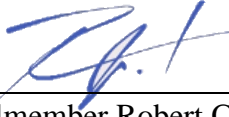




Councilmember Kenyan McDuffie



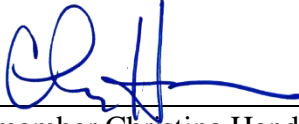
Chairman Phil Mendelson



Councilmember Robert C. White, Jr.



Councilmember Charles Allen



Councilmember Christina Henderson

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend Title 25 of the District of Columbia Official Code to establish the Alcoholic Beverage and Cannabis Board and the Alcoholic Beverage and Cannabis Administration; to establish that the Chairperson of the ABCA Board may also have demonstrated knowledge in the cannabis industry; to establish the Cannabis Regulation Division; to establish the Cannabis Advisory Committee; to define various terms for new chapters 21 through 30; to prohibit the sale of cannabis or cannabis products without a license; to prohibit exchanges of cannabis for purchasing another item; to provide the Board with the authority to issue cannabis licenses for 3 year periods; to create the Cannabis Equity and Opportunity Fund; to set aside a certain percentage of licenses for Social Equity Applicants; to establish grant and loan programs for Social Equity Applicants; to create requirements for the transfer of Social Equity Applicant licenses; to establish the Community Reinvestment Fund, Program and Board; to authorize the Board to create incentives for the production of medical cannabis and medical cannabis products; to create cultivation, manufacturer, microbusiness, internet retailer, retailer, courier and testing facility license categories; to create a research and development license category; to require laboratory agent registration with the ABCA; to require cannabis microbusinesses and retailers to obtain a delivery endorsement from the Board to deliver cannabis and cannabis products to District residents' homes; to create general qualifications for applicants; to establish general qualifications for proposed establishments; to clarify when the appropriateness standards apply to cannabis license applications; to prohibit a microbusiness or retailer from being located within 400 feet of schools, daycare, or recreation centers or in a residential-use district; to require the Board to give notice to the Councilmembers and affected ANCs for 45 days of various cannabis license applications; to establish grounds for protest; to establish licensing fees for cannabis license applications; to establish requirements for filing a protest; to provide an

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

72
73 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
74 act may be cited as the “Comprehensive Cannabis Legalization and Regulation Amendment Act
75 of 2025”.

76 Sec. 2. The Small, Local, and Disadvantaged Business Enterprise Development and
77 Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-
78 218.01 *et seq.*) is amended as follows:

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

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

81 “(16B) “Social equity applicant” shall have the same meaning as § 25-2101(40).”.

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

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

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

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

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

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

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

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

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

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

102 “(c) Grants made under this section shall be awarded on a competitive and annual basis.
103 Grants made under this Section shall further and promote the goals of this act, including the
104 promotion of Social Equity Applicants, job training and workforce development, and technical
105 assistance to Social Equity Applicants.

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

111 “(e) Beginning January 1, 2027 and each year thereafter, DSLBD shall annually report to
112 the Council on the outcomes and effectiveness of this section that shall include the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

142 “(a) Within 90 days of the effective date of the Comprehensive Cannabis Legalization
143 and Regulation Amendment Act of 2025, the Mayor shall appoint a Cannabis Advisory
144 Committee to study and make recommendations to the Board on the regulation and taxation of
145 cannabis in the District.

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

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

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

149 “(3) The Chief Financial Officer or his or her designee;

150 “(4) The Director of the Department of Health or his or her designee;

151 “(5) A person with expertise in cannabis cultivation;

152 “(7) A person with expertise in cannabis product manufacturing;
153 “(8) Two returning citizens who meet the definition of social equity applicant
154 pursuant to
155 “(9) Two persons from Disproportionately Impacted Areas as defined in D.C.
156 Code § 25-2101;
157 “(10) A person with expertise in economic development;
158 “(11) A person with expertise in racial and economic justice; and
159 “(12) A person who is a current qualifying patient registered with ABCA for the
160 District’s medical cannabis program.”.

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

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

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

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

169 “(f) The Committee shall sunset after the Board adopts final rules implementing the
170 provisions of the Comprehensive Cannabis Legalization and Regulation Amendment Act of
171 2025.”.

172 (3) A new section 25-215 is added to read as follows:
173 “Sec. 25-215. Cannabis license data portal.
174 “ABCA shall establish a public portal that includes information on the following:

175 “(a) The number of licenses available, pending approval, and awarded in each license
176 category, including Social Equity Applicants;
177 “(b) The demographic characteristics of licensees;
178 “(c) License numbers and other relevant information on licensed cannabis establishments
179 in the District;
180 “(d) Monthly production and sales activity;
181 “(e) Monthly enforcement and compliance data, including the number and type(s) of
182 violations and the number and type(s) of enforcement visits;
183 “(f) The location of Disproportionately Impacted Areas in the District; and
184 “(g) Annual data on the distribution of grant, equity or loans as described in D.C. Official
185 Code § 25-2107.”.

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

187 CHAPTER 21. GENERAL PROVISIONS, SOCIAL EQUITY, COMMUNITY
188 REINVESTMENT, AND MEDICAL CANNABIS INCENTIVES.

189 “§ 25-2101. Definitions

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

191 “(1) “ABC Board” means the means the Alcoholic Beverage and Cannabis Board
192 established by § 25-201.

193 “(2) “ABCA” means the Alcoholic Beverage and Cannabis Administration established by
194 § 25-202.

195 “(3) “Adjacent” means located within the same physical structure as, and is abutting,
196 adjoining, bordering, touching, contiguous to, or otherwise physically meeting.

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

198 “(5) “Affected ANC” means any Advisory Neighborhood Commission within 600 feet of
199 where a cultivator, manufacturer, microbusiness, retailer, or internet retailer facility is or will be
200 located.

201 “(6) “Cannabidiol” or “CBD” means a non-psychoactive cannabinoid found in
202 the plant *Cannabis sativa* L. or *Cannabis indica* or any other preparation thereof that is
203 essentially free from plant material and has a tetrahydrocannabinol level of no more than
204 0.3%.

205 “(7) “Cannabinoid” means any of the chemical compounds that are the active principles
206 of cannabis.

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

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

219 “(10) “Cannabis establishment” means a cannabis cultivator, testing laboratory,
220 manufacturer, microbusiness, internet retailer, retailer, or any other type of licensed cannabis-
221 related business.

222 “(11) “Cannabis tincture” means an alcoholic extract of cannabis commonly used in the
223 production of cannabis extracts.

224 “(12) “Child-resistant” means special packaging that is:

225 “(A) Designed or constructed to be significantly difficult for children under five
226 years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R.
227 1700.15 (1995) and 16 C.F.R. 1700.20 (1995). Note that this Rule does not include any later
228 amendments or editions to the Code of Federal Regulations;

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

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

233 “(13) “Courier” means a platform or business that:

234 “(A) Is licensed to conduct business in the District;

235 “(B) Has a contractual relationship with a holder of a microbusiness, retailer, or
236 internet retailer license to provide delivery services or facilitate the sale of medical or
237 recreational cannabis or medical or recreational cannabis products for deliveries in the District to
238 adult customers, qualifying patients, or caregivers through the use of the internet, a mobile
239 application, or a similar technology platform; and

240

241 “(C) Uses its own employees or independent contractors.

242 “(14) “Daycare center” means a child development center, as that term is defined in § 4-
243 401(2), that is licensed by the Office of the State Superintendent of Education.

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

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

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

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

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

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

257 “(16) “DFS” means the Department of Forensic Sciences.

258 “(17) “DOB” means the Department of Buildings.

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

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

262 “(20) “Electronic smoking device” shall have the same meaning as it is used in the
263 Electronic Cigarette Parity Amendment Act of 2016, effective February 18, 2017 (D.C. Law 21-
264 189; D.C. Official Code § 7-741.01(1)).

265 “(21) “Especially appealing to persons under 21 years of age” means a product, label,
266 sign or advertisement that contains:

267 “(A) Images of cartoon characters, toys, or animals;
268 “(B) Bubble-type or other cartoon-like font;
269 “(C) A design, brand, or name that resembles a non-cannabis consumer product;
270 “(D) Symbols or celebrities that are commonly used to market products to persons
271 under the age of 21; or

272 “(E) The word candy or candies.

273 “(22) “FEMS” means the Fire and Emergency Medical Services Department.

274 “(23) “Finished cannabis” means usable cannabis, cannabis resin or
275 cannabis concentrate.

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

279 “(25) “Internet retailer” means a platform or business that is licensed to conduct business
280 in the District, provides delivery services, and facilitates the sale of medical or recreational
281 cannabis or medical or recreational cannabis products for deliveries to adult customers,
282 qualifying patients, or caregivers through the use of the internet, a mobile application, or similar
283 technology platform, and that does not have a physical location that is open to the public.

284 “(26) “Laboratory agent” means an employee of an independent testing facility who
285 transports, possesses, or tests cannabis.

286 “(27) “Cannabis tincture” means an alcoholic extract of cannabis commonly used in the
287 production of cannabis extracts.

288 “(28) “Manufacturer” means a facility operated by an organization or business licensed
289 with ABCA to:

290 “(A) Process medical or recreational cannabis from holders of a cultivation
291 license into medical or recreational cannabis concentrates and medical or recreational cannabis-
292 infused products;

293 “(B) Package and label medical or recreational cannabis concentrates and medical
294 or recreational cannabis-infused products for sale at licensed microbusinesses, retailers, and
295 internet retailers; and

296 “(C) Sell medical or recreational cannabis concentrates and medical or
297 recreational cannabis-infused products at wholesale to licensed microbusinesses, retailers, and
298 internet retailers.

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

300 “(30) “MPD” means the Metropolitan Police Department.

301 “(31) “OAH” means the Office of Administrative Hearings.

302 “(32) “OTR” means the Office of Tax and Revenue.

303 “(33) “Paraphernalia” means:

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

307 “(B) Kits, objects, devices, or equipment used, intended for use, or designed for
308 use in planting, propagating, manufacturing, cultivating, growing, harvesting, processing, or
309 preparing medical or recreational cannabis.

310 “(34) “Qualifying patient” means a resident of the District who has a qualifying medical
311 or dental condition or is undergoing a qualifying medical or dental treatment, a patient who is a
312 non-resident cardholder, or a patient enrolled in another jurisdiction's medical cannabis program;
313 provided, that a patient who is a non-resident cardholder or a patient from another jurisdiction
314 shall not be a qualifying patient if ABCA determines that there is a shortage of medical cannabis
315 or the real-time electronic records system referenced in § 7-1671.05(4)(A) is inactive.

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

318 “(36) “Research project” means a discrete scientific endeavor to answer a research
319 question or a set of research questions. A research project must include the description of a
320 defined protocol, clearly articulated goal(s), defined methods and outputs, and a defined start and
321 end date.

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

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

328 “(39) “Seed to sale tracking system” means an inventory control system used by ABCA
329 and licensees under this title to track the cultivation, manufacturing, and sales of cannabis and
330 cannabis products.

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

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

335 “(B) The applicant has at least one owner who is a District resident,
336 individually or collectively owns at least 50% of the business, and is married to or in a civil
337 union, has a child, or is the child of a person or has a non-parent legal guardian, or a grandparent
338 or a sibling who is or has been arrested, convicted, or incarcerated in the District or in any other
339 jurisdiction for a cannabis or drug-related offense; or

340 “(C) The applicant has at least one owner who is a District resident,
341 individually or collectively owns at least 50% of the business and has an income that does not
342 exceed 150% of the median family income as set forth by the United States Department of
343 Housing and Urban Development, adjusted for household size, at the time the applicant submits
344 the application.

