relationship with the qualifying patient; and~~**

**~~(2) Makes the recommendation based upon the authorized practitioner's assessment of the qualifying patient's medical or dental history, current medical or dental condition, and a review of other approved medications and treatments that might provide~~**

~~the qualifying patient with relief from a qualifying medical or dental condition or the side effects of a qualifying medical or dental treatment.~~

~~(b)(1) An authorized practitioner's recommendation that a qualifying patient may use medical marijuana shall be signed by the authorized practitioner and include:~~

~~(A) The authorized practitioner's board-issued license number; and~~

~~(B) A statement that the use of medical marijuana is necessary for the treatment of a qualifying medical or dental condition or the side effects of a qualifying medical or dental treatment.~~

~~(2) An authorized practitioner's recommendation shall be valid only if it is written on a form prescribed by ABRA.~~

~~(e) Except as provided in § 7-1671.07, a physician [an authorized practitioner] shall not be subject to any penalty, including arrest, prosecution, or disciplinary proceeding, or denial of any right or privilege, for advising a qualifying patient about the use of medical marijuana or recommending the use of medical marijuana to a qualifying patient pursuant to this chapter and the rules issued pursuant to § 7-1671.13.~~

~~(d) An authorized practitioner recommending the use of medical marijuana by a qualifying patient shall not have a professional office located at a dispensary, cultivation center, or testing laboratory or receive financial compensation from a dispensary, cultivation center, or testing laboratory, or a director, officer, member, incorporator, agent, or employee of a dispensary, cultivation center, or testing laboratory.~~

(a) A qualifying patient may receive a recommendation from an authorized practitioner to use medical cannabis for a qualifying medical or dental condition or a qualifying medical or dental treatment.

(b) An authorized practitioner may recommend the use of medical cannabis to a qualifying patient, on a form provided by ABCA, if the authorized practitioner makes the recommendation based on an assessment of the qualifying patient's current medical or dental condition.

(c) An authorized practitioner shall not be subject to any penalty, including arrest, prosecution, or disciplinary proceeding, or denial of any right or privilege, for advising a qualifying patient about the use of medical cannabis or recommending the use of medical cannabis to a qualifying patient pursuant to this act and any rules issued pursuant to section 14.

(d) An authorized practitioner recommending the use of medical cannabis to a qualifying patient shall not have a professional office located at a retailer, internet retailer, cultivation center, manufacturer, or testing laboratory or receive financial compensation from a cultivation center, manufacturer, or testing laboratory, or a director, officer, member, incorporator, agent, or employee of a retailer, internet retailer, cultivation center, courier, manufacturer, or testing laboratory.

\* \* \*

~~There is established a medical marijuana program, which shall regulate the manufacture, cultivation, distribution, dispensing, purchase, delivery, sale, possession, testing, and administration of medical marijuana and the manufacture, possession, purchase, sale, and use of paraphernalia. The Program shall:~~

~~(1)(A) Require the registration with ABRA of all:~~

~~(i) Qualifying patients, except qualifying patients enrolled in another jurisdiction's medical marijuana program under § 7-1671.02(c)(2); and~~

~~(ii) Caregivers; and~~

~~(B) As part of the registration process, require a qualifying patient to:~~

~~(i) Repealed.~~

~~(ii) Provide a copy of the authorized practitioner's recommendation for the qualifying patient's use of medical marijuana;~~

~~(2) Require the registration of all:~~

~~(A) Dispensaries;~~

~~(B) Cultivation centers;~~

~~(B-i) Testing laboratories; and~~

~~(C) Directors, officers, members, incorporators, agents, and employees of dispensaries, cultivation centers, and testing laboratories;~~

~~(3) Issue nontransferable registration identification cards that expire annually to registered persons and entities, which may be presented to and used by law enforcement to confirm whether a person or entity is authorized to administer, cultivate, dispense, distribute, test, or possess medical marijuana, or manufacture, possess, or distribute paraphernalia;~~

~~(4) Require all dispensaries, cultivation centers, and testing laboratories to:~~

~~(A) Maintain true, complete, and real-time electronic records of the following:~~

~~(i) The name, address, home telephone number, and date of birth of each employee;~~

~~(ii) Each transaction conducted by the facility, including:~~

~~(I) The quantity of medical marijuana tested, distributed, or dispensed;~~

~~(II) The consideration given for the medical marijuana, if any; and~~

~~(III) The recipient of the medical marijuana;~~

~~(iii) The quantity of medical marijuana at the dispensary, cultivation center, or testing laboratory;~~

~~(iv) The disposal method used for any medical marijuana that was cultivated or acquired but that did not meet the requirements for sale established by the ABC Board through rulemaking under paragraph (5A) of this section or that was not sold for any other reason, including evidence of the disposal of the medical marijuana; and~~

~~(v) Any other information required by ABRA;~~

~~(B) Notify the Chief of the Metropolitan Police Department in writing and immediately of the loss, theft, or destruction of any medical marijuana;~~

~~(5) Require all dispensaries to maintain true, complete, and current records of:~~

~~(A) The name and address of the qualifying patient authorized to obtain the distribution or dispensing of medical marijuana; and~~

~~(B) The name and address of the caregiver who receives the medical marijuana;~~

~~(5A) Upon the registration of at least one testing laboratory under paragraph (2)(B-i) of this section and pursuant to rules issued by the ABC Board, require that cultivation centers segregate all harvested medical marijuana into batches before manufacturing any medical marijuana product or packaging raw medical marijuana for sale to a dispensary and hold the harvested medical marijuana from sale until:~~

~~(A) The medical marijuana has been tested by a testing laboratory;~~

~~(B) The cultivation center has received the information required under paragraph (5B) of this section; and~~

~~(C) The cultivation center has determined that the medical marijuana meets the requirements for sale established by the ABC Board through rulemaking;~~

~~(5B) Require testing laboratories to provide cultivation centers with the following information after testing harvested medical marijuana samples:~~

~~(A) The concentration of tetrahydrocannabinol and cannabidiol in the testing material;~~

~~(B) Whether the tested material is organic or non-organic;~~

~~(C) The presence and concentration of fertilizers and other nutrients;~~

~~and~~

~~(D) Any other information that ABRA may require through rulemaking;~~

~~(6) Develop educational materials about potential harmful drug interactions that could occur from using medical marijuana concurrently with other medical treatments and the importance of informing health care providers and pharmacists of the use of medical marijuana to help avoid harmful drug interactions;~~

~~(7) Revoke or suspend the registration of any person or entity if the ABC Board determines that the person or entity has violated a provision of this chapter or the rules issued pursuant to § 7-1671.13;~~

~~(8) Conduct announced and unannounced inspections of dispensaries and cultivation centers;~~

~~(9) Establish sliding scale registration and annual renewal fees for all persons and entities required to register pursuant to this chapter; provided, that the registration and annual renewal fees for dispensaries, cultivation centers, and testing laboratories and for the directors, officers, members, incorporators, agents, and employees of dispensaries, cultivation centers, and testing laboratories shall be sufficient to offset the costs of administering this chapter;~~

~~(10) Establish a system to provide for the safe and affordable dispensing of medical marijuana to qualifying patients who are unable to afford a sufficient supply of~~

medical marijuana based upon the qualifying patient's income and existing financial resources that:

~~(A) Allows qualifying patients to apply to the ABC Board to be eligible to purchase medical marijuana on a sliding scale from dispensaries; an~~

~~(B) Requires each dispensary to devote a percentage of its gross revenue, as determined by the Mayor, to providing medical marijuana on the sliding scale to qualifying patients determined eligible pursuant to subparagraph (A) of this paragraph;~~

~~(11) Submit to the Council an annual report that does not disclose any identifying information about qualifying patients, caregivers, or authorized practitioners, but that includes:~~

~~(A) The number of applications filed for a registration identification card;~~

~~(B) The number of qualifying patients and caregivers registered;~~

~~(C) The qualifying medical condition or qualifying medical treatment for each qualifying patient;~~

~~(D) The number of registration identification cards suspended and the number revoked; and~~

~~(E) The number of authorized practitioners providing written recommendations for qualifying patients;~~

~~(12) Establish standards by which applicants for dispensary, cultivation center, and testing laboratory registration will be evaluated to determine which applicants will be accepted for registration and renewal of registration, which shall include the following factors:~~

~~(A) Knowledge of District and federal law relating to marijuana;~~

~~(B) Suitability of the proposed facility;~~

~~(C) A proposed staffing plan;~~

~~(D) A security plan that has been assessed by the Metropolitan Police Department;~~

~~(E) A cultivation plan; and~~

~~(F) A product safety and labeling plan;~~

~~(13)(A) Provide notice through the mail to the Councilmember and all Advisory Neighborhood Commissions in the affected ward at least 30 days prior to approval of a location for a dispensary, cultivation center, or testing laboratory; and~~

~~(B) Accord great weight to input provided by the Advisory Neighborhood Commission regarding the proposed location of a dispensary, cultivation center, or testing laboratory when approving or rejecting an application for registration; and~~

~~(14) Require caregivers and qualifying patients to notify ABRA immediately and in writing of the loss, theft, or destruction of a registration identification card.~~

(a) There is established a medical cannabis program, which shall regulate the cultivation, manufacture, distribution, dispensing, purchase, delivery, sale, possession, administration, and testing of medical cannabis and the manufacture, distribution, purchase, sale, possession, and use of paraphernalia.

**(b) The Program shall:**

**(1) Require the registration with ABCA of all:**

**(A) Qualifying patients, except qualifying patients enrolled in another jurisdiction's medical cannabis program pursuant to section 3(c)(2), and the caregivers of qualifying patients; and**

**(B) Non-resident cardholders;**

**(2) Require the licensing with ABCA of all cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories, including all directors, officers, members, incorporators, agents, and employees of those facilities;**

**(3)(A) Create a self-certification form that may be used by qualifying patients ages 21 and older as part of the registration process;**

**(B) The form required pursuant to subparagraph (A) of this paragraph shall contain the following statement:**

**“I, by attestation with signature, under the penalty of perjury, affirm that I will only use cannabis purchased from a DC dispensary for the treatment of a qualifying medical or dental condition, or for the side effects of a qualifying or medical treatment. I understand my rights and obligations as set forth by the Medical Cannabis Program and agree to these requirements.”;**

**(4) As part of the registration process, permit a non-resident qualifying patient visiting the District of Columbia to apply to ABCA to receive a temporary non-resident registration identification card. A temporary non-resident registration identification card issued to a non-resident cardholder shall be valid for 30 days. After the expiration of the temporary non-resident registration identification card, a non-resident qualifying patient may apply to ABCA to be issued another 30-day temporary non-resident identification card.**

**(5) Issue nontransferable registration identification cards to persons and entities registered pursuant to paragraph (1) of this subsection:**

**(A) That, with respect to registration identification cards issued to persons and entities registered pursuant to paragraph (1)(A) and (C) of this subsection, expire every 2 years:**

**(B) Which may be presented to and used by law enforcement to confirm whether a person or entity is authorized to cultivate, manufacture, distribute, dispense, deliver, sell, possess, test, or administer medical cannabis or medical cannabis products, or manufacture, possess, deliver, purchase, sell, distribute, or use paraphernalia; and**

**(C) That the ABC Board may, by rule, establish license and registration periods and fees under the section that are valid for one year, two years, or three years.**

**(6) Require all cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories to:**

**(A) Maintain true, complete, and real-time electronic records of the following:**

(i) The name, address, home telephone number, and date of birth of each employee;

(ii) Each transaction conducted by the facility, including:

(I) The quantity of medical cannabis tested, processed, distributed, delivered, or dispensed;

(II) The consideration given for the medical cannabis, if any; and

(III) The recipient of the medical cannabis;

(iii) The quantity of medical cannabis or medical cannabis products at the cultivation center, manufacturer, retailer, internet retailer, or testing laboratory;

(iv) The disposal method used for any medical cannabis that was cultivated, processed, or acquired but did not meet the requirements for sale established by the ABC Board through rulemaking pursuant to section 14 or that was not sold for any reason, including evidence of the disposal of the medical cannabis; and

(v) Any other information required by ABCA; and

(B) Notify ABCA and the Chief of the Metropolitan Police Department in writing and within 24 hours of the loss, theft, or destruction of any medical cannabis;

(7) Require all retailers and internet retailers to maintain true, complete, and real-time electronic records of the name and address of the qualifying patient or caregiver authorized to obtain for the distribution or dispensing of medical cannabis;

(8) Upon the licensing of at least one testing laboratory pursuant to paragraph (2) of this subsection and rules issued by the ABC Board, require that cultivation centers segregate all harvested medical cannabis into batches before manufacturing any medical cannabis products, or packaging dried medical cannabis for sale to a manufacturer, retailer, or internet retailer, and hold the harvested medical cannabis from sale until:

(A) The medical cannabis has been tested by a testing laboratory;

(B) The cultivation center has received the information required pursuant to paragraph (7) of this subsection; and

(C) The cultivation center has determined that the medical cannabis meets the requirements for sale established by the ABC Board through rulemaking;

(9) Require testing laboratories to provide cultivation centers with the following information after testing harvested medical cannabis samples:

(A) The concentration of tetrahydrocannabinol and cannabidiol in the testing material;

(B) Whether the tested material is organic or inorganic;

(C) The presence and concentration of fertilizers or other nutrients;

(D) The presence of mold, mildew, or pests;

(E) Whether the medical cannabis samples contain mycotoxin, pesticides, or heavy metals above a threshold determined by the ABC Board through rulemaking; and

(F) Any other information that the ABC Board may require through rulemaking;

(10) Upon licensing of at least one testing laboratory pursuant to paragraph (2) of this section and rules issued by the ABC Board, require that manufacturers segregate all processed medical cannabis products into batches, and hold the processed medical cannabis products from sale until:

(A) The medical cannabis products have been tested by a testing laboratory;

(B) The manufacturer has received the information required pursuant to paragraph (9) of this subsection; and

(C) The manufacturer has determined that the medical cannabis products meet the requirements for sale established by the ABC Board through rulemaking;

(11) Require testing laboratories to provide manufacturers with the following information after testing medical cannabis product samples:

(A) The concentration of tetrahydrocannabinol and cannabidiol in the testing material;

(B) Whether the tested material is organic or inorganic;

(C) The presence and concentration of fertilizers or other nutrients;

(D) Whether the medical cannabis product samples contain mycotoxin or residual solvents above a threshold determined by the ABC Board through rulemaking; and

(E) Any other information that the ABC Board may require through rulemaking;

(12) Develop educational materials about:

(A) The potential adverse drug interactions that could occur from using medical cannabis concurrently with other medical treatments;

(B) Harm reduction strategies for qualifying patients who use medical cannabis; and

(C) The importance of informing health care providers and pharmacists of the use of medical cannabis to help avoid adverse drug interactions;

(13) Revoke or suspend the registration or license of any person or entity if the ABC Board determines that the person or entity has violated a provision of this act or the rules issued pursuant to section 14;

(14) Conduct announced and unannounced inspections of cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories;

(15) Establish sliding-scale registration and annual renewal fees for all persons and entities required to register or obtain a license pursuant to this act, provided that the licensing and annual renewal fees for cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories and for the directors, officers, members, incorporators, agents, and employees of cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories shall be sufficient to offset the cost of administering this act;

**(16) Establish a system to provide for the safe and affordable dispensing of medical cannabis to qualifying patients who are unable to afford a sufficient supply of medical cannabis based upon the qualifying patient's income and existing financial resources that:**

**(A) Allows qualifying patients to apply to the ABC Board to be eligible to purchase medical cannabis on a sliding scale from retailers and internet retailers; and**

**(B) Requires each retailer and internet retailer to provide medical cannabis on the sliding scale, as determined by ABC Board, to qualifying patients determined eligible pursuant to subparagraph (A) of this paragraph;**

**(17) Establish standards by which applicants for cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory license will be evaluated to determine which applicants will be accepted for licensing or license renewal, which may include the following factors:**

**(A) Knowledge of District and federal law relating to cannabis and rules issued pursuant to section 14;**

**(B) A security plan that has been assessed by the Metropolitan Police Department;**

**(C) A cultivation plan;**

**(18)(A) Provide electronic notice to the Councilmember and all Advisory Neighborhood Commissions in the affected ward at least 45 calendar days prior to the approval of a location for a cultivation center, manufacturer, retailer, or internet retailer; and**

**(B) Accord great weight to input provided by the Advisory Neighborhood Commission regarding the proposed location of a cultivation center, manufacturer, retailer, or internet retailer when approving or rejecting an application for a license;**

**(C) Establish procedures by which Advisory Neighborhood Commissions can protest new and renewal applications for a cultivation center, manufacturer, retailer or internet retailer when approving or rejecting an application for a license; and**

**(D) Establish procedures for Advisory Neighborhood Commissions to enter into a settlement agreement for a cultivation center, manufacturer, retailer, or internet retailer.**

**(19) Require caregivers and qualifying patients to notify ABCA within 48 hours and in writing of the loss, theft, or destruction of a registration identification card; and**

**(20) Submit to the Council an annual report that includes:**

**(A) The number of qualifying patients participating in the medical cannabis program;**

**(B) The number of qualifying patients and caregivers registered;**

**(C) The number of registration identification cards suspended and revoked;**

(D) The number of authorized practitioners providing written recommendations for qualifying patients;

(E) The number and location of cultivation centers, manufacturers, retailers, internet retailers, and testing laboratories;

(F) The amount of cannabis harvested by cultivation centers;

(G) The dollar amount of medical cannabis or medical cannabis products sold by cultivation centers, manufacturers, retailers, and internet retailers; and

(H) The number and types of violations of this act and any applicable rules, taken against licensed cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories.

\* \* \*

#### D.C. OFFICIAL CODE § 7-1671.05A. COURIER LICENSE.

(a) A courier license shall be required for a third party to deliver medical cannabis, medical cannabis concentrates, medical cannabis-infused products, or medical cannabis paraphernalia on behalf of a licensed medical cannabis retailer or internet retailer to a qualifying patient or caregiver.

(b) A medical cannabis retailer or internet retailer licensed under this title may utilize the services of a courier license holder by means of the telephone, Internet, mobile application, or other electronic means to facilitate the transport of medical cannabis, medical cannabis concentrates, medical cannabis-infused products or medical cannabis paraphernalia.

(c) The holder of a courier license shall be permitted to deliver medical cannabis directly to a qualifying patient or the qualifying patient's caregiver, on behalf of a retailer or internet retailer, at residential and commercial building addresses located in the District that are not on District government or Federal property or public or private school grounds, except to individuals at colleges and universities that are 21 years of age and older. For purposes of this section, a public or private park shall not be considered to be either a residential or commercial building address.

(d) A holder of a courier license shall:

(1) Deliver only to the qualifying patient or the qualifying patient's caregiver at a District of Columbia address provided by the patient or caregiver and shall not "drop off" the product without verifying the identity and age of the recipient;

(2) Travel only through the District of Columbia and not any surrounding jurisdiction to make deliveries;

(3) Abide by rules and standards as may be established by the ABC Board through rulemaking concerning the frequency of deliveries to a single patient or caregiver in a day, week, or month;

(4) Abide by the rules posted by any landlord or property owner with respect to prohibitions on cannabis deliveries on its property;

(5) Abide by the rules and standards as may be established by the ABC Board concerning making overnight storage of any product if necessary;

(6) Use its employees or independent contractor to deliver medical cannabis or medical cannabis products; and

(7) Not be permitted to offer curbside pick-up at a retailer, internet retailer, or its ABC Board-approved location to qualifying patients and caregivers.

(e)(1) At the time of the order, a holder of a courier license shall require the qualifying patient or the qualifying patient's caregiver to provide information necessary to verify that the qualifying patient or the patient's caregiver is qualified to purchase and receive a delivery of medical cannabis or medical cannabis products in accordance with this chapter and regulations issued in accordance with section 14.

(2) Prior to transferring possession of the order to a qualifying patient or to a qualifying patient's caregiver, the holder of a courier license shall inspect the person's government-issued identification card and valid ABCA registration issued pursuant to this chapter to verify the possession of a valid registration and that the information provided at the time the order was placed matches the information listed on the government issued identification card and ABCA registration.

(3) Failure of the courier license holder to check information in accordance with paragraphs (1) and (2) of this subsection may result in the ABC Board issuing a fine against the courier or suspending or revoking its license in accordance with this chapter or regulations issued in accordance with section 14.

(f) A holder of a courier license shall maintain, in each vehicle used for deliveries of medical cannabis or medical cannabis products, a secure, locked storage compartment for purposes of transporting and securing cash used as payment and the medical cannabis or medical cannabis products. The licensee shall not store cash and medical cannabis or medical cannabis products in the same storage compartments.

(g)(1) A holder of a courier license shall abide by rules concerning the operation and number of vehicles allowed, as set forth in regulations issued by the ABC Board pursuant to section 14.

(2) A courier vehicle shall contain a Global Positioning System (GPS) device for identifying the geographic location of the courier vehicle. The device shall be either permanently or temporarily affixed to the courier vehicle while the courier vehicle is in operation, and the device shall remain active and in the possession of the delivery employee at all times during the delivery.

(3) A courier vehicle shall not bear any markings, images, words, or phrases that would indicate the vehicle is used to delivery medical cannabis, including the name of the courier or cannabis-related related images.

(h) Applicants for the courier license shall complete an application proscribed by the ABC Board by regulations issued pursuant to section 14.

(i) The minimum initial application fee for ta courier license shall be \$1,000. The license shall be valid for 3 years with a minimum annual license fee of \$2,000.

(j) Notwithstanding the requirements of this section, the ABC Board may, by rule, modify the delivery requirements that the holder of a courier license is required to follow.

**D.C. OFFICIAL CODE § 7-1671.06. Cultivation centers, manufacturers, retailers, internet retailers, and testing laboratories. DISPENSARIES AND CULTIVATION CENTERS.**

~~(a) Notwithstanding any other District law, a dispensary may possess medical marijuana for the purpose of dispensing the medical marijuana to a qualifying patient or caregiver and may manufacture, purchase, possess, distribute, and use paraphernalia, in accordance with this chapter and the rules issued pursuant to § 7-1671.13.~~

~~(b) Notwithstanding any other District law, a cultivation center may cultivate and possess medical marijuana for the purpose of distribution to a dispensary and may manufacture, purchase, possess, and use paraphernalia in accordance with this chapter and the rules issued pursuant to § 7-1671.13.~~

~~(b-1) Notwithstanding any other District law, a testing laboratory may possess medical marijuana for the purpose of testing its contents, in accordance with this chapter and the rules issued pursuant to § 7-1671.13.~~

~~(c) A dispensary may dispense medical marijuana and distribute paraphernalia to a qualifying patient or the qualifying patient's caregiver, and a qualifying patient or the qualifying patient's caregiver may obtain medical marijuana and paraphernalia from a dispensary, only if the qualifying patient is registered to receive medical marijuana from that dispensary.~~

~~(d)(1) Each dispensary, cultivation center, and testing laboratory shall be registered with ABRA prior to manufacturing, cultivating, dispensing, possessing, testing, or distributing medical marijuana, or manufacturing, possessing, using, or distributing paraphernalia.~~

~~(2)(A) No more than 5 dispensaries shall be registered to operate in the District; provided, that the Mayor may increase the number to as many as 8 by rulemaking to ensure that qualifying patients have adequate access to medical marijuana; provided further, that no more than 2 dispensaries shall be registered to operate within an election ward established by the Council in § 1-1041.03.~~

~~(B) The prohibition of no more than 2 dispensaries being registered to operate within an election ward set forth in subparagraph (A) of this paragraph shall apply to applications pending as of December 13, 2013.~~

~~(C)(i) No more than one dispensary may be registered to operate in any election ward in which 5 or more cultivation centers have been registered to operate.~~

~~(ii) The prohibition of no more than one dispensary being registered to operate within an election ward in which 5 or more cultivation centers have been registered to operate set forth in sub-subparagraph (i) of this subparagraph shall apply to applications pending as of December 13, 2013.~~

~~(3)(A) The number of cultivation centers and testing laboratories that may be registered to operate in the District shall be determined by the Mayor by rules issued in accordance with § 7-1671.13; provided, that the combined total number of cultivation centers and testing laboratories registered to operate within an election ward established by the Council in § 1-1041.03, shall not exceed 6.~~

~~(B) The prohibition of no more than 6 cultivation centers being registered to operate within an election ward set forth in subparagraph (A) of this paragraph shall apply to applications pending as of Dec. 13, 2013.~~

~~(C) Any applicant that submitted an application on July 19, 2015, for a registration to operate a cultivation center shall be allowed to modify the location of the cultivation center on its application without negatively affecting the current status of the application.~~

~~(4) The ABC Board may approve the holder of a cultivation center registration that also owns, or has a valid lease for, real property adjacent to its existing cultivation center to physically expand the registered cultivation center into that adjacent real property for the purpose of increasing production of medical marijuana.~~

~~(5)(A) An application for registration of a dispensary, cultivation center, or testing laboratory submitted by a medical cannabis certified business enterprise, or applicant eligible to be a medical cannabis certified business enterprise, shall be awarded a preference point equal to 50 points or 20% of the available points, whichever is more.~~

~~(B) A medical cannabis certified business enterprise shall:~~

~~(i) Have one or more owners who are economically disadvantaged individuals or individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities and who are District residents and individually or collectively own at least 60% of the licensed business enterprise;~~

~~(ii) Have one or more owners whose income does not exceed \$349,999, who are residents of the District, and whose net worth, excluding the value of their residence, does not exceed \$1 million, and individually or collectively own at least 60% of the licensed business enterprise;~~

~~(iii) Have a chief executive officer and its highest level managerial employees perform their managerial functions in a principal office located in the District;~~

~~(iv) Have at least 50% of its employees be residents of the District;~~

~~(v) Have at least 50% of its contractors be residents of the District; and~~

~~(vi) Have at least 80% of the assets of the certified business enterprise, including bank accounts, be in the District.~~

~~(C) An applicant seeking to qualify as a medical cannabis certified business enterprise shall submit with the application for registration of a dispensary, cultivation center, or testing laboratory, an affidavit attesting to:~~

~~(i) The number of owners of the applicant who are economically disadvantaged individuals or individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities;~~

~~(ii) The ownership interest of any owners of the applicant who are economically disadvantaged individuals or individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities;~~

~~(iii) The number of employees of the applicant who are economically disadvantaged individuals or individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities; and~~

~~(iv) The number of contractors of the applicant who are economically disadvantaged individuals or individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.~~

~~(D) For the purpose of this paragraph, the term:~~

~~(i) "Economically disadvantaged individual" shall have the same meaning as set forth in § 2-218.02(7).~~

~~(ii) "Medical cannabis certified business enterprise" means a certified business enterprise, as that term is defined in § 2-218.02(1D), that operates a medical cannabis business as a dispensary, cultivation center, or testing laboratory.~~

~~(e)(1) A dispensary may not dispense more than 2 ounces of medical marijuana in a 30-day period to a qualifying patient, either directly or through the qualifying patient's caregiver; provided, that the Mayor, through rulemaking, may increase the quantity of medical marijuana that may be dispensed to up to 4 ounces.~~

~~(2) A cultivation center shall not possess more than 1,000 living marijuana plants at any time.~~

~~(3) It shall be unlawful for a dispensary to dispense or possess more than the quantity of medical marijuana needed to support the number of qualifying patients or caregivers registered to receive medical marijuana at that dispensary, as determined by the Mayor pursuant to rules issued under § 7-1671.13; provided, that the ABC Board may allow a dispensary to possess a higher quantity of medical marijuana in anticipation of additional qualifying patients or caregivers registering.~~

~~(f) No marijuana or paraphernalia at a dispensary, cultivation center, or testing laboratory shall be visible from any public or other property.~~

~~(g) A dispensary, cultivation center, or testing laboratory shall not locate within any residential district or within 300 feet of a preschool, primary or secondary school, or recreation center.~~

~~(g-1)(1) A cultivation center shall not be located within a Retail Priority Area, as designated pursuant to § 2-1217.73, and as approved by the Council pursuant to the Great Streets Neighborhood Retail Priority Areas Approval Resolution of 2007, effective July 10, 2007 (Res. 17-257; 54 DCR 7194).~~

~~(2) Any applicant that had an application pending as of June 20, 2012, for a registration to operate a cultivation center within a Retail Priority Area as identified in paragraph (1) of this subsection, shall be allowed to modify the application within 180 days of May 1, 2013, without negatively affecting the current status of the application.~~

~~(g-2) A dispensary, cultivation center, or testing laboratory may be permitted to relocate to any election ward upon approval from the ABC Board; provided, that no more than 2 dispensaries and 6 cultivation centers may be registered to operate within an election ward.~~

~~(g-3) A dispensary, cultivation center, or testing laboratory may be permitted to change ownership or controlling interest upon approval from the ABC Board.~~

~~(h) Each dispensary, cultivation center, and testing laboratory" shall:~~

~~(1) Be either a for-profit or nonprofit corporation incorporated within the District;~~

~~(2) Implement a security plan to prevent the theft or diversion of medical marijuana, including maintaining all medical marijuana in a secure, locked room that is accessible only by authorized persons; and~~

~~(3) Ensure that all of its employees receive training on compliance with District law, medical marijuana use, security, and theft prevention.~~

~~(i) Each dispensary shall regularly distribute to all qualifying patients and caregivers the educational materials regarding potential harmful drug interactions developed as part of the Program.~~

~~(j) No director, officer, member, incorporator, agent, or employee of a dispensary, cultivation center, or testing laboratory who has access to the medical marijuana at the dispensary, cultivation center, or testing laboratory shall have a felony conviction; provided, that the ABC Board shall not disqualify any of the forgoing individuals solely for a felony conviction of possession with intent to distribute marijuana that occurred before the July 17, 2014.~~

~~(k) A person found to have violated any provision in this chapter shall not be a director, officer, member, incorporator, agent, or employee of a dispensary, cultivation center, or testing laboratory, and the registration identification card of the person shall be immediately revoked and the registration of the dispensary, cultivation center, or testing laboratory shall be suspended until the person is no longer a director, officer, member, incorporator, agent, or employee of the dispensary, cultivation center, or testing laboratory.~~

(a) Notwithstanding any other District law, and in accordance with this act and any rules issued pursuant to section 14, a:

(1) Cultivation center may cultivate and possess medical cannabis for the purpose of distribution to a manufacturer, retailer, or internet retailer, and may manufacture, possess, purchase, and use medical cannabis products and paraphernalia;

(2) Manufacturer may possess medical cannabis for the purposes of manufacturing medical cannabis products and distribution to a retailer or internet retailer, and may manufacture, possess, purchase, and use paraphernalia;

(3) Retailer may possess medical cannabis and medical cannabis products for the purpose of dispensing to a qualifying patient or caregiver, and may manufacture, possess, distribute, purchase, and use paraphernalia;

(4) Internet retailer shall not have a physical location that is open to the public and shall be permitted to dispense and distribute medical cannabis, medical

cannabis products, and paraphernalia through delivery to any qualifying patient or the qualifying patient's caregiver in the District of Columbia in accordance with this chapter and rules issued pursuant to section 14. The holder of an internet retailer license shall not be permitted to offer curbside pickup at its ABC Board-approved location.

