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A BILL
25-581

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Attorney General for the District of Columbia Clarification and Elected Term Amendment Act of 2010 to clarify that the first \$100,000 in fines issued to unlicensed establishments is to be deposited in the Litigation Support Fund; to amend the Delinquent Debt Recovery Act of 2012 to clarify the definition of delinquent debt; to amend the Legalization of Marijuana for Medical Treatment Initiative of 1999 to make clarifications and improvements to the District’s medical cannabis program, and to align and clarify standing to protest and enforcement procedures for unlicensed establishments.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Medical Cannabis Clarification and Program Enforcement Amendment Act of 2024”.

Sec. 2. Section 106b(b)(6) of the Attorney General for the District of Columbia Clarification and Elected Term Amendment Act of 2010, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 1-301.86b(b)(6)), is amended by striking the phrase “pursuant to D.C. Official Code § 47-2844(a-2)(1B)” and inserting the phrase “pursuant to section 9 of the Legalization of Marijuana for Medical Treatment Initiative of 1999, effective July 27, 2010 (D.C. Law 18-210; D.C. Official Code 7-1671.08)” in its place.

27 Sec. 3. Section 1042(2) of the Delinquent Debt Recovery Act of 2012, effective
28 September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 1-350.01(2)), is amended to read as
29 follows:

30 “(2) “Delinquent debt” means:

31 “(A) Any financial obligation owed by a person to a District agency that
32 remains unpaid more than 90 days after it was due; provided, that the term shall not include tax
33 debts or child-support debts; or

34 “(B) A fine issued by the Alcoholic Beverage and Cannabis
35 Administration pursuant to section 9 of the Legalization of Marijuana for Medical Treatment
36 Initiative of 1999, effective July 27, 2010 (D.C. Law 18-210; D.C. Official Code § 7-1671.08),
37 or section 8 of the Medical Cannabis Amendment Act of 2022, effective March 22, 2023 (D.C.
38 Law 24-332; D.C. Official Code § 7-1675.01), that remains unpaid more than 30 days after it
39 was due.”.

40 Sec. 4. The Legalization of Marijuana for Medical Treatment Initiative of 1999, effective
41 July 27, 2010 (D.C. Law 18-210; D.C. Official Code § 7-1671.01 *et seq.*), is amended as follows:

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

43 (1) Paragraph (1E) is redesignated as paragraph (1G).

44 (2) New paragraphs (1E) and (1F) are added to read as follows:

45 “(1E) “Affected ANC” means any Advisory Neighborhood Commission within
46 600 feet of where a medical cannabis cultivator, manufacturer, retailer, or internet retailer facility
47 is or will be located.

48 “(1F) “Another jurisdiction” means any state, commonwealth, or territory of the
49 United States.”.

50 (3) Paragraph (13B) is amended as follows:

51 (A) The lead-in language is amended by striking the phrase “resident
52 who” and inserting the phrase “resident who is a person who resides or is domiciled in another
53 state, territory, foreign country, or foreign territory and who” in its place.

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

58 (4) Paragraph (19) is amended as follows:

59 (A) Strike the phrase “dental treatment, or” and insert the phrase “dental
60 treatment, a patient who is a non-resident cardholder, or” in its place.

61 (B) Strike the phrase “provided, that a patient” and insert the phrase
62 “provided, that a patient who is a non-resident cardholder or a patient” in its place.

63 (5) Paragraph (19A) is redesignated as paragraph (19B).

64 (6) A new paragraph (19A) is added to read as follows:

65 “(19A) “Recreation center” means a Department of Parks and Recreation public
66 facility.

67 (7) Paragraph (20C)(B) is amended by striking the phrase “or has a non-parent
68 legal guardian who is or has been incarcerated” and inserting the phrase “or has a non-parent
69 legal guardian, a grandparent, or a sibling who is or has been arrested, convicted, or
70 incarcerated” in its place.

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

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

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

76 (B) Subparagraph (B) is amended by striking the phrase “30-day
77 temporary non-resident ” and inserting the phrase “temporary non-resident” in its place.

78 (2) Paragraph (5)(C) is amended by striking the phrase “3 years.” and inserting
79 the phrase “3 years, except for temporary non-resident registration identification cards that are
80 valid for periods established by the ABC Board by rulemaking, which shall be between 3 days
81 and no longer than one year in length.” in its place.

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

83 “(11A) Allow testing laboratories to:

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

88 “(B) Receive and test samples of medical cannabis products from licensed
89 cultivation centers or manufacturers for purposes of quality assurance or research and
90 development; provided, that samples collected for quality assurance or research and development
91 testing may be selected by the cultivation center or manufacturer non-randomly; provided
92 further, that any tests conducted for purposes of quality assurance or research and development
93 shall not satisfy the requirements of paragraphs (8) through (11) of this subsection;”.

