



**COUNCIL OF THE DISTRICT OF COLUMBIA
THE JOHN A. WILSON BUILDING
1350 PENNSYLVANIA AVENUE, NW
WASHINGTON, DC 20004**

Charles Allen
Councilmember, Ward 6
Chairperson
Committee on Transportation and the Environment

Committee Member
Business and Economic Development
Health
The Judiciary & Public Safety

February 5, 2024

Nyasha Smith, Secretary
Council of the District of Columbia
1350 Pennsylvania Avenue, NW
Washington, D.C. 20004

Dear Secretary Smith:

Today, along with Chairman Phil Mendelson and Councilmember Kenyan R. McDuffie, I am introducing the ***“Medical Cannabis Program Enforcement Amendment Act of 2024”***. Please find enclosed a signed copy of the legislation.

On December 3, 2014, District voters passed 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*) (“I-71”), which, among other provisions, made it lawful to transfer one ounce or less of cannabis to another person, so long as no remuneration is exchanged, and the recipient of the cannabis is 21 years of age or older. The selling of any amount of cannabis to another person remains illegal.

The passage of I-71 has resulted in the creation of an illegal cannabis market in the District that describes itself as “I-71 compliant”, whereby consumers merely need to buy a small item and, in return, receive an accompanying cannabis product as a “gift”. This illegal cannabis market is estimated to take in more than \$600 million in sales annually, and has been in direct competition with, and accordingly, has profoundly harmed, the District’s Medical Cannabis Program. Furthermore, these illegal businesses do not pay the taxes and fees that licensed facilities under the Medical Cannabis Program must pay, and most are owned by non-District residents and sell products that are untraced, untested, and mostly cultivated outside the District.

The presence of these illegal businesses also raises serious public health and safety concerns. Some of these establishments are located in areas in which legal facilities are not allowed to operate, such as within 300 feet of schools and recreation facilities. These businesses have also been the target of criminal activity, such as robbery and theft, and some have been implicated in criminal activity themselves, including illegal possession of firearms and illegal possession and distribution of narcotics.

On December 20, 2022, the Council passed the Medical Cannabis Amendment Act of 2022, effective March 22, 2023 (D.C. Law 24-332; 70 DCR 1582), which established an “on-ramp” for these currently unlicensed businesses to receive a license from the Alcoholic Beverage and Cannabis Administration (“ABCA”). This “on-ramp” is intended to provide greater public health and safety oversight of the businesses, like how existing medical cannabis and alcohol licensees are regulated. The open application period for these businesses to apply for a license to be a cultivation center, retailer, or internet retailer in the District’s Medical Cannabis Program opened on November 1, 2023, and closed on January 29, 2024.

Prior to the closure of the application period, I convened an implementation conversation with all ANCs in Ward 6, the Department of Licensing and Consumer Protection, and ABCA. On January 9, 2024, the Council passed emergency legislation that I introduced, the Medical Cannabis Program Enforcement Emergency Amendment Act of 2024, effective January 25, 2024 (D.C. Act 25-371; 71 DCR 1200), which allows:


- ABCA to extend the 45-calendar day public comment for ANC feedback on a license by an additional 30-calendar days;
- ANCs within 600 feet of the establishment to protest the issuance of a license;
- ABCA to enforce against unlicensed establishments that do not apply to be a part of the Medical Cannabis Program by issuing warnings, fines, and cease-and-desist orders to those establishments as well as commercial property owners where these establishments are located;
- ABCA to hold unlicensed establishments liable for holding themselves out as “I-71 compliant” or displaying signage or imagery that advertises or relates to cannabis, cannabis products, or the prices of cannabis or cannabis products;
- OAG to bring a “nuisance” action in Superior Court against unlicensed establishments that are not in the Medical Cannabis Program; and
- ABCA to examine books and records of an establishment and receive notifications from other agencies about violations of these other agencies’ rules, specifically, the Fire and Emergency Medical Services Department, Office of Tax and Revenue, Department of Licensing and Consumer Protection, and the Metropolitan Police Department.


This legislation would make these changes on a permanent basis. Please feel free to reach out to me or my Legislative Director, Antonio Nunes, with any questions or for additional information.