(5) Testing laboratory may possess medical cannabis for the purpose of testing its contents; and

(6) Qualifying patient, caregiver, or non-resident cardholder may only obtain medical cannabis and paraphernalia from a licensed retailer or internet retailer.

(b) Each cultivation center, manufacturer, retailer, internet retailer, courier, and testing laboratory shall be licensed with ABCA prior to cultivating, manufacturing, distributing, dispensing, delivering, selling, possessing, or testing medical cannabis or medical cannabis products, or manufacturing, possessing, purchasing, selling, or distributing paraphernalia.

(c) A cultivation center licensed with ABCA as of the effective date of the Medical Cannabis Amendment Act of 2022 shall automatically receive a manufacturer's license provided that the annual fee is paid.

(d)(1) Before issuing, transferring to a new owner, or renewing a license, the ABC Board shall determine that the applicant is not disqualified because of a conflicting interest in another medical cannabis license, as follows:

(A) No licensee holding a testing laboratory license shall hold either a cultivation center, manufacturer, retailer, internet retailer, or courier license.

(B) No licensee holding a retailer, internet retailer, cultivation center, or manufacturer license shall hold a testing laboratory or courier license.

(C) No licensee shall hold more than two cultivation center licenses.

(D) The combined number of retailer and internet retailer licenses held by a licensee shall not exceed three.

(E) There shall be no limit on the number of manufacturer licenses that a licensee may hold.

(F) No licensee holding a cultivation center license shall hold more than one retailer or internet retailer license.

(2) The ABC Board may modify, by rule, the number of licenses that a licensee may hold for one or more of the license categories listed in paragraph (1) of this subsection.

(e) The ABC Board may approve the holder of a cultivation center or manufacturer's license that also owns, or has a valid lease for, real property adjacent to its existing cultivation center or manufacturing facility, to physically expand the licensed cultivation center or manufacturing facility into that adjacent real property for the purpose of increasing production of medical cannabis or medical cannabis products.

(f) An applicant seeking to qualify as a:

(1) Social equity applicant shall submit an affidavit with the application of a cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory license attesting to:

(A) The number of owners who meet the criteria for a social equity applicant pursuant to § 7-1671.01(20C);

(B) The ownership interests, incomes, and net worth of any owners;

(C) The location of all managerial employees in the principal office;

(D) The residency of owners, employees, and contractors; and

(E) The locations of the assets and the percentages of the assets in

each location;

(2) Medical cannabis certified business enterprise applicants shall submit an affidavit with the application for a cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory license attesting to:

(A) The number of owners who are economically-disadvantaged individuals or individuals who have been subjected to racial or ethnic prejudice or bias because of their identities as members of a group without regard to their individual qualities;

(B) The ownership interests, incomes, and net worth of any owners;

(C) The location of all managerial employees in the principal office;

(D) The residency of owners, employees, and contractors; and

(E) The locations of the assets and the percentages of the assets in

each location.

(g) At least fifty percent of all new retailer, internet retailer, courier, and manufacturer licenses issued after the effective date of the Medical Cannabis Amendment Act of 2022 shall be set aside for social equity applicants, provided, that this set aside shall not apply to cultivation centers who receive a manufacturer's license pursuant to subsection (c) of this section.

(h) After one year of the effective date of the Act, the ABC Board shall be permitted by rulemaking to limit the number of retailers and internet retailers in a Ward, ANC, or Single Member District of an ANC. The Board shall issue rules within 180 days of the effective date of the Act to establish processes and procedures for requesting, reviewing, and implementing a cap or moratorium on the issuance of retailer or internet retailer licenses in a Ward, ANC, or Single Member District of an ANC. The ABC Board shall analyze and consider supply and demand when determining whether to institute a cap or moratorium pursuant to this subsection.

(i)(1) Straw ownership for the purposes of meeting the ownership requirements of social equity applicants and medical cannabis certified business enterprises is prohibited for District residents and out-of-state residents.

(2) A person or business who is found to have willfully asserted straw ownership shall have the person's or business's license or registration revoked and be subject to a civil penalty of not more than \$30,000.

(j) The ABC Board shall be authorized to issue a one-year conditional license for a cultivation center, retailer, internet retailer, manufacturer or courier that does not currently have a proposed location. Under the conditional license, the applicant shall have one year from the date of ABC Board approval to submit to ABCA:

(1) A lease or similar documentation;

- (2) A security plan;
- (3) A certificate of occupancy for the proposed location;
- (4) Any remaining licensing or endorsement fees owed to ABCA; and
- (5) Any other documentation requested by the ABC Board. An applicant

shall not be permitted to operate a medical cannabis business under a conditional license. A conditional license that does not meet the terms of this subsection or is not operating after a period of one-year shall be cancelled by the ABC Board.

(k) A one-year conditional license approved by the ABC Board shall not be permitted to be transferred to a new owner.

(l) For new social equity applicants, ABCA shall waive 75% of any nonrefundable license fees, including any nonrefundable application fees and annual or renewal license fees associated with receiving a medical cannabis facility license to operate for the first 3 years. This paragraph shall not apply to fees associated with any endorsements requested by the Applicant.

(m)(1) Cultivation center, manufacturer, retailer, internet retailer, courier, and testing laboratory licenses shall be paid annually by credit card, debit card, cashier's check, money order, or certified check made payable to the D.C. Treasurer. The fee for the first year shall be paid within 60 calendar days of ABC Board approval but prior to license issuance, and the renewal fee shall be paid on or before the anniversary date of issuance of the registration. All payments are due at the time the applications are filed and are non-refundable.

(2) The ABC Board shall, by rules issued pursuant to section 14, establish the initial application and renewal fees for cultivation center, manufacturer, retailer, internet retailer, courier, and testing laboratory licenses. The Board may these fees as deemed necessary.

(3) A cultivation center, manufacturer, retailer, internet retailer, courier, and testing laboratory license shall be valid for 3 years unless:

(A) Suspended or revoked; or

(B) The license takes effect on a date in between the dates established by the ABC Board for the regular license period of each license, in which case the license shall be valid only until the end of the license period.

(4)(A) The ABC Board may impose a late fee upon an applicant for a cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory that fails to timely renew their license. The late fee shall be \$50 for each business day after the due date of payment. The total amount of the late fee to be paid shall not exceed the annual cost of the license.

(B) The ABC Board may suspend a previously approved license until the renewal fee is paid. A cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory that has not timely renewed its license shall not be permitted to operate with an expired license.

(5) The ABC Board may suspend a license where the payment was made by the applicant with a check returned unpaid, invalid credit card, or any other form of payment that is denied by an intermediary institution. The applicant, in addition to any

late fees imposed by the ABC Board pursuant to paragraph (4) of this subsection, shall also be charged a \$100 returned check/denied payment fee.

(n) A retailer or internet retailer may not dispense more than 8 ounces of medical cannabis in a 30-day period to a qualifying patient, either directly or through the qualifying patient's caregiver, provided that the Mayor, through rulemaking, may place limits on medical cannabis of a form, other than dried.

(o) No medical cannabis or paraphernalia at a cultivation center, manufacturer, retailer, internet retailer, or testing laboratory shall be visible from any public or other property.

(p) A cultivation center, manufacturer, retailer, internet retailer, or testing laboratory shall not locate within any residential district or within 300 feet of a preschool, primary or secondary school, or recreation center.

(q) A cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory may be permitted to change ownership or controlling interest upon approval from the ABC Board. A license approved by the ABC Board for a social equity applicant or an unlicensed establishment shall not be permitted to be transferred to a new owner until three years after the issuance of the permanent license, except to a social equity applicant. After three years, should the license transfer to neither a medical cannabis certified business enterprise nor a social equity applicant, the new owner shall be required to repay any grants or loans provided by the District to the medical cannabis certified business enterprise or social equity applicant and pay ABCA any waived licensing and application fees.

(r) Each cultivation center, manufacturer, retailer, internet retailer, and testing laboratory shall:

(1) Be either a for-profit or nonprofit corporation incorporated within the District;

(2) Implement a security plan to prevent the theft or diversion of medical cannabis, including maintaining all medical cannabis in a secure, locked room that is accessible only by authorized persons; and

(3) Ensure that all its employees receive training on compliance with District law, medical cannabis use, security, and theft prevention.

(s) Each retailer or internet retailer shall regularly distribute to all qualifying patients and caregivers the educational materials developed as part of the Program.

(t)(1) A criminal background check shall not be required to be submitted to ABCA with an employee, agent, or manager as part of the employee's, agent's, or manager's application.

(2) Except with respect to evaluating the applications of social equity applicants and returning citizens, the ABC Board shall not:

(A) Inquire into or consider:

(i) A director, officer, member, or incorporator's criminal conviction until after the applicant is found by ABCA to be otherwise qualified;

(ii) A criminal conviction that has been sealed, expunged, vacated, or pardoned, including a criminal conviction that has been set aside pursuant to

the Youth Rehabilitation Amendment Act of 1985, effective December 7, 1985 (D.C. Law 6-69; D.C. Official Code § 24-901 et seq.);

(iii) A juvenile adjudication; or

(iv) Non-conviction information, including information related to a deferred sentencing agreement, participation in a diversion program, or an arrest that did not result in a criminal conviction; or

(B) Consider a criminal conviction of an offense of a director, officer, member, incorporator, of a cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory that is not directly related to the specific business for which the license is sought.

(2) Pursuant to paragraph (1)(B) of this subsection, ABCA shall determine whether a criminal conviction of an offense of a director, officer, member, or incorporator of a cultivation center, manufacturer, retailer, internet retailer, or testing laboratory is directly related to the position of employment sought or to the specific business for which the license is sought, by considering the following factors:

(A) Whether the elements of the offense are directly related, by clear and convincing evidence, to the license sought;

(B) Any evidence produced by the director, officer, member, or incorporator concerning their rehabilitation and fitness, including:

(i) Evidence as to whether the director, officer, member, incorporator 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 license sought; and

(vii) Letters of reference; and

(C) The District's interest in promoting opportunities for business ownership and employment for returning citizens and individuals with criminal records.

(3) Before acting on a determination made pursuant to paragraph (2) of this subsection, the ABC Board shall notify the director, officer, member, or incorporator, in writing, with the following information:

(A) The criminal conviction that forms the basis for the action and the ABC Board's reasoning for determining the offense is directly related to the license sought;

(B) A copy of any criminal history records on which the ABC Board relies;

(C) A statement that the director, officer, member, or incorporator, may provide evidence of inaccuracies within the criminal history records;

(D) A description of additional information that the director, officer, member, incorporator may provide to demonstrate their rehabilitation and fitness; and

(E) Information about any applicable hearing procedures.

(4)(A) After receiving notice pursuant to paragraph (3) of this subsection, the director, officer, member, or incorporator, shall have 45 business days to issue a response to the ABC Board.

(B) The ABC Board shall respond no later than 45 business days after receipt of a response pursuant to subparagraph (A) of this paragraph.

(5) The Board may establish by rulemaking a list of criminal conviction offenses that are directly related to the operation of a cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory for purposes of implementing this subsection.

(u) The ABC Board may fine, suspend, or revoke the license or registration of a person or business found to have violated any provision in this act or rules issued under the act. The Board may also issue a written warning to a licensed or registered person or business for a violation of the act or rules issued under the act to the extent permitted by regulations issued under this title.

\* \* \*

#### D.C. OFFICIAL CODE § 7-1671.06A. UNLICENSED ESTABLISHMENTS TRANSITION.

(a)(1) No later than 30 calendar days after the effective date of the Medical Cannabis Amendment Act of 2022, ABCA shall make additional retailer and internet retailer licenses available to unlicensed establishments for a 60-calendar day open application period.

(2) To be eligible to apply for a retailer license during the 60-calendar day open application period, an unlicensed establishment shall demonstrate to the satisfaction of ABCA that the unlicensed establishment:

(A) Is not located:

(i) Within a residential district;

(ii) Within 300 feet of a preschool, primary or secondary school, or recreation center; or

(iii) Within 400 feet of an existing retailer;

(B) Has a valid, active business license issued on or before April 5, 2022;

(C) Has a valid certificate of occupancy issued on or before April 5, 2022;

(D) Has been in operation since April 5, 2022 at the latest; and

(E) Can demonstrate that business taxes were paid to the District of Columbia for each year since the issuance of a certificate of occupancy.

**(3) To be eligible to apply for an internet retailer license during the 60-calendar day open application period, an unlicensed establishment shall demonstrate to the satisfaction of ABCA that the unlicensed establishment:**

**(A) Is not open to the public and not located:**

**(i) Within a residential district; or**

**(ii) Within 300 feet of a preschool, primary or secondary school, or recreation center;**

**(B) Has a valid, active business license issued on or before April 5, 2022;**

**(C) Has a valid certificate of occupancy issued on or before April 5, 2022;**

**(D) Has been in operation since April 5, 2022, at the latest; and**

**(E) Can demonstrate that business taxes were paid to the District of Columbia for each year since the issuance of a certificate of occupancy.**

**(4) An unlicensed establishment may not relocate its business location to an address different from the address provided in the application for purposes of complying with the location requirements of this section.**

**(5) In determining whether a retailer application filed by an unlicensed establishment is eligible to be approved, the ABC Board shall ensure that the retailer application will not be located within 400 feet of a previously submitted retailer application filed by another applicant during the 60-calendar day open application period. Consistent with this paragraph, ABCA shall proceed forward with the application filed by the unlicensed establishment that is first in time.**

**(6) Straw ownership for purposes of meeting the ownership requirement in paragraph (2)(E) of this subsection is prohibited. A person or business who is found to have willfully asserted straw ownership shall have the person's or business's license revoked and be subject to a civil penalty of not more than \$30,000.**

**(7) At least half of all licenses issued to unlicensed establishments shall be issued to social equity applicants.**

**(8) Unregistered establishments shall not apply for a conditional license in order to meet the requirements of this subsection during the 60-calendar day open application period.**

**(b) ABCA shall post a list of unlicensed establishments that applied for a retailer or internet retailer license during the 60-calendar day open application period to its website. ABCA shall also provide a copy of the list to the Director of the Department of Licensing and Consumer Protection.**

**(c) The ABC Board shall provide notice of complete and eligible retailer and internet retailer license applications received from unlicensed establishments to the Councilmember and all Advisory Neighborhood Commissions in the affected ward for a 45-calendar day public comment period. The Board shall hold a contested case protest hearing within 120 days of receiving a timely protest from an affected Advisory Neighborhood Commission.**

(d) The grounds for a protest filed by an affected Advisory Neighborhood Commission shall relate to the impact of the unlicensed establishment on (1) peace, order, and quiet of the relevant area, (2) residential parking needs and vehicular and pedestrian safety, and (3) real property values.

\* \* \*

**D.C. OFFICIAL CODE § 7–1671.06B. UNLICENSED ESTABLISHMENT COMPLIANCE.**

(a) Unlicensed establishments that submit a complete application with ABCA during the 60-calendar day open application period for a retailer or internet retailer shall not be subject to compliance under the Act while their retailer or internet retailer application is pending review with the ABC Board, provided, that nothing in this subsection shall prohibit ABCA from issuing cease and desist orders to an applicant if he or she is found to be selling cannabis products that may be especially appealing to children or is using packaging or advertisements that might be especially appealing to children.

(b) A decision by the ABC Board to:

(1) Approve a retailer or internet retailer license for an unlicensed establishment shall be made in writing at least 15 days prior to the issuance of the license. The notice shall state that the unlicensed establishment shall cease any unlicensed activity immediately; or

(2) Deny an unlicensed establishment’s application for a retailer or internet retailer license shall be made in writing to the applicant and shall state the reasons for the denial. As part of its written denial, the ABC Board shall notify the unlicensed establishment that it must close within 30 days after receipt of the denial or be subject to penalties pursuant to D.C. Official Code § 47-2844(a-2)(1B).

(c) The ABC Board may deny an unlicensed establishment’s application for a retailer or internet retailer that does not provide the ABC Board with requested written documentation within 15 calendar days of the ABC Board’s request.

(d) An unlicensed establishment that is issued a retailer or internet retailer license shall be required to open within 120 days of being issued the retailer or internet retailer license. The Board shall cancel a retailer or internet retailer license issued to an unlicensed establishment that does not open within 120 days.

\* \* \*

**D.C. OFFICIAL CODE § 7–1671.06C. SAFE USE TREATMENT FACILITY ENDORSEMENT.**

(a) The holder of a retailer license shall be eligible to apply to the ABC Board for a safe use treatment facility endorsement. The holder of an internet retailer license shall not be eligible for a safe use treatment facility endorsement. The holder of a safe-use treatment facility endorsement shall be permitted to:

(1) Sell medical cannabis, medical cannabis products, and paraphernalia at the retailer to qualifying patients and caregivers to be administered on the premises by or to the qualifying patient at the time of purchase within designated consumption areas that are separated from the remainder of the premises by a secure door and have a separate ventilation system;

(2) Allow a qualifying patient or the qualifying patient's caregiver to remove from the premises unused medical cannabis, medical cannabis products, or paraphernalia that has been purchased from the retailer or internet retailer in accordance with the requirements and limits set forth in this act, provided that it is packaged in accordance with regulations issued pursuant to section 14;

(3) Offer or sell food that does not contain cannabis in the safe use treatment facility; and

(4) Offer recorded or background music in the safe use treatment facility.

(b) A retailer with a safe use treatment facility endorsement shall:

(1) Install security cameras that are operable and able to record for a minimum of 30 days;

(2) Display conspicuous warning labels that are visible to the qualifying patient and the qualifying patient's caregiver concerning administering medical cannabis and medical cannabis products;

(3) Destroy all unadministered medical cannabis left abandoned or unclaimed in the safe use treatment facility area; and

(4) Package and label all medical cannabis or medical cannabis products purchased to be administered on the premises of the safe use treatment facility in accordance with regulations issued pursuant to section 14.

(c) A retailer's safe use treatment facility area shall have the following characteristics:

(1) The area where medical cannabis is to be administered on-site by qualifying patients shall be isolated from the other areas of the retailer, separated by walls and a secure door, and shall have access only from the retailer;

(2) A smoke-free area for employees to monitor the safe use treatment facility area; and

(3) A ventilation system that directs air from the safe use treatment facility area to the outside of the building through a pollution control unit or odor control unit that, at a minimum, eliminates all detectable odor, smoke, and by-products of combustion so as to prevent any and all public nuisances.

(d) A retailer with a safe use treatment facility endorsement shall not:

(1) Allow a person to consume alcohol, tobacco, or tobacco products in the safe use treatment facility;

(2) Allow any member of the public other than a qualifying patient or the qualifying patient's caregiver to enter the safe use treatment facility;

(3) Allow a person to bring into or administer in the safe use treatment facility any medical cannabis or medical cannabis products that were not purchased at the retailer unless otherwise permitted by the ABC Board by rulemaking;

(4) Sell, offer to sell, or provide medical cannabis, medical cannabis products, or paraphernalia in excess of the quantity limits set forth in this act or regulations issued pursuant to section 14;

(5) Encourage or permit an organized game or contest on the premises that involves consuming cannabis or cannabis products or the awarding of cannabis or cannabis products; or

(6) Advertise or promote, in any way, either on or off the premises, a practice prohibited under this section.

(e) An applicant for a safe use treatment facility endorsement shall:

(1) Complete an application on a form the ABC Board prescribes by regulations issued pursuant to section 14;

(2) Include with the application a ventilation proposal, which shall include information to address the following:

(A) Air change for the designated consumption space;

(B) Air change for common areas inside the retailer;

(C) Filter type and odor control measures for the designated consumption space;

(D) Location of air intakes and exhaust outlets;

(E) Whether the designated consumption space area shares space with employee work areas; and

(F) Any other information deemed necessary through rulemaking.

(f) The minimum initial application fee for the safe use treatment facility endorsement shall be \$1,000. The endorsement shall be valid for 3 years, with a minimum annual fee of \$2,000.

\* \* \*

#### D.C. OFFICIAL CODE § 7-1671.06D. EDUCATION TASTING ENDORSEMENT.

(a) The holder of a retailer license shall be eligible to apply to the ABC Board for an education tasting endorsement. The holder of an education tasting endorsement shall be permitted to offer cooking and how-to classes and demonstrations, and tastings for educational purposes to qualifying patients and caregivers on-site. Activities offered by a retailer under an education tasting endorsement shall be permitted to occur on the premises of the retailer, except that educational activities that include the smoking of medical cannabis by qualifying patients shall only occur in an ABC Board-approved safe-use treatment facility. The holder of an internet retailer license shall not be eligible for an education tasting endorsement.

(b) A retailer with an education tasting endorsement shall:

(1) Display in the licensed area conspicuous warning labels that are visible to the qualifying patient and the qualifying patient's caregiver concerning the consumption of medical cannabis and medical cannabis products;

(2) Destroy all unconsumed medical cannabis remaining from the educational activity, except as permitted under paragraph (4) of this subsection;

(3) Ensure that containers of medical cannabis to be used for educational activities are labeled as such and may not be sold; and

(4) Be permitted to allow a qualifying patient or caregiver to leave the premises with medical cannabis that was made available or offered as part of the educational activity in accordance with the requirements and limits set forth in this act, provided that it is packaged in accordance with regulations issued pursuant to section 14.

(c) A retailer with an education tasting endorsement shall not:

(1) Allow a person to consume alcohol, tobacco, or tobacco products on the premises;

(2) Advertise or promote, in any way, either on or off the premises, a practice prohibited under this section; or

(3) Make unsubstantiated medical claims about cannabis or cannabis products.

(d) The holder of an education tasting endorsement may offer educational activities on the licensed premises between the hours of 7:00 a.m. and 9:00 p.m., 7 days per week, provided that the ABC Board may alter these hours through rulemaking.

(e) The ABC Board shall establish, by regulation, permitted medical cannabis tasting or consumption limits for educational activities.

(f) An applicant for an education tasting endorsement shall complete an application on a form the ABC Board prescribes by regulations issued pursuant to section 14.

(g) The minimum initial application fee for an education tasting endorsement shall be \$130. The endorsement shall be valid for 3 years, with a minimum annual fee of \$130.

\* \* \*

#### D.C. OFFICIAL CODE § 7-1671.06E. RETAILER DELIVERY ENDORSEMENT AND INTERNET RETAILER DELIVERIES.

(a) The holder of a retailer license shall be eligible to apply to the ABC Board for a delivery endorsement. The holder of a delivery endorsement shall be permitted to offer curbside pickup and deliver medical cannabis directly to a qualifying patient or the qualifying patient's caregiver at residential and commercial building addresses located in the District that are not on District government or Federal property or public or private school grounds. For purposes of this section, a public or private park shall not be considered to be either a residential or commercial building address.

(b) The holder of an internet retailer license shall not be required to obtain a delivery endorsement to be permitted to deliver medical cannabis directly to a qualifying patient or the qualifying patient's caregiver at residential and commercial building addresses located in the District that are not on District government or Federal property or public or private school grounds. The holder of an internet retailer license shall not be permitted to offer curbside pickup at its ABC Board Board-approved location to qualifying patients and caregivers.