94 (4) A new paragraph (14A) is added to read as follows:

95 “(14A) Conduct announced and unannounced inspections of unlicensed
96 establishments;”.

97 (5) Paragraph (15) is amended by striking the phrase “Establish sliding-scale
98 registration and annual renewal fees for all persons and entities required to register or obtain a
99 license pursuant to this act; provided” and inserting the phrase “Establish registration, sliding-
100 scale registration, and annual renewal fees for all persons and entities required to register or
101 obtain a license pursuant to this act and permit the ABC Board, by rule, to make qualifying
102 patient and caregiver registrations available at no cost; provided” in its place.

103 (6) Paragraph (18) is repealed.

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

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

106 “(b-1) An applicant that filed a medical cannabis retailer or internet retailer
107 license application with ABCA on July 1, 2024 shall be eligible to have its application
108 considered by the ABC Board.”.

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

110 “(c-1) It shall be a violation of this act for any unlicensed or licensed cultivation
111 center, manufacturer, retailer, or internet retailer to represent that goods or services or the
112 business is compliant with the Legalization of Possession of Minimal Amounts of Marijuana for
113 Personal Use Initiative of 2014, effective February 26, 2015 (D.C. Law 20-153; 62 DCR 880);
114 except, that a licensed cultivation center, manufacturer, retailer, or internet retailer may have
115 signage indicating that there is medical cannabis on the property.”.

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

117 (A) Paragraph (2) is amended by striking the phrase “retailer or online
118 retailer license” and inserting the phrase “retailer license” in its place.

119 (B) A new paragraph (5) is added to read as follows:

120 “(5) Applications for additional licenses pursuant to paragraphs (1) through (3) of
121 this subsection shall be filed with ABCA by the existing cultivation center or dispensary by May
122 1, 2025.”.

123 (4) Subsection (e)(1) is amended as follows:

124 (A) Subparagraph (F) is amended by striking the phrase “retailer or
125 internet retailer license” and inserting the phrase “retailer license” in its place.

126 (B) A new subparagraph (G) is added to read as follows:

127 “(G) No licensee holding a cultivation center license shall hold an internet
128 retailer license.”

129 (5) Subsection (h) is amended by striking the phrase "cultivation centers who
130 receive a manufacturer’s license pursuant to subsection (d) of this section” and inserting the
131 phrase “cultivation centers and retailers, and applicants who scored 150 points or more during
132 the ABC Board open application period that occurred between November 29, 2021, and March
133 28, 2022, who receive a cultivation center, manufacturer, or retailer’s license pursuant to
134 subsections (d), (w), (x) and (y) of this section” in its place.

135 (6) Subsection (k) is amended as follows:

136 (A) Paragraph (1) is amended to read as follows:

137 “(1) The ABC Board shall be authorized to issue a two-year conditional license
138 for a cultivation center, retailer, internet retailer, manufacturer, courier, or testing laboratory that
139 does not currently have a proposed location.”.

140 (B) The lead-in language of paragraph (2) is amended to read as follows:

141 “(2) Under the conditional license, the applicant shall have 2 years from the date
142 of ABC Board approval to submit to ABCA:”.

143 (C) Paragraph (4) is amended to read as follows:

144 “(4) A conditional license that does not meet the terms of this subsection or is not
145 operating after a period of 2 years shall be canceled by the ABC Board.”.

146 (7) A new subsection (k-1) is added to read as follows:

147 “(k-1) A one-year conditional license that is in effect as of the effective date of
148 the Medical Cannabis Clarification and Program Enforcement Amendment Act of 2024, as
149 approved by the Committee of the Whole on September 17, 2024 (Committee print of Bill 25-
150 581), shall automatically convert to a two-year conditional license, expiring one year after the
151 date the original conditional license was set to expire, at no additional cost and without
152 additional ABC Board approval.”.

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

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

157 “(B) There shall be no initial application fee for a testing laboratory
158 license. Renewal fees for a testing laboratory license shall be established by rules issued pursuant
159 to subparagraph (A) of this paragraph.”.

160 (9) Subsection (q) is amended to read as follows:

161 “(q)(1) A retailer or internet retailer shall not locate within any residential district
162 or within 400 feet of a preschool, primary or secondary school, or recreation center; except, that

163 a license holder or an applicant who has applied prior to the effective date of the Medical
164 Cannabis Clarification and Program Enforcement Amendment Act of 2024, as approved by the
165 Committee of the Whole on September 17, 2024 (Committee print of Bill 25-581) may be
166 permitted to locate within 300 feet of a preschool, primary or secondary school, or recreation
167 center.

168 “(2) A retailer or internet retailer that received a license in compliance
169 with paragraph (1) of this subsection shall not have to relocate to renew its license at its existing
170 location if a preschool, primary or secondary school, or recreation center subsequently locates
171 within 400 feet of its facility.”.

