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Chairman Phil Mendelson
at the request of the Mayor

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 define various terms for new chapters 21 through 30; to prohibit the sale of cannabis or cannabis products without a license; to provide the Board with the authority to issue cannabis licenses for 3 year periods; to prohibit exchanges of cannabis for purchasing another item; to create cultivation, manufacturer, microbusiness, distributor, off-premises retailer, cannabis third party social equity delivery and testing facility license categories; to allow the Board to consider within 18 months new off-premises and on-premises retailer’s license categories; to require laboratory agent registration with the ABCA; to require persons volunteering or working at cultivation, manufacturer, microbusiness, distributor, cannabis third party social equity delivery and off-premises retailers to obtain a worker’s license; to allow all returning citizens and other District residents with a felony or misdemeanor conviction to obtain a worker’s license or manager’s license for a cannabis business; to allow all returning citizens and other District residents with a previous felony or misdemeanor cannabis conviction to own a cannabis business; to require managers at a cultivation center, manufacturer, microbusiness, distributor, or off-premises retailer to obtain a manager’s license; to create a cannabis third party social equity delivery license; to allow microbusinesses and off-premises retailers to deliver two years after the effective date of the act; to require off-premises retailers and microbusinesses to obtain a delivery endorsement from the Board to deliver cannabis and cannabis products directly to residential and commercial building addresses located in the District that are not on District government or Federal property or public or private school grounds; to allow microbusiness and off-premises retailers to offer curbside pickup; to require an off-premises retailer that also operates a medical cannabis dispensary at the same location to obtain a medical cannabis endorsement; to

1 clarify when a cultivation licensee importing clones or plants is not in violation of
2 District law; to establish both a Cannabis Regulation Administration Fund and a
3 Cannabis Sales Tax Fund; to provide financial and technical assistance to social
4 equity applicants and returning citizens; to require the Board to implement
5 conforming regulations within 6 months; to authorize ABCA to provide a free
6 new licensee orientation class; to establish general qualifications for applicants for
7 cannabis licenses; to clarify the number of licenses that an applicant can apply
8 for; to require an applicant to have at least one or more directors, owners, or
9 partners who are District residents that, individually or collectively, own 60% or
10 more of the licensed establishment, excepting those facilities holding medical
11 cannabis licenses as of January 1, 2022; to allow a union to own a cultivation
12 center and operate a training program provided that at least 60% of the employees
13 and 60% of the trainees are District residents; to ban straw ownership to satisfy
14 the requirements of the District residency requirements; to award preference
15 points to returning citizens or District residents arrested or convicted for a
16 marijuana offense or to cannabis certified business enterprises or veteran owned
17 business enterprises and to award such preference points when applying for a
18 cannabis cultivation, manufacturer, microbusiness, or off-premises retailer
19 license; to establish general qualifications for proposed establishments; to clarify
20 when the appropriateness standards apply to cannabis license applications; to
21 establish criteria for transfer to new owner and new location applications; to
22 prohibit cultivation, manufacturer, microbusiness and new off-premises retailer's
23 licenses from being granted to entities located within 400 feet of a pre-existing
24 school or recreation area operated by the Department of Parks and Recreation; to
25 prohibit off-premises retailers and microbusinesses from being located within 400
26 feet of each other or in a residential-use district; to establish a 2 year roll-out plan
27 for cannabis license applications; to authorize the Board to establish application
28 requirements for license renewals; to require the Board to give notice to the public
29 for 45 days of various cannabis license applications; to establish procedures for
30 Board hearings and decisions; to establish licensing fees for cannabis license
31 applications; to establish requirements for filing a protest; to provide an affected
32 ANC great weight; to require at least one manager to be Board-approved; to
33 establish general operating and testing requirements for cannabis licensed
34 establishments; to require a cannabis establishment to post its license and require
35 off-premises retailers to post window lettering; to authorize the Board to propose
36 regulations for required warning signs; to set hours of operation, sales and
37 delivery for cannabis licensed establishments; to prohibit off-premises retailers,
38 microbusinesses, or others from providing free samples; to prohibit off-premises
39 retailers or microbusinesses from giving away free cannabis products as part of a
40 promotional giveaway or sweepstakes; to prohibit tie-in purchases; to require
41 licensees to utilize a seed to sale tracking system; to establish plant limits for the
42 three cultivation license categories; to establish permitted sale amounts to
43 customers by an off-premises retailer or microbusiness; to establish labeling and
44 packaging requirements for cannabis products; to authorize the Board by
45 rulemaking to establish which substantial changes by licensees require Board
46 approval; to place restrictions on signs, logos and advertising by cannabis licensed

1 establishments; to prohibit the display of cannabis products and paraphernalia in
2 store windows; to place limits on indoor and outdoor cannabis consumption; to
3 authorize the Board to adopt a recognizable warning symbol for cannabis
4 packaging, signage, and advertisements; to allow a medical cannabis dispensary
5 to offer non-medical sales under certain conditions; to prohibit the sale or delivery
6 of cannabis or cannabis products to persons under 21 years of age and intoxicated
7 persons; to prohibit anyone under 21 years of age from entering a licensed off-
8 premises retailer or microbusiness unless they possess a valid medical cannabis
9 recommendation and the establishment is dual-licensed for adult use and as a
10 medical dispensary; to require a customer to provide an off-premises retailer or
11 microbusiness with a valid identification document; to prohibit a person under 21
12 years of age from working or volunteering at a cannabis licensed establishment; to
13 allow internet delivery by a social equity delivery licensee and after two years by
14 an off-premises retailer or microbusiness to residential and commercial building
15 addresses located in the District that are not on District government or Federal
16 property, or public or private school grounds; to allow other businesses operating
17 in the District to prohibit deliveries of cannabis to their offices or job-sites; to
18 require licensed cannabis establishments to utilize magnetometers, submit and
19 follow a security plan and maintain security cameras and retain video footage; to
20 require a license that has been discontinued for more than 14 calendar days to be
21 placed in safekeeping for up to one year and submit a disposal plan; to clarify that
22 an off-premises retailer or microbusiness can only sell cannabis, cannabis
23 products and cannabis paraphernalia; to prohibit the sale of cannabis or cannabis
24 products via a vending machine or by self-service; to allow microbusiness and
25 off-premises retailers to offer cooking and how to classes and demonstrations and
26 tastings for educational purposes to consumers on-site; to provide enforcement
27 authority to ABCA investigators, the Board, and MPD; to authorize the Board to
28 establish a civil penalty fine schedule by rulemaking; to prohibit the sale of
29 cannabis or cannabis products at licensed alcohol and tobacco establishments; to
30 prohibit alcohol or tobacco infused cannabis; to prohibit tampering with cannabis
31 packaging; to make it unlawful to provide vaping devices to persons under 21
32 years of age; to make it unlawful to forge a cannabis license; to provide a penalty
33 for violations where no specific penalty is provided; to impose a sales tax of 17%
34 of the gross receipts from sales of or charges for retail cannabis or cannabis
35 products; to require off-premises retailers and microbusinesses to collect the sales
36 tax from the purchaser on all sales subject to sales tax; to require cannabis retail
37 sales taxes to be filed electronically by the 20th day of each month; to require that
38 licensees are subject to income taxes; to allow licensees to be subject to a business
39 expenses tax exemption; to prohibit the purchase, possession, use, or consumption
40 of cannabis or cannabis products by persons under 21 years of age; to clarify
41 restrictions regarding the storage of cannabis in a vehicle; to not subject persons
42 providing professional services to prospective or licensed cannabis establishments
43 to disciplinary action; to clarify that persons 21 years of age or older can sell or
44 otherwise transfer cannabis accessories to persons 21 years of age or older; to
45 clarify that contracts entered into by cannabis establishments are enforceable; to
46 clarify that the act does not change existing penalties for operating under the

1 influence; to prohibit an excess of 10 ounces of cannabis that has been cut from
2 the cannabis plant to be stored within or at a residence; and to require an excess of
3 one ounce of cannabis that has been purchased from an off-premises retailer or
4 microbusiness to be stored in an enclosed area or room equipped with locks, if
5 stored within the home; to clarify and define cannabis concentrates; to prohibit the
6 unlicensed use of butane and other explosive gases; to automatically expunge
7 public records for certain cannabis possession and other cannabis convictions; to
8 establish the authority for financial institutions to transact business with licensees
9 under the Safe Cannabis Sales Act of 2021; to establish a Safe Cannabis portal to
10 aggregate data on cannabis businesses from ABCA and ensure compliance from
11 financial institutions; to require the Department of Insurance, Securities, and
12 Banking to analyze and issue rules and practices to increase the availability of
13 financial services for licensees; to exempt information related to the location of
14 cannabis properties owned by a distributor, or cannabis third party social equity
15 delivery licensee from FOIA disclosure; to authorize ABCA to enter into
16 contracts for research and to conduct research relating to safe cannabis; and to
17 authorize ABCA to transfer funds to other District agencies for the purposes of
18 effectively implementing a safe cannabis sales regime.
19

20 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

21 That this act may be cited as the “Safe Cannabis Sales Act of 2021”, and may be known
22 as “Safe Cannabis Act.”.

23 Sec. 2. Title 25 of the District of Columbia Official Code is amended as
24 follows:

25 (a) The word “ABRA” is replaced with the word “ABCA” wherever it appears
26 in this Title.”.

27 (b) Chapter 1 is amended as follows:

28 (1) Section 25-101 is amended as follows:

29 (A) Subsection (1) is amended to read as follows:

30 “(1) “ABCA” means the Alcoholic Beverage and Cannabis
31 Administration established by § 25-202.”.

32 (B) Subsection (2) is amended to read as follows:

1 “(2) “ABCA Fund” means the Alcoholic Beverage and Cannabis
2 Administration Fund established by § 25-210.”.

3 (C) Subsection (11) is amended to read as follows:

4 “(11) “Board” means the Alcoholic Beverage and Cannabis Board
5 established by § 25-201.”.

6 (c) Chapter 2 is amended as follows:

7 (1) The title of § 25-201 is amended to read as follows:

8 “§ 25-201. Establishment of the Alcoholic Beverage and Cannabis
9 Board—appointment and responsibilities.”

10 (2) The first sentence of Section 25-201 is amended to read as follows:

11 “‘There is established an Alcoholic Beverage and Cannabis Board.’”.

12 (3) Section 25-206 is amended to read as follows:

13 (A) Subsection (f)(2) is amended to read as follows:

14 “(f)(2) The chairperson shall have a demonstrated knowledge of the
15 laws and regulations related to the sale and delivery of alcoholic beverages in the District,
16 and may also have demonstrated knowledge of the cannabis industry.”.

17 (B) Subsection (g) is amended to read as follows:

18 “(g) No member or employee of the Board, directly or indirectly,
19 individually, or as a member of a partnership, association, or limited liability company, or
20 a shareholder in a corporation, shall have any interest in selling, transporting, or storing
21 alcoholic beverages or cannabis products, or receive a commission or profit from any
22 person licensed under this title to sell alcoholic beverages or cannabis products; provided,
23 that a Board member or employee may purchase, transport, or keep in his or her

1 possession an alcoholic beverage or cannabis product for his or her personal use or the
2 use of the members of his or her family or guests.”.

3 (d) A new Chapter 21 is added to read as follows:

4 CHAPTER 21. GENERAL PROVISIONS AND CLASSIFICATION OF
5 LICENSES.

6 “25-2101. Definitions

7 For purposes of chapters 21 through 30 of this title, the following terms shall
8 apply:

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

10 “(2) “Cannabidiol” or “CBD” means a nonpsychoactive cannabinoid found in
11 the plant *Cannabis sativa* L. or *Cannabis indica* or any other preparation thereof that is
12 essentially free from plant material, and has a tetrahydrocannabinol level of no more than
13 0.3%.

14 “(3) “Cannabinoid” means any of more than 100 compounds produced by
15 marijuana plants that have medical or psychotropic effects.

16 “(4) “Cannabinoid product in liquid form” includes shakes and drinks, but not
17 tinctures or oils.

18 “(5) “Cannabis” means all parts of the plant from the genus *Cannabis*, whether
19 growing or not, with a THC concentration greater than 0.3% on a dry weight basis, the
20 seeds thereof; the resin extracted from any part of the plant; and every compound,
21 manufacture, salt, derivative, mixture, or preparation on the plant, its seeds or resin. The
22 term does not include the mature stalks of the plant, fiber produced from the stalks, , any
23 other compound, manufacture, salt, derivative, mixture, or preparation of the mature

1 stalks (except the resin extracted therefrom), fiber, oil, cake, or the sterilized seed of the
2 plant which is incapable of germination.

3 “(6) “Cannabis accessories” means equipment, products, devices or materials
4 of any kind that are intended or designed for use in planting, cultivating, growing,
5 harvesting, manufacturing, compounding, converting, producing, processing, preparing,
6 testing, analyzing, packaging, repackaging, storing, containing, ingesting, inhaling, or
7 otherwise introducing cannabis into the human body.

8 “(7) “Cannabis edibles” means food or beverage items made with cannabis or
9 infused with cannabis oils.

10 “(8) “Cannabis establishment” means a cannabis cultivator, cannabis product
11 manufacturer, cannabis distributor, cannabis microbusiness, cannabis retailer, cannabis
12 third party social equity delivery licensee, independent cannabis testing facility, or any
13 other type of cannabis-related business licensed by the Board.

14 “(9) “Cannabis products” means products that have been manufactured and
15 contain cannabis or an extract from cannabis, including concentrated forms of cannabis
16 and products composed of cannabis and other ingredients that are intended for use or
17 consumption, including edible products, beverages, topical products, ointments, oils and
18 tinctures.

19 “(10) “Cannabis tincture” means an alcoholic extract of cannabis commonly
20 used in the production of cannabis extracts.

21 “(11) “Consumer” means an individual 21 years of age or older who
22 purchases cannabis or cannabis products for personal use.

1 “(12) “Crime of violence” shall have the same meaning as in D.C. Code § 23-
2 1331(4).

3 “(13) “DCRA” means the Department of Consumer and Regulatory Affairs.

4 “(14) “Distribute” or “distribution” means the actual, constructive, or
5 attempted transfer of cannabis or cannabis products from one person to another.

6 “(15) “DOES” means the Department of Employment Services.

7 “(16) “DOH” or “DC Health” means the Department of Health.

8 “(17) “DFS” means the Department of Forensic Sciences.

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

12 “(19) “FEMS” means the Fire and Emergency Medical Services Department.

13 “(20) “Finished cannabis” means usable cannabis, cannabis resin or cannabis
14 concentrate.

15 “(21) “Hemp” means the plant of the genus Cannabis or any part of the plant,
16 whether growing or not, with a delta-9-tetrahydrocannabinol concentration that does not
17 exceed 0.3% on a dry weight basis of any part of the plant of the genus cannabis, or per
18 volume or weight of marijuana product, or the combined percent of delta-9-
19 tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant of the
20 genus cannabis regardless of moisture content.

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

1 “(23) “Manufacture” means to compound, blend, extract, infuse, or otherwise
2 make or prepare a cannabis product.

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

4 “(25) “MPD” means the Metropolitan Police Department.

5 “(26) “OAH” means the Office of Administrative Hearings.

6 “(27) “OTR” means the Office of Tax and Revenue.

7 “(28) “Returning Citizen” shall have the same meaning as defined in section 2
8 of the Office of Ex-Offender Affairs and Commission on Re-entry and Ex-offender
9 Affairs Establishment Act of 2006, effective March 8, 2007, as amended (D.C. Law 16-
10 243; D.C. Official Code § 24-1301 (5)).

11 “(29) “Sale” or “sell” includes offering for sale, keeping for sale, cultivating
12 or manufacturing for sale, soliciting orders for sale, trafficking in, importing, exporting,
13 bartering, delivering for value or in any way other than by purely gratuitously
14 transferring. Every delivery of cannabis or a cannabis product made other than purely
15 gratuitously shall constitute a sale.

