


Councilmember Kenyan McDuffie



Chairman Phil Mendelson



Councilmember Charles Allen



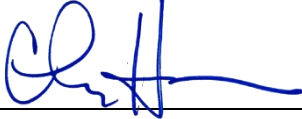
Councilmember Robert C. White, Jr.



Councilmember Anita Bonds



Councilmember Brooke Pinto



Councilmember Christina Henderson

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend Title 25 of the District of Columbia Official Code to establish the Alcoholic Beverage and Cannabis Board and the Alcoholic Beverage and Cannabis Administration; to establish that the Chairperson of the ABCA Board may also have demonstrated knowledge in the cannabis industry; to establish the Cannabis Regulation Division; to establish the Cannabis Advisory Committee; to define various terms for new chapters 21 through 30; to prohibit discrimination; to prohibit the sale of cannabis or cannabis products without a license; to prohibit exchanges of cannabis for purchasing another item; to provide the Board with the authority to issue cannabis licenses for 3 year periods; to create the Cannabis Equity and Opportunity Fund; to set aside a certain percentage of licenses for Social Equity Applicants; to establish grant and loan programs for Social Equity Applicants; to create requirement for the transfer of Social Equity Applicant licenses; to establish the Reparations for Victims of the War on Cannabis Fund; to establish the Community Reinvestment Fund and Board; to authorize the Board to create incentives for the production of medical cannabis and medical cannabis products; to create cultivation, manufacturer, microbusiness, internet retailer, retailer, and testing facility license categories; to create a research and development license category; to require laboratory agent registration with the ABCA; to require cannabis microbusinesses and retailers to obtain a delivery endorsement from the Board to deliver cannabis and cannabis products to District residents' homes; to create general qualifications for applicants; to establish general qualifications for proposed establishments; to clarify when the appropriateness standards apply to cannabis license applications; to prohibit a microbusiness or retailer from being located within 300 feet of schools or recreation centers or in a residential-use district; to require the Board to give notice to the public for

47 45 days of various cannabis license applications; to establish procedures for Board
48 hearings and decisions; to establish licensing fees for cannabis license applications; to
49 establish requirements for filing a protest; to provide an affected ANC great weight; to
50 establish general operating and product testing requirements; to require posting of
51 licenses; to establish hours of operation for cannabis licensees; to require licensees use a
52 Board-approved seed-to-sale tracking system; to establish maximum permitted sale
53 amounts for microbusinesses and retailers; to create packaging and labeling requirements
54 for cannabis products; to restrict what can be displayed on signs or logos from cannabis
55 licensees; to restrict the content and methods for advertising cannabis and cannabis
56 products; to prohibit licensees from giving free samples, promotional giveaways, or
57 mandating tie-in purchases for cannabis or cannabis product; to prohibit the sale of
58 cannabis or cannabis products to minors; to prohibit minors from entering a licensed
59 premises; to require the production of valid photo identification for entrance on to the
60 premises or for the sale of cannabis or cannabis products; to require security plans and
61 measures for licensed cannabis establishments; to require safekeeping by ABCA of
62 licenses that are temporarily suspended; to provide enforcement authority to ABCA
63 investigators, the Board, and MPD; to require the Board to establish a civil penalty fine
64 schedule by rulemaking; to prohibit the sale of cannabis or cannabis products at licensed
65 alcohol and tobacco establishments; to prohibit the sale of alcohol or tobacco infused
66 cannabis products; to prohibit tampering with packages or containers; to make it unlawful
67 to provide vaping devices to persons under 21 years of age; to make it unlawful to forge a
68 cannabis license; to provide a penalty for violations where no specific penalty is
69 provided; to prohibit purchase, possession, use or consumption by persons under the age
70 of 21; to impose an excise tax on cannabis sold or transferred from cultivators to
71 distributors, manufacturers, and retailers; to establish the authority for financial
72 institutions to transact business with licensees; to create a portal to ensure compliance of
73 financial institutions; to exempt information related to the location of cannabis properties
74 owned by a cannabis cultivator or manufacturer from FOIA disclosure; and to allow the
75 transfer to another person 21 years or older cannabis weighing ‘one ounce or less, or one
76 clone, regardless of weight.

77
78 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
79 act may be cited as the “Comprehensive Cannabis Legalization and Regulation Act of 2023”.

80 Sec. 2. The Small, Local, and Disadvantaged Business Enterprise Development and
81 Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-
82 218.01 *et seq.*) is amended as follows:

83 (a) Section 2302 (D.C. Official Code § 2-218.02) is amended as follows:

84 (1) A new paragraph (16B) is added to read as follows:

85 “(16B) “Social equity applicant” shall have the same meaning as § 25-2101(29).”.

86 (b) A new section 2316 is added to read as follows:

87 “Sec. 2316. Loans and grants to social equity applicants.

88 “(a) The Department shall, in consultation with ABCA, establish grant, equity, and loan
89 programs for the purposes of providing financial assistance, loans, grants, equity, and technical
90 assistance to social equity applicants.

91 “(b) The Department shall have the power to:

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

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

98 “(3) Fix, determine, charge, and collect any premiums, fees, charges, costs, and
99 expenses, including application fees, commitment fees, program fees, financing charges, or
100 publication fees in connection with its activities under this section;

101 “(4) Provide staff, administration, and related support required to administer this
102 section;

103 “(5) Establish application, notification, contract, and other forms, procedures, or
104 rules deemed necessary and appropriate; and

105 “(6) Utilize vendors or contract work to carry out the purposes of this act.

106 “(c) Grants made under this section shall be awarded on a competitive and annual basis.

107 Grants made under this Section shall further and promote the goals of this act, including the

108 promotion of Social Equity Applicants, job training and workforce development, and technical
109 assistance to Social Equity Applicants.

110 “(d) Loans made under this section shall be in such principal amount and form and
111 contain such terms and provisions with respect to security, insurance, reporting, delinquency
112 charges, default remedies, and other matters as DSLBD shall determine appropriate to protect the
113 public interest and to be consistent with the purposes of this section. The terms and provisions
114 may be less than required for similar loans not covered by this section.

115 “(e) Beginning January 1, 2024 and each year thereafter, DSLBD shall annually report to
116 the Council on the outcomes and effectiveness of this section that shall include the following:

117 “(1) The number of persons or businesses receiving financial assistance under this
118 section;

119 “(2) The amount in financial assistance awarded in the aggregate, in addition to
120 the number of loans made that are outstanding and the number of grants awarded;

121 “(3) The location of the project engaged in by the person or business; and

122 “(4) If applicable, the number of new jobs and other forms of economic output
123 created as a result of financial assistance.

124 “(f) The Department shall include engagement with individuals with limited English
125 proficiency as part of its outreach provided or targeted to attract and support Social Equity
126 Applicants.”.

127 Sec. 3. (a) Title 25 of the District of Columbia Official Code is amended as follows:

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

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

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

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

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

138 “(d) The Chief of Cannabis Regulation shall:

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

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

142 “(e) The Chief of Cannabis Regulation shall be a full-time position, for which annual
143 compensation shall be fixed in accordance with subchapter X-A of Chapter 6 of Title 1.”.

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

145 “Sec. 25-214. Cannabis Advisory Committee.

146 “(a) Within 90 days of the effective date of the Comprehensive Cannabis Legalization
147 and Regulation Act of 2023, the Mayor shall appoint a Cannabis Advisory Committee to study
148 and make recommendations to the Board on the regulation and taxation of cannabis in the
149 District.

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

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

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

153 “(3) The Chief Financial Officer or his or her designee;
154 “(4) The Director of the Department of Health or his or her designee;
155 “(5) A person with expertise in cannabis cultivation;
156 “(7) A person with expertise in cannabis product manufacturing;
157 “(8) Two returning citizens who meet the definition of social equity applicant
158 pursuant to
159 “(9) Two persons from Disproportionately Impacted Areas as defined in D.C.
160 Code § 25-2101;
161 “(10) A person with expertise in economic development;
162 “(11) A person with expertise in racial and economic justice; and
163 “(12) A person who is a current qualifying patient registered with ABCA for the
164 District’s medical cannabis program.”.

165 “(c) A member shall disclose any conflicts of interest and recuse him or herself from the
166 discussion or consideration of any recommendations where a conflict of interest exists.

167 “(d)(1) The Committee shall advise on the preparation of regulations and consider all
168 matters submitted to it by the Board.

169 “(2) Where the Board rejects recommendations from the Committee, it must
170 provide the Committee a justification for the rejection.

171 “(e) The Chair may establish subcommittees in order to expedite the work of the
172 Committee.

173 “(f) The Committee shall sunset after the Board adopts final rules implementing the
174 provisions of the Comprehensive Cannabis Legalization and Regulation Act of 2023.”.

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

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

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

178 “(a) The number of licenses available, pending approval, and awarded in each license
179 category, including Social Equity Applicants;

180 “(b) The demographic characteristics of licensees;

181 “(c) License numbers and other relevant information on licensed cannabis establishments
182 in the District;

183 “(d) Monthly production and sales activity;

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

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

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

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

190 CHAPTER 21. GENERAL PROVISIONS, SOCIAL EQUITY, COMMUNITY
191 REINVESTMENT, AND MEDICAL CANNABIS INCENTIVES.

192 “§ 25-2101. Definitions

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

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

195 “(2) “Cannabidiol” or “CBD” means a non-psychoactive cannabinoid found in
196 the plant Cannabis sativa L. or Cannabis indica or any other preparation thereof that is
197 essentially free from plant material and has a tetrahydrocannabinol level of no more than
198 0.3%.

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

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

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

213 “(6) “Cannabis establishment” means a cannabis cultivator, independent testing
214 laboratory, cannabis product manufacturer, cannabis retailer, or any other type of licensed
215 cannabis-related business.

216 “(7) “Cannabis tincture” means an alcoholic extract of cannabis commonly used in the
217 production of cannabis extracts.

218 “(8) “Child-resistant” means special packaging that is:

219 “(A) Designed or constructed to be significantly difficult for children under five
220 years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R.

221 1700.15 (1995) and 16 C.F.R. 1700.20 (1995). Note that this Rule does not include any later
222 amendments or editions to the Code of Federal Regulations;

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

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

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

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

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

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

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

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

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

241 “(11) “DOH” means the Department of Health, also known as DC Health.

242 “(12) “Edible cannabis product” means any cannabis product for which the intended use
243 is oral consumption, including any type of food, drink, or pill.

244 “(13) “Electronic smoking device” shall have the same meaning as it is used in the
245 Electronic Cigarette Parity Amendment Act of 2016, effective February 18, 2017 (D.C. Law 21-
246 189; D.C. Official Code § 7-741.01(1)).

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

248 “(15) “Finished cannabis” means usable cannabis, cannabis resin or
249 cannabis concentrate.

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

253 “(17) “Laboratory agent” means an employee of an independent testing facility who
254 transports, possesses, or tests cannabis.

255 “(18) “Cannabis tincture” means an alcoholic extract of cannabis commonly used in the
256 production of cannabis extracts.

