

A RESOLUTION

25-58

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

February 7, 2023

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

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

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

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

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

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

ENROLLED ORIGINAL

(e) The Medical Cannabis Amendment Act of 2022, enacted on January 30, 2023 (D.C. Act 24-798; 70 DCR 1582) (“Act”), removed the caps on the number of cultivation center and retailer (formerly, dispensary) registrations per ward (“cap”).

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

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

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

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

Sec. 4. This resolution shall take effect immediately.