**(c) A retailer with a retailer delivery endorsement or an internet retailer shall:**

**(1) Only receive and accept an order by electronic or other means from a qualifying patient or the qualifying patient's caregiver;**

**(2) Only deliver to the qualifying patient or the qualifying patient's caregiver at the District address provided by the patient or caregiver and not "drop off" the product without verifying the identity of the recipient;**

**(3) Only travel through the District and not any surrounding jurisdictions to make deliveries;**

**(4) Abide by rules and standards as may be established by the ABC Board pursuant to section 14 concerning:**

**(A) The frequency of deliveries to a single qualifying patient or caregiver in a day, week, or month;**

**(B) Overnight storage of any medical cannabis or medical cannabis products; and**

**(C) The operation and number of delivery vehicles allowed;**

**(5) Abide by the rules posted by any landlord or property owner with respect to prohibitions on cannabis deliveries on its property;**

**(6) Use its employees or a licensed courier to deliver medical cannabis or medical cannabis products;**

**(7) At the time of an order, require the qualifying patient or the qualifying patient's caregiver to provide information necessary to verify that the qualifying patient or the qualifying patient's caregiver is qualified to purchase and receive a delivery of medical cannabis or medical cannabis products in accordance with this act and regulations issued pursuant to section 14;**

**(8)(A) Prior to transferring possession of the order to a qualifying patient 21 years of age and older or the qualifying patient's caregiver, inspect the qualifying patient's or qualifying patient's caregiver's valid government-issued identification card and valid ABCA registration to verify their age and that the information provided at the time the order was placed matches information listed on the government-issued identification card and ABCA registration;**

**(B) Prior to transferring possession of the order to a qualifying patient under age 21 or to a qualifying patient's caregiver, the retailer or internet retailer shall inspect the person's government-issued identification card and ABCA registration to verify the possession of a valid registration and that the information provided at the time the order was placed matches the information listed on the government-issued identification and ABCA registration;**

**(C) The retailer's or internet retailer's failure to check the required information in subparagraphs (A) and (B) of this paragraph may result in the ABC Board issuing a fine against the retailer or internet retailer or suspending or revoking its license in accordance with this act or regulations issued pursuant to section 14;**

**(9) Maintain, in each vehicle used for deliveries of medical cannabis or medical cannabis products, a secure, locked storage compartment for purposes of transporting and securing cash used as payment and the medical cannabis or medical**

cannabis products. The retailer shall not store cash and medical cannabis or medical cannabis products in the same storage compartments;

(10) Only use delivery vehicles that:

(A) Contain a Global Positioning System (GPS) device for identifying the geographic location of the delivery vehicle, which shall be either permanently or temporarily affixed to the delivery vehicle while the delivery vehicle is in operation and remain active and in the possession of the delivery employee at all times during the delivery; and

(B) Do not bear any markings, images, words, or phrases that would indicate the delivery vehicle is used to deliver medical cannabis, including the name of the retailer or internet retailer, or any cannabis-related related images; and

(11) Be permitted to dispense medical cannabis or medical cannabis products through curbside pickup or at-the-door pickup to a qualifying patient or caregiver if the retailer:

(A) Implements a process to verify age and validate the ABCA registration of the patient or caregiver;

(B) Implements procedures to ensure that curbside pickup or at-the-door pickup is completed quickly and efficiently; and

(C) Implements a mechanism or recordkeeping process for qualifying patients or caregivers to document receipt of curbside pickup or at-the-door pickup.

(c) The holder of the retailer delivery endorsement may offer curbside pickup or deliver medical cannabis during the hours of 9:00 a.m. to 9:00 p.m., 7 days per week, provided that the ABC Board may alter these hours through rulemaking.

(d) Applicants for the retailer delivery endorsement shall complete an application prescribed by the Board by regulations issued pursuant to section 14.

(e) The minimum initial application fee for the endorsement shall be \$300. The endorsement shall be valid for 3 years with a minimum annual license fee of \$300.

\* \* \*

#### D.C. OFFICIAL CODE § 7-1671.06F. SUMMER GARDEN ENDORSEMENT.

(a) The holder of both a retailer license and a safe use treatment facility endorsement shall obtain a summer garden endorsement from the ABC Board to be eligible to conduct operations on a summer garden, which may include the sale, service, and consumption of medical cannabis on outdoor private space.

(b) The holder of a summer garden endorsement may be authorized to conduct business operations on the summer garden only between the hours of 8:00 a.m. and 12:00 a.m., 7 days a week.

(c) The minimum initial application fee for the endorsement shall be \$300. The endorsement shall be valid for 3 years with a minimum annual license fee of \$300.

\* \* \*

**D.C. OFFICIAL CODE § 7-1671.07. HEALTH OCCUPATIONS BOARDS REVIEW OF MEDICAL MARIJUANA AUTHORIZED PRACTITIONER RECOMMENDATIONS. [Repealed].**

~~(a) The Boards of Medicine, Nursing, and Dentistry" shall have the authority to review and audit the written authorized practitioner recommendations submitted to ABRA as part of the registration process and shall have the authority to discipline authorized practitioners under their licensing authority who act outside of the scope of this chapter.~~

~~(b) The relevant licensing board shall audit the recommendations submitted by any authorized practitioner who provides more than 250 recommendations in any 12-month period to patients for the use of medical marijuana.~~

~~(c) Submitting a false statement regarding a qualifying patient's eligibility to participate in the Program on the form developed pursuant to § 7-1761.04(b)(2) shall be grounds for the revocation, suspension, or denial of an authorized practitioner's license, or the imposition of a civil fine pursuant to § 3-1205.14(c), or both, at the licensing board's discretion. [Repealed].~~

\* \* \*

**D.C. OFFICIAL CODE § 7-1671.08. PENALTIES.**

(a) Any person who manufactures, cultivates, possesses, administers, dispenses, distributes, or uses **cannabis marijuana**, or manufactures, possesses, distributes, or uses paraphernalia, in a manner not authorized by this chapter or the rules issued pursuant to § 7-1671.13 shall be subject to criminal prosecution and sanction under subchapter I of Chapter 11 of Title 48 [§ 48-1101 *et seq.*].

(b) Any person who makes a fraudulent representation to a law enforcement official of any fact or circumstance relating to the person's manufacture, cultivation, possession, administration, dispensing, distribution, or use of medical **cannabis marijuana**, or manufacture, possession, distribution, or use of paraphernalia, to avoid arrest or prosecution shall be subject to a criminal fine not to exceed \$1,000. The imposition of the fine shall be in addition to any other penalties that may otherwise apply for the making of a false statement or for the manufacture, cultivation, possession, administration, dispensing, distribution, or use of **marijuana**, or the manufacture, possession, distribution, or use of paraphernalia.

(c) It shall be an affirmative defense to a criminal charge of possession or distribution of **cannabis marijuana**, or possession with intent to distribute **cannabis marijuana**, that the person charged with the offense is a person who:

(1) Was in possession of medical **cannabis marijuana** only inside the qualifying patient's residence or a medical treatment facility;

(2) Only administered or assisted in administering the medical **cannabis marijuana** to the qualifying patient and only within the qualifying patient's residence or at a permitted medical treatment facility;

(3) Assisted the qualifying patient only when the caregiver was not reasonably available to provide assistance; and

(4) Is 18 years of age or older.

~~(d) The ABC Board may impose and adjudicate civil fines for violations of this title and rules issued in accordance with §7-1671.13 committed by licensed cultivation centers, manufacturers, retailers, internet retailers, testing laboratories, and couriers. Civil fines, penalties, and fees may be imposed as sanctions for any infraction of the provisions of this chapter, or any rules issued under § 7-1671.13, pursuant to Chapter 18 of Title 2 [§ 2-1801.01 et seq.]. Adjudication of any infraction of this chapter shall be pursuant to Chapter 18 of Title 2 [§ 2-1801.01 et seq.].~~

(e) Within 180 days after the applicability date of the Medical Cannabis Amendment Act of 2022, the ABC Board shall submit proposed regulations to the Council, setting forth a schedule of civil penalties, fines, and fees for violations of this act, for a 90-day period of review, including Saturdays, Sundays, holidays, and periods of Council recess. If the Council does not approve, in whole or in part, the proposed regulations within the 90-day review period, the regulations shall be deemed approved. The schedule shall replace all civil penalties, except as expressly provided in this act.

\* \* \*

**D.C. OFFICIAL CODE § 7-1671.08A. MEDICAL CANNABIS ADMINISTRATION FUND.**

(a) There is established as a special fund the Medical Cannabis Administration Fund ("Fund"), which shall be administered by ~~ABCA~~ ~~ABRA~~ in accordance with subsection (c) of this section.

(b) All funds received from medical cannabis licensing, permitting, and registration fees shall be deposited into the Fund.

(c) Money deposited in the Fund shall be used by ~~ABCA~~ ~~ABRA~~ for the purpose of administering the medical cannabis marijuana program.

(d)(1) The money deposited into the Fund shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time.

(2) Subject to authorization in an approved budget and financial plan, any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation.

(e) Funds received from penalties and fines imposed under § 7-1671.08 shall be credited to the unassigned fund balance of the General Fund of the District of Columbia.

\* \* \*

**D.C. OFFICIAL CODE § 7-1671.08B. MEDICAL CANNABIS SOCIAL EQUITY FUND.**

(a) There is established as a special fund the Medical Cannabis Social Equity Fund ("Fund"), which shall be administered by Department of Small and Local Business Development ("DSLBD") in consultation with ~~ABRA~~ ABCA and in accordance with subsection (c) of this section.

(b) All revenue in excess of the amount budgeted in the Fiscal Year 2023 budget for Fiscal Year 2023 collected pursuant to § 47-2002(a)(7) shall be deposited into the Fund.

(c) Money in the Fund shall be used to administer the medical cannabis certified business enterprise program established in accordance with § 7-1671.06(d)(5).

**(c-1) All remaining fines imposed and collected pursuant to Section 6 of the Medical Cannabis Amendment Act of 2022 and § 47-2844(a-2)(1B) shall be deposited into the fund.**

**(c-2) Beginning October 1, 2027, all revenue collected pursuant to D.C. Official Code § 47-2002(a)(7) shall be deposited into the fund.**

(d)(1) The money deposited into the Fund shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time.

(2) Subject to authorization in an approved budget and financial plan, any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation.

(e) ~~ABRA~~ ABCA and DSLBD shall enter into a memorandum of understanding to effectively implement the distribution of funds in the Fund for the purpose set forth in subsection (c) of this section.

\* \* \*

**D.C. OFFICIAL CODE § 7-1671.08C. EQUITY, GRANTS, AND LOANS TO SOCIAL EQUITY APPLICANTS AND MEDICAL CANNABIS CERTIFIED BUSINESS ENTERPRISES.**

**(a) The DSLBD shall establish grant and loan programs for the purposes of providing financial assistance and technical assistance to social equity applicants and medical cannabis certified business enterprises.**

**(b) The DSLBD shall have the authority to:**

**(1) Provide equity, grants, and loans from monies in the Medical Cannabis Social Equity Fund established in section 9b to assist social equity applicants and medical cannabis certified business enterprises in gaining entry to, and successfully operating in, the Program;**

**(2) Enter into agreements that set forth the 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; and**

**(6) Utilize vendors or contractors to carry out the purposes of this section.**

**(d) Loans made pursuant to 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 DSLBD shall determine appropriate to protect the public interest.**

**(e) No later than one year after establishing any equity, grant, or loan program pursuant to this section, and annually thereafter, DSLBD shall submit a report to the**

**Mayor and Council on the outcomes of the program. The report shall include the following information:**

**(1) The number of persons or businesses receiving financial assistance under this section;**

**(2) The amount of financial assistance awarded in the aggregate, in addition to the number and amount of loans made that are outstanding and the number and amount of grants awarded;**

**(3) The names of the for-profit and non-profit vendors, partners, consultants, and advisors engaged by DSLBD to implement the Act;**

**(4) The location of the project engaged in by the person or business; and**

**(5) If applicable, the economic benefits created due to this financial assistance, such as jobs created.**

\* \* \*

**D.C. OFFICIAL CODE § 7-1671.09. MEDICAL CANNABIS MARIJUANA ADVISORY COMMITTEE.**

(a) The Mayor shall establish a Medical Cannabis Marijuana Advisory Committee (“Committee”), which shall monitor:

(1) Best practices in other states that allow the use of medical cannabis marijuana;

(2) Scientific research on the medical use of cannabis marijuana; and

(3) The Program’s effectiveness. The effectiveness of the District’s medical marijuana program.

(b) ~~No later than January 1, 2012, the Committee shall submit a report to the Mayor and the Council recommending:~~

~~(1) Whether the District of Columbia should allow qualifying patients and caregivers to cultivate medical marijuana;~~

~~(2) How to implement and regulate cultivation of medical marijuana by qualifying patients and caregivers; and~~

~~(3) Any other comments the Committee believes to be important. [Repealed].~~

\* \* \*

**D.C. OFFICIAL CODE § 7-1671.10. FEES.**

(a) ABCA is authorized to establish, by rulemaking, fees for the licensing of cultivation centers, manufacturers, retailers, internet retailers, courier, and testing laboratories, and for the inspection and audit of cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories. The Mayor is authorized to establish, by rulemaking, fees for the registration of caregivers, cultivation centers, dispensaries, testing laboratories, and qualifying patients and for the inspection and audit of cultivation centers, dispensaries, and testing laboratories.

(b) Any of the fees collected pursuant to this chapter shall be applied first toward the cost of administering this chapter.

\* \* \*

**D.C. OFFICIAL CODE § 7-1671.11. LIABILITY.**

(a) No liability shall be imposed by virtue of this chapter upon any duly authorized District officer engaged in the enforcement of any law relating to controlled substances.

(b) The District shall not be held liable for any deleterious outcomes from the use of medical cannabis marijuana, including the acts or omissions of any qualifying patient attributed to the use of medical cannabis marijuana.

\* \* \*

**D.C. OFFICIAL CODE § 7-1671.12. PUBLIC AND PRIVATE INSURANCE.**

Nothing in this chapter shall require a governmental, private, or any other health insurance provider or health care service plan to be liable for any claim for reimbursement for the use of medical cannabis marijuana.

\* \* \*

**D.C. OFFICIAL CODE § 7-1671.13. RULES.**

(a) The Mayor, pursuant to subchapter I of Chapter 5 of Title 2 [§ 2-501 *et seq.*], shall issue rules to implement the provisions of this chapter, including rules to:

(1) Adopt manufacturing practices with which cultivation centers, manufacturers, retailers, and internet retailers shall be required to comply to ensure that medical cannabis sold by cultivation centers, manufacturers, retailers, and internet retailers is appropriate for medical use ~~Adopt manufacturing practices that cultivation centers and dispensaries shall be required to comply with to ensure that medical marijuana sold by cultivation centers and dispensaries is of pharmaceutical grade;~~

(2) Ensure that the labeling on medical cannabis sold by cultivation centers, manufacturers, retailers, and internet retailers ~~medical marijuana sold by cultivation centers and dispensaries~~ provides sufficient and accurate information, verified by a testing laboratory, for qualifying patients to be able to make informed choices;

(3) Ensure that each cultivation center, manufacturer, retailer, internet retailer, courier, and testing laboratory ~~cultivation center, dispensary, and testing laboratory~~ has appropriate signage and outdoor lighting and an appropriate security system, security plan, and theft prevention plan;

(4) Limit the hours during which cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories ~~dispensaries, cultivation centers, and testing laboratories~~ may operate;

(5) Determine, for the purpose of ensuring that qualifying patients have adequate access to medical cannabis marijuana, the number of cultivation centers, manufacturers,

**retailers, internet retailers, and testing laboratories that may operate in the District; cultivation centers that may operate in the District, based on the number of qualifying patients expected to register in the first year of the Program's operation; provided, that the Mayor may adjust this number through rulemaking based on:**

**(A) The number of registered qualifying patients; and**

**(B) The number of qualifying patients expected to register in the subsequent 180 days;**

**(6) Determine the amount of any licensing registration fee for a cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory any dispensary, cultivation center, or testing laboratory;**

**(7) Determine the forms of medical cannabis marijuana that cultivation centers, manufacturers, retailers, and internet retailers shall be permitted to dispense or distribute ~~dispensaries and cultivation centers shall be permitted to dispense or distribute~~;  
and**

**(8) Determine the process for permitting a cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory to change location or change ownership or controlling interest pursuant to section 7(p). Within 6 months after February 18, 2017, determine the process for permitting a dispensary, cultivation center, or testing laboratory to:**

**(A) Relocate within an election ward, established by the Council in § 1-1041.03, pursuant to § 7-1671.06(g-2); and**

**(B) Change ownership or controlling interest pursuant to § 7-1671.06(g-3).**

**(9) Determine which provisions of a settlement agreement reached between a cultivation center, manufacturer, retailer, or internet retailer and an affected ANC are enforceable and which provisions are unenforceable by the ABC Board.**

**(10) Adopt processes and procedures for holding protest and enforcement hearings before the ABC Board.**

(a-1) Pursuant to the transfer of functions of the Department of Health to **ABCA ABRA** by § 25-204.02, the Mayor shall issue rules in accordance with subsection (b) of this section, which rules shall allow ~~registered dispensaries~~ **licensed retailers, internet retailers, and couriers** to provide medical **cannabis marijuana** to qualifying patients through delivery, curbside pickup, and at-the-door options.

**(a-2) The Mayor may issue rules creating additional license categories, including a transporter license, tiered cultivation center licenses, different types of manufacturer licenses, and a shared facility license to allow licensees to share existing space and equipment.**

(b) The Mayor shall submit the proposed rules to the Council for a 30-day period of review, excluding Saturdays, Sundays, legal holidays, and days of Council recess. If the Council does not approve or disapprove the proposed rules, in whole or in part, by resolution, within this 30-day review period, the proposed rules shall be deemed approved.

\* \* \*

**D.C. OFFICIAL CODE § 7-1671.14. CEASE AND DESIST ORDERS.**

**(a) If the ABC Board or the Mayor, after investigation but before a hearing, has cause to believe that a person is violating any provision of this title and the violation has caused or may cause, immediate and irreparable harm to the public, the ABC Board or the Mayor may issue an order requiring the alleged violator to cease and desist immediately from the violation. The order shall be served by certified mail or hand-delivered to the licensee.**

**(b)(1) The alleged violator may, within 15 days after the service of the order, submit a written request to the ABC Board to hold a hearing on the alleged violation.**

**(2) Upon receipt of a timely request, the ABC Board shall conduct a hearing in accordance with the procedures set forth in the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1203; D.C. Official Code § 2-501 et seq.) and issue a decision within 90 days after the hearing.**

**(c)(1) The alleged violator may, within 10 days after the service of an order, submit a written request to the ABC Board for an expedited hearing on the alleged violation.**

**(2) Upon receipt of a timely request for an expedited hearing, the ABC Board shall conduct a hearing within 10 days after the date of receiving the request and shall deliver to the alleged violator at their last known address a written notice of the hearing by any means guaranteed to be received at least 5 days before the hearing date.**

**(3) The ABC Board shall issue a decision within 30 days after an expedited hearing.**

**(d) If a request for a hearing is not timely made under subsections (b) and (c) of this section, the order of the ABC Board or the Mayor shall be final.**

**(e) If, after a hearing, the ABC Board determines that the alleged violator is not in violation of this act, the ABC Board shall revoke the order.**

**(f) If a person fails to comply with a lawful order of the ABC Board or the Mayor under this section, the ABC Board may petition the Superior Court of the District of Columbia for an order compelling compliance or take any other action authorized by this subchapter.**

\* \* \*

**D.C. OFFICIAL CODE § 7-731.01. HEALTH DATA COLLECTION AND REPORTING.**

**(a)(1) The Department of Health ("Department") shall participate in the Behavioral Risk Factor Surveillance System ("BRFSS").**

**(2) The Department shall annually publish a detailed report on the results of the BRFSS on its website.**

**(3) The Department shall include questions related to the sexual orientation, gender identity, and gender expression of respondents in its BRFSS questionnaire.**

(A) The Department shall give preference to any modules or questions approved by the U.S. Centers for Disease Control and Prevention.

(B) The Department may develop its own questions related to the sexual orientation, gender identity, or gender expression of respondents to add to the BRFSS.

**(4) The Department shall include questions related to the use of cannabis, including the use of cannabis for medical purposes, in its BRFSS questionnaire.**

**(A) The Department may develop its own questions related to the use of cannabis but shall give preference to any module or questions approved by the U.S. Centers for Disease Control and Prevention.**

(b)(1) The Department shall annually publish a comprehensive report on the health of the District's LGBTQ community in coordination with the Office of Gay, Lesbian, Bisexual, and Transgender Affairs, pursuant to § 2-1383(b)(10).

(2) At least every 3 years, the comprehensive report shall include data collected from the BRFSS.

(3) Each report shall compare the prevalence of health-related risk behaviors, chronic health conditions, and use of preventive services among the LGBTQ population with the general population, and where possible, LGBTQ sub-populations.

(4) The Department shall post the report on its website.

(c) For the purposes of this section:

(1) "Behavioral Risk Factor Surveillance System" means the national telephone survey conducted by state health departments and coordinated by the U.S. Centers for Disease Control and Prevention to collect state data about residents regarding their health-related risk behaviors, chronic health conditions, and use of preventive services, or a similar successor survey.

(2) "LGBTQ" shall have the same meaning as provided in § 2-1381.

\* \* \*

#### **D.C. OFFICIAL CODE § 25–101. DEFINITIONS.**

For the purposes of this title, the term:

(1) "~~ABRA ABCA~~" means the Alcoholic Beverage and Cannabis Administration ~~Alcoholic Beverage Regulation Administration~~ established by § 25-202.

(2) "~~ABRA ABCA~~ Fund" means the Alcoholic Beverage and Cannabis Administration ~~Alcoholic Beverage Regulation Administration~~ Fund established by § 25-210.

(11) "Board" means the Alcoholic Beverage and Cannabis Board ~~Alcoholic Beverage Control Board~~ established by § 25-201.

(11A) "Board-approved manager" and "manager" mean a person, other than the owner, who is licensed by ABCA ~~ABRA~~ [and] who is required to be on duty and on the premises during the approved licensed hours of sales, service, and consumption of alcoholic beverages.

(19) "Director" means the Director of the Alcoholic Beverage Regulation Administration ~~Alcoholic Beverage and Cannabis Administration~~ appointed under § 25-207.

(37A) "Pool buying agent" means the licensed vendor who is registered by the pool buying group with the Alcoholic Beverage and Cannabis Administration ~~Alcoholic Beverage Regulation Administration~~.

(37B) "Pool buying group" means a group of 2 or more licensees under an on-premises restaurant license (R), as defined in § 25-113(b), who have been approved by the Alcoholic Beverage and Cannabis Administration ~~Alcoholic Beverage Regulation Administration~~ to consolidate orders for alcoholic beverages ordered through a licensed pool buying agent from any lawful source in a single order.

(48B) "Solicitor" means a person licensed by ABCA ~~ABRA~~ who is a representative of the wholesaler or manufacturer whose name appears on the solicitor's license and who is permitted to sell alcoholic beverages on behalf of the wholesaler or manufacturer.

\* \* \*

#### **D.C. OFFICIAL CODE § 25–112. OFF-PREMISES RETAILER’S LICENSES.**

(f)(3) Make the security footage available within 48 hours upon the request of an ABCA ~~ABRA~~ investigator or any member of the Metropolitan Police Department; and

(h)(1) A retailer with commercial street frontage at the Walter E. Washington Convention Center that sells food and is approved by the Washington Convention and Sports Authority to sell alcoholic beverages for on-premises consumption ("Convention Center food and alcohol business") that registers as a Convention Center food and alcohol business with the Board and receives written authorization from ABCA ~~ABRA~~ may sell beer, wine, or spirits in closed containers to individuals for carry out and may deliver beer, wine, or spirits in closed containers to consumers in the District, pursuant to §§ 25-113(a)(3)(C) and 25-113.01(g); provided, that such carry out and delivery orders are accompanied by one or more prepared food items.

\* \* \*

#### **D.C. OFFICIAL CODE § 25–113. ON-PREMISES RETAILER’S LICENSES.**

(a)(3)(C)(i) An on-premises retailer licensee, class C/R, D/R, C/T, D/T, C/H, D/H, C/N, D/N, C/X, or D/X, including a multipurpose facility or private club, that registers with the Board and receives written authorization from ABCA ~~ABRA~~ may sell beer, wine, or spirits in closed containers to individuals for carry out, or deliver beer, wine, or spirits in closed containers to consumers in the District between the hours of 6:00 a.m. and 1:00 a.m., 7 days a week; provided, that each such carry out or delivery order is accompanied by one or more prepared food items.

(a)(3)(D)(i) An on-premises retailer licensee, class C/R, D/R, C/T, D/T, C/H, D/H, C/N, D/N, C/X, or D/X, including a multipurpose facility or private club, that is registered with the Board under subparagraph (C) of this paragraph may also register with the Board to sell to a consumer beer, wine, or spirits in closed containers accompanied by one or more prepared food items for off-premises consumption from up to 2 additional locations other than the licensed premises. Board approval shall not be required for the additional registration under this paragraph; provided, that:

(I) The licensee separately registers with the Board, pays a fee of \$100, and receives written authorization from ABCA ABRA prior to offering alcoholic beverages to consumers for carryout or delivery at an additional location;

(a)(6)(A)(i)(IV) Receives written authorization from ABCA ABRA prior to selling, serving, or permitting the consumption of alcoholic beverages on the proposed outdoor public or private space;

(ii) Registers with the District Department of Transportation ("DDOT") prior to operating on any proposed outdoor public space or receives written approval from the property owner prior to utilizing any proposed outdoor private space; and

(iii) Agrees to follow all applicable Mayor's Orders and Department of Consumer and Regulatory Affairs, Department of Health, DDOT, and ABCA ABRA regulations and administrative issuances.

(B) An on-premises retailer licensee, class C or D, or a manufacturer licensee, class A, B or C, with an on-site sales and consumption permit or a Convention Center food and alcohol business that has registered with the Board and receives written authorization from ABCA ABRA to sell, serve, and permit the consumption of beer, wine, and spirits to seated patrons on outdoor public or private space not listed on its license in accordance with subparagraph (A) of this paragraph shall:

(j)(3)(B) Any licensee may file a written request with the Board to have his books and records, except the day to day records or register receipts, kept at an accountant's office or the licensee's office; provided, that the records are made available within 3 days of request by ABCA ABRA staff. A licensee may also store its books and records on the premises electronically. The records stored on the premises electronically shall be made immediately available at the request of ABCA ABRA staff.

\* \* \*

#### **D.C. OFFICIAL CODE § 25-113.01. LICENSE ENDORSEMENTS.**

(g)(6) Beginning June 30, 2022, and each year thereafter, ABCA ABRA shall submit an annual report to the Council on the outcomes of this section, including the number of on-premise licensees participating in the carry-out and delivery option, and the number of on- and off-premise retailer licensees that may have closed after the carry-out and delivery option was implemented.

\* \* \*

#### **D.C. OFFICIAL CODE § 25-117. BREW PUB ENDORSEMENT REQUIREMENTS AND QUALIFICATIONS.**

(a-2)(2)(B) The holder of the brew pub endorsement shall allow any ABCA ABRA investigator or any member of the Metropolitan Police Department a full opportunity to examine its records at any time during its operating hours.