16 “(30) “Seed to sale tracking system” means an inventory control system used
17 by ABCA and licensees under this title to track the cultivation, manufacturing,
18 distribution, sales and delivery of cannabis and cannabis products.

19 “(31) “Straw ownership” is nominal ownership without the attendant benefits
20 and risks of genuine ownership, where someone, often for a fee, allows themselves to be
21 named on documents, or purports in writing to be an owner, in whole or in part, to the
22 government for the sake of satisfying a regulatory requirement. Straw ownership for the

1 sake of satisfying a regulatory requirement is a species of fraud and may be used to
2 submit a false claim.

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

6 “(33) “Tetrahydrocannabinol” or “THC” means a crystalline compound that is
7 the main psychoactive ingredient of cannabis.”.

8 “§ 25-2102. Sale of cannabis or cannabis products without a license prohibited.

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

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

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

17 “§ 25-2103. Board authority to grant licenses.

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

20 “(b) All cannabis licenses issued under this title shall be valid for a term of 3
21 years unless abandoned, suspended, or revoked, and may be renewed upon completion of
22 the renewal procedures established by the Board and payment of the required fees.

1 “(c) A license to cultivate, manufacture, distribute, sell or deliver cannabis or
2 cannabis products can only be granted by the Board upon completion of the application
3 and review process as contained in this title.

4 “(d) A license for a cannabis licensed establishment shall particularly describe the
5 location of where the rights of the license are to be exercised.

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

11 “§ 25-2104. Prohibited exchanges.

12 “‘It shall be unlawful to give cannabis or cannabis products for free to a person in
13 exchange for their purchasing another item or service, making a donation, engaging in
14 advocacy, joining a club or organization, or paying a cover charge for a party or event.
15 Such a transaction shall constitute a sale of cannabis and shall be unlawful without a
16 license. Nothing in this section shall preclude a District resident who grows cannabis
17 plants in his or her residence or purchases cannabis from an off-premises retailer or
18 microbusiness from providing cannabis, consistent with the requirements of the act, to
19 guests in their residence for on-premises or off-premises consumption provided that a
20 sale of cannabis does not occur.

21 “§ 25-2105. Cultivation licenses.

22 “(a) A cultivation license shall authorize the licensee to grow, produce, package
23 and label cannabis for sale and delivery at wholesale directly to manufacturers,

1 distributors, and retailers and transfer cannabis and cannabis products to testing facilities
2 for testing.

3 “(b) The holder of a cultivation license shall not be permitted to sell or deliver
4 cannabis or cannabis products directly to the consumer or the holder of a microbusiness
5 or a cannabis third party social equity delivery license.

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

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

12 “(e) There shall be three classes of cultivation licensees that shall authorize the
13 licensee to grow and produce not more than the following number of cannabis plants at
14 any one time in the District:

15 (1) Class A—2,000 plants

16 (2) Class B—6,000 plants

17 (3) Class C—10,000 plants

18 “(f) A cultivation license shall not be issued to a holder who has pending
19 charges or a felony conviction for a crime of violence; pending charges or any felony or
20 misdemeanor conviction involving a gun; or pending charges or any felony or
21 misdemeanor conviction for tax evasion, fraud, or credit card fraud within the 3 years
22 preceding the date the application is filed with ABCA. The Board may conduct criminal

1 background checks with MPD and may set additional standards and procedures to
2 enforce this provision.

3 “(g) The Board may assess the record of the holder in complying with the
4 administrative requirements of other District agencies; may deny a cultivation license to
5 holders who have committed violations that pose a danger to the health and safety of the
6 public, or that subvert the ability of District agencies to inspect facilities, books and
7 records, or otherwise ensure compliance; and the Board may set standards and procedures
8 to enforce this provision.”.

9 “§ 25-2106. Manufacturer licenses.

10 “(a) A manufacturer’s license shall authorize the licensee to process, blend,
11 compound, prepare, package, and label cannabis and cannabis infused products
12 purchased at wholesale from a cultivation licensee for sale and delivery at wholesale
13 directly to distributors and retailers or for transfer to testing facilities for testing.

14 “(b) The holder of a manufacturer’s license shall not be permitted to sell or
15 deliver cannabis or cannabis products directly to the consumer or the holder of a
16 microbusiness or a cannabis third party social equity delivery license.

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

19 “(d) The Board shall propose regulations creating separate manufacturing
20 license endorsements for producing edibles, cannabis products in a liquid form, cannabis
21 concentrates, and tinctures.

22 “(d) A manufacturer’s license shall not be issued to a holder who has pending
23 charges or a felony conviction for a crime of violence; pending charges or any felony or

1 misdemeanor conviction involving a gun; or pending charges or any felony or
2 misdemeanor conviction for tax evasion, fraud, or credit card fraud within the 3 years
3 preceding the date the application is filed with ABCA. The Board may conduct criminal
4 background checks with MPD and may set standards and procedures to enforce this
5 provision.

6 “(e) The Board may assess the record of the holder in complying with the
7 administrative requirements of other District agencies; may deny a manufacturer’s license
8 to holders who have committed violations that pose a danger to the health and safety of
9 the public, or that subvert the ability of District agencies to inspect facilities, books and
10 records, or otherwise ensure compliance; and the Board may set additional standards and
11 procedures to enforce this provision.”.

12 “§ 25-2107. Distributor’s licenses.

13 “(a) A distributor’s license shall authorize the licensee to sell and deliver cannabis
14 and cannabis products, on behalf of a holder of a cultivation, microbusiness or
15 manufacturer’s license, directly to retailers or to transfer cannabis or cannabis products to
16 a licensed testing facility in the District for testing.

17 “(b) The holder of a distributor’s license shall not be permitted to sell or deliver
18 cannabis or cannabis products directly to the consumer or the holder of a microbusiness
19 or a cannabis third party social equity delivery license.

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

22 “(d) A distributor’s license shall not be issued to a holder who has pending
23 charges or a felony conviction for a crime of violence; pending charges or any felony or

1 misdemeanor conviction involving a gun; or pending charges or any felony or
2 misdemeanor conviction for tax evasion, fraud, or credit card fraud within the 3 years
3 preceding the date the application is filed with ABCA. The Board may conduct criminal
4 background checks with MPD and may set additional standards and procedures to
5 enforce this provision.

6 “(e) The Board may assess the record of the holder in complying with the
7 administrative requirements of other District agencies; may deny a distributor’s license to
8 holders who have committed violations that pose a danger to the health and safety of the
9 public, or that subvert the ability of District agencies to inspect facilities, books and
10 records, or otherwise ensure compliance; and the Board may set standards and procedures
11 to enforce this provision.”.

12 “§ 25-2108. Off-Premises retailer’s licenses.

13 “(a) An off-premises retailer’s license shall authorize the licensee to sell cannabis
14 and cannabis infused products received from a licensed cultivator, manufacturer, or
15 distributor at retail directly to customers for off-premises consumption or to transfer
16 cannabis or cannabis products to a licensed testing facility in the District for testing.

17 “(b) Cannabis or cannabis products shall not be opened, or the contents
18 consumed, smoked, applied, or vaped, at the licensed establishment.”

19 “(c) The license shall not authorize the licensee to sell cannabis or cannabis
20 products to other licensees for resale.

21 “(d) The Board may propose regulations creating new off-premises license
22 categories, fees, and permitted hours of sales and operation within 18 months of the
23 effective date of the Act. The Board shall consider, but not be limited to, examining

1 whether and under what conditions off-premises retail sales of cannabis and cannabis
2 products should be permitted at full-service grocery stores as defined under § 25-
3 101(22A), farmer’s markets, hotels, and events in which the licensee has been approved
4 for a one-day substantial change as defined by regulation.

5 “(e) An off-premises retailer license shall not be issued to a holder who has
6 pending charges or a felony conviction for a crime of violence; pending charges or any
7 felony or misdemeanor conviction involving a gun; or pending charges or a felony or
8 misdemeanor conviction for tax evasion, fraud, or credit card fraud within the 3 years
9 preceding the date the application is filed with ABCA. The Board may conduct criminal
10 background checks with MPD and may set additional standards and procedures to
11 enforce this provision.

12 “(f) The Board may assess the record of the holder in complying with the
13 administrative requirements of other District agencies; may deny an off-premises
14 retailer’s license to holders who have committed violations that pose a danger to the
15 health and safety of the public, or that subvert the ability of District agencies to inspect
16 facilities, books and records, or otherwise ensure compliance; and the Board may set
17 standards and procedures to enforce this provision.”.

18 “§ 25-2109. Microbusiness license

19 “(a) A microbusiness license shall authorize the licensee to cultivate,
20 manufacture, package, label, and sell cannabis and cannabis products to consumers in the
21 District for off-premises consumption or to transfer cannabis or cannabis products to a
22 licensed testing facility in the District for testing.

1 “(b) A microbusiness license shall authorize the licensee to sell cannabis and
2 cannabis products to licensed distributors for the purpose of resale to licensed off-
3 premises retailers.

4 “(c) The holder of a microbusiness license shall authorize the licensee to cultivate
5 not more than 300 plants at any one time in the District.

6 “(d) The holder of a microbusiness license shall not be authorized to sell cannabis
7 or cannabis products to other licensed or unlicensed cannabis businesses.

8 “(e) No person shall have a direct or indirect ownership interest in more than one
9 microbusiness license in the District for the first twelve months that the act is in effect.
10 After twelve months, the holder of a microbusiness license shall be permitted to apply for
11 one additional microbusiness license.

12 “(f) All activities of a microbusiness licensed under the act shall take place at a
13 single location approved by the Board.

14 “(g) The holder of a microbusiness license shall provide the Board with the
15 method of disposal used when a testing facility determines that pesticides, mold, or
16 mildew exceed the permitted levels or that the cannabis plants are otherwise not suitable
17 for retail distribution.

18 “(h) A microbusiness license shall not be issued to a holder who has pending
19 charges or a felony conviction for a crime of violence; pending charges or any felony or
20 misdemeanor conviction involving a gun; or pending charges for felony or misdemeanor
21 tax evasion, fraud, or credit card fraud within the 3 years preceding the date the
22 application is filed with ABCA. The Board may conduct criminal background checks
23 with MPD and may set standards and procedures to enforce this provision.

1 “(i) The Board may assess the record of the holder in complying with the
2 administrative requirements of other District agencies; may deny a microbusiness license
3 to holders who have committed violations that pose a danger to the health and safety of
4 the public, or that subvert the ability of District agencies to inspect facilities, books and
5 records, or otherwise ensure compliance; and the Board may set additional standards and
6 procedures to enforce this provision.”.

7 “§ 25-2110. On-premises retailer’s licenses.

8 “(a) The Board may begin accepting applications for retailer’s license classes that
9 permit on-premises consumption 24 months after the effective date of the Act. The
10 Board may propose regulations creating new license categories, fees, and permitted hours
11 of sales and operation within 18 months of the effective date of the Act. The Board shall
12 consider, but not be limited to, safe use centers, creative arts venues, hotels, social clubs,
13 restaurants, and temporary events.

14 “(b) Notwithstanding any other District law, the Board may consider whether the
15 on-premises consumption of edibles, vaping or smoking cannabis should be permitted. In
16 no event shall the vaping or smoking of cannabis be permitted on outdoor public space or
17 space owned or leased by the facility, at street level or adjacent to the street or sidewalk.
18 As part of its review, the Board may also consider whether hookah lounges offering
19 cannabis products should be permitted.

20 “(c) An on-premises retailer license shall not be issued to a holder who has
21 pending charges or a felony conviction for a crime of violence; pending charges or any
22 felony or misdemeanor convictions involving a gun; or pending charges or convictions
23 for tax evasion, fraud, or credit card fraud within the 3 years preceding the date the

1 application is filed with ABCA. The Board may conduct criminal background checks
2 with MPD and may set standards and procedures to enforce this provision.

3 “(d) The Board may assess the record of the holder in complying with the
4 administrative requirements of other District agencies; may deny an on-premises retailer
5 license to holders who have committed violations that pose a danger to the health and
6 safety of the public, or that subvert the ability of District agencies to inspect facilities,
7 books and records, or otherwise ensure compliance; and the Board may set additional
8 standards and procedures to enforce this provision.

9 “(e) The Board may consult with DC Health, MPD and FEMS in preparing
10 regulations pursuant to this section.”.

11 “§ 25-2111. Testing Facility licenses.

12 “(a) A testing facility license shall authorize the licensee to test both plants and
13 manufactured products for contaminants and potency.

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

16 “(c) The Board, in coordination with the DFS, shall establish testing protocols for
17 the sampling, testing and analysis of cannabis, finished cannabis and cannabis products.

18 “(d) A testing facility license shall not be issued to a holder who has pending
19 charges or a felony conviction for a crime of violence; pending charges or any felony or
20 misdemeanor conviction for offenses involving a gun; or pending charges or any
21 conviction for tax evasion, fraud, or credit card fraud within the 3 years preceding the date
22 the application is filed with ABCA. The Board, in coordination with the DFS, may

1 conduct criminal background checks with MPD and may set standards and procedures to
2 enforce this provision.”

3 “(e) DFS may obtain samples sufficient to perform tests and may conduct
4 inspections of licensees’ premises in order to effect the purposes of this title.”.

5 “§ 25-2112. Laboratory agent registration.

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

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

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

14 “(d) A laboratory agent registration card shall not be issued to a person who has
15 pending charges or a felony conviction for a crime of violence; pending charges or any
16 felony or misdemeanor conviction involving a gun; or pending charges or any conviction
17 for tax evasion, fraud, or credit card fraud within the 3 years preceding the date the
18 application is filed with ABCA. The ABCA shall conduct criminal background checks,
19 and may require and use fingerprints with the help of the MPD or the Federal Bureau of
20 Investigation or databases such as the National Criminal Information Center and the
21 Board may set additional standards and procedures to enforce this provision. Further,
22 ABCA may consult with DFS and deny a laboratory worker’s license application based
23 on misdemeanor convictions or a finding of civil or administrative liability bearing on

1 fitness for licensure as determined and articulated by the Board that occurred after the
2 worker’s license application was filed with ABCA or approved by the Board.

3 “(e) A registered laboratory agent shall not be subject to arrest, prosecution, civil
4 penalty, sanctions, or disqualifications under District law, and shall not be subject to
5 seizure or forfeiture of assets under District law for actions taken under the authority of a
6 licensed testing facility and consistent with applicable District laws, regulations, and
7 issuances, including possessing, processing, storing, transferring or testing cannabis
8 within the District of Columbia, provided the registered laboratory agent presents his or
9 her registration card to MPD, any other law enforcement official, or an ABCA
10 investigator or DFS inspector who questions the laboratory agent concerning their
11 cannabis related activities.

12 “(f) The fee for a laboratory agent registration card shall be determined by
13 rulemaking by the Board.”.

14 “§ 25-2113. Cannabis third party social equity delivery license.

15 “(a) A cannabis third party social equity delivery license shall authorize the holder
16 to deliver cannabis and cannabis products purchased from a microbusiness directly to
17 consumers at residential and commercial building addresses located in the District that
18 are not on District government or Federal property or public or private school grounds. A
19 cannabis third party social equity delivery license shall also authorize the holder to
20 deliver cannabis and cannabis products purchased by a consumer from an off-premises
21 retailer to residential and commercial building addresses located in the District that are
22 not on District government or Federal property or public or private school grounds. For
23 the first two years of the act, only the holder of a cannabis third party social equity

1 delivery license shall be permitted to deliver cannabis and cannabis products to
2 consumers.

3 “(c) The holder of a cannabis third party social equity delivery license shall
4 register its vehicles with the Board. There shall be no limit on the number of delivery
5 vehicles that the holder of a cannabis third party social equity delivery license can
6 register with the Board.