172 (10) New subsections (q-1) and (q-2) are added to read as follows:

173 “(q-1)(1) No retailer license shall be issued for a facility that is located within 400 feet
174 from another facility operating under a retailer license.

175 “(2) In determining whether a retailer application is eligible to be approved, the
176 ABC Board shall ensure that the retailer application will not be located within 400 feet of a
177 previously submitted retailer application filed timely by another applicant.

178 “(3) ABCA shall proceed forward with the application filed by the facility that is
179 first in time. If the application is subsequently denied, ABCA shall proceed with the application
180 that is second in time, third in time, et cetera, until an application is approved.

181 “(q-2) In determining the appropriateness of the initial issuance of a license or a transfer
182 of a license to a new location for a medical cannabis retailer, the Board shall also consider:

183 “(1) The proximity of the medical cannabis retailer to a daycare center;

184 “(2) The effect of the medical cannabis retailer on the operation and clientele of a
185 daycare center; and

186 “(3) Whether school-aged children frequenting the daycare center or centers in
187 proximity to the medical cannabis retailer will be unduly attracted to the retailer while present at,
188 or going to or from, the daycare center.”.

189 (11) New subsections (w), (x), (y) and (z) are added to read as follows:

190 “(w)(1) The 2 cultivation center registration applicants that submitted a medical cannabis
191 facility registration application to the ABC Board between November 29, 2021, and March 28,
192 2022, that tied for second, and received the same total score shall be awarded a cultivation center
193 registration.

194 “(2) A cultivation center registration applicant not referenced in paragraph (1) of
195 this subsection that scored 150 points or more during the same open application period shall be
196 considered for a cultivation center registration after May 1, 2023; provided, that the applicant
197 files a corrected application, including an application to change the facility location, with the
198 ABC Board by May 1, 2025. An applicant that scored 150 points or higher shall be allowed to
199 change the location of the cultivation center facility on its application by May 1, 2025, without
200 negatively affecting the status of the application.

201 “(3) An applicant that filed more than one cultivation center registration
202 application during the open application period with one or more of the same owners shall be
203 considered for only one cultivation center registration under this subsection.

204 “(4) An initial application fee paid by a cultivation center registration applicant
205 that scored 150 points or higher shall be credited by ABCA toward the entire cost of the
206 applicant’s cultivation center application fee.

207 “(x)(1) A dispensary registration applicant that submitted a medical cannabis facility
208 registration to the ABC Board between November 29, 2021, and March 28, 2022, and received
209 150 points or more shall be considered for a retailer registration no earlier than 180 days after
210 March 22, 2023. An applicant shall be allowed to change the location of the retailer facility on
211 its application by May 1, 2025, without negatively affecting the status of the application.

212 “(2) An applicant that filed more than one dispensary registration application
213 during the open application period with one or more of the same owners shall be considered for
214 only one retailer registration under this subsection.

215 “(3) An initial application fee paid by a dispensary registration applicant that
216 scored 150 points or higher shall be credited by ABCA toward the entire cost of the applicant’s
217 retailer application fee.

218 “(y) The 5 cultivation center registration applicants that submitted medical cannabis
219 facility registration applications to the ABC Board between November 29, 2021, and March 28,
220 2022, that scored 150 points or more shall automatically receive a manufacturer license;

221 provided, that the annual fee is paid; provided further, that the applicant registers on a form
222 provided by ABCA with the ABC Board by May 1, 2024.

223 “(z)(1) An applicant who has submitted a complete license application for a cultivation
224 center, manufacturer, retailer, or internet retailer to transfer its license to a new location, or for a
225 retailer endorsement may obtain a stipulated license to begin operations authorized by the
226 applied-for license under the following conditions:

227 “(A) The applicant has submitted a stipulated license application on a
228 form provided by the ABC Board;

229 “(B) The applicant has submitted written correspondence from an officer
230 of the Advisory Neighborhood Commission where the applicant’s premises is located stating that
231 the Advisory Neighborhood Commission has voted with a quorum present to either support or
232 not object to the issuance of a stipulated license to the applicant pending completion of the 45-
233 day protest period; and

234 “(C) The applicant submits to ABCA the stipulated license application fee.

235 “(2) A cultivation center, manufacturer, retailer, or internet retailer applicant shall
236 stop selling, delivering or serving medical cannabis under the stipulated license if a valid protest
237 is filed by an affected Advisory Neighborhood Commission during the 45-day protest period or
238 the 30-day extended public comment period, or the application is withdrawn or denied.

239 “(3) An applicant operating under a stipulated license shall operate in accordance

240 with the laws and regulations applicable to the requested cultivation center, manufacturer,
241 retailer, or internet retailer license.”.

