This Menul
Chairman Phil Mendelson

Councilmember Kenyan R. McDuffie

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To amend, the Legalization of Marijuana for Medical Treatment Initiative of 1999 to create definitions for the terms non-District resident and another jurisdiction's medical cannabis program, to allow the Alcoholic Beverage and Cannabis Board ("ABC Board") to issue temporary non-resident registration identification cards that are valid for periods between 3 days and no longer than one year in length, allow licensed testing laboratories to receive and test samples of medical cannabis products from qualifying patients, allow licensed testing laboratories to conduct quality assurance or research and development testing for cultivation centers and manufacturers, amend the definition of a qualifying patient, amend the definition of a social equity applicant to include arrests and convictions of qualifying family members for a cannabis or drug offense; expand the list of eligible family members under the social equity applicant definition to include siblings and grandparents, to provide a deadline date by which existing cultivation centers and dispensaries must file their applications with ABCA for additional medical cannabis facility licenses, to not allow a cultivation center to also hold an internet retailer license, to provide the Board with the authority to issue patient and caregiver registration cards at no cost, clarify that existing licensed cultivation centers and retailers and applicants that scored 150 points or more during the open application period that occurred between November 29, 2021 and March 28, 2022, that are authorized by statute to receive a cultivation center, manufacturer, or retailer license apart from a designated open application period are not counted in calculating the 50% set aside requirement, to provide that the 2 cultivation center registration applicants that tied for second and received the same total score after submitting a medical cannabis facility registration application to the ABC Board between November 29, 2021 and March 28, 2022, be awarded a cultivation center registration, to provide that other cultivation center and dispensary registration applicants that scored 150 points or more after submitting a medical cannabis facility registration application to the ABC Board during the same open application period shall be considered for a cultivation center or retailer registration, to allow a cultivation center and a dispensary registration applicant that scored 150 points or more to change the location of its facility without otherwise affecting the status of its

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

47 48 49 50 51 52 53	application, clarify that the 5 cultivation center registration applicants that scored 150 points or more during the same open application period shall automatically receive a manufacturer license provided they pay the annual fee and register with the ABC Board, allow ABCA to issue conditional licenses to testing laboratory applicants, to waive the application fee for testing laboratory licenses, to create a stipulated license application process, and to clarify the process for unlicensed establishments being issued a medical cannabis cultivation center, retailer, or internet retailer license.
54 55	BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
56	act may be cited as the "Medical Cannabis Clarification Amendment Act of 2023".
57	Sec. 2. The Legalization of Marijuana for Medical Treatment Initiative of 1999, effective
58	February 25, 2010 (D.C. Law 13-315; D.C. Official Code § 7-1671.01 et seq.), is amended as
59	follows:
60	(a) Section 2 (D.C. Official Code § 7-1671.01) is amended as follows:
61	(1) Paragraph (1E) is redesignated as (1F).
62	(2) A new paragraph (1E) is added to read as follows:
63	"(1E) "Another jurisdiction" means any state, commonwealth, or territory of the
64	United States.".
65	(3) Paragraph (13B) is amended by striking the phrase "resident who" and inserting
66	the phrase "resident who is a person who resides or is domiciled in another state, territory,
67	foreign country, or foreign territory and who" in its place.
68	(4) Paragraph (13B)(B) is amended by striking the phrase "30-day registration
69	identification card" and inserting the phrase "registration identification card valid for periods
70	established by the ABC Board by rulemaking, which are between 3 days and no longer than one
71	year in length" in its place.
72	(5) Paragraph (19) is amended as follows:

73	(A) Strike the phrase "dental treatment, or" and insert the phrase "dental
74	treatment, a patient who is a non-resident cardholder, or" in its place.
75	(B) Strike the phrase "provided, that a patient" and insert the phrase
76	"provided, that a patient who is a non-resident cardholder or a patient" in its place.
77	(6) Paragraph (20C)(B) is amended by striking the phrase "or has a non-parent legal
78	guardian who is or has been incarcerated" and inserting the phrase "or has a non-parent legal
79	guardian, or a grandparent or a sibling who is or has been arrested, convicted, or incarcerated".
80	(b) Section 6(b) (D.C. Official Code § 7-1671.05(b)) is amended as follows:
81	(1) Paragraph (4) is amended as follows:
82	(A) Subparagraph (A) is amended by striking the phrase "30 days" and inserting
83	the phrase "periods established by the ABC Board by rulemaking, which are between 3 days and
84	no longer than one year in length.".
85	(B) Subparagraph (B) is amended by striking the phrase "30-day".
86	(2) Paragraph (5)(C) is amended by striking the phrase "3 years." and inserting the
87	phrase "3 years, except for temporary non-resident registration identification cards that are valid
88	for periods established by the ABC Board by rulemaking, which shall be between 3 days and no
89	longer than one year in length." in its place.
90	(3) A new paragraph (11A) is added to read as follows:
91	"(11A) Allow testing laboratories to:
92	"(A) Receive and test samples of medical cannabis products from
93	qualifying patients; provided, that the qualifying patient must present proof that he or she is
94	currently registered, and that the medical cannabis product was purchased from a retailer or
95	internet retailer licensed with ARCA