7 “(d) The holder of a cannabis third party social equity delivery license shall be
8 permitted to deliver for any licensed off-premises retailer or microbusiness without
9 additional Board approval.

10 “(e) The holder of a third party social equity delivery license shall not utilize
11 employees of an off-premises retailer or microbusiness license to deliver.

12 “(f) The holder of a third party social equity delivery license shall have a written
13 contract for any licensed off-premises retailer or microbusiness that it delivers cannabis.

14 “(f) The holder of a third party social equity delivery license may apply to the Board for
15 approval of a storage facility in the District to store and deliver cannabis purchased from
16 a microbusiness licensed by the Board; and

17 “(g) The holder of a third party social equity delivery license may contract with a
18 licensed distributor for storage space or to rent vehicles. The holder of a third party
19 social equity delivery license shall not utilize the employees of a licensed distributor to
20 deliver.

21 “(h) A third party social equity delivery license shall be limited on an exclusive
22 basis to businesses controlled by and with majority ownership comprised of persons

1 whose income at the time of application does not exceed 200% of the area median
2 income level and meets at least two of the following four criteria:

3 (i) The applicant is a cannabis certified business enterprise;

4 (ii) One or more of the owners of the applicant owning at least 60% of the
5 business is a District resident who is a returning citizen as defined in section 2 of
6 The Office of Ex-Offender Affairs and Commission on Re-entry and Ex-offender
7 Affairs Establishment Act of 2006, effective March 8, 2007, as amended (D.C.
8 Law 16-243; D.C. Official Code § 24-1301(5);

9 (iii) One or more of the owners of the applicant owning at least 60% of
10 the business has been a District resident for the last 2 years and is married to or in
11 a civil union, or the child of a person or has a non-parent legal guardian who is
12 incarcerated in the District or in any other jurisdiction; or

13 (iv) Has been a resident of Ward 7 or Ward 8 for at least the last five years.

14 “(i) An applicant for a cannabis third party social equity delivery license shall
15 complete an application on a form provided by the Board.

16 “(j) The annual license fee for the cannabis third party social equity delivery
17 license shall be \$100 for each of the first two years. The annual license fee shall be \$200
18 annually for the third and subsequent years. The license shall be valid for 3 years, unless
19 suspended, cancelled, or revoked.

20 “(k) For purposes of this section, a public or private park, a sidewalk, a vehicle, a
21 public street or alley shall not be considered to be either a residential or commercial
22 building address.

1 “(l) A cannabis third party social equity delivery license shall not be issued to a
2 holder who has pending charges or a felony conviction for a crime of violence; pending
3 charges or any felony or misdemeanor conviction involving a gun; or pending charges or
4 a felony or misdemeanor conviction for tax evasion, fraud, or credit card fraud within the
5 3 years preceding the date the application is filed with ABCA. The Board may conduct
6 criminal background checks with MPD and may set additional standards and procedures
7 to enforce this provision.

8 “(m) The Board may assess the record of the holder in complying with the
9 administrative requirements of other District agencies; may deny a cannabis third party
10 social equity delivery license to holders who have committed violations that pose a
11 danger to the health and safety of the public, or that subvert the ability of District
12 agencies to inspect facilities, books and records, or otherwise ensure compliance; and the
13 Board may set standards and procedures to enforce this provision.”.

14 “§ 25-2114. Worker’s license.

15 “(a) A person volunteering or working at a cultivation, manufacturer, distributor,
16 microbusiness, or off-premises retailer or cannabis third party social equity license shall
17 obtain a worker’s license from ABCA prior to starting work or volunteering.

18 “(b) The holder of a cultivation, manufacturer, distributor, microbusiness, or off-
19 premises retailer or cannabis third party social equity license may apply to ABCA for a
20 worker’s license for each affiliated employee or volunteer by submitting at a minimum,
21 the name, address, and date of birth of the worker.

22 “(c) The holder of a cultivation, manufacturer, distributor, microbusiness, off-
23 premises retailer or cannabis third party social equity license shall notify ABCA within

1 one business day if an employee or volunteer ceases to be associated with the cultivator,
2 manufacturer, distributor, off-premises retailer or cannabis third party social equity
3 license holder, and the employee or volunteer’s worker’s license shall be immediately
4 cancelled by ABCA.

5 “(d) The Board shall not disqualify an applicant for a worker’s license solely for a
6 felony or misdemeanor conviction that occurred prior to the application being filed with
7 ABCA. The Board shall deny or revoke a worker’s license for a felony or finding of civil
8 or administrative liability bearing on fitness for licensure as set forth in section 2312 of
9 the act that occurred after the worker’s license application was filed with ABCA or
10 approved by the Board.

11 “(e) A licensed employee or volunteer shall not be subject to arrest, prosecution,
12 civil penalty, sanctions, or disqualifications under District law, and shall not be subject to
13 seizure or forfeiture of assets under District law for actions taken under the authority of a
14 licensed cultivator, manufacturer, distributor, microbusiness or off-premises retailer, and
15 consistent with applicable District laws, regulations, and issuances, including growing,
16 possessing, processing, packaging, labeling, storing, transferring or delivering cannabis
17 or cannabis products within the District of Columbia, provided the licensed employee or
18 volunteer presents his or her worker’s license to MPD, any other law enforcement
19 official, or an ABCA or DFS investigator who questions the employee or volunteer
20 concerning their cannabis related activities.

21 “(f) The holder of a manager’s license, a person licensed as a laboratory agent or a
22 person approved by the Board as an owner of a cannabis establishment shall not be
23 required to obtain a worker’s license.

1 “(g) A worker’s license shall be valid for 3 years or until surrendered, suspended,
2 or revoked. The fee for all 3 years of the worker’s license shall be paid at the time of
3 application. The worker’s license shall be renewed every 3 years from the date of initial
4 issuance.”.

5 “§ 25-2115. License Endorsements.

6 “(a) All license endorsements shall be placed on the applicant’s license.

7 “(b) After 2 years of the effective date of the act, the holder of an off-premises
8 retailer’s license or microbusiness shall be permitted to obtain a delivery endorsement
9 from the Board to be eligible to deliver cannabis or cannabis products directly to
10 residential or commercial building addresses located in the District that are not on
11 District government or Federal property or public or private school grounds.

12 “(c) The holder of an off-premises retailer’s license that also intends to offer
13 medical cannabis, as defined in D.C. Official Code § 7-1671.01(12), for sale on the
14 licensed premises shall obtain a medical cannabis endorsement from the Board.

15 “(d) There shall be no additional fee for either a delivery or medical cannabis
16 endorsement.

17 “§ 25-2116. Manager’s License.

18 “(a) A manager’s license shall authorize the licensee to manage a licensed
19 cultivator, manufacturer, distributor, microbusiness or off-premises retailer.

20 “(b) The holder of a manager’s license may be employed by one or more licensed
21 cannabis businesses without further investigation, subject to compliance by the licensed
22 businesses.

1 “(c) A manager’s license shall be valid for 3 years or until surrendered,
2 suspended, or revoked. The fee for all 3 years of the manager’s license shall be paid at
3 the time of application.

4 “(d) The Board may fine, suspend, revoke or not renew the manager’s license of a
5 manager who within the prior 3 years has:

6 (i) Directly sold or given cannabis or cannabis products to a minor on two or more
7 occasions;

8 (ii) Directly interfered with an ABCA or MPD investigation;

9 (iii) Made false or misleading statements during or after a regulatory
10 inspection or investigation;

11 (iv) Aided, abetted or conspired with a licensed or unlicensed person to
12 evade compliance with the requirements of this title;

13 (v) Negligently failed to follow security protocols resulting in the diversion of
14 product into the non-licensed cannabis market; or

15 (vi) Allowed the manager’s license to be used by another person or borrowed
16 another person’s license.

17 “(e) A subsequent manager’s license application for the person whose license
18 was suspended, revoked or renewal denied shall not be considered within 2 years of a
19 previous Board suspension, revocation or denial.

20 “(f) The Board shall not disqualify an applicant for a manager’s license solely for
21 a felony or misdemeanor conviction that occurred prior to the application being filed with
22 ABCA. The Board shall deny or revoke a manager’s license for a felony or finding of
23 civil or administrative liability bearing on fitness for licensure as set forth in section 2312

1 of the act that occurred after the manager’s license application was filed with ABCA or
2 approved by the Board, and if charges are filed while an application is pending, the Board
3 shall delay approval until such charges are resolved. Misdemeanors and civil offenses
4 bearing on fitness could include offenses related to filing false statements on licensure
5 papers, wage theft, shoplifting or conversion, or other matters relating to the business
6 itself, or such other matters as determined and articulated by the Board.

7 “§ 25-2117. Importation.

8 “A cultivation licensee shall not be found in violation by the Board for importing
9 within 120 days of being issued a license up to the authorized number of clones or plants
10 permitted by the class of cultivation license approved by the Board from another licensed
11 cultivation center, regardless of jurisdiction. The cultivation center shall bear the risk of
12 any criminal penalties under Federal law.”.

13 (e) A new chapter 22 is added to read as follows:

14 CHAPTER 22. GENERAL OPERATIONS.

15 “§ 25-2201. Cannabis Revenues.

16 “(a) There is established a fund designated as the Cannabis Regulation
17 Administration Fund (Cannabis Regulation Fund) which shall be separate from the
18 General Fund of the District of Columbia. All funds obtained from cannabis licensing
19 and permitting fees shall be deposited into the Cannabis Regulation Fund without regard
20 to fiscal year limitation pursuant to an act of Congress. Subject to authorization in an
21 approved budget and financial plan, any fees deposited into the Cannabis Regulation
22 Fund shall be continually available for the uses and purposes set forth in chapters 21-30
23 of this title, without regard to fiscal year limitation and shall not revert to the General

1 Fund of the District of Columbia. The funds deposited in the Cannabis Regulation Fund
2 shall be used to fund the expenses of ABCA and other agencies in the discharge of their
3 administrative and regulatory duties related to the implementation of the act.

4 “(b) Funds obtained from penalties and fines, as prescribed by Chapter 28 of this
5 title, shall be credited to the General Fund of the District of Columbia.

6 “(c) The Mayor shall submit to the Council, as part of the annual budget, a budget
7 for ABCA and a request for an appropriation for expenditures from the Cannabis
8 Regulation Fund. This shall include the agency’s expenditures for salaries, fringe
9 benefits, overhead charges, training, supplies, technical, professional, and any and all
10 other services necessary to discharge its duties and responsibilities. The Mayor may also
11 submit to the Council, as part of the annual budget, requests for other appropriations for
12 expenditures from the Cannabis Regulation Fund for expenditures by other agencies
13 relating to the administration of a safe cannabis regulatory regime.

14 “(d) There is established a fund designated as the Cannabis Sales Tax Fund,
15 which shall be separate from the General Fund of the District of Columbia. All sales tax
16 collections received by OTR from off-premises retailers and microbusinesses shall be
17 deposited into the fund. For the first six months of the fund’s operation, monies may be
18 dispersed to offset salaries, fringe benefits, overhead charges, training, supplies,
19 technical, professional and any and all other services necessary to the establishment and
20 transfer of a safe cannabis regulatory regime, for both medical and non-medical use
21 purposes, otherwise paid through the General Fund.

1 “(e) Beginning October 1, 2022, monies deposited into the fund shall be dispersed
2 as follows on an annual basis, following any deductions for program expenses over and
3 above those paid for through revenues to ABCA from fees:

4 “(1) One million dollars in FY 23 and two million dollars in FY 24 and
5 subsequent years to the Department of Small and Local Business Development to provide
6 financial and technical assistance through grants and direct assistance to social equity
7 applicants and returning citizens seeking to start up their cannabis business;

8 (2) Five hundred thousand dollars to the Department of Small and Local
9 Business Development Dream Grants program to provide business development support
10 to the growth of microbusinesses with fewer than five employees located in Ward 7 or 8
11 for which residents of those wards comprise 50% or more of the ownership of the
12 business;

13 (3) Five hundred thousand dollars to the Department of Small and Local
14 Business Development for the Aspire to Entrepreneurship program for returning citizens;

15 (4) Two hundred and fifty thousand dollars in FY 23 and five hundred
16 thousand dollars in FY 24 and subsequent years to the Department of Small and Local
17 Business Development for the Healthy Food Retail program to provide grant support for
18 new and existing small grocery stores in Ward 7 or 8;

19 (5) One million dollars to the Department of Youth Rehabilitation Services to
20 support workforce development, youth mentoring programs, job training and placement;

21 (6) One million dollars in FY 23 and two million dollars in FY 24 and
22 subsequent years to the Office of the State Superintendent of Education for the Mayor’s
23 Scholars Undergraduate Program for need-based scholarships for youth who have been

1 adversely impacted by substance abuse or have a parent or non-parent guardian who is
2 incarcerated;

3 (7) One million dollars in FY 23 and two million dollars in FY 24 and
4 subsequent years to the Deputy Mayor’s Office for Planning and Economic Development
5 to award grants to locally disadvantaged certified business enterprises to open or expand
6 sit-down restaurants in Ward 7 or Ward 8. Awarded grant funds may also be utilized to
7 design or build for the sit-down restaurant an outdoor summer garden, sidewalk café or
8 streatory in Ward 7 or Ward 8;

9 (8) Three million dollars in FY 23 and six million dollars in FY 24 and
10 subsequent years to the District of Columbia Public Schools to be spent on school
11 supplies, school equipment, or after-school sports and other activities for students
12 attending public schools in Wards 5, 7 and 8; and

13 (9) The remaining funds shall go towards low income or affordable housing
14 programs and initiatives, including the programs and initiatives which promote the
15 production and the preservation of low income or affordable housing in the District.

16 “(f) The initiatives and programs that are funded in accordance with paragraph (e)
17 of this section may be administered by agencies identified by the Mayor in annual or
18 supplemental budgets as approved by the Council and Mayor through appropriations.”.

19 “§ 25-2202. Regulations.

20 “(a) Within 6 months after the effective date of the act, the Mayor shall issue
21 regulations necessary or appropriate to carry out the provisions of this title.

22 “(b) The Mayor shall submit the proposed regulations to the Council for a 45-day
23 period of review. The Council may approve the proposed regulations in whole or in part.

1 If the Council has not approved the regulations upon expiration of the 45-day review
2 period, the regulations shall be deemed approved.

3 “(c) The Mayor shall submit other regulations for a 45-day review period. If the
4 Council has not approved the regulations upon expiration of the 45-day review period,
5 the regulations shall be deemed approved.

6 “(d) The Mayor may in any time of public emergency, without previous notice or
7 advertisement, prohibit the sale of cannabis or cannabis products for adult use.

8 “(e) Any regulations promulgated under this section shall become effective five
9 days after being published in the District of Columbia Register.”.

10 “§ 25-2203. New licensee and general public orientation class.

11 “ABCA may establish a new licensee orientation class for cannabis licensees,
12 applicants, and the public at no charge. The Board shall establish the class curriculum,
13 and may contract with providers to develop curriculum or offer the classes.”.

14 “§ 25-2203. Contracts for research and funding.

15 “ABCA shall be authorized as it deems appropriate to study or enter into a
16 contract for a study that relates to the use, legalization, and safety of cannabis and
17 cannabis products. ABCA shall also be authorized to remit funds to other District
18 agencies to carry out functions of the act, including education, drug recovery, job
19 training, the safe use of cannabis and product testing.

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

21 CHAPTER 23. REQUIREMENTS TO QUALIFY FOR A LICENSE.

22 “§ 25-2301. General qualifications for all applicants.