257 (19) “Member of an impacted family” means an individual who is married to or in a civil
258 union, has a child, or is the child of a person or has a non-parent legal guardian who is or has
259 been incarcerated in the District or in any other jurisdiction for a cannabis or drug-related
260 offense.

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

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

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

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

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

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

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

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

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

280 “(29) “Social equity applicant” means an applicant for licensure with ABCA pursuant to
281 who satisfies two or more of the following criteria:

282 “(A) The applicant has at least one owner who is a District resident,
283 individually or collectively owns at least 50% of the business, and is a returning citizen;

284 “(B) The applicant has at least one owner who is a District resident,
285 individually or collectively owns at least 50% of the business, and is a member of an impacted
286 family; or

287 “(C) The applicant has at least one owner who is a District resident,
288 individually or collectively owns at least 50% of the business and has an income that does not
289 exceed 150% of the median family income as set forth by the United States Department of

290 Housing and Urban Development, adjusted for household size, at the time the applicant submits
291 the application.

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

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

300 “(32) “THC” means tetrahydrocannabinol.”.

301 “§ 25-2102. Sale of cannabis or cannabis products without a license prohibited.

302 “(a) No person shall sell cannabis or cannabis products in the District without
303 having first obtained an appropriate license as required by this title.

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

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

310 “§ 25-2103. Authority to grant licenses.

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

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

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

318 “(d) A license for a cannabis establishment shall describe the location of where the rights
319 of the license are to be exercised.

320 “(e) The Board, in issuing licenses, may require that certain conditions be met if it
321 determines that the inclusion of conditions will be in the best interest of the locality, section, or
322 portion of the District where the licensed establishment is to be located. The Board, in setting the
323 conditions, shall state, in writing, the rationale for the determination.”.

324 “§ 25-2104. Social equity in the cannabis industry.

325 “(a) There is established a fund designated as the Cannabis Equity and Opportunity Fund
326 (“Fund”), which shall be separate from the General Fund of the District of Columbia. 40% of
327 monies obtained pursuant to D.C. Official Code § 25-3001 shall be deposited into the Fund
328 without regard to fiscal year limitation pursuant to an act of Congress and used solely to pay the
329 costs of operating and maintaining the Fund and for the purposes stated in subsection (c) of this
330 section. All funds, interest, and other amounts deposited into the Fund shall not be transferred or
331 revert to the General Fund of the District of Columbia at the end of any fiscal year or at any other
332 time but shall continually be available for the uses and purposes set forth in this section, subject
333 to authorization by Congress in an appropriations act.

334 “(b) The Fund shall be administered by the Department of Small and Local Business
335 Development (“DSLBD”).

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

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

339 “(2) To conduct any study or research concerning the participation of people of
340 color, women, veterans, or people with disabilities in the cannabis industry, including, without
341 limitation, barriers to such individuals entering the industry as equity owners of cannabis
342 establishments;

343 “(3) To assist with job training and technical assistance for residents in
344 Disproportionately Impacted Areas.”.

345 “§ 25-2105. Social equity applicant set-asides.

346 “(a) The Board shall set aside at least half of all available licenses for social equity
347 applicants in each license category, including any licenses created by the Board through the
348 rulemaking process.

349 “(b) Straw ownership for the sake of fulfilling the ownership requirements of Social
350 Equity Applicant licenses section is banned, both for the District resident(s) and the out of state
351 residents purporting to give the District resident(s) a 50% ownership share.

352 “§ 25-2107. Transfer of license awarded to a social equity applicant.

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

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

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

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

363 “(b) In cases where a Social Equity Applicant seeks to transfer, sell, or grant a cannabis
364 business establishment license to a non-Social Equity Applicant, the Board shall consider
365 whether the transfer would undermine the set-aside thresholds established in D.C. Official Code
366 § 25-2106 when determining approval of said transfer.

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

369 “§ 25-2108. Reparations for victims of the war on cannabis.

370 “(a)(1) There is established a Reparations for Victims of the War on Cannabis Fund
371 (“Fund”) which shall be separate from the General Fund of the District of Columbia. For ten
372 years after the first collection of monies pursuant to D.C. Official Code § 25-3001, 40% of
373 monies obtained pursuant to D.C. Official Code § 25-3001 shall be deposited into the Fund
374 without regard to fiscal year limitation pursuant to an act of Congress and used solely to pay the
375 costs of operating and maintaining the Fund and for the purposes stated in subsection (b) of this
376 section. All funds, interest, and other amounts deposited into the Fund shall not be transferred or
377 revert to the General Fund of the District of Columbia at the end of any fiscal year or at any other
378 time but shall continually be available for the uses and purposes set forth in this section, subject
379 to authorization by Congress in an appropriations act.

380 “(2) After ten years, the Fund shall sunset and any remaining, unobligated monies
381 in the Fund shall be transferred to the Community Re-Investment Program Fund pursuant to D.C.
382 Official Code § 25-2109.

383 “(b) The Fund shall be administered by the Department of Social Equity in consultation
384 with ABCA and the Chief Financial Officer.

385 “(b) Monies from the Fund shall be used to provide direct cash payments to District
386 residents who were arrested, convicted, or incarcerated for a cannabis-related offense in the
387 District prior to March 27, 2015, or to spouses or children of a District resident who was
388 arrested, convicted, or incarcerated for a cannabis-related offense in the District prior to March
389 27, 2015.

390 “(c) Direct cash payments shall total no less than \$5,000 and no more than \$80,000 per
391 person. The amount of a direct cash payment shall be determined by the following factors:

392 “(1) For an individual who was arrested convicted, or incarcerated for a cannabis-
393 related offense:

394 “(A) The age at which the individual was arrested, convicted, or
395 incarcerated for a cannabis-related offense;

396 “(B) The length of time the individual was incarcerated, if applicable; and

397 “(C) Whether the individual was supporting a spouse, partner, child,
398 parents, or grandparents at the time he or she was arrested, convicted, or incarcerated.

399 “(2) For spouses or children of an individual who was arrested, convicted, or
400 incarcerated for a cannabis-related offense:

401 “(A) The age at which his or her spouse, legal guardian, caretaker, or
402 parent was arrested, convicted, or incarcerated for a cannabis-related offense; and

403 “(B) The length of time the spouse, legal guardian, caretaker, or parent
404 was incarcerated, if applicable.

405 “(d) Direct cash payments made pursuant subsection (c) of this section may be made to
406 qualified residents in the form of monthly installments or as a lump sum payment. Qualified
407 residents shall the option to choose to receive payments as monthly installments or as a lump
408 sum.

409 “(e) Applications for direct cash payments shall be made available on an annual basis.

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

414 “§ 25-2109. Community re-investment program.

415 “(a)(1) There is established a Community Re-Investment Program Fund (“Fund”) which
416 shall be separate from the General Fund of the District of Columbia. For ten years after the first
417 collection of monies pursuant to D.C. Official Code § 25-3001, 20% of monies obtained
418 pursuant to D.C. Official Code § 25-3001 shall be deposited into the Fund without regard to
419 fiscal year limitation pursuant to an act of Congress and used solely to pay the costs of operating
420 and maintaining the Fund and for the purposes stated in subsection (b) of this section. All funds,
421 interest, and other amounts deposited into the Fund shall not be transferred or revert to the
422 General Fund of the District of Columbia at the end of any fiscal year or at any other time but
423 shall continually be available for the uses and purposes set forth in this section, subject to
424 authorization by Congress in an appropriations act.

425 “(2) After ten years, 60% of monies obtained pursuant to D.C. Official Code § 25-
426 3001 shall be deposited into the Fund without regard to fiscal year limitation pursuant to an act
427 of Congress and used solely to pay the costs of operating and maintaining the Fund and for the
428 purposes stated in subsection (b) of this section.

429 “(b) The Fund shall be administered by the Department of Social Equity in consultation
430 with ABCA.

431 (c)(1) Monies from the fund shall be used to provide grants to residents and community-
432 based organizations for programs, projects, or initiatives that address economic development,
433 education, mental health treatment, substance use disorder treatment, non-law enforcement
434 violence prevention services, homeless prevention services, re-entry services, youth
435 development, and civil legal aid in eligible program areas as determined by the Department of
436 Social Equity in sub-subparagraph (B) of this subparagraph.

437 “(2) Within 180 days after the effective date of this act, the Department of Social
438 Equity shall identify areas in the District that are eligible to participate in the Community
439 Reinvestment Program. Eligibility shall be determined by an analysis of data that finds that the
440 area is high need, underserved, disproportionately impacted by economic disinvestment, and
441 experiences high levels of gun violence, unemployment, or child poverty.

442 “(3) The Department of Social Equity shall send to the Council and make publicly
443 available its analysis and identification of eligible areas in the District. The Department of Social
444 Equity shall recalculate the eligibility criteria every 4 years.

445 “(c) There is established a Community Reinvestment Program Board (CRPB) that is
446 responsible for the selection of grantees eligible under (b)(2)(B) of this section. The Board shall
447 be under the Department of Social Equity, who shall work in consultation with ABCA. The

448 CRPB shall be constituted within 180 days after the eligible areas have been designated.

449 Members shall be appointed by the Mayor, with the advice and consent of the Council pursuant
450 to section 2(a) of the Confirmation Act of 1978, effective March 3, 1979 (D.C. Law 2-142; D.C.
451 Official Code § 1-523.01(a)), and shall include:

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

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

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

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

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

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

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

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

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

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

469 “(2) Develop a process to solicit applications from eligible areas;

470 “(3) Identify resources sufficient to support the full administration and evaluation
471 of the program, including building and sustaining core program capacity;

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

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

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

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

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

484 “§ 25-2109. Incentives for the production of medical cannabis products.

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

491 (e) A new Chapter 22 is added to read as follows:

492 CHAPTER 22. CLASSIFICATION OF LICENSES.

493 “§ 25-2201. Cultivation licenses.

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

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

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

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

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

507 “§ 25-2202. Manufacturer licenses.

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

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

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

515 “§ 25-2203. Microbusiness licenses.

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

518 “(2) The holder of a microbusiness license shall be permitted to sell any cannabis
519 or cannabis products to retailers and internet retailers for sale.

520 “(b) A microbusiness shall not have a total canopy of more than 500 square feet for the
521 cultivation of medical or recreational cannabis.

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

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

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

528 “§ 25-2204. Retailer licenses.

529 “(a)(1) A retailer’s license shall authorize the licensee to sell medical or recreational
530 cannabis, and medical or recreational cannabis products received from a licensed cultivator,
531 microbusiness, or manufacturer, at retail directly to qualifying patients and caregivers, or
532 customers.

533 “(2) In order to sell medical cannabis or medical cannabis products, a retailer
534 must:

535 “(A) Register in a form and manner specified by the Board; and

536 “(B) Store and display medical cannabis and medical cannabis products in
537 a manner that separates these products from recreational cannabis or recreational cannabis
538 products.

539 “(b) Cannabis or cannabis products shall not be opened, or the contents consumed,
540 smoked, applied, or vaped, at licensed establishments that do not have an on-premises use
541 endorsement.

542 “(c) The holder of a retailer’s license shall not be permitted to sell any cannabis or
543 cannabis products to other licensees for resale.

