



OFFICE OF CHAIRMAN PHIL MENDELSON
COUNCIL OF THE DISTRICT OF COLUMBIA

BILL NAME:

The Comprehensive Cannabis Legalization and Regulation Act of 2021.

WHAT THIS BILL DOES:

This legislation would legalize and regulate the cultivation, production, and sale of recreational cannabis in the District.

IMPORTANCE OF THE BILL:

In 2014, voters of the District overwhelmingly approved Initiative 71, which legalized the possession and cultivation of limited amounts of cannabis by residents age 21 and above. A month later, Congress included a rider in the Consolidated and Further Continuing Appropriations Act, 2015 prohibiting the District from using any funds to enact legislation taxing and regulating cannabis. This has led to a flourishing “grey market” with no regulations in place to protect consumers or the District.

To address this problem, I am pleased to introduce the Comprehensive Cannabis Legalization and Regulation Act of 2021 with my colleagues Councilmembers Allen, Cheh, Henderson, McDuffie, Pinto, and Nadeau. The Act is the culmination of over a year of work by my office and various stakeholders to draft a proposal that creates a comprehensive regulatory framework for the cultivation, production, and sale of recreational cannabis while centering reinvestment and opportunity for people and communities hit hardest by the drug war. To accomplish this, the bill includes:

- **A regulatory scheme to license the cultivation, production, and retail sale of cannabis in the District.** Regulations would be drafted by the renamed Alcoholic Beverage and Cannabis Administration (ABCA) in consultation with a Marijuana Advisory Committee composed of experts and community members. This would include use of a seed-to-sale tracking system to ensure that legal cannabis is not diverted into the illicit market.
- **A robust social equity program to provide opportunities for entrepreneurship to individuals most impacted by the War on Drugs.** At least half of all cannabis business licenses would be set aside for Social Equity Applicants, defined as residents who have been previously convicted of cannabis related offenses or have lived ten of the last twenty years in areas with high rates of poverty, unemployment, and cannabis-related arrests. Thirty percent of tax revenues from the sale of cannabis would be deposited into a Cannabis Equity and Opportunity Fund to provide loans, grants and technical assistance to these applicants.

- **A community reinvestment program for communities most impacted by the War on Drugs.** Fifty percent of tax revenues from the sale of cannabis would be deposited into a Community Reinvestment Program Fund. The fund would be used to provide grants to organizations addressing issues such as economic development, homeless prevention, support for returning citizens, and civil legal aid in areas with high poverty, unemployment, and gun violence.
- **Automatic expungement of D.C. Code cannabis-related arrests and convictions, and opportunities for re-sentencing of cannabis-related convictions.** In this bill, the Clerk of the Superior Court of the District of Columbia would search and automatically expunge any D.C. Code arrests and convictions of cannabis-related offenses. Incarcerated people would have an opportunity to have their sentence for cannabis-related offenses modified, vacated, or set aside.

This bill also includes provisions that would protect the supply of medical cannabis products for qualified patients, protect District residents who legally possess and consume cannabis so that they do not lose benefits, employment, or access to other critical resources, authorize banks to conduct business with licensees, allow for local tax deductions for licensee business expenses, and implement a robust public education campaign to inform residents of the law and responsible use of cannabis products.

This legislation will address inequities in the cannabis industry while providing for the safety and well-being of communities across the District. Previous iterations of this legislation did not go far enough to right the wrongs of the past or provide access to opportunities for our residents, particularly Black residents who have been unjustly targeted by the drug war. While we must wait for the congressional rider to be lifted before this Act could be implemented, it is my hope that with a Democratic majority in the Senate, that time will come soon.



Chairman Phil Mendelson

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46

A BILL

IN THE COUNCIL OF THE DISTRICT COLUMBIA

To amend Title 25 of the District of Columbia Official Code to establish the Alcoholic Beverage and Cannabis Board and the Alcoholic Beverage and Cannabis Administration; to establish that the Chairperson of the ABCA Board may also have demonstrated knowledge in the cannabis industry; to establish the Cannabis Regulation Division; to establish the Cannabis Advisory Committee; to define various terms for new chapters 21 through 30; to prohibit discrimination; to prohibit the sale of marijuana or marijuana products without a license; to prohibit exchanges of marijuana for purchasing another item; to provide the Board with the authority to issue marijuana licenses for 3 year periods; to create the Cannabis Equity and Opportunity Fund; to set aside a certain percentage of licenses for Social Equity Applicants; to establish grant and loan programs for Social Equity Applicants; to create requirement for the transfer of Social Equity Applicant licenses; to establish the Community Reinvestment Program and Board; to authorize the Board to create incentives for the production of medical marijuana and medical marijuana products; to create cultivation, manufacturer, microbusiness, off-premises retailer, and testing facility license categories; to create a research and development license category; to require laboratory agent registration with the ABCA; to require marijuana microbusinesses and off-premises retailers to obtain a delivery endorsement from the Board to deliver marijuana and marijuana products to District residents' homes; to create general qualifications for applicants; to require an applicant to have at least one or more directors, owners, or partners who are District residents that, individually or collectively, own 60% or more of the licensed establishment; to establish general qualifications for proposed establishments; to clarify when the appropriateness standards apply to marijuana license applications; to prohibit a microbusiness or off-premises retailer from being located within 400 feet of schools or recreation centers or in a residential-use district; to require the Board to give notice to the public for 45 days of various marijuana license applications; to establish procedures for Board hearings and decisions; to establish licensing fees for marijuana license applications; to establish requirements for filing a protest; to provide an affected ANC great weight; to establish general operating and product testing requirements; to require posting of licenses; to