Sincerely,



Councilmember Charles Allen, Ward 6
Chairperson, Committee on Transportation & the Environment
Vice Chair, Metropolitan Washington Council of Governments

1 
2 Chairman Phil Mendelson


Councilmember Charles Allen

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6 Councilmember Kenyan R. McDuffie

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11 A BILL
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16 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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21 To amend the Legalization of Marijuana for Medical Treatment Initiative of 1999 to provide the
22 Alcoholic Beverage and Cannabis Administration the ability to extend the 45-calendar day
23 public comment period for cultivation center, retailer, or internet retailer licenses to an
24 unlicensed establishment by an additional 30-calendar days, to clarify which persons have
25 standing to protest the issuance of a cultivation center, retailer, or internet retailer license
26 to an unlicensed establishment, to align the enforcement procedures with those provided in
27 Title 25 of the District of Columbia Official Code, and to clarify that the Alcoholic
28 Beverage and Cannabis Board has the authority to issue cease-and-desist orders mandating
29 compliance with the provisions of the Medical Cannabis Program; and to amend the
30 Medical Cannabis Amendment Act of 2022 to clarify that the Alcoholic Beverage and
31 Cannabis Board has authority to enforce against commercial property owners in whose
32 properties are used to operate illegal cannabis businesses.

33
34 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
35 act may be cited as the “Medical Cannabis Program Enforcement Amendment Act of 2024”.

36 Sec. 2. The Legalization of Marijuana for Medical Treatment Initiative of 1999, effective
37 February 25, 2010 (D.C. Law 13-315; D.C. Official Code § 7-1671.01 *et seq.*), is amended as
38 follows:

39 (a) Section 7 (D.C. Official Code § 7-1671.06) is amended by adding a new subsection (c-
40 1) to read as follows:

41 “(c-1) It shall be a violation of this act for any unlicensed or licensed cultivation center,
42 manufacturer, retailer, or internet retailer to represent that goods or services or the business is
43 compliant with the Legalization of Possession of Minimal Amounts of Marijuana for Personal Use
44 Initiative of 2014, effective February 26, 2015 (D.C. Law 20-153; D.C. Official Code § *passim*);
45 provided, that a licensed cultivation center, manufacturer, retailer, or internet retailer may have
46 signage indicating that there is medical cannabis on the property.”.

47 (b) Section 7a(h) (D.C. Official Code § 7-1671.06a(h)) is amended to read as follows:

48 “(h)(1) The ABC Board shall provide notice of complete and eligible cultivation center,
49 retailer, and internet retailer license applications received from unlicensed establishments to the
50 Councilmember, and any Advisory Neighborhood Commission within 600 feet of where the
51 establishment is or will be located (“affected ANC”), for a 45-calendar day public comment period.
52 The ABC Board may extend the public comment period required by this paragraph in response to
53 a written request submitted by either an affected ANC or the applicant by an additional 30-calendar
54 days.

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

56 “(3) The ABC Board shall hold a contested case protest hearing within 120 days of
57 receiving a timely protest from an affected ANC pursuant to paragraph (2) of this subsection.

58 “(4) The provisions of this subsection shall apply to all applications submitted to
59 ABCA after the effective date of the Medical Cannabis Program Enforcement Emergency
60 Amendment Act of 2024, passed on emergency basis on January 9, 2024 (Enrolled version of Bill
61 25-XXX).”.

62 (c) Section 7b (D.C. Official Code § 7-1671.06b) is amended by adding a new subsection
63 (e) to read as follows:

64 “(e) An unlicensed establishment shall not display signage or imagery advertising relating
65 to:

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

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

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

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

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

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

75 “(f) Beginning January 31, 2024, the ABC Board may issue the following fines to an
76 unlicensed establishment that violates section 7(c-1) or 7b(e), or has not filed an accepted and
77 pending application with the ABC Board and knowingly engages or attempts to engage in the
78 purchase, sale, exchange, delivery, or any other form of commercial transaction involving cannabis
79 that is not purchased, sold, exchanged, or delivered in accordance with the provisions of this act
80 or section 401 of the District of Columbia Uniform Controlled Substances Act of 1981, effective
81 August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-904.01):

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

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

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

86 “(B) Require the unlicensed establishment to submit a remediation plan to
87 the ABC Board that contains the unlicensed establishment’s plan to prevent any future recurrence
88 of purchasing, selling, exchanging, delivering, or otherwise transacting any cannabis that is not
89 purchased, sold, exchanged, or delivered in accordance with the provisions of this act or section
90 401 of the District of Columbia Uniform Controlled Substances Act of 1981, effective August 5,
91 1981 (D.C. Law 4-29; D.C. Official Code § 48-904.01); and

92 “(3) For any subsequent violations or if the unlicensed establishment fails to submit
93 a remediation plan in accordance with paragraph (2) of this subsection, or if the ABC Board rejects
94 the unlicensed establishment’s remediation plan, the ABC Board may issue a fine in the amount
95 of \$20,000.”.