544 “§ 25-2205. Internet retail licenses.

545 “(a)(1) An internet retail license shall authorize the licensee to sell medical or
546 recreational cannabis, and medical and recreational cannabis products received from a licensed
547 cultivator, microbusiness, or manufacturer, through the internet, a mobile application, or similar
548 technology platform.

549 “(2) The holder of an internet retail license shall not have a physical location that
550 is open to the public.

551 “(3) The holder of an internet retail license shall not be permitted to sell any
552 recreational or medical cannabis, or recreational or medical cannabis products, to other licensees
553 for sale.

554 “(4) The holder of an internet retail license shall not be required to obtain a
555 delivery endorsement to be permitted to deliver cannabis directly to an adult consumer.

556 “(b) Internet retail licensees shall not be permitted to obtain an on-premises use
557 endorsement.”.

558 “§ 25-2206. Testing Facility licenses.

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

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

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

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

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

570 “§ 25-2206. Research and development facility licenses.

571 “(a) A research and development facility license shall authorize the licensee to cultivate
572 or possess medical cannabis and medical cannabis products for the use in research projects only.

573 “(b) A licensed cultivation, manufacturer, or microbusiness may transfer medical
574 cannabis or medical cannabis products to a research and development facility for use in research
575 projects only.

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

584 § 25-2207. Laboratory agent registration.

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

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

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

593 “(d) A registered laboratory agent shall not be subject to arrest, prosecution, civil
594 penalty, sanctions, or disqualifications under District law, and shall not be subject to seizure or
595 forfeiture of assets under District law for actions taken under the authority of a licensed testing
596 facility and consistent with applicable District laws, regulations, and issuances, including
597 possessing, processing, storing, transferring or testing recreational or medical cannabis within the
598 District of Columbia, provided the registered laboratory agent presents his or her registration
599 card to MPD, any other law enforcement official, or an ABCA investigator or DFS inspector
600 who questions the laboratory agent concerning their cannabis-related activities.

601 “(e) The fee for a laboratory agent registration card shall be determined by rulemaking by
602 the Board.

603 “§ 25-2208. Delivery endorsements and internet retail delivery.

604 “(a) The holder of a microbusiness or retailer’s license shall obtain a delivery
605 endorsement from the Board to be eligible to deliver applicable recreational or medical cannabis,
606 or recreational or medical cannabis products, directly to District resident’s homes.

607 “(b) A microbusiness or retailer with a delivery endorsement, or an internet retailer, shall:

608 “(1) Only receive and accept an order by electronic or other means from an adult
609 consumer;

610 “(2) Only deliver to the adult consumer at the District address provided by the
611 patient or caregiver and not “drop off” the product without verifying the identity of the recipient;

612 “(3) Only travel through the District and not any surrounding jurisdictions to
613 make deliveries;

614 “(4) Abide by rules and standards as may be established by the ABC Board;

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

617 “(6) Use its employees or a licensed courier to deliver recreational or medical
618 cannabis, or recreational or medical cannabis products;

619 “(7)(A) Prior to transferring possession of the order to an adult consumer, inspect
620 his or her valid government-issued identification card to verify their age and that the information
621 provided at the time the order was placed matches information listed on the government-issued
622 identification card;

623 “(B) The microbusiness, retailer or internet retailer’s failure to check the
624 required information in subparagraphs (A) of this paragraph may result in the ABC Board
625 issuing a fine against the licensee, or suspending or revoking its license in accordance with this
626 act or regulations issued pursuant to this act;

627 “(9) Maintain, in each vehicle used for deliveries of cannabis or cannabis
628 products, a secure, locked storage compartment for purposes of transporting and securing cash

629 used as payment and the recreational or medical cannabis or recreational or medical cannabis
630 products; and

631 “(10) Only use delivery vehicles that:

632 “(A) Contain a Global Positioning System (GPS) device for identifying
633 the geographic location of the delivery vehicle, which shall be either permanently or
634 temporarily affixed to the delivery vehicle while the delivery vehicle is in operation and
635 remain active and in the possession of the delivery employee at all times during the
636 delivery; and

637 “(B) Do not bear any markings, images, words, or phrases that would
638 indicate the delivery vehicle is used to deliver cannabis, including the name of the
639 retailer or internet retailer, or any cannabis-related related images.

640 “(c) The minimum initial application fee for the endorsement shall be \$300. The
641 endorsement shall be valid for 3 years with a minimum annual license fee of \$300. The holder of
642 an internet retail license shall not need a delivery endorsement to conduct deliveries.

643 “§ 25-2209. On-premises use endorsement.

644 “(a) The holder of a microbusiness or retail license shall be eligible to apply to the ABC
645 Board for a on-premises use endorsement. The holder of a on-premises use endorsement shall be
646 permitted to:

647 “(1) Sell recreational or medical cannabis, recreational or medical cannabis
648 products, and cannabis-related paraphernalia to consumers to be used on the premises at the time
649 of purchase within designated consumption areas that are separated from the remainder of the
650 premises by a secure door and have a separate ventilation system;

651 “(2) Allow consumers to remove from the premises unused recreational or
652 medical cannabis, recreational or medical cannabis products, or cannabis-related paraphernalia
653 that has been purchased from the microbusiness or retailer;

654 “(3) Offer or sell food that does not contain cannabis in the designated
655 consumption areas;

656 “(4) Offer recorded or background music in the designated consumption areas.

657 “(b) A microbusiness or retailer with an on-premises use endorsement shall:

658 “(1) Install security cameras that are operable and able to record for a minimum of
659 30 days;

660 “(2) Display conspicuous warning labels that are visible to the consumers;

661 “(3) Destroy all unadministered recreational or medical cannabis left abandoned
662 or unclaimed in the designated consumption areas; and

663 “(4) Package and label all recreational or medical cannabis, or recreational or
664 medical cannabis products, purchased to be used on the premises in the designated consumption
665 area in accordance with regulations issued pursuant to this act.

666 “(c) A microbusiness or retailer’s facility shall have the following characteristics:

667 “(1) The area where recreational or medical cannabis, or recreational or medical
668 cannabis products, are to be used shall be isolated from the other areas of the microbusiness or
669 retailer, separated by walls and a secure door, and shall have access only from the microbusiness
670 or retailer;

671 “(2) A smoke-free area for employees to monitor the designated consumption
672 area; and

673 “(3) A ventilation system that directs air from the designated consumption area to
674 the outside of the building through a pollution control unit or odor control unit that, at a
675 minimum, eliminates all detectable odor, smoke, and by-products of combustion so as to prevent
676 any and all public nuisances.

677 “(d) A microbusiness or retailer with an on-premises use endorsement shall not:

678 “(1) Allow a person to consume alcohol, tobacco, or tobacco products on the
679 premises;

680 “(2) Allow a consumer to bring into or use in the designated consumption area
681 any recreational or medical cannabis, or recreational or medical cannabis products, that were not
682 purchased at the microbusiness or retailer unless otherwise permitted by the ABC Board by
683 rulemaking;

684 “(4) Sell, offer to sell, or provide recreational or medical cannabis, recreational or
685 medical cannabis products, or paraphernalia in excess of the quantity limits set forth in this act or
686 regulations issued pursuant to section 14;

687 “(5) Encourage or permit an organized game or contest on the premises that
688 involves consuming recreational or medical cannabis or recreational or medical cannabis
689 products, or the awarding of recreational or medical cannabis or recreational or medical cannabis
690 products; or

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

693 “(e) An applicant for a on-premises use endorsement shall:

694 “(1) Complete an application on a form the ABC Board prescribes by regulations
695 issued pursuant to this act;

696 “(2) Include with the application a ventilation proposal, which shall include
697 information to address the following:

698 “(A) Air change for the designated consumption area;

699 “(B) Air change for common areas inside the microbusiness or retailer
700 establishment;

701 “(C) Filter type and odor control measures for the designated consumption
702 area;

703 “(D) Location of air intakes and exhaust outlets;

704 “(E) Whether the designated consumption area shares space with
705 employee work areas; and

706 “(F) Any other information deemed necessary through rulemaking.

707 “(f) The minimum initial application fee for the on-premises endorsement shall be
708 \$1,000. The endorsement shall be valid for 3 years, with a minimum annual fee of \$2,000.

709 “§ 25-2210. Education tasting endorsement.

710 “(a) The holder of a microbusiness or retailer license shall be eligible to apply to the ABC
711 Board for an education tasting endorsement. The holder of an education tasting endorsement
712 shall be permitted to offer cooking and how-to classes and demonstrations, and tastings for
713 educational purposes to consumers. Activities offered by a retailer under an education tasting
714 endorsement shall be permitted to occur on the premises of the microbusiness or retailer; except,
715 that educational activities that include the smoking of recreational or medical cannabis by
716 consumers shall only occur in an ABC Board-approved designated consumption areas. The
717 holder of an internet retailer license shall not be eligible for an education tasting endorsement.

718 “(b) A microbusiness or retailer with an education tasting endorsement shall:

719 “(1) Display in the licensed area conspicuous warning labels that are visible to the
720 consumers concerning the consumption of recreational or medical cannabis, and recreational or
721 medical cannabis products;

722 “(2) Destroy all unconsumed recreational or medical cannabis remaining from the
723 educational activity, except as permitted under paragraph (4) of this subsection;

724 “(3) Ensure that containers of recreational or medical cannabis to be used for
725 educational activities are labeled as such and may not be sold; and

726 “(4) Be permitted to allow a consumer to leave the premises with recreational or
727 medical cannabis that was made available or offered as part of the educational activity in
728 accordance with the requirements and limits set forth in this act.

729 “(c) A microbusiness or retailer with an education tasting endorsement shall not:

730 “(1) Allow a person to consume alcohol, tobacco, or tobacco products on the
731 premises;

732 “(2) Advertise or promote, in any way, either on or off the premises, a practice
733 prohibited under this section; or

734 “(3) Make unsubstantiated medical claims about cannabis or cannabis products.

735 “(d) The holder of an education tasting endorsement may offer educational activities on
736 the licensed premises between the hours of 7:00 a.m. and 9:00 p.m., 7 days per week; provided,
737 that the ABC Board may alter these hours through rulemaking.

738 “(e) The ABC Board shall establish, by regulation, permitted recreational or medical
739 cannabis tasting or consumption limits for educational activities.

740 “(f) An applicant for an education tasting endorsement shall complete an application on a
741 form the ABC Board prescribes by regulations issued pursuant to this act.

742 “(g) The minimum initial application fee for an education tasting endorsement shall be
743 \$130. The endorsement shall be valid for 3 years, with a minimum annual fee of \$130.

744 (f) A new Chapter 23 is added to read as follows:

745 CHAPTER 23. LICENSEE AND ESTABLISHMENT QUALIFICATIONS.

746 “§ 25-2301. Criminal background checks of applicants.

747 “(a)(1) A criminal background check shall not be required to be submitted to ABCA with
748 an employee, agent, or manager as part of the employee’s, agent’s, or manager’s application.

