

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend, on an emergency basis, 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; and 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 Emergency 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.

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

“(2) “Delinquent debt” means:

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

“(B) A fine issued by the Alcoholic Beverage and Cannabis Administration 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),

or section 8 of the Medical Cannabis Amendment Act of 2022, effective March 22, 2023 (D.C. Law 24-332; D.C. Official Code § 7-1675.01), that remains unpaid more than 30 days after it was due.”.

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

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

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

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

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

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

(3) Paragraph (5A) is redesignated as paragraph (5B).

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

“(5A) “Daycare center” means a child development center, as that term is defined in section 2(2) of the Day Care Policy Act of 1979, effective September 19, 1979 (D.C. Law 3-16; D.C. Official Code § 4-401(2)), that is licensed by the Office of the State Superintendent of Education.”.

(5) Paragraph (13B) is amended as follows:

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

(B) Subparagraph (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.

(6) Paragraph (19) is amended as follows:

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

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

(7) A new paragraph (19B) is added to read as follows:

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

(8) 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, a grandparent, or a sibling who is or has been arrested, convicted, or incarcerated” in its place.

(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” in its place.

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

(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; and

“(B) Receive and test samples of medical cannabis products from licensed cultivation centers or manufacturers for purposes of quality assurance or research and development; provided, that samples collected for quality assurance or research and development testing may be selected by the cultivation center or manufacturer non-randomly; provided further, that 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;”.

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

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

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

(6) Paragraph (18) is repealed.

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

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

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

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

“(c)(1) Medical cannabis products shall be packaged in child-resistant packaging in accordance with 16 C.F.R. Part 1700 and shall not contain any statement, depiction, or illustration that:

“(A) Promotes over consumption;

“(B) Depicts a person under the age of 21 consuming cannabis; or

“(C) Is especially appealing to persons under 21 years of age as defined in paragraph (2) of this subsection.

“(2) For purposes of this subsection, the term “especially appealing to persons under 21 years of age” means a product or label including one that contains:

“(A) Images of cartoon characters, toys, or animals;

“(B) Bubble-type or other cartoon-like font;

“(C) A design, brand, or name that resembles a non-cannabis consumer product;

“(D) Symbols or celebrities that are commonly used to market products to persons under the age of 21; or

“(E) The word candy or candies.”.

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

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

(4) Subsection (d) is amended as follows:

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

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

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

(5) Subsection (e)(1) is amended as follows:

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

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

“(G) No licensee holding a cultivation center license shall hold an internet

retailer license.”

(6) 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” in its place.

(7) Subsection (k) is amended as follows:

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

“(1) The ABC Board shall be authorized to issue a 2-year conditional license for a cultivation center, retailer, internet retailer, manufacturer, courier, or testing laboratory that does not currently have a proposed location.”.

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

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

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

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

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

“(k-1) A one-year conditional license that is in effect as of the effective date of the Medical Cannabis Clarification and Program Enforcement Amendment Act of 2024, passed on 2nd reading on October 1, 2024 (Enrolled version of Bill 25-581), shall automatically convert to a 2-year conditional license, expiring one year after the date the original conditional license was set to expire, at no additional cost and without additional ABC Board approval.”.

(9) 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 subparagraph (A) of this paragraph.”.

(10) Subsection (q) is amended to read as follows:

“(q)(1) A retailer or internet retailer shall not locate within any residential district or within 400 feet of a preschool, primary or secondary school, or recreation center; except, that a license holder or an applicant who has applied prior to the effective date of the Medical Cannabis Clarification and Program Enforcement Amendment Act of 2024, passed on 2nd reading on October 1, 2024 (Enrolled version of Bill 25-581), may be permitted to locate within 300 feet of a preschool, primary or secondary school, or recreation center.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“(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; provided further, that the applicant registers on a form provided by ABCA with the ABC Board by May 1, 2024.

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

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

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

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

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

“(3) An applicant operating under a stipulated license shall operate in accordance with the laws and regulations applicable to the requested cultivation center, manufacturer, retailer, or internet retailer license.”

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

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

“(c-1)(1) An unlicensed establishment that applied for a retailer license under subsection (a)(3) of this section may be allowed to change the location of the retailer facility on its

application within 180 days after the effective date of the Medical Cannabis Clarification and Program Enforcement Amendment Act of 2024, passed on 2nd reading on October 1, 2024 (Enrolled version of Bill 25-581), without negatively affecting the status of the application; provided, that:

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

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

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

“(A) Within a residential district;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) Subparagraph (D) is amended by striking the phrase “safe-use treatment facility” and inserting the phrase “designated consumption area” in its place.

(2) Subsection (b)(3) is amended by striking the phrase “safe-use treatment facility area” and inserting the phrase “designated consumption area” in its place.

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

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

“(2) A smoke-free area for employees to monitor the designated consumption area, if combustible medical cannabis products are available to qualifying patients to consume in the designated consumption area; and”.

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

“(3) If combustible medical cannabis products are available to qualifying patients to consume in the designated consumption area, a ventilation system that directs air from the designated consumption area to the outside of the building through a pollution control unit or odor control unit that, at a minimum, eliminates all detectable odor, smoke, and by-products of combustion so as to prevent any and all public nuisances.”.