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

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

353 “(43) “Testing laboratory” means an entity that is not owned or operated by a director,
354 officer, member, incorporator, agent, or employee of a cultivation center, manufacturer, retailer,
355 internet retailer, courier, or other license category established by rulemaking and is licensed by

356 ABCA to test medical cannabis and medical cannabis products that are to be sold pursuant to this
357 chapter.

358 “(44) “THC” means tetrahydrocannabinol.

359 “(45) “Unlicensed establishment” means a sole proprietorship, partnership, or other
360 business entity that:

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

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

364 “(C) Is not licensed by ABCA pursuant to this act.

365 “§ 25-2102. Sale of cannabis or cannabis products without a license prohibited.

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

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

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

374 “§ 25-2103. Authority to grant licenses.

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

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

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

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

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

388 “§ 25-2104. Social equity in the cannabis industry.

389 “(a) There is established a fund designated as the Cannabis Equity and Opportunity Fund
390 (“Fund”), which shall be separate from the General Fund of the District of Columbia. 30% of
391 monies obtained pursuant to D.C. Official Code § 25-2901 shall be deposited into the Fund
392 without regard to fiscal year limitation pursuant to an act of Congress and used solely to pay the
393 costs of operating and maintaining the Fund and for the purposes stated in subsection (c) of this
394 section. All funds, interest, and other amounts deposited into the Fund shall not be transferred or
395 revert to the General Fund of the District of Columbia at the end of any fiscal year or at any other
396 time but shall continually be available for the uses and purposes set forth in this section, subject
397 to authorization by Congress in an appropriations act.

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

400 “(c) The fund shall be used for the purposes of providing loans, equity, and grants as
401 outlined in § 2–218.16, and for the following purposes:

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

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

407 “(3) To assist with job training and technical assistance for residents in
408 Disproportionately Impacted Areas.

409 “§ 25-2105. Social equity applicant set-asides.

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

413 “(b) Straw ownership for the sake of fulfilling the ownership requirements of Social
414 Equity Applicant license section is prohibited, both for the District resident(s) and the out of state
415 residents purporting to give the District resident(s) a 50% ownership share.

416 “§ 25-2106. Transfer of license awarded to a social equity applicant.

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

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

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

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

427 “(b) In cases where a Social Equity Applicant seeks to transfer, sell, or grant a cannabis
428 business establishment license to a non-Social Equity Applicant, the Board shall consider
429 whether the transfer would undermine the set-aside thresholds established in § 25-2105 when
430 determining approval of said transfer.

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

433 “§ 25-2107. Community re-investment program.

434 “(a) There is established a Community Re-Investment Program Fund (“Fund”) which
435 shall be separate from the General Fund of the District of Columbia. 30% of monies obtained
436 pursuant to § 25-2901 shall be deposited into the Fund without regard to fiscal year limitation
437 pursuant to an act of Congress and used solely to pay the costs of operating and maintaining the
438 Fund and for the purposes stated in subsection (b) of this section. All funds, interest, and other
439 amounts deposited into the Fund shall not be transferred or revert to the General Fund of the
440 District of Columbia at the end of any fiscal year or at any other time but shall continually be
441 available for the uses and purposes set forth in this section, subject to authorization by Congress
442 in an appropriations act.

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

445 (c)(1) Monies from the fund may be used to provide direct cash assistance to residents, or
446 for grants to residents and community-based organizations for programs, projects, or initiatives
447 that address economic development, education, mental health treatment, substance use disorder
448 treatment, non-law enforcement violence prevention services, homeless prevention services, re-
449 entry services, youth development, and civil legal aid in eligible program areas as determined by
450 the Department of Social Equity in paragraph (2) of this section.

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

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

459 “(c) There is established a Community Reinvestment Program Board (CRPB) that is
460 responsible for the selection of grantees eligible under (b)(2)(B) of this section. The Board shall
461 be under the Department of Social Equity, who shall work in consultation with ABCA. The
462 CRPB shall be constituted within 180 days after the eligible areas have been designated.
463 Members shall be appointed by the Mayor, with the advice and consent of the Council pursuant
464 to section 2(a) of the Confirmation Act of 1978, effective March 3, 1979 (D.C. Law 2-142; D.C.
465 Official Code § 1-523.01(a)), and shall include:

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

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

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

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

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

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

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

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

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

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

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

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

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

488 “(5) Develop a performance measurement system that focuses on positive
489 outcomes;

490 “(6) Develop a process to support ongoing monitoring and evaluation of grantee
491 or programmatic performance;

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

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

499 “§ 25-2108. Incentives for the production of medical cannabis products.

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

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

507 CHAPTER 22. CLASSIFICATION OF LICENSES.

508 “§ 25-2201. Cultivation licenses.

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

512 “(b) The holder of a cultivation license shall not be permitted to sell or deliver cannabis
513 or cannabis products directly to an adult customer, qualifying patient, or caregiver.

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

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

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

522 “§ 25-2202. Manufacturer licenses.

523 “(a) A manufacturer's license shall authorize the licensee to process, package, and label
524 medical or recreational cannabis and medical or recreational cannabis products for sale and
525 delivery at wholesale directly to testing facilities, microbusinesses, retailers, and internet
526 retailers.

527 “(b) The holder of a manufacturer’s license shall not be permitted to sell or deliver any
528 cannabis or cannabis products directly to an adult customer, qualifying patient, or caregiver.

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

531 “§ 25-2203. Microbusiness licenses.

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

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

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

538 “(c) The holder of a microbusiness license shall comply with all applicable laws and
539 regulations regarding cultivation, manufacturing, and sale of medical or recreational cannabis
540 and medical or recreational cannabis products.

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

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

545 “§ 25-2204. Retailer licenses.

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

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

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

553 “(B) Store and display medical cannabis and medical cannabis products in
554 a manner that separates these products from recreational cannabis or recreational cannabis
555 products.

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

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

561 “§ 25-2205. Internet retail licenses.

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

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

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

571 “(4) The holder of an internet retail license shall not be required to obtain a
572 delivery endorsement to be permitted to deliver cannabis directly to an adult customer,
573 qualifying patient, or caregiver.

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

576 “§ 25-2206. Testing Facility licenses.

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

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

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

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

586 “(d) DFS may obtain samples sufficient to perform tests and may conduct inspections of
587 licensees’ premises in order to effectuate the purposes of this title.

588 “§ 25-2206. Research and development facility licenses.

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

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

594 “(c) At a minimum, regulations issued pursuant to § 25-2804 for research and
595 development facilities shall include a description of authorized research activities for research
596 and development facilities, establish thresholds for the number of medical cannabis plants that a
597 research and development facility may possess at any one time, define procedures for medicinal
598 cultivators or manufacturers to transfer medical cannabis and medical cannabis products to a

599 research and development facility, and establish minimum standards for research involving
600 animal or human subjects; provided, that, the minimum standards for human subject research
601 conform to the Federal Policy for the Protection of Human Subjects.

602 “§ 25-2207. Courier license.

603 “(a) A courier license shall authorize the licensee to deliver medical or recreational
604 cannabis and medical or recreational cannabis products, on behalf of a microbusiness, retailer, or
605 internet retailer to an adult customer, qualifying patient, or caregiver.

606 “(b) A microbusiness, retailer or internet retailer licensed under this chapter may utilize
607 the services of a courier license holder by means of the telephone, Internet, mobile application,
608 or other electronic means to facilitate the transport of medical or recreational cannabis, or
609 medical or recreational cannabis products.

610 “(c) A holder of a courier license shall:

611 (1) Deliver only to an adult customer, qualifying patient, or caregiver at a District
612 of Columbia address provided by the adult consumer, qualifying patient, or caregiver and shall
613 not leave the product without verifying the identity and age of the recipient;

614 (2) Travel only through the District of Columbia and not any surrounding
615 jurisdiction to make deliveries;

616 (3) Abide by rules and standards as may be established by the ABC Board
617 through rulemaking concerning the frequency of deliveries to a single patient or customer in a
618 day, week, or month;

619 (4) Abide by the rules posted by a landlord or property owner with respect to
620 prohibitions on cannabis deliveries on its property;

621 (5) Abide by the rules and standards as may be established by the ABC Board
622 concerning making overnight storage of any product if necessary;

623 (6) Use its employees or independent contractor to deliver medical or recreational
624 cannabis and medical or recreational cannabis products; and

625 (7) Not be permitted to offer curbside pick-up at a microbusiness, retailer, internet
626 retailer, or its ABC Board-approved location to customers or patients.

627 “(d)(1) At the time of the order, a holder of a courier license shall require the adult
628 customer, qualifying patient, or caregiver to provide information necessary to verify that the
629 adult customer, qualifying patient, or caregiver is qualified to purchase and receive a delivery of
630 medical or recreational cannabis and medical or recreational cannabis products in accordance
631 with this chapter and regulations issued pursuant to § 25-2804.

632 “(2) Prior to transferring possession of the order to an adult customer, qualifying
633 patient, or caregiver, the holder of a courier license shall inspect the person’s government-issued
634 identification card and, if applicable, valid ABCA registration to verify the possession of a valid
635 registration and that the information provided at the time the order was placed matches the
636 information listed on the government issued identification card and, if applicable, ABCA
637 registration.

638 “(3) Failure of the courier license holder to check information in accordance with
639 paragraphs (1) and (2) of this subsection may result in the ABC Board issuing a fine against the
640 courier or suspending or revoking its license in accordance with this chapter or regulations issued
641 pursuant to § 25-2804.

642 “(e)(1) A holder of a courier license shall maintain in each vehicle used for deliveries of
643 medical or recreational cannabis or medical or recreational cannabis products, a secure, locked

644 storage compartment for purposes of transporting and securing cash used as payment and the
645 medical or recreational cannabis or medical or recreational cannabis products.

646 “(2) A holder of a courier license shall not store cash and medical or recreational
647 cannabis or medical recreational cannabis products in the same storage compartments.

648 “(g)(1) A holder of a courier license shall abide by rules concerning the operation and
649 number of vehicles allowed, as set forth in regulations issued pursuant to § 25-2804.

650 “(2) A courier vehicle shall contain a Global Positioning System ("GPS") device
651 for identifying the geographic location of the courier vehicle. The GPS device shall be either
652 permanently or temporarily affixed to the courier vehicle while the courier vehicle is in
653 operation, and the GPS device shall remain active and in the possession of the delivery employee
654 at all times during the delivery.

655 “(3) A courier vehicle shall not bear any markings, images, words, or phrases that
656 would indicate the vehicle is used to deliver medical or recreational cannabis, including the name
657 of the courier or cannabis-related related images.

658 “(h) Applicants for the courier license shall complete an application prescribed by the
659 ABC Board by regulations issued pursuant to § 25-2804.

660 § 25-2208. Laboratory agent registration.

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

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

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

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

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

680 “§ 25-2209. Delivery endorsements.