1 “(a) An applicant for a cultivation, manufacturer, distributor, retailer,
2 microbusiness, testing facility or cannabis third party social equity delivery license shall
3 satisfy the Board of all the general qualifications as set forth in § 25-301. An applicant
4 for a cultivation, manufacturer, distributor, retailer, microbusiness, testing facility or
5 cannabis social equity delivery license shall undergo a criminal background check. In
6 conducting criminal background checks, the Board may require and use fingerprints with
7 the help of the MPD or the Federal Bureau of Investigation or databases such as the
8 National Criminal Information Center and the Board may set additional standards and
9 procedures to enforce this provision.

10 “§ 25-2302. Restrictions on holding a conflicting interest.

11 “(a) An applicant or licensee shall not hold more than 2 cultivation, manufacturer,
12 distributor, or off-premises retailer’s licenses; provided however, that a licensee may hold
13 2 off-premises retailer’s licenses, 2 cultivation licenses and 2 manufacturer licenses.

14 “(b) An applicant for a testing facility license shall not hold a direct or indirect
15 interest in a cultivation, manufacturer, distributor, microbusiness, off-premises retailer’s
16 or cannabis third party social equity delivery license.

17 “(c) An applicant for a microbusiness license shall not hold a direct or indirect
18 interest in a cultivation, manufacturer, distributor, off-premises retailer, testing facility or
19 cannabis third party social equity delivery license.

20 “(d) An applicant for a social equity license shall not hold a direct or indirect
21 interest in a cultivation, manufacturer, distributor, microbusiness, off-premises retailer or
22 a testing facility license.

1 “(e) An applicant shall not hold more than one distributor, testing facility or
2 cannabis third party social equity delivery license.

3 “(f) An applicant for a distributor license shall not hold a direct or indirect interest
4 in a cultivation, manufacturer, off-premises retailer, microbusiness testing facility or
5 cannabis third party social equity delivery license.”

6 “(g) A dispensary license for medical cannabis shall not count towards these
7 license limits for off-premises retailers for non-medical use cannabis.

8 “(h) A cultivation license for medical cannabis will automatically convert to a
9 cultivation license under this title and there shall be no distinction between cultivation for
10 medical and non-medical use purposes.

11 “(i) Any licensed facility under this title may be licensed to grow, manufacture, or
12 distribute cannabis under the Federal Drug Enforcement Administration Controlled
13 Substances Act registration to supply legitimate researchers in the United States. The
14 ABCA-approved seed to sale tracking system shall be used for these plants, and
15 participation in the federal research program shall be included in the application, annual
16 registration and license renewal documents. Plant count limits established under § 25-
17 2714 shall not include any plants grown solely for such federally-authorized research.”.

18 “§ 25-2303. Ownership by Residents and Local Hire requirements.

19 “(a) Except for those owners of facilities licensed as of January 1, 2022, for the
20 cultivation or dispensing of medical cannabis, an applicant for a cultivation,
21 manufacturer’s, microbusiness, off-premises retailer or cannabis third party social equity
22 delivery license shall have one or more District residents, which individually or
23 collectively, own at least 60% of the licensed establishment. Such persons claiming to be

1 District residents shall submit adequate proof of District residency according to standards
2 determined by ABCA, and affirm an intent and commitment to maintaining District
3 residency during the period of ownership of a licensed facility covered by the
4 requirements of this subsection. Such person or persons designated as District resident
5 owners shall receive a return on investment, and shall incur obligations and risks on equal
6 footing with all other owners, in proportion to their ownership shares.

7 “(b) If the District resident owner(s) who submit proof of residency according to
8 subsection (a) is not a or the majority owner, those who do own such a majority stake,
9 individually or collectively, must affirm on the application, under penalty of perjury, that
10 the 60% owner(s) identified in subsection (a) has and will have all the proportional
11 benefits and obligations accorded to a 60% owner.

12 “(c) Straw ownership for the sake of fulfilling the ownership requirements of this
13 section is banned, both for the District resident(s) and the out of state residents purporting
14 to give the District resident(s) a 60% ownership share in a licensee under this subsection.

15 “(d) Any District resident owner designated as owning at least 60% of the
16 applicant or licensee’s business may only satisfy a quarter of its required capital
17 contribution and other indicia and obligations of ownership under this subsection through
18 “sweat equity” – time spent providing services to the company in support of its District
19 licensee pursuant to an agreement describing:

20 “(1) The scope of work that the District resident owner(s) will perform;

21 “(2) The dollar amount that it will be compensated for its services, if any, in
22 addition to the dollar amounts that will be credited to its capital contribution;

1 “(3) The date or time period when the District resident owner(s) will receive
2 compensation and returns on its investment; and

3 “(4) An explanation of when the District resident owner(s) will receive their
4 return or returns as compared to other owners.

5 “(e) Any applicant for or holder of a cultivation, manufacturer’s, off-premises
6 retailer’s, cannabis third party social equity delivery or microbusiness license shall have
7 at least 60% of its licensed employees submit adequate proof of District residency
8 according to standards determined by ABCA, and that proof shall affirm an intent and
9 commitment to maintaining District residency during the period of their employment and
10 licensure. Collective bargaining agreements shall not be the basis for a waiver of this
11 requirement. To attain this 60% local hiring requirement, licensees may, but are not
12 required to, use the DOES First Source Register. If at any time during the period of
13 licensure, the ratio of District-resident employees slips below 60%, the next hires must be
14 District residents until such time that the employment force consists of at least 60%
15 District residents.

16 “(f) The 60% District residency requirement shall apply to each of the following
17 categories: full time employees; part-time employees; temporary employees; seasonal
18 employees; interns; trainees; and apprentices.

19 “(g) Licensees may not use operating agreements or consultancy contracts that
20 circumvent or defeat the minimum 60% resident employee requirement.

21 “(h) Total expenditures for personnel and professional services must total at least
22 60% to District residents.

1 “(i) Any holder of a medical cannabis cultivation or dispensary license at the date
2 of enactment of this legislation that becomes licensed under this Act shall have one year
3 to come into compliance with the employee residency requirements of subsections (e)
4 through (h).

5 “(j) A labor union that meets the requirements of this section other than the
6 resident ownership rules shall be permitted to apply for and own and operate a cultivation
7 center.

8 “(k) Sales of companies holding cultivation, manufacturer’s, distributor’s,
9 microbusinesses, off-premises retailer’s and third party social equity delivery licenses
10 must be approved by ABCA to remain valid. False statements on such applications for
11 approvals of sales regarding the residency of owners are prohibited and may result in the
12 denial of the application or the revocation of the license.

13 “(l) Applications for renewal of licenses must provide such documentation as
14 determined to be necessary by the Board to prove that the District resident owner or
15 owners did receive the proportional benefits and incur the proportional obligations of
16 their share of ownership, and to prove that at all times during the period of licensure at
17 least 60% of the licensee was owned by the local District residents.”.

18 “§ 25-2304. Scoring Criteria

19 “(a) The Board shall utilize a scoring system for cultivation, manufacturer, off-
20 premises retailer, and microbusiness applications. The Board shall not utilize a scoring
21 system for distributor, testing facility and cannabis third party social equity delivery
22 licenses that may be applied for with ABCA upon the effective date of the act. An

1 application for registration of a cultivation, manufacturer, off-premises retailer or
2 microbusiness submitted by:

3 (i) A District resident who is a veteran who qualifies as a veteran-owned
4 business enterprise as defined in D.C. Code § 2-218.38 shall be awarded
5 preference points equal to 10 points or 4% of the available points, whichever is
6 more; or

7 “(ii) A returning citizen or a District resident who has been arrested or convicted
8 for a marijuana offense shall be awarded preference points equal to 50 points or
9 20% of the available points, whichever is more; or

10 “(iii) A cannabis certified business enterprise shall be awarded preference
11 points equal to 50 points or 20% of the available points, whichever is more.

12 “(iv) An applicant that is both a returning citizen and a cannabis certified
13 business enterprise or also a veteran-owned business enterprise shall only receive
14 preference points equal to 50 points or 20% of the available points, whichever is
15 more.”.

16 “(b) A cannabis certified business enterprise shall:

17 (i) Have one or more owners who are economically-disadvantaged
18 individuals or individuals who have been subjected to racial or ethnic prejudice or
19 cultural bias because of their identity as a member of a group without regard to
20 their individual qualities and who are District residents and individually or
21 collectively own at least 60% of the licensed business enterprise;

1 (ii) Have one or more owners whose income does not exceed \$349,000, or such
2 other limits as the Mayor may from time to time established relating to
3 certification as an owner of an economically disadvantaged business; who
4 are residents of the District; whose net worth, excluding the value of their
5 residence, does not exceed \$1 million; and who, individually or collectively, own
6 at least 60% of the licensed business enterprise;

7 (iii) Have a chief executive officer and its highest-level managerial employees
8 perform their managerial functions in a principal office located in the District;

9 (iv) Have at least 60% of its employees be residents of the District;

10 (v) Have at least 60% of its contractors, and at least 60% of the dollar value of its
11 contracts, be residents of the District; and

12 (vi) Have at least 80% of the assets of the certified business enterprise,
13 including bank accounts, be in the District.

14 (c) An applicant seeking to qualify as a cannabis certified business enterprise
15 shall submit with the application an affidavit attesting to:

16 (i) The number of owners of the applicant who are economically
17 disadvantaged individuals or individuals who have been subjected to racial or
18 ethnic prejudice or cultural bias because of their identity as a member of a group
19 without regard to their individual qualities;

20 (ii) The ownership interest of any owners of the applicant who are
21 economically disadvantaged individuals or individuals who have been subjected
22 to racial or ethnic prejudice or cultural bias because of their identity as a member
23 of a group without regard to their individual qualities;

1 (iii) The number of employees of the applicant who are
2 economically disadvantaged individuals or individuals who have been subjected
3 to racial or ethnic prejudice or cultural bias because of their identity as a member
4 of a group without regard to their individual qualities;

5 (iv) The number of contractors of the applicant who are economically
6 disadvantaged individuals or individuals who have been subjected to racial or
7 ethnic prejudice or cultural bias because of their identity as a member of a group
8 without regard to their individual qualities;

9 (d) For purposes of this section, the term:

10 (i) “Economically disadvantaged individual” shall have the same
11 meaning as set forth in § 2-218.02(7).

12 (ii) “Cannabis certified business enterprise” means a certified business
13 enterprise, as that term is defined in § 2-218.02(1D), that operates a cannabis
14 business as a cultivation, manufacturer, off-premises retailer, or microbusiness.

15 “§ 25-2305. General provisions—qualifications of establishment.

16 “(a) No license shall be issued to an applicant unless he or she has a valid
17 certificate of occupancy from DCRA and passed a health inspection by DC Health for the
18 premises in which the establishment is located and has all other licenses and permits
19 required by law or regulation for its business.

20 “(b) No license shall be issued to an applicant unless he or she provides the Board
21 with a zoning determination letter, issued by DCRA, stating that the establishment to be
22 licensed is located within a zone that permits the establishment’s operation.

1 “(c) No license shall be issued to an applicant unless its business is registered with
2 the Office of Tax and Revenue.

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

5 “(e) No license shall be issued to an applicant for a cultivation center whose
6 proposed licensed premises is more than 100,000 square feet.

7 “(f) The applicant shall bear the burden of proving to the satisfaction of the Board
8 that the establishment for which the license is sought is appropriate for the locality,
9 section or portion of the District where it is to be located; provided, that if proper notice
10 has been given under subchapter II of Chapter 4 of this title, and no objection to the
11 appropriateness of the establishment is filed with the Board, the establishment shall be
12 presumed to be appropriate for the locality, section, or portion of the District where it is
13 located.”.

14 “§ 25-2306. Appropriateness standard.

15 “(a) To qualify for the issuance or renewal of a license, an applicant for a
16 cultivation, manufacturer, microbusiness or retailer license shall be required to satisfy the
17 appropriateness standards set forth in D.C. Official Code § 25-313.

18 “(b) No cannabis license shall be issued to an outlet, property, establishment or
19 business that sells motor vehicle gasoline.

20 “§ 25-2307. Additional considerations for transfer of licensed establishment to
21 new owner.

22 “(a) In determining the appropriateness of the transfer of a cannabis establishment
23 to a new owner, the Board shall consider only the applicant’s qualifications as set forth in

1 § 25-301, and whether any sale defeats or impairs the local ownership goals embodied in
2 D.C. Official Code § 25-2303.

3 “(b) Notwithstanding subsection (a), the Board shall deny a transfer of ownership
4 application to a new owner and cancel the cannabis license if the previous applicant
5 either: (1) failed to open for business within 90 days of being issued a cannabis license;
6 or (2) stopped operating within 90 days of being issued a cannabis license for more than
7 14 consecutive calendar days, in the absence of a showing of good cause and approval by
8 ABCA for a longer period of delay or closure. This subsection shall not apply to an
9 applicant that has stopped operations due to fire, flood, or other natural disaster, or due to
10 rebuilding or reconstruction.”.

11 “§ 25-2308. Transfer of licensed establishment to a new location.

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

16 “(b) An application to transfer a license to a new location shall not be permitted to
17 be filed by an applicant who: (1) failed to open for business within 90 days of being
18 issued a cannabis license; or (2) stopped operating for more than 14 calendar days within
19 90 days of being issued a cannabis license, in the absence of a showing of good cause and
20 approval by ABCA for a longer period of delay or closure. This subsection shall not
21 apply to an applicant that has stopped operations due to fire, flood, or other natural
22 disaster, or rebuilding or reconstruction.”.

23 “§ 25-2309. Restrictions on proximity to schools and recreation centers.

1 “(a) The Board shall not issue, except as to entities licensed as of January 1, 2022,
2 a cultivation, manufacturer, microbusiness or off-premises retailer’s license for any
3 establishment located within 400 feet of the property line of a pre-existing public, private,
4 or parochial primary, elementary, or high school; college or university; or the boundary
5 of recreation area operated by the District of Columbia Department of Parks and
6 Recreation.

7 “(b) This subsection shall not apply to an applicant that was approved by the
8 Board for a medical cannabis license at the same location prior to the effective date of the
9 act.”.

10 “§ 25-2310. Limitation on the distance between microbusiness and off-premises
11 retailer’s licenses.

12 “(a) No new off-premises retailer’s license shall be issued for an establishment
13 whose property line is located within 400 feet from the property line of another
14 establishment operating under an off-premises retailer’s license issued pursuant to
15 Chapters 21-30 of this title.

16 “(b) No microbusiness license shall be issued for an establishment whose property
17 line is located within 400 feet from the property line of another establishment operating
18 under a microbusiness license.

19 “(c) Subsection (a) shall not apply to a medical cannabis license holder that is
20 converting to or applying for an off-premises retailer’s license for their existing location
21 pursuant to D.C. Official Code § 25-2402.”.

22 “§ 25-2311. Off-Premises retail and microbusiness licenses prohibited in
23 residential-use district.

1 “No off-premises retailer’s license or microbusiness shall be issued for, or
2 transferred to a business operating in a residential-use district as defined in the zoning
3 regulations and shown in the official atlases of the Zoning Commission for the District,
4 including areas designated R, RF, and RA.”.

5 “§ 25-2312. Criminal Conviction after filing of application.

6 The Board shall deny or revoke a worker’s, manager’s, or laboratory
7 agent’s license or ownership approval of a cannabis business for a felony or finding of
8 civil or administrative liability bearing on fitness for licensure that occurred after the
9 license application was filed with ABCA or approved by the Board. Misdemeanors and
10 civil offenses bearing on fitness could include offenses related to filing false statements
11 on licensure papers, wage theft, shoplifting or conversion, gun-related offenses, or other
12 matters relating to the business itself, or such other matters as determined and articulated
13 by the Board.

14 (g) A new chapter 24 is added to read as follows:

15 CHAPTER 24. APPLICATION AND REVIEW PROCESSES.

16 “§ 25-2401. Form of application.

17 “The Board shall propose regulations within 180 days of the effective date of the
18 act setting forth the license application requirements on forms approved by the Board for
19 cultivators, manufacturers, distributors, off-premises retailers, microbusinesses, testing
20 facilities and cannabis third party social equity delivery licenses.”.