(4) The lead-in language of subsection (e)(2) is amended by striking the phrase “Include with the application” and inserting the phrase “If combustible medical cannabis products will be available to qualifying patients to consume in the designated consumption area, include with the application” in its place.

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

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

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

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

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

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

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

“(3) A daycare center located within 400 feet of where the establishment is or will be located, or

“(4) Any affected ANC.

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

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

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

“(b) The ABC Board may, at the request of both an affected ANC and the applicant, extend the ANC’s protest petition deadline set forth in subsection (a) of this section by up to an

additional 30 calendar days for the sole purpose of allowing the ANC to vote on whether to support or protest the license application. The ABC Board may, on a motion of any party or on its own motion, also continue a hearing to permit an affected ANC to vote on a material issue in the hearing.

“Sec. 7i. Grounds for protest.

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

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

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

“(3) Vehicular and pedestrian safety.

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

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

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

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

Sec. 7j. ANC comments.

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

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

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

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

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

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

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

“(B) Require the unlicensed establishment to submit a remediation plan to the ABC Board that contains the unlicensed establishment’s plan to prevent any future recurrence of purchasing, selling, exchanging, delivering, or otherwise transacting any cannabis or cannabis products that are not purchased, sold, exchanged, or delivered in accordance with the provisions of this act or section 401 of the District of Columbia Uniform Controlled Substances Act of 1981, effective August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-904.01);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Sec. 13e. Nuisance.

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

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

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

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

“(A) Enjoining the nuisance;

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

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

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

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

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

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

“(2) If the Court does not issue a preliminary injunction, the Court shall expeditiously schedule a full hearing. If it is determined by a preponderance of the evidence that the unlicensed establishment is a nuisance, the Court shall issue a final order that mandates closure and sealing of the establishment within 72 hours and continued closure until such time as the establishment obtains a license.

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

“(A) Selling cannabis;

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

“(C) Delivering cannabis; or

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

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

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

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

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

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

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

(B) Subparagraph (C) is amended by striking the phrase “D.C. Official Code § 47-2844(a-2)(1B)” and inserting the phrase “section 9(f) 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(f)),” in its place.

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

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

(1) The lead-in language is amended by striking the phrase “D.C. Official Code § 47-2844(a-2)(1B)” and inserting the phrase “section 9(f) 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(f))” in its place.

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

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

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

“(A) The ABC Board shall require the commercial property owner to submit a remediation plan within 14 days after the notice of a fine under paragraph (1) of this subsection to the ABC Board that contains the commercial property owner's plan to prevent any future violations of section 9(f) 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(f)).”.

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

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

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

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

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

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

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

Sec. 6. Repealers.

(a) Sections 2 and 3(a) of the Medical Cannabis Program Enforcement Temporary Amendment Act of 2024, effective April 10, 2024 (D.C. Law 25-153; 71 DCR 2082), are repealed.

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(b) Section 2 of the Medical Cannabis License Clarification Temporary Amendment Act of 2024, effective May 21, 2024 (D.C. Law 25-165; 71 DCR 3500), is repealed.

(c) Section 2 of the Medical Cannabis Conditional License and Unlicensed Establishment Closure Clarification Emergency Amendment Act of 2024, effective July 15, 2024 (D.C. Act 25-505; 71 DCR 8403), is repealed.

(d) Section 2 of the Medical Cannabis Conditional License and Unlicensed Establishment Closure Clarification Temporary Amendment Act of 2024, effective September 18, 2024 (D.C. Law 25-216; 71 DCR 9575), is repealed.

(e) Section 2(b) of the Medical Cannabis Patient Card Extension and 4/20 Medical Cannabis Sales Tax Holiday Week Congressional Review Emergency Amendment Act of 2024, effective July 23, 2024 (D.C. Act 25-526; 71 DCR 9590), is repealed.

(f) Section 2 of the Medical Cannabis Clarification and Non-Resident Patient Access Emergency Amendment Act of 2024, effective July 23, 2024 (D.C. Act 25-527; 71 DCR 9593), is repealed.

(g) Section 2 of the Medical Cannabis Clarification and Non-Resident Patient Access Temporary Amendment Act of 2024, enacted on October 7, 2024 (D.C. Act 25-564; 71 DCR 12344), is repealed.

(h) Section 2 of the Medical Cannabis Patient Access Clarification Emergency Amendment Act of 2024, effective July 23, 2024 (D.C. Act 25-528; 71 DCR 9597), is repealed.

(i) Section 2 of the Medical Cannabis Patient Access Clarification Temporary Amendment Act of 2024, enacted on October 7, 2024 (D.C. Act 25-565; 71 DCR 12348), is repealed.

Sec. 7. 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. 8. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), and shall remain in effect for no longer than 90 days, as provided for emergency acts of the Council of the District of Columbia in section

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412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788;
D.C. Official Code § 1-204.12(a)).

Chairman
Council of the District of Columbia

Mayor
District of Columbia