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

684 “(b) A delivery employee for a microbusiness or retailer with a delivery endorsement, or
685 an internet retailer, shall:

686 “(1) Deliver only to an adult customer, qualifying patient, or caregiver at a
687 District of Columbia address provided by the adult customer, qualifying patient, or caregiver and
688 shall not leave the product without verifying the identity and age of the recipient;

689 “(2) Travel only through the District of Columbia and not any surrounding
690 jurisdiction to make deliveries;

691 (3) Abide by rules and standards as may be established by the ABC Board
692 through rulemaking concerning the frequency of deliveries to a single adult customer or
693 qualifying patient in a day, week, or month;

694 (4) Abide by the rules posted by a landlord or property owner with respect to
695 prohibitions on cannabis deliveries on its property;

696 (5) Abide by the rules and standards as may be established by the ABC Board
697 concerning making overnight storage of any product if necessary; and

698 (6) Use its employees or independent contractor to deliver medical or recreational
699 cannabis or medical or recreational cannabis products.

700 “(d)(1) At the time of the order, a delivery employee shall require the adult customer,
701 qualifying patient, or caregiver to provide information necessary to verify that the adult
702 customer, qualifying patient, or caregiver is qualified to purchase and receive a delivery of
703 medical or recreational cannabis or medical or recreational cannabis products in accordance with
704 this chapter and regulations issued pursuant to § 25-2804.

705 “(2) Prior to transferring possession of the order to an adult customer, qualifying
706 patient, or caregiver, the delivery employee shall inspect the person’s government-issued
707 identification card and, if applicable, valid ABCA registration to verify the possession of a valid
708 registration and that the information provided at the time the order was placed matches the
709 information listed on the government issued identification card and, if applicable, ABCA
710 registration.

711 “(3) Failure of the delivery employee to check information in accordance with
712 paragraphs (1) and (2) of this subsection may result in the ABC Board issuing a fine against the
713 holder of the microbusiness or retail license, or the suspension or revocation of the license
714 holder’s delivery endorsement in accordance with this chapter or regulations issued pursuant to §
715 25-2804.

716 “(e)(1) A delivery employee shall maintain in each vehicle used for deliveries of medical
717 or recreational cannabis or medical or recreational cannabis products, a secure, locked storage
718 compartment for purposes of transporting and securing cash used as payment and the medical or
719 recreational cannabis or medical or recreational cannabis products.

720 “(2) A delivery employee shall not store cash and medical or recreational
721 cannabis or medical or recreational cannabis products in the same storage compartments.

722 “(g)(1) A delivery employee shall abide by rules concerning the operation and number of
723 vehicles allowed, as set forth in regulations issued regulations issued pursuant to § 25-2804.

724 “(2) A delivery vehicle used by the delivery employee for purposes of conducting
725 deliveries pursuant to this section shall contain a Global Positioning System (“GPS”) device for
726 identifying the geographic location of the vehicle. The GPS device shall be either permanently or
727 temporarily affixed to the vehicle while the vehicle is in operation, and the GPS device shall
728 remain active and in the possession of the delivery employee at all times during the delivery.

729 “(3) A delivery vehicle shall not bear any markings, images, words, or phrases
730 that would indicate the vehicle is used to deliver medical or recreational cannabis, including the
731 name of the delivery or cannabis-related related images.

732 “(h) The minimum initial application fee for the endorsement shall be \$300. The

733 endorsement shall be valid for 3 years with a minimum annual license fee of \$300. The holder of
734 an internet retail license shall not need a delivery endorsement to conduct deliveries.

735 “§ 25-2210. On-premises use endorsement.

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

739 “(1) Sell medical or recreational cannabis, medical or recreational cannabis
740 products, and cannabis-related paraphernalia to adult customers and qualifying patients to be
741 used on the premises at the time of purchase within designated consumption areas that are
742 separated from the remainder of the premises by a secure door;

743 “(2) Allow adult customers or qualifying patients to remove from the premises
744 unused medical or recreational cannabis, medical or recreational cannabis products, or cannabis-
745 related paraphernalia that has been purchased from the microbusiness or retailer;

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

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

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

750 “(1) Install security cameras that are operable and able to record for a minimum of
751 30 days;

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

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

755 “(4) Package and label all medical or recreational cannabis, or medical or
756 recreational cannabis products, purchased to be used on the premises in the designated
757 consumption area in accordance with regulations issued pursuant to § 25-2804.

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

759 “(1) The area where medical or recreational cannabis or medical or recreational
760 cannabis products are to be consumed shall be isolated from the other areas of the microbusiness
761 or retailer, separated by walls and a secure door, and shall have access only from the
762 microbusiness or retailer;

763 “(2) A smoke-free area for employees to monitor the designated consumption
764 area, if combustible cannabis products are available to customers to consume in the designated
765 consumption area; and

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

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

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

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

778 “(4) Sell, offer to sell, or provide medical or recreational cannabis, medical
779 cannabis or recreational products, or cannabis-related paraphernalia in excess of the quantity
780 limits set forth in this act or regulations issued pursuant to § 25-2804;

781 “(5) Encourage or permit an organized game or contest on the premises that
782 involves consuming medical or recreational cannabis or medical or recreational cannabis
783 products, or the awarding of medical or recreational cannabis or medical or recreational cannabis
784 products; or

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

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

788 “(1) Complete an application on a form the ABC Board prescribes by regulations
789 issued pursuant to § 25-2804;

790 “(2) If applicable, include with the application a ventilation proposal, which shall
791 include information to address the following:

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

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

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

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

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

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

801 “(f) The minimum initial application fee for the on-premises endorsement shall be
802 \$1,000. The endorsement shall be valid for 3 years, with a minimum annual fee of \$2,000.

803 “§ 25-2211. Education tasting endorsement.

804 “(a) The holder of a microbusiness or retailer license shall be eligible to apply to the ABC
805 Board for an education tasting endorsement. The holder of an education tasting endorsement
806 shall be permitted to offer cooking and how-to classes and demonstrations, and tastings for
807 educational purposes to adult customers and qualifying patients. Activities offered by a
808 microbusiness or retailer under an education tasting endorsement shall be permitted to occur on
809 the premises of the microbusiness or retailer; except, that educational activities that include the
810 smoking of recreational or medical cannabis by consumers shall only occur in an ABC Board-
811 approved designated consumption areas. The holder of an internet retailer license shall not be
812 eligible for an education tasting endorsement.

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

814 “(1) Display in the licensed area conspicuous warning labels that are visible to the
815 consumers concerning the consumption of medical or recreational cannabis or medical or
816 recreational cannabis products;

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

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

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

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

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

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

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

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

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

838 “(f) An applicant for an education tasting endorsement shall complete an application on a
839 form the ABC Board prescribes by regulations issued pursuant to § 25-2804.

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

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

843 CHAPTER 23. LICENSEE AND ESTABLISHMENT QUALIFICATIONS.

844 “§ 25-2301.Criminal background checks of applicants.

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

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

849 “(A) Inquire into or consider:

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

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

856 “(iii) A juvenile adjudication; or

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

860 “(B) Consider a criminal conviction of an offense of a director, officer,
861 member, incorporator of a cultivation, manufacturer, retailer, internet retailer, courier, or testing
862 laboratory that is not directly related to the position of employment sought or to the specific
863 business for which the license is sought.

864 “(2) Pursuant to paragraph (1)(B) of this subsection, ABCA shall determine
865 whether a criminal conviction of an offense of a director, officer, member, or incorporator of a
866 cultivation, manufacturer, microbusiness, retailer, internet retailer, or testing laboratory is

867 directly related to the position of employment sought or to the specific business for which the
868 license is sought, by considering the following factors:

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

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

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

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

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

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

880 “(v) Any circumstances related to the offense, including mitigating
881 circumstances;

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

884 “(vii) Letters of reference; and

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

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

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

892 “(B) A copy of any criminal history records on which the ABC Board
893 relies; “(C) A statement that the director, officer, member, or incorporator may

894 provide evidence of inaccuracies within the criminal history records;

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

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

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

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

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

906 “(u) The ABC Board may fine, suspend, or revoke the license or registration of a person
907 or business found to have violated any provision in this act or rules issued under the act. The
908 Board may also issue a written warning to a licensed or registered person or business for a
909 violation of the act or rules issued under the act to the extent permitted by regulations issued
910 pursuant to § 25-2804.

911 “§ 25-2302. Restrictions on holding a conflict of interest.

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

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

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

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

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

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

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

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

928 “§ 25-2303. Social equity applicant and cannabis certified business enterprise
929 requirements.

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

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

934 “(A) The number of owners who meet the criteria for a social equity
935 applicant;

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

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

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

939 “(E) The locations of the assets and the percentages of the assets in each
940 location;

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

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

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

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

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

950 “(E) The locations of the assets and the percentages of the assets in each
951 location.

952 “(e) Except for those owners of medical cannabis facilities licensed as of the effective
953 date of this Act, a cultivation, manufacturer's, microbusiness or retailer's licensee shall have at
954 least 60% of its licensed employees submit adequate proof of District residency according to
955 standards determined by ABCA, and that proof shall affirm an intent and severe offenses and
956 encompass occasional or inadvertent failure to comply with basic administrative procedures and

957 protocols or minor changes to plans submitted in licensing documents that do not affect the
958 health, safety, or welfare of the public, nor the integrity of the program established and regulated
959 by this title.

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

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

968 “(h) The Board may develop and provide incentives to promote the hiring of District
969 residents who reside in Disproportionately Impacted Areas as defined in § 25-2101(15).

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

972 “§ 25-2304. Qualification of establishments.

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

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

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

982 “(A) A lease or similar documentation;

983 “(B) A security plan;

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

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

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

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

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

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

999 “(d) No license shall be issued to an applicant that holds an alcohol license or a license to
1000 sell tobacco at the same location unless otherwise authorized by the Board.

1001 “§ 25-2305. Appropriateness standard.

1002 “(a) To qualify for the issuance, renewal of a license, or transfer of a license, an applicant
1003 for a cultivation, manufacturer, microbusiness, or retailer license shall be required to satisfy the
1004 appropriateness standards set forth in § 25-313.

1005 “(b)(1) The Board shall also consider whether issuance of the license would create or
1006 contribute to an overconcentration of licensed establishments which is likely to affect adversely
1007 the locality, section, or portion in which the establishment is located.

1008 “(2) The Board may also consider whether there is an under-concentration of
1009 licensed establishments in other localities, sections, or portions of the District to ensure a more
1010 equitable distribution of establishments.

1011 “(c) No cannabis establishment license shall be issued to an outlet, property,
1012 establishment or business that sells motor vehicle gasoline or has drive-through sales.

1013 “25-2306. Transfer of licensed establishment to a new owner.

1014 “(a) In determining the appropriateness of the transfer of a cannabis establishment to a
1015 new owner, the Board shall consider only the applicant’s qualifications as set forth in § 25-2301,
1016 and whether any sale defeats or impairs the social equity thresholds in § 25-2105 or the local
1017 hiring goals embodied in § 25-2303.

1018 “(b) Notwithstanding subsection (a), the Board shall deny a transfer of ownership
1019 application to a new owner and cancel the cannabis license if the previous applicant
1020 either:

1021 “(1) Failed to open for business within 180 days of being issued a cannabis
1022 license or 365 days for a Social Equity Applicant;

1023 “(2) Stopped operating within 90 days of being issued a cannabis establishment
1024 license for more than 14 calendar days in the absence of a showing of good cause and approval

1025 by ABCA for a longer period of delay or closure. This subsection shall not apply to an applicant
1026 that has stopped operations due to a fire, flood, or other natural disaster, a public health
1027 emergency, or due to rebuilding or reconstruction.