47 establish hours of operation for marijuana licensees; to require licensees use a Board-
48 approved seed-to-sale tracking system; to establish maximum permitted sale amounts for
49 microbusinesses and off-premises retailers; to create packaging and labeling requirements
50 for marijuana products; to restrict what can be displayed on signs or logos from
51 marijuana licensees; to restrict the content and methods for advertising marijuana and
52 marijuana products; to prohibit licensees from giving free samples, promotional
53 giveaways, or mandating tie-in purchases for marijuana or marijuana product; to prohibit
54 the sale of marijuana or marijuana products to minors; to prohibit minors from entering a
55 licensed premises; to require the production of valid photo identification for entrance on
56 to the premises or for the sale of marijuana or marijuana products; to require security
57 plans and measures for licensed marijuana establishments; to require safekeeping by
58 ABCA of licenses that are temporarily suspended; to provide enforcement authority to
59 ABCA investigators, the Board, and MPD; to require the Board to establish a civil
60 penalty fine schedule by rulemaking; to prohibit the sale of marijuana or marijuana
61 products at licensed alcohol and tobacco establishments; to prohibit the sale of alcohol or
62 tobacco infused marijuana products; to prohibit tampering with packages or containers; to
63 make it unlawful to provide vaping devices to persons under 21 years of age; to make it
64 unlawful to forge a marijuana license; to provide a penalty for violations where no
65 specific penalty is provided; to prohibit purchase, possession, use or consumption by
66 persons under the age of 21; to impose an excise tax on marijuana sold or transferred
67 from cultivators to distributors, manufacturers, and retailers; to direct revenues to the
68 General Fund; to expunge records for marijuana convictions and adjudications; to
69 establish the authority for financial institutions to transact business with licensees; to
70 create a portal to ensure compliance of financial institutions; to exempt information
71 related to the location of cannabis properties owned by a cannabis cultivator or
72 manufacturer from FOIA disclosure; and to allow the transfer to another person 21 years
73 or older marijuana weighing ‘one ounce or less, or one clone, regardless of weight.
74

75 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
76 act may be cited as the “Comprehensive Cannabis Legalization and Regulation Act of 2021”.

77 Sec. 2. Title 25 of the District of Columbia Official Code is amended as follows:

78 (a) The word “ABRA” is replaced with the word “ABCA” wherever it appears in this
79 Title.”.

80 (b) Chapter 1 is amended as follows:

81 (1) Section 25-101 is amended as follows:

82 (A) Subsection (1) is amended to read as follows:

83 “(1) “ABCA” means the Alcoholic Beverage and Cannabis
84 Administration established by § 25-202.”.

85 (B) Subsection (11) is amended to read as follows:

86 “(11) “Board” means the Alcoholic Beverage and Cannabis Board
87 established by § 25-201.

88 (c) Chapter 2 is amended as follows:

89 (1) The title of § 25-201 is amended to read as follows:

90 “§ 25-201. Establishment of the Alcoholic Beverage and Cannabis
91 Board—appointment and responsibilities.”

92 (2) The first sentence of Section 25-201 is amended to read as follows:

93 “There is established an Alcoholic Beverage and Cannabis Board.”.

94 (3) Section 25-206 is amended to read as follows:

95 (A) Subsection (f)(2) is amended to read as follows:

96 “(f)(2) The chairperson shall have a demonstrated knowledge of
97 the laws and regulations related to the sale and delivery of alcoholic beverages in the District and
98 shall also have demonstrated knowledge of the cannabis industry.”.

99 (A) Subsection (g) is amended to read as follows:

100 “(g) No members or employee of the Board, directly or indirectly,
101 individually, or as a member of a partnership, association, or limited liability company, or a
102 shareholder in a corporation, shall have any interest in selling, transporting, or storing alcoholic
103 beverages or marijuana products, or receive a commission or profit from any person licensed
104 under this title to sell alcoholic beverages or cannabis products; provided, that a Board member
105 or employee may purchase, transport, or keep in his or her possession an alcoholic beverage or

106 marijuana product for his or her personal use or the use of the members of his or her family or
107 guests.”.

108 (4) A new section 25-213 is added to read as follows:

109 “Sec. 25-213. Cannabis Regulation Division; Chief of Cannabis
110 Regulation.

111 “(a) There is established a Cannabis Regulation Division
112 (“Division”) within the Alcoholic Beverage and Cannabis Administration, which shall have as its
113 head a Chief of Cannabis Regulation.

114 “(b)(1) The Division shall be responsible for the administration of
115 this act and any laws and regulations under the Legalization of Marijuana for Medical Treatment
116 Initiative of 1999, effective February 25, 2010 (D.C. Law 13-315, D.C. Official Code § 7