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

97 (1) Subsection (a) is amended by striking the phrase “Board or the Mayor” both
98 times it appears and inserting the word “Board” in its place.

99 (2) Subsection (d) is amended by striking the phrase “Board or the Mayor” and
100 inserting the word “Board” in its place.

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

103 (f) New sections 15, 16, 17, and 18 are added to read as follows:

104 “Sec. 15. Examination of premises, books, and records.

105 “(a) An applicant for a license, and each licensee, shall allow any ABCA investigator, agent
106 of the ABC Board, or any member of the Metropolitan Police Department full opportunity to
107 examine, at any time during business hours:

108 “(1) The premises where a cannabis product is manufactured, kept, sold, or
109 consumed for which an application for a license has been made or for which a license has been
110 issued; and

111 “(2) The books and records of the business for which an application for a license
112 has been made or for which a license has been issued.

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

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

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

123 “‘Sec. 17. Notifications from Department of Licensing and Consumer Protection, Office of
124 Tax and Revenue, Fire and Emergency Medical Services Department, and Metropolitan Police
125 Department.

126 “(a) The Department of Licensing and Consumer Protection, the Office of Tax and
127 Revenue, and the Fire and Emergency Medical Services Department shall notify the ABC Board
128 if a licensed establishment is the subject of a citation, revocation, or other enforcement action for
129 a violation of laws or regulations enforced by those agencies or offices within 30-calendar days
130 after the citation, revocation, or other enforcement action.

131 “(b) If a licensed establishment is the subject of an incident report by the Metropolitan
132 Police Department, the Metropolitan Police Department shall file a copy of the incident report with
133 the ABC Board within 30-calendar days after the incident. The ABC Board shall make the report
134 available for public inspection upon request.

135 “Sec. 18. Nuisance.

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

140 “(b) An action to enjoin any nuisance defined in subsection (a) of this section may be
141 brought in the name of the District of Columbia by the Attorney General for the District of
142 Columbia in the Civil Branch of the Superior Court of the District of Columbia against any person
143 conducting or maintaining such nuisance or knowingly permitting such nuisance to be conducted
144 or maintained.”.

145 Sec. 3. The Medical Cannabis Amendment Act of 2022, effective March 22, 2023 (D.C.
146 Law 24-332; 70 DCR 1582), is amended as follows:

147 (a) Section 8 (D.C. Official Code § 7-1675.01) is amended as follows:

148 (1) Subsection (a) is amended as follows:

149 (A) Paragraph (1) is amended as follows:

150 (i) The lead-in language is amended by striking the phrase
151 “Alcoholic Beverage and Cannabis Administration makes final determinations for the licensure of
152 unlicensed establishments pursuant to §§ 7-1671.06a and 7-1671.06b, for the first violation
153 of D.C. Official Code § 47-2844(a-2)(1B), the Mayor” and inserting the phrase “Alcoholic

154 Beverage and Cannabis Board (“ABC Board”) makes final determinations for the licensure of
155 unlicensed establishments pursuant to sections 7a and 7b of the Legalization of Marijuana for
156 Medical Treatment Initiative of 1999, effective March 22, 2023 (D.C. Law 24-332; D.C. Official
157 Code §§ 7-1671.06a and 7-1671.06b), for the first violation of section 9(f) of the Legalization of
158 Marijuana for Medical Treatment Initiative of 1999, effective July 27, 2010 (D.C. Law 18-210;
159 D.C. Official Code § 7-1671.08(f)), the ABC Board ” in its place.

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

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

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

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

172 (B) Paragraph (1) is amended by striking the phrase “The Mayor shall issue
173 a fine in the amount of up to \$10,000” and inserting the phrase “The ABC Board shall issue a fine
174 in the amount of \$10,000” in its place.

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

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

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

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

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

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

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

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

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

198 (b) Section 9 is amended as follows:

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

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

203 Sec. 4. Fiscal impact statement.

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

207 Sec. 5. Effective date.

208 This act shall take effect following approval by the Mayor (or in the event of veto by the
209 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
210 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24,
211 1973 (87 Stat. 788; D.C. Official Code §1-206.02(c)(1)), and publication in the District of
212 Columbia Register.