Councilmember Charles Allen A BILL IN THE COUNCIL OF THE DISTRICT OF COLUMBIA To amend, on an emergency basis, the Legalization of Marijuana for Medical Treatment Initiative of 1999 to provide the Alcoholic Beverage and Cannabis Administration the ability to extend the 45-calendar day public comment period for cultivation center, retailer, or internet retailer licenses to an unlicensed establishment by an additional 30-calendar days, to clarify which persons have standing to protest the issuance of a cultivation center, retailer, or internet retailer license to an unlicensed establishment, to align the enforcement procedures with those provided in Title 25 of the District of Columbia Official Code, and to clarify that the Alcoholic Beverage and Cannabis Board has the authority to issue cease-and-desist orders mandating compliance with the provisions of the Medical Cannabis Program; and to amend the Medical Cannabis Amendment Act of 2022 to clarify that the Alcoholic Beverage and Cannabis Board has authority to enforce against commercial property owners in whose properties are used to operate illegal cannabis businesses. BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Medical Cannabis Program Enforcement Emergency Amendment Act of 2024". Sec. 2. The Legalization of Marijuana for Medical Treatment Initiative of 1999, effective February 25, 2010 (D.C. Law 13-315; D.C. Official Code § 7-1671.01 et seq.), is amended as follows: (a) Section 7 (D.C. Official Code § 7-1671.06) is amended by adding a new subsection (c-1) to read as follows: "(c-1) It shall be a violation of this act for any unlicensed or licensed cultivation center, manufacturer, retailer, or internet retailer to represent that goods or services or the business is

- compliant with the Legalization of Possession of Minimal Amounts of Marijuana for Personal Use
 Initiative of 2014, effective February 26, 2015 (D.C. Law 20-153; D.C. Official Code § *passim*);
 provided, that a licensed cultivation center, manufacturer, retailer, or internet retailer may have
 signage indicating that there is medical cannabis on the property.".
- 42 (b) Section 7a(h) (D.C. Official Code § 7-1671.06a(h)) is amended to read as follows:
 - "(h)(1) The ABC Board shall provide notice of complete and eligible cultivation center, retailer, and internet retailer license applications received from unlicensed establishments to the Councilmember, and any Advisory Neighborhood Commission within 600 feet of where the establishment is or will be located ("affected ANC"), for a 45-calendar day public comment period. The ABC Board may extend the public comment period required by this paragraph in response to a written request submitted by either an affected ANC or the applicant by an additional 30-calendar days.
- 50 "(2) An affected ANC may protest the issuance of the license.

- 51 "(3) The ABC Board shall hold a contested case protest hearing within 120 days of 52 receiving a timely protest from an affected ANC pursuant to paragraph (2) of this subsection.
 - "(4) The provisions of this subsection shall apply to all applications submitted to ABCA after the effective date of the Medical Cannabis Program Enforcement Emergency Amendment Act of 2024, passed on emergency basis on January 9, 2024 (Enrolled version of Bill 25-XXX)."
 - (c) Section 7b (D.C. Official Code § 7–1671.06b) is amended by adding a new subsection (e) to read as follows:
- "(e) An unlicensed establishment shall not display signage or imagery advertising relatingto:

51	"(1) The prices of cannabis or cannabis product in the window;
52	"(2) Cannabis or a cannabis product on the exterior of any window or on the exterior
53	or interior of any door; or
54	"(3) Cannabis or a cannabis product on the exterior or visible from the exterior of
55	the unlicensed establishment or elsewhere in the District.".
66	(d) Section 9 (D.C. Official Code § 7–1671.08) is amended as follows:
67	(1) Subsection (d) is amended by striking the phrase "licensed cultivation" and
58	inserting the phrase "licensed or unlicensed cultivation" in its place.
59	(2) A new subsection (f) is added to read as follows:
70	"(f) Beginning January 31, 2024, the ABC Board may issue the following fines to an
71	unlicensed establishment that violates section 7(c-1) or 7b(e), or has not filed an accepted and
72	pending application with the ABC Board and knowingly engages or attempts to engage in the
73	purchase, sale, exchange, delivery, or any other form of commercial transaction involving cannabis
74	that is not purchased, sold, exchanged, or delivered in accordance with the provisions of this act
75	or section 401 of the District of Columbia Uniform Controlled Substances Act of 1981, effective
76	August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-904.01):
77	"(1) For the first violation, the ABC Board may issue a written warning to the
78	unlicensed establishment;
79	"(2) For the second violation, the ABC Board may:
80	"(A) Issue a fine in the amount of \$10,000; and
31	"(B) Require the unlicensed establishment to submit a remediation plan to
32	the ABC Board that contains the unlicensed establishment's plan to prevent any future recurrence
33	of purchasing, selling, exchanging, delivering, or otherwise transacting any cannabis that is not