749 “(2) Except with respect to evaluating the applications of social equity applicants
750 and returning citizens, the ABC Board shall not:

751 “(A) Inquire into or consider:

752 “(i) A director, officer, member, or incorporator’s criminal
753 conviction until after the applicant is found by ABCA to be otherwise qualified;

754 “(ii) A criminal conviction that has been sealed, expunged,
755 vacated, or pardoned, including a criminal conviction that has been set aside pursuant to the
756 Youth Rehabilitation Amendment Act of 1985, effective December 7, 1985 (D.C. Law 6-69;
757 D.C. Official Code § 24-901 et seq.);

758 “(iii) A juvenile adjudication; or

759 “(iv) Non-conviction information, including information related to
760 a deferred sentencing agreement, participation in a diversion program, or an arrest that did not
761 result in a criminal conviction; or

762 “(B) Consider a criminal conviction of an offense of a director, officer,
763 member, incorporator of a cultivation, manufacturer, retailer, internet retailer, courier, or testing

764 laboratory that is not directly related to the position of employment sought or to the specific
765 business for which the license is sought.

766 “(2) Pursuant to paragraph (1)(B) of this subsection, ABCA shall determine
767 whether a criminal conviction of an offense of a director, officer, member, or incorporator of a
768 cultivation, manufacturer, retailer, internet retailer, or testing laboratory is directly related to the
769 position of employment sought or to the specific business for which the license is sought, by
770 considering the following factors:

771 “(A) Whether the elements of the offense are directly related, by clear and
772 convincing evidence, to the license sought;

773 “(B) Any evidence produced by the director, officer, member, or
774 incorporator concerning their rehabilitation and fitness, including:

775 “(i) Evidence as to whether the director, officer, member,
776 incorporator has recidivated;

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

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

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

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

784 “(vi) Evidence of work history, particularly any training or work
785 experience related to the license sought; and

786 “(vii) Letters of reference; and

787 “(C) The District’s interest in promoting opportunities for business
788 ownership and employment for returning citizens and individuals with criminal records.

789 “(3) Before acting on a determination made pursuant to paragraph (2) of this
790 subsection, the ABC Board shall notify the director, officer, member, or incorporator, in writing,
791 of the following information:

792 “(A) The criminal conviction that forms the basis for the action and the
793 ABC Board’s reasoning for determining the offense is directly related to the license sought;

794 “(B) A copy of any criminal history records on which the ABC Board

795 relies; “(C) A statement that the director, officer, member, or incorporator may
796 provide evidence of inaccuracies within the criminal history records;

797 “(D) A description of additional information that the director, officer,
798 member, incorporator may provide to demonstrate their rehabilitation and fitness; and

799 “(E) Information about any applicable hearing procedures.

800 “(4)(A) After receiving notice pursuant to paragraph (3) of this subsection, the
801 director, officer, member, or incorporator, shall have 45 business days to issue a response to the
802 ABC Board.

803 “(B) The ABC Board shall respond no later than 45 business days after
804 receipt of a response pursuant to subparagraph (A) of this paragraph.

805 “(5) The Board may establish by rulemaking a list of criminal conviction offenses
806 that are directly related to the operation of a cultivation, manufacturer, retailer, internet retailer,
807 courier, or testing laboratory for purposes of implementing this subsection.

808 “(u) The ABC Board may fine, suspend, or revoke the license or registration of a person
809 or business found to have violated any provision in this act or rules issued under the act. The

810 Board may also issue a written warning to a licensed or registered person or business for a
811 violation of the act or rules issued under the act to the extent permitted by regulations issued
812 under this act.

813 “25-2302. Restrictions on holding a conflict of interest.

814 (a)(1) Before issuing, transferring to a new owner, or renewing a license, the ABC Board
815 shall determine that the applicant is not disqualified because of a conflicting interest in another
816 cannabis license, as follows:

817 “(A) No licensee holding a testing laboratory license shall hold a cultivation,
818 manufacturer, retailer, internet retailer, or courier license.

819 “(B) No licensee holding a retailer, internet retailer, cultivation, testing
820 laboratory or manufacturer license shall hold a courier license.

821 “(C) No licensee shall hold more than two cultivation licenses.

822 “(D) The combined number of retailer and internet retailer licenses held
823 by a licensee shall not exceed three.

824 “(E) There shall be no limit on the number of manufacturer licenses that a
825 licensee may hold.

826 “(F) No licensee holding a cultivation license shall hold more than one
827 retailer or internet retailer license.

828 “(2) The ABC Board may modify, by rule, the number of licenses that a licensee
829 may hold for one or more of the license categories listed in paragraph (1) of this subsection.

830 “§ 25-2303. Social equity applicant and cannabis certified business enterprise
831 requirements.

832 “(a) An applicant seeking to qualify as a:

833 “(1) Social equity applicant shall submit an affidavit with the application for a
834 cultivation, manufacturer, retailer, internet retailer, courier, or testing laboratory license attesting
835 to:

836 “(A) The number of owners who meet the criteria for a social equity
837 applicant pursuant to section 2(20C);

838 “(B) The ownership interests, incomes, and net worth of any owners;

839 “(C) The location of all managerial employees in the principal office;

840 “(D) The residency of owners, employees, and contractors; and

841 “(E) The locations of the assets and the percentages of the assets in each
842 location;

843 “(2) Cannabis certified business enterprise applicant shall submit an affidavit with
844 the application for a cultivation, manufacturer, retailer, internet retailer, courier, or testing
845 laboratory license attesting to:

846 “(A) The number of owners who are economically disadvantaged
847 individuals or individuals who have been subjected to racial or ethnic prejudice or bias because
848 of their identities as members of a group without regard to their individual qualities;

849 “(B) The ownership interests, incomes, and net worth of any owners;

850 “(C) The location of all managerial employees in the principal office;

851 “(D) The residency of owners, employees, and contractors; and

852 “(E) The locations of the assets and the percentages of the assets in each
853 location.

854 “(e) Except for those owners of medical cannabis facilities licensed as of the effective
855 date of this Act, a cultivation, manufacturer's, microbusiness or retailer's licensee shall have at

856 least 60% of its licensed employees submit adequate proof of District residency according to
857 standards determined by ABCA, and that proof shall affirm an intent and severe offenses and
858 encompass occasional or inadvertent failure to comply with basic administrative procedures and
859 protocols or minor changes to plans submitted in licensing documents that do not affect the
860 health, safety, or welfare of the public, nor the integrity of the program established and regulated
861 by this title.

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

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

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

872 “(i) Exceptions to local hire requirements in subsection (e) shall apply to license renewals
873 as well as initial licenses.”.

874 “§ 25-2304. Qualification of establishments.

875 “(a) Except as provided by subsection (b) of this section, no license shall be issued to an
876 applicant unless he or she provides the Board with a zoning determination letter, issued by
877 DCRA, stating that the establishment to be licensed is located within a zone that permits the
878 establishment's operation.

879 “(b)(1) The ABC Board shall be authorized to issue a one-year conditional license for a
880 cultivation, retailer, internet retailer, manufacturer, or courier that does not currently have a
881 proposed location.

882 “(2) Under the conditional license, the applicant shall have one year from the date
883 of ABC Board approval to submit to ABCA:

884 “(A) A lease or similar documentation;

885 “(B) A security plan;

886 “(C) A certificate of occupancy for the proposed location;

887 “(D) Any remaining licensing or endorsement fees owed to ABCA; and

888 “(E) Any other documentation requested by the ABC Board.

889 “(3) An applicant shall not be permitted to purchase, manufacture, process,
890 distribute, or sell cannabis with a conditional license. A conditional license that does not meet
891 the terms of this subsection or is not operating after a period of one year shall be canceled by the
892 ABC Board.

893 “(4) A one-year conditional license approved by the ABC Board to a shall not be
894 permitted to be transferred to a new owner.

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

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

903 “§ 25-2305. Appropriateness standard.

904 “(a) To qualify for the issuance, renewal of a license, or transfer of a license, an applicant
905 for a cultivation, manufacturer, microbusiness, or retailer license shall be required to satisfy the
906 appropriateness standards set forth in D.C. Official Code § 25-313.

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

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

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

915 “25-2306. Transfer of licensed establishment to a new owner.

916 “(a) In determining the appropriateness of the transfer of a cannabis establishment to a
917 new owner, the Board shall consider only the applicant’s qualifications as set forth in D.C.
918 Official Code § 25-2301, and whether any sale defeats or impairs the social equity thresholds in
919 D.C. Official Code § 25-2106 or the local ownership goals embodied in D.C. Official Code § 25-
920 2303.

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

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

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

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

934 “§ 25-2307. Transfer of licensed establishment to a new location.

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

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

940 “(1) Failed to open for business within 180 days of being issued a cannabis
941 license;

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

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

949 “§ 25-2308. Restrictions on proximity to schools, recreation centers, and other retail
950 licensees.

951 “(a) The Board shall not issue, except as to entities licensed as of the effective date of this
952 act, a cultivation, manufacturer, microbusiness, internet retailer, or retailer’s license to any
953 establishment located within 300 feet of the proximity of a pre-existing public, private, or
954 parochial primary, elementary, or high, or the boundary of a recreation area operated by the
955 District of Columbia Department of Parks and Recreation.

956 “(b) Licensees engaging in retail sales of cannabis shall not be located within 400 feet of
957 each other.

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

960 “(d) The restrictions in subsections (a) of this section shall not apply where the main
961 entrance to the preschool, primary or secondary school, or recreation center, or the nearest
962 property line of the school or recreation center, is actually on or occupies ground zoned
963 commercial or industrial according to the official atlases of the Zoning Commission of the
964 District of Columbia.”.

965 “§ 25-2309. Retail license prohibited in residential-use districts.

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

970 “§ 25-2310. Restrictions on the total number of cannabis business licenses.

971 “(a) The Board may, through rulemaking, consider restrictions on the total number of
972 licenses issued under each license category in Chapter 22, provided that any such restriction shall
973 be:

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

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

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

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

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

984 CHAPTER 24. APPLICATION AND REVIEW PROCESS.

985 “§ 25-2401. Form of application.

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

989 “§ 25-2402. License renewal.

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

993 “§ 25-2403. Notice by Board.

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

999 “§ 25-2404. Board hearings and decisions.

1000 “Board hearings, determining factors, and decisions shall follow the procedures set forth
1001 in Subchapters II and IV of Chapter 4 of this title. Board decisions shall be issued pursuant to
1002 D.C. Official Code § 25-433.”.

1003 (h) A new Chapter 25 is added to read as follows:

1004 CHAPTER 25. APPLICATION AND LICENSE FEES.

1005 “§ 25-2501. Application fee.

1006 “(a) The initial application fee for a cultivation, manufacturing, microbusiness, retailer,
1007 internet retailer, or testing facility license shall be \$1,000.

1008 “(b) The initial application fee shall be paid at the time of application to the D.C.
1009 Treasurer.”.

1010 “§ 25-2502. License fees.