\* \* \*

**D.C. OFFICIAL CODE § 25–120. MANAGER’S LICENSE REQUIREMENTS AND QUALIFICATIONS.**

(i)(A) The Board may fine, suspend, revoke, or not renew the manager's license of a manager who within the prior 3 years has:

(i) Directly sold an alcoholic beverage to a minor on 2 or more dates;

(ii) Directly interfered with an ABCA ~~ABRA~~ or Metropolitan Police Department investigation;

\* \* \*

**D.C. OFFICIAL CODE § 25–122. POOL BUYING GROUPS.**

(a) A pool buying group shall be created in the following manner:

(1) Prior to commencing operations, a pool buying group shall file with ABCA ~~ABRA~~ a copy of the agreement under which the pool buying group will operate. The ABCA ~~ABRA~~ shall review the agreement and, if the requirements of applicable law and rules are met, shall approve the agreement.

(2) Any proposed amendment to a pool buying group agreement shall be filed with, and be approved by, ABCA ~~ABRA~~ in the same manner as original agreements before the proposed amendments shall be effective.

(c) A member of the pool buying group shall not be eligible to place an order with the group until the member has executed the pool buying agreement and the licensee’s name, business name, license number, and the date of membership have been filed with, and approved by, the ABCA ~~ABRA~~.

(d) Any addition or termination to the membership of the pool buying group shall be provided to ABCA ~~ABRA~~ under the signature of the buying agent. The notice shall include the effective date of the addition of a new member or the termination of an existing member. The notice may be in letter form or on official forms which may be promulgated by ABCA ~~ABRA~~.

\* \* \*

**D.C. OFFICIAL CODE § 25–124. WINE PUB ENDORSEMENT.**

(d-1)(1)(A) Maintains an Alcohol and Tobacco Tax and Trade Bureau endorsement on the licensed premises and provides it to an ABCA ~~ABRA~~ Investigator upon request during operating hours;

\* \* \*

**D.C. OFFICIAL CODE § 25–125. DISTILLERY PUB ENDORSEMENT.**

(d-1)(2) The holder of the distillery pub endorsement shall maintain upon the licensed premises, either physically or electronically, books and records that reflect the days in which distilled spirits manufactured on the licensed premises were available and offered for sale to

patrons. The holder of the distillery pub endorsement shall allow any ~~ABCA ABRA~~ investigator or any member of the Metropolitan Police Department a full opportunity to examine its records at any time during its business hours.

\* \* \*

**D.C. OFFICIAL CODE § 25–126. ON-SITE SALES CONSUMPTION PERMIT.**

(a-1)(4)(C) Upon request, provide the collaboration agreement to an ~~ABCA ABRA~~ investigator during business hours.

\* \* \*

**D.C. OFFICIAL CODE § 25–130. THIRD-PARTY ALCOHOL DELIVERY LICENSE.**

(g) A third-party alcohol delivery licensee shall maintain the books and records reflecting the date, address, and recipient of the alcohol delivery for each delivery and the name and business address of the person making the delivery on the licensed premises or at a Board-approved location for 3 years. The third-party alcohol delivery licensee shall make these books and records available to the Board and ~~ABCA ABRA~~ investigators within 3 business days of receiving a written request from the Board or ~~ABCA ABRA~~.

\* \* \*

**D.C. OFFICIAL CODE § 25–131. COMMERCIAL LIFESTYLE CENTER LICENSE.**

(e)(5) Require that each tenant in the center facility has an identifying mark on their reusable containers distinguished from all other tenants as approved by and registered with ~~ABCA ABRA~~.

\* \* \*

Chapter 2. ~~Alcoholic Beverage and Cannabis Administration~~ **Alcoholic Beverage Regulation Administration**.

§ 25–201. Establishment of the ~~Alcoholic Beverage and Cannabis Board~~ **Alcoholic Beverage Control Board** — Appointment and responsibilities.

§ 25–202. Establishment of the ~~Alcoholic Beverage and Cannabis Administration~~ **Alcoholic Beverage Regulation Administration**.

§ 25–203. Transfer of functions of Alcoholic Beverage Control Division of the Department of Consumer and Regulatory Affairs.

§ 25–204. Board — Functions and duties.

§ 25–204.01. Board — Open meetings.

§ 25–204.02. Medical marijuana program; transfer of functions of the Department of Health.

§ 25–205. Board record-keeping responsibilities.

§ 25–206. Board member qualifications; term of office; chairperson; conflict of interest.

§ 25–207. ~~ABCA ABRA~~ Director and staff.

- § 25–208. Office of the General Counsel.
- § 25–209. Community resource officer.
- § 25–210. ABCA ~~ABRA~~ funding.
- § 25–211. Regulations.
- § 25–212. New licensee and general public orientation class.

\* \* \*

**D.C. OFFICIAL CODE § 25–201. ESTABLISHMENT OF THE ALCOHOLIC BEVERAGE CONTROL BOARD — APPOINTMENT AND RESPONSIBILITIES.**

(a) There is established an Alcoholic Beverage and Cannabis Board ~~Alcoholic Beverage Control Board~~. The Board shall be composed of 7 members. The Mayor, with the advice and consent of the Council and according to the requirements set forth in § 25-206, shall nominate persons to serve on the Board. A nomination shall be submitted to the Council for a 90-day period of review, excluding days of Council recess. If the Council does not approve or disapprove the nomination by resolution within this 90-day review period, the nomination shall be deemed disapproved.

(c) The Board shall:

- (1) Oversee ABCA ~~ABRA~~;

\* \* \*

**D.C. OFFICIAL CODE § 25–202. ESTABLISHMENT OF THE ALCOHOLIC BEVERAGE AND CANNABIS ADMINISTRATION ~~ALCOHOLIC BEVERAGE REGULATION ADMINISTRATION~~.**

There is established an Alcoholic Beverage and Cannabis Administration (“ABCA”) ~~Alcoholic Beverage Regulation Administration (“ABRA”)~~ as an independent agency of the District to provide professional, technical, and administrative staff assistance to the Board in the performance of its functions. ABCA ~~ABRA~~ shall carry out its functions under the supervision of the Board.

\* \* \*

**D.C. OFFICIAL CODE § 25–203. TRANSFER OF FUNCTIONS OF ALCOHOLIC BEVERAGE CONTROL DIVISION OF THE DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS.**

All positions, property, records, and unexpended balances of appropriations, allocations, assessments, and other funds available or to be made available to the Alcoholic Beverage Control Division of the Department of Consumer and Regulatory Affairs relating to the duties and functions assigned herein are transferred to ABCA ~~ABRA~~.

\* \* \*

**D.C. OFFICIAL CODE § 25–204.02. MEDICAL MARIJUANA PROGRAM; TRANSFER OF FUNCTIONS OF THE DEPARTMENT OF HEALTH.**

(a) The Board and ~~ABCA ABRA~~ shall be responsible for carrying out the responsibilities assigned to them by [Chapter 16B of Title 7] ("Medical Marijuana Act"), and for any responsibilities of the Mayor under the Medical Marijuana Act that the Mayor delegates to the Board or ~~ABCA ABRA~~.

(b)(1) Except as provided in paragraph (2) of this subsection, all personal property, assets, records, including both electronic and physical files, licensing agreements, and contracts, equipment, computer software, obligations, and unexpended balances of appropriations, allocations, assets, and liabilities, and other funds available or to be made available relating to the powers, duties, functions, operations, and administration by the Department of Health of the medical marijuana program pursuant to [Chapter 16B of Title 7], as of September 30, 2020, are transferred to ~~ABCA ABRA~~.

(d) ~~ABCA ABRA~~ shall coordinate with the Department of Health regarding the transition of the administration of the medical marijuana program to ~~ABCA ABRA~~.

(e)(1) The directors of ~~ABRA~~ and the Department of Health shall jointly determine which personnel, if any, of the Department of Health associated with the administration of the medical marijuana program shall be transferred from the Department of Health to ~~ABCA ABRA~~.

(2) Personnel who are transferred to ~~ABCA ABRA~~ pursuant to this subsection shall be subject to the ~~ABCA ABRA~~ Director's personnel authority, pursuant to [§ 1-604.06(b)(21)], including as it relates to employment classifications and pay scales.

\* \* \*

**D.C. OFFICIAL CODE § 25–205. BOARD RECORD-KEEPING RESPONSIBILITIES.**

(b)(2) Requests to obtain copies of records maintained by the Board shall be submitted in writing to ~~ABCA's ABRA's~~ FOIA Officer pursuant to FOIA requirements.

\* \* \*

**D.C. OFFICIAL CODE § 25–207. ~~ABCA ABRA~~ DIRECTOR AND STAFF.**

(a) The Board, with the advice and consent of the Council, shall appoint a Director of ~~ABCA ABRA~~ for a renewable 4-year term. The Director shall be removed by the Board for just and reasonable cause.

(b) The Director shall organize the personnel and property transferred by § 25-203 and, within the limits provided in this chapter and annual appropriations, shall employ staff as needed to carry out the function of ~~ABCA ABRA~~.

\* \* \*

**D.C. OFFICIAL CODE § 25–208. OFFICE OF THE GENERAL COUNSEL.**

There shall be established within ~~ABCA ABRA~~ an Office of the General Counsel. The head of the office shall be the General Counsel, who shall be an attorney admitted to the practice of law in the District and who shall be appointed by, and serve at the pleasure of, the Mayor. The General Counsel shall advise the Board regarding all legal matters. The Office of the General Counsel shall also be available to provide mediation services or a professional mediator, as a delegate, if the parties to a settlement conference require or request assistance.

\* \* \*

**D.C. OFFICIAL CODE § 25–210. ABRA FUNDING.**

(a) There is established a fund designated as the Alcoholic Beverage and Cannabis Administration ~~Alcoholic Beverage Regulation Administration~~ Fund, which shall be separate from the General Fund of the District of Columbia. All funds obtained from alcoholic beverage licensing and permitting fees shall be deposited into the ~~ABCA ABRA~~ Fund without regard to fiscal year limitation pursuant to an act of Congress. All fees deposited into the ~~ABCA ABRA~~ Fund shall not revert to the General Fund of the District of Columbia at the end of any fiscal year or at any other time, but shall be continually available for the uses and purposes set forth in this subsection, subject to authorization by Congress in an appropriations act. The funds deposited in the ~~ABCA ABRA~~ Account shall be used to fund the expenses of ~~ABCA ABRA~~ in the discharge of its administrative and regulatory duties. Funds obtained from penalties and fines, as prescribed by Chapter 8 of this title, shall be credited to the General Fund of the District of Columbia.

(b) The Mayor shall submit to the Council, as part of the annual budget, a budget for ~~ABCA ABRA~~ and a request for an appropriation for expenditures from the ~~ABCA ABRA~~ Fund. This estimate shall include expenditures for salaries, fringe benefits, overhead charges, training, supplies, technical, professional, and any and all other services necessary to discharge the duties and responsibilities of ABCA ABRA.

\* \* \*

**D.C. OFFICIAL CODE § 25–212. NEW LICENSEE AND GENERAL PUBLIC ORIENTATION CLASS.**

~~ABCA ABRA~~ shall establish a new licensee orientation class that shall be available to licensees and the public at no charge. The class curriculum shall include the following:

\* \* \*

**D.C. OFFICIAL CODE § 25–301. GENERAL QUALIFICATIONS FOR ALL APPLICANTS.**

(a-1) To determine whether an applicant for a new license meets the criteria of subsection (a)(1) of this section, the Board shall examine records, covering the last 10 years from the date of application, maintained by ~~ABCA ABRA~~ regarding prior violations of the District’s alcohol laws and regulations by the applicant or establishments owned or controlled by the applicant.

\* \* \*

**D.C. OFFICIAL CODE § 25–332. MORATORIUM ON CLASS B LICENSES.**

(a)(3) The issuance of new retailer’s licenses, class B, under this subsection shall be audited by ABCA ABRA and subject to the reporting requirements set forth in § 25-112(e).

\* \* \*

**D.C. OFFICIAL CODE § 25–402. NEW LICENSE APPLICATION FOR MANUFACTURER, WHOLESALER, OR RETAILER.**

(a)(2A) The name and e-mail address of the owner of the establishment, or the owner's designee, for purposes of receiving communications from ABCA ABRA, including correspondence, hearing notices and other types of service of process, and Board orders;

(a-1)(1) The licensee or applicant shall notify ABCA ABRA within 30 days of any change to the information required by subsection (a)(1), (2), or (2A) of this section.

(e)(1) An applicant for a new manufacturer, wholesaler, or retailer license shall complete a mandatory licensee training offered, at no cost, by ABCA ABRA within 90 calendar days of being issued the license.

\* \* \*

**D.C. OFFICIAL CODE § 25–421. NOTICE BY BOARD.**

(a)(5) A citizens association meeting the requirements of [§ 25-601(a)(3)]; provided, that the citizens association has, at least 30 days before the Board’s receipt of the application, registered with ABCA ABRA by providing a copy of its charter, and an e-mail or other electronic address in a form consistent with ABCA’s ABRA’s procedures.

\* \* \*

**D.C. OFFICIAL CODE § 25–423. POSTED NOTICE REQUIRED AFTER SUBMISSION OF APPLICATION AND FOR THE DURATION OF THE PROTEST PERIOD.**

(a) The applicant shall post 2 notices, furnished by ABCA ABRA, of the application in conspicuous places on the outside of the establishment for the duration of the protest period.

(b)(4) The telephone number and mailing address of ABCA ABRA.

\* \* \*

**D.C. OFFICIAL CODE § 25–431. REVIEW PROCEDURES — GENERAL PROVISIONS.**

(h)(2) For the purposes of this subsection, the term "Board's agent" means an employee at or above the Grade 12 level in the Office of the General Counsel within ABCA ABRA, excluding the ABCA ABRA General Counsel, who shall have the authority to:

\* \* \*

**D.C. OFFICIAL CODE § 25-446. SETTLEMENT AGREEMENTS; APPROVAL PROCESS; PENALTIES FOR VIOLATIONS.**

(b)(2) Except as provided in § 25-446.02, all provisions of a settlement agreement approved by the Board shall be enforceable by ABCA ABRA or the Board.

(3) A settlement agreement not approved by the Board shall not be enforced by ABCA ABRA or the Board.

\* \* \*

**D.C. OFFICIAL CODE § 25-446.01. SETTLEMENT AGREEMENTS — ENFORCEABLE PROVISIONS.**

(5) Requirements that the applicant or existing licensee maintain an incident log and that the incident log be made available to ABCA ABRA and the Board, upon request;

(10) Stipulations that the establishment will comply with existing District statutes and regulations, or will comply with privileges granted by ABCA ABRA or any other District agency.

\* \* \*

**D.C. OFFICIAL CODE § 25-447. SHOW CAUSE HEARING.**

(b) In addition to written complaints identifying the complainant, any person may make an anonymous complaint in writing to the Board or orally to any ABCA ABRA investigator. Anonymous complaints shall be investigated to the best of the Board's ability, but may result in no action being taken if the anonymous complainant fails to provide the Board or the investigator with adequate information.

\* \* \*

**D.C. OFFICIAL CODE § 25-601.01. CERTAIN DOCUMENTS TO BE MADE AVAILABLE.**

An ANC, or citizens association meeting the requirements of § 25-601(3), may request from ABCA ABRA or the Board a copy of a contract to which a licensee is a party, an incident log kept by a licensee, or similar document, if obtained by ABCA ABRA or the Board pursuant to this title.

\* \* \*

**D.C. OFFICIAL CODE § 25-711. POSTING AND CARRYING OF LICENSES.**

(a)(3) Upon request, a licensee shall make a copy of the settlement agreement and the security plan immediately accessible to an ABCA ABRA official or an officer with the Metropolitan Police Department.

(a)(3)(B) Upon request, a licensee shall make a copy of the settlement agreement immediately accessible to a member of the public. A licensee shall not be required to disclose its security plan to anyone other than an ABCA ABRA official or an officer of the Metropolitan Police Department.

(f) While managing or working at a licensed establishment, the owner, Board-approved manager, or employees or agents of a retailer, manufacturer, or wholesaler licensee shall carry a valid identification document on his or her person while on duty, including if he or she is outside of the licensed establishment or delivering alcoholic beverages, and shall show the identification document upon request to an ABCA ABRA investigator or a member of the Metropolitan Police Department.

\* \* \*

#### **D.C. OFFICIAL CODE § 25-723. HOURS OF SALE AND SERVICE FOR ON-PREMISES RETAIL LICENSEES AND TEMPORARY LICENSEES.**

(c-1)(4) To the extent feasible, the Board shall provide notice of its decision to extend the hours of operation, sales, service, and consumption pursuant to this subsection in the District of Columbia Register. The Board shall also post notice of its decision on ABCA's ABRA's website within 24 hours after its decision.

\* \* \*

#### **D.C. OFFICIAL CODE § 25-725. NOISE FROM LICENSED PREMISES.**

(d)(1) ABCA ABRA shall maintain a complaint program to receive noise complaints by phone, email, and fax. The complaint program shall be staffed by an ABCA ABRA employee until at least one hour after the end time for the legal sale of alcoholic beverages as set forth in § 25-723.

(2) ABCA ABRA shall keep records regarding noise complaints and record the following information at the time the complaint is made:

- (A) The time and date of the complaint;
- (B) The name and address of the establishment that is the subject of the complaint;
- (C) The name and address of the complainant, if available;
- (D) The nature of the noise complaint; and
- (E) Whether the complaint was substantiated by ABCA ABRA.

(3) Upon receipt of a noise complaint, ABCA ABRA shall attempt to contact the establishment by phone or in person and inform the ABC manager on-duty that a noise complaint has been received and describe the nature of the complaint.

(4) ABCA ABRA shall notify the licensee of the complaint by e-mail, phone, or registered mail within 72 hours of receiving the complaint. ABCA ABRA shall notify the licensee of the results of any investigation that may result in a show cause hearing within 90 days as required by § 25-832.

(e) The windows and doors of an establishment from which noise can be heard shall remain open or closed, as they were at the time the complaint was made, in order for an ABCA ~~ABRA~~ investigator or Metropolitan Police Department officer to determine whether a violation of subsection (a) of this section exists. The ABCA ~~ABRA~~ investigator shall have the authority to direct that windows and doors be closed or opened.

\* \* \*

**D.C. OFFICIAL CODE § 25-773. RECORDKEEPING.**

(a) As required by subsection (b) of this section, each holder of a retailer's license shall maintain upon the licensed premises, either physically or electronically, records of canceled importation permits and of invoices and delivery slips that, as determined by ABCA ~~ABRA~~, fully show the purchases made by and deliveries made to the licensee of all alcoholic beverages except beer, including:

\* \* \*

**D.C. OFFICIAL CODE § 25-798. REIMBURSABLE DETAILS.**

(c-1)(1) The Board shall have the authority to change the percentage by which ABCA ~~ABRA~~ will reimburse MPD for its reimbursable detail services as needed.

\* \* \*

**D.C. OFFICIAL CODE § 25-801. AUTHORITY OF THE BOARD TO ENFORCE THIS TITLE; ENFORCEMENT RESPONSIBILITIES OF ABCA ~~ABRA~~ INVESTIGATORS AND METROPOLITAN POLICE DEPARTMENT.**

(b) Subject to subsection (c) of this section, ABCA ~~ABRA~~ investigators and the Metropolitan Police Department shall issue citations for civil violations of this title that are set forth in the schedule of civil penalties established under § 25-830.

(c) A citation for any violation for which the penalty includes the suspension of a license shall be issued under the direct authority of the Board as a result of an investigation carried out by ABCA ~~ABRA~~ investigators.

(f) ABCA ~~ABRA~~ investigators may request and check the identification of a patron inside of or attempting to enter an establishment with an alcohol license. ABCA ~~ABRA~~ investigators may seize evidence that substantiates a violation under this title, which shall include seizing alcoholic beverages sold to minors and fake identification documents used by minors.

(g) ABCA ~~ABRA~~ investigators may seize a liquor license from an establishment if:

(h) An ABCA ~~ABRA~~ investigator may request and check the identification of a person who has played, is playing, or is attempting to play a game of skill machine. An ABCA ~~ABRA~~ investigator may seize fake identification used by a person under 18 years of age and may seize such records related to a game of skill machine as the investigator considers appropriate to investigate the playing of a game of skill machine by a person under 18 years of age.

\* \* \*

**D.C. OFFICIAL CODE § 25–802. EXAMINATION OF PREMISES, BOOKS, AND RECORDS.**

(a) An applicant for a license, and each licensee, shall allow any member of the Board, any ABCA ABRA investigator, or any member of the Metropolitan Police Department full opportunity to examine, at any time during business hours:

(b) ABCA ABRA investigators shall examine the premises and books and records of each licensed establishment in the District at least once each year. The investigators shall make reasonable efforts to ensure that the licensee will know in advance the date of the inspection.

\* \* \*

**D.C. OFFICIAL CODE § 25–822. MANDATORY REVOCATION.**

(a)(4) The licensee has been convicted of assaulting an ABCA ABRA investigator or a member of the Metropolitan Police Department during the commission of an ABCA ABRA investigation.

\* \* \*

**D.C. OFFICIAL CODE § 25–823. PROMPT NOTICE OF INVESTIGATIVE REPORTS.**

(a)(5) The licensee interferes or fails to cooperate with an ABCA ABRA or Metropolitan Police Department investigation by:

(A) Refusing to allow an ABCA ABRA investigator, a designated agent of ABCA ABRA, or a member of the Metropolitan Police Department to enter or inspect without delay the licensed premises;

(a)(9) The licensee, directly or indirectly gives, offers, or promises anything of value to an ABCA ABRA investigator, or offers or promises any ABCA ABRA investigator to give anything of value to any other person or entity, with the intent to:

(A) Influence any official act or investigation;

(B) Influence an ABCA ABRA investigator to commit, or aid in committing, collude in, or allow any fraud on the Board; or

(C) Induce an ABCA ABRA investigator to do or omit to do any act in violation of the lawful duty of the ABCA ABRA investigator; or

\* \* \*

**D.C. OFFICIAL CODE § 25–825.01. CANCELLATION WHEN LICENSEE HAS BEEN EVICTED FROM THE LICENSED PREMISES.**

(b) The order shall be served on the licensee in person, by certified mail, or by e-mail at an e-mail address in ABCA's ABRA's records.

\* \* \*

**D.C. OFFICIAL CODE § 25–826. SUMMARY REVOCATION OR SUSPENSION.**

(a) If the Board determines, after investigation, that the operations of a licensee present an imminent danger to the health and safety of the public or that the licensee or its agent has assaulted an ABCA ABRA investigator or a member of the Metropolitan Police Department during the commission of an investigation, the Board may summarily revoke, suspend, fine, or restrict, without a hearing, the license to sell alcoholic beverages in the District.

\* \* \*

**D.C. OFFICIAL CODE § 25–830. CIVIL PENALTIES.**

(b)(2) A subsequent violation in the same tier, whether a violation of the same provision or different one, shall be treated as a repeat violation for the purposes of imposing an increased penalty; provided, that all secondary tier infractions cited by ABCA ABRA investigators or Metropolitan Police Department Officers, during a single investigation or inspection on a single day, shall be deemed to be one secondary tier violation for the purposes of determining repeat violations under this section.

(e)(2) A warning for a first-time violation of § 25-781 shall include a description of the violation. The Alcoholic Beverage and Cannabis Administration ~~Alcoholic Beverage Regulation Administration~~ shall make available a schedule of fines that could be imposed upon subsequent violation. Within one year of [March 25, 2009], the Board shall submit a report on the status of the warning requirement for § 25-781 violations, including a statement on repeat offenders and subsequent fines or sanctions imposed. The provisions of paragraph (1) of this subsection, and the provisions of § 25-781(f) shall expire one year from [March 25, 2009], unless the Board finds each of the following:

\* \* \*

**D.C. OFFICIAL CODE § 25–832. PROMPT NOTICE OF INVESTIGATIVE REPORTS.**

(a) ABCA ABRA shall provide a licensee with either an investigative report or a public police incident report that may result in a show cause hearing as set forth in § 25-447 within 90 days of the date upon which the incident occurred.

\* \* \*

**D.C. OFFICIAL CODE § 25–835. FORGED LICENSES.**

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

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

\* \* \*

**D.C. OFFICIAL CODE § 25–836. SECURITY PLANS AND SECURITY CAMERAS.**

(g)(3) Make the video footage available within 48 hours upon the request of an ABCA ~~ABRA~~ investigator or any member of the Metropolitan Police Department; and

\* \* \*

**D.C. OFFICIAL CODE § 25–1002. PURCHASE, POSSESSION OR CONSUMPTION BY PERSONS UNDER 21; MISREPRESENTATION OF AGE; PENALTIES.**

(e)(2) ABCA ~~ABRA~~ inspectors or officers of the Metropolitan Police Department may enforce the provisions of this subsection by issuing a notice of civil infraction for a violation of subsections (a) and (b) of this section in accordance with Chapter 18 of Title 2. A violation of this subsection shall be adjudicated under Chapter 18 of Title 2.

\* \* \*

**D.C. OFFICIAL CODE § 36–641.01. DEFINITIONS.**

For purposes of this subchapter, the term:

(1) "ABC Board" means the Alcoholic Beverage Control Board, established by § 25-201.

(2) "ABRA" means the Alcoholic Beverage Regulation Administration, established by § 25-202.

\* \* \*

**D.C. OFFICIAL CODE § 36–641.03. GAME OF SKILL MACHINE LICENSE REQUIREMENTS; PROHIBITION.**

(f)(1) A retailer shall display its license as required by § 36-641.10(e)) and shall make the license immediately available for inspection upon request by an employee of the Office, the Metropolitan Police Department, or ABCA ~~ABRA~~.

(2) When present at a licensed establishment, an employee of a distributor shall carry a copy of its license and make it readily available for inspection by an employee of the Office, the Metropolitan Police Department, or ABCA ~~ABRA~~.

\* \* \*

**D.C. OFFICIAL CODE § 36–641.04. LICENSE PROHIBITIONS; SUSPENSIONS AND REVOCATION OF LICENSES.**

(b) No employee of the Office or ABCA ~~ABRA~~ or member of the ABC Board, or immediate family member of an employee of the Office or ABCA ~~ABRA~~ or member of the ABC Board, may be an applicant for, have an interest in, or obtain a license issued pursuant to this subchapter.

\* \* \*

**D.C. OFFICIAL CODE § 36–641.08. RETAILER LICENSURE.**

(a) (2) Possesses a game of skill machine endorsement from ABCA ~~ABRA~~ in accordance with § 25-113.01©, and, after March 31, 2021, a retailer’s license from the Office; and

\* \* \*

**D.C. OFFICIAL CODE § 36–641.09. MINIMUM REQUIREMENTS OF GAME OF SKILL MACHINES.**

(b)(12) The game of skill machine shall be connected to a centralized accounting system in accordance with § 36-641.13 for the purposes set forth in § 36-641.13; except, that a game of skill machine that has been approved for operation or distribution in the District by ABCA ~~ABRA~~ or the Office before the date designated by the Office pursuant to § 36-641.13(a)(2)(B) shall be allowed until the date designated by the Office pursuant to § 36-641.13(a)(2)(B) to come into compliance with this paragraph.

\* \* \*

**D.C. OFFICIAL CODE § 36–641.10. REGISTRATION; DISPLAY OF REGISTRATION STICKER, LICENSE, AND WARNING SIGN; LOCATIONS OF GAME OF SKILL MACHINES.**

(d) A retailer shall locate its game of skill machines for play only in specific locations approved by ABCA ~~ABRA~~ within the retailer’s licensed establishment.