1028 “(c) For the purposes of this section, the term “public health emergency” means a period
1029 of time for which the Mayor has declared a public health emergency pursuant to D.C. Official
1030 Code § 7-2304.01.

1031 “§ 25-2307. Transfer of licensed establishment to a new location.

1032 “(a) The Board shall consider an application to transfer a license to a new location
1033 according to the same standards and procedures as an application for an initial license and
1034 shall not presume appropriateness if a protest to the application is filed as set forth in Chapter 6.

1035 “(b) An application to transfer a license to a new location shall not be permitted to be
1036 filed by an applicant who:

1037 “(1) Failed to open for business within 180 days of being issued a cannabis
1038 license;

1039 “(2) Stopped operating within 90 days of being issued a cannabis license for more
1040 than 14 calendar days in the absence of a showing of good cause and approval by ABCA for a
1041 longer period of delay or closure. This subsection shall not apply to an applicant that has stopped
1042 operations due to a fire, flood, or other natural disaster, a public health emergency, or due to
1043 rebuilding or reconstruction.

1044 “(c) For the purposes of this section, the term “public health emergency” means a period
1045 of time for which the Mayor has declared a public health emergency pursuant to § 7-2304.01.

1046 “§ 25-2308. Restrictions on proximity to schools, daycare centers, recreation centers, and
1047 other retail licensees.

1048 “(a) The Board shall not issue, except as to entities licensed as of the effective date of this
1049 act, a cultivation, manufacturer, microbusiness, internet retailer, or retailer’s license to any
1050 establishment located within 400 feet of the proximity of a pre-existing public, private, or
1051 parochial preschool, primary or secondary school, daycare center, or recreation center operated
1052 by the District of Columbia Department of Parks and Recreation.

1053 “(b) Licensees engaging in retail sales of cannabis shall not be located within 400 feet of
1054 each other.

1055 “(c) This subsection shall not apply to an applicant that was approved by ABRA for a
1056 medical cannabis license at the same location prior to the effective date of the act.

1057 “(d) The restrictions in subsections (a) of this section shall not apply where the main
1058 entrance to the preschool, primary or secondary school, or recreation center, or the nearest
1059 property line of the school or recreation center, is actually on or occupies ground zoned
1060 commercial or industrial according to the official atlases of the Zoning Commission of the
1061 District of Columbia.

1062 “§ 25-2309. Retail licenses prohibited in residential-use districts.

1063 ““No microbusiness, internet retailer, or retailer’s license shall be issued for or transferred
1064 to a business operating in a residential-use district as defined in the zoning regulations and
1065 shown in the official atlases of the Zoning Commission for the District, including areas
1066 designated R, RF, and RA.

1067 “§ 25-2310. Restrictions on the total number of cannabis business licenses.

1068 “(a) The Board may, through rulemaking, consider restrictions on the total number of
1069 licenses issued under each license category in Chapter 22, provided that any such restriction shall
1070 be:

1071 “(1) Based on an analysis of the supply of cannabis and cannabis products
1072 necessary to significantly shrink the scale of the illicit cannabis market, and available evidence
1073 on the impacts of cannabis businesses on crime and property values; and

1074 “(2) Subject to revision by the Board should developments in the legal cannabis
1075 market or social conditions of the District necessitate such a revision.

1076 “(b) Any analysis conducted pursuant to paragraph (a)(1) of this section shall be sent to
1077 the Council and made publicly available for comment.

1078 “(c) Any restriction on the total number of licenses shall not affect the percentage of
1079 licenses set aside for Social Equity Applicants.”.

1080 (g) A new Chapter 24 is added to read as follows:

1081 CHAPTER 24. APPLICATION AND LICENSE FEES.

1082 “§ 25-2401. Form of application.

1083 “The Board shall propose regulations within 180 days of the effective date of the Act
1084 setting forth the license application requirements on forms approved by the Board for cannabis
1085 licenses.

1086 “§ 25-2402. License renewal.

1087 “The Board shall propose regulations within 180 days of the effective date of this act
1088 setting forth the license application requirements on forms approved by the Board for renewing
1089 licenses.

1090 “§ 25-2403. Application fee.

1091 “(a) The initial application fee for a cultivation, manufacturing, microbusiness, retailer,
1092 internet retailer, or testing facility license shall be \$1,000.

1093 “(b) The initial application fee shall be paid at the time of application to the D.C.

1094 Treasurer.

1095 “§ 25-2404. License fees.

1096 “(a) The initial fees and renewal fees for licenses shall be set forth below:

1097	License Class	Cost
1098	Cultivation	\$8,000
1099	Manufacturer	\$5,000
1100	Microbusiness	40% of all applicable license fees
1101	Retailer	\$8,000
1102	Internet retailer	\$10,000
1103	Testing facility	\$3,000
1104	Research and development facility	\$2,500
1105	Courier	\$2,000

1106 “(b) There shall be no additional fee for microbusiness, internet retailers, or retailers that
1107 register to sell medical cannabis or medical cannabis products pursuant to D.C. Official Code §
1108 25-220(a)(2).

1109 “(c) A licensee’s failure to timely remit the license fee shall be cause for the Board to
1110 suspend the license until the licensee pays the fee and any fines imposed by the Board for late
1111 payment. The Board shall cancel the license if the licensee is more than 30 days delinquent on
1112 payment of the annual fee.

1113 “(d) The Board shall establish renewal fees for each license class in subsection (a) of this
1114 section through rulemaking.

1115 “§ 25-2405. Alteration of application or license fees.

1116 “The Board may propose regulations, pursuant to § 25-2202, to alter the license fees
1117 established by this chapter or to create additional license categories.

1118 “§ 25-2406. Fee waivers for social equity applicants.

1119 “(a) For Social Equity Applicants, ABCA shall waive 75% of any nonrefundable license
1120 application fees, any nonrefundable fees associated with receiving a license to operate a cannabis
1121 establishment, and any surety bond or other financial requirements.

1122 “(b) The Board may require Social Equity Applicants to attest that they meet the
1123 requirements for a fee waiver as provided in subsection (a).

1124 “(c)(1) If the Board determines that an applicant who applied as a Social Equity
1125 Applicant is not eligible for such status, the Board shall provide notice to the applicant.

1126 “(2) Upon receipt of the notice, the applicant shall have 15 days to provide
1127 alternative evidence that he or she qualifies as a Social Equity Applicant.

1128 “(3) The Board shall make a determination of the applicant’s status 10 days after
1129 the receipt of any alternative evidence. The Board shall notify the applicant of this determination.

1130 “(d) If the applicant does not qualify as a Social Equity Applicant, he or she may pay the
1131 remainder of the waived fee and be considered as a non-Social Equity Applicant. If he or she
1132 cannot do this, then ABCA may keep the initial application fee to cover any administrative costs
1133 associated with the application process, and the application shall not be considered.”.

1134 (h) A new Chapter 25 is added to read as follows:

1135 CHAPTER 25. PROTESTS.

1136 “§ 25-2501. Standing to file a protest.

1137 “(a) The following persons may be permitted to file a protest the issuance of a license, the
1138 renewal of a license, or transfer to new location for a microbusiness, retailer, or internet retailer
1139 license:

1140 “(1) A property owner or commercial tenant whose property abuts where the
1141 establishment is or will be located;

1142 “(2) A property owner or commercial tenant whose property is located directly
1143 across the street from where the establishment is or will be located;

1144 “(3) A daycare center located within 400 feet of where the establishment is or will
1145 be located; or

1146 “(4) Any affected ANC.

1147 “§ 25-2502. Notice to ANCs and Councilmembers.

1148 “(a) ABCA shall provide electronic notice to the Councilmember representing the ward
1149 where the establishment is or will be located and any affected ANC at least 45 calendar days
1150 prior to the approval of a location for a microbusiness, internet retailer’s license, or retailer’s
1151 license.

1152 “(b) The ABC Board may, at the request of both an affected ANC and the applicant,
1153 extend the ANC's protest petition deadline set forth in subsection (a) of this section by up to an
1154 additional 30 calendar days for the sole purpose of allowing the ANC to vote on whether to
1155 support or protest the license application. The ABC Board may, on a motion of any party or on
1156 its own motion, also continue a hearing to permit an affected ANC to vote on a material issue in
1157 the hearing.

1158 “§ 25-2503. Grounds for protest.

1159 “(a) A protest against a microbusiness, internet retailer, or retailer license by a person
1160 with standing pursuant to § 25-2501 shall be on the basis of:

1161 “(1) A violation of the Comprehensive Cannabis Legalization and Regulation
1162 Amendment Act of 2025 or regulations issued pursuant to § 25-2804 by the applicant;

1163 “(2) A violation of civil law by the applicant that is directly related to the
1164 operation of the business or establishment for which the license is sought; or

1165 “(3) Vehicular and pedestrian safety.

1166 (b) The ABC Board shall determine whether a violation of civil law is directly related to
1167 the operation of the business or establishment for which the license is sought by considering the
1168 totality of the following factors:

1169 “(1) Whether specific elements of the violation are directly related to the specific
1170 duties and responsibilities of the license; and

1171 “(2) Any evidence produced by the applicant concerning the applicant's fitness,
1172 including the length of time that has elapsed since the violation and mitigating circumstances.

1173 (c) The ABC Board may issue a license, approve the renewal of a license, or approve the
1174 transfer of a retailer license, internet retailer license, or microbusiness license to a new location
1175 without a hearing on the protest if the ABC Board finds that the basis of the protest lacks
1176 substance.

1177 “§ 25-2504. ANC Comments.

1178 “(a) The Board shall give the recommendations of an affected ANC great weight
1179 pursuant to the requirements set forth in D.C. Official Code § 25-609.

1180 “(b) In the event that an affected ANC submits a settlement agreement to the Board on a
1181 protested license application, the Board, upon its approval of the settlement agreement, shall not
1182 dismiss any protest filed by a property owner or commercial tenant or a daycare center under §
1183 25-2501(a) upon the Board’s approval of the ANC’s settlement agreement submission.”.

1184 (i) A new Chapter 26 is added to read as follows:

1185 CHAPTER 26. OPERATING STANDARDS.

1186 “§ 25-2601. General operating requirements.

1187 “(a) A licensee shall be required to secure every entrance to the establishment so that
1188 access to areas containing cannabis or cannabis products is restricted to the owner or approved
1189 employees.

1190 “(b) A licensee shall secure its inventory and equipment during and after hours to deter
1191 and prevent theft of cannabis, cannabis products, and cannabis accessories.

1192 “(c)(1) A licensee shall not cultivate, process, test, store, or manufacture cannabis or
1193 cannabis products at any location other than at a physical address approved by the Board and
1194 within an area that is enclosed and secured in a manner that prevents access by persons not
1195 permitted by the cannabis establishment to access that area.

1196 “(2) A licensee who has a cultivation and manufacturing license may co-locate
1197 licenses in order to minimize the impacts associated with business operations. The Board shall
1198 develop rules for the co-location of cultivation and manufacturing licenses.

1199 “(d) A licensee shall not allow the cultivation, processing, manufacture, sale, or display
1200 of cannabis or cannabis products to be visible from a public place without the use of binoculars,
1201 aircraft, or other optical aids.

1202 “(e) Investigators or officers from ABCA, DOB, DFS, DOH, FEMS, and MPD
1203 shall be permitted to inspect the entire licensed premises during its hours of operation and, if
1204 within their office’s responsibilities, to obtain samples sufficient for testing pursuant to this title,
1205 and an ABCA investigator or MPD officer shall be permitted to audit the books and records of
1206 the licensed establishment during its hours of operation.