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

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

244 “(c-1)(1) An unlicensed establishment that applied for a retailer license under subsection
245 (a)(3) of this section may be allowed to change the location of the retailer facility on its
246 application within 180 days after the effective date of the Medical Cannabis Clarification and
247 Program Enforcement Amendment Act of 2024, as approved by the Committee of the Whole on
248 September 17, 2024 (Committee print of Bill 25-581), without negatively affecting the status of
249 the application, provided that:

250 “(A) The location of the establishment in the original application filed
251 with ABCA was within 300 feet of a preschool, primary or secondary school, or recreation
252 center; and

253 “(B) The main entrance to the preschool, primary or secondary school, or
254 recreation center or the nearest property line of the school or recreation center is actually on or
255 occupies ground zoned commercial or industrial according to the official atlases of the Zoning
256 Commission of the District of Columbia.

257 “(2) An unlicensed establishment that elects to change the location of its facility
258 pursuant to paragraph (1) shall not locate its new facility:

259 “(A) Within a residential district;

260 “(B) Within 400 feet of a preschool, primary or secondary school, or
261 recreation center; or

262 “(C) Within 400 feet of an existing retailer.”.

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

264 “(1) Cultivation Center, Retailer, and Internet Retailer licenses issued under this
265 section shall count toward the 50% set aside requirement for social equity applicants set forth in
266 section 7(h).”

267 (3) Subsection (h)(1) is amended to read as follows:

268 “(1) The ABC Board shall provide notice of complete and eligible cultivation
269 center, retailer, and internet retailer license applications received from unlicensed establishments
270 to the Ward Councilmember, and any affected ANC, for a 45-day public comment period. The
271 ABC Board may, at the request of both an affected ANC and the applicant, extend the ANC’s
272 protest petition deadline by up to an additional 30 calendar days for the sole purpose of allowing
273 the ANC to vote on whether to support or protest the license application. The ABC Board may,
274 on a motion of any party or on its own motion, also continue a hearing to permit an affected
275 ANC to vote on a material issue in the hearing.

276 “(2) An affected ANC may protest the issuance of the license.

277 “(3) The ABC Board shall hold a contested case protest hearing within 120 days
278 of receiving a timely protest from an affected ANC pursuant to paragraph (2) of this
279 subsection.”.

ENGROSSED ORIGINAL

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

281 (1) Subsection (b) is amended as follows:

282 (A) Paragraph (1) is amended by striking the word “immediately” and
283 inserting the phrase “once its license is issued by ABCA” in its place.

284 (B) Paragraph (2) is redesignated as paragraph (3).

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

286 “(2)(A) An unlicensed establishment that is approved for a cultivation center,
287 retailer, or internet retailer license shall obtain issuance of its license by the later date of either
288 September 30, 2024, or within 180 days of ABC Board approval, or have its ABC Board
289 approval rescinded.

290 “(B)(i) An unlicensed establishment that temporarily discontinues
291 operations after ABC Board approval that is not involved in unlicensed activity may request that
292 the ABC Board extend the deadline in subparagraph (A) of this paragraph by one additional 180-
293 day period to allow the applicant to take deliberate steps to resume business operations at the
294 applicant’s proposed location.

295 “(ii) The ABC Board shall approve the applicant’s extension
296 request; provided, that the applicant can demonstrate to the ABC Board that the applicant is
297 making reasonable progress to resume business operations at the proposed location.

298 “(C) Notwithstanding subparagraph (A) of this paragraph:

299 “(i) An unlicensed establishment that applies for a retailer
300 or internet retailer license under this section shall be required to have its license issued and be in
301 operation no later than March 31, 2025 or have its Board approval rescinded or its application
302 denied by the Board; and

303 “(ii) A cultivation center, retailer, or internet retailer
304 applicant shall cease any unlicensed activity once its license is issued by ABCA.”.

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

306 “(e) An unlicensed establishment shall not display signage or images advertising:

307 “(1) The prices of cannabis or cannabis product in any window of the
308 establishment;

309 “(2) Cannabis or a cannabis product on the exterior of any window or on the
310 exterior or interior of any door; or

311 “(3) Cannabis or a cannabis product on the exterior or visible from the exterior
312 of the unlicensed establishment or elsewhere in the District.”.

313 (f) Section 7f (D.C. Official Code § 7-1671.06f) is amended by adding a new subsection
314 (b-1) to read as follows:

315 “(b-1) No holder of a retailer and safe use treatment facility endorsement located within
316 400 feet of a day care center may obtain a summer garden endorsement pursuant to this section.”.

317 (g) New sections 7g, 7h, 7i and 7j are added to read as follows:

318 “Sec. 7g. Standing to file protest against a retailer license.

319 “(a) Except as provided in Section 6a regarding protests against unlicensed
320 establishments that applied for licenses prior to January 30, 2024, the following persons may
321 protest the issuance of a license, the renewal of a license, or the transfer of a medical cannabis
322 retailer license to a new location:

323 “(1) A property owner or commercial tenant whose property abuts where the
324 establishment is or will be located;

325 “(2) A property owner or commercial tenant whose property is located directly
326 across the street from where the establishment is or will be located; or

327 “(3) Any affected ANC.