21 “§ 25-2402. New license application for cultivator, manufacturer, distributor,
22 retailer, microbusiness, testing facility and cannabis third party social equity delivery
23 license.

1 “(a) Other than testing facility, cannabis third party social equity delivery and
2 distributor applications, which may be filed upon the effective date of the act, the Board
3 shall only consider and process applications from licensed medical cannabis
4 establishments that have been approved by the Board for the first 6 months that the law is
5 in effect.

6 “(b) Within 30 calendar days of the effective date of the act, the Board shall
7 provide notice to Board licensed medical cannabis establishments of their eligibility to
8 apply to the Board for a cultivation, manufacturer, or off-premises retailer’s license. The
9 Board shall provide Board licensed medical cannabis establishments 60 days to file an
10 application with the Board.

11 “(c) The Board shall not issue a license to a Board licensed medical cannabis
12 establishment until: (1) conforming final regulations have been issued; and (2) a seed to
13 sale tracking system is in place approved by ABCA.

14 “(d) The Board may begin accepting applications for cultivation, manufacturer,
15 distributor, microbusiness and off-premises retailer’s licenses from applicants other than
16 Board licensed medical cannabis establishments at any time after the initial 6-month
17 period.

18 “(f) An applicant for a cannabis establishment shall file an emergency response
19 plan with the Board as defined by rulemaking. The applicant shall file with its application
20 written documentation establishing that its emergency response plan has been filed with
21 both FEMS and MPD.

1 “(g) The Board shall make license applications available for any new on-premises
2 retailers and off-premises retailer’s categories created by Board rulemaking within 24
3 months of the effective date of the act.

4 “(h) The Board shall provide notice in the D.C. Register at least 30 days in
5 advance of accepting any new applications, except for testing facility, cannabis third
6 party social equity delivery and distributor licenses, regarding (1) the number of licenses
7 in each class or ward being made available, and (2) where to find information regarding
8 the license application process.

9 “(i) A license application for a testing facility, cannabis third party social equity
10 delivery or distributor license may be made at any time after the effective date of the act.

11 “§ 25-2403. License renewal.

12 “‘The Board shall propose regulations setting forth the license renewal application
13 requirements on forms approved by the Board for renewing cultivation, manufacturer,
14 distributor, off-premises retailers, microbusinesses, cannabis third party social equity
15 delivery or testing facility licenses.’”.

16 “§ 25-2404. Notice by Board.

17 “Pursuant to D.C. Official Code §§ 25-421 and 25-423, the Board shall provide
18 notice to the public for 45 days of new, transfer to new location, substantial change and
19 renewal license applications for cultivation, manufacturer, distributor, microbusiness and
20 retailer’s licenses. The Board may approve settlement agreements that include
21 enforceable provisions listed in D.C. Official Code § 25-446.01 between parties eligible
22 to file a protest under Chapter 6 of this title regardless of whether a protest has been
23 filed.’”.

1 “§ 25-2405. Board hearings and decisions.

2 “Board hearings, determining factors, and decisions shall follow the procedures
3 set forth in Subchapters III and IV of Chapter 4 of this title, except the Board is allowed
4 to consider and limit the number of licenses to be granted per ward in order to prevent
5 high concentrations of licensees in any given ward. Board decisions shall be issued
6 pursuant to D.C. Official Code § 25-433.”.

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

8 CHAPTER 25. ANNUAL FEES, LICENSE RENEWALS, AND
9 CERTIFICATIONS.

10 “§ 25-2501. Application and license fees.

11 “(a) The initial application fee for a cultivation, manufacturing, off-premises
12 retailer, testing facility or distributor license shall be \$1,000. The initial application fee
13 for a cannabis third party social equity delivery license shall be \$50.00. The initial
14 application for a microbusiness license shall be \$500. The initial application fee shall be
15 non-refundable.

16 “(b) The initial application fee shall be paid at the time of application to the D.C.
17 Treasurer. The annual license fee for the first year shall be due within 10 business days
18 of the Board approving the applicant’s license.

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

1 “(d) The Board may establish license periods at intervals necessary to facilitate
2 the efficient processing of applications. If the Board issues a license for less than one
3 year, the licensee shall pay a fee reduced by the proportionate amount of the annual fee.

4 “(e) The Board shall require annual certification of the owners’ continued District
5 residency and upon license renewals, may require such proof as it deems necessary of
6 ownership if such District residency was an element of the initial granting of a license or
7 transfer of a license, and the Board shall revoke the license of any license holder that no
8 longer maintains the 60% ownership by District residents requirement.

9 “(f) The Board shall require annual certification of compliance with the local
10 hiring requirements targets established under D.C. Official Code § 25-2303. If a licensee
11 covered by local hiring requirements falls below the 60% local hiring requirement and
12 does not submit clear and convincing evidence that it has cured the deficit within 90 days,
13 the Board shall revoke the licensee’s license.”

14 “(g) The Board shall require annual certification that the licensee has not entered
15 into any operating agreements that would circumvent or defeat the local hiring laws
16 established under D.C. Official Code § 25-2303, and may establish rules and certification
17 procedures for District residency relating to contractors employed by the licensee.

18 “§ 25-2502. Alteration in license fees.

19 “The Board may propose regulations, pursuant to D.C. Official Code § 25-2202 to
20 alter the license fees established by this chapter or to create additional license
21 categories.”.

22 “§ 25-2503. Minimum annual fees.

1 “The minimum annual fees for a cultivation, manufacturer, distributor, off-
2 premises retailer, microbusiness and testing facility licenses shall be set forth below:

3 License Class	Cost/year
4	
5 Cultivation—Class A	\$ 5,000
6 Cultivation—Class B	\$ 7,000
7 Cultivation—Class C	\$10,000
8 Manufacturer's license	\$ 6,000
9 Off-Premises retailer	\$ 6,000
10 Testing facility	\$ 5,000
11 Distributor	\$ 3,000
12 Microbusiness	\$ 3,000

13
14 “§ 25-2504. Minimum fee for transfer of a license to a new owner or location.

15 “The minimum fee for transfer of a license to a new owner or location shall be
16 \$500.”.

17 “§ 25-2505. Minimum fee for a manager’s license.

18 “The minimum annual fee for a manager’s license shall be \$130.”.

19 “§ 25-2506. Minimum fee for a worker’s license.

20 “The minimum annual fee for a worker’s license shall be \$50.”.

21 “§ 25-2507. Reduced fees for medical cannabis patients and caregivers.

22 “The minimum registration and renewal fees for a qualifying patient or caregiver
23 as scheduled in Chapter 13 of Title 22 of the District of Columbia Municipal Regulations,
24 shall be reduced by 50%.”.

25 “§ 25-2508. Two year validity of medical cannabis cards.

26 “All newly issued medical cannabis cards and cards renewed after the effective
27 date of this act shall be valid for two years.”.

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

29 CHAPTER 26. PROTESTS AND COMPLAINTS.

1 “§ 25-2601. Standing to file a protest and protest requirements.

2 “A person with standing under D.C. Official Code § 25-601 shall be permitted to
3 file a protest of a new, renewal, substantial change or transfer to new location application
4 for a cultivation, manufacturer, microbusiness or retailer’s license.”.

5 “§ 25-2602. Filing a protest—timing and requirements.

6 “(a) Any person objecting, under D.C. Official Code § 25-601, to the approval of
7 an application shall notify the Board in writing of his or her intention to object and the
8 grounds for the objection within the protest period.

9 “(b) If the Board has reason to believe that the applicant did not comply fully with
10 the notice requirements set forth in subchapter II of Chapter 4, it shall extend the protest
11 period as needed to ensure that the public has been given notice and has had adequate
12 opportunity to respond.”.

13 “§ 25-2603. ANC Comments.

14 “(a) The Board shall give an affected ANC forty-five days notice of a new,
15 renewal, substantial change or transfer to new location application for a cultivation,
16 manufacturer, microbusiness or retailer’s license. The Board shall give the
17 recommendations of an affected ANC great weight pursuant to the requirements set forth
18 in D.C. Official Code § 25-609.

19 “(b) In the event that an affected ANC submits a settlement agreement to the
20 Board on a protested license application, the Board, upon its approval of the settlement
21 agreement, shall dismiss any protest of a group of no fewer than 5 residents or property
22 owners meeting the requirements of D.C. Official Code § 25-601(2). The Board shall not
23 dismiss a protest filed by another affected ANC, a citizens association, or an abutting

1 property owner meeting the requirements of D.C. Official Code § 25-601(3) upon the
2 Board’s approval of an ANC’s settlement agreement submission.”.

3 §25-2604. Complaint Line.

4 (a) ABCA shall establish and publicize a complaint line to receive, by telephone
5 and email, or such other means as it finds useful, complaints relating to licensees and
6 persons or entities that are required to be licensed under this Act. Persons filing
7 complaints may but shall not be required to leave their identifying information. ABCA
8 shall also receive complaints initially lodged through the District’s 311 or system and
9 from other agencies, ANCs or Council offices. ABCA may establish procedures for
10 investigating any complaints filed or referred, and anonymous complaints may trigger
11 investigations, including on-site inspections and requests for records.

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

13 CHAPTER 27. STANDARDS OF OPERATION.

14 “§ 25-2701. Board-approved manager required.

15 “(a) A person designated to manage a cannabis licensed establishment shall
16 possess a manager’s license.

17 “(b) The owner or the Board-approved manager shall be present during the
18 licensee’s approved hours of sale.

19 “(c) The licensee shall notify the Board within 7 calendar days of discovering a
20 manager’s conviction for other than a minor traffic violation that occurred while the
21 manager was employed by the licensed cannabis establishment.

1 “(d) The Board, by proposed rulemaking as provided by D.C. Official Code § 25-
2 2202, shall establish application and training requirements for manager’s license
3 applicants.”.

4 “§ 25-2702. General operating requirements.

5 “(a) The licensee shall be required to secure every entrance to the establishment
6 so that access to areas containing cannabis is restricted to the owner or his or her
7 designee(s).

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

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

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

17 “(e) Investigators or officers from ABCA, DCRA, DFS, DC Health, DOEE,
18 FEMS, and MPD shall be permitted to inspect the entire licensed premises during its
19 hours of operation and, if within their office’s responsibilities, to obtain samples
20 sufficient for testing pursuant to this title, and an ABCA investigator or MPD officer
21 shall be permitted to audit the books and records of the licensed establishment during its
22 hours of operation.”

1 “(f) Each ABCA-licensed off-premises retailer, microbusiness and each medical
2 cannabis dispensary, shall have and use magnetometers and shall not admit any person,
3 other than a law enforcement official or person hired to guard the premises pursuant to a
4 security plan filed with the ABCA, who is known to be carrying a gun or other weapon.”.

5 “§ 25-2703. Testing requirements.

6 “(a) Within 60 days following the licensure of an independent testing facility, no
7 cannabis or cannabis product shall be sold or otherwise marketed by a licensee that has
8 not first been tested by an independent testing facility licensed by the Board.

9 “(b) An independent testing facility shall report any results indicating
10 contamination to the Board and DC Health within 72 hours of identification.”

11 “(c) The Board may commission such other inspections and testing of product at
12 any licensee or sold by any licensee to verify THC and CBD content, the presence or
13 absence of any impurities, the consistency of results within a batch and such other criteria
14 as it deems useful, before or after one or more independent testing facilities are
15 licensed.”.

16 “§ 25-2704. Posting and carrying of licenses.

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

22 “(b) An off-premises retailer’s licensee, microbusiness and a medical cannabis
23 dispensary shall post window lettering in a conspicuous place on the front window or

1 front door of the licensed premises that contains the correct name or names of the
2 licensee and the class and number of the license in plain and legible lettering not less than
3 one inch nor more than 1.25 inches in height.

4 “(c) A licensee under a manager’s license shall, while managing a licensed
5 establishment, carry the license upon his or her person, and shall exhibit the license, upon
6 request, to an ABCA investigator or a member of MPD.

7 “(d) While managing or working at a licensed establishment, the owner or
8 licensed manager of a licensed establishment shall carry a valid identification document
9 on his or her person and shall show the identification document, upon request, to an
10 ABCA investigator or a member of MPD.”.

11 “§ 25-2705. Warning signs.

12 “The Board may require a cannabis licensed establishment to post such warning
13 signs as it deems necessary or desirable on the licensed premises. The warning signs at a
14 minimum shall require an off-premises retailer or microbusiness to post the legal age for
15 purchasing cannabis or cannabis products and that proof of age will be required to enter
16 the premises.”.

17 “§ 25-2706. Hours of operation, sale and delivery for cultivation centers,
18 manufacturers, and distributors.

19 “A licensee under a cultivation, manufacturer’s, or distributor’s license shall sell
20 and deliver cannabis or cannabis products only between the hours of 6:00 a.m. and
21 midnight, seven days a week, or as may be further limited pursuant to D.C. Official Code
22 § 25-2709.

23 “§ 25-2707. Hours of operation, sale and delivery for off-premises retail licensees

1 and microbusinesses.

2 “(a) A licensee under an off-premises retailer’s or microbusiness license shall be
3 permitted to operate and sell cannabis or cannabis products between the hours of 7 a.m.
4 and midnight, seven days a week, or as may be further limited pursuant to D.C. Official
5 Code § 25-2709.”.

6 “(b) After two years of the effective date of the act, a licensee under an off-
7 premises retailer’s license or microbusiness that possesses a delivery endorsement shall
8 also be permitted to deliver cannabis or cannabis products to residential and commercial
9 building addresses located in the District that are not on District government or Federal
10 property or public or private school grounds between the hours of 7 a.m. and midnight, 7
11 days a week.”.

12 “§ 25-2708. Curbside pickup.

13 “(a) The holder of an off-premises retailer or microbusiness license shall be
14 permitted to sell and exchange cannabis or cannabis products through curbside pickup or
15 at the door of the licensee to customers if the off-premises retailer or microbusiness
16 complies with the following requirements:

17 (1) An off-premises retailer or microbusiness shall implement a mechanism
18 or process for the customer to submit or display a copy of the customer’s valid
19 government issued identification card to the off-premises retailer or
20 microbusiness for verification prior to the exchange of cannabis or cannabis
21 products;

22 (2) The off-premises retailer or microbusiness shall ensure that the entire

1 exchange of cannabis or cannabis products is clearly captured on the
2 microbusiness or off-premises retailer’s video surveillance system;
3 (3) The microbusiness or off-premises retailer shall only provide curbside
4 pickup at curbside directly in front of the microbusiness or off-premises retailer or
5 at the door of the licensee if the exchange is in view of the microbusiness or off-
6 premises retailer’s video surveillance cameras. The cameras must be able to
7 capture license plates, clear images of the recipient, staffer, and the product being
8 provided. If the microbusiness or off-premises retailer location or video
9 surveillance system is not equipped to meet this requirement, the microbusiness or
10 off-premises retailer shall not provide curbside pickup or pickup at the door of the
11 licensee.

12 (4) The microbusiness or off-premises retailer shall implement procedures to
13 facilitate quick and efficient curbside pickup or pickup at the door of the licensee;

14 (5) The microbusiness or off-premises retailer shall implement a mechanism
15 or recordkeeping process to document receipt of cannabis curbside or at the door
16 of the licensee; and

17 “(6) The microbusiness or off-premises retailer may offer curbside or at the door
18 of the licensee pickup of cannabis during its Board approved hours of operation.

19 “§ 25-2709. Board authorized to further restrict hours of operation.

20 “At the time of initial application of any class of license or at renewal, the Board
21 may further limit the hours of sale and delivery or curbside or at the door pickup for a
22 particular applicant (1) based upon the Board’s findings of fact and conclusions of law,

1 and order following a protest hearing; (2) under the terms of a settlement agreement; or
2 (3) on its own motion for articulable reasons grounded in the public interest.”.