1011 “(a) The initial fees and renewal fees for licenses shall be set forth below:

1012	License Class	Cost
1013	Cultivation	\$8,000
1014	Manufacturer	\$5,000
1015	Microbusiness	40% of all applicable license fees
1016	Retailer	\$8,000
1017	Internet retailer	\$10,000
1018	Testing facility	\$3,000

1019 Research and development facility \$2,500

1020 “(b) There shall be no additional fee for microbusiness, internet retailers, or retailers that
1021 register to sell medical cannabis or medical cannabis products pursuant to D.C. Official Code §
1022 25-220(a)(2).

1023 “(c) A licensee’s failure to timely remit the license fee shall be cause for the Board to
1024 suspend the license until the licensee pays the fee and any fines imposed by the Board for late
1025 payment. The Board shall cancel the license if the licensee is more than 30 days delinquent on
1026 payment of the annual fee.

1027 “(d) The Board shall establish renewal fees for each license class in subsection (a) of this
1028 section through rulemaking.”.

1029 “§ 25-2503. Alteration of application or license fees.

1030 “The Board may propose regulations, pursuant to D.C. Official Code § 25-2202, to
1031 alter the license fees established by this chapter or to create additional license categories.”.

1032 “§ 25-2504. Fee waivers for social equity applicants.

1033 “(a) For Social Equity Applicants, ABCA shall waive 75% of any nonrefundable license
1034 application fees, any nonrefundable fees associated with receiving a license to operate a cannabis
1035 establishment, and any surety bond or other financial requirements.

1036 “(b) The Board may require Social Equity Applicants to attest that they meet the
1037 requirements for a fee waiver as provided in subsection (a).

1038 “(c)(1) If the Board determines that an applicant who applied as a Social Equity
1039 Applicant is not eligible for such status, the Board shall provide notice to the applicant.

1040 “(2) Upon receipt of the notice, the applicant shall have 15 days to provide
1041 alternative evidence that he or she qualifies as a Social Equity Applicant.

1042 “(3) The Board shall make a determination of the applicant’s status 10 days after
1043 the receipt of any alternative evidence. The Board shall notify the applicant of this determination.

1044 “(d) If the applicant does not qualify as a Social Equity Applicant, he or she may pay the
1045 remainder of the waived fee and be considered as a non-Social Equity Applicant. If he or she
1046 cannot do this, then ABCA may keep the initial application fee to cover any administrative costs
1047 associated with the application process, and the application shall not be considered.”.

1048 (h) A new Chapter 26 is added to read as follows:

1049 CHAPTER 26. PROTESTS.

1050 “§ 25-2601. Standing to file a protest and protest requirements.

1051 “A person with standing under D.C. Official Code § 25-601 shall be permitted to file a
1052 protest of a new, renewal, or transfer to new location application for a cultivation, manufacturer,
1053 microbusiness, internet retailer’s license, or retailer’s license.”.

1054 “§ 25-2602. Filing a protest—timing and requirements.

1055 “(a) Any person objecting, under D.C. Official Code § 25-601, to the approval of an
1056 application shall notify the Board in writing of his or her intention to object and the grounds for
1057 the objection within the protest period.

1058 “(b) If the Board has reason to believe that the applicant did not comply fully with the
1059 notice requirements set forth in subchapter II of Chapter 4, it shall extend the protest period as
1060 needed to ensure that the public has been given notice and has had adequate opportunity to
1061 respond.”.

1062 “§ 25-2603. ANC Comments.

1063 “(a) The Board shall give the recommendations of an affected ANC great weight
1064 pursuant to the requirements set forth in D.C. Official Code § 25-609.

1065 “(b) In the event that an affected ANC submits a settlement agreement to the Board on a
1066 protested license application, the Board, upon its approval of the settlement agreement, shall
1067 dismiss any protest of a group of no fewer than 5 residents or property owners meeting the
1068 requirements of D.C. Official Code § 25-601(2). The Board shall not dismiss a protest filed by
1069 another affected ANC, a citizens association, or an abutting property owner meeting the
1070 requirements of D.C. Official Code § 25-601(3) upon the Board’s approval of an ANC’s
1071 settlement agreement submission.”.

1072 (i) A new Chapter 27 is added to read as follows:

1073 CHAPTER 27. OPERATING STANDARDS.

1074 “§ 25-2701. General operating requirements.

1075 “(a) A licensee shall be required to secure every entrance to the establishment so that
1076 access to areas containing cannabis or cannabis products is restricted to the owner or approved
1077 employees.

1078 “(b) A licensee shall secure its inventory and equipment during and after hours to deter
1079 and prevent theft of cannabis, cannabis products, and cannabis accessories.

1080 “(c)(1) A licensee shall not cultivate, process, test, store, or manufacture cannabis or
1081 cannabis products at any location other than at a physical address approved by the Board and
1082 within an area that is enclosed and secured in a manner that prevents access by persons not
1083 permitted by the cannabis establishment to access that area.

1084 “(2) A licensee who has a cultivation and manufacturing license may co-locate
1085 licenses in order to minimize the impacts associated with business operations. The Board shall
1086 develop rules for the co-location of cultivation and manufacturing licenses.

1087 “(d) A licensee shall not allow the cultivation, processing, manufacture, sale, or display
1088 of cannabis or cannabis products to be visible from a public place without the use of binoculars,
1089 aircraft, or other optical aids.

1090 “(e) Investigators or officers from ABCA, DCRA, DFS, DOH, FEMS, and MPD
1091 shall be permitted to inspect the entire licensed premises during its hours of operation and, if
1092 within their office’s responsibilities, to obtain samples sufficient for testing pursuant to this title,
1093 and an ABCA investigator or MPD officer shall be permitted to audit the books and records of
1094 the licensed establishment during its hours of operation.

1095 “(f) ABCA-licensed microbusinesses and retailers shall not admit any person, other than
1096 a person hired to guard the premises pursuant to a security plan filed with the ABCA, who is
1097 carrying a gun or other weapon.”.

1098 “§ 25-2702. Testing requirements.

1099 “(a) No cannabis or cannabis product shall be sold or otherwise marketed by a licensee
1100 that has not first been tested by an independent testing facility licensed by the Board.

1101 “(b) An independent testing facility shall report any results indicating contamination to
1102 the Board and DOH within 72 hours of identification.

1103 “(c) In the event that only one licensed testing facility exists in the District, the Board
1104 may establish, through rulemaking, reasonable prices for testing facility services.”.

1105 “§ 25-2703. Posting and carrying of licenses.

1106 “(a) A person receiving a license to operate a cannabis establishment shall post the
1107 license conspicuously in the licensed establishment. If a settlement agreement is a part of the
1108 license, the license shall be marked “settlement agreement on file” by the Board, and the licensee

1109 shall make a copy of the settlement agreement immediately accessible to any member of the
1110 public, ABCA investigator, or MPD officer upon request.

1111 “(b) A microbusiness or retailer’s licensee shall post window lettering in a conspicuous
1112 place on the front window or front door of the licensed premises that contains the correct name
1113 or names of the licensee and the class and number of the license in plain and legible lettering not
1114 less than one inch nor more than 1.25 inches in height.

1115 “§ 25-2704. Hours of operation for cultivation and manufacturers.

1116 “The sale or delivery of cannabis or cannabis products by a cannabis cultivator or
1117 manufacturer shall only be permitted only between the hours of 6:00 a.m. and midnight, seven
1118 days a week, or as may be further limited pursuant to D.C. Official Code § 25-2706.”.

1119 “§ 25-2705. Hours of operation for retail sales.

1120 “(a) A licensee authorized to sell cannabis or cannabis products at retail to consumers
1121 shall be permitted to sell cannabis or cannabis products between the hours of 7 a.m. and
1122 midnight, seven days a week, or as may be further limited pursuant to D.C. Official Code § 25-
1123 2706.

1124 “(b) A licensee under a microbusiness or retailer's license that possesses a delivery
1125 endorsement shall also be permitted to deliver cannabis or cannabis products to the homes of
1126 District residents between the hours of 7 a.m. and midnight, 7 days a week.”.

1127 “§ 25-2706. Board authorized to further restrict hours of operation for a particular
1128 applicant or licensee.

1129 “At the time of initial application of any class of license or at renewal, the Board
1130 may further limit the hours of sale and delivery for a particular applicant or licensee:

1131 “(a) Based upon the Board’s findings of fact and conclusions of law, and order following
1132 a protest hearing; or

1133 “(b) Under the terms of a settlement agreement.”.

1134 “§ 25-2707. Seed-to-sale tracking and wholesale purchase systems.

1135 “(a) A licensee shall be required to utilize and record inventory in a seed-to-sale tracking
1136 system selected and approved by the Board. The licensee shall be responsible for purchasing
1137 radio-frequency identification (RFID) tags and hardware to utilize the designated software and
1138 may be charged a user fee by the Board. The Board shall establish rules regarding the entry of
1139 data by licensees into the seed-to-sale tracking system.

1140 “(b) In addition to a seed-to-sale tracking system in subsection (a), the Board may,
1141 through rulemaking, require all licensees to utilize a wholesale purchasing system for wholesale
1142 buying and selling of cannabis and cannabis products.

1143 “§ 25-2708. Permitted sale amounts for microbusinesses, internet retailers, and retailers.

1144 “(a) A microbusiness, internet retail, or retail licensee shall not sell more than the
1145 following to a customer in either one transaction or in one day:

1146 “(1) One ounce of usable cannabis flower;

1147 “(2) 5 grams of cannabis concentrate;

1148 “(3)(i) 16 ounces of cannabis-infused edibles;

1149 “(ii) Cannabis-infused edibles shall have a serving size limit of 20
1150 milligrams of THC with a total product dose of 100 milligrams.

1151 “(4) 72 ounces of cannabinoid product in liquid form;

1152 “(5) 30 milliliters of a cannabis tincture, or a container of tincture containing more
1153 than 1500 milligrams of CBD; or

1154 “(6) 1000 milligrams of CBD e-liquid for use in an electronic smoking device.
1155 “(b) Permitted sale amounts under subsection (a) of this section may be adjusted by the
1156 Board for qualified patients participating in the District’s medical cannabis program.”.

1157 “§ 25-2709. Packaging requirements.
1158 “(a) Prior to sale at a cannabis microbusiness or transfer to a retailer, all cannabis and
1159 cannabis products shall be packaged in a child-resistant container.
1160 “(b) Containers shall not include any characters, symbols, or names similar to those
1161 identified by or appealing to children or adolescents.”.

1162 “§ 25-2710. Labeling requirements.
1163 “(a) Prior to sale at a cannabis microbusiness or transfer to a retailer, every container of
1164 cannabis and cannabis products shall be affixed with a label that identifies:
1165 “(1) The license numbers of the cultivator, manufacturer, microbusiness, internet
1166 retailer, and retailer where the cannabis or cannabis product was cultivated, manufactured, and
1167 offered for sale, as applicable;
1168 “(2) The net contents;
1169 “(3) The level of THC and CBD contained in the product in percentage terms or
1170 in amount per serving, or both, as appropriate to the product, and as may be prescribed by
1171 ABCA.
1172 “(4) Information on gases, solvents, and chemicals used in cannabis extraction, if
1173 applicable;
1174 “(5) Instructions on usage;
1175 “(6) For cannabis products, a list of ingredients and possible allergens; and
1176 “(7) For edible cannabis products, a nutrition fact panel.