- purchased, sold, exchanged, or delivered in accordance with the provisions of this act or section 401 of the District of Columbia Uniform Controlled Substances Act of 1981, effective August 5,
- 86 1981 (D.C. Law 4-29; D.C. Official Code § 48-904.01); and
- "(3) For any subsequent violations or if the unlicensed establishment fails to submit a remediation plan in accordance with paragraph (2) of this subsection, or if the ABC Board rejects the unlicensed establishment's remediation plan, the ABC Board may issue additional fines.".
- 90 (e) Section 13a (D.C. Official Code § 7–1671.12a) is amended as follows:
- 91 (1) Subsection (a) is amended by striking the phrase "Board or the Mayor" both 92 times it appears and inserting the word "Board" in its place.
 - (2) Subsection (d) is amended by striking the phrase "Board or the Mayor" and inserting the word "Board" in its place.
- 95 (3) Subsection (f) is amended by striking the phrase "Board or the Mayor" and 96 inserting the word "Board" in its place.
- 97 (f) New sections 15, 16, 17, and 18 are added to read as follows:
- "Sec. 15. Examination of premises, books, and records.

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- "(a) An applicant for a license, and each licensee, shall allow any ABCA investigator, agent of the ABC Board, or any member of the Metropolitan Police Department full opportunity to examine, at any time during business hours:
- "(1) The premises where a cannabis product is manufactured, kept, sold, or consumed for which an application for a license has been made or for which a license has been issued; and
- 105 "(2) The books and records of the business for which an application for a license 106 has been made or for which a license has been issued.

"(b) ABCA investigators shall examine the premises and books and records of each licensed establishment in the District at least once each year. The investigators shall make reasonable efforts to ensure that the licensee shall know in advance the date of the inspection.

"Sec. 16. Search warrants for illegal cannabis products; disposition of seized products.

"If a search warrant is issued by any judge of the Superior Court of the District of Columbia or by a United States Magistrate for the District of Columbia for premises where any cannabis products are sold, exchanged as part of a commercial transaction, delivered, or permitted to be consumed in violation of this title, the cannabis product and any other property designed for use in connection with the unlawful manufacture for sale, keeping for sale, selling, or consumption may be seized and shall be subject to such disposition as the court may make thereof.

"Sec. 17. Notifications from Department of Licensing and Consumer Protection, Office of Tax and Revenue, Fire and Emergency Medical Services Department, and Metropolitan Police Department.

- "(a) The Department of Licensing and Consumer Protection, the Office of Tax and Revenue, and the Fire and Emergency Medical Services Department shall notify the ABC Board if a licensed establishment is the subject of a citation, revocation, or other enforcement action for a violation of laws or regulations enforced by those agencies or offices within 30-calendar days after the citation, revocation, or other enforcement action.
- "(b) If a licensed establishment is the subject of an incident report by the Metropolitan Police Department, the Metropolitan Police Department shall file a copy of the incident report with the ABC Board within 30-calendar days after the incident. The ABC Board shall make the report available for public inspection upon request.
- "Sec. 18. Nuisance.

"(a) Any building, ground, or premises where cannabis is sold, exchanged as part of a
commercial transaction, delivered, or permitted to be consumed by an unlicensed establishment
shall be a nuisance, except any building, ground, or premises of an applicant that filed an accepted
and pending application with the Board during the 90-calendar day open application period.