328 “(b) Any person objecting under subsection (a) of this section to the approval of an
329 application shall notify the ABC Board in writing of his or her intention to object and the
330 specific grounds for the objection within the protest period.

331 “Sec. 7h. Notice to ANCs and Councilmembers.

332 “(a) ABCA shall provide electronic notice to the Councilmember representing the ward
333 where the establishment is or will be located and any affected ANC at least 45 calendar days
334 prior to the approval of a location for a retailer.

335 “(b) The ABC Board may, at the request of both an affected ANC and the applicant,
336 extend the ANC’s protest petition deadline set forth in subsection (a) of this section by up to an
337 additional 30 calendar days for the sole purpose of allowing the ANC to vote on whether to
338 support or protest the license application. The ABC Board may, on a motion of any party or on

339 its own motion, also continue a hearing to permit an affected ANC to vote on a material issue in
340 the hearing.

341 “Sec. 7i. Grounds for protest.

342 “(a) A protest against a medical cannabis retailer license by persons with standing under
343 section 7g of this chapter shall be on the basis of:

344 “(1) A violation of this act by the applicant;

345 “(2) A violation of civil law by the applicant that is directly related to the
346 operation of the business or establishment for which the license is sought; or

347 “(3) Vehicular and pedestrian safety.

348 “(b) The ABC Board shall determine whether a violation of civil law is directly related to
349 the operation of the business or establishment for which the license is sought by considering the
350 totality of the following factors:

351 “(1) Whether specific elements of the violation are directly related to the
352 specific duties and responsibilities of the license; and

353 “(2) Any evidence produced by the applicant concerning the applicant’s fitness,
354 including the length of time that has elapsed since the violation and mitigating circumstances.

355 “(c) The ABC Board may issue a license, approve the renewal of a license, or approve the
356 transfer of a medical cannabis retailer license to a new location without a hearing on the protest
357 if the ABC Board finds that the basis of the protest lacks substance.

358 Sec. 7j. ANC comments.

359 “The ABC Board shall accord great weight to input provided by an affected ANC
360 regarding the proposed or existing location of a retailer when approving or rejecting an
361 application for a license.”.

362 (h) Section 9 (D.C. Official Code § 7–1671.08) is amended as follows:

363 (1) Subsection (d) is amended by striking the phrase “licensed cultivation” and
364 inserting the phrase “licensed or unlicensed cultivation” in its place.

365 (2) New subsections (f), (g), (h) and (i) are added to read as follows:

366 “(f) Beginning January 31, 2024, the ABC Board may issue the following fines to an
367 unlicensed establishment that violates section 7(c-1) or section 7b(e), or has not filed an accepted
368 and pending application with the ABC Board and knowingly engages or attempts to engage in
369 the purchase, sale, exchange, delivery, or any other form of commercial transaction involving
370 cannabis that is not purchased, sold, exchanged, or delivered in accordance with the provisions
371 of this act or section 401 of the District of Columbia Uniform Controlled Substances Act of
372 1981, effective August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-904.01):

373 “(1) For the first violation, the ABC Board may:

374 “(A) Issue a fine in the amount of \$10,000; and

375 “(B) Require the unlicensed establishment to submit a remediation plan to
376 the ABC Board that contains the unlicensed establishment’s plan to prevent any future
377 recurrence of purchasing, selling, exchanging, delivering, or otherwise transacting any cannabis
378 or cannabis products that are not purchased, sold, exchanged, or delivered in accordance with the

379 provisions of this act or section 401 of the District of Columbia Uniform Controlled Substances
380 Act of 1981, effective August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-904.01);

381 “(2) For any subsequent violations or if the unlicensed establishment fails to
382 submit a remediation plan in accordance with paragraph (1) of this subsection, or if the ABC
383 Board rejects the unlicensed establishment’s remediation plan, the ABC Board may issue
384 additional fines as follows:

385 “(A) For the second violation, a fine in the amount of \$20,000;

386 “(B) For the third or subsequent violation, a fine in the amount of \$30,000;

387 “(C) For failing to submit a remediation plan or having its remediation
388 plan rejected by the ABC Board, a fine of in the amount of \$10,000.

389 “(3) Revenue collected from fines imposed pursuant to this subsection shall be
390 deposited as follows:

391 “(A) The first \$100,000 shall be deposited into the Litigation Support
392 Fund established pursuant to section 106b(b)(6) of the Attorney General for the District of
393 Columbia Clarification and Elected Term Amendment Act of 2010, effective May 27, 2010
394 (D.C. Law 18-160; D.C. Official Code § 1-301.86b(b)(6)); and

395 “(B) Any revenue collected from fines after the first \$100,000 shall be
396 deposited into the Medical Cannabis Social Equity Fund established pursuant to section 9b.