1207 “(f) ABCA-licensed microbusinesses and retailers shall not admit any person, other than
1208 a person hired to guard the premises pursuant to a security plan filed with the ABCA, who is
1209 carrying a gun or other weapon.

1210 “§ 25-2602. Testing requirements.

1211 “(a) No cannabis or cannabis product shall be sold or otherwise marketed by a licensee
1212 that has not first been tested by an independent testing facility licensed by the Board.

1213 “(b) An independent testing facility shall report any results indicating contamination to
1214 the Board and DOH within 72 hours of identification.

1215 “(c) In the event that only one licensed testing facility exists in the District, the Board
1216 may establish, through rulemaking, reasonable prices for testing facility services.

1217 “§ 25-2603. Posting and carrying of licenses.

1218 “(a) A person receiving a license to operate a cannabis establishment shall post the
1219 license conspicuously in the licensed establishment. If a settlement agreement is a part of the
1220 license, the license shall be marked “settlement agreement on file” by the Board, and the licensee
1221 shall make a copy of the settlement agreement immediately accessible to any member of the
1222 public, ABCA investigator, or MPD officer upon request.

1223 “(b) A microbusiness or retailer’s licensee shall post window lettering in a conspicuous
1224 place on the front window or front door of the licensed premises that contains the correct name
1225 or names of the licensee and the class and number of the license in plain and legible lettering not
1226 less than one inch nor more than 1.25 inches in height.

1227 “§ 25-2604. Hours of operation for cultivation and manufacturers.

1228 “The sale or delivery of cannabis or cannabis products by a cannabis cultivator or
1229 manufacturer shall only be permitted only between the hours of 6:00 a.m. and midnight, seven
1230 days a week, or as may be further limited pursuant to § 25-2606.

1231 “§ 25-2605. Hours of operation for retail sales.

1232 “(a) A licensee authorized to sell cannabis or cannabis products at retail to consumers
1233 shall be permitted to sell cannabis or cannabis products between the hours of 7 a.m. and
1234 midnight, seven days a week, or as may be further limited pursuant to D.C. Official Code § 25-
1235 2606.

1236 “(b) A licensee under a microbusiness or retailer's license that possesses a delivery
1237 endorsement shall also be permitted to deliver cannabis or cannabis products to the homes of
1238 District residents between the hours of 7 a.m. and midnight, 7 days a week.

1239 “§ 25-2606. Board authorized to further restrict hours of operation for a particular
1240 applicant or licensee.

1241 ““At the time of initial application of any class of license or at renewal, the Board
1242 may further limit the hours of sale and delivery for a particular applicant or licensee:

1243 “(a) Based upon the Board’s findings of fact and conclusions of law, and order following
1244 a protest hearing; or

1245 “(b) Under the terms of a settlement agreement.

1246 “§ 25-2607. Seed-to-sale tracking and wholesale purchase systems.

1247 “(a) A licensee shall be required to utilize and record inventory in a seed-to-sale tracking
1248 system selected and approved by the Board. The licensee shall be responsible for purchasing
1249 radio-frequency identification (RFID) tags and hardware to utilize the designated software and
1250 may be charged a user fee by the Board. The Board shall establish rules regarding the entry of
1251 data by licensees into the seed-to-sale tracking system.

1252 “(b) In addition to a seed-to-sale tracking system in subsection (a), the Board may,
1253 through rulemaking, require all licensees to utilize a wholesale purchasing system for wholesale
1254 buying and selling of cannabis and cannabis products.

1255 “§ 25-2608. Permitted sale amounts for microbusinesses, internet retailers, and retailers.

1256 “(a) A microbusiness, internet retail, or retail licensee shall not sell more than the

1257 following to a customer in either one transaction or in one day:

1258 “(1) One ounce of usable cannabis flower;

1259 “(2) 5 grams of cannabis concentrate;

1260 “(3)(i) 16 ounces of cannabis-infused edibles;

1261 “(ii) Cannabis-infused edibles shall have a serving size limit of 20

1262 milligrams of THC with a total product dose of 100 milligrams.

1263 “(4) 72 ounces of cannabinoid product in liquid form;

1264 “(5) 30 milliliters of a cannabis tincture, or a container of tincture containing more

1265 than 1500 milligrams of CBD; or

1266 “(6) 1000 milligrams of CBD e-liquid for use in an electronic smoking device.

1267 “(b) Permitted sale amounts under subsection (a) of this section may be adjusted by the

1268 Board for qualifying patients participating in the District’s medical cannabis program.

1269 “§ 25-2609. Packaging requirements.

1270 “(a) Prior to sale at a microbusiness or transfer to a retailer or internet retailer, all

1271 cannabis and cannabis products shall be packaged in a child-resistant container.

1272 “(b) Containers shall not include any statement, depiction, or illustration that is especially

1273 appealing to persons under 21 years of age.

1274 “§ 25-2610. Labeling requirements.

1275 “(a) Prior to sale at a cannabis microbusiness or transfer to a retailer, every container of

1276 cannabis and cannabis products shall be affixed with a label that identifies:

1277 “(1) The license numbers of the cultivator, manufacturer, microbusiness, internet
1278 retailer, and retailer where the cannabis or cannabis product was cultivated, manufactured, and
1279 offered for sale, as applicable;

1280 “(2) The net contents;

1281 “(3) The level of THC and CBD contained in the product in percentage terms or
1282 in amount per serving, or both, as appropriate to the product, and as may be prescribed by
1283 ABCA.

1284 “(4) Information on gases, solvents, and chemicals used in cannabis extraction, if
1285 applicable;

1286 “(5) Instructions on usage;

1287 “(6) For cannabis products, a list of ingredients and possible allergens; and

1288 “(7) For edible cannabis products, a nutrition fact panel.

1289 “(b) Labels shall not contain any statement, depiction, or illustration that is especially
1290 appealing to persons under 21 years of age.

1291 “(c) Labels shall not contain any false or misleading statements and shall not make
1292 health-related claims.

1293 “§ 25-2611. Signage and logos.

1294 “(a)(1) Cannabis licensees shall not erect or produce signage contain any statement,
1295 depiction, or illustration that is especially appealing to persons under 21 years of age.

1296 “(2) Logos shall not contain medical symbols, images of cannabis, cannabis
1297 paraphernalia, or colloquial references to cannabis.

1298 “(b) No signage placed on the exterior of a licensed cannabis establishment or elsewhere
1299 in the District, including the licensee’s trade name, shall be illuminated or contain intermittent
1300 flashing lights.

1301 “(c) No signage shall not contain false or misleading statements.

1302 “(d) A sign that does not conform to this section shall be removed.

1303 “§ 25-2612. Advertising and marketing restrictions.

1304 “(a) Any advertisement of cannabis or cannabis products shall not contain any statement,
1305 depiction, or illustration that:

1306 “(1) Is especially appealing to persons under 21 years of age;

1307 “(2) Depicts someone who is or appears to be under 21 years of age consuming
1308 cannabis; and

1309 “(3) Promotes over consumption.

1310 “(b) Any radio or television broadcast or publication advertising cannabis or cannabis
1311 products shall be limited to audiences that can be reasonably expected to consist of at least 75%
1312 of persons 21 years of age or older.

1313 “(c) A cannabis establishment’s website or any advertisement shall not make health-
1314 related claims and shall indicate that cannabis and cannabis products are for persons 21 years of
1315 age or older.

1316 “(d)(1) A cannabis licensee shall be prohibited from advertising cannabis or cannabis
1317 products on any exterior sign, special sign as defined in Section N101 of Subtitle 12-A of the
1318 D.C. Construction Code, or outdoor billboard.

1319 “(2) Advertisements related to cannabis or cannabis products shall not be
1320 displayed on the exterior or interior of any window or door of licensed cannabis establishment.

1321 “(e) Any advertisement of cannabis or cannabis product shall not contain false or
1322 misleading statements.

1323 “(f) No person shall publish or disseminate or cause to be published or disseminated,
1324 directly or indirectly, through any radio or television broadcast, in any newspaper, magazine,
1325 periodical, or other publication, or by any sign, placard, or any printed matter, an advertisement
1326 or cannabis or cannabis products that are not in conformity with this title.

1327 “§ 25-2613. Sale to minors and intoxicated persons prohibited; restriction on minor’s
1328 entrance to licensed premises.

1329 “(a) The sale or delivery of cannabis or cannabis products to the following persons is
1330 prohibited:

1331 “(1) A person under the age of 21, either for the person’s own use or for the use of
1332 any other person, is prohibited, provided that:

1333 “(A) A microbusiness, internet retailer, or retailer may sell medical
1334 cannabis or medical cannabis products to qualifying patients aged 18 to 20 who are participating
1335 in the District’s medical cannabis program; and

1336 “(B) A microbusiness, internet retailer, or retailer may sell medical
1337 cannabis or medical cannabis products to parents, legal guardians, or caregivers of qualified
1338 patients under the age of 18 who are participating in the District’s medical cannabis program.

1339 “(2) An intoxicated person, or any person who appears to be intoxicated or under
1340 the influence.

1341 “(b)(1) A microbusiness or retailer shall not permit a person under the age of 21 to enter
1342 the licensed premises unless the person is a qualified patient aged 18 to 20 with a valid medical
1343 cannabis registration card.

1344 “(2) A microbusiness or retailer shall not permit a patron to enter the licensed
1345 establishment until the licensee or the licensee’s employee is shown a valid identification
1346 document showing that the individual is 21 years of age or older, or in the case of a of a patient
1347 aged 18 to 20 who is participating in the medical cannabis program, a valid identification
1348 document and a valid registration card.

1349 “(c) It shall be an affirmative defense of violating subsection (b) or (c) of this section that
1350 the licensee or the licensee’s employee was shown a valid identification document that the
1351 licensee or the licensee’s employee reasonably believed was valid and that the licensee or the
1352 licensee’s employee reasonably believed that the person was of age.

1353 “(d) Notwithstanding the provisions of this section, the holder of a microbusiness or
1354 retailer’s license shall not discriminate on any basis prohibited by Unit A of Chapter 14 of Title 2
1355 of the D.C. Code.

1356 “§ 25-2614. Production of valid identification document required.

1357 “(a) A licensee shall refuse to sell or deliver cannabis or cannabis products to any person
1358 who cannot or refuses to provide the licensee with a valid identification document.

1359 “(b) A licensee or a licensee’s employee shall take reasonable steps to ascertain whether
1360 any person to whom the licensee sells or delivers cannabis or cannabis products is of legal age.

1361 “(c) In order to ensure individual privacy is protected, customers shall not be required to
1362 provide microbusiness, internet retailer, or retailer with personal information other than a valid,
1363 government-issued identification necessary to determine the customers’ age.

1364 “§ 25-2615. Sale or distribution of cannabis or cannabis products by minors prohibited.

1365 “A licensee shall not allow any person under the age of 21 to volunteer or work at a
1366 cannabis establishment.

1367 “§ 25-2616. Security plans and measures.

1368 “(a) A licensed cannabis establishment shall be required to submit a security plan with its

1369 license application. At a minimum, the plan shall:

1370 “(1) Account for the prevention of theft or diversion of cannabis;

1371 “(2) Demonstrate safety procedures for employees and patrons;

1372 “(3) Establish procedures, equipment, and designs that provide for safe delivery

1373 and storage of currency; and

1374 “(4) Demonstrates that all security procedures, equipment, and designs are and

1375 will be kept compliant with all applicable laws and rules, including regulations issued pursuant

1376 to § 25-2804.