1177 “(b) Labels shall not include any characters, symbols, or names similar to those identified
1178 by or appealing to children or adolescents.

1179 “(c) Labels shall not contain any false or misleading statements and shall not make
1180 health-related claims.”.

1181 “§ 25-2711. Signage and logos.

1182 “(a)(1) Cannabis licensees shall not use signage or logos that include animals, cartoon
1183 characters, or other images particularly appealing to children and adolescents.

1184 “(2) Logos shall not contain medical symbols, images of cannabis, cannabis
1185 paraphernalia, or colloquial references to cannabis.

1186 “(b) No signage placed on the exterior of a licensed cannabis establishment or elsewhere
1187 in the District, including the licensee’s trade name, shall be illuminated or contain intermittent
1188 flashing lights.

1189 “(c) No signage shall not contain false or misleading statements.

1190 “(d) A sign that does not conform to this section shall be removed.”.

1191 “§ 25-2712. Advertising and marketing restrictions.

1192 “(a) Any advertisement of cannabis or cannabis products shall not:

1193 “(1) Use include animals, cartoon characters, or other images particularly
1194 appealing to children and adolescents.

1195 “(2) Depict someone who is or appears to be under 21 years of age consuming
1196 cannabis; and

1197 “(3) Promote excessive consumption.

1198 “(b) Any radio or television broadcast or publication advertising cannabis or cannabis
1199 products shall be limited to audiences that can be reasonably expected to consist of at least 75%
1200 of persons 21 years of age or older.

1201 “(c) A cannabis establishment’s website or any advertisement shall not make health-
1202 related claims and shall indicate that cannabis and cannabis products are for persons 21 years of
1203 age or older.

1204 “(d)(1) A cannabis licensee shall be prohibited from advertising cannabis or cannabis
1205 products on any exterior sign, special sign as defined in Section N101 of Subtitle 12-A of the
1206 D.C. Construction Code, or outdoor billboard.

1207 “(2) Advertisements related to cannabis or cannabis products shall not be
1208 displayed on the exterior or interior of any window or door of licensed cannabis establishment.

1209 “(e) Any advertisement of cannabis or cannabis product shall not contain false or
1210 misleading statements.

1211 “(f) No person shall publish or disseminate or cause to be published or disseminated,
1212 directly or indirectly, through any radio or television broadcast, in any newspaper, magazine,
1213 periodical, or other publication, or by any sign, placard, or any printed matter, an advertisement
1214 or cannabis or cannabis products that are not in conformity with this title.”.

1215 “§ 25-2714. Sale to minors and intoxicated persons prohibited; restriction on minor’s
1216 entrance to licensed premises.

1217 “(a) The sale or delivery of cannabis or cannabis products to the following persons is
1218 prohibited:

1219 “(1) A person under the age of 21, either for the person’s own use or for the use of
1220 any other person, is prohibited, provided that:

1221 “(A) A microbusiness, internet retailer, or retailer may sell medical
1222 cannabis or medical cannabis products to qualified patients aged 18 to 20 who are participating
1223 in the District’s medical cannabis program.

1224 “(B) A microbusiness, internet retailer, or retailer may sell medical
1225 cannabis or medical cannabis products to parents, legal guardians, or caregivers of qualified
1226 patients under the age of 18 who are participating in the District’s medical cannabis program.

1227 “(2) An intoxicated person, or any person who appears to be intoxicated or under
1228 the influence.

1229 “(b)(1) A microbusiness or retailer shall not permit a person under the age of 21 to enter
1230 the licensed premises unless the person is a qualified patient aged 18 to 20 with a valid medical
1231 cannabis registration card.

1232 “(2) A microbusiness or retailer shall not permit a patron to enter the licensed
1233 establishment until the licensee or the licensee’s employee is shown a valid identification
1234 document showing that the individual is 21 years of age or older, or in the case of a of a patient
1235 aged 18 to 20 who is participating in the medical cannabis program, a valid identification
1236 document and a valid registration card.

1237 “(c) It shall be an affirmative defense of violating subsection (b) or (c) of this section that
1238 the licensee or the licensee’s employee was shown a valid identification document that the
1239 licensee or the licensee’s employee reasonably believed was valid and that the licensee or the
1240 licensee’s employee reasonably believed that the person was of age.

1241 “(d) Notwithstanding the provisions of this section, the holder of a microbusiness or
1242 retailer’s license shall not discriminate on any basis prohibited by Unit A of Chapter 14 of Title 2
1243 of the D.C. Code.”.

1244 “§ 25-2715. Production of valid identification document required.

1245 “(a) A licensee shall refuse to sell or deliver cannabis or cannabis products to any person
1246 who cannot or refuses to provide the licensee with a valid identification document.

1247 “(b) A licensee or a licensee’s employee shall take reasonable steps to ascertain whether
1248 any person to whom the licensee sells or delivers cannabis or cannabis products is of legal age.

1249 “(c) In order to ensure individual privacy is protected, customers shall not be required to
1250 provide microbusiness, internet retailer, or retailer with personal information other than a valid,
1251 government-issued identification necessary to determine the customers' age.”.

1252 “§ 25-2716. Sale or distribution of cannabis or cannabis products by minors prohibited.

1253 “A licensee shall not allow any person under the age of 21 to volunteer or work at a
1254 cannabis establishment.”.

1255 “§ 25-2717. Security plans and measures.

1256 “(a) A licensed cannabis establishment shall be required to submit a security plan with its
1257 license application. At a minimum, the plan shall:

1258 “(1) Account for the prevention of theft or diversion of cannabis;
1259 “(2) Demonstrate safety procedures for employees and patrons;
1260 “(3) Establish procedures, equipment, and designs that provide for safe delivery
1261 and storage of currency; and
1262 “(4) Demonstrates that all security procedures, equipment, and designs are and
1263 will be kept compliant with all applicable laws and rules, including regulations issued by the
1264 Board to implement this act.

1265 “(b) A licensed cannabis establishment shall be required to maintain security cameras and
1266 video footage that satisfies the requirements of § 25-402(4)(4).

1267 “(c) ABCA-licensed microbusinesses or retailers shall not admit any person, other than a
1268 person hired to guard the premises pursuant to its security plan filed with the ABCA, who is
1269 carrying a gun or other weapon.”.

1270 “§ 25-2718. Temporary surrender of license—safekeeping.

1271 “(a)(1) A cannabis license that is discontinued for any reason for more than 14 calendar
1272 days shall be surrendered by the licensee to the Board for safekeeping.

1273 “(2) The licensee shall submit to ABCA a plan to dispose of cannabis or cannabis
1274 products upon surrendering their license.

1275 “(b)(1) The Board shall hold the license until the licensee resumes business at the
1276 licensed establishment or the license is transferred to a new owner. If the licensee has not
1277 initiated proceedings to resume operations or transfer within one year, the Board shall deem the
1278 license abandoned and cancel the license.

1279 “(2) The Board may extend the period in paragraph (1) if a licensee can
1280 demonstrate:

1281 “(A) A good faith effort has been made to resume operations or transfer
1282 the license; and

1283 “(B) Personal or financial hardships have caused delays in resuming
1284 operations or transferring the license.

1285 “(c) ABCA shall review licenses in safekeeping every 6 months to ensure that the
1286 licensee is making reasonable progress on returning to operation.

1287 “(d) A license suspended by the Board under this title shall be stored at ABCA.

1288 “(e) A license shall not be eligible for safekeeping and shall be canceled by the

1289 Board if the licensee failed to open for business within 180 days of initially being issued a
1290 cannabis license or 365 days for Social Equity Applicants or stopped within 90 days of initially
1291 being issued a cannabis license.

1292 “§ 25-2719. Authorized products and methods of sale.

1293 “(a) Except as permitted by the Board, a microbusiness, internet retailer, or retailer shall
1294 not be authorized to sell any products or services other than cannabis, cannabis products, or
1295 cannabis paraphernalia intended for the storage or use of cannabis or cannabis products.

1296 “(b) It shall be unlawful for microbusinesses or retailers, or any other business or person
1297 in the District, to offer cannabis or cannabis products via a vending machine.

1298 “(c) Microbusinesses and retailers shall keep all products secured behind a counter,
1299 locked door, or under glass not accessible to the customer. Customers are not permitted to help
1300 themselves to a product but shall place an order with authorized employees of the retailer.”.

1301 (j) A new Chapter 28 is added to read as follows:

1302 CHAPTER 28. ENFORCEMENT, INFRACTIONS, AND PENALTIES.

1303 “§ 25-2801. Authority of the Board and ABCA investigators.

1304 “(a) The Board shall have the authority to enforce the provisions of this title with respect
1305 to licensees and with respect to any person not holding a license and selling cannabis and
1306 cannabis products without a license in violation of the provisions of this title.

1307 “(b) ABCA investigators shall issue citations for civil violations of this title that are set
1308 forth in the schedule of penalties established under D.C. Code § 25-2803.

1309 “(c) ABCA investigators may:

1310 “(1) Request and check the identification of a patron inside of or attempting to
1311 enter an establishment with a cannabis license;

1312 “(2) Seize evidence that substantiates a violation under this title, which shall
1313 include the seizing of cannabis or cannabis products believed to have been sold to minors and
1314 fake identification documents used by minors.

1315 “(d) ABCA investigators may seize a cannabis license from an establishment if:

1316 “(1) The cannabis license has been suspended, revoked, or canceled by the
1317 Board;

1318 “(2) The business is no longer in existence; or

1319 “(3) The business has been closed by another District government agency.

1320 “(e) Any show cause enforcement hearings brought by the Board for violations of
1321 this title shall follow the procedures set forth in D.C. Code § 25-447.”.

1322 “§ 25-2802. Revocation or suspension of licenses for violations of this title.

1323 “(a) Pursuant to Subchapter II of Chapter 8, the Board may fine, suspend,
1324 summarily suspend or revoke the license of a licensee.

1325 “(b) Pursuant to D.C. Code § 25-827, or if the Chief of Police finds that a licensed
1326 establishment is diverting cannabis product out of state, selling cannabis or cannabis products to
1327 minors, or if the facility is associated with crimes of violence, the Chief of Police may close a
1328 cannabis establishment for up to 96 hours.”.

1329 “§ 25-2803. Civil penalties.

1330 “(a) In the rules implementing this act, the Board shall include a schedule of civil
1331 penalties and fine ranges for violations of this title.

1332 “(b) The schedule shall contain three tiers that shall reflect the severity of the violation
1333 for which the penalty is proposed:

1334 “(1) Tier 1 shall apply to violations that may hurt the efficiency and overall
1335 performance of programs for the regulated sale of cannabis, such as failure to comply with basic
1336 administrative procedures and protocols and minor changes to plans that do not affect the health
1337 safety or welfare of the public.

1338 “(2) Tier 2 shall apply to violations that are more severe than Tier 1 but generally
1339 do not have an immediate or potential negative impact on the health, safety, and welfare of the
1340 public. This tier may include violations of advertising and marketing requirements, violations of
1341 packaging and labeling requirements that do not directly impact patient or consumer safety, and
1342 minor or clerical errors in the seed-to-sale tracking system.