\* \* \*

**D.C. OFFICIAL CODE § 36–641.15. PENALTIES.**

(c) The Office shall notify ABCA ~~ABRA~~ within 48 hours after the Office suspends or revokes a retailer’s license.

\* \* \*

**D.C. OFFICIAL CODE § 36–641.16. AUTHORITY OF THE OFFICE.**

(d) The Office, ~~ABCA ABRA~~, or Metropolitan Police Department may request and check the identification of a person who has played, is playing, or is attempting to play a game of skill machine. The Office or Metropolitan Police Department may seize evidence that substantiates a violation under this subchapter, which may include seizing the tickets, vouchers, or cash awards issued to a person under the age of 18 and fake identification documents used by a person under the age of 18.

\* \* \*

**D.C. OFFICIAL CODE § 36–641.17. INVESTIGATIONS AND INSPECTIONS.**

(b) An applicant for a license and each licensee shall allow an authorized member of the Office, an ~~ABCA ABRA~~ investigator, or any member of the Metropolitan Police Department full opportunity to examine at any time during business hours:

\* \* \*

**D.C. OFFICIAL CODE § 47–2844. REGULATIONS; SUSPENSION OR REVOCATION OF LICENSES; BONDING OF LICENSEES AUTHORIZED TO COLLECT MONEYS; EXEMPTIONS.**

(1B) The Mayor may, after the Alcoholic Beverage and Cannabis Administration reviews, and approves or denies, licenses for unlicensed establishments pursuant to §§ 7–1671.06a and 7–1671.06b, in addition to the provisions of subsection (a-1) of this section and paragraph (1) of this subsection, and notwithstanding § 2-1801.04(a)(1), take the following actions against, or impose the following requirements upon, any licensee, or agent of a licensee, that knowingly engages or attempts to engage in the purchase, sale, exchange, or any other form of commercial transaction involving cannabis that is not purchased, sold, or exchanged in accordance with Chapter 16B of Title 7 or § 48-904.01;

(A) For the first violation of this paragraph, the Mayor:

(i) May issue a:

(I) Fine in the amount of up to \$10,000; and

(II) Notice to revoke all licenses issued to the licensee pursuant to this chapter, with notices issued pursuant to this sub-subparagraph provided to the Alcoholic Beverage and Cannabis Administration; and

(ii)(I) After a determination made in accordance with § 2-1801.06(a), shall seal the licensee’s premises, or a portion of the premises, for up to 96 hours without a prior hearing, with notice of the sealing given to the Alcoholic Beverage and Cannabis Administration, the Director of the Department of Licensing and Consumer Protection, and the Office of the Attorney General.

(II) Within 14 days after a licensee’s premises is sealed pursuant to sub-sub-subparagraph (I) of this sub-subparagraph, the Mayor shall require the licensee to submit a remediation plan to the Director of the Department of Licensing

and Consumer Protection that contains the licensee's plan to prevent any future recurrence of purchasing, selling, exchanging, or otherwise transacting any cannabis that is not purchased, sold, or exchanged in accordance with Chapter 16B of Title 7 or § 48-904.01, and acknowledgment that a subsequent occurrence of engaging in prohibited activities may result in the revocation of all licenses issued to the licensee pursuant to this chapter.

(III) If the licensee fails to submit a remediation plan in accordance with this sub-subparagraph, or if the Mayor, in consultation with the Director of the Department of Licensing and Consumer Protection, rejects the licensee's remediation plan, the Mayor shall notify the licensee of the defects in any rejected remediation plan and the Mayor's intent to revoke all licenses issued to the licensee pursuant to this chapter.

(IV) If the licensee cures the defects in a rejected remediation plan, the Mayor may suspend any action to revoke the license of the licensee issued pursuant to this chapter.

(B) For any subsequent violation of this paragraph, the Mayor:

(i) May issue a fine in the amount of up to \$20,000; and

(ii) After a determination made in accordance with § 2-1801.06(a), shall seal the licensee's premises, or a portion of the premises, for up to 30 days without a prior hearing.

(C) At the time of the sealing of the premises, or a portion of the premises, pursuant to subparagraph (A)(ii)(I) or (B)(ii) of this paragraph, the Director of the Department of Licensing and Consumer Protection shall post at the premises and serve on the licensee a written notice and order stating:

(i) The specific action or actions being taken;

(ii) The factual and legal bases for the action or actions;

(iii) The right, within 3 business days after service of notice of the sealing of the premises, to request a hearing with the Office of Administrative Hearings;

(iv) The right to a hearing before an administrative law judge, within 3 business days after a timely request being received by the Office of Administrative Hearings; and

(v) That it shall be unlawful for any person, with the exception of emergency services personnel, to enter the sealed premises for any purpose without written permission by the Director of the Department of Licensing and Consumer Protection.

(D)(i) If a licensee's premises, or a portion of the premises, is sealed pursuant to subparagraph (A)(ii)(I) or (B)(ii) of this paragraph, a licensee shall have the right to request a hearing with the Office of Administrative Hearings within 3 business days of service of notice of the sealing of the premises under subparagraph (C) of this paragraph. If a licensee timely requests a hearing, the Office of Administrative Hearings shall hold a hearing before an administrative law judge within 3 business days after receiving the request.

**(ii) The administrative law judge shall issue an opinion no later than 30 calendar days after the hearing.**

**(E) A licensee shall pay a fine issued pursuant to subparagraph (A)(i)(I) or (B)(i) of this paragraph within 20 calendar days after an opinion is issued by an administrative law judge with the Office of Administrative Hearings. If the licensee fails to pay the fine within the specified time period, the Mayor may seal the premises until the fine is paid.**

**(F) Revenue collected from fines issued pursuant to this paragraph shall be deposited as follows:**

**(i) The first \$100,000 shall be deposited into the Litigation Support Fund; and**

**(ii) Any revenue collected from fines after the first \$100,000 shall be deposited into the Medical Cannabis Social Equity Fund.**

**(G) For purposes of this paragraph, the term:**

**(i) "Business days" means days in which the Office of Administrative Hearings is open for business.**

**(ii) "Cannabis" shall have the same meaning as provided in § 48-901.02(3).**

\* \* \*

#### **D.C. OFFICIAL CODE § 47-1801.04. GENERAL DEFINITIONS.**

(39D) "Qualified opportunity zone business property" shall have the same meaning as set forth in section 1400Z-2.

**(39E) "Licensed medical cannabis business" shall mean a cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory licensed with ABCA pursuant to DC Code § 7-1671.06(b)(1).**

(40) "Related entity" means a person that under the attribution rules of section 318 of the Internal Revenue Code of 1986 is:

(A) A stockholder who is an individual, or a member of the stockholder's family as enumerated in section 318 of the Internal Revenue Code of 1986, if the stockholder and the members of the stockholder's family own, directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the value of the taxpayer's outstanding stock;

(B) A stockholder, or a stockholder's partnership, limited liability company, estate, trust, or corporation, if the stockholder and the stockholder's partnerships, limited liability companies, estates, trusts, and corporations own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the value of the taxpayer's outstanding stock;  
or

(C) A corporation, or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of section 318 of the Internal Revenue Code of 1986 ("party related to the corporation"), if the corporation or party related to the corporation owns,

directly, indirectly, beneficially, or constructively, at least 50% of the value of the corporation's outstanding stock.

\* \* \*

#### **D.C. OFFICIAL CODE § 47–1803.03. GROSS INCOME — DEDUCTIONS.**

(a) Deductions allowed. — The following deductions shall be allowed from gross income in computing net income of corporations, financial institutions, unincorporated businesses and partnerships:

(1) Expenses. — All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business (except as otherwise provided herein); traveling expenses while away from home in the pursuit of a trade or business; and rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity. Any business expenses allowed under this paragraph shall be subject to the same limitations as provided for in the Internal Revenue Code of 1986, **provided that a licensed medical cannabis business shall be allowed to, for the purposes of filing District income taxes, claim any tax deduction or credit that is prohibited for purposes of filing federal income taxes under § 280E of the Internal Revenue Code of 1986.**

(2) Interest. — All interest paid or accrued within the taxable year on indebtedness which is deductible under the provisions of § 163 of the Internal Revenue Code of 1986.

(3) Taxes. — All taxes paid or accrued during the taxable year which are deductible under the provisions of § 164 of the Internal Revenue Code of 1986; provided, however, that no deduction shall be allowed for:

- (A) Income taxes; or
- (B) Franchise taxes imposed by this chapter.

(4) Losses. —

(A) Losses sustained during the taxable year and not compensated for by insurance or otherwise:

- (i) If incurred in a trade or business; or
- (ii) If incurred in any transaction entered into for the production or collection of income subject to tax under this chapter, or for the management, conservation, or maintenance of property held for the production of income subject to tax under this chapter, though not connected with any trade or business; or
- (iii) Of property not connected with a trade or business, if the losses arise from fire, storm, shipwreck, or other casualty, or from theft.

(B) [Deleted].

**(C) A licensed retailer or internet retailer shall be allowed, for the purposes of District taxes to deduct lost gross income occurring as a result of reduced fee patient sales, pursuant to D.C. Official Code § 7-1671.05(15)(B), to the extent the lost amount exceeds twelve percent of the licensed retailer's or internet retailer's total sales to qualifying patients in a calendar year. A licensed retailer or internet retailer shall not be**

**permitted to claim more than a twenty percent loss on any reduced fee patient sales transactions that exceed twelve percent of the retailer's or internet retailer's total medical cannabis sales to qualifying patients.**

\* \* \*

**D.C. OFFICIAL CODE § 47-2002. IMPOSITION OF TAX.**

(a) A tax is imposed upon all vendors for the privilege of selling at retail certain tangible personal property and for the privilege of selling certain selected services (defined as "retail sale" and "sale at retail" in this chapter). The rate of such tax shall be 6.00% of the gross receipts from sales of or charges for such tangible personal property and services, except that:

(1) The rate of tax shall be 18% of the gross receipts from the sale of or charges for the service of parking or storing of motor vehicles or trailers, except the service of parking or storing of motor vehicles or trailers on a parking lot owned or operated by the Washington Metropolitan Area Transit Authority and located adjacent to a Washington Metropolitan Area Transit Authority passenger stop or station;

(2)(A) The rate of tax shall be 10.20% of the gross receipts from the sale of or charges for any room or rooms, lodgings, or accommodations furnished to a transient by any hotel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients;

(B) If the occupancy of a room or rooms, lodgings, or accommodations is reserved, booked, or otherwise arranged for by a room remarketer, the tax imposed by this paragraph shall be determined based on the net charges and additional charges received by the room remarketer.

(3) The rate of tax shall be 9% of the gross receipts from the sale of or charges for:

(A) Food or drink prepared for immediate consumption as defined in § 47-2001(g-1) or spirituous or malt liquors, beer, and wine sold by an alcoholic beverage licensee acting under authority of §§ 25-112(h)(1), 25-113(a)(3)(C), or 25-113.01(f) or (g);

(B) Spirituous or malt liquors, beers, and wine sold for consumption on the premises where sold.

(C) [Repealed].

(3A) The rate of tax shall be 10.25% of the gross receipts of the sales of or charges for spirituous or malt liquors, beers, and wine sold for consumption off the premises where sold, unless sold by an alcoholic beverage licensee acting under authority of §§ 25-112(h)(1), 25-113(a)(3)(C), or 25-113.01(f) or (g);

(4) [Repealed].

(4A) The rate of tax shall be 6.00% of the gross receipts from the sale of or charges for tangible personal property or services by legitimate theaters, or by entertainment venues with 10,000 or more seats, excluding any such theaters or entertainment venues from which such taxes are applied to pay debt service on tax-exempt bonds;

(4B) The rate of tax shall be 9.25% of the gross receipts from the sale of or charges for rental or leasing of rental vehicles and utility trailers as defined in § 50-1505.01;

(5) [Repealed].

(6) [Repealed].

(7)(A) The rate of tax shall be 6% of the gross receipts from the sale of or charges for medical cannabis, as defined in [Chapter 16B of Title 7] except for sales or charges occurring during "4/20 Medical Cannabis Sales Tax Holiday Week", which shall be the period of April 15 through April 24 each calendar year.

(B) The proceeds of the tax collected under subparagraph (A) of this paragraph shall be deposited in the Healthy DC and Health Care Expansion Fund established by [§ 31-3514.02], except that all revenue above the amount certified in the approved fiscal year 2024 budget and financial plan shall be deposited in [§ 7-1671.08b]. The rate of tax shall be 6% of the gross receipts from the sale of or charges for medical marijuana, as defined in [Chapter 16B of Title 7].

~~(B) The proceeds of the tax collected under subparagraph (A) of this paragraph shall be deposited in the Healthy DC and Health Care Expansion Fund established by [§ 31-3514.02]; except, that all revenue above the amount certified in the approved Fiscal Year 2023 budget for Fiscal Year 2023 shall be deposited in § 7-1671.08b.~~

7 A BILL  
8  
9  
10

---

11 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA  
12  
13  
14

---

15  
16 To amend the Attorney General for the District of Columbia Clarification and Elected Term  
17 Amendment Act of 2010 to deposit \$100,000 in revenue from fines issued to unlicensed  
18 establishments and commercial property owners allowing unlicensed establishments to  
19 operate; to amend Legalization of Marijuana for Medical Treatment Initiative of 1999 to  
20 allow qualifying patients to self-certify, to establish a process for unlicensed  
21 establishments to obtain a medical cannabis business license, to create new license  
22 categories and endorsements, and to promote social equity in the medical cannabis  
23 market in the District; to amend D.C. Official Code § 47–2844 to create a civil  
24 enforcement mechanism for businesses and commercial property owners distributing or  
25 selling cannabis without a license; to amend Title 25 of the District of Columbia Official  
26 Code to make conforming definitional changes; to amend The Law to Legalize Lotteries,  
27 Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of  
28 Columbia to make conforming definitional changes; and to amend Chapter 18 and  
29 Chapter 20 of Title 47 to make conforming definitional changes, amendments to the law  
30 regulating the medical cannabis sales tax, and adding a local tax deduction for licensed  
31 medical cannabis businesses.  
32

33 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this  
34 act may be cited as the “Medical Cannabis Amendment Act of 2022”.

35 Sec. 2. Section 106b(b) of the Attorney General for the District of Columbia Clarification  
36 and Elected Term Amendment Act of 2010, effective May 27, 2010 (D.C. Law 18-160; D.C.  
37 Official Code § 1-301.86b(b)), is amended as follows:

38 (a) Paragraph (2) is amended by striking the phrase “; and” and inserting a semicolon in  
39 its place.

40 (b) Paragraph (3) is amended by striking the period and inserting the phrase “; and” in its  
41 place.

42 (c) New paragraphs (4) and (5) are added to read as follows:

43 “(4) The first \$100,000 in fines imposed and collected pursuant to Section 6 of the  
44 Medical Cannabis Amendment Act of 2022; and

45 “(5) The first \$100,000 in fines imposed and collected pursuant to § 47-2844(a-  
46 2)(1B).

47 Sec. 3. The Legalization of Marijuana for Medical Treatment Initiative of 1999, effective  
48 February 25, 2010 (D.C. Law 13-315; D.C. Official Code § 7-1671.01 *et seq.*), is amended as  
49 follows:

50 (a) Section 2 (D.C. Official Code § 7-1671.01) is amended as follows:

51 (1) Paragraph (1) is amended to read as follows:

52 “(1) “ABC Board” means the Alcoholic Beverage and Cannabis Board  
53 established by D.C. Official Code § 25-201.”

54 (2) Paragraph (1A) is amended to read as follows:

55 “(1A) “ABCA” means the Alcoholic Beverage and Cannabis Administration  
56 established by D.C. Official Code § 25-202.”

57 (3) Paragraph (1C) is amended by striking the phrase “of medical marijuana” and  
58 inserting the phrase “of medical cannabis” in its place.

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

60 “(2A) “Cannabis” shall have the same meaning as provided in section 102(3) of  
61 the District of Columbia Uniform Controlled Substances Act of 1981, effective August 5, 1981  
62 (D.C. Law 4-29; D.C. Official Code § 48-901.02(3)).”

63 (5) Paragraph (3) is amended to read as follows:

64 “(3) “Caregiver” means a person at least 18 years of age who is designated by a  
65 qualifying patient as the person authorized, on the qualifying patient’s behalf, to possess, obtain  
66 from a licensed retailer, internet retailer or courier, dispense, administer, and assist in the  
67 administration of medical cannabis.”.

68 (6) Paragraph (4A) is added to read as follows:

69 “(4A) “Courier” means a platform or business that is licensed to conduct business  
70 in the District, has a contractual relationship with a holder of a medical cannabis retailer or  
71 internet retailer to provide delivery services or facilitate the sale of medical cannabis or medical  
72 cannabis products for deliveries in the District to qualifying patients or caregivers through the  
73 use of the internet, a mobile application, or a similar technology platform, and uses its own  
74 employees or independent contractors.”.

75 (7) Paragraph (5) is amended as follows:

76 (A) Strike the phrase “ABRA” and insert the phrase “ABCA” in its place.

77 (B) Strike the phrase “medical marijuana” both times it appears and insert  
78 the phrase “medical cannabis” in its place.

79 (8) Paragraph (7) is repealed.

80 (9) Paragraph (8) is amended by striking the phrase “medical marijuana” and  
81 inserting the phrase “medical cannabis” in its place.

82 (10) Paragraphs (9A), (9B), and (9C) are added to read as follows:

83 “(9A) “DSLBD” means the Department of Small and Local Business

84 Development.

85                   “(9B) “Economically disadvantaged individual” shall have the same meaning as  
86 provided in section 2302(7) of the Small and Certified Business Enterprise Development and  
87 Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-  
88 218.02(7)).

89                   “(9C) “Internet retailer” means a platform or business that is licensed to conduct  
90 business in the District, provides delivery services, and facilitates the sale of medical cannabis or  
91 medical cannabis products for deliveries to qualifying patients or caregivers through the use of  
92 the internet, a mobile application, or similar technology platform; and does not have a physical  
93 location that is open to the public.”.

94                   (11) Paragraph (10) is amended by striking the phrase “of marijuana” and  
95 inserting the phrase “of cannabis” in its place.

96                   (12) Paragraph (11) is repealed.

97                   (13) A new paragraph (11A) is added to read as follows:

98                   “(11A) “Manufacturer” means a facility operated by an organization or business  
99 licensed with ABCA pursuant to section 6 to:

100                               “(A) Process medical cannabis from cultivation centers into medical  
101 cannabis concentrates and medical cannabis-infused products;

102                               “(B) Package and label medical cannabis concentrates and medical  
103 cannabis-infused products for dispensing at licensed retailers and internet retailers; and

104                               “(C) Sell medical cannabis concentrates and medical cannabis-infused  
105 products at wholesale to licensed retailers and internet retailers.”.

106                   (14) Paragraph (12) is amended by striking the phrase ““Medical marijuana”  
107 means marijuana” and inserting the phrase ““Medical cannabis” means cannabis” in its place.

108 (15) Paragraph (12A) is redesignated as paragraph (12B).

109 (16) A new paragraph (12A) is added to read as follows:

110 “(12A) “Medical cannabis certified business enterprise” means a business  
111 enterprise that operates a cultivation center, retailer, internet retailer, courier, manufacturer, or  
112 testing laboratory that:

113 (A) Is certified by DSLBD as an equity impact enterprise, as that term is  
114 defined in section 2302(8A) of the Small and Certified Business Enterprise Development and  
115 Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-  
116 218.02(8A)), (“CBE Act”) and rules issued pursuant to the CBE Act;

117 “(B) Demonstrates to the satisfaction of DSLBD that more than 50% of  
118 the employees of the business enterprise are residents of the District; and

119 “(C) Submits a form to ABCA attesting under the penalty of perjury that  
120 the annual personal net income of each owner of the enterprise applying for a cultivation center,  
121 retailer, internet retailer, cultivator, courier, manufacturer, or testing laboratory license does not  
122 exceed \$349,999.”.

123 (17) The newly redesignated paragraph (12B) is amended to read as follows:

124 “(12B) “Medical cannabis product” means a product derived from or composed of  
125 medical cannabis, in part or in whole.”.

126 (18) A new paragraph (13B) is added to read as follows:

127 “(13B) “Non-resident cardholder” means a non-District resident who:

128 “(A) Is not enrolled in another jurisdiction’s medical cannabis program;

129 and

130                           “(B) Has submitted documentation required by ABCA for a temporary 30-  
131 day registration identification card and received confirmation from ABCA of their registration.”.

132                           (19) Paragraph (14) is amended as follows:

133                           (A) Subparagraph (A) is amended by striking the phrase “medical  
134 marijuana into” and inserting the phrase “medical cannabis into” in its place.

135                           (B) Subparagraph (B) is amended by striking the phrase “medical  
136 marijuana.” and inserting the phrase “medical cannabis.” in its place.

137                           (20) A new paragraph (14A) is added to read as follows:

138                           “(14A) “Pesticide” includes:

139                           “(A) Any substance or mixture of substances intended to prevent, destroy,  
140 control, repel, or mitigate any insect, rodent, snail, slug, fungus, weed, and any other form of  
141 plant or animal life or virus, except a virus on or in a living person or other animal which is  
142 normally considered to be a pest;

143                           “(B) Any substance or mixture of substances intended to be used as a plant  
144 regulator, defoliant, or desiccant; and

145                           “(C) Any spray adjuvant.”.

146                           (21) Paragraph (16) is amended by striking the phrase “medical marijuana  
147 program” and inserting the phrase “medical cannabis program” in its place.

148                           (22) Paragraph (17) is amended to read as follows:

149                           “(17) “Qualifying medical or dental condition” means any condition for which  
150 treatment with medical cannabis would be beneficial, as determined by an authorized  
151 practitioner.”.

152 (23) Paragraph (18)(D) is amended by striking the phrase “of medical marijuana”  
153 and inserting the phrase “of medical cannabis” in its place.

154 (24) Paragraph (19) is amended as follows:

155 (A) Strike phrase “ABRA” and insert the phrase “ABCA” in its place.

156 (B) Strike the phrase “medical marijuana” wherever it is found and insert  
157 the phrase “medical cannabis.”

158 (25) Paragraph (19A) is amended by striking the phrase “of medical marijuana”  
159 and inserting the phrase “of medical cannabis” in its place.

160 (26) New paragraphs (20A), (20B), (20C), and (20D) are added to read as  
161 follows:

162 “(20A) “Retailer” means a facility operated by an organization or business  
163 licensed with ABCA pursuant to section 6 from or at which medical cannabis is possessed and  
164 dispensed, and paraphernalia is possessed and distributed to a qualifying patient or a caregiver.”.

165 “(20B) “Returning citizen” means a District resident who was arrested, convicted,  
166 or incarcerated for a cannabis or drug-related offense.

167 “(20C) “Social equity applicant” means an applicant for licensure with ABCA  
168 pursuant to section 6 who satisfies two or more of the following criteria:

169 “(A) At least one owner who is a District resident, individually or  
170 collectively owns at least 50% of the business, and is a returning citizen;

171 “(B) At least one owner who is a District resident, individually or  
172 collectively owns at least 50% of the business, and is married to or in a civil union, has a child,  
173 or is the child of a person or has a non-parent legal guardian who is or has been incarcerated in  
174 the District or in any other jurisdiction for a cannabis or drug-related offense; or

175                               “(C) At least one owner who is a District resident, individually or  
176 collectively owns at least 50% of the business and has an income that does not exceed 150% of  
177 the median family income as set forth by the United States Department of Housing and Urban  
178 Development, adjusted for household size, at the time he or she submits the application.

179                               “(20D) “Straw ownership” means nominal ownership without the attendant  
180 benefits and risks of genuine ownership, where a person, often for a fee, allows themselves to be  
181 named on documents or purports in writing to be an owner, in whole or in part, for the purpose  
182 of satisfying a government regulatory requirement.”.

183                               (27) Paragraph (21) is amended to read as follows:

184                               “(21) “Testing laboratory” means an entity that is not owned or operated by a  
185 director, officer, member, incorporator, agent, or employee of a cultivation center, manufacturer,  
186 retailer, internet retailer, courier, or other license category established by rulemaking and is  
187 licensed by ABCA to test medical cannabis and medical cannabis products that are to be sold  
188 pursuant to this act.”.

189                               (28) A new paragraph (22) is added to read as follows:

190                               “(22) “Unlicensed establishment” means a sole proprietorship, partnership, or  
191 other business entity that:

192                                       “(A) Sells, exchanges as part of a commercial transaction, or delivers  
193 cannabis and cannabis products;

194                                       “(B) Operates at or delivers from a specific location in the District; and

195                                       “(C) Is not licensed by ABCA as a cultivation center, retailer, internet  
196 retailer, manufacturer, courier or testing laboratory.”.

197                               (b) Section 3 (D.C. Official Code § 7-1671.02) is amended as follows:

198 (1) The section heading is amended by striking the phrase “of medical marijuana”  
199 and inserting the phrase “of medical cannabis” in its place.

200 (2) Subsection (a) is amended to read as follows:

201 “(a) Notwithstanding any other District law, a qualifying patient may purchase, possess,  
202 use, and administer medical cannabis, and purchase, possess, and use paraphernalia, in  
203 accordance with this act and the rules issued pursuant to section 14.”.

204 (3) Subsection (b) is amended to read as follows:

205 “(b) Notwithstanding any other District law, a caregiver may obtain, possess, dispense,  
206 administer, and assist in the administration of medical cannabis to a qualifying patient, and  
207 obtain, possess, and use paraphernalia, for the sole purpose of assisting in the administration of  
208 medical cannabis to a qualifying patient in accordance with this act and the rules issued pursuant  
209 to section 14.”.

210 (4) A new subsection (b-1) is added to read as follows:

211 “(b-1) When registering pursuant to section 6, a caregiver shall not be required to submit  
212 a criminal background check to ABCA.”.

213 (5) Subsection (c) is amended to read as follows:

214 “(c) A qualifying patient may only purchase, possess, and administer medical cannabis,  
215 and purchase, possess, and use paraphernalia, only for the treatment of a qualifying medical or  
216 dental condition or the side effects of a qualifying medical treatment, and only after having:

217 “(1)(A) Obtained a signed, written recommendation from an authorized  
218 practitioner within the last 2 years in accordance with section 5, except for individuals 21 years  
219 of age and older who shall be permitted to self-certify on a form provided by ABCA that they are  
220 utilizing cannabis for medical purposes as part of the registration process; and

221 “(B) Registered with ABCA pursuant to section 6; or

222 “(2) Enrolled in another jurisdiction’s medical cannabis program.”.

223 (6) New subsections (c-1) and (c-2) are added to read as follows:

224 “(c-1) Where a qualifying patient's or caregiver's registration identification card has  
225 expired or will expire at any time between March 1, 2020, and March 31, 2023, and the  
226 qualifying patient or caregiver has not submitted an application for a new registration  
227 identification card, the qualifying patient or caregiver may continue to obtain, purchase, possess,  
228 dispense, use, administer, and assist in the administration of, respectively, medical cannabis in  
229 accordance with this act and the rules issued pursuant to section 14 until March 31, 2023. On or  
230 after April 1, 2023, the qualifying patient or caregiver shall possess a valid registration  
231 identification card to continue to obtain, purchase, possess, dispense, use, administer, and assist  
232 in the administration of, respectively, medical cannabis.