397 “(4) Nothing in this subsection shall preclude the ABC Board from issuing a
398 cease-and-desist order or the closure of an unlicensed establishment for a first or subsequent
399 violation of this subsection.

400 “(g)(1) Notwithstanding sections 7(b) and 9(f), ABCA shall have the authority to inspect
401 the entire premises, inventory, and business records of an unlicensed establishment to determine
402 whether the business is conducting activity in violation of this title. If, after an inspection, ABCA
403 determines that an unlicensed establishment presents an imminent danger to the health or safety
404 of the public, as described in paragraph (2) of this subsection, the ABC Board may summarily
405 close and order the padlocking, by ABCA or MPD without a prior hearing, of the unlicensed
406 establishment, and ABCA or MPD may seize all cannabis and cannabis products found at the
407 premises.

408 “(2) For the purpose of this subsection, the term “imminent danger to the health or
409 safety of the public” includes any of the following:

410 “(A) The unlicensed establishment distributes or attempts to distribute
411 cannabis or a cannabis product to one or more persons under the age of 21.

412 “(B) The unlicensed establishment manufactures, produces, or cultivates
413 cannabis or cannabis products at the building or premises.

414 “(C) Once a testing laboratory has been licensed under this act, the
415 unlicensed establishment distributes, attempts to distribute, or makes available for sale or
416 exchange cannabis or a cannabis product untested by a testing laboratory licensed under this act.

417 “(D) The unlicensed establishment distributes, attempts to distribute or
418 makes available for sale or exchange cannabis or a cannabis product that fails to contain a label
419 identifying the source of the cannabis or cannabis product, including where it was manufactured,
420 the contents of the package, and the cannabis or cannabis product’s ingredients, and
421 tetrahydrocannabinol (THC) content, or is otherwise not labeled in accordance with this act.

422 “(E) The unlicensed establishment fails to comply with a cease-and-desist
423 order.

424 “(F) The unlicensed establishment distributes, attempts to distribute, or
425 makes available for sale or exchange Schedule I substances, or products that contain Schedule I
426 substances, as enumerated in section 204 of the District of Columbia Uniform Controlled
427 Substances Act of 1981, effective August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-
428 902.04).

429 “(G) An employee, agent, or owner of the unlicensed establishment has
430 unlawful firearms or weapons on the premises.

431 “(H) A dangerous crime, as defined in D.C. Official Code § 23-1331(3), or
432 a crime of violence, as defined in D.C. Official Code § 23-1331(4), was committed on the
433 premises of the unlicensed establishment.

434 “(I) The unlicensed establishment engages in any activity or operation
435 established as an imminent danger to the health or safety of the public by the ABC Board by
436 rule.

437 “(3) ABCA shall provide the unlicensed establishment’s owner and the property
438 owner with written notice of the summary closure and the right to request a hearing.

439 “(4) The owner of the unlicensed establishment shall have 5 business days after
440 service of the notice of summary closure to request a hearing with the ABC Board, which shall
441 hold a hearing within 5 business days of a timely request.

442 “(5) The ABC Board shall issue a written decision within 5 business days after the
443 hearing.

444 “(h)(1) ABCA or the Metropolitan Police Department may post signage at the site of the
445 unlicensed establishment indicating that unlicensed activity has been found to have occurred for
446 violations of this act.

447 “(2) If the ABC Board orders the closure of an unlicensed establishment, the ABC
448 Board shall post 2 notices in conspicuous places at or near the main street entrance on the outside
449 of the establishment.

450 “(3) The posted notice shall state that the closure is ordered because of a violation
451 of this act or of the regulations promulgated pursuant to this act.

452 “(4) Any person willfully removing, obliterating, or defacing the notice shall be
453 guilty of a violation of this act.

454 “(i)(1) An ABCA investigator may test cannabis and cannabis products to quantify their
455 THC content.

456 “(2) In any proceeding before the ABC Board, labeling or packaging in an
457 unlicensed establishment that states that the product contains cannabis or tetrahydrocannabinol,
458 whether in whole or in part, or a derivative thereof, shall create a presumption that the product
459 contains cannabis and contains the amounts of the chemicals indicated on the label or packaging
460 unless such presumption is overcome by a preponderance of evidence to the contrary.”.

461 (i) Section 13a (D.C. Official Code § 7-1671.12a) is amended as follows:

462 (1) Subsection (a) is amended as follows:

463 (A) Strike the phrase “Board or the Mayor” both times it appears and
464 insert the word “Board” in its place.

465 (B) Strike the phrase “to the licensee” and insert the phrase “to the
466 licensee or unlicensed establishment” in its place.

467 (2) Subsection (d) is amended by striking the phrase “Board or the Mayor” and
468 inserting the word “Board” in its place.