3 “§ 25-2710. Samples.

4 “The holder of an off-premises retailer’s or microbusiness license shall not be
5 permitted to provide free samples of any cannabis product to customers.”.

6 “§ 25-2711. Restrictions on prizes and sweepstakes.

7 “The holder of an off-premises retailer’s license or microbusiness shall not be
8 permitted to give away free cannabis products as part of a promotional giveaway or
9 sweepstakes.”.

10 “§ 25-2712. Tie-in purchases prohibited.

11 “The holder of a cultivation, manufacturer’s or distributor’s license shall not
12 require, directly or indirectly, a retailer to purchase any type of cannabis product in order
13 to purchase any other cannabis product.”.

14 “§ 25-2713. Seed to Sale Tracking.

15 “A licensee shall be required to utilize and record inventory in a seed to sale
16 tracking system selected or approved by ABCA. The licensee shall be responsible for
17 purchasing radio-frequency identification (RFID) tags and hardware to utilize ABCA’s
18 designated software and may be charged a user fee by the agency. The Board shall
19 establish rules regarding the entry of data by licensees into the seed to sale tracking
20 system.”.

21 “§ 25-2714. Plant Limit.

22 “(a) The holder of a cultivation license shall maintain no more than the following
23 number of plants at one time at one licensed location in the District:

1 (1) Class A – 2,000 plants

2 (2) Class B – 6,000 plants

3 (3) Class C – 10,000 plants

4 (b) The limits contained in subsection (a) shall not be construed to include hemp
5 plants.”.

6 “§ 25-2715. Permitted sale amounts by off-premises retailer.

7 “(a) The licensee under an off-premises retailer’s or microbusiness license shall
8 not sell more than two ounces of useable cannabis flower to a customer in either one
9 transaction or in one day; nor shall it sell more than four ounces of useable cannabis
10 flower to a customer in a calendar month.

11 “(b) The licensee under an off-premises retailer’s license or microbusiness shall
12 not sell more than 5.0 grams of cannabis concentrate to a customer in either one
13 transaction or in one day; nor shall it sell more than 10.0 grams of cannabis concentrate
14 to a customer in a calendar month.

15 “(c) Cannabis edibles sold by an off-premises retailer or microbusiness shall have
16 a serving size limit of 10 milligrams THC with a maximum total product dose of 100
17 milligrams. The licensee under an off-premises retailer’s or microbusiness license shall
18 not sell more than 16 ounces of cannabis infused edibles to a customer in either one
19 transaction or in one day; nor shall it sell more than 32 ounces of cannabis infused edibles
20 to a customer in a calendar month.

21 “(d) The licensee under an off-premises retailer’s or microbusiness license shall
22 not sell more than 72 ounces of cannabinoid product in liquid form in either one
23 transaction or in one day to a customer.

1 “(e) The licensee under an off-premises retailer’s or microbusiness license shall
2 not sell more than 30 milliliters of a cannabis tincture, nor a container of tincture
3 containing more than 1500 milligrams of CBD, in either one transaction or in one day.

4 “(f) The licensee of an off-premises retailer’s or microbusiness license shall not
5 sell more 1000 milligrams of CBD e-liquid for use in an electronic smoking device in
6 either one transaction or in one day.

7 “(g) ABCA will promulgate rules to establish a uniform, interoperable purchase
8 tracking system to detect attempts by customers to exceed purchase limits from District
9 licensees. Off-premises retailers and microbusinesses shall be obliged to determine that
10 the purchaser has not already exceeded the amount limits before making such a sale, and
11 sales over the limit will be illegal sales under this act.”.

12 “§ 25-2716. Labeling Requirements.

13 “All cannabis products shall be sold in opaque packages that do not use
14 characters, symbols or names similar to those identified by or appealing to children or
15 adolescents. All packaging shall identify the level of THC and CBD contained in the
16 product in percentage terms or in amount per serving, or both, as appropriate to the
17 product, and as may be prescribed by ABCA.”.

18 “§ 25-2717. Tamper proof, child proof and resealable packaging.

19 “An edible product shall not be made available for sale or resale by a licensee
20 unless it is packaged in a tamper proof, child proof, and resealable container.”.

21 “§ 25-2718. Substantial changes in operation must be approved.

22 “(a) Before a licensee may make a change in the interior or exterior, or a change
23 in format, of any licensed establishment, which would substantially change the nature of

1 the operation of the licensed establishment as set forth in the initial application, the
2 licensee shall obtain the approval of the Board.

3 “(b) The Board shall determine which changes made by a cannabis establishment
4 will require Board approval and possible notice to the public in accordance with § 25-
5 404.”.

6 “§ 25-2719. Restrictions on signs, logos, posters, and advertisements.

7 “(a) A cannabis licensee shall not use signage that has a high likelihood of
8 appealing to persons under 21 years of age and shall not include animals, cartoon
9 characters, or other images particularly appealing to children and adolescents.

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

13 “(c) A sign, logo, poster, or advertisement used by a licensee shall not contain
14 medical symbols, images of marijuana, related paraphernalia or colloquial references to
15 cannabis or cannabis products.

16 “(d) A sign, logo, poster, or advertisement displayed or run by a licensee cannot
17 make unsubstantiated medical representations regarding THC, CBD, cannabis or any
18 cannabinoid product.

19 “(e) A sign, logo, poster, or advertisement that does not conform to this section
20 shall be removed.”.

21 “§ 25-2720. Advertisements related to cannabis in general.

22 “(a) No person shall publish or disseminate or cause to be published or
23 disseminated, directly or indirectly, through any radio or television broadcast, in any

1 newspaper, magazine, periodical, or other publication, or by any sign, placard, or any
2 printed matter, an advertisement of cannabis or cannabis products that is not in
3 conformity with this title.

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

7 “(c) Any radio or television broadcast or publication advertising cannabis or
8 cannabis products shall not promote excessive consumption or depict someone who is or
9 appears to be under 21 years of age consuming cannabis or cannabis products.

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

13 (e) A cannabis establishment’s website, posters or signs within its facility, or any
14 advertisement shall not make health-related claims and shall indicate that cannabis
15 products are for persons 21 years of age or older.”.

16 “§ 25-2721. Advertisements on windows and doors of licensed establishment.

17 “Advertisements relating to cannabis or cannabis products shall not be displayed
18 on the exterior or interior of any window or door of a licensed cannabis establishment.”.

19 “§ 25-2722. Prohibited Statements.

20 “Signs or statements related to cannabis or cannabis products shall not be false or
21 misleading in their claims in respect to any material fact.”.

22 “§ 25-2723. Restrictions on cannabis, cannabis product and paraphernalia
23 displays in retail store windows.

1 “A retail licensee shall not display cannabis, cannabis products or paraphernalia in
2 retail store windows.”.

3 “§ 25-2724. Limits on indoor and outdoor consumption.

4 “It shall be a violation of this title for a licensee to knowingly allow a person to
5 smoke or vaporize cannabis or use cannabis products on indoor or outdoor space under
6 the control of the licensee unless otherwise authorized by the Board.”.

7 “§ 25-2725. Warning symbol.

8 “The Board shall adopt a recognizable symbol that indicates THC or other
9 cannabis compounds are contained within and the Board may set terms for its display,
10 including that the symbol shall appear on all packaging, signage, and advertisements for
11 the THC-containing product and be prominently displayed on the web pages of the
12 licensee.”.

13 “§ 25-2726. Co-location of off-premises retailer’s license and medical cannabis
14 dispensary.

15 “An off-premises retailer that also holds a medical cannabis dispensary licensed
16 by the Board shall be permitted to co-locate its establishment in the same building
17 provided it: (a) maintains a separate partition and cash register for non-medical sales or
18 otherwise satisfactorily distinguishes between medical and non-medical use customers
19 and sales; and (b) reserves at least 35% of its cannabis or cannabis products at all times
20 for medical sales.”.

21 “§ 25-2727. Sale to minors or intoxicated persons prohibited.

22 “The sale or delivery of cannabis or cannabis products to the following persons is
23 prohibited:

1 “(a) A person under 21 years of age, either for the person’s own use or for the
2 use of any other person, except minors participating in the medical cannabis program
3 with the consent of their legal guardian or parent; and

4 “(b) An intoxicated person, or any person who appears to be intoxicated or
5 under the influence.”.

6 “§ 25-2728. Restrictions on minor’s entrance into licensed premises.

7 “(a) The licensee under an off-premises retailer’s or microbusiness license shall
8 not permit a person under 21 years of age to enter the licensed premises. An off-premises
9 retailer or microbusiness shall not permit a patron to enter the licensed establishment
10 until the licensee or the licensee’s employee is shown a valid identification document
11 showing that the individual is 21 years of age or older, unless and only to the extent that
12 an off-premises retailer also is a licensed medical cannabis dispensary, and the facility
13 has procedures approved by ABCA to ensure that the 18, 19, or 20 year old is only able
14 to make purchases through the medical cannabis program and in conformance with its
15 regulations.

16 “(b) It shall be an affirmative defense to a charge of violating subsection (a) of
17 this section that the licensee or the licensee’s employee was shown a valid identification
18 document indicating that the individual was 21 years of age or older, which document the
19 licensee or the licensee’s employee reasonably believed was valid, and that the licensee
20 or the licensee’s employee reasonably believed that the person was 21 years of age or
21 older.

22 “(c) Except as otherwise permitted, the holder of an off-premises retailer’s or
23 microbusiness license shall not deny admittance to a person displaying a valid

1 identification document who is 21 years of age or older, unless the person is reasonably
2 believed to be carrying a weapon or appears to be intoxicated or belligerent.

3 “(d) The provisions of this section notwithstanding, the holder of an off-premises
4 retailer’s or microbusiness license shall not discriminate on any basis prohibited by Unit
5 A of Chapter 14 of Title 2 of the D.C. Code.”.

6 “§ 25-2729. Production of valid identification document required.

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

9 “(b) A licensee or his or her agent or employee shall take reasonable steps to
10 ascertain whether any person to whom the licensee sells or delivers cannabis or cannabis
11 products is 21 years of age or older. Any person who supplies a valid identification
12 document showing his or her age to be 21 years of age or older shall be deemed to be of
13 legal age to purchase and consume cannabis or cannabis products.

14 “(c) The provisions of this section notwithstanding, the holder of an off-premises
15 retailer’s or microbusiness license shall not discriminate on any basis prohibited by Unit
16 A of Chapter 14 of Title 2.”.

17 “§ 25-2730. Sale or distribution of cannabis or cannabis products by minor
18 prohibited.

19 “A licensee shall not allow any person under 21 years of age to volunteer
20 or work at a cannabis establishment.”.

21 “§ 25-2731. Internet Delivery.

22 “(a) The holder of a cannabis third party social equity delivery license shall be
23 permitted to make on-line internet deliveries. After two years of the effective date of the

1 act, the holder of an off-premises retailer’s or microbusiness license that holds a delivery
2 endorsement shall be permitted to make on-line internet deliveries.

3 “(b) An off-premises retailer or microbusiness shall only be permitted to deliver
4 to residential or commercial building addresses located in the District that are not on
5 District government or Federal property or public or private school grounds.

6 “(c) An off-premises retailer or microbusiness licensee shall be required to utilize
7 a cannabis third party social equity delivery licensee to make deliveries for the first 2
8 years that the act is in effect. The Board by rulemaking shall establish requirements for a
9 social equity delivery licensee to make deliveries for microbusinesses or off-premises
10 retailers.

11 “(d) An off-premises retailer or microbusiness shall require a person 21 years of
12 age or older to sign for the delivery and shall ensure that the name on the valid
13 identification document matches the name of the customer who placed the on-line order.

14 “(e) The holder of an off-premises retailer or microbusiness shall bear the
15 responsibility to verify that the address for delivery is a residential or commercial
16 building address located in the District that is not on District government or Federal
17 property or public or private school grounds. For purposes of this section, a public or
18 private park shall not be considered to be either a residential or commercial building
19 address.

20 “(f) The person ordering the delivery or a person 21 years of age or older must
21 physically be in the home or the commercial building at the time of delivery, not on a
22 porch, driveway, walkway, street, alley, plaza, or in the yard. The purchaser must sign

1 for receipt of the delivery, and affirm that to the best of his or her knowledge, there is no
2 gun in the residence or business where the cannabis is delivered.

3 “(g) Off-premises retailers or microbusinesses offering home delivery after 2
4 years of the effective date of the act must state prominently on their website and by
5 telephone when telephonic orders are placed that it is illegal under federal law to receive,
6 possess, or use cannabis in federally-funded public housing under the federal Controlled
7 Substances Act, so long as that remains the case.

8 “(h) The Board is authorized to issue regulations regarding the standards for
9 verifying, recording and preserving records relating to identity, age, and the status of an
10 address as a residence or commercial building as not being on District government or
11 Federal property or public or private school grounds, and record retention.

12 “(i) Landlords, businesses, and employers remain free to ban delivery of
13 combustible cannabis to their tenants and employees at premises they own, or at which
14 they conduct business, notwithstanding the legality of such delivery.

15 “(j) If a landlord, business, or property owner posts a sign reasonably designed to
16 be visible from the front door saying, “No combustible cannabis deliveries to this
17 building,” any delivery service must cancel the order for a combustible cannabis product
18 placed by a tenant, resident, employee or visitor at that residence or property.”.

19 “§ 25-2732. Security plan, video footage, weapons checks.

20 “(a) A licensed cannabis establishment shall be required to submit a security plan
21 with its license application and with MPD. A licensed cannabis establishment shall be
22 required to follow the security plan submitted to the Board upon receiving its license.

1 “(b) A licensed establishment shall also be required to maintain security cameras
2 and video footage that satisfies the requirements of § 25-402(d)(4).

3 “(c) Each ABCA-licensed off-premises retailer, and each microbusiness, shall
4 have and use magnetometers and shall not admit any person, other than a person hired to
5 guard the premises pursuant to its security plan filed with the ABCA, who is believed to
6 be carrying a gun or other weapon.”.

7 “§ 25-2733. Temporary surrender of license--safekeeping.

8 “(a) A cannabis license that is discontinued for any reason for more than 14
9 calendar days shall be surrendered by the licensee to the Board for safekeeping. The
10 licensee shall submit to ABCA a written plan to dispose of cannabis or cannabis products
11 upon surrendering their license. The Board shall hold the license until the licensee
12 resumes business at the licensed establishment or the license is transferred to a new
13 owner. If the licensee has not initiated proceedings to resume operations or transfer the
14 license within one year, the Board shall deem the license abandoned and cancel the
15 license.

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

18 “(c) Licenses in safekeeping with the Board shall pay the fee set forth in § 25-
19 791(c-1)(1).

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

21 “(e) A license shall not be eligible for safekeeping and shall be cancelled by the
22 Board if the licensee either (1) failed to open for business within 90 days of initially

1 being issued a cannabis license or (2) stopped operating within 90 days of initially being
2 issued a cannabis license.”.

3 “§ 25-2734. Products permitted to be sold.

4 “Except as permitted by the Board, an off-premises retailer or microbusiness shall
5 not be permitted to sell any products or services other than cannabis, cannabis products,
6 or cannabis paraphernalia intended for the storage or use of cannabis or cannabis
7 products.”.

8 “§25-2735. Vending Machines and Self-Service Prohibited.

9 “(a) It shall be illegal for an off-premises retailer or microbusiness, or any other
10 business or person in the District to offer cannabis or cannabis products via a vending
11 machine.

12 “(b) Off-premises retailers or microbusinesses shall keep all products secured
13 behind a counter, locked door, or under glass not accessible to the customer. Customers
14 are not permitted to help themselves to product, but shall place their orders with
15 authorized personnel of the off-premises retailer or microbusiness.

16 “§25-2736. Educational classes and demonstrations.

