ENROLLED ORIGINAL

AN ACT

D.C. ACT 25-371

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JANUARY 25, 2024

To amend, on an emergency basis, the Legalization of Marijuana for Medical Treatment Initiative of 1999 to provide that it is unlawful for a licensed or unlicensed 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, to authorize the Alcoholic Beverage and Cannabis Board to extend the 45-calendar day public comment period by an additional 30-calendar days in response to a written request submitted by either an affected Advisory Neighborhood Commission or the applicant, to clarify that an Advisory Neighborhood Commission within 600 feet of where an establishment is or will be located has standing to protest the issuance of a license to an unlicensed cultivation center, manufacturer, retailer, or internet retailer license, 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 of properties that 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*); except, that a licensed cultivation center, manufacturer, retailer, or internet retailer may have signage indicating that there is medical cannabis on the property.".

(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 Ward 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 by an additional 30-calendar days in response to a written request submitted by either an affected ANC or the applicant.

"(2) An affected ANC may protest the issuance of the license.

"(3) The ABC Board shall hold a contested case protest hearing within 120 days of 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 25-648).".

(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 relating to:

"(1) The prices of cannabis or cannabis product in the window;

"(2) Cannabis or a cannabis product on the exterior of any window or on the exterior or interior of any door; or

"(3) Cannabis or a cannabis product on the exterior or visible from the exterior of the unlicensed establishment or elsewhere in the District.".

(d) Section 9 (D.C. Official Code § 7–1671.08) is amended as follows:

(1) Subsection (d) is amended by striking the phrase "licensed cultivation" and inserting the phrase "licensed or unlicensed cultivation" in its place.

(2) A new subsection (f) is added to read as follows:

"(f) Beginning January 31, 2024, the ABC Board may issue the following fines to an unlicensed establishment that violates section 7(c-1) or section 7b(e), or has not filed an accepted and pending application with the ABC Board and knowingly engages or attempts to engage in the purchase, sale, exchange, delivery, or any other form of commercial transaction involving 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, 1981 (D.C. Law 4-29; D.C. Official Code § 48-904.01):

"(1) For the first violation, the ABC Board may issue a written warning to the unlicensed establishment;

"(2) For the second violation, the ABC Board may:

"(A) Issue a fine in the amount of $10,000; and

"(B) Require the unlicensed establishment to submit a remediation plan to the ABC Board that contains the unlicensed establishment's plan to prevent any future recurrence 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, 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.".

(e) Section 13a (D.C. Official Code § 7–1671.12a) is amended as follows:

(1) Subsection (a) is amended by striking the phrase "Board or the Mayor" both 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.

(3) Subsection (f) is amended by striking the phrase "Board or the Mayor" and inserting the word "Board" in its place.

(f) New sections 13b, 13c, 13d, and 13e are added to read as follows:

"Sec. 13b. Examination of premises, books, and records.

"(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

"(2) The books and records of the business for which an application for a license 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. 13c. 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. 13d. 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. 13e. 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 Marijuana for Medical Treatment Initiative of 1999, effective July 27, 2010 (D.C. Law 18-210; D.C. Official Code § 7-1671.08(f)), the ABC Board " in its place.

(ii) Subparagraph (C) is amended by striking the phrase "D.C. Official Code § 47-2844(a-2)(1B)" and inserting the phrase "section 9(f) of the Legalization of Marijuana for Medical Treatment Initiative of 1999, effective July 27, 2010 (D.C. Law 18-210; D.C. Official Code § 7-1671.08(f))" in its place.

(B) Paragraph (2) is amended by striking the phrase "provided to the Alcoholic Beverage and Cannabis Administration," and inserting the phrase "provided to" in its place.

(2) Subsection (b) is amended as follows:

(A) The lead-in language is amended by striking the phrase "D.C. Official Code § 47-2844(a-2)(1B)" and inserting the phrase "section 9(f) of the Legalization of Marijuana for Medical Treatment Initiative of 1999, effective July 27, 2010 (D.C. Law 18-210; D.C. Official Code § 7-1671.08(f))" in its place.

(B) Paragraph (1) is amended by striking the phrase "The Mayor" and inserting the phrase "The ABC Board" in its place.

(C) Paragraph (2) is amended as follows:

(i) Subparagraph (A) is amended to read as follows:

"(A) The ABC Board shall require the commercial property owner to submit a remediation plan within 14 days after the notice of a fine under paragraph (1) of this subsection to the ABC Board that contains the commercial property owner's plan to prevent any future violations of section 9(f) of the Legalization of Marijuana for Medical Treatment Initiative of 1999, effective July 27, 2010 (D.C. Law 18-210; D.C. Official Code § 7-1671.08(f)).".

(ii) Subparagraph (B) is amended by striking the phrase "the Mayor, in consultation with the Director of the Department of Licensing and Consumer Protection, rejects the commercial property owner's remediation plan, the Mayor may issue additional fines or revoke the commercial property owners' licenses" and inserting the phrase "the ABC Board rejects the commercial property owner's remediation plan, the ABC Board may issue additional fines" in its place.

(3) Subsection (c) is amended as follows:

(A) Paragraph (1) is amended by striking the phrase "Office of Administrative Hearings" and inserting the phrase "Alcoholic Beverage and Cannabis Board ("ABC Board")" in its place.

(B) Paragraph (2) is amended by striking the phrase "Office of Administrative Hearings" and inserting the phrase "ABC Board" in its place.

(C) Paragraph (3) is amended by striking the phrase "administrative law judge" and inserting the phrase "ABC Board" in its place.

(4) Subsection (e)(1) is amended by striking the phrase "Office of Administrative Hearings" and inserting the phrase "ABC Board" in its place.

(b) Section 9 is amended as follows:

(1) Subsection (a) is amended by striking the phrase "7, and 8" and inserting the phrase "and 7" in its place.

(2) Subsection (c)(2) is amended by striking the phrase "this act" and inserting the phrase "the provisions identified in subsection (a) of this section" in its place.

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)).

Chairman
Council of the District of Columbia

Mayor
District of Columbia
January 25,2024
APPROVED

COUNCIL OF THE DISTRICT OF COLUMBIA

WASHINGTON, DC, 20004

Docket No. **B25-0648**

[ ] ITEM ON CONSENT CALENDAR

[X] ACTION — **Final Reading**

[X] VOTE DATE — **January 9, 2024**

[X] VOICE VOTE — **Approved**

RECORDED VOTE ON REQUEST

ABSENT

[ ] ROLL CALL VOTE – Result

Council Member	Aye	Nay	NV	AB	Rec	Council Member	Aye	Nay	NV	AB	Rec	Council Member	Aye	Nay	NV	AB	Rec
Chairman Mendelson	X					Henderson	X					Pinto	X				
Allen	X					Lewis George	X					R. White	X				
Bonds	X					McDuffie	X					T. White	X				
Frumin	X					Nadeau	X										
Gray	X					Parker	X										
X - Indicate Vote				AB – Absent					NV - Present, Not Voting								Rec - Recused

CERTIFICATION RECORD

Secretary to the Council

1-11-24
Date