1377 “(b) A licensed cannabis establishment shall be required to maintain security cameras and

1378 video footage that satisfies rules established by the Board pursuant § 25-2804.

1379 “(c) ABCA-licensed microbusinesses or retailers shall not admit any person, other than a

1380 person hired to guard the premises pursuant to its security plan filed with the ABCA, who is

1381 carrying a gun or other weapon.

1382 “§ 25-2617. Temporary surrender of license—safekeeping.

1383 “(a)(1) A cannabis license that is discontinued for any reason for more than 14 calendar

1384 days shall be surrendered by the licensee to the Board for safekeeping.

1385 “(2) The licensee shall submit to ABCA a plan to dispose of cannabis or cannabis

1386 products upon surrendering their license.

1387 “(b)(1) The Board shall hold the license until the licensee resumes business at the

1388 licensed establishment or the license is transferred to a new owner. If the licensee has not

1389 initiated proceedings to resume operations or transfer within one year, the Board shall deem the
1390 license abandoned and cancel the license.

1391 “(2) The Board may extend the period in paragraph (1) if a licensee can
1392 demonstrate:

1393 “(A) A good faith effort has been made to resume operations or transfer
1394 the license; and

1395 “(B) Personal or financial hardships have caused delays in resuming
1396 operations or transferring the license.

1397 “(c) ABCA shall review licenses in safekeeping every 6 months to ensure that the
1398 licensee is making reasonable progress on returning to operation.

1399 “(d) A license suspended by the Board under this title shall be stored at ABCA.

1400 “(e) A license shall not be eligible for safekeeping and shall be canceled by the
1401 Board if the licensee failed to open for business within 180 days of initially being issued a
1402 cannabis license or 365 days for Social Equity Applicants or stopped within 90 days of initially
1403 being issued a cannabis license.

1404 “§ 25-2618. Authorized products and methods of sale.

1405 “(a) Except as permitted by the Board, a microbusiness, internet retailer, or retailer shall
1406 not be authorized to sell any products or services other than cannabis, cannabis products, or
1407 cannabis paraphernalia intended for the storage or use of cannabis or cannabis products, unless
1408 otherwise authorized by law.

1409 “(b) It shall be unlawful for microbusinesses or retailers, or any other business or person
1410 in the District, to offer cannabis or cannabis products via a vending machine.

1411 “(c) Microbusinesses and retailers shall keep all products secured behind a counter,
1412 locked door, or under glass not accessible to the customer. Customers are not permitted to help
1413 themselves to a product but shall place an order with authorized employees of the retailer.”.

1414 (j) A new Chapter 27 is added to read as follows:

1415 CHAPTER 28. ENFORCEMENT, INFRACTIONS, AND PENALTIES.

1416 “§ 25-2701. Authority of the Board and ABCA investigators.

1417 “(a) The Board shall have the authority to enforce the provisions of this title with respect
1418 to licensees and with respect to any person not holding a license and selling cannabis and
1419 cannabis products without a license in violation of the provisions of the Comprehensive
1420 Cannabis Legalization and Regulation Amendment Act of 2025.

1421 “(b) ABCA investigators shall issue citations for civil violations of this title that are set
1422 forth in the schedule of penalties established under § 25-2703.

1423 “(c) ABCA investigators may:

1424 “(1) Request and check the identification of a patron inside of or attempting to
1425 enter an establishment with a cannabis license;

1426 “(2) Seize evidence that substantiates a violation under this title, which shall
1427 include the seizing of cannabis or cannabis products believed to have been sold to minors and
1428 fake identification documents used by minors.

1429 “(d) ABCA investigators may seize a cannabis license from an establishment if:

1430 “(1) The cannabis license has been suspended, revoked, or canceled by the
1431 Board;

1432 “(2) The business is no longer in existence; or

1433 “(3) The business has been closed by another District government agency.

1434 “(e) Any show cause enforcement hearings brought by the Board for violations of
1435 this title shall follow the procedures set forth in § 25-447.

1436 “§ 25-2702. Revocation or suspension of licenses for violations of this title.

1437 “(a) Pursuant to Subchapter II of Chapter 8, the Board may fine, suspend,
1438 summarily suspend or revoke the license of a licensee.

1439 “(b) Pursuant to § 25-827, or if the Chief of Police finds that a licensed establishment is
1440 diverting cannabis product out of state, selling cannabis or cannabis products to minors, or if the
1441 facility is associated with crimes of violence, the Chief of Police may close a cannabis
1442 establishment for up to 96 hours.

1443 “§ 25-2703. Civil penalties.

1444 “(a) In the rules implementing the Comprehensive Cannabis Legalization and Regulation
1445 Amendment Act of 2025, the Board shall include a schedule of civil penalties and fine ranges for
1446 violations of this act, including any civil penalties against unlicensed establishments.

1447 “(b) The schedule shall contain three tiers that shall reflect the severity of the violation
1448 for which the penalty is proposed:

1449 “(1) Tier 1 shall apply to violations that may hurt the efficiency and overall
1450 performance of programs for the regulated sale of cannabis, such as failure to comply with basic
1451 administrative procedures and protocols and minor changes to plans that do not affect the health
1452 safety or welfare of the public.

1453 “(2) Tier 2 shall apply to violations that are more severe than Tier 1 but generally
1454 do not have an immediate or potential negative impact on the health, safety, and welfare of the
1455 public. This tier may include violations of advertising and marketing requirements, violations of

1456 packaging and labeling requirements that do not directly impact patient or consumer safety, and
1457 minor or clerical errors in the seed-to-sale tracking system.

1458 “(3) Tier 3 shall apply to violations that generally have an immediate or potential
1459 negative impact on the health, safety, and welfare of the public, including unlicensed retail sales
1460 of cannabis, selling to minors, making false statements, or utilizing advertising or marketing
1461 materials that target minors.

1462 “(c) The schedule shall contain escalating penalties for repeat violations and a list of
1463 potential mitigating or aggravating factors that may be considered when determining the
1464 imposition of a civil penalty.

1465 “§ 25-2704. Cease and desist orders.

1466 “(a) If the ABC Board, after investigation but before a hearing, has cause to believe that a
1467 person is violating a provision of the Comprehensive Cannabis Legalization and Regulation
1468 Amendment Act of 2025 and the violation has caused or may cause, immediate and irreparable
1469 harm to the public, the ABC Board may issue an order requiring the alleged violator to cease and
1470 desist immediately from the violation. The order shall be served by certified mail or hand-
1471 delivered to the licensee or unlicensed establishment.

1472 “(b)(1) The alleged violator may, within 15 days after the service of the order, submit a
1473 written request to the ABC Board to hold a hearing on the alleged violation.

1474 “(2) Upon receipt of a timely request, the ABC Board shall conduct a hearing in
1475 accordance with the procedures set forth in Chapter 5 of Title 2, and issue a decision within 90
1476 days after the hearing.

1477 “(c)(1) The alleged violator may, within 10 days after the service of an order, submit a
1478 written request to the ABC Board for an expedited hearing on the alleged violation.

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“(2) Upon receipt of a timely request for an expedited hearing, the ABC Board shall conduct a hearing within 10 days after the date of receiving the request and shall deliver to the alleged violator at their last known address a written notice of the hearing by any means guaranteed to be received at least 5 days before the hearing date.

“(3) The ABC Board shall issue a decision within 30 days after an expedited hearing.

“(d) If a request for a hearing is not timely made under subsection (b) or (c) of this section, the order of the ABC Board shall be final.

“(e) If, after a hearing, the ABC Board determines that the alleged violator is not in violation of this chapter, the ABC Board shall revoke the order.

“(f) If a person fails to comply with a lawful order of the ABC Board under this section, the ABC Board may petition the Superior Court of the District of Columbia for an order compelling compliance or take any other action authorized by the Comprehensive Cannabis Legalization and Regulation Amendment Act of 2025.

“§ 25-2705. Penalties against unlicensed establishments and commercial property owners.

“(a) The ABC Board may issue the following fines to an unlicensed establishment that 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 the Comprehensive Cannabis Legalization and Regulation Amendment Act of 2025:

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

1502 “(A) Issue a fine in the amount of \$10,000; and
1503 “(B) Require the unlicensed establishment to submit a remediation plan to
1504 the ABC Board that contains the unlicensed establishment’s plan to prevent any future
1505 recurrence of purchasing, selling, exchanging, delivering, or otherwise transacting any cannabis
1506 or cannabis products that are not purchased, sold, exchanged, or delivered in accordance with the
1507 provisions of Comprehensive Cannabis Legalization and Regulation Amendment Act of 2025;

1508 “(2) For any subsequent violations or if the unlicensed establishment fails to
1509 submit a remediation plan in accordance with paragraph (1) of this subsection, or if the ABC
1510 Board rejects the unlicensed establishment's remediation plan, the ABC Board may issue
1511 additional fines as follows:

1512 “(A) For the second violation, a fine in the amount of \$20,000;

1513 “(B) For the third or subsequent violation, a fine in the amount of \$30,000;

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1515 “(C) For failing to submit a remediation plan or having its remediation
1516 plan rejected by the ABC Board, a fine of in the amount of \$10,000.

1517 “(b)(1) Notwithstanding any other provision of law, ABCA shall have the authority to
1518 inspect the entire premises, inventory, and business records of an unlicensed establishment to
1519 determine whether the business is conducting activity in violation of the Comprehensive
1520 Cannabis Legalization and Regulation Amendment Act of 2025. If, after an inspection, ABCA
1521 determines that an unlicensed establishment presents an imminent danger to the health or safety
1522 of the public, as described in paragraph (2) of this subsection, the ABC Board may summarily
1523 close and order the padlocking, by ABCA or MPD without a prior hearing, of the unlicensed

1524 establishment, and ABCA or MPD may seize all cannabis and cannabis products found at the
1525 premises.

1526 “(2) For the purpose of this subsection, the term “imminent danger to the health or
1527 safety of the public” includes any of the following:

1528 “(A) The unlicensed establishment distributes or attempts to distribute
1529 cannabis or a cannabis product to one or more persons under the age of 21.

1530 “(B) The unlicensed establishment manufactures, produces, or cultivates
1531 cannabis or cannabis products at the building or premises.

1532 “(C) The unlicensed establishment distributes, attempts to distribute or
1533 makes available for sale or exchange cannabis or a cannabis product that fails to contain a label
1534 identifying the source of the cannabis or cannabis product, including where it was manufactured,
1535 the contents of the package, and the cannabis or cannabis product's ingredients, and
1536 tetrahydrocannabinol (THC) content, or is otherwise not labeled in accordance with the
1537 Comprehensive Cannabis Legalization and Regulation Amendment Act of 2025.

1538 “(D) The unlicensed establishment fails to comply with a cease-and-desist
1539 order.

1540 “(E) The unlicensed establishment distributes, attempts to distribute, or
1541 makes available for sale or exchange Schedule I substances, or products that contain Schedule I
1542 substances, as enumerated in § 48-902.04.

1543 “(F) An employee, agent, or owner of the unlicensed establishment has
1544 unlawful firearms or weapons on the premises.