469 (3) Subsection (f) is amended by striking the phrase “Board or the Mayor” and
470 inserting the word “Board” in its place.

471 (j) New sections 13b, 13c, 13d, and 13e are added to read as follows:

472 “Sec. 13b. Examination of premises, books, and records.

473 “(a) An applicant for a license, and each licensee, shall allow any ABCA investigator or
474 agent of the ABC Board full opportunity to examine, at any time during business hours:

475 “(1) The premises where a cannabis product is manufactured, kept, sold, or
476 consumed for which an application for a license has been made or for which a license has been
477 issued; and

478 “(2) The books and records of the business for which an application for a license
479 has been made or for which a license has been issued.

480 “(b) ABCA investigators shall examine the premises and books and records of each
481 licensed establishment in the District at least once each year. The investigators shall make
482 reasonable efforts to ensure that the licensee shall know in advance the date of the inspection.

483 “Sec. 13c. Search warrants for illegal cannabis products; disposition of seized products.

484 ““If a search warrant is issued by any judge of the Superior Court of the District of
485 Columbia or by a United States Magistrate for the District of Columbia for premises where any
486 cannabis products are sold, exchanged as part of a commercial transaction, delivered, or
487 permitted to be consumed in violation of this title, the cannabis product and any other property
488 designed for use in connection with the unlawful manufacture for sale, keeping for sale, selling,
489 or consumption may be seized and shall be subject to such disposition as the court may make
490 thereof.

491 “Sec. 13d. Notifications from Department of Licensing and Consumer Protection, Office
492 of Tax and Revenue, Fire and Emergency Medical Services Department, and Metropolitan Police
493 Department.

494 “(a) The Department of Licensing and Consumer Protection, the Office of Tax and
495 Revenue, and the Fire and Emergency Medical Services Department shall notify the ABC Board
496 if a licensed establishment is the subject of a citation, revocation, or other enforcement action for
497 a violation of laws or regulations enforced by those agencies or offices within 30 days after the
498 citation, revocation, or other enforcement action.

499 “(b) If a licensed establishment is the subject of an incident report by the Metropolitan
500 Police Department, the Metropolitan Police Department shall file a copy of the incident report
501 with the ABC Board within 30 days after the incident. The ABC Board shall make the report
502 available for public inspection upon request.

503 “Sec. 13e. Nuisance.

504 “(a) Any unlicensed establishment where cannabis is sold, exchanged as part of a
505 commercial transaction, delivered, or permitted to be consumed shall be a nuisance, except any
506 unlicensed establishment of an applicant that filed an accepted and pending application with the
507 ABC Board during the 90-day open application period.

508 “(b) An action to enjoin any nuisance defined in subsection (a) of this section may be
509 brought in the name of the District of Columbia by the Attorney General for the District of
510 Columbia in the Civil Branch of the Superior Court of the District of Columbia against the owner
511 or operator of the unlicensed establishment or any person conducting or maintaining such
512 nuisance or any person who knows or should have known that such nuisance is being conducted
513 or maintained.

514 “(c)(1) Upon the filing of a complaint to abate the nuisance, the Court shall hold a
515 hearing on a motion for a preliminary injunction within 14 days of the filing of such action.

516 “(2) If it appears, by affidavit or otherwise, that there is a substantial likelihood
517 that the District of Columbia will be able to prove at trial that the building, ground, or premises
518 of the unlicensed establishment is a nuisance, the court may enter an order preliminarily:

519 “(A) Enjoining the nuisance;

520 “(B) Prohibiting the use of the unlicensed establishment for the purpose of
521 selling cannabis, exchanging cannabis as part of a commercial transaction, delivering cannabis,
522 or permitting cannabis to be consumed until such time as the establishment obtains a license; and

523 “(C) Granting such other relief as the court may deem appropriate.

524 “(3) The District of Columbia need not prove irreparable harm to obtain a
525 preliminary injunction.

526 “(4) Where appropriate, the Court may order a trial of the action on the merits to
527 be advanced and consolidated with the hearing on the motion for preliminary injunction.

528 “(5) This section shall not be construed to prohibit the application for or the
529 granting of a temporary restraining order, or other equitable relief otherwise provided by law.

530 “(d)(1) Within 14 days of the issuance of any preliminary injunction, the Court shall hold
531 a full hearing on the merits of the nuisance action.

532 “(2) If the Court does not issue a preliminary injunction, the Court shall
533 expeditiously schedule a full hearing. If it is determined by a preponderance of the evidence that

534 the unlicensed establishment is a nuisance, the Court shall issue a final order that mandates
535 closure and sealing of the establishment within 72 hours and continued closure until such time as
536 the establishment obtains a license.

537 “(3) The Court may order other appropriate relief, including issuing an order
538 enjoining the nuisance and prohibiting the use of the unlicensed establishment for the purpose of:

539 “(A) Selling cannabis;

540 “(B) Exchanging cannabis as part of a commercial transaction;

541 “(C) Delivering cannabis; or

542 “(D) Permitting cannabis to be consumed until such time as the
543 establishment obtains a license.