1343 “(3) Tier 3 shall apply to violations that generally have an immediate or potential
1344 negative impact on the health, safety, and welfare of the public, including unlicensed retail sales
1345 of cannabis, selling to minors, making false statements, or utilizing advertising or marketing
1346 materials that target minors.

1347 “(c) The schedule shall contain escalating penalties for repeat violations and a list of
1348 potential mitigating or aggravating factors that may be considered when determining the
1349 imposition of a civil penalty.

1350 “§ 25-2804. Alcohol or tobacco infused cannabis.

1351 “(a) Except in the case of tincture products containing distilled spirits in conformance
1352 with regulations issued by the Tax and Trade Bureau of the United States Department of
1353 Treasury, it shall be unlawful for a person to sell or offer for sale alcohol that has been infused
1354 with cannabis; or cannabis products that have been infused with tobacco products.

1355 “(b) A licensee shall not sell or offer for sale alcohol that has been infused with

1356 cannabis except in the case of tinctures that are infused with distilled spirits in conformance with
1357 regulations issued by the Tax and Trade Bureau; or tobacco products.

1358 “(c) A licensee who violates this section shall be assessed a civil fine in an amount of no
1359 more than \$1,000.”.

1360 “§ 25-2805. Tampering with packaging or container.

1361 “(a) A licensee or a licensee’s employee shall not knowingly:

1362 “(1) Misrepresent the brand or contents of any cannabis product sold or offered
1363 for sale;

1364 “(2) Tamper with the contents of any cannabis packaging;

1365 “(3) Remove or obliterate any label from cannabis packaging being offered for
1366 sale;

1367 “(4) Deliver or sell the contents of any cannabis packaging that has had its label
1368 removed or obliterated.

1369 “(b) It shall be unlawful for a person to willfully or knowingly alter, forge counterfeit,
1370 endorse, or make use of any false or misleading document reasonably calculated to deceive the
1371 public as being a genuine cannabis license issued by ABCA.”.

1372 “§ 25-2806. Vaping devices.

1373 “(a) It shall be unlawful for a person to sell, offer for sale, or give a vaping device to a
1374 person who is under 21 years of age.

1375 “(b) A licensee shall not sell, offer for sale, or give a vaping device to a customer who is
1376 under 21 years of age.

1377 “(c) A licensee who violates this section shall be assessed a civil fine in an amount of no
1378 more than \$1,000.”.

1379 “§ 25-2806. Forged licenses.

1380 “(a) It shall be unlawful for a person to willfully or knowingly alter, forge counterfeit,
1381 endorse, or make use of any false or misleading document reasonably calculated to deceive the
1382 public as being a genuine license issued by ABCA.

1383 “(b) It shall be unlawful for a person to willfully or knowingly furnish to a member of
1384 MPD or an ABCA investigator an altered, forged, counterfeited, endorsed or false or misleading
1385 document reasonably calculated to deceive MPD or the ABCA investigator as being a genuine
1386 license issued by ABCA.

1387 “(c) A person convicted of a violation of this section shall be fined no more than
1388 the amount set forth in D.C. Official Code § 22-3571.01, or incarcerated for more than 1
1389 year or both.”.

1390 “§25-2807. Other penalties.

1391 “(a) Any person who knowingly and significantly alters or at all falsifies any reports,
1392 documents, or plans, or misrepresents any information required for licensing or purchasing
1393 cannabis under this title shall be guilty of a misdemeanor and, upon conviction, shall be punished
1394 by a fine of not more than the amount set forth in D.C. Official Code § 22-3571.01, or
1395 imprisoned for not more than one year, or both.

1396 “(b) Any person required to file taxes for sales or transfer of cannabis or cannabis
1397 products under this title who willfully attempts in any manner to evade or defeat a tax, or the
1398 payment there; any person who knowingly diverts cannabis or cannabis products outside of the
1399 regulated system, shall be guilty of a felony and, upon conviction, shall be fined not more than
1400 the amount set forth in D.C. Official Code § 22-3571.01, or imprisoned for not more than three

1401 years, or both. The penalty provided herein shall be in addition to other penalties provided under
1402 District or federal law.

1403 “(c) Violations of this section that are misdemeanors shall be prosecuted on information
1404 filed in the Superior Court of the District of Columbia by the Office of the Attorney General.
1405 Violations of this subsection that are felonies shall be prosecuted by the United States Attorney
1406 for the District of Columbia.

1407 “(d) In addition to any civil penalties or fines imposed, ABCA is authorized to issue
1408 warnings, impose additional conditions on licensees, ban persons who have committed violations
1409 from participating or purchasing cannabis or working in establishments under this act.

1410 “(e) A civil fine may be imposed by ABCA as an alternative sanction for any violation of
1411 this title for which no specific penalty is provided, or any rules or regulations issued under the
1412 authority of this title, under Chapter 18 of Title 2. Adjudication of an infraction that is contested
1413 or appealed under this section shall be heard by OAH pursuant to Chapter 18 of Title 2.”.

1414 (j) A new Chapter 29 is added to read as follows:

1415 CHAPTER 29. LIMITATIONS ON CONSUMERS; PUBLIC EDUCATION.

1416 “§ 25-2901. Purchase, possession, use, or consumption by persons under the age of 21;
1417 misrepresentation of age; penalties.

1418 “(a)(1) No person who is under 21 years age shall purchase, attempt to purchase, possess,
1419 use, or consume cannabis or cannabis products in the District, provided that this shall not apply
1420 to minors ages 18 to 20 participating in the District’s medical cannabis program.

1421 “(2) Only an authorized parent, legal guardian, or caregiver shall be allowed to
1422 purchase cannabis or cannabis products for minors under the age of 18 who are participating in
1423 the District’s medical cannabis program.

1424 “(b) No person shall falsely represent his or her age or possess as proof of age an
1425 identification document which is in any way fraudulent for the purpose of purchasing,
1426 possessing, using, or consuming cannabis in the District.

1427 “(c) No person shall present a fraudulent identification document for the purposes
1428 of entering an establishment possessing a microbusiness or retailer’s license licensed under
1429 chapter 21 of this title.

1430 “(d) For the purpose of determining valid representation of age, each person shall be
1431 required to present to the establishment owner or representative at least one form of valid
1432 identification, which shall have been issued by an agency of government (local, state, federal, or
1433 foreign) and shall contain the name, date of birth, signature, and photograph of the individual;
1434 provided, that a military identification card issued by an agency of government (local, state,
1435 federal, or foreign) shall be an acceptable form of valid identification whether or not it contains
1436 the individual's signature.

1437 “(e) Any person guilty of violating this section shall be subject to fines and penalties as
1438 follows:

1439 “(1) Upon the first violation, a fine of not more than \$25, or the performance of
1440 10 hours of community service;

1441 “(2) Upon the second violation, a fine of not more than \$50, the performance of
1442 15 hours of community service, or both; and

1443 “(3) Upon the third and subsequent violations, a fine of not more than \$100, the
1444 performance of 20 hours of community service, or both.

1445 “(f) If the individual subject to penalties in subsection (e) is under the age of 18, the
1446 Office of Administrative Hearings shall mail a copy of the notice of violation to the parent or
1447 guardian of the person to whom the notice of violation is issued at the address provided by the
1448 the person at the time the citation is issued pursuant to § 48-1202.

1449 “§ 25-2902. Cannabis paraphernalia.

1450 “A person 21 years of age or older shall not be arrested, prosecuted, penalized or
1451 disqualified and shall not be subject to seizure or forfeiture of assets for possessing,
1452 purchasing or otherwise obtaining or manufacturing cannabis accessories or for selling
1453 or otherwise transferring cannabis accessories to a person who is 21 years of age or
1454 older.”.

1455 “§ 25-2903. Public education.

1456 “The Board shall develop and implement a public education campaign that includes
1457 information on:

1458 “(a) Who is legally authorized to purchase, possess, and use cannabis or cannabis
1459 products pursuant to the Comprehensive Cannabis Legalization and Regulation Act of 2023;

1460 “(b) Sale and dosage limits pursuant to the Comprehensive Cannabis Legalization and
1461 Regulation Act of 2021 and applicable regulations;

1462 “(c) Places or locations where the possession and/or use of cannabis or cannabis products
1463 are prohibited;

1464 “(d) Methods of cannabis use, including the effects and potentials risks associated with
1465 each method;

1466 “(e) The health effects of cannabis use; and

1467 “(f) Responsible use and harm reduction strategies, including safe storage of cannabis
1468 and cannabis products in the home, not operating a motor vehicle while impaired, avoiding the
1469 use of cannabis and cannabis products while pregnant, and not consuming cannabis with alcohol
1470 or other drugs.”.

1471 (j) A new Chapter 30 is added to read as follows:

1472 CHAPTER 30. TAXES AND REVENUES.

1473 “§ 25-3001. Imposition and collection of taxes.

1474 “(a)(1) A tax is imposed upon all vendors for the privilege of selling retail cannabis and
1475 cannabis products. The rate of such tax shall be 13% of the gross receipts from sales or charges
1476 for retail cannabis or cannabis products.

1477 “(2) For medical cannabis and medical cannabis products, the rate of such tax
1478 shall be 6% of the gross receipts from sales or charges.

1479 “(b) The taxes imposed in subsection (a) shall be collected by the microbusiness, internet
1480 retailers, and retailers from the purchaser on all sales of retail cannabis or cannabis products.”.

1481 “§ 25-3003. Revenues.

1482 “‘All funds obtained from initial cannabis licensing and permitting fees, and the renewal
1483 of cannabis licenses and permits, shall be used by ABCA for purposes of administering this act
1484 and regulations.’”.

1485 Sec. 5. Discrimination prohibited.

1486 “(a) Neither the presence of cannabinoid components or metabolites in a person's bodily
1487 fluids nor possession of cannabis-related paraphernalia, nor conduct related to the use of
1488 cannabis or the participation in cannabis-related activities lawful under this act by a custodial or
1489 non-custodial parent, grandparent, legal guardian, foster parent, or other person charged with the

1490 well-being of a child shall form the sole basis for any action or proceeding by a child welfare
1491 agency or in family or juvenile court, any adverse finding, adverse evidence, or restriction of any
1492 right or privilege in a proceeding related to adoption of a child, acting as a foster parent of a
1493 child, or a person’s fitness to adopt a child or act as a foster parent of a child, or serve as the
1494 basis of any adverse finding, adverse evidence or restriction of any right or privilege in a
1495 proceeding related to guardianship, conservatorship, trusteeship, the execution of a will, or the
1496 management of an estate, unless the person's actions in relation to cannabis created an
1497 unreasonable danger to the safety of the minor or otherwise show the person to not be competent
1498 as established by clear and convincing evidence. This section applies only to conduct protected
1499 under this act.

1500 “(b) A person shall not be denied eligibility for public assistance programs based solely
1501 on conduct that is permitted under this act unless otherwise required by federal law.

1502 “(c) No landlord may be penalized or denied any benefit under District law for leasing to
1503 a person who uses cannabis under this act.