1545 “(G) A dangerous crime, as defined in § 23-1331(3), or a crime of
1546 violence, as defined in § 23-1331(4), was committed on the premises of the unlicensed
1547 establishment.

1548 “(H) The unlicensed establishment engages in any activity or operation
1549 established as an imminent danger to the health or safety of the public by the ABC Board by
1550 rule.

1551 “(3) ABCA shall provide the unlicensed establishment's owner and the property
1552 owner with written notice of the summary closure and the right to request a hearing.

1553 “(4) The owner of the unlicensed establishment shall have 5 business days after
1554 service of the notice of summary closure to request a hearing with the ABC Board, which shall
1555 hold a hearing within 5 business days of a timely request.

1556 “(5) The ABC Board shall issue a written decision within 5 business days after the
1557 hearing.

1558 “(c)(1) ABCA or the Metropolitan Police Department may post signage at the site of the
1559 unlicensed establishment indicating that unlicensed activity has been found to have occurred for
1560 violations of the Comprehensive Cannabis Legalization and Regulation Amendment Act of 2025
1561 or regulations issued pursuant to § 25-2804.

1562 “(2) If the ABC Board orders the closure of an unlicensed establishment, the ABC
1563 Board shall post 2 notices in conspicuous places at or near the main street entrance on the outside
1564 of the establishment.

1565 “(3) The posted notice shall state that the closure is ordered because of a violation
1566 of the Comprehensive Cannabis Legalization and Regulation Amendment Act of 2025 or
1567 regulations issued pursuant to § 25-2804.

1568 “(d)(1) An ABCA investigator may test cannabis and cannabis products to quantify their
1569 THC content.

1570 “(2) In any proceeding before the ABC Board, labeling or packaging in an
1571 unlicensed establishment that states that the product contains cannabis or tetrahydrocannabinol,
1572 whether in whole or in part, or a derivative thereof, shall create a presumption that the product
1573 contains cannabis and contains the amounts of the chemicals indicated on the label or packaging
1574 unless such presumption is overcome by a preponderance of evidence to the contrary.

1575 “§ 25-2706. Alcohol or tobacco infused cannabis.

1576 “(a) Except in the case of tincture products containing distilled spirits in conformance
1577 with regulations issued by the Tax and Trade Bureau of the United States Department of
1578 Treasury, it shall be unlawful for a person to sell or offer for sale alcohol that has been infused
1579 with cannabis; or cannabis products that have been infused with tobacco products.

1580 “(b) A licensee shall not sell or offer for sale alcohol that has been infused with
1581 cannabis except in the case of tinctures that are infused with distilled spirits in conformance with
1582 regulations issued by the Tax and Trade Bureau; or tobacco products.

1583 “(c) A licensee who violates this section shall be assessed a civil fine in an amount of no
1584 more than \$1,000.

1585 “§ 25-2707. Tampering with packaging or container.

1586 “(a) A licensee or a licensee’s employee shall not knowingly:

1587 “(1) Misrepresent the brand or contents of any cannabis product sold or offered
1588 for sale;

1589 “(2) Tamper with the contents of any cannabis packaging;

1590 “(3) Remove or obliterate any label from cannabis packaging being offered for

1591 sale;

1592 “(4) Deliver or sell the contents of any cannabis packaging that has had its label
1593 removed or obliterated.

1594 “(b) It shall be unlawful for a person to willfully or knowingly alter, forge counterfeit,
1595 endorse, or make use of any false or misleading document reasonably calculated to deceive the
1596 public as being a genuine cannabis license issued by ABCA.

1597 “§ 25-2708. Vaping devices.

1598 “(a) It shall be unlawful for a person to sell, offer for sale, or give a vaping device to a
1599 person who is under 21 years of age.

1600 “(b) A licensee shall not sell, offer for sale, or give a vaping device to a customer who is
1601 under 21 years of age.

1602 “(c) A licensee who violates this section shall be assessed a civil fine in an amount of no
1603 more than \$1,000.

1604 “§ 25-2709. Forged licenses.

1605 “(a) It shall be unlawful for a person to willfully or knowingly alter, forge counterfeit,
1606 endorse, or make use of any false or misleading document reasonably calculated to deceive the
1607 public as being a genuine license issued by ABCA.

1608 “(b) It shall be unlawful for a person to willfully or knowingly furnish to a member of
1609 MPD or an ABCA investigator an altered, forged, counterfeited, endorsed or false or misleading
1610 document reasonably calculated to deceive MPD or the ABCA investigator as being a genuine
1611 license issued by ABCA.

1612 “(c) A person convicted of a violation of this section shall be fined no more than
1613 the amount set forth in § 22-3571.01, or incarcerated for more than one year or both.

1614 “§25-2710. Other penalties.

1615 “(a) Any person who knowingly and significantly alters or at all falsifies any reports,
1616 documents, or plans, or misrepresents any information required for licensing or purchasing
1617 cannabis under this title shall be guilty of a misdemeanor and, upon conviction, shall be punished
1618 by a fine of not more than the amount set forth in D.C. Official Code § 22-3571.01, or
1619 imprisoned for not more than one year, or both.

1620 “(b) Any person required to file taxes for sales or transfer of cannabis or cannabis
1621 products under this title who willfully attempts in any manner to evade or defeat a tax, or the
1622 payment there; any person who knowingly diverts cannabis or cannabis products outside of the
1623 regulated system, shall be guilty of a felony and, upon conviction, shall be fined not more than
1624 the amount set forth in D.C. Official Code § 22-3571.01, or imprisoned for not more than three
1625 years, or both. The penalty provided herein shall be in addition to other penalties provided under
1626 District or federal law.

1627 “(c) Violations of this section that are misdemeanors shall be prosecuted on information
1628 filed in the Superior Court of the District of Columbia by the Office of the Attorney General.
1629 Violations of this subsection that are felonies shall be prosecuted by the United States Attorney
1630 for the District of Columbia.

1631 “(d) In addition to any civil penalties or fines imposed, ABCA is authorized to issue
1632 warnings, impose additional conditions on licensees, ban persons who have committed violations
1633 from participating or purchasing cannabis or working in establishments under this act.

1634 “(e) A civil fine may be imposed by ABCA as an alternative sanction for any violation of
1635 this title for which no specific penalty is provided, or any rules or regulations issued under the

1636 authority of this title, under Chapter 18 of Title 2. Adjudication of an infraction that is contested
1637 or appealed under this section shall be heard by OAH pursuant to Chapter 18 of Title 2.”.

1638 (j) A new Chapter 28 is added to read as follows:

1639 CHAPTER 28. LIMITATIONS ON CONSUMERS; PUBLIC EDUCATION;
1640 RULES.

1641 “§ 25-2801. Purchase, possession, use, or consumption by persons under the age of 21;
1642 misrepresentation of age; penalties.

1643 “(a)(1) No person who is under 21 years age shall purchase, attempt to purchase, possess,
1644 use, or consume cannabis or cannabis products in the District, provided that this shall not apply
1645 to qualifying patients ages 18 to 20 participating in the District’s medical cannabis program.

1646 “(2) Only a parent, legal guardian, or caregiver of the qualifying patient shall be
1647 allowed to purchase cannabis or cannabis products for minors under the age of 18 who are
1648 participating in the District’s medical cannabis program.

1649 “(b) No person shall falsely represent his or her age or possess as proof of age an
1650 identification document which is in any way fraudulent for the purpose of purchasing,
1651 possessing, using, or consuming cannabis in the District.

1652 “(c) No person shall present a fraudulent identification document for the purposes
1653 of entering an establishment possessing a microbusiness or retailer’s license licensed under
1654 chapter 21 of this title.

1655 “(d) For the purpose of determining valid representation of age, each person shall be
1656 required to present to the establishment owner or representative at least one form of valid
1657 identification, which shall have been issued by an agency of government (local, state, federal, or
1658 foreign) and shall contain the name, date of birth, signature, and photograph of the individual;

1659 provided, that a military identification card issued by an agency of government (local, state,
1660 federal, or foreign) shall be an acceptable form of valid identification whether or not it contains
1661 the individual's signature.

1662 “(e) Any person guilty of violating this section shall be subject to fines and penalties as
1663 follows:

1664 “(1) Upon the first violation, a fine of not more than \$25, or the performance of
1665 10 hours of community service;

1666 “(2) Upon the second violation, a fine of not more than \$50, the performance of
1667 15 hours of community service, or both; and

1668 “(3) Upon the third and subsequent violations, a fine of not more than \$100, the
1669 performance of 20 hours of community service, or both.

1670 “(f) If the individual subject to penalties in subsection (e) is under the age of 18, the
1671 Office of Administrative Hearings shall mail a copy of the notice of violation to the parent or
1672 guardian of the person to whom the notice of violation is issued at the address provided by the
1673 the person at the time the citation is issued pursuant to § 48-1202.

1674 “§ 25-2802. Cannabis paraphernalia.

1675 “A person 21 years of age or older shall not be arrested, prosecuted, penalized or
1676 disqualified and shall not be subject to seizure or forfeiture of assets for possessing,
1677 purchasing or otherwise obtaining or manufacturing cannabis accessories or for selling
1678 or otherwise transferring cannabis accessories to a person who is 21 years of age or
1679 older.”.

1680 “§ 25-2803. Public education.

1681 “The Board shall develop and implement a public education campaign that includes
1682 information on:

1683 “(a) Who is legally authorized to purchase, possess, and use cannabis or cannabis
1684 products pursuant to the Comprehensive Cannabis Legalization and Regulation Amendment Act
1685 of 2025;

1686 “(b) Sale and dosage limits pursuant to the Comprehensive Cannabis Legalization and
1687 Regulation Amendment Act of 2025 and regulations issued pursuant to § 25-2804;

1688 “(c) Places or locations where the possession and/or use of cannabis or cannabis products
1689 are prohibited;

1690 “(d) Methods of cannabis use, including the effects and potentials risks associated with
1691 each method;

1692 “(e) The health effects of cannabis use; and

1693 “(f) Responsible use and harm reduction strategies, including safe storage of cannabis
1694 and cannabis products in the home, not operating a motor vehicle while impaired, avoiding the
1695 use of cannabis and cannabis products while pregnant, and not consuming cannabis with alcohol
1696 or other drugs.

1697 “§ 25-2804. The Mayor, pursuant to subchapter I of Chapter 5 of Title 2 [§ 2-501 et seq.],
1698 shall issues rules to implement the provisions Chapters 21 through 28.”.

1699 (j) A new Chapter 29 is added to read as follows:

1700 CHAPTER 29. TAXES AND REVENUES.

1701 “§ 25-2901. Imposition and collection of taxes.

1702 “(a)(1) A tax is imposed upon all vendors for the privilege of selling retail cannabis and
1703 cannabis products. The rate of such tax shall be 13% of the gross receipts from sales or charges
1704 for retail cannabis or cannabis products.

1705 “(2) For medical cannabis and medical cannabis products, the rate of such tax
1706 shall be 6% of the gross receipts from sales or charges.

1707 “(b) The taxes imposed in subsection (a) shall be collected by the microbusiness, internet
1708 retailers, and retailers from the purchaser on all sales of retail cannabis or cannabis products.

1709 “§ 25-2902. Revenues.

1710 “All funds obtained from initial cannabis licensing and permitting fees, and the renewal
1711 of cannabis licenses and permits, shall be used by ABCA for purposes of administering this act
1712 and regulations issued pursuant to § 25-2804.”.