17 “(a) An off-premises retailer or microbusiness licensed by the Board may offer
18 educational classes and demonstrations to consumers consistent with the requirements of
19 this section.

20 “(b) Educational classes and demonstrations permitted to be offered by an off-
21 premises retailer or microbusiness on-site shall include cooking and how-to classes and
22 demonstrations, including how to utilize cannabis paraphernalia, how to cook foods with
23 cannabis and other cannabis preparation techniques.

1 “(c) An off-premises retailer or microbusiness shall only offer educational classes
2 and demonstrations on-line or on the licensed premises of the off-premises retailer or
3 microbusiness.

4 “(d) An off-premises retailer or microbusiness may permit a consumer to smell or
5 touch cannabis or cannabis products provided cannabis is not used or consumed on the
6 licensed premises and the cannabis is sold or otherwise given away for retail use.

7 “(e) An educational activity that includes the smoking, use, or consumption of
8 cannabis on the licensed premises shall be prohibited.

9 “(f) An off-premises retailer or microbusiness shall ensure that containers of
10 cannabis to be utilized for educational activities are labeled as such and may not be sold.

11 “(g) An off-premises retailer or microbusiness shall ensure that cannabis
12 containers to be utilized for educational purposes remain in the microbusiness or off-
13 premises retailer’s secure storage area during non-operating hours.

14 “(h) An off-premises retailer or microbusiness shall not allow a consumer to leave
15 the licensed premises with cannabis that was made available or offered as part of the
16 educational activity.

17 “(i) An off-premises retailer or microbusiness shall destroy and dispose of
18 cannabis utilized during the educational activity consistent with the requirements of this
19 section. This shall include all cannabis that is physically touched or handled by
20 consumers or staff of the cannabis business as part of the educational activity.

21 “(j) An off-premises retailer or microbusiness may offer educational activities on
22 the licensed premises during its Board approved hours of operation.

1 “(k) An off-premises retailer or microbusiness shall be permitted to charge a
2 consumer an additional fee to attend or participate in the educational class or
3 demonstration.

4 “§25-2737. Outdoor growing on private space.

5 “(a) The Board shall be authorized to establish conditions by rulemaking that
6 would allow the growing of cannabis on outdoor private space that is secure and not
7 visible to the public by licensed cultivators and microbusinesses.

8

9 (k) A new Chapter 28 is added to read as follows:

10 CHAPTER 28. ENFORCEMENT, INFRACTIONS, AND PENALTIES.

11 “§ 25-2801. Authority of the Board to enforce this title; enforcement
12 responsibilities of ABCA investigators and MPD.

13 “(a) The Board shall have the authority to enforce the provisions of this title with
14 respect to licensees and with respect to any person not holding a license and selling
15 cannabis or cannabis products without a license in violation of the provisions of this title.

16 “(b) ABCA investigators shall issue citations for civil violations of this title that
17 are set forth in the schedule of civil penalties established under § 25-2830.

18 “(c) ABCA investigators may request and check the identification of a patron
19 inside of or attempting to enter an establishment with a cannabis license. ABCA
20 investigators may seize evidence that substantiates a violation under this title, which shall
21 include seizing cannabis or cannabis products believed to have been sold to minors and
22 fake identification documents used by minors.

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

1 (1) The cannabis license has been suspended, revoked, or cancelled by the
2 Board;

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

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

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

7 “§ 25-2802. Revocation or suspension for violations of this title or misuse of
8 licensed premises.

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

11 (b) Pursuant to § 25-827, or if the Chief of Police finds that a licensed
12 establishment is diverting cannabis product out of state, selling cannabis or cannabis
13 products to minors, exceeding the limits on sales to a customer, or if the facility is
14 associated with crimes of violence or endangering the public’s well-being or safety, the
15 Chief of Police may close a cannabis establishment for up to 96 hours.”.

16 “§ 25-2803. Civil Penalties

17 “(a) The Board shall propose regulations setting forth a schedule of civil penalties
18 (“schedule”) and fine range for violations of this title in the D.C. *Register* for no fewer
19 than a 45-day comment period of review, and shall issue final regulations thereafter
20 pursuant to the District of Columbia Administrative Procedure Act.

21 “(b) The schedule shall contain the following 2 tiers which shall reflect the
22 severity of the violation for which the penalty is imposed:

1 (1) The primary tier shall apply to more severe violations, including service
2 to minors, violation of hours of the sale of cannabis or cannabis products, or other
3 violations involving a threat to public safety, the diversion of product to organized crime,
4 for re-sale, or the evasion of taxes and license fees owed.

5 (2) The secondary tier shall apply to less severe violations, including but not
6 limited to the failure to post required signs.

7 (3) The schedule shall also contain escalating penalties for repeat violations
8 and more severe penalties for willful violations than accidental or negligent violations.”.

9 “§ 25-2804. Sale of cannabis at licensed alcohol and tobacco establishments.

10 “(a) Unless otherwise permitted by Title 25, the holder of a license to sell
11 alcoholic beverages shall not willfully and knowingly sell, offer for sale, distribute,
12 possess with the intent to distribute, or allow the consumption of controlled dangerous
13 substances defined by D.C. Official Code § 48-901.2(4), including but not limited to
14 cannabis, cannabis products or edibles, cannabis extracts or other products containing the
15 chemical Delta 9—tetrahydrocannabinol, commonly known as THC, on the licensed
16 premises, or permit any of the same. This subsection shall not apply to licensed alcohol
17 wholesalers licensed under § 25-111.

18 “(b) Unless otherwise permitted by Title 25, the holder of a license to sell
19 alcoholic beverages shall not allow public or private events on the licensed premises that
20 promote the sale, gifting, distribution, possession with the intent to distribute, or
21 consumption of controlled dangerous substances, including but not limited to cannabis,
22 cannabis products or edibles, marijuana extracts or other products containing the
23 chemical Delta 9-tetrahydrocannabinol, commonly known as THC.

1 “(c) ABCA shall coordinate with MPD to arrange for MPD’s seizure of any
2 evidence that substantiates a violation of this section, for purposes of testing or storage.

3 “(d) A violation of this section shall constitute a primary tier violation in
4 accordance with Chapter 28 of this title.”.

5 “§ 25-2805. Alcohol or Tobacco Infused Cannabis

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

12 “(b) A licensee shall not sell or offer for sale alcohol that has been infused with
13 cannabis except in the case of tinctures that are infused with distilled spirits in
14 conformance with regulations issued by the Tax and Trade Bureau; or tobacco products
15 or cannabis that has been infused with tobacco products; or caffeine products or cannabis
16 that has been infused with caffeine to a customer.

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

19 “§ 25-2806. Tampering with cannabis packaging.

20 “(a) A licensee or the licensee’s employees shall not knowingly:

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

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

1 “(3) Remove or obliterate any label from cannabis packaging being
2 offered for sale;

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

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

8 “§ 25-2807. Vaping Devices.

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

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

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

15 “§ 25-2808. Forged licenses.

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

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

1 “(c) A person convicted of a violation of this section shall be fined no more than
2 the amount set forth in D.C. Official Code § 22-3571.01, or incarcerated for more than 1
3 year or both.”.

4 “§ 25-2809. Penalty for violation failure to perform or not performing certain acts.

5 “(a) A person who violates any of the provisions of this title, or regulations under
6 this title, for which no specific penalty is provided, and if the offense is not subject to a
7 civil infraction; or if the offense involves altering or falsifying any reports, documents, or
8 plans, or misrepresentation of information required for licensing or purchasing cannabis
9 under this title; or any person required to file sales taxes under this title who fails to make
10 a return or files a false return, shall be guilty of a misdemeanor and, upon conviction,
11 shall be punished by a fine of not more than the amount set forth in D.C. Official Code §
12 22-3571.01, or imprisoned for not more than one year, or both.

13 “(b) Any person required to file sales taxes for sales of cannabis products under
14 this title who willfully attempts in any manner to evade or defeat a tax, or the payment
15 thereof; any person who knowingly sells non-medical use cannabis marijuana to a person
16 under 21 or who knowingly sells medical cannabis to a person not authorized to purchase
17 medical cannabis; any person who knowingly diverts cannabis cultivated in the District
18 under a license issued by ABCA outside of Washington, DC unless authorized by the
19 federal Drug Enforcement Administration; any person who diverts cannabis cultivated or
20 manufactured for sale through the regime established herein to the illegal market; or any
21 person who provides cannabis in a transaction prohibited by D.C. Official Code § 25-
22 2104, shall be guilty of a felony and, upon conviction, shall be fined not more than the
23 amount set forth in D.C. Official Code § 22-3571.01, or imprisoned for not more than

1 three years, or both. The penalty provided herein shall be in addition to other penalties
2 provided under District or federal law.

3 “(c) Violations of this section which are misdemeanors shall be prosecuted on
4 information filed in the Superior Court of the District of Columbia by the Office of the
5 Attorney General. Violations of this subsection which are felonies shall be prosecuted by
6 the United States Attorney for the District of Columbia.

7 “(d) Misdemeanors and felonies, and acts that pose a risk to the public safety or
8 health, or the safety or health of any individual, as specified in subsections (a) and (b) and
9 elsewhere in this title shall also be considered to be primary tier violations.

10 “(e) Secondary tier violations are serious conduct warranting administrative
11 disciplinary action for intentional or repeated failure to comply with administrative
12 procedures, protocols, and substantive rules that are egregious in nature but do not
13 immediately impact the health, safety, and/or welfare of the public or individuals.

14 “(f) Minor offenses are offenses that may hurt the efficiency and overall
15 performance of the programs for the regulated sale of cannabis. These are the least
16 severe offenses and encompass occasional or inadvertent failure to comply with basic
17 administrative procedures and protocols or minor changes to plans submitted in licensing
18 documents that do not affect the health, safety, or welfare of the public, nor the integrity
19 of the program established and regulated by this title.

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

1 “(h) A civil fine may be imposed by ABCA as an alternative sanction for any
2 violation of this title for which no specific penalty is provided, or any rules or regulations
3 issued under the authority of this title, under Chapter 18 of Title 2. Adjudication of an
4 infraction that is contested or appealed under this section shall be heard by OAH pursuant
5 to Chapter 18 of Title 2.”.

6 (1) A new chapter 29 is added to read as follows:

7 CHAPTER 29. TAXES.

8 “§ 25-2901. Imposition of sales tax.

9 “(a) A tax is imposed upon all vendors for the privilege of selling retail cannabis
10 and cannabis products. The rate of such tax shall be 17% of the gross receipts from sales
11 of or charges for retail cannabis or cannabis products, except that:

12 “(1) The rate of tax shall be 6% of the gross receipts from the sale of or
13 charges for medical cannabis, as defined in the Legalization of Marijuana for Medical
14 Treatment Initiative of 1999, transmitted on December 21, 2009 (D.C. Act 13-138)
15 [Chapter 16B of Title 7].

16 “(b) The sales tax revenue received pursuant to this section, shall be used to fund
17 the Cannabis Sales Tax Fund.”.

18 “§ 25-2902. Reimbursement of Off-Premises Retailer and Microbusiness for
19 Sales Tax.

20 “(a) Reimbursement for the sales tax imposed upon the off-premises retailer or
21 microbusiness shall be collected by the off-premises retailer or the microbusiness from
22 the purchaser on all sales the gross receipts from which are subject to the tax imposed by
23 this chapter so far as it can be done. It shall be the duty of each purchaser to reimburse

1 the off-premises retailer or microbusiness, as provided in D.C. Official Code § 25-2903,
2 for the tax imposed by this chapter. Such reimbursement of tax shall be a debt from the
3 purchaser to the off-premises retailer or microbusiness and shall be recoverable at law in
4 the same manner as other debts.

5 “(b) In the event that the off-premises retailer or microbusiness shall collect a tax
6 in excess of the reimbursement schedule rates provided for in this chapter, such excess
7 shall be refunded to the purchaser, or in lieu thereof, shall become a debt to the District in
8 the same manner as taxes due and payable under Chapter 20 of Title 47.”.

9 “§ 25-2903. Off-Premises Retailer and Microbusiness to Collect Sales Tax.

10 “(a) For the purpose of collecting the reimbursement as provided in D.C. Official
11 Code § 25-2902 insofar as it can be done and yet eliminate the fractions of a cent, the off-
12 premises retailer or microbusiness shall add to the sales price and collect from the
13 purchaser such amounts as may be prescribed by the Deputy Chief Financial Officer for
14 Tax and Revenue of the Office of Tax and Revenue to carry out the purposes of D.C.
15 Official Code § 25-2902.

16 “(b) It shall be unlawful for any off-premises retailer or microbusiness to
17 advertise or hold out, or state to the public or to any customer, directly or indirectly, that
18 the sales tax, or any part thereof to be collected by the off-premises retailer or
19 microbusiness under this chapter will be assumed, reimbursed, refunded, or absorbed by
20 the vendor or that tax will not be added to the selling price. Any person violating any
21 provision of this section shall upon conviction be fined not more than the amount set
22 forth in D.C. Official Code § 22-3571.01, or imprisoned for not more than 6 months, or
23 both, for each offense.”.

1 “§ 25-2904. Collection of Sales Tax.

2 “(a) Monthly tax returns on cannabis retail sales shall be remitted electronically
3 by the off-premises retailer or microbusiness by the 20th day of each month for the
4 previous month to the Deputy Chief Financial Officer for Tax and Revenue of the Office
5 of Tax and Revenue, or any successor and shall be deposited in the Cannabis Sales Tax
6 Fund, or timely delivered in cash if the off-premises retailer or microbusiness has been
7 unable to establish a safe banking relationship to provide for electronic transfer of funds.

8 “(b) Such returns shall show the total gross proceeds of the microbusiness or off-
9 premises retailer’s business for the month for which the return is filed; the gross receipts
10 of the business of the microbusiness or off-premises retailer; the amount of tax for which
11 the microbusiness or off-premises retailer is liable and such other information as the
12 Deputy Chief Financial Officer or its successor deems necessary for the computation and
13 collection of the tax.

14 “(c) The Deputy Chief Financial Officer may require amended remittals to be
15 filed within 20 days after notice and to contain the information specified in the notice.

16 “(d) The Office of Tax and Revenue shall provide to the Mayor and ABCA on a
17 monthly basis the cumulative amount of revenues collected from microbusiness or off-
18 premises licensed retailers as a result of cannabis retail sales.

19 “(e) The Chief Financial Officer shall make such provision as may be necessary
20 to safely receive tax and licensing receipts in cash on a daily basis.”.

21 “§ 25-2905 Income Taxes.

22 “ Licensees shall be subject to applicable Income Taxes pursuant to Chapter 18
23 of Title 47.”.

1 “§ 25-2906. Tax Exemptions.

2 “(a) For License carriers engaged in the commercial cannabis supply chain of
3 cultivation, manufacturing, distributing, and off-premises retail, there shall be allowed as
4 a deduction all the ordinary and necessary expenses paid or incurred during the taxable
5 year in carrying on any trade or business, as defined in D.C. Official Code § 47-
6 1803.03(a). Any business expenses allowed under this paragraph shall be subject to the
7 same limitations as provided for the Internal Revenue Code of 1986; however, a licensed
8 cannabis business shall be allowed, for the purposes of District taxes, any federal income
9 tax deduction that is disallowed by Internal Revenue Code § 280E. This deduction shall
10 be available for all corporations, including limited liability corporations (LLCs) and sole
11 proprietors established as S corporations. The Office of Tax and Revenue shall accept a
12 federal pro forma return that includes business expenses and calculate District of
13 Columbia income tax liability using the pro forma return.

14 “(b) Deductions proscribed in D.C. Official Code § 47-1803.03(d) shall not be
15 allowed under this Chapter.”.

16 (m) A new Chapter 30 is added to read as follows:

17 CHAPTER 30. LIMITATIONS ON CONSUMERS.

18 “§ 25-3001. Purchase, possession, use or consumption by persons under 21;
19 misrepresentation of age, identity; exceeding purchase limits; penalties.

