ENGROSSED ORIGINAL

A BILL

25-368

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

_____

To amend, on a temporary basis, the Legalization of Marijuana for Medical Treatment Initiative of 1999 to allow the Alcoholic Beverage and Cannabis Board ("ABC Board") to issue temporary non-resident registration identification cards that are valid for periods between 3 days and no longer than one year in length, allow licensed testing laboratories to receive and test samples of medical cannabis products from qualifying patients, allow licensed testing laboratories to conduct quality assurance or research and development testing for cultivation centers and manufacturers, amend the definition of a social equity applicant to include arrests and convictions of qualifying family members for a cannabis or drug offense, expand the list of eligible family members under the social equity applicant definition to include siblings and grandparents, clarify that existing licensed cultivation centers and retailers and applicants that scored 150 points or more during the open application period that occurred between November 29, 2021 and March 28, 2022, that are authorized by statute to receive a cultivation center, manufacturer, or retailer license apart from a designated open application period are not counted in calculating the 50% set aside requirement, clarify that the 5 cultivation center registration applicants that scored 150 points or more during the same open application period shall automatically receive a manufacturer license provided that they pay the annual fee and register with the ABC Board, allow the Alcoholic Beverage and Cannabis Board to issue conditional licenses to testing laboratory applicants, and to waive the application fee for testing laboratory licenses.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Medical Cannabis Clarification and Non-Resident Patient Access Temporary Amendment Act of 2023".

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

(a) Section 2 (D.C. Official Code § 7-1671.01) is amended as follows:

(1) Paragraph (13B)(B) is amended by striking the phrase “30-day registration identification card” and inserting the phrase "registration identification card valid for periods established by the ABC Board by rulemaking, which are between 3 days and no longer than one year in length” in its place.

(2) Paragraph (20C)(B) is amended by striking the phrase “or has a non-parent legal guardian who is or has been incarcerated” and inserting the phrase “or has a non-parent legal guardian, or a grandparent or a sibling who is or has been arrested, convicted, or incarcerated”.

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

(1) Paragraph (4) is amended as follows:

(A) Subparagraph (A) is amended by striking the phrase “30 days” and inserting the phrase "periods established by the ABC Board by rulemaking, which are between 3 days and no longer than one year in length”.

(B) Subparagraph (B) is amended by striking the phrase "30-day”.

(2) Paragraph (5)(C) is amended by striking the phrase "3 years.” and inserting the phrase “3 years, except for temporary non-resident registration identification cards that are valid

for periods established by the ABC Board by rulemaking, which shall be between 3 days and no longer than one year in length." in its place.

(3) A new paragraph (11A) is added to read as follows:

"(11A) Allow testing laboratories to:

"(A) Receive and test samples of medical cannabis products from qualifying patients; provided, that the qualifying patient must present proof that he or she is currently registered, and that the medical cannabis product was purchased from a retailer or internet retailer licensed with ABCA.

"(B) Receive and test samples of medical cannabis products from licensed cultivation centers or manufacturers for purposes of quality assurance or research and development. Samples collected for quality assurance or research and development testing may be selected by the cultivation center or manufacturer non-randomly. Any tests conducted for purposes of quality assurance or research and development shall not satisfy the requirements of paragraphs (8) through (11) of this subsection.".

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

(1) Subsection (h) is amended by striking the phrase "cultivation centers who receive a manufacturer's license pursuant to subsection (d) of this section." and inserting the phrase "cultivation centers and retailers, and applicants who scored 150 points or more during the ABC Board open application period that occurred between November 29, 2021 and March

28, 2022, who receive a cultivation center, manufacturer, or retailer's license pursuant to subsections (d), (w), (x) and (y) of this section.".

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

"(k)(1) The ABC Board shall be authorized to issue a one-year conditional license for a cultivation center, retailer, internet retailer, manufacturer, courier, or testing laboratory that does not currently have a proposed location.".

(3) Subsection (n)(2) is amended to read as follows:

"(2)(A) The ABC Board shall, by rules issued pursuant to section 14, establish the initial application and renewal fees for cultivation center, manufacturer, retailer, internet retailer, and courier licenses. The ABC Board may revise these fees as considered necessary.

"(B) There shall be no initial application fee for a testing laboratory license. Renewal fees for a testing laboratory license shall be established by rules issued pursuant to sub-paragraph (A) of this paragraph.".

(3) A new subsection (y) is added to read as follows:

"(y) The 5 cultivation center registration applicants that submitted medical cannabis facility registration applications to the ABC Board between November 29, 2021 and March 28, 2022, that scored 150 points or more shall automatically receive a manufacturer license provided that the annual fee is paid after the effective date of the Medical Cannabis Manufacturer Clarification Emergency Amendment Act of 2023, effective June 29, 2023 (D.C.

Act 25-152; 70 DCR ___); provided, that the applicant registers on a form provided by ABCA with the ABC Board by May 1, 2024.".

Sec. 3. Repealer.

The Medical Cannabis Manufacturer Clarification Temporary Amendment Act of 2023, passed on 2nd reading on June 20, 2023 (Enrolled version of Bill 25-304), is repealed.

Sec. 4. Fiscal impact statement.

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

Sec. 5. Effective date.

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

(b) This act shall expire after 225 days of its having taken effect.