233 “(c-2) Notwithstanding the requirements of subsection (c) of this section, the ABC Board  
234 may, by rule, establish alternative or additional processes and procedures for patients to:

235 (1) Register in the medical cannabis program; or

236 (2) Obtain temporary or permanent approval to purchase medical cannabis from a  
237 retailer or internet retailer within one business day.”.

238 (7) Subsection (d) is amended to read as follows:

239 “(d) A qualifying patient or caregiver shall only obtain, purchase, possess, dispense, use,  
240 administer, or assist in the administration of medical cannabis, or obtain, purchase, possess, or  
241 use paraphernalia obtained from a retailer or internet retailer licensed with ABCA pursuant to  
242 section 6.”.

243 (8) Subsection (e) is amended to read as follows:

244 “(e)(1) A qualifying patient who is a minor may purchase, possess, use, and administer  
245 medical cannabis, and purchase, possess, and use paraphernalia, only after having received a  
246 recommendation from an authorized practitioner and registered with ABCA.

247 “(2) A signed, written statement from the minor qualifying patient’s parent or  
248 legal guardian shall be submitted when registering with ABCA, which affirms that the parent or  
249 legal guardian:

250 “(A) Understands the qualifying medical or dental condition or qualifying  
251 medical or dental treatment of the minor;

252 “(B) Understands the potential benefits and adverse effects of the use of  
253 medical cannabis, generally, and specifically, in the case of the minor;

254 “(C) Consents to the use of medical cannabis for the minor’s qualifying  
255 medical or dental condition or qualifying medical or dental treatment; and

256 “(D) Consents to, or designates another adult to, serve as the caregiver for  
257 the qualifying patient, and the caregiver controls the acquisition, possession, dosage, and  
258 frequency of use of medical cannabis by the qualifying patient.”.

259 (c) Section 4 (D.C. Official Code § 7-1671.03) is amended as follows:

260 (1) The section heading is amended by striking the phrase “of medical marijuana”  
261 and inserting the phrase “of medical cannabis” in its place.

262 (2) Subsection (a) is amended to read as follows:

263 “(a) The maximum amount of medical cannabis that any qualifying patient or caregiver  
264 may possess at any moment is 8 ounces of dried medical cannabis, provided that the Mayor shall  
265 promulgate limits on medical cannabis of forms other than dried medical cannabis through  
266 rulemaking.”.

267 (3) Subsection (b) is amended to read as follows:

268 “(b) Medical cannabis shall only be administered by or to a qualifying patient at:

269 “(1) A qualifying patient’s residence, if permitted;

270 “(2) The residence of an individual who has given permission to the qualifying  
271 patient to administer medical cannabis at the individual’s residence, if permitted;

272 “(3) A medical treatment facility, when receiving medical care for a qualifying  
273 medical or dental condition or a qualifying medical or dental treatment, if permitted by the  
274 medical treatment facility;

275 “(4) A safe use treatment facility licensed by ABCA pursuant to section 7a; or

276 “(5) A school in which the qualifying patient is enrolled, if the school has a policy  
277 in place for allowing the administration of medication at school, provided that the medical  
278 cannabis shall be in non-smokable form.”.

279 (4) Subsection (c) is amended by striking the phrase “medical marijuana in” and  
280 inserting the phrase “medical cannabis in” in its place.

281 (5) Subsection (d) is amended as follows:

282 (A) Paragraph (1) is amended by striking the phrase “of medical  
283 marijuana” and inserting the phrase “of medical cannabis” in its place.

284 (B) Paragraph (2) is amended by striking the phrase “of medical  
285 marijuana” and inserting the phrase “of medical cannabis” in its place.

286 (6) Subsection (e) is amended by striking the phrase “of medical marijuana” and  
287 inserting the phrase “of medical cannabis” in its place.

288 (7) Subsection (f) is amended by striking the phrase “dispensary, cultivation  
289 center, or testing laboratory” and inserting the phrase “cultivation center, manufacturer, retailer,  
290 internet retailer, courier, or testing laboratory” in its place.

291 (8) Subsection (g) is amended to read as follows:

292 “(g) A qualifying patient, caregiver, or an employee of a cultivation center, manufacturer,  
293 retailer, internet retailer, testing laboratory, or other license category established by rulemaking  
294 who is stopped by the police upon reasonable suspicion or probable cause that the stopped  
295 individual is in possession of cannabis may not be further detained or arrested on this basis alone  
296 if the police determine that the individual is in compliance with this act and the rules issued  
297 pursuant to section 14.”.

298 (d) Section 5 (D.C. Official Code § 7-1671.04) is amended to read as follows:

299 “Sec. 5. Recommending authorized practitioner; protections.

300 “(a) A qualifying patient may receive a recommendation from an authorized practitioner  
301 to use medical cannabis for a qualifying medical or dental condition or a qualifying medical or  
302 dental treatment.

303 “(b) An authorized practitioner may recommend the use of medical cannabis to a  
304 qualifying patient, on a form provided by ABCA, if the authorized practitioner makes the  
305 recommendation based on an assessment of the qualifying patient’s current medical or dental  
306 condition.

307 “(c) An authorized practitioner shall not be subject to any penalty, including arrest,  
308 prosecution, or disciplinary proceeding, or denial of any right or privilege, for advising a  
309 qualifying patient about the use of medical cannabis or recommending the use of medical  
310 cannabis to a qualifying patient pursuant to this act and any rules issued pursuant to section 14.

311 “(d) An authorized practitioner recommending the use of medical cannabis to a  
312 qualifying patient shall not have a professional office located at a retailer, internet retailer,  
313 cultivation center, manufacturer, or testing laboratory or receive financial compensation from a  
314 cultivation center, manufacturer, or testing laboratory, or a director, officer, member,  
315 incorporator, agent, or employee of a retailer, internet retailer, cultivation center, courier,  
316 manufacturer, or testing laboratory.”.

317 (e) Section 6 (D.C. Official Code § 7-1671.05) is amended to read as follows:

318 “Sec. 6. Medical cannabis program.

319 “(a) There is established a medical cannabis program, which shall regulate the  
320 cultivation, manufacture, distribution, dispensing, purchase, delivery, sale, possession,  
321 administration, and testing of medical cannabis and the manufacture, distribution, purchase, sale,  
322 possession, and use of paraphernalia.

323 “(b) The Program shall:

324 “(1) Require the registration with ABCA of all:

325 “(A) Qualifying patients, except qualifying patients enrolled in another  
326 jurisdiction's medical cannabis program pursuant to section 3(c)(2), and the caregivers of  
327 qualifying patients; and

328 “(B) Non-resident cardholders;

329 “(2) Require the licensing with ABCA of all cultivation centers, manufacturers,  
330 retailers, internet retailers, couriers, and testing laboratories, including all directors, officers,  
331 members, incorporators, agents, and employees of those facilities;

332 “(3)(A) Create a self-certification form that may be used by qualifying patients  
333 ages 21 and older as part of the registration process;

334 (B) The form required pursuant to subparagraph (A) of this paragraph  
335 shall contain the following statement:

336 “I, by attestation with my signature, under the penalty of perjury, affirm  
337 that I will only use cannabis purchased from a DC dispensary for the treatment of a qualifying  
338 medical or dental condition or for the side effects of a qualifying or medical treatment. I  
339 understand my rights and obligations as set forth by the Medical Cannabis Program and agree to  
340 these requirements.”;

341 “(4) As part of the registration process, permit a non-resident qualifying patient  
342 visiting the District of Columbia to apply to ABCA to receive a temporary non-resident  
343 registration identification card. A temporary non-resident registration identification card issued  
344 to a non-resident cardholder shall be valid for 30 days. After the expiration of the temporary non-  
345 resident registration identification card, a non-resident qualifying patient may apply to ABCA to  
346 be issued another 30-day temporary non-resident identification card.

347 “(5) Issue nontransferable registration identification cards to persons and entities  
348 registered pursuant to paragraph (1) of this subsection:

349 “(A) That, with respect to registration identification cards issued to  
350 persons and entities registered pursuant to paragraph (1)(A) and (C) of this subsection, expire  
351 every 2 years:

352 “(B) Which may be presented to and used by law enforcement to confirm  
353 whether a person or entity is authorized to cultivate, manufacture, distribute, dispense, deliver,  
354 sell, possess, test, or administer medical cannabis or medical cannabis products, or manufacture,  
355 possess, deliver, purchase, sell, distribute, or use paraphernalia; and

356                           “(C) That the ABC Board may, by rule, establish license and registration  
357 periods and fees under the section that are valid for one year, two years, or three years.

358                           “(6) Require all cultivation centers, manufacturers, retailers, internet retailers,  
359 couriers, and testing laboratories to:

360                           “(A) Maintain true, complete, and real-time electronic records of the  
361 following:

362   “(i) The name, address, home telephone number, and date of birth  
363 of each employee;

364   “(ii) Each transaction conducted by the facility, including:

365   “(I) The quantity of medical cannabis tested, processed,  
366 distributed, delivered, or dispensed;

367   “(II) The consideration given for the medical cannabis, if  
368 any; and

369   “(III) The recipient of the medical cannabis;

370   “(iii) The quantity of medical cannabis or medical cannabis  
371 products at the cultivation center, manufacturer, retailer, internet retailer, or testing laboratory;

372   “(iv) The disposal method used for any medical cannabis that was  
373 cultivated, processed, or acquired but did not meet the requirements for sale established by the  
374 ABC Board through rulemaking pursuant to section 14 or that was not sold for any reason,  
375 including evidence of the disposal of the medical cannabis; and

376   “(v) Any other information required by ABCA; and

377                           “(B) Notify ABCA and the Chief of the Metropolitan Police Department  
378 in writing and within 24 hours of the loss, theft, or destruction of any medical cannabis;

379                   “(7) Require all retailers and internet retailers to maintain true, complete, and real-  
380 time electronic records of the name and address of the qualifying patient or caregiver authorized  
381 to obtain for the distribution or dispensing of medical cannabis;

382                   “(8) Upon the licensing of at least one testing laboratory pursuant to paragraph (2)  
383 of this subsection and rules issued by the ABC Board, require that cultivation centers segregate  
384 all harvested medical cannabis into batches before manufacturing any medical cannabis products,  
385 or packaging dried medical cannabis for sale to a manufacturer, retailer, or internet retailer, and  
386 hold the harvested medical cannabis from sale until:

387                                 “(A) The medical cannabis has been tested by a testing laboratory;

388                                 “(B) The cultivation center has received the information required pursuant  
389 to paragraph (7) of this subsection; and

390                                 “(C) The cultivation center has determined that the medical cannabis  
391 meets the requirements for sale established by the ABC Board through rulemaking;

392                   “(9) Require testing laboratories to provide cultivation centers with the following  
393 information after testing harvested medical cannabis samples:

394                                 “(A) The concentration of tetrahydrocannabinol and cannabidiol in the  
395 testing material;

396                                 “(B) Whether the tested material is organic or inorganic;

397                                 “(C) The presence and concentration of fertilizers or other nutrients;

398                                 “(D) The presence of mold, mildew, or pests;

399                                 “(E) Whether the medical cannabis samples contain mycotoxin, pesticides,  
400 or heavy metals above a threshold determined by the ABC Board through rulemaking; and

401                   “(F) Any other information that the ABC Board may require through  
402 rulemaking;

403                   “(10) Upon licensing of at least one testing laboratory pursuant to paragraph (2)  
404 of this section and rules issued by the ABC Board, require that manufacturers segregate all  
405 processed medical cannabis products into batches, and hold the processed medical cannabis  
406 products from sale until:

407                   “(A) The medical cannabis products have been tested by a testing  
408 laboratory;

409                   “(B) The manufacturer has received the information required pursuant to  
410 paragraph (9) of this subsection; and

411                   “(C) The manufacturer has determined that the medical cannabis products  
412 meet the requirements for sale established by the ABC Board through rulemaking;

413                   “(11) Require testing laboratories to provide manufacturers with the following  
414 information after testing medical cannabis product samples:

415                   “(A) The concentration of tetrahydrocannabinol and cannabidiol in the  
416 testing material;

417                   “(B) Whether the tested material is organic or inorganic;

418                   “(C) The presence and concentration of fertilizers or other nutrients;

419                   “(D) Whether the medical cannabis product samples contain mycotoxin or  
420 residual solvents above a threshold determined by the ABC Board through rulemaking; and

421                   “(E) Any other information that the ABC Board may require through  
422 rulemaking;

423                   “(12) Develop educational materials about:

424                   “(A) The potential adverse drug interactions that could occur from using  
425 medical cannabis concurrently with other medical treatments;

426                   “(B) Harm reduction strategies for qualifying patients who use medical  
427 cannabis; and

428                   “(C) The importance of informing health care providers and pharmacists  
429 of the use of medical cannabis to help avoid adverse drug interactions;

430                   “(13) Revoke or suspend the registration or license of any person or entity if the  
431 ABC Board determines that the person or entity has violated a provision of this act or the rules  
432 issued pursuant to section 14;

433                   “(14) Conduct announced and unannounced inspections of cultivation centers,  
434 manufacturers, retailers, internet retailers, couriers, and testing laboratories;

435                   “(15) Establish sliding-scale registration and annual renewal fees for all persons  
436 and entities required to register or obtain a license pursuant to this act, provided that the licensing  
437 and annual renewal fees for cultivation centers, manufacturers, retailers, internet retailers,  
438 couriers, and testing laboratories and for the directors, officers, members, incorporators, agents,  
439 and employees of cultivation centers, manufacturers, retailers, internet retailers, couriers, and  
440 testing laboratories shall be sufficient to offset the cost of administering this act;

441                   “(16) Establish a system to provide for the safe and affordable dispensing of  
442 medical cannabis to qualifying patients who are unable to afford a sufficient supply of medical  
443 cannabis based upon the qualifying patient’s income and existing financial resources that:

444                   “(A) Allows qualifying patients to apply to the ABC Board to be eligible  
445 to purchase medical cannabis on a sliding scale from retailers and internet retailers; and

446                           “(B) Requires each retailer and internet retailer to provide medical  
447 cannabis on the sliding scale, as determined by ABC Board, to qualifying patients determined  
448 eligible pursuant to subparagraph (A) of this paragraph;

449                           “(17) Establish standards by which applicants for cultivation center,  
450 manufacturer, retailer, internet retailer, courier, or testing laboratory license will be evaluated to  
451 determine which applicants will be accepted for licensing or license renewal, which may include  
452 the following factors:

453                           “(A) Knowledge of District and federal law relating to cannabis and rules  
454 issued pursuant to section 14;

455                           “(B) A security plan that has been assessed by the Metropolitan Police  
456 Department;

457                           “(C) A cultivation plan;

458                           “(18)(A) Provide electronic notice to the Councilmember and all Advisory  
459 Neighborhood Commissions in the affected ward at least 45 calendar days prior to the approval  
460 of a location for a cultivation center, manufacturer, retailer, or internet retailer,; and

461                           “(B) Accord great weight to input provided by the Advisory  
462 Neighborhood Commission regarding the proposed location of a cultivation center,  
463 manufacturer, retailer, or internet retailer when approving or rejecting an application for a  
464 license;

465                           “(C) Establish procedures by which Advisory Neighborhood Commissions  
466 can protest new and renewal applications for a cultivation center, manufacturer, retailer, or  
467 internet retailer when approving or rejecting an application for a license; and

468                   “(D) Establish procedures for Advisory Neighborhood Commissions to  
469 enter into a settlement agreement for a cultivation center, manufacturer, retailer, or internet  
470 retailer.

471                   “(19) Require caregivers and qualifying patients to notify ABCA within 48 hours  
472 and in writing of the loss, theft, or destruction of a registration identification card; and

473                   “(20) Submit to the Council an annual report that includes:

474                   “(A) The number of qualifying patients participating in the medical  
475 cannabis program;

476                   “(B) The number of qualifying patients and caregivers registered;

477                   “(C) The number of registration identification cards suspended and  
478 revoked;

479                   “(D) The number of authorized practitioners providing written  
480 recommendations for qualifying patients;

481                   “(E) The number and location of cultivation centers, manufacturers,  
482 retailers, internet retailers, and testing laboratories;

483                   “(F) The amount of cannabis harvested by cultivation centers;

484                   “(G) The dollar amount of medical cannabis or medical cannabis products  
485 sold by cultivation centers, manufacturers, retailers, and internet retailers; and

486                   “(H) The number and types of violations of this act and any applicable  
487 rules, taken against licensed cultivation centers, manufacturers, retailers, internet retailers,  
488 couriers, and testing laboratories.”.’

489                   (f) A new section 6a (D.C. Official Code § 7–1671.05a) is added to read as follows:

490                   “Section 6a. Courier license.

491           “(a) A courier license shall be required for a third party to deliver medical cannabis,  
492 medical cannabis concentrates, medical cannabis-infused products, or medical cannabis  
493 paraphernalia on behalf of a licensed medical cannabis retailer or internet retailer to a qualifying  
494 patient or caregiver.

495           “(b) A medical cannabis retailer or internet retailer licensed under this title may utilize  
496 the services of a courier license holder by means of the telephone, Internet, mobile application,  
497 or other electronic means to facilitate the transport of medical cannabis, medical cannabis  
498 concentrates, medical cannabis-infused products or medical cannabis paraphernalia.

499           “(c) The holder of a courier license shall be permitted to deliver medical cannabis directly  
500 to a qualifying patient or the qualifying patient's caregiver, on behalf of a retailer or internet  
501 retailer, at residential and commercial building addresses located in the District that are not on  
502 District government or Federal property or public or private school grounds, except to  
503 individuals at colleges and universities that are 21 years of age and older. For purposes of this  
504 section, a public or private park shall not be considered to be either a residential or commercial  
505 building address.

506           “(d) A holder of a courier license shall:

507                   “(1) Deliver only to the qualifying patient or the qualifying patient’s caregiver at a  
508 District of Columbia address provided by the patient or caregiver and shall not “drop off” the  
509 product without verifying the identity and age of the recipient;

510                   “(2) Travel only through the District of Columbia and not any surrounding  
511 jurisdiction to make deliveries;

512                   “(3) Abide by rules and standards as may be established by the ABC Board  
513 through rulemaking concerning the frequency of deliveries to a single patient or caregiver in a  
514 day, week, or month;

515                   “(4) Abide by the rules posted by any landlord or property owner with respect to  
516 prohibitions on cannabis deliveries on its property;

517                   “(5) Abide by the rules and standards as may be established by the ABC Board  
518 concerning making overnight storage of any product if necessary;

519                   “(6) Use its employees or independent contractor to deliver medical cannabis or  
520 medical cannabis products; and

521                   “(7) Not be permitted to offer curbside pick-up at a retailer, internet retailer, or its  
522 ABC Board-approved location to qualifying patients and caregivers.

523                   “(e)(1) At the time of the order, a holder of a courier license shall require the qualifying  
524 patient or the qualifying patient’s caregiver to provide information necessary to verify that the  
525 qualifying patient or the patient’s caregiver is qualified to purchase and receive a delivery of  
526 medical cannabis or medical cannabis products in accordance with this chapter and regulations  
527 issued in accordance with section 14.

528                   “(2) Prior to transferring possession of the order to a qualifying patient or to a  
529 qualifying patient’s caregiver, the holder of a courier license shall inspect the person’s  
530 government-issued identification card and valid ABCA registration issued pursuant to this  
531 chapter to verify the possession of a valid registration and that the information provided at the  
532 time the order was placed matches the information listed on the government issued identification  
533 card and ABCA registration.

534                   “(3) Failure of the courier license holder to check information in accordance with  
535 paragraphs (1) and (2) of this subsection may result in the ABC Board issuing a fine against the  
536 courier or suspending or revoking its license in accordance with this chapter or regulations issued  
537 in accordance with section 14.

538                   “(f) A holder of a courier license shall maintain, in each vehicle used for deliveries of  
539 medical cannabis or medical cannabis products, a secure, locked storage compartment for  
540 purposes of transporting and securing cash used as payment and the medical cannabis or medical  
541 cannabis products. The licensee shall not store cash and medical cannabis or medical cannabis  
542 products in the same storage compartments.

543                   “(g)(1) A holder of a courier license shall abide by rules concerning the operation and  
544 number of vehicles allowed, as set forth in regulations issued by the ABC Board pursuant to  
545 section 14.

546                   “(2) A courier vehicle shall contain a Global Positioning System (GPS) device for  
547 identifying the geographic location of the courier vehicle. The device shall be either permanently  
548 or temporarily affixed to the courier vehicle while the courier vehicle is in operation, and the  
549 device shall remain active and in the possession of the delivery employee at all times during the  
550 delivery.

551                   “(3) A courier vehicle shall not bear any markings, images, words, or phrases that  
552 would indicate the vehicle is used to deliver medical cannabis, including the name of the courier  
553 or cannabis-related related images.

554                   “(h) Applicants for the courier license shall complete an application proscribed by the  
555 ABC Board by regulations issued pursuant to section 14.

556           “(i) The minimum initial application fee for a courier license shall be \$1,000. The license  
557 shall be valid for 3 years with a minimum annual license fee of \$2,000.

558           “(j) Notwithstanding the requirements of this section, the ABC Board may, by rule,  
559 modify the delivery requirements that the holder of a courier license is required to follow.”.

560           (g) Section 7 (D.C. Official Code § 7-1671.06) is amended to read as follows:

561           “Sec. 7. Cultivation centers, manufacturers, retailers, internet retailers, and testing  
562 laboratories.

563           “(a) Notwithstanding any other District law, and in accordance with this act and any rules  
564 issued pursuant to section 14, a:

565                   “(1) Cultivation center may cultivate and possess medical cannabis for the  
566 purpose of distribution to a manufacturer, retailer, or internet retailer, and may manufacture,  
567 possess, purchase, and use medical cannabis products and paraphernalia;

568                   “(2) Manufacturer may possess medical cannabis for the purposes of  
569 manufacturing medical cannabis products and distribution to a retailer or internet retailer, and  
570 may manufacture, possess, purchase, and use paraphernalia;

571                   “(3) Retailer may possess medical cannabis and medical cannabis products for the  
572 purpose of dispensing to a qualifying patient or caregiver, and may manufacture, possess,  
573 distribute, purchase, and use paraphernalia;

574                   “(4) Internet retailer shall not have a physical location that is open to the public  
575 and shall be permitted to dispense and distribute medical cannabis, medical cannabis products,  
576 and paraphernalia through delivery to any qualifying patient or the qualifying patient’s caregiver  
577 in the District of Columbia in accordance with this chapter and rules issued pursuant to section

578 14. The holder of an internet retailer license shall not be permitted to offer curbside pickup at its  
579 ABC Board-approved location.

580           “(5) Testing laboratory may possess medical cannabis for the purpose of testing  
581 its contents; and

582           “(6) Qualifying patient, caregiver, or non-resident cardholder may only obtain  
583 medical cannabis and paraphernalia from a licensed retailer or internet retailer.

584           “(b) Each cultivation center, manufacturer, retailer, internet retailer, courier, and testing  
585 laboratory shall be licensed with ABCA prior to cultivating, manufacturing, distributing,  
586 dispensing, delivering, selling, possessing, or testing medical cannabis or medical cannabis  
587 products, or manufacturing, possessing, purchasing, selling, or distributing paraphernalia.

588           “(c) A cultivation center licensed with ABCA as of the effective date of the Medical  
589 Cannabis Amendment Act of 2022 shall automatically receive a manufacturer’s license, provided  
590 that the annual fee is paid.

591           “(d)(1) Before issuing, transferring to a new owner, or renewing a license, the ABC  
592 Board shall determine that the applicant is not disqualified because of a conflicting interest in  
593 another medical cannabis license, as follows:

594                   “(A) No licensee holding a testing laboratory license shall hold either a  
595 cultivation center, manufacturer, retailer, internet retailer, or courier license.

596                   “(B) No licensee holding a retailer, internet retailer, cultivation center,  
597 courier, or manufacturer license shall hold a testing laboratory or courier license.

598                   “(C) No licensee shall hold more than two cultivation center licenses.

599                   “(D) The combined number of retailer and internet retailer licenses held  
600 by a licensee shall not exceed three.

601                           “(E) There shall be no limit on the number of manufacturer licenses that a  
602 licensee may hold.

603                           “(F) No licensee holding a cultivation center license shall hold more than  
604 one retailer or internet retailer license.

605                           “(2) The ABC Board may modify, by rule, the number of licenses that a licensee  
606 may hold for one or more of the license categories listed in paragraph (1) of this subsection.

607                           “(e) The ABC Board may approve the holder of a cultivation center or manufacturers  
608 license that also owns, or has a valid lease for, real property adjacent to its existing cultivation  
609 center or manufacturing facility, to physically expand the licensed cultivation center or  
610 manufacturing facility into that adjacent real property for the purpose of increasing production of  
611 medical cannabis or medical cannabis products.

612                           “(f) An applicant seeking to qualify as a:

613                           “(1) Social equity applicant shall submit an affidavit with the application of a  
614 cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory license  
615 attesting to:

616                           “(A) The number of owners who meet the criteria for a social equity  
617 applicant pursuant to § 7-1671.01(20C);

618                           “(B) The ownership interests, incomes, and net worth of any owners;

619                           “(C) The location of all managerial employees in the principal office;

620                           “(D) The residency of owners, employees, and contractors; and

621                           “(E) The locations of the assets and the percentages of the assets in each  
622 location;

623                   “(2) Medical cannabis certified business enterprise applicants shall submit an  
624 affidavit with the application for a cultivation center, manufacturer, retailer, internet retailer,  
625 courier, or testing laboratory license attesting to:

626                   “(A) The number of owners who are economically-disadvantaged  
627 individuals or individuals who have been subjected to racial or ethnic prejudice or bias because  
628 of their identities as members of a group without regard to their individual qualities;

629                   “(B) The ownership interests, incomes, and net worth of any owners;

630                   “(C) The location of all managerial employees in the principal office;

631                   “(D) The residency of owners, employees, and contractors; and

632                   “(E) The locations of the assets and the percentages of the assets in each  
633 location.

634                   “(g) At least fifty percent of all new retailer, internet retailer, courier, and manufacturer  
635 licenses issued after the effective date of the Medical Cannabis Amendment Act of 2022 shall be  
636 set aside for social equity applicants, provided that this set aside shall not apply to cultivation  
637 centers who receive a manufacturer’s license pursuant to subsection (c) of this section.

638                   “(h) After one year of the effective date of the Act, the ABC Board shall be permitted by  
639 rulemaking to limit the number of retailers and internet retailers in a Ward, ANC, or Single  
640 Member District of an ANC. The Board shall issue rules within 180 days of the effective date of  
641 the Act to establish processes and procedures for requesting, reviewing, and implementing a cap  
642 or moratorium on the issuance of retailer or internet retailer licenses in a Ward, ANC, or Single  
643 Member District of an ANC. The ABC Board shall analyze and consider supply and demand  
644 when determining whether to institute a cap or moratorium pursuant to this subsection.

645 “(i)(1) Straw ownership for the purposes of meeting the ownership requirements of social  
646 equity applicants and medical cannabis certified business enterprises is prohibited for District  
647 residents and out-of-state residents.