20 “(a) No person who is under 21 years of age shall purchase, attempt to purchase,
21 possess, use, or consume cannabis or cannabis products, or edibles or apply any topical
22 ointments containing cannabis in the District.

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

4 “(c) No person shall present a fraudulent identification document for the purposes
5 of entering an establishment possessing an off-premises retailer’s license or
6 microbusiness licensed under chapter 21 of this title.

7 “(d) For the purpose of determining valid representation of age, each person shall
8 be required to present to the establishment owner or representative at least one form of
9 valid identification, which shall have been issued by an agency of government (local,
10 state, federal, or foreign) and shall contain the name, date of birth, signature, and
11 photograph of the individual; provided that a military identification card issued by an
12 agency of government (local, state, federal, or foreign) shall be an acceptable form of
13 valid identification whether or not it contains the individual’s signature.

14 “(e) No person shall circumvent or defeat the limits on quantities that may be
15 purchased for personal use through the use of false identification or by making purchase
16 from multiple off-premises retailers, microbusinesses or delivery services.

17 “(f) Any person guilty of violating this section shall be guilty of a misdemeanor,
18 and, upon conviction, be subject to the penalties set forth in D.C. Official Code § 25-
19 1002(c).”.

20 “§ 25-3002. Restrictions on open package of cannabis in a motor vehicle.

21 “(a) All cannabis products purchased from an off-premises retailer or
22 microbusiness shall be stored in the trunk or glove compartment of a vehicle, and that
23 glove compartment shall be locked if it has a lock.

1 “(b) Sealed or wrapped cannabis containers shall be in their original packaging
2 and shall not be unsealed or unwrapped in the passenger compartment of a vehicle.

3 “(c) It shall be unlawful for cannabis to be kept in loose, unwrapped, or unsealed
4 form, or any other form available for immediate use, or to keep related paraphernalia in
5 the passenger compartment of any vehicle.”.

6 “§ 25-3003. Providing Professional Services.

7 “A person engaged in a profession or occupation subject to licensure shall not be
8 subject to disciplinary action by a professional licensing board solely for providing
9 professional services to prospective or licensed cannabis establishments related to activity
10 under this title that is not subject to criminal penalty under District law. This provision,
11 however, does not strip licensing boards of their ability to assess and impose sanction
12 upon professionals for malpractice, fraud, embezzlement, misappropriation of funds, and
13 other matters outside the services provided to prospective or licensed establishments.”.

14 “§ 25-3004. Cannabis accessories.

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

19 “§ 25-3005. Contracts pertaining to the licensed sale of cannabis are enforceable.

20 “Contracts related to the operation of licensed establishments under chapters 21
21 through 30 of this title shall be enforceable. A contract entered into by a licensee or its
22 agents as permitted pursuant to a Board issued license, or by those who allow property to
23 be used by a licensee or its agents as permitted by a Board issued license, shall not be

1 unenforceable or void exclusively because the actions or conduct permitted under the
2 license is prohibited by federal law.”.

3 “§ 25-3006. Operating or Driving under the influence.

4 “This act does not amend existing penalties for driving, operating, navigating or
5 being in actual physical control of a vehicle, train, aircraft, motorboat or other motorized
6 form of transport or machinery while impaired, or for consuming cannabis or cannabis
7 products while driving, operating, navigating or being in actual physical control of any
8 vehicle, train, aircraft, motorboat or other motorized form of transport or machinery.”.

9 “§ 25-3007. Storage of Cannabis within the Home.

10 “(a) No more than ten (10) ounces of cannabis that has been cut from the cannabis
11 plant may be stored within or at a residential home. It is no defense to this prohibition
12 that the resident or residents abided by the legal limits on plant counts.

13 “(b) All purchased cannabis products from an off-premises retailer exceeding one
14 ounce that are stored in or at an individual residence shall be stored in an enclosed area or
15 room equipped with locks or other security devices and shall only accessible by the
16 purchaser or adults authorized by the purchaser to have access to the enclosed area or
17 room.”.

18 Sec. 3. Title 47 of the District of Columbia Official Code is amended as follows:

19 (a) Section 47-2002(a) is amended by adding a new paragraph (3D) to read as
20 follows:

21 “(3D) The rate of tax shall be 17% of the gross receipts of the sales or charges for
22 retail cannabis or cannabis products sold for consumption off the premises where sold. In

1 the event that on-premises cannabis sales or charges are authorized in the District, the
2 rate of tax shall also be 17%.”.

3 Sec. 4. The District of Columbia Uniform Controlled Substances Act of 1981,
4 effective August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-901.01 *et seq.*) is
5 amended as follows:

6 (a)Section 401 (D.C. Official Code §48-904.01) is amended as follows:

7 (1) Paragraph (a)(1) (A) is amended by striking the semicolon and adding the
8 phrase, “provided the purchase of any product sold in the District was made
9 at a licensee of ABCA under such rules and regulations it establishes; and
10 the transport of any product sold in the District was by an ABCA-licensed
11 entity;”

12 (b)Section 102 (D.C. Official Code § 48-901.02) is amended as follows:

13 (1) Paragraph (3) is amended as follows:

14 (A)Subparagraph (A) is amended by striking the phrase “whether
15 growing or not” and inserting the phrase “whether growing or not, and whether in edible
16 form or not” in its place.

17 (B)Subparagraph (B) is amended as follows:

18 (I) Strike the phrase “includes the resin extracted from” and
19 inserting the phrase “includes the resin, including cannabis concentrates, extracted from”
20 in its place.

21 (II) Strike the phrase “from such resin” and insert the phrase
22 “from such resin, whether in edible form or not” in its place.

23 (2) Existing paragraph (3A) is renumbered paragraph (3A-1)

1 (2) A new paragraph (3A) is added to read as follows:

2 “(3A) “Cannabis concentrates” means products consisting wholly or in
3 part of a substance derived from any part of the cannabis plant by:

4 “(A) A mechanical extraction process;

5 “(B) A chemical extraction process using a nonhydrocarbon-based
6 solvent such as vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol, or
7 ethanol; or

8 “(C) A chemical extraction process using the hydrocarbon-based solvent
9 carbon dioxide, provided that the process does not involve the use of high heat or
10 pressure.”.

11 (c) Section 401 (D.C. Official Code § 48-904.01) is amended to read as follows:

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

13 “(c-1)(1) It is unlawful for any person who is not licensed as a cultivator
14 under this act or registered as a cultivation center and authorized by regulations
15 promulgated under the Legalization of Marijuana for Medical Treatment Initiative of
16 1999, effective July 27, 2010 (D.C. Law 13-315; D.C. Official Code § 7-1671.01 *et seq.*),
17 to knowingly or intentionally;

18 “(A) Use butane, hexane, propane, or other explosive gases to extract or
19 separate resin from marijuana, or Tetrahydrocannabinol from cannabis; or

20 “(B) Use any other liquid chemical, compressed gas, or commercial
21 product, other than alcohol or ethanol, that has a flash point at or lower than 38 degrees
22 Celsius or 100 degrees Fahrenheit, for the purpose of manufacturing cannabis
23 concentrates.

1 “(2) Any person who violates this subsection is guilty of a felony
2 and, upon conviction, may be imprisoned for not more than 5 years, fined not more than
3 the amount set forth in section 101 of the Criminal Fine Proportionality Amendment Act
4 of 2012, effective June 11, 2013 (D.C. Law 19-317; D.C. Official Code § 22-3571.01), or
5 both.”.

6 Sec 5. Chapter 8 of Title 16 of the D.C. Official Code is amended as follows:

7 (1)The title of § 16-803.03 is added to read as follows:

8 “§ 16-803.03. Automatic Expungement of public records for certain
9 marijuana convictions.”

10 (2)A new section 16-803.03 is added to read as follows:

11 “(a) Within one year of the effective date of this act, the Superior Court shall
12 automatically expunge all arrests, charges, and convictions in Superior Court proceedings
13 and all other police and court records where the lead, main, or top charge involves the
14 possession of marijuana or possession with the intent to distribute marijuana only unless
15 (i) the distribution or sale of cannabis was to a minor; (ii) the arrest, charges, or
16 conviction included a gun offense; or (iii), the amounts involved more than 1,000
17 cannabis plants or more than 1,000 pounds of dry cannabis or its equivalent in liquid or
18 other form.

19 “(b) Subsection (a) shall not apply to cases that also contain the following
20 charges and/or convictions; except if the arrest or charge was dismissed with prejudice:

21 “(1) Possession with the intent to distribute any controlled substance
22 other than marijuana;

1 “(2) Possession, distribution, use, or impairment of any other controlled
2 substance other than marijuana;

3 “(3) Distribution or sale of a controlled substance, including marijuana,
4 to minors;

5 “(4) The illegal possession of a firearm;

6 “(5) A crime of violence as defined by the D.C. Code § 23-1331(4), a
7 dangerous crime as defined by the D.C. Code § 23-1331(3), a crime of assaultive
8 behavior as described in D.C. Code §§ 22-401 through 22-408; or

9 “(6) Driving under the influence or driving while impaired by marijuana,
10 any other controlled substance, or alcohol; or

11 “(7) A felony except for possession with the intent to distribute
12 marijuana, where the amounts involved were less than 1,000 plants or 1,000 pounds of
13 marijuana.”.

14 “(c) For purposes of this section, the term “automatically expunge” ”
15 means expungement without the filing of a petition or payment of a fee by the person
16 who is the subject of the record to be expunged.

17 Sec. 6 Section 124 of the 21st Century Financial Modernization Act of 2000,
18 effective June 9, 2001 (D.C. Law 13-308; D.C. Official Code § 26-551.24) is amended to
19 read as follows:

20 “Sec. 124. Authority to transact business with persons licensed pursuant to the
21 Safe Cannabis Sales Act of 2021.

22 “(a) A financial institution authorized to conduct business in the District of
23 Columbia pursuant to the District of Columbia Banking Code is authorized to provide

1 financial services to persons or entities licensed pursuant to the Safe Cannabis Sales Act
2 of 2021; and

3 “(b) The financial institution shall not be in violation of the following by virtue of
4 providing financial services to a person or entity licensed pursuant to the Safe Cannabis
5 Sales Act of 2021, provided that the financial institution complied with the BSA (Bank
6 Secrecy Act) Expectations Regarding Marijuana-Related Businesses Guidelines, FIN-
7 2014-G001, February 14, 2014, and any subsequent guidance or regulations issued by the
8 United States Department of the Treasury, in the provision of the financial services to the
9 licensed person or entity:

10 “(1) Section 2(k) of the District of Columbia Regional Interstate Banking
11 Act of 1985, effective November 23, 1985 (D.C. Law 6-107 § 2(k); D.C. Official Code §
12 26-109);

13 “(2) Sections 122; 203(c)(4), (8), (12) and (13); 211(a), (e)(6); 217(b);
14 and 219(a), of the 21st Century Financial Modernization Act of 2000, effective June 9,
15 2001 (D.C. Law 13-308 § 122; D.C. Official Code § 26-101 *et seq.*, 521, 26-551.22); and

16 “(3) Section 10c(a)(1) and (2) District of Columbia Regional Interstate
17 Banking Act of 1985, effective November 23, 1985 (D.C. Law 9-42; D.C. Official Code
18 § 26-109(a)(1) and (2)).”.

19 Sec. 7. Section 125 of the 21st Century Financial Modernization Act of 2000,
20 effective June 9, 2001 (D.C. law 13-308; D.C. Official Code § 26-551.24) is amended to
21 read as follows:

22 “Sec. 125. District of Columbia Safe Cannabis License and Compliance
23 Verification and Data Portal.

1 “(a) Within 1 year of the effective date of this act, the Department of
2 Insurance, Securities and Banking, in consultation with ABCA, shall establish the District
3 of Columbia Safe Cannabis License and Compliance Verification and Data Portal (Safe
4 Cannabis Portal) for use by financial institutions.

5 “(b) The Safe Cannabis Portal shall be an online portal aggregating data on
6 cannabis businesses from ABCA. The portal shall be designed to support financial
7 institutions’ compliance and provide information so that financial institutions can comply
8 with the BSA Expectations Regarding Marijuana-Related Businesses Guidelines, FIN-
9 2014-G001, February 14, 2014, and any subsequent guidance or regulations issued by the
10 United States Department of the Treasury related to the provision of financial services to
11 cannabis-related businesses.

12 “(c) The Safe Cannabis Portal shall include the following information:

13 “(1)Licensing and regulatory information;

14 “(2)Data on key personnel;

15 “(3)Product lists;

16 “(4)Sources of supply;

17 “(5)Financial records including major transactions;

18 “(6)Ongoing regulatory activity including citations for violations;

19 “(7)Adverse comments;

20 “(8)Evidence of suspicious or illegal activities; and

21 “(9)Other information to assist financial institutions, as determined by
22 the Commissioner.”.

1 Sec. 8. Section 126 of the 21st Century Financial Modernization Act of 2000,
2 effective June 9, 2001 (D.C. Law 13-308; D.C. Official Code § 26-551.24) is amended to
3 read as follows:

4 “Section 126: Banking Services Enhancement.

5 “(a) DISB shall conduct an analysis of additional changes in laws or regulations
6 that might enable legal cannabis-related businesses to have better access to banking
7 services and issue a report on such analysis.

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

12 “(c) It shall be legal under District law for a credit union chartered in the District
13 of Columbia to open accounts on behalf of and accept receipts from licensed cannabis
14 businesses from their licensed activities.”.

15 Sec. 9. Title 2 of the District of Columbia Official Code is amended as follows:

16 “(1) Section 2-534(a) is amended by adding a new paragraph (18) to read as
17 follows:

18 “Information related to the location of the cannabis premises owned by a
19 cannabis cultivator or manufacturer licensee [as defined by Chapter 21 of Title 25 of this
20 Code].”.

21 Sec. 10. Section 6 of the Office of the Administrative Hearings Establishment Act
22 of 2001, effective March 6, 2002 (D.C. Law 14-76; D.C. Official Code § 2-1831.03), is
23 amended by added a new subsection (b-25) to read as follows:

1 “(b-25) This Chapter shall apply to all adjudicated cases arising under D.C.
2 Official Code § 25-2809.”.

3 Sec. 11. Title 48 of the District of Columbia Official Code is amended as follows:

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

5 Transfer to another person 21 years of age or older, without remuneration,
6 cannabis weighing two ounces or less, or one clone, regardless of weight.

7 “(2) Section 48-904.01a(1)(C) is amended to read as follows:

8 “Possess, grow, harvest, or process, within the interior of a house, rental unit, or
9 outdoor space accessible only from inside the house that is in the exclusive control of the
10 resident, and constitutes such person’s principal residence, no more than 6 cannabis
11 plants, with 3 or fewer being mature, flowering plants; provided, that all persons residing
12 within a single house or single rental unit may not possess, grow, harvest, or process, in
13 the aggregate, more than 12 cannabis plants, with 6 or fewer being mature, flowering
14 plants;”

15 “(3) Section 48-904.01a(1) is amended by adding a new paragraph (E) to read as
16 follows:

17 “The Mayor shall be responsible for issuing all rules necessary to implement the
18 provisions of this chapter.”.

19 Sec. 12. Fiscal Impact.

20 The Council adopts the fiscal impact statement in the committee report as the
21 fiscal impact statement required by section 602(c)(3) of the District of Columbia Home
22 Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-
23 206.02(c)(3)).

1 Sec. 13. Effective Date.

2 This act shall take effect following approval by the Mayor (or in the event of veto
3 by the Mayor, action by the Council to override the veto), a 60-day period of
4 Congressional review as provided in section 602(c)(2) of the District of Columbia Home
5 Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-
6 206.02(c)(2)), and publication in the District of Columbia Register.