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Chairman Phil Mendelson


Councilmember Kenyan R. McDuffie

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7 A PROPOSED RESOLUTION

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11 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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15 To declare the existence of an emergency with respect to the need to provide that an
16 applicant that submitted a medical cannabis facility registration application to the
17 Alcoholic Beverage Control Board between November 29, 2021, and March 28,
18 2022, and was selected by the Alcoholic Beverage Control Board on September
19 28, 2022 shall be allowed to change the location of its cultivation center or retailer
20 facility on its application by September 30, 2023 without otherwise affecting the
21 current status of its application.

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23 RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That
24 this resolution may be cited as the “Medical Cannabis Clarification Emergency
25 Declaration Resolution of 2023”.

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27 Sec. 2. (a) There exists an immediate need to provide that an applicant that
28 submitted a medical cannabis facility registration application to the Alcoholic Beverage
29 Control Board (“ABC Board”) between November 29, 2021, and March 28, 2022 and
30 was selected by the ABC Board on September 28, 2022, be allowed to change the
31 location of its cultivation center or retailer facility without otherwise affecting the current
32 status of its application.

33 (b) As a part of the March 2021 through August 2022 medical cannabis facility
34 licensing round, all medical cannabis facility registration applicants were constrained by
35 a cap on the number of cultivation center and dispensary registrations permitted in each
36 Ward.

37 (c) The caps limited an applicant’s ability to secure affordable, appropriate
38 cultivation center and dispensary facilities for their proposed cannabis businesses. The
39 available properties within the permitted Wards were limited and some had issues, such
40 as inadequate power, ADA access, and other issues regarding essential building
41 infrastructure. The applicants were forced to select such facilities when other more
42 appropriate facilities exist in other Wards that would require substantially fewer capital
43 expenditures by the tenants to make the necessary improvements to the facilities.

44 (d) Medical cannabis licenses were conditionally issued to 2 equity impact
45 enterprises who were awarded a total of 2 cultivation center registrations and one
46 dispensary registration by the ABC Board on September 28, 2022 (“enterprises”).

47 (e) The Medical Cannabis Amendment Act of 2022, enacted on January 30, 2023
48 (D.C. Act 24-798; 70 DCR ___) (“Act”), removed the caps on the number of cultivation
49 center and retailer (formerly, dispensary) registrations per ward (“cap”).

50 (f) With this change in the law, the enterprises who were awarded licenses on
51 September 28, 2022 must still operate under caps removed by the Act shortly thereafter,
52 putting these businesses at a significant disadvantage as they are unable to obtain more
53 optimal properties that are compliant and available for cultivation center and retailer
54 operations.

55 (g) The Medical Cannabis Clarification Emergency Amendment Act of 2023 will
56 remedy this issue and enable the enterprises to have the option to change their cultivation
57 center or retailer location to another compliant property that was previously unavailable
58 to them due to the cap.

59 (h) Emergency legislation is to amend the Act, which is projected to become law
60 at the end of March, to allow these enterprises the ability to locate to optimal properties
61 by September 30, 2023, which will enable them to begin operations more quickly and
62 better serve registered patients, as the Act will permit other successful applicants to do.

63 Sec. 3. The Council of the District of Columbia determines that the
64 circumstances enumerated in section 2 constitute emergency circumstances making it
65 necessary that the Medical Cannabis Clarification Emergency Amendment Act of 2023
66 be adopted after a single reading.

67 Sec. 4. This resolution shall take effect immediately.