544 “(4)(A) Execution by the Metropolitan Police Department of any final order to
545 close and seal the establishment shall occur within 7 days of the issuance of the final order.

546 “(B) Notwithstanding subparagraph (A) of this paragraph, if the
547 Metropolitan Police Department has not executed the final order within 5 days of issuance of the
548 final order, the final order shall continue to be executable and valid.”.

549 Sec. 5. Section 8 of the Medical Cannabis Amendment Act of 2022, effective March 22,
550 2023 (D.C. Law 24-332; D.C. Official Code § 7-1675.01), is amended as follows:

551 (a) Subsection (a) is amended as follows:

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

553 (A) The lead-in language is amended by striking the phrase “Alcoholic
554 Beverage and Cannabis Administration makes final determinations for the licensure of
555 unlicensed establishments pursuant to §§ 7-1671.06a and 7-1671.06b, for the first violation
556 of D.C. Official Code § 47-2844(a-2)(1B), the Mayor” and inserting the phrase “After the
557 Alcoholic Beverage and Cannabis Board (“ABC Board”) makes final determinations for the
558 licensure of unlicensed establishments pursuant to sections 7a and 7b of the Legalization of
559 Marijuana for Medical Treatment Initiative of 1999, effective March 22, 2023 (D.C. Law 24-
560 332; D.C. Official Code §§ 7-1671.06a and 7-1671.06b), for the first violation of section 9(f) of
561 the Legalization of Marijuana for Medical Treatment Initiative of 1999, effective July 27, 2010
562 (D.C. Law 18-210; D.C. Official Code § 7-1671.08(f)), the ABC Board ” in its place.

563 (B) Subparagraph (C) is amended by striking the phrase “§ 47-2844(a-
564 2)(1B)” and inserting the phrase “section 9(f) of the Legalization of Marijuana for Medical
565 Treatment Initiative of 1999, effective July 27, 2010 (D.C. Law 18-210; D.C. Official Code § 7-
566 1671.08(f)),” in its place.

567 (2) Paragraph (2) is amended by striking the phrase “provided to the Alcoholic
568 Beverage and Cannabis Administration,” and inserting the phrase “provided to” in its place.

569 (b) Subsection (b) is amended as follows:

570 (1) The lead-in language is amended by striking the phrase “§ 47-2844(a-2)(1B)”
571 and inserting the phrase “section 9(f) of the Legalization of Marijuana for Medical Treatment

572 Initiative of 1999, effective July 27, 2010 (D.C. Law 18-210; D.C. Official Code § 7-
573 1671.08(f))” in its place.

574 (2) Paragraph (1) is amended by striking the phrase “The Mayor” and inserting
575 the phrase “The ABC Board” in its place.

576 (3) Paragraph (2) is amended as follows:

577 (A) Subparagraph (A) is amended to read as follows:

578 “(A) The ABC Board shall require the commercial property owner to
579 submit a remediation plan within 14 days after the notice of a fine under paragraph (1) of this
580 subsection to the ABC Board that contains the commercial property owner's plan to prevent any
581 future violations of section 9(f) of the Legalization of Marijuana for Medical Treatment Initiative
582 of 1999, effective July 27, 2010 (D.C. Law 18-210; D.C. Official Code § 7-1671.08(f)).”.

583 (B) Subparagraph (B) is amended by striking the phrase “the Mayor, in
584 consultation with the Director of the Department of Licensing and Consumer Protection, rejects
585 the commercial property owner's remediation plan, the Mayor may issue additional fines or
586 revoke the commercial property owners’ licenses” and inserting the phrase “the ABC Board
587 rejects the commercial property owner’s remediation plan, the ABC Board may issue additional
588 fines” in its place.

589 (c) Subsection (c) is amended as follows:

590 (1) Paragraph (1) is amended by striking the phrase “Office of Administrative
591 Hearings” and inserting the phrase “ABC Board” in its place.

592 (2) Paragraph (2) is amended to read as follows:

593 “(2) If a commercial property owner timely requests a hearing pursuant to this
594 subsection, the ABC Board shall hold a hearing within 3 business days after receiving the
595 request.”.

596 (3) Paragraph (3) is amended by striking the phrase “administrative law judge”
597 and inserting the phrase “ABC Board” in its place.

598 (d) Subsection (e)(1) is amended by striking the phrase “Office of Administrative
599 Hearings” and inserting the phrase “ABC Board” in its place.

600 Sec. 6. Fiscal impact statement.

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

604 Sec. 7. Effective date.

605 This act shall take effect following approval by the Mayor (or in the event of veto by the
606 Mayor, action by the Council to override the veto) and a 30-day period of congressional review
607 as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
608 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)).