

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend, on a temporary basis, the Legalization of Marijuana for Medical Treatment Initiative of 1999 to clarify that Alcoholic Beverage and Cannabis Administration investigators have the authority to conduct announced and unannounced inspections of unlicensed establishments, to make a conditional license for a manufacturer or cultivation center valid for 2 years, to extend existing public-comment period provisions to all unlicensed establishment registration applications, and to clarify the criteria to be considered when summarily closing an unlicensed establishment.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Medical Cannabis Conditional License and Unlicensed Establishment Closure Clarification Temporary 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 6(b) (D.C. Official Code § 7-1671.05(b)) is amended by adding a new paragraph (14A) to read as follows:

“(14A) Conduct announced and unannounced inspections of unlicensed establishments.”.

(b) Section 7 (D.C. Official Code § 7-1671.06) is amended as follows:

(1) Subsection (k) is amended as follows:

(A) Paragraph (1) is amended by striking the phrase “proposed location” and inserting the phrase “proposed location; except, that the ABC Board shall be authorized to convert a one-year conditional license to 2 years for a cultivation center or manufacturer that does not currently have a proposed location” in its place.

(B) Paragraph (2) is amended by striking the phrase “one year” and inserting the phrase “one year or 2 years for a cultivation center or manufacturer applicant” in its place.

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(C) Paragraph (4) is amended by striking the phrase “ABC Board.” and inserting the phrase “ABC Board; except that a 2-year conditional license for a cultivation center or manufacturer shall be canceled by the ABC Board after two years.”

(2) A new subsection (k-1) is added to read as follows:

“(k-1) A conditional license for a cultivation center or manufacturer that is in effect as of the effective date of the Medical Cannabis Conditional License and Unlicensed Establishment Closure Clarification Emergency Amendment Act of 2024, passed on emergency basis on June 25, 2024 (Enrolled version of Bill 25-872), as of that date, shall be automatically converted to a 2-year conditional license, expiring one year after the date the original conditional license was set to expire, at no additional cost and without additional ABC Board approval.”.

(4) Subsection (l) is amended by striking the phrase “one-year”.

(c) Section 7a(h)(4) (D.C. Official Code § 7-1671.06a(h)(4)) is repealed.

(d) Section 9 (D.C. Official Code § 7-1671.08) is amended by adding a new subsection (g) to read as follows:

“(g)(1) Notwithstanding sections 7(b) and 9(f), ABCA shall have the authority to inspect an unlicensed establishment. If, after an inspection, ABCA determines that an unlicensed establishment presents an imminent danger to the health or safety of the public, as described in paragraph (2) of this subsection, the ABC Board may summarily close and order the padlocking, by ABCA or MPD without a prior hearing, of the unlicensed establishment, and ABCA may seize all cannabis and cannabis products found at the premises.

“(2) For the purpose of this subsection, the term “imminent danger to the health or safety of the public” includes any of the following:

“(A) The unlicensed establishment distributes or attempts to distribute cannabis or a cannabis product to one or more persons under the age of 21.

“(B) Once a testing laboratory has been licensed under this act, the unlicensed establishment distributes or attempts to distribute cannabis or a cannabis product untested by a testing laboratory licensed under this act.

“(C) The unlicensed establishment fails to comply with a cease and desist order.

“(D) The unlicensed establishment engages in any activity or operation established as an imminent danger to the health or safety of the public by the Board by rule.

“(E) The unlicensed establishment distributes or attempts to distribute Schedule I substances, or products that contain Schedule I substances, as enumerated in section 204 of the District of Columbia Uniform Controlled Substances Act of 1981, effective August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-902.04).

“(F) An employee, agent, or owner of the unlicensed establishment has unlawful firearms or weapons on the premises.

“(G) A dangerous crime, as defined in D.C. Official Code § 23-1331(3), or a crime of violence, as defined in D.C. Official Code § 23-1331(4), was committed on the

premises of the unlicensed establishment.

“(3) ABCA shall provide the unlicensed establishment’s owner and the property owner with written notice of the summary closure and the right to request a hearing.

“(4) The owner of the unlicensed establishment shall have 5 business days after service of the notice of summary closure to request a hearing with the Board, which shall hold a hearing within 5 business days of a timely request.”

“(5) The Board shall issue a written decision within 5 business days after the hearing.”

(e) Section 13a (D.C. Official Code § 7-1671.12a (a)) is amended by striking the phrase “to the licensee.” and inserting the phrase “to the licensee or unlicensed establishment.” in its place.

Sec. 3. Section 2(c) of the Medical Cannabis Patient Card Extension and 4/20 Medical Cannabis Sales Tax Holiday Week Temporary Amendment Act of 2024, enacted on May 29, 2024 (D.C. Act 25-481; 71 DCR 6749), is repealed.

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.

(a) 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 a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)).

(b) This act shall expire after 225 days of its having taken effect.

Chairman
Council of the District of Columbia

Mayor
District of Columbia