648 “(2) A person or business who is found to have willfully asserted straw ownership  
649 shall have the person’s or business’s license or registration revoked and be subject to a civil  
650 penalty of not more than \$30,000.

651 “(j) The ABC Board shall be authorized to issue a one-year conditional license for a  
652 cultivation center, retailer, internet retailer, manufacturer, or courier that does not currently have  
653 a proposed location. Under the conditional license, the applicant shall have one year from the  
654 date of ABC Board approval to submit to ABCA:

655 “(1) A lease or similar documentation;

656 “(2) A security plan;

657 “(3) A certificate of occupancy for the proposed location

658 “(4) Any remaining licensing or endorsement fees owed to ABCA; and

659 “(5) Any other documentation requested by the ABC Board. An applicant shall  
660 not be permitted to operate a medical cannabis business under a conditional license. A  
661 conditional license that does not meet the terms of this subsection or is not operating after a  
662 period of one-year shall be canceled by the ABC Board.

663 “(k) A one-year conditional license approved by the ABC Board to a shall not be  
664 permitted to be transferred to a new owner.

665 “(l) For new social equity applicants, ABCA shall waive up to 75% of any nonrefundable  
666 license fees, including any nonrefundable application fees and annual or renewal license fees

667 associated with receiving a medical cannabis facility license to operate for the first 3 years. This  
668 paragraph shall not apply to fees associated with any endorsements requested by the Applicant.

669 “(m)(1) Cultivation center, manufacturer, retailer, internet retailer, courier, and testing  
670 laboratory licenses shall be paid annually by credit card, debit card, cashier’s check, money  
671 order, or certified check made payable to the D.C. Treasurer. The fee for the first year shall be  
672 paid within 60 calendar days of ABC Board approval but prior to license issuance, and the  
673 renewal fee shall be paid on or before the anniversary date of issuance of the registration. All  
674 payments are due at the time the applications are filed and are non-refundable.

675 “(2) The ABC Board shall, by rules issued pursuant to section 14, establish the  
676 initial application and renewal fees for cultivation center, manufacturer, retailer, internet retailer,  
677 courier, and testing laboratory licenses. The Board may revise these fees as deemed necessary.

678 “(3) A cultivation center, manufacturer, retailer, internet retailer, courier, and  
679 testing laboratory license shall be valid for 3 years unless:

680 “(A) Suspended or revoked; or

681 “(B) The license takes effect on a date in between the dates established by  
682 the ABC Board for the regular license period of each license, in which case the license shall be  
683 valid only until the end of the license period.

684 “(4)(A) The ABC Board may impose a late fee upon an applicant for a cultivation  
685 center, manufacturer, retailer, internet retailer, courier, or testing laboratory that fails to timely  
686 renew their license. The late fee shall be \$50 for each business day after the due date of payment.  
687 The total amount of the late fee to be paid shall not exceed the annual cost of the license.

688 “(B) The ABC Board may suspend a previously approved license until the  
689 renewal fee is paid. A cultivation center, manufacturer, retailer, internet retailer, courier, or

690 testing laboratory that has not timely renewed its license shall not be permitted to operate with an  
691 expired license.

692           “(5) The ABC Board may suspend a license where the payment was made by the  
693 applicant with a check returned unpaid, invalid credit card, or any other form of payment that is  
694 denied by an intermediary institution. The applicant, in addition to any late fees imposed by the  
695 ABC Board pursuant to paragraph (4) of this subsection, shall also be charged a \$100 returned  
696 check/denied payment fee.

697           “(n) A retailer or internet retailer may not dispense more than 8 ounces of medical  
698 cannabis in a 30-day period to a qualifying patient, either directly or through the qualifying  
699 patient's caregiver, provided that the Mayor, through rulemaking, may place limits on medical  
700 cannabis of a form, other than dried.

701           “(o) No medical cannabis or paraphernalia at a cultivation center, manufacturer, retailer,  
702 internet retailer, or testing laboratory shall be visible from any public or other property.

703           “(p) A cultivation center, manufacturer, retailer, internet retailer, or testing laboratory  
704 shall not locate within any residential district or within 300 feet of a preschool, primary or  
705 secondary school, or recreation center.

706           “(q) A cultivation center, manufacturer, retailer, internet retailer, courier, or testing  
707 laboratory may be permitted to change ownership or controlling interest upon approval from the  
708 ABC Board. A license approved by the ABC Board for a social equity applicant or an  
709 unlicensed establishment shall not be permitted to be transferred to a new owner until three years  
710 after the issuance of the permanent license, except to a social equity applicant. After three years,  
711 should the license transfer to neither a medical cannabis certified business enterprise nor a social  
712 equity applicant, the new owner shall be required to repay any grants or loans provided by the

713 District to the medical cannabis certified business enterprise or social equity applicant and pay  
714 ABCA any waived licensing and application fees.

715 “(r) Each cultivation center, manufacturer, retailer, internet retailer, courier, and testing  
716 laboratory shall:

717 “(1) Be either a for-profit or nonprofit corporation incorporated within the  
718 District;

719 “(2) Implement a security plan to prevent the theft or diversion of medical  
720 cannabis, including maintaining all medical cannabis in a secure, locked room that is accessible  
721 only by authorized persons; and

722 “(3) Ensure that all its employees receive training on compliance with District  
723 law, medical cannabis use, security, and theft prevention.

724 “(s) Each retailer or internet retailer shall regularly distribute to all qualifying patients  
725 and caregivers the educational materials developed as part of the Program.

726 “(t)(1) A criminal background check shall not be required to be submitted to ABCA with  
727 an employee, agent, or manager as part of the employee’s, agent’s, or manager’s application.

728 “(2) Except with respect to evaluating the applications of social equity applicants  
729 and returning citizens, the ABC Board shall not:

730 “(A) Inquire into or consider:

731 “(i) A director, officer, member, or incorporator’s criminal  
732 conviction until after the applicant is found by ABCA to be otherwise qualified;

733 “(ii) A criminal conviction that has been sealed, expunged,  
734 vacated, or pardoned, including a criminal conviction that has been set aside pursuant to the

735 Youth Rehabilitation Amendment Act of 1985, effective December 7, 1985 (D.C. Law 6-69;  
736 D.C. Official Code § 24-901 *et seq.*);

737 “(iii) A juvenile adjudication; or

738 “(iv) Non-conviction information, including information related to  
739 a deferred sentencing agreement, participation in a diversion program, or an arrest that did not  
740 result in a criminal conviction; or

741 “(B) Consider a criminal conviction of an offense of a director, officer,  
742 member, incorporator of a cultivation center, manufacturer, retailer, internet retailer, courier, or  
743 testing laboratory that is not directly related to the specific business for which the license is  
744 sought.

745 “(2) Pursuant to paragraph (1)(B) of this subsection, ABCA shall determine  
746 whether a criminal conviction of an offense of a director, officer, member, or incorporator of a  
747 cultivation center, manufacturer, retailer, internet retailer, or testing laboratory is directly related  
748 to the position of employment sought or to the specific business for which the license is sought,  
749 by considering the following factors:

750 “(A) Whether the elements of the offense are directly related, by clear and  
751 convincing evidence, to the license sought;

752 “(B) Any evidence produced by the director, officer, member, or  
753 incorporator concerning their rehabilitation and fitness, including:

754 “(i) Evidence as to whether the director, officer, member,  
755 incorporator has recidivated;

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

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

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

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

763                                   “(vi) Evidence of work history, particularly any training or work  
764 experience related to the license sought; and

765                                   “(vii) Letters of reference; and

766                                   “(C) The District’s interest in promoting opportunities for business  
767 ownership and employment for returning citizens and individuals with criminal records.

768                                   “(3) Before acting on a determination made pursuant to paragraph (2) of this  
769 subsection, the ABC Board shall notify the director, officer, member, or incorporator, in writing,  
770 with the following information:

771                                   “(A) The criminal conviction that forms the basis for the action and the  
772 ABC Board’s reasoning for determining the offense is directly related to the license sought;

773                                   “(B) A copy of any criminal history records on which the ABC Board  
774 relies;                           “(C) A statement that the director, officer, member, or incorporator, may  
775 provide evidence of inaccuracies within the criminal history records;

776                                   “(D) A description of additional information that the director, officer,  
777 member, incorporator may provide to demonstrate their rehabilitation and fitness; and

778                                   “(E) Information about any applicable hearing procedures.

779                   “(4)(A) After receiving notice pursuant to paragraph (3) of this subsection, the  
780 director, officer, member, or incorporator, shall have 45 business days to issue a response to the  
781 ABC Board.

782                   “(B) The ABC Board shall respond no later than 45 business days after  
783 receipt of a response pursuant to subparagraph (A) of this paragraph.

784                   “(5) The Board may establish by rulemaking a list of criminal conviction offenses  
785 that are directly related to the operation of a cultivation center, manufacturer, retailer, internet  
786 retailer, courier, or testing laboratory for purposes of implementing this subsection.

787                   “(u) The ABC Board may fine, suspend, or revoke the license or registration of a person  
788 or business found to have violated any provision in this act or rules issued under the act. The  
789 Board may also issue a written warning to a licensed or registered person or business for a  
790 violation of the act or rules issued under the act to the extent permitted by regulations issued  
791 under this title.

792                   (h) New sections 7a (D.C. Official Code § 7–1671.06a), 7b (D.C. Official Code § 7–  
793 1671.06b), 7c (D.C. Official Code § 7–1671.06c), 7d (D.C. Official Code § 7–1671.06d), 7e  
794 (D.C. Official Code § 7–1671.06e), and 7f (D.C. Official Code § 7–1671.06f) are added to read  
795 as follows:

796                   “Sec. 7a. Unlicensed establishments transition.

797                   “(a)(1) No later than 30 calendar days after the effective date of the Medical Cannabis  
798 Amendment Act of 2022, ABCA shall make additional retailer and internet retailer licenses  
799 available to unlicensed establishments for a 60-calendar day open application period.

800                   “(2) To be eligible to apply for a retailer license during the 60-calendar day open  
801 application period, an unlicensed establishment shall demonstrate to the satisfaction of ABCA  
802 that the unlicensed establishment:

803                   “(A) Is not located:

804                               “(i) Within a residential district;

805                               “(ii) Within 300 feet of a preschool, primary or secondary school,  
806 or recreation center; or

807                               “(iii) Within 400 feet of an existing retailer;

808                   “(B) Has a valid, active business license issued on or before April 5, 2022;

809                   “(C) Has a valid certificate of occupancy issued on or before April 5,  
810 2022;

811                   “(D) Has been in operation since April 5, 2022 at the ; and

812                   “(E) Can demonstrate that business taxes were paid to the District of  
813 Columbia for each year since the issuance of a certificate of occupancy.

814                   “(3) To be eligible to apply for an internet retailer license during the 60-calendar  
815 day open application period, an unlicensed establishment shall demonstrate to the satisfaction of  
816 ABCA that the unlicensed establishment:

817                   “(A) Is not open to the public and not located:

818                               “(i) Within a residential district; or

819                               “(ii) Within 300 feet of a preschool, primary or secondary school,  
820 or recreation center;

821                   “(B) Has a valid, active business license issued on or before April 5, 2022;

822                                   “(C) Has a valid certificate of occupancy issued on or before April 5,  
823 2022;

824                                   “(D) Has been in operation since April 5, 2022, at the latest; and

825                                   “(F) Can demonstrate that business taxes were paid to the District of  
826 Columbia for each year since the issuance of a certificate of occupancy.

827                                   “(4) An unlicensed establishment may not relocate its business location to an  
828 address different from the address provided in the application for purposes of complying with the  
829 location requirements of this section.

830                                   “(5) In determining whether a retailer application filed by an unlicensed  
831 establishment is eligible to be approved, the ABC Board shall ensure that the retailer application  
832 will not be located within 400 feet of a previously submitted retailer application filed by another  
833 applicant during the 60-calendar day open application period. Consistent with this paragraph,  
834 ABCA shall proceed forward with the application filed by the unlicensed establishment that is  
835 first in time.

836                                   “(6) Straw ownership for purposes of meeting the ownership requirement in  
837 paragraph (2)(E) of this subsection is prohibited. A person or business who is found to have  
838 willfully asserted straw ownership shall have the person’s or business’s license revoked and be  
839 subject to a civil penalty of not more than \$30,000.

840                                   “(7) At least half of all licenses issued to unlicensed establishments shall be  
841 issued to social equity applicants.

842                                   “(8) Unregistered establishments shall not apply for a conditional license in order  
843 to meet the requirements of this subsection during the 60-calendar day open application period.

844           “(b) ABCA shall post a list of unlicensed establishments that applied for a retailer or  
845 internet retailer license during the 60-calendar day open application period to its website. ABCA  
846 shall also provide a copy of the list to the Director of the Department of Licensing and Consumer  
847 Protection.

848           “(c) The ABC Board shall provide notice of complete and eligible retailer and internet  
849 retailer license applications received from unlicensed establishments to the Councilmember and  
850 all Advisory Neighborhood Commissions in the affected ward for a 45-calendar day public  
851 comment period. The Board shall hold a contested case protest hearing within 120 days of  
852 receiving a timely protest from an affected Advisory Neighborhood Commission.

853           “(d) The grounds for a protest filed by an affected Advisory Neighborhood Commission  
854 shall relate to the impact of the unlicensed establishment on (1) peace, order, and quiet of the  
855 relevant area, (2) residential parking needs and vehicular and pedestrian safety, and (3) real  
856 property values.

857           “Sec. 7b. Unlicensed establishment compliance.

858           “(a) Unlicensed establishments that submit a complete application with ABCA during the  
859 60-calendar day open application period for a retailer or internet retailer shall not be subject to  
860 compliance under the Act while their retailer or internet retailer application is pending review  
861 with the ABC Board, provided, that nothing in this subsection shall prohibit ABCA from issuing  
862 cease and desist orders to an applicant if he or she is found to be selling cannabis products that  
863 may be especially appealing to children or is using packaging or advertisements that might be  
864 especially appealing to children.

865           “(b) A decision by the ABC Board to:

866                   “(1) Approve a retailer or internet retailer license for an unlicensed establishment  
867 shall be made in writing at least 15 days prior to the issuance of the license. The notice shall state  
868 that the unlicensed establishment shall cease any unlicensed activity immediately; or

869                   “(2) Deny an unlicensed establishment’s application for a retailer or internet  
870 retailer license shall be made in writing to the applicant and shall state the reasons for the denial.  
871 As part of its written denial, the ABC Board shall notify the unlicensed establishment that it must  
872 close within 30 days after receipt of the denial or be subject to penalties pursuant to D.C. Official  
873 Code § 47-2844(a-2)(1B).

874                   “(c) The ABC Board may deny an unlicensed establishment’s application for a retailer or  
875 internet retailer that does not provide the ABC Board with requested written documentation  
876 within 15 calendar days of the ABC Board’s request.

877                   “(d) An unlicensed establishment that is issued a retailer or internet retailer license shall  
878 be required to open within 120 days of being issued the retailer or internet retailer license. The  
879 Board shall cancel a retailer or internet retailer license issued to an unlicensed establishment that  
880 does not open within 120 days.

881                   “Sec. 7c. Safe use treatment facility endorsement.

882                   “(a) The holder of a retailer license shall be eligible to apply to the ABC Board for a safe  
883 use treatment facility endorsement. The holder of an internet retailer license shall not be eligible  
884 for a safe use treatment facility endorsement. The holder of a safe-use treatment facility  
885 endorsement shall be permitted to:

886                   “(1) Sell medical cannabis, medical cannabis products, and paraphernalia at the  
887 retailer to qualifying patients and caregivers to be administered on the premises by or to the

888 qualifying patient at the time of purchase within designated consumption areas that are separated  
889 from the remainder of the premises by a secure door and have a separate ventilation system;

890           “(2) Allow a qualifying patient or the qualifying patient’s caregiver to remove  
891 from the premises unused medical cannabis, medical cannabis products, or paraphernalia that has  
892 been purchased from the retailer or internet retailer in accordance with the requirements and  
893 limits set forth in this act, provided that it is packaged in accordance with regulations issued  
894 pursuant to section 14;

895           “(3) Offer or sell food that does not contain cannabis in the safe use treatment  
896 facility; and

897           “(4) Offer recorded or background music in the safe use treatment facility.

898           “(b) A retailer with a safe use treatment facility endorsement shall:

899           “(1) Install security cameras that are operable and able to record for a minimum of  
900 30 days;

901           “(2) Display conspicuous warning labels that are visible to the qualifying patient  
902 and the qualifying patient’s caregiver concerning administering medical cannabis and medical  
903 cannabis products;

904           “(3) Destroy all unadministered medical cannabis left abandoned or unclaimed in  
905 the safe use treatment facility area; and

906           “(4) Package and label all medical cannabis or medical cannabis products  
907 purchased to be administered on the premises of the safe use treatment facility in accordance  
908 with regulations issued pursuant to section 14.

909           “(c) A retailer’s safe use treatment facility area shall have the following characteristics:

910                   “(1) The area where medical cannabis is to be administered on-site by qualifying  
911 patients shall be isolated from the other areas of the retailer, separated by walls and a secure  
912 door, and shall have access only from the retailer;

913                   “(2) A smoke-free area for employees to monitor the safe use treatment facility  
914 area; and

915                   “(3) A ventilation system that directs air from the safe use treatment facility area  
916 to the outside of the building through a pollution control unit or odor control unit that, at a  
917 minimum, eliminates all detectable odor, smoke, and by-products of combustion so as to prevent  
918 any and all public nuisances.

919                   “(d) A retailer with a safe use treatment facility endorsement shall not:

920                   “(1) Allow a person to consume alcohol, tobacco, or tobacco products in the safe  
921 use treatment facility;

922                   “(2) Allow any member of the public other than a qualifying patient or the  
923 qualifying patient’s caregiver to enter the safe use treatment facility;

924                   “(3) Allow a person to bring into or administer in the safe use treatment facility  
925 any medical cannabis or medical cannabis products that were not purchased at the retailer unless  
926 otherwise permitted by the ABC Board by rulemaking;

927                   “(4) Sell, offer to sell, or provide medical cannabis, medical cannabis products, or  
928 paraphernalia in excess of the quantity limits set forth in this act or regulations issued pursuant to  
929 section 14;

930                   “(5) Encourage or permit an organized game or contest on the premises that  
931 involves consuming cannabis or cannabis products or the awarding of cannabis or cannabis  
932 products; or

933                   “(6) Advertise or promote, in any way, either on or off the premises, a practice  
934 prohibited under this section.

935                   “(e) An applicant for a safe use treatment facility endorsement shall:

936                   “(1) Complete an application on a form the ABC Board prescribes by regulations  
937 issued pursuant to section 14;

938                   “(2) Include with the application a ventilation proposal, which shall include  
939 information to address the following:

940                   “(A) Air change for the designated consumption space;

941                   “(B) Air change for common areas inside the retailer;

942                   “(C) Filter type and odor control measures for the designated consumption  
943 space;

944                   “(D) Location of air intakes and exhaust outlets;

945                   “(E) Whether the designated consumption space area shares space with  
946 employee work areas; and

947                   “(F) Any other information deemed necessary through rulemaking.

948                   “(f) The minimum initial application fee for the safe use treatment facility endorsement  
949 shall be \$1,000. The endorsement shall be valid for 3 years, with a minimum annual fee of  
950 \$2,000.

951                   “Sec. 7d. Education tasting endorsement.

952                   “(a) The holder of a retailer license shall be eligible to apply to the ABC Board for an  
953 education tasting endorsement. The holder of an education tasting endorsement shall be  
954 permitted to offer cooking and how-to classes and demonstrations, and tastings for educational  
955 purposes to qualifying patients and caregivers on-site. Activities offered by a retailer under an

956 education tasting endorsement shall be permitted to occur on the premises of the retailer, except  
957 that educational activities that include the smoking of medical cannabis by qualifying patients  
958 shall only occur in an ABC Board-approved safe-use treatment facility. The holder of an internet  
959 retailer license shall not be eligible for an education tasting endorsement.

960 “(b) A retailer with an education tasting endorsement shall:

961 “(1) Display in the licensed area conspicuous warning labels that are visible to the  
962 qualifying patient and the qualifying patient's caregiver concerning the consumption of medical  
963 cannabis and medical cannabis products;

964 “(2) Destroy all unconsumed medical cannabis remaining from the educational  
965 activity, except as permitted under paragraph (4) of this subsection;

966 “(3) Ensure that containers of medical cannabis to be used for educational  
967 activities are labeled as such and may not be sold; and

968 “(4) Be permitted to allow a qualifying patient or caregiver to leave the premises  
969 with medical cannabis that was made available or offered as part of the educational activity in  
970 accordance with the requirements and limits set forth in this act, provided that it is packaged in  
971 accordance with regulations issued pursuant to section 14.

972 “(c) A retailer with an education tasting endorsement shall not:

973 “(1) Allow a person to consume alcohol, tobacco, or tobacco products on the  
974 premises;

975  
976 “(2) Advertise or promote, in any way, either on or off the premises, a practice  
977 prohibited under this section; or

978 “(3) Make unsubstantiated medical claims about cannabis or cannabis products.

979           “(d) The holder of an education tasting endorsement may offer educational activities on  
980 the licensed premises between the hours of 7:00 a.m. and 9:00 p.m., 7 days per week, provided  
981 that the ABC Board may alter these hours through rulemaking.

982           “(e) The ABC Board shall establish, by regulation, permitted medical cannabis tasting or  
983 consumption limits for educational activities.

984           “(f) An applicant for an education tasting endorsement shall complete an application on a  
985 form the ABC Board prescribes by regulations issued pursuant to section 14.

986           “(g) The minimum initial application fee for an education tasting endorsement shall be  
987 \$130. The endorsement shall be valid for 3 years, with a minimum annual fee of \$130.

988           “Sec. 7e. Retailer delivery endorsement and internet retailer deliveries.

989           “(a) The holder of a retailer license shall be eligible to apply to the ABC Board for a  
990 delivery endorsement. The holder of a delivery endorsement shall be permitted to offer curbside  
991 pickup and deliver medical cannabis directly to a qualifying patient or the qualifying patient's  
992 caregiver at residential and commercial building addresses located in the District that are not on  
993 District government or Federal property or public or private school grounds. For purposes of this  
994 section, a public or private park shall not be considered to be either a residential or commercial  
995 building address.

996           “(b) The holder of an internet retailer license shall not be required to obtain a delivery  
997 endorsement to be permitted to deliver medical cannabis directly to a qualifying patient or the  
998 qualifying patient's caregiver at residential and commercial building addresses located in the  
999 District that are not on District government or Federal property or public or private school  
1000 grounds. The holder of an internet retailer license shall not be permitted to offer curbside pickup  
1001 at its ABC Board Board-approved location to qualifying patients and caregivers.

1002           “(c) A retailer with a retailer delivery endorsement or an internet retailer shall:

1003                   “(1) Only receive and accept an order by electronic or other means from a

1004 qualifying patient or the qualifying patient’s caregiver;

1005                   “(2) Only deliver to the qualifying patient or the qualifying patient’s caregiver at

1006 the District address provided by the patient or caregiver and not “drop off” the product without

1007 verifying the identity of the recipient;

1008                   “(3) Only travel through the District and not any surrounding jurisdictions to

1009 make deliveries;

1010                   “(4) Abide by rules and standards as may be established by the ABC Board

1011 pursuant to section 14 concerning:

1012                           “(A) The frequency of deliveries to a single qualifying patient or caregiver

1013 in a day, week, or month;

1014                           “(B) Overnight storage of any medical cannabis or medical cannabis

1015 products; and

1016                           “(C) The operation and number of delivery vehicles allowed;

1017                   “(5) Abide by the rules posted by any landlord or property owner with respect to

1018 prohibitions on cannabis deliveries on its property;

1019                   “(6) Use its employees or a licensed courier to deliver medical cannabis or

1020 medical cannabis products;

1021                   “(7) At the time of an order, require the qualifying patient or the qualifying

1022 patient's caregiver to provide information necessary to verify that the qualifying patient or the

1023 qualifying patient's caregiver is qualified to purchase and receive a delivery of medical cannabis

1024 or medical cannabis products in accordance with this act and regulations issued pursuant to  
1025 section 14;

1026           “(8)(A) Prior to transferring possession of the order to a qualifying patient 21  
1027 years of age and older or the qualifying patient’s caregiver, inspect the qualifying patient’s or  
1028 qualifying patient’s caregiver’s valid government-issued identification card and valid ABCA  
1029 registration to verify their age and that the information provided at the time the order was placed  
1030 matches information listed on the government-issued identification card and ABCA registration;

1031           “(B) Prior to transferring possession of the order to a qualifying patient  
1032 under age 21 or to a qualifying patient’s caregiver, the retailer or internet retailer shall inspect the  
1033 person’s government-issued identification card and ABCA registration to verify the possession  
1034 of a valid registration and that the information provided at the time the order was placed matches  
1035 the information listed on the government-issued identification and ABCA registration;

1036           “(C) The retailer’s or internet retailer’s failure to check the required  
1037 information in subparagraphs (A) and (B) of this paragraph may result in the ABC Board issuing  
1038 a fine against the retailer or internet retailer or suspending or revoking its license in accordance  
1039 with this act or regulations issued pursuant to section 14;

1040           “(9) Maintain, in each vehicle used for deliveries of medical cannabis or medical  
1041 cannabis products, a secure, locked storage compartment for purposes of transporting and  
1042 securing cash used as payment and the medical cannabis or medical cannabis products. The  
1043 retailer shall not store cash and medical cannabis or medical cannabis products in the same  
1044 storage compartments;

1045           “(10) Only use delivery vehicles that:

1046                   “(A) Contain a Global Positioning System (GPS) device for identifying  
1047 the geographic location of the delivery vehicle, which shall be either permanently or temporarily  
1048 affixed to the delivery vehicle while the delivery vehicle is in operation and remain active and in  
1049 the possession of the delivery employee at all times during the delivery; and

1050                   “(B) Do not bear any markings, images, words, or phrases that would  
1051 indicate the delivery vehicle is used to deliver medical cannabis, including the name of the  
1052 retailer or internet retailer, or any cannabis-related related images; and

1053                   “(11) Be permitted to dispense medical cannabis or medical cannabis products  
1054 through curbside pickup or at-the-door pickup to a qualifying patient or caregiver if the retailer:

1055                   “(A) Implements a process to verify age and validate the ABCA  
1056 registration of the patient or caregiver;

1057                   “(B) Implements procedures to ensure that curbside pickup or at-the-door  
1058 pickup is completed quickly and efficiently; and

1059                   “(C) Implements a mechanism or recordkeeping process for qualifying  
1060 patients or caregivers to document receipt of curbside pickup or at-the-door pickup.

1061                   “(c) The holder of the retailer delivery endorsement may offer curbside pickup or deliver  
1062 medical cannabis during the hours of 9:00 a.m. to 9:00 p.m., 7 days per week, provided that the  
1063 ABC Board may alter these hours through rulemaking.

1064                   “(d) Applicants for the retailer delivery endorsement shall complete an application  
1065 prescribed by the Board by regulations issued pursuant to section 14.

1066                   “(e) The minimum initial application fee for the endorsement shall be \$300. The  
1067 endorsement shall be valid for 3 years with a minimum annual license fee of \$300.”.