"(B) Receive and test samples of medical cannabis products from licensed
cultivation centers or manufacturers for purposes of quality assurance or research and
development. Samples collected for quality assurance or research and development testing may
be selected by the cultivation center or manufacturer non-randomly. Any tests conducted for
purposes of quality assurance or research and development shall not satisfy the requirements of
paragraphs (8) through (11) of this subsection.".
(4) Paragraph 15 is amended by striking the phrase "Establish sliding-scale
registration and annual renewal fees for all persons and entities required to register or obtain a
license pursuent to this not: provided" and inserting the phrase "Establish registration, sliding

- registration and annual renewal fees for all persons and entities required to register or obtain a license pursuant to this act; provided" and inserting the phrase "Establish registration, sliding-scale registration, and annual renewal fees for all persons and entities required to register or obtain a license pursuant to this act and permit the ABC Board, by rule, to make qualifying patient and caregiver registrations available at no cost; provided" in its place.
 - (c) Section 7 (D.C. Official Code § 7-1671.06) is amended as follows:
 - (1) Subsection (d) is amended as follows:

- (A) Paragraph (2) is amended by striking the phrase "retailer or online retailer license" and inserting the phrase "retailer license" in its place.
- (B) A new paragraph (5) is added to read as follows:
- "(5) Applications for additional licenses pursuant to paragraphs (1) through (3) of this subsection shall be filed with ABCA by the existing cultivation center or dispensary by May 1, 2024.".
 - (2) Subsection (e)(1) is amended as follows:
- (A) Subparagraph (F) is amended by striking the phrase "retailer or internet retailer license" and inserting the phrase "retailer license" in its place.

119	(B) A new subparagraph (G) is added to read as follows:
120	"(G) No licensee holding a cultivation center license shall hold an internet
121	retailer license.".
122	(3) Subsection (h) is amended by striking the phrase "cultivation centers who
123	receive a manufacturer's license pursuant to subsection (d) of this section." and inserting the
124	phrase "cultivation centers and retailers, and applicants who scored 150 points or more during
125	the ABC Board open application period that occurred between November 29, 2021 and March
126	28, 2022, who receive a cultivation center, manufacturer, or retailer's license pursuant to
127	subsections (d), (w), (x) and (y) of this section.".
128	(4) Subsection (k)(1) is amended to read as follows:
129	"(k)(1) The ABC Board shall be authorized to issue a one-year conditional license for a
130	cultivation center, retailer, internet retailer, manufacturer, courier, or testing laboratory that does
131	not currently have a proposed location.".
132	(5) Subsection (n)(2) is amended to read as follows:
133	"(2)(A) The ABC Board shall, by rules issued pursuant to section 14, establish the
134	initial application and renewal fees for cultivation center, manufacturer, retailer, internet retailer,
135	and courier licenses. The ABC Board may revise these fees as considered necessary.
136	"(B) There shall be no initial application fee for a testing laboratory
137	license. Renewal fees for a testing laboratory license shall be established by rules issued pursuant
138	to sub-paragraph (A) of this paragraph.".
139	(6) New subsections (w), (x), (y) and (z) are added to read as follows:
140	"(w)(1) The 2 cultivation center registration applicants that submitted a medical
141	cannabis facility registration application to the ABC Board between November 29, 2021, and

March 28, 2022, that tied for second, and received the same total score shall be awarded a cultivation center registration.