1504 “(d) Nothing in this Act may be construed to require any person or establishment in
1505 lawful possession of property to allow a guest, client, lessee, customer, or visitor to use cannabis
1506 on or in that property.”.

1507 Sec. 7. Sentence reductions and release of District residents serving sentences for
1508 cannabis-related offenses.

1509 “(a) If a person is serving a sentence solely for a violation of the District of Columbia
1510 Uniform Controlled Substances Act of 1981, effective August 5, 1981 (D.C. Law 4-29; D.C.
1511 Official Code § 48-901.02 *et seq.*) relating to cannabis or cannabis paraphernalia, whether by
1512 trial verdict or guilty plea, the Superior Court shall automatically vacate, dismiss and expunge

1513 such conviction. The Superior Court shall immediately notify the appropriate agencies to release
1514 the person serving a sentence from their custody.

1515 “(b) If a person is serving a sentence for another crime in addition to a violation of the
1516 District of Columbia Uniform Controlled Substances Act of 1981, effective August 5, 1981
1517 (D.C. Law 4-29; D.C. Official Code § 48-901.02 *et seq.*) relating to cannabis or cannabis
1518 paraphernalia, the Superior Court shall automatically vacate, dismiss, and expunge the
1519 conviction related to cannabis or cannabis-paraphernalia. The Superior Court shall immediately
1520 notify the appropriate agencies of any sentence reduction that occurs as a result of the cannabis
1521 or cannabis-paraphernalia conviction being vacated, dismissed, and expunged.

1522 Sec. 8. Section 23-1321(c)(1)(B)(ix) of the District of Columbia Official Code is
1523 amended as to read as follows:

1524 “(ix) Refrain from excessive use of alcohol or cannabis or any use of a narcotic drug or
1525 other controlled substance without a prescription by a licensed medical practitioner; provided,
1526 that a positive test for the use of cannabis, a violation of § 48-1201, or legal possession or use of
1527 cannabis pursuant to the Comprehensive Cannabis Legalization and Regulation Act of 2023 shall
1528 not be considered a violation of the conditions of pretrial release, unless the judicial officer
1529 expressly prohibits the use or possession of cannabis, as opposed to controlled substances
1530 generally, as a condition of pretrial release; the terms “narcotic drug” and “controlled substance”
1531 shall have the same meaning as in § 48-901.02;”.

1532 Sec. 9. Section 4(c) of An Act For the establishment of a probation system for the District
1533 of Columbia, approved June 25, 191 (36 Stat. 865; D.C. Official Code § 24-304), is amended to
1534 read as follows:

1535 “(c) A positive test for the use of cannabis, a violation of § 48-1201, or legal possession
1536 or use of cannabis pursuant to the Comprehensive Cannabis Legalization and Regulation Act of
1537 2023 shall not be considered a violation of a condition of probation unless the judicial officer
1538 expressly prohibits the use or possession of cannabis, as opposed to controlled substances
1539 generally, as a condition of probation.”.

1540 Sec. 10. Section 124 of the 21st Century Financial Modernization Act of 2000, effective
1541 June 9, 2001 (D.C. Law 13-308; D.C. Official Code § 26-551.24) is amended to read as follows:

1542 “Sec. 124. Authority to transact business with cannabis licensees.

1543 “(a) A financial institution authorized to conduct business in the District of Columbia
1544 pursuant to the District of Columbia Banking Code is authorized to provide financial services to
1545 persons or entities with ABCA-approved cannabis licenses; and

1546 “(b) The financial institution shall not be in violation of the following by virtue of
1547 providing financial services to persons or entities with ABCA-approved cannabis licenses,
1548 provided that the financial institution complies with the Bank Secrecy Act Expectations
1549 Regarding Cannabis-Related Businesses Guidelines (FIN-2014-G001), February 14, 2014, in the
1550 provision of the financial services:

1551 “(1) Section 2(k) of the District of Columbia Regional Interstate Banking
1552 Act of 1985, effective November 23, 1985 (D.C. Law 6-107 § 2(k); D.C. Official Code §
1553 26-109);

1554 “(2) Sections 122; 203(c)(4), (8), (12) and (13); 211(a), (e)(6); 217(6);
1555 and 219(a), of the 21st Century Financial Modernization Act of 2000, effective June 9,
1556 2001 (D.C. Law 13-308 § 122; D.C. Official Code § 26-101 et seq., 521, 26-551.22); and

1557 “(3) Section 10c(a)(1) and (2) District of Columbia Regional Interstate

1558 Banking Act of 1985, effective November 23, 1985 (D.C. Law 9-42; D.C. Official Code
1559 § 26-109(a)(1) and (2)).”.

1560 Sec. 11. Section 125 of the 21st Century Financial Modernization Act of 2000, effective
1561 June 9, 2001 (D.C. law 13-308; D.C. Official Code § 26-551.24) is amended to read as follows:

1562 “Sec. 125. Cannabis License and Compliance Portal.

1563 “(a) The Department of Insurance, Securities and Banking, in consultation
1564 with ABCA, shall establish a cannabis license and compliance portal for use by financial
1565 institutions.

1566 “(b) The portal shall be an online portal aggregating data on cannabis businesses from
1567 ABCA. The portal shall be designed to support financial institutions’ compliance and provide
1568 information so that financial institutions can with the Bank Secrecy Act Expectations Regarding
1569 Cannabis-Related Businesses Guidelines (FIN-2014-G001), February 14, 2014.

1570 “(c) At a minimum, the portal shall include the following information:

1571 “(1) Licensing and regulatory information;

1572 “(2) Product lists and sources of supply;

1573 “(3) Financial records of licensed establishments, including major transactions;

1574 “(4) Civil or criminal enforcement actions against licensees;

1575 “(5) Evidence of suspicious or illegal activity; and

1576 “(6) Other information to assist financial institutions, as determined by
1577 the Commissioner.”.

1578 Sec. 12. Section 126 of the 21st Century Financial Modernization Act of 2000,
1579 effective June 9, 2001 (D.C. Law 13-308; D.C. Official Code § 26-551.24) is amended to
1580 read as follows:

1581 “Sec. 126. Banking services enhancement.

1582 “(a) DISB shall conduct an analysis of additional changes in laws or regulations that
1583 might enable legal cannabis-related businesses to have better access to banking services and
1584 issue a report on such analysis within 18 months of the effective date of final regulations issued
1585 by the Alcoholic Beverage and Cannabis Board.

1586 “(b) DISB shall issue any rules necessary to repeal or amend any local rules, regulations,
1587 and practices that might impair access to financial services by persons licensed pursuant to this
1588 act, or to issue such rules to increase the availability of such services.

1589 “(c) Upon the enactment of any statute authorizing state-chartered credit unions in the
1590 District of Columbia, it shall be legal under District law for such a credit union to open accounts
1591 on behalf of and accept receipts from licensed cannabis businesses from their licensed
1592 activities.”.

1593 Sec. 13. Title 2 of the District of Columbia Official Code is amended as follows:

1594 Section 2-534(a) is amended by adding a new paragraph (18) to read as follows:

1595 “(18) Information related to the location of the premises owned by a cultivator or
1596 manufacturer licensee.”.

1597 Sec. 14. Section 6 of the Office of the Administrative Hearings Establishment Act
1598 Of 2001, effective March 6, 2002 (D.C. Law 14-76; D.C. Official Code § 2-1831.03), is
1599 amended by added a new subsection (b-25) to read as follows:

1600 “(b-25) This chapter shall apply to all adjudicated cases arising under D.C. Code § 25-
1601 2807.”.

1602 Sec. 15. Section 106a of The Prevention of Child Abuse and Neglect Act of 1977,
1603 effective September 23, 1977 (D.C. Law 2-22; D.C. Official Code § 4-1301.06a) is amended by
1604 adding new subsections (d) and (e) to read as follows:

1605 “(d) Where a newborn tests positive for the presence of cannabinoid components or
1606 metabolites, the positive test result alone shall not be sufficient to commence an investigation
1607 pursuant to paragraph (a)(1).

1608 “(e) Legal possession and use of cannabis by parents, legal guardians, or custodians
1609 pursuant to the Comprehensive Cannabis Legalization and Regulation Act of 2021 shall not form
1610 the sole basis of an investigation pursuant to paragraph (a)(1).”.

1611 Sec. 16. Section 47-1803.02(a)(2) of the District of Columbia Official Code is amended
1612 by adding two new subparagraphs (ZZ) and (AAA) to read as follows:

1613 “(ZZ) Direct cash payments made pursuant to § 25-2108.

1614 “(AAA) Grants issued pursuant to § 25-2109.”.

1615 Sec. 17. Title 48 of the District of Columbia Official Code is amended as follows:

1616 (a) Section 48-904.01(a)(1)(B) is amended to read as follows:

1617 “(B) Transfer to another person 21 years of age or older, without remuneration,
1618 cannabis weighing one ounce or less, or one clone, regardless of weight.”.

1619 (b) Section 48-904.01(a)(1)(C) is amended to read as follows:

1620 “(C) Possess, grow, harvest, or process, within the interior of a house, rental unit, or
1621 outdoor space accessible only from inside the house that is in the exclusive control of the
1622 resident, and constitutes such person’s principal residence, no more than 6 cannabis plants, with
1623 3 or fewer being mature, flowing plants; provided, that all persons residing within a single house

1624 or single rental unit may not possess, grow, harvest, or process, in the aggregate, more than 12
1625 cannabis plants, with 6 or fewer being mature, flowering plants;”

1626 (c) Section 48-904.01a(1) is amended by adding a new paragraph (E) to read as
1627 follows:

1628 “(E) “The Mayor shall be responsible for issuing all rules necessary to implement the
1629 provisions of this chapter.”.

1630 Sec. 18. Department of Social Equity.

1631 (a) Pursuant to section 404(b) of the District of Columbia Home Rule Act, approved
1632 December 24, 1973 (87 Stat. 787; D.C. Official Code § 1-204.04(b)), there is established, as a
1633 subordinate agency within the executive branch of the District of Columbia government, the
1634 Department of Social Equity, which shall be headed by a Director who shall carry out the
1635 functions and authorities assigned to the Department.

1636 (b) The Department is charged with the implementation and administration of the
1637 Community Re-Investment and Reparations Programs in §§ 25-2108 and 25-2109.

1638 (c) The Director shall manage and administer the Department and all functions and
1639 personnel assigned thereto, including the power to redelegate to other employees and officials of
1640 the Department such powers and authority as in the judgment of the Director is warranted in the
1641 interests of efficiency and sound administration.

1642 Sec. 19. Severability.

1643 If any provision of this act, or the application thereof to any person or circumstance, is
1644 found by a court invalid, such determination shall not affect other provisions or applications of
1645 this act which can be given effect without the invalid provision or application.

1646 Sec. 20. Fiscal impact statement.

1647 The Council adopts the fiscal impact statement in the committee report as the fiscal
1648 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
1649 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

1650 Sec. 21. Effective date.

1651 This act shall take effect following approval by the Mayor (or in the event of veto by the
1652 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
1653 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
1654 24, 1973, (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
1655 Columbia Register.