- "(b) An action to enjoin any nuisance defined in subsection (a) of this section may be brought in the name of the District of Columbia by the Attorney General for the District of Columbia in the Civil Branch of the Superior Court of the District of Columbia against any person conducting or maintaining such nuisance or knowingly permitting such nuisance to be conducted or maintained."
- Sec. 3. The Medical Cannabis Amendment Act of 2022, effective March 22, 2023 (D.C. Law 24-332; 70 DCR 1582), is amended as follows:
 - (a) Section 8 (D.C. Official Code § 7-1675.01) is amended as follows:
 - (1) Subsection (a) is amended as follows:
- (A) Paragraph (1) is amended as follows:

(i) The lead-in language is amended by striking the phrase "Alcoholic Beverage and Cannabis Administration makes final determinations for the licensure of unlicensed establishments pursuant to §§ 7-1671.06a and 7-1671.06b, for the first violation of D.C. Official Code § 47-2844(a-2)(1B), the Mayor" and inserting the phrase "Alcoholic Beverage and Cannabis Board ("ABC Board") makes final determinations for the licensure of unlicensed establishments pursuant to sections 7a and 7b of the Legalization of Marijuana for Medical Treatment Initiative of 1999, effective March 22, 2023 (D.C. Law 24-332; D.C. Official Code §§ 7-1671.06a and 7-1671.06b), for the first violation of section 9(f) of the Legalization of

152	Marijuana for Medical Treatment Initiative of 1999, effective July 27, 2010 (D.C. Law 18-210;
153	D.C. Official Code § 7-1671.08(f)), the ABC Board "in its place.
154	(ii) Subparagraph (C) is amended by striking the phrase "D.C.
155	Official Code § 47-2844(a-2)(1B)" and inserting the phrase "section 9(f) of the Legalization of
156	Marijuana for Medical Treatment Initiative of 1999, effective July 27, 2010 (D.C. Law 18-210;
157	D.C. Official Code § 7-1671.08(f))" in its place.
158	(B) Paragraph (2) is amended by striking the phrase "provided to the
159	Alcoholic Beverage and Cannabis Administration," and inserting the phrase "provided to" in its
160	place.
161	(2) Subsection (b) is amended as follows:
162	(A) The lead-in language is amended by striking the phrase "D.C. Official
163	Code § 47-2844(a-2)(1B)" and inserting the phrase "section 9(f) of the Legalization of Marijuana
164	for Medical Treatment Initiative of 1999, effective July 27, 2010 (D.C. Law 18-210; D.C. Official
165	Code § 7-1671.08(f))" in its place.
166	(B) Paragraph (1) is amended by striking the phrase "The Mayor" and
167	inserting the phrase "The ABC Board" in its place.
168	(C) Paragraph (2) is amended as follows:
169	(i) Subparagraph (A) is amended to read as follows:
170	"(2)(A) The ABC Board shall require the commercial property owner to submit a
171	remediation plan within 14 days after the notice of a fine under paragraph (1) of this subsection to
172	the ABC Board that contains the commercial property owner's plan to prevent any future violations
173	of section 9(f) of the Legalization of Marijuana for Medical Treatment Initiative of 1999, effective
174	July 27, 2010 (D.C. Law 18-210; D.C. Official Code § 7-1671.08(f)).".

175	(ii) Subparagraph (B) is amended by striking the phrase "the Mayor,
176	in consultation with the Director of the Department of Licensing and Consumer Protection, rejects
177	the commercial property owner's remediation plan, the Mayor may issue additional fines or revoke
178	the commercial property owners' licenses" and inserting the phrase "the ABC Board rejects the
179	commercial property owner's remediation plan, the ABC Board may issue additional fines" in its
180	place.
181	(3) Subsection (c) is amended as follows:
182	(A) Paragraph (1) is amended by striking the phrase "Office of
183	Administrative Hearings" and inserting the phrase "Alcoholic Beverage and Cannabis Board
184	("ABC Board")" in its place.
185	(B) Paragraph (2) is amended by striking the phrase "Office of
186	Administrative Hearings" and inserting the phrase "ABC Board" in its place.
187	(C) Paragraph (3) is amended by striking the phrase "administrative law
188	judge" and inserting the phrase "ABC Board" in its place.
189	(4) Subsection (e)(1) is amended by striking the phrase "Office of Administrative
190	Hearings" and inserting the phrase "ABC Board" in its place.
191	(b) Section 9 is amended as follows:
192	(1) Subsection (a) is amended by striking the phrase "7, and 8" and inserting the
193	phrase "and 7" in its place.
194	(2) Subsection (c)(2) is amended by striking the phrase "this act" and inserting the
195	phrase "the provisions identified in subsection (a) of this section" in its place.
196	Sec. 4. Fiscal impact statement.

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

Sec. 5. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), and shall remain in effect for no longer than 90 days, as provided for emergency acts of the Council of the District of Columbia in section 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788; D.C. Official Code §1-204.12(a)).