1713 Sec. 5. Discrimination prohibited.

1714 “(a) Neither the presence of cannabinoid components or metabolites in a person's bodily
1715 fluids nor possession of cannabis-related paraphernalia, nor conduct related to the use of
1716 cannabis or the participation in cannabis-related activities lawful under this act by a custodial or
1717 non-custodial parent, grandparent, legal guardian, foster parent, or other person charged with the
1718 well-being of a child shall form the sole basis for any action or proceeding by a child welfare
1719 agency or in family or juvenile court, any adverse finding, adverse evidence, or restriction of any
1720 right or privilege in a proceeding related to adoption of a child, acting as a foster parent of a
1721 child, or a person's fitness to adopt a child or act as a foster parent of a child, or serve as the
1722 basis of any adverse finding, adverse evidence or restriction of any right or privilege in a
1723 proceeding related to guardianship, conservatorship, trusteeship, the execution of a will, or the
1724 management of an estate, unless the person's actions in relation to cannabis created an

1725 unreasonable danger to the safety of the minor or otherwise show the person to not be competent
1726 as established by clear and convincing evidence. This section applies only to conduct protected
1727 under this act.

1728 “(b) A person shall not be denied eligibility for public assistance programs based solely
1729 on conduct that is permitted under this act unless otherwise required by federal law.

1730 “(c) No landlord may be penalized or denied any benefit under District law for leasing to
1731 a person who uses cannabis under this act.

1732 “(d) Nothing in this Act may be construed to require any person or establishment in
1733 lawful possession of property to allow a guest, client, lessee, customer, or visitor to use cannabis
1734 on or in that property.

1735 Sec. 6. Sentence reductions and release of District residents serving sentences for
1736 cannabis-related offenses.

1737 “(a) If a person is serving a sentence solely for a violation of the District of Columbia
1738 Uniform Controlled Substances Act of 1981, effective August 5, 1981 (D.C. Law 4-29; D.C.
1739 Official Code § 48-901.02 *et seq.*) relating to cannabis or cannabis paraphernalia, whether by
1740 trial verdict or guilty plea, the Superior Court shall automatically vacate, dismiss and expunge
1741 such conviction. The Superior Court shall immediately notify the appropriate agencies to release
1742 the person serving a sentence from their custody.

1743 “(b) If a person is serving a sentence for another crime in addition to a violation of the
1744 District of Columbia Uniform Controlled Substances Act of 1981, effective August 5, 1981
1745 (D.C. Law 4-29; D.C. Official Code § 48-901.02 *et seq.*) relating to cannabis or cannabis
1746 paraphernalia, the Superior Court shall automatically vacate, dismiss, and expunge the
1747 conviction related to cannabis or cannabis-paraphernalia. The Superior Court shall immediately

1748 notify the appropriate agencies of any sentence reduction that occurs as a result of the cannabis
1749 or cannabis-paraphernalia conviction being vacated, dismissed, and expunged.

1750 Sec. 7. Section 23-1321(c)(1)(B)(ix) of the District of Columbia Official Code is
1751 amended as to read as follows:

1752 “(ix) Refrain from excessive use of alcohol or cannabis or any use of a narcotic drug or
1753 other controlled substance without a prescription by a licensed medical practitioner; provided,
1754 that a positive test for the use of cannabis, a violation of § 48-1201, or legal possession or use of
1755 cannabis pursuant to the Comprehensive Cannabis Legalization and Regulation Amendment Act
1756 of 2025 shall not be considered a violation of the conditions of pretrial release, unless the judicial
1757 officer expressly prohibits the use or possession of cannabis, as opposed to controlled substances
1758 generally, as a condition of pretrial release; the terms “narcotic drug” and “controlled substance”
1759 shall have the same meaning as in § 48-901.02;”.

1760 Sec. 8. Section 4(c) of An Act For the establishment of a probation system for the District
1761 of Columbia, approved June 25, 191 (36 Stat. 865; D.C. Official Code § 24-304), is amended to
1762 read as follows:

1763 “(c) A positive test for the use of cannabis, a violation of § 48-1201, or legal possession
1764 or use of cannabis pursuant to the Comprehensive Cannabis Legalization and Regulation
1765 Amendment Act of 2025 shall not be considered a violation of a condition of probation unless
1766 the judicial officer expressly prohibits the use or possession of cannabis, as opposed to controlled
1767 substances generally, as a condition of probation.”.

1768 Sec. 9. The 21st Century Financial Modernization Act of 2000, effective June 9, 2001
1769 (D.C. Law 13-308; D.C. Official Code §26-551.01 *et seq.*) is amended by adding new sections
1770 124a, 124b, and 124c to read as follows

1771 “Sec. 124a. Authority to transact business with cannabis licensees.

1772 “(a) A financial institution authorized to conduct business in the District of Columbia

1773 pursuant to the District of Columbia Banking Code is authorized to provide financial services to

1774 persons or entities with ABCA-approved cannabis licenses; and

1775 “(b) The financial institution shall not be in violation of the following by virtue of

1776 providing financial services to persons or entities with ABCA-approved cannabis licenses,

1777 provided that the financial institution complies with the Bank Secrecy Act Expectations

1778 Regarding Cannabis-Related Businesses Guidelines (FIN-2014-G001), February 14, 2014, in the

1779 provision of the financial services:

1780 “(1) Section 2(k) of the District of Columbia Regional Interstate Banking

1781 Act of 1985, effective November 23, 1985 (D.C. Law 6-107 § 2(k); D.C. Official Code §

1782 26-109);

1783 “(2) Sections 122; 203(c)(4), (8), (12) and (13); 211(a), (e)(6); 217(6);

1784 and 219(a), of the 21st Century Financial Modernization Act of 2000, effective June 9,

1785 2001 (D.C. Law 13-308 § 122; D.C. Official Code § 26-101 et seq., 521, 26-551.22); and

1786 “(3) Section 10c(a)(1) and (2) District of Columbia Regional Interstate

1787 Banking Act of 1985, effective November 23, 1985 (D.C. Law 9-42; D.C. Official Code

1788 § 26-109(a)(1) and (2)).

1789 “Sec. 124b. Cannabis License and Compliance Portal.

1790 “(a) The Department of Insurance, Securities and Banking, in consultation

1791 with ABCA, shall establish a cannabis license and compliance portal for use by financial

1792 institutions.

1793 “(b) The portal shall be an online portal aggregating data on cannabis businesses from
1794 ABCA. The portal shall be designed to support financial institutions’ compliance and provide
1795 information so that financial institutions can with the Bank Secrecy Act Expectations Regarding
1796 Cannabis-Related Businesses Guidelines (FIN-2014-G001), February 14, 2014.

1797 “(c) At a minimum, the portal shall include the following information:

1798 “(1) Licensing and regulatory information;

1799 “(2) Product lists and sources of supply;

1800 “(3) Financial records of licensed establishments, including major transactions;

1801 “(4) Civil or criminal enforcement actions against licensees;

1802 “(5) Evidence of suspicious or illegal activity; and

1803 “(6) Other information to assist financial institutions, as determined by

1804 the Commissioner.

1805 “Sec. 124c. Banking services enhancement.

1806 “(a) DISB shall conduct an analysis of additional changes in laws or regulations that
1807 might enable legal cannabis-related businesses to have better access to banking services and
1808 issue a report on such analysis within 18 months of the effective date of final regulations issued
1809 by the Alcoholic Beverage and Cannabis Board.

1810 “(b) DISB shall issue any rules necessary to repeal or amend any local rules, regulations,
1811 and practices that might impair access to financial services by persons licensed pursuant to this
1812 act, or to issue such rules to increase the availability of such services.

1813 “(c) Upon the enactment of any statute authorizing state-chartered credit unions in the
1814 District of Columbia, it shall be legal under District law for such a credit union to open accounts

1815 on behalf of and accept receipts from licensed cannabis businesses from their licensed
1816 activities.”.

1817 Sec. 10. Section 106a of The Prevention of Child Abuse and Neglect Act of 1977,
1818 effective September 23, 1977 (D.C. Law 2-22; D.C. Official Code § 4-1301.06a) is amended by
1819 adding new subsections (d) and (e) to read as follows:

1820 “(d) Where a newborn tests positive for the presence of cannabinoid components or
1821 metabolites, the positive test result alone shall not be sufficient to commence an investigation
1822 pursuant to paragraph (a)(1).

1823 “(e) Legal possession and use of cannabis by parents, legal guardians, or custodians
1824 pursuant to the Comprehensive Cannabis Legalization and Regulation Amendment Act of 2025
1825 shall not form the sole basis of an investigation pursuant to paragraph (a)(1).”.

1826 Sec. 11. Section 47-1803.02(a)(2) of the District of Columbia Official Code is amended
1827 by adding two new subparagraphs (ZZ) and (AAA) to read as follows:

1828 “(ZZ) Direct cash payments made pursuant to § 25-2107.

1829 “(AAA) Grants issued pursuant to § 25-2107.”.

1830 Sec. 12. Title 48 of the District of Columbia Official Code is amended as follows:

1831 (a) Section 48-904.01(a)(1)(B) is amended to read as follows:

1832 “(B) Transfer to another person 21 years of age or older, without remuneration,
1833 cannabis weighing one ounce or less, or one clone, regardless of weight.”.

1834 (b) Section 48-904.01(a)(1)(C) is amended to read as follows:

1835 “(C) Possess, grow, harvest, or process, within the interior of a house, rental unit, or
1836 outdoor space accessible only from inside the house that is in the exclusive control of the
1837 resident, and constitutes such person’s principal residence, no more than 6 cannabis plants, with

1838 3 or fewer being mature, flowing plants; provided, that all persons residing within a single house
1839 or single rental unit may not possess, grow, harvest, or process, in the aggregate, more than 12
1840 cannabis plants, with 6 or fewer being mature, flowering plants;”

1841 (c) Section 48-904.01a(1) is amended by adding a new paragraph (E) to read as
1842 follows:

1843 “(E) “The Mayor shall be responsible for issuing all rules necessary to implement the
1844 provisions of this chapter.”.

1845 Sec. 13. Department of Social Equity.

1846 (a) Pursuant to section 404(b) of the District of Columbia Home Rule Act, approved
1847 December 24, 1973 (87 Stat. 787; D.C. Official Code § 1-204.04(b)), there is established, as a
1848 subordinate agency within the executive branch of the District of Columbia government, the
1849 Department of Social Equity, which shall be headed by a Director who shall carry out the
1850 functions and authorities assigned to the Department.

1851 (b) The Department is charged with the implementation and administration of the
1852 Community Re-Investment Program established pursuant to § 25-2107.

1853 (c) The Director shall manage and administer the Department and all functions and
1854 personnel assigned thereto, including the power to redelegate to other employees and officials of
1855 the Department such powers and authority as in the judgment of the Director is warranted in the
1856 interests of efficiency and sound administration.

1857 Sec. 14. Severability.

1858 If any provision of this act, or the application thereof to any person or circumstance, is
1859 found by a court invalid, such determination shall not affect other provisions or applications of
1860 this act which can be given effect without the invalid provision or application.

1861 Sec. 15. Fiscal impact statement.

1862 The Council adopts the fiscal impact statement in the committee report as the fiscal
1863 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
1864 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

1865 Sec. 16. Effective date.

1866 This act shall take effect following approval by the Mayor (or in the event of veto by the
1867 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
1868 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
1869 24, 1973, (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
1870 Columbia Register.