1068                   “Sec. 7f. Summer garden endorsement.

1069           “(a) The holder of both a retailer license and a safe use treatment facility endorsement  
1070 shall obtain a summer garden endorsement from the ABC Board to be eligible to conduct  
1071 operations on a summer garden, which may include the sale, service, and consumption of  
1072 medical cannabis on outdoor private space.

1073           “(b) The holder of a summer garden endorsement may be authorized to conduct business  
1074 operations on the summer garden only between the hours of 8:00 a.m. and 12:00 a.m., 7 days a  
1075 week.

1076           “(c) The minimum initial application fee for the endorsement shall be \$300. The  
1077 endorsement shall be valid for 3 years with a minimum annual license fee of \$300.”.

1078           (i) Section 8 (D.C. Official Code § 7-1671.07) is repealed.

1079           (j) Section 9 (D.C. Official Code § 7-1671.08) is amended as follows:

1080                   (1) Subsection (a) is amended by striking the phrase “uses marijuana” and  
1081 inserting the phrase “uses cannabis” in its place.

1082                   (2) Subsection (b) is amended to read as follows:

1083           “(b) Any person who makes a fraudulent representation to a law enforcement official of  
1084 any fact or circumstance relating to the person’s manufacture, cultivation, possession,  
1085 administration, dispensing, distribution, or use of medical cannabis, or manufacture, possession,  
1086 distribution, or use of paraphernalia, to avoid arrest or prosecution shall be subject to a criminal  
1087 fine not to exceed \$1,000. The imposition of the fine shall be in addition to any other penalties  
1088 that may otherwise apply for the making of a false statement or for the manufacture, cultivation,  
1089 possession, administration, dispensing, distribution, or use of cannabis, or the manufacture,  
1090 possession, distribution, or use of paraphernalia.”.

1091                   (3) Subsection (c) is amended as follows:

1092 (A) The lead-in language is amended by striking the word “marijuana”  
1093 both times it appears and inserting the word “cannabis” in its place.

1094 (B) Paragraph (1) is amended by striking the phrase “of medical  
1095 marijuana” and inserting the phrase “of medical cannabis” in its place.

1096 (C) Paragraph (2) is amended by striking the phrase “the medical  
1097 marijuana” and inserting the phrase “the medical cannabis” in its place.

1098 (4) Subsection (d) is amended to read as follows:

1099 “(d) The ABC Board may impose and adjudicate civil fines for violations of this title and  
1100 rules issued in accordance with §7-1671.13 committed by licensed cultivation centers,  
1101 manufacturers, retailers, internet retailers, testing laboratories, and couriers.”.

1102 (5) A new subsection (e) is added to read as follows:

1103 “(e) Within 180 days after the applicability date of the Medical Cannabis Amendment  
1104 Act of 2022, the ABC Board shall submit proposed regulations to the Council, setting forth a  
1105 schedule of civil penalties, fines, and fees for violations of this act, for a 90-day period of review,  
1106 including Saturdays, Sundays, holidays, and periods of Council recess. If the Council does not  
1107 approve, in whole or in part, the proposed regulations within the 90-day review period, the  
1108 regulations shall be deemed approved. The schedule shall replace all civil penalties, except as  
1109 expressly provided in this act.”.

1110 (l) Section 9a (D.C. Official Code § 7-1671.08a) is amended as follows:

1111 (1) Subsection (a) is amended by striking the phrase “ABRA” and inserting the  
1112 phrase “ABCA” in its place.

1113 (3) Subsection (c) is amended as follows:

1114 (A) Strike the phrase “ABRA” and insert the phrase “ABCA” in its place.

1115 (B) Strike the phrase “medical marijuana” and insert the phrase “medical  
1116 cannabis” in its place.

1117 (m) Section 9b (D.C. Official Code § 7–1671.08b) is amended as follows:

1118 “(b) Revenue from the following sources shall be deposited into the Fund:

1119 “(1) All revenue in excess of the amount budgeted in the Fiscal Year 2023 budget  
1120 for Fiscal Years 2024, 2025, and 2026 collected pursuant to D.C. Official Code § 47-2002(a)(7);

1121 “(2) Beginning October 1, 2026, all revenue collected pursuant to D.C. Official  
1122 Code § 47-2002(a)(7);

1123 “(3) Any amount above \$100,000 in fines imposed and collected pursuant to  
1124 Section 6 of the Medical Cannabis Amendment Act of 2022; and

1125 “(4) Any amount above \$100,000 in fines imposed and collected pursuant to  
1126 Section 6 of the Medical Cannabis Amendment Act of 2022 and § 47-2844(a-2)(1B).

1127 (2) Subsection (c) is amended to read as follows:

1128 “(c) Money in the Fund shall be used to:

1129 “(1) Administer the medical cannabis certified business enterprise program  
1130 established in accordance with section 7(d)(5); and

1131 “(2) Provide equity, grants, and loans to assist social equity applicants and  
1132 medical cannabis certified business enterprises in gaining entry to, and successfully operating in,  
1133 the Program.”.

1134 (n) A new section 9c (D.C. Official Code § 7-1671.08c) is added to read as follows:

1135 “Sec. 9c. Equity, grants, and loans to social equity applicants and medical cannabis  
1136 certified business enterprises.

1137           “(a) The DSLBD shall establish grant and loan programs for the purposes of providing  
1138 financial assistance and technical assistance to social equity applicants and medical cannabis  
1139 certified business enterprises.

1140           “(b) The DSLBD shall have the authority to:

1141                   “(1) Provide equity, grants, and loans from monies in the Medical Cannabis  
1142 Social Equity Fund established in section 9b to assist social equity applicants and medical  
1143 cannabis certified business enterprises in gaining entry to, and successfully operating in, the  
1144 Program;

1145                   “(2) Enter into agreements that set forth the terms and conditions of the financial  
1146 assistance, accept funds or grants, and engage in cooperation with private entities to carry out the  
1147 purposes of this section;

1148                   “(3) Fix, determine, charge, and collect any premiums, fees, charges, costs, and  
1149 expenses, including application fees, commitment fees, program fees, financing charges, or  
1150 publication fees in connection with its activities under this section;

1151                   “(4) Provide staff, administration, and related support required to administer this  
1152 section;

1153                   “(5) Establish application, notification, contract, and other forms, procedures, or  
1154 rules; and

1155                   “(6) Utilize vendors or contractors to carry out the purposes of this section.

1156           “(c) Grants made pursuant to this section shall be awarded competitively.

1157           “(d)(1) Loans made pursuant to this section shall be in such principal amount and form  
1158 and contain such terms and provisions with respect to security, insurance, reporting, delinquency,

1159 charges, default remedies, and other matters DSLBD shall determine appropriate to protect the  
1160 public interest.

1161 “(2) All funds received from repayment of loans shall be deposited into the  
1162 Medical Cannabis Social Equity Fund established pursuant to § 7–1671.08b.

1163 “(e) No later than one year after establishing any equity, grant, or loan program pursuant  
1164 to this section, and annually thereafter, DSLBD shall submit a report to the Mayor and Council  
1165 on the outcomes of the program. The report shall include the following information:

1166 “(1) The number of persons or businesses receiving financial assistance under this  
1167 section;

1168 “(2) The amount of financial assistance awarded in the aggregate, in addition to  
1169 the number and amount of loans made that are outstanding and the number and amount of grants  
1170 awarded;

1171 “(3) The names of the for-profit and non-profit vendors, partners, consultants, and  
1172 advisors engaged by DSLBD to implement the Act;

1173 “(4) The location of the project engaged in by the person or business; and

1174 “(5) If applicable, the economic benefits created due to this financial assistance,  
1175 such as jobs created.”.

1176 (o) Section 10 (D.C. Official Code § 7-1671.09) is amended as follows:

1177 (1) The section heading is amended by striking the phrase “Medical Marijuana  
1178 Advisory” and inserting the phrase “Medical Cannabis Advisory” in its place.

1179 (2) Subsection (a) is amended by striking the phrase “Medical Marijuana  
1180 Advisory” and inserting the phrase “Medical Cannabis Advisory” in its place.

1181 (B) Paragraph (1) is amended by striking the phrase “of medical marijuana” and  
1182 inserting the phrase “of medical cannabis” in its place.

1183 (C) Paragraph (2) is amended by striking the phrase “of marijuana” and inserting  
1184 the phrase “of cannabis” in its place.

1185 (D) Paragraph (3) is amended to read as follows:

1186 “(3) The Program’s effectiveness.”.

1187 (3) Subsection (b) is repealed.

1188 (p) Section 11(a) (D.C. Official Code § 7-1671.10(a)) is amended to read as follows:

1189 “(a) ABCA is authorized to establish, by rulemaking, fees for the licensing of cultivation  
1190 centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories, and for the  
1191 inspection and audit of cultivation centers, manufacturers, retailers, internet retailers, couriers,  
1192 and testing laboratories.”.

1193 (q) Section 12(b) (D.C. Official Code § 7-1671.11(b)) is amended by striking the phrase  
1194 “medical marijuana” both times it appears and inserting the phrase “medical cannabis” in its  
1195 place.

1196 (r) Section 13 (D.C. Official Code § 7-1671.12) is amended by striking the phrase “of  
1197 medical marijuana” and inserting the phrase “of medical cannabis” in its place.

1198 (s) Section 14 (D.C. Official Code § 7-1671.13) is amended as follows:

1199 (1) Subsection (a) is amended as follows:

1200 (A) Paragraph (1) is amended to read as follows:

1201 “(1) Adopt manufacturing practices with which cultivation centers,  
1202 manufacturers, retailers, and internet retailers shall be required to comply to ensure that medical

1203 cannabis sold by cultivation centers, manufacturers, retailers, and internet retailers is appropriate  
1204 for medical use;”.

1205 (B) Paragraph (2) is amended by striking the phrase “medical marijuana  
1206 sold by cultivation centers and dispensaries” and inserting the phrase “medical cannabis sold by  
1207 cultivation centers, manufacturers, retailers, and internet retailers” in its place.

1208 (C) Paragraph (3) is amended by striking the phrase “cultivation center,  
1209 dispensary, and testing laboratory” and inserting the phrase “cultivation center, manufacturer,  
1210 retailer, internet retailer, courier, and testing laboratory” in its place.

1211 (D) Paragraph (4) is amended by striking the phrase “dispensaries,  
1212 cultivation enters, and testing laboratories” and inserting “cultivation centers, manufacturers,  
1213 retailers, internet retailers, couriers, and testing laboratories” in its place.

1214 (E) Paragraph (5) is amended to read as follows:

1215 “(5) Determine, for the purpose of ensuring that qualifying patients have adequate  
1216 access to medical cannabis, the number of cultivation centers, manufacturers, retailers, internet  
1217 retailers, and testing laboratories that may operate in the District;”.

1218 (F) Paragraph (6) is amended to read as follows:

1219 “(6) Determine the amount of any licensing fee for a cultivation center,  
1220 manufacturer, retailer, internet retailer, courier, or testing laboratory;”.

1221 (G) Paragraph (7) is amended to read as follows:

1222 “(7) Determine the forms of medical cannabis that cultivation centers,  
1223 manufacturers, retailers, and internet retailers shall be permitted to dispense or distribute;”.

1224 (H) Paragraph (8) is amended to read as follows:

1225 “(8) Determine the process for permitting a cultivation center, manufacturer,  
1226 retailer, internet retailer, courier, or testing laboratory to change location or change ownership or  
1227 controlling interest pursuant to section 7(p);”.

1228 (I) New paragraphs (9) and (10) are added to read as follows:

1229 “(9) Determine which provisions of a settlement agreement reached between a  
1230 cultivation center, manufacturer, retailer, or internet retailer and an affected ANC are enforceable  
1231 and which provisions are unenforceable by the ABC Board.

1232 “(10) Adopt processes and procedures for holding protest and enforcement  
1233 hearings before the ABC Board.”.

1234 (2) Subsection (a-1) is amended to read as follows:

1235 “(a-1) Pursuant to the transfer of functions of the Department of Health to ABCA by §  
1236 25-204.02, the Mayor shall issue rules in accordance with subsection (b) of this section, which  
1237 rules shall allow licensed retailers, internet retailers, and couriers to provide medical cannabis to  
1238 qualifying patients through delivery, curbside pickup, and at-the-door options.”.

1239 (4) A new subsection (a-2) is added to read as follows:

1240 “(a-2) The Mayor may issue rules creating additional license categories, including  
1241 a transporter license, tiered cultivation center licenses, different types of manufacturer licenses,  
1242 and a shared facility license to allow licensees to share existing space and equipment.”.

1243 (t) A new Section 15 (D.C. Official Code § 7-1671.14) is added to read as follows:

1244 “Sec. 15. Cease and desist orders.

1245 “(a) If the ABC Board or the Mayor, after investigation but before a hearing, has cause to  
1246 believe that a person is violating any provision of this title and the violation has caused or may  
1247 cause, immediate and irreparable harm to the public, the ABC Board or the Mayor may issue an

1248 order requiring the alleged violator to cease and desist immediately from the violation. The  
1249 order shall be served by certified mail or hand-delivered to the licensee.

1250 “(b)(1) The alleged violator may, within 15 days after the service of the order, submit a  
1251 written request to the ABC Board to hold a hearing on the alleged violation.

1252 “(2) Upon receipt of a timely request, the ABC Board shall conduct a hearing in  
1253 accordance with the procedures set forth in the District of Columbia Administrative Procedure  
1254 Act, approved October 21, 1968 (82 Stat. 1203; D.C. Official Code § 2-501 *et seq.*) and issue a  
1255 decision within 90 days after the hearing.

1256 “(c)(1) The alleged violator may, within 10 days after the service of an order, submit a  
1257 written request to the ABC Board for an expedited hearing on the alleged violation.

1258 “(2) Upon receipt of a timely request for an expedited hearing, the ABC Board  
1259 shall conduct a hearing within 10 days after the date of receiving the request and shall deliver to  
1260 the alleged violator at their last known address a written notice of the hearing by any means  
1261 guaranteed to be received at least 5 days before the hearing date.

1262 “(3) The ABC Board shall issue a decision within 30 days after an expedited  
1263 hearing.

1264 “(d) If a request for a hearing is not timely made under subsections (b) and (c) of this  
1265 section, the order of the ABC Board or the Mayor shall be final.

1266 “(e) If, after a hearing, the ABC Board determines that the alleged violator is not in  
1267 violation of this act, the ABC Board shall revoke the order.

1268 “(f) If a person fails to comply with a lawful order of the ABC Board or the Mayor under  
1269 this section, the ABC Board may petition the Superior Court of the District of Columbia for an  
1270 order compelling compliance or take any other action authorized by this subchapter.”.

1271           Sec. 4. Section 4902a(a) of the Department of Health Functions Clarification Act of  
1272 2001, effective October 3, 2001 (D.C. Law 14-28; D.C. Official Code § 7-731.01(a)), is amended  
1273 by adding a new paragraph (4) that reads as follows:

1274                   “(4) The Department shall include questions related to the use of cannabis,  
1275 including the use of cannabis for medical purposes, in its BRFSS questionnaire.

1276                           “(A) The Department may develop its own questions related to cannabis  
1277 use but shall give preference to any module or questions approved by the U.S. Centers for  
1278 Disease Control and Prevention.”.

1279           Sec. 5. Section 47-2844(a-2) of the District of Columbia Official Code is amended by  
1280 adding a new paragraph (1B) to read as follows:

1281                   “(1B) The Mayor may, after the Alcoholic Beverage and Cannabis Administration  
1282 reviews, and approves or denies, licenses for unlicensed establishments pursuant to §§ 7–  
1283 1671.06a and 7–1671.06b, in addition to the provisions of subsection (a-1) of this section and  
1284 paragraph (1) of this subsection, and notwithstanding § 2-1801.04(a)(1), take the following  
1285 actions against, or impose the following requirements upon, any licensee, or agent of a licensee,  
1286 that knowingly engages or attempts to engage in the purchase, sale, exchange, or any other form  
1287 of commercial transaction involving cannabis that is not purchased, sold, or exchanged in  
1288 accordance with Chapter 16B of Title 7 or § 48-904.01;

1289                           “(A) For the first violation of this paragraph, the Mayor:

1290                                   “(i) May issue a:

1291   “(I) Fine in the amount of up to \$10,000; and





1335                   “(D)(i) If a licensee’s premises, or a portion of the premises, is sealed  
1336 pursuant to subparagraph (A)(ii)(I) or (B)(ii) of this paragraph, a licensee shall have the right to  
1337 request a hearing with the Office of Administrative Hearings within 3 business days of service of  
1338 notice of the sealing of the premises under subparagraph (C) of this paragraph. If a licensee  
1339 timely requests a hearing, the Office of Administrative Hearings shall hold a hearing before an  
1340 administrative law judge within 3 business days after receiving the request.

1341                   “(ii) The administrative law judge shall issue an opinion no later  
1342 than 30 calendar days after the hearing.

1343                   “(E) A licensee shall pay a fine issued pursuant to subparagraph (A)(i)(I)  
1344 or (B)(i) of this paragraph within 20 calendar days after an opinion is issued by an administrative  
1345 law judge with the Office of Administrative Hearings. If the licensee fails to pay the fine within  
1346 the specified time period, the Mayor may seal the premises until the fine is paid.

1347                   “(F) Revenue collected from fines imposed pursuant to this paragraph  
1348 shall be deposited as follows:

1349                   “(i) The first \$100,000 shall be deposited into the Litigation  
1350 Support Fund established pursuant to § 1–301.86b; and

1351                   “(ii) Any revenue collected from fines after the first \$100,000 shall  
1352 be deposited into the Medical Cannabis Social Equity Fund established pursuant to § 7–  
1353 1671.08b.

1354                   “(G) For purposes of this paragraph, the term:

1355                   “(i) “Business days” means days in which the Office of  
1356 Administrative Hearings is open for business.

1357                                   “(ii) “Cannabis” shall have the same meaning as provided in § 48-  
1358 901.02(3).”.

1359                   Sec. 6. Penalties for commercial property owners of illegal cannabis businesses.

1360                   (a)(1) After the Alcoholic Beverage and Cannabis Administration makes final  
1361 determinations for the licensure of unlicensed establishments pursuant to §§ 7–1671.06a and 7–  
1362 1671.06b, for the first violation of D.C. Official Code § 47-2844(a-2)(1B), the Mayor shall send  
1363 a notice to the commercial property owner where the illegal activity occurred stating:

1364                                   (A) The nature of illegal activity documented on the premises;

1365                                   (B) The specific action or actions being taken against the licensee  
1366 operating on the premises; and

1367                                   (C) The commercial property owner may be subject to civil penalties for  
1368 any subsequent illegal activity under D.C. Official Code § 47-2844(a-2)(1B) pursuant to  
1369 subsection (c) of this section.

1370                   (2) Notices issued pursuant to this subsection shall be provided to the Alcoholic  
1371 Beverage and Cannabis Administration, the Director of the Department of Licensing and  
1372 Consumer Protection, and the Office of the Attorney General.

1373                   (b) For any subsequent violation of D.C. Official Code § 47-2844(a-2)(1B):

1374                                   (1) The Mayor shall issue a fine in the amount of up to \$10,000 to the commercial  
1375 property owner; and

1376                                   (2)(A) The Mayor shall require the commercial property owner to submit a  
1377 remediation plan within 14 days after the notice of a fine under paragraph (1) of this subsection  
1378 to the Director of the Department of Licensing and Consumer Protection that contains the

1379 commercial property owner’s plan to prevent any future violations of D.C. Official Code § 47-  
1380 2844(a-2)(1B).

1381 (B) If the commercial property owner fails to submit a remediation plan in  
1382 accordance with subparagraph (A) of this paragraph, or if the Mayor, in consultation with the  
1383 Director of the Department of Licensing and Consumer Protection, rejects the commercial  
1384 property owner’s remediation plan, the Mayor may issue additional fines or revoke the  
1385 commercial property owners’ licenses.

1386 (c)(1) A commercial property owner has the right to request a hearing with the Office of  
1387 Administrative Hearings within 3 business days after service of notice of any actions taken under  
1388 subsection (b) of this section.

1389 (2) If a commercial property owner timely requests a hearing pursuant to this  
1390 subsection, the Office of Administrative Hearings shall hold a hearing before an administrative  
1391 law judge within 3 business days after receiving the request.

1392 (3) The administrative law judge shall issue an opinion no later than 30 calendar  
1393 days after the hearing.

1394 (d) Revenue collected from fines imposed pursuant to this section shall be deposited as  
1395 follows:

1396 “(i) The first \$100,000 shall be deposited into the Litigation  
1397 Support Fund established pursuant to § 1–301.86b; and

1398 “(ii) Any revenue collected from fines after the first \$100,000 shall  
1399 be deposited into the Medical Cannabis Social Equity Fund established pursuant to § 7–  
1400 1671.08b.

1401 (e) For purposes of this paragraph, the term:

1402 (1) “Business days” means days in which the Office of Administrative Hearings is  
1403 open for business.

1404 (2) “Cannabis” shall have the same meaning as provided in D.C. Official Code §  
1405 48-901.02(3).

1406 Sec. 7. Title 25 of the D.C. Official Code is amended as follows:

1407 (a) Strike the phrase “ABRA” wherever it appears and insert the phrase “ABCA” in its  
1408 place.

1409 (b) Strike the phrase "Alcoholic Beverage Regulation Administration” wherever it  
1410 appears and insert the phrase “Alcoholic Beverage and Cannabis Administration” in its place.

1411 (c) Strike the phrase “Alcoholic Beverage Control Board” wherever it appears and insert  
1412 the phrase “Alcoholic Beverage and Cannabis Board” in its place.

1413 (d) D.C. Official Code § 25-101 is amended to read as follows:

1414 (1) Paragraph (1) is amended to read as follows:

1415 “(1) “ABCA” means the Alcoholic Beverage and Cannabis Administration  
1416 established by § 25-202.”.

1417 (2) Paragraph (2) is amended to read as follows:

1418 “(2) “ABCA Fund” means the Alcoholic Beverage and Cannabis Administration  
1419 Fund established by §25-210.”.

1420 (3) Paragraph (11) is amended to read as follows:

1421 “(11) “Board” means the Alcoholic Beverage and Cannabis Board established by  
1422 § 25-201.”.

1423           Sec. 8. The Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for  
1424 Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3-172;  
1425 D.C. Official Code § 36-601.01 *et seq.*) is amended as follows:

1426           (a) Strike the phrase “ABRA” wherever it appears and insert the phrase “ABCA” in its  
1427 place.

1428           (b) Section 401 (D.C. Official Code § 36-641.01) is amended as follows:

1429                   (1) Paragraph (1) is amended to read as follows:

1430                           “(1) “ABC Board” means the Alcoholic Beverage and Cannabis Board,  
1431 established by § 25-201.”.

1432                   (2) Paragraph (2) is amended to read as follows:

1433                           “(2) “ABCA” means the Alcoholic Beverage and Cannabis Administration,  
1434 established by § 25-202.”.

1435           Sec. 9. Title 47 of the District of Columbia Official Code is amended as follows:

1436           (a) Section 47-1801.04 is amended by adding a new paragraph (39E) to read as follows:

1437                           “(39E) “Licensed medical cannabis business” shall mean a cultivation center,  
1438 manufacturer, retailer, internet retailer, courier, or testing laboratory licensed with ABCA  
1439 pursuant to DC Code § 7-1671.06(b)(1).”.

1440           (b) Section 47-1803.03(a) is amended as follows:

1441                   (1) Paragraph (1) is amended to read as follows:

1442                           “(1) Expenses. — All the ordinary and necessary expenses paid or incurred during  
1443 the taxable year in carrying on any trade or business (except as otherwise provided herein);  
1444 traveling expenses while away from home in the pursuit of a trade or business; and rentals or  
1445 other payments required to be made as a condition to the continued use or possession, for

1446 purposes of the trade or business, of property to which the taxpayer has not taken or is not taking  
1447 title or in which he has no equity. Any business expenses allowed under this paragraph shall be  
1448 subject to the same limitations as provided for in the Internal Revenue Code of 1986, provided  
1449 that a licensed medical cannabis business shall be allowed to, for the purposes of District income  
1450 taxes, claim any tax deduction or credit that is prohibited for purposes of filing federal income  
1451 taxes under § 280E of the Internal Revenue Code of 1986.”.

1452 (2) Paragraph (4) is amended as follows:

1453 (A) A new subparagraph (C) is added to read as follows:

1454 “(C) A licensed retailer or internet retailer shall be allowed, for the  
1455 purposes of District taxes to deduct lost gross income occurring as a result of reduced fee patient  
1456 sales, pursuant to D.C. Official Code § 7-1671.05(15)(B), to the extent the lost amount exceeds  
1457 twelve percent of the licensed retailer’s or internet retailer’s total sales to qualifying patients in a  
1458 calendar year. A licensed retailer or internet retailer shall not be permitted to claim more than a  
1459 twenty percent loss on any reduced fee patient sales transactions that exceed twelve percent of  
1460 the retailer’s or internet retailer’s total medical cannabis sales to qualifying patients.”.

1461 (c) Section 47-2002(a)(7) is amended to read as follows:

1462 “(A) The rate of tax shall be 6% of the gross receipts from the sale of or  
1463 charges for medical cannabis, as defined in [Chapter 16B of Title 7] except for sales or charges  
1464 occurring during “4/20 Medical Cannabis Sales Tax Holiday Week”, which shall be the period  
1465 of, April 15 through, April 24 each calendar year.

1466 “(B)(1) The proceeds of the tax collected under subparagraph (A) of this  
1467 paragraph shall be deposited in the Healthy DC and Health Care Expansion Fund established by  
1468 [§ 31-3514.02] through September 30, 2026; except, that all revenue above the amount certified

1469 in the approved Fiscal Year 2023 budget for Fiscal Years 2023, 2024, 2025, and 2026 shall be  
1470 deposited in the Medical Cannabis Social Equity Fund established pursuant to § 7–1671.08b.

1471 “(2) Beginning October 1, 2026, all proceeds of the tax collected  
1472 under subparagraph (A) of this paragraph shall be deposited in the Medical Cannabis Social  
1473 Equity Fund established pursuant to § 7–1671.08b.”

1474 Sec. 10. Applicability.

1475 (a) Amendatory Section (3)(n) and Sections 4, 5, 6 and 9 of this act shall apply upon the  
1476 date of inclusion of its fiscal effect in an approved budget and financial plan.

1477 (b) The Chief Financial Officer shall certify the date of the inclusion of the fiscal effect in  
1478 an approved budget and financial plan, and provide notice to the Budget Director of the Council  
1479 of the certification.

1480 (c)(1) The Budget Director shall cause the notice of the certification to be published in  
1481 the District of Columbia Register.

1482 (2) The date of publication of the notice of the certification shall not affect the  
1483 applicability of this act.

1484 Sec. 11. Fiscal impact statement.

1485 The Council adopts the fiscal impact statement in the committee report as the fiscal  
1486 impact statement required by section 4a of the General Legislative Procedures Act of 1975,  
1487 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

1488 Sec. 12. Effective date.

1489 This act shall take effect following approval by the Mayor (or in the event of veto by the  
1490 Mayor, action by the Council to override the veto), a 30-day period of congressional review as  
1491 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December

1492 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of  
1493 Columbia Register.