- "(2) A cultivation center registration applicant not referenced in paragraph (1) of this subsection that scored 150 points or more during the same open application period shall be considered for a cultivation center registration after May 1, 2023; provided, that the applicant files a corrected application, including an application to change the facility location, with the ABC Board by May 1, 2024. An applicant that scored 150 points or higher shall be allowed to change the location of the cultivation center facility on its application by May 1, 2024, without negatively affecting the status of the application.
- "(3) An applicant that filed more than one cultivation center registration application during the open application period with one or more of the same owners shall be considered for only one cultivation center registration under this subsection.
- "(4) An initial application fee paid by a cultivation center registration applicant that scored 150 points or higher shall be credited by ABCA toward the entire cost of the applicant's cultivation center application fee.
- "(x)(1) A dispensary registration applicant that submitted a medical cannabis facility registration to the ABC Board between November 29, 2021, and March 28, 2022, and received 150 points or more shall be considered for a retailer registration no earlier than 180 calendar days after March 22, 2023. An applicant shall be allowed to change the location of the retailer facility on its application by May 1, 2024, without negatively affecting the status of the application.

163	"(2) An applicant that filed more than one dispensary registration application
164	during the open application period with one or more of the same owners shall be considered for
165	only one retailer registration under this subsection.
166	"(3) An initial application fee paid by a dispensary registration applicant that
167	scored 150 points or higher shall be credited by ABCA toward the entire cost of the applicant's
168	retailer application fee.
169	"(y) The 5 cultivation center registration applicants that submitted medical
170	cannabis facility registration applications to the ABC Board between November 29, 2021 and
171	March 28, 2022, that scored 150 points or more shall automatically receive a manufacturer
172	license provided the annual fee is paid; provided, that the applicant registers on a form provided
173	by ABCA with the ABC Board by May 1, 2024.
174	"(z)(1) An applicant who has submitted a complete license application for a
175	cultivation center, manufacturer, retailer, or internet retailer, to transfer its license to a new
176	location, or for a retailer endorsement may obtain a stipulated license to begin operations
177	authorized by the applied-for license under the following conditions:
178	(a) The applicant has submitted a stipulated license application on a form
179	provided by the ABC Board;
180	(b) The applicant has submitted written correspondence from an ANC Officer
181	where the applicant's premises is located stating that the ANC has voted with
182	a quorum present to either support or not object to the issuance of a stipulated
183	license to the applicant pending completion of the 45-day protest period; and
184	(c) The applicant submits to ABCA the stipulated license application fee.

"(2) A cultivation center, manufacturer, retailer, or internet retailer applicant shall

stop selling, delivering or serving medical cannabis under the stipulated license if a valid protest is filed by an affected Advisory Neighborhood Commission during the 45 calendar day protest period or the application is withdrawn or denied.

- "(3) An applicant operating under a stipulated license shall operate in accordance with the laws and regulations applicable to the requested cultivation center, manufacturer, retailer, or internet retailer license."
 - (d) Section 7b (D.C. Official Code § 7-1671.06b) is amended as follows:
- (1) Subsection (b)(1) is amended by striking the word "immediately" and inserting the phrase "once its license is issued by ABCA".
 - (2) Subsection (b)(2) is redesignated as subsection (b)(3).
 - (3) A new subsection (b)(2) is added to read as follows:
- "(b)(2)(A) An unlicensed establishment that is approved for a cultivation center, retailer, or internet retailer license shall obtain issuance of its license by the later date of either September 30, 2024 or within 180 days of Board approval, or have its Board approval rescinded.
- "(B) An unlicensed establishment that temporarily discontinues operations after Board approval that is not involved in unlicensed activity may request that the Board extend the deadline in paragraph (A) by one additional 180 day period to allow the applicant to take deliberate steps to resume business operations at the applicant's proposed location. The Board shall approve the applicant's extension request provided the applicant can demonstrate to the Board that the applicant is making reasonable progress to resume business operations at the proposed location."

207	"(C) Notwithstanding paragraph A of this subsection, a cultivation center, retailer,
208	or internet retailer applicant shall cease any unlicensed activity once its license is issued by
209	ABCA.
210	Sec. 3. Fiscal impact statement.
211	The Council adopts the fiscal impact in the committee report as the fiscal impact
212	statement required by section 4a of the General Legislative Procedures Act of 1975, approved
213	October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).
214	Sec. 4. Effective date.
215	This act shall take effect following approval by the Mayor (or in the event of veto by the
216	Mayor, action by the Council to override the veto), a 30-day period of congressional review as
217	provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
218	24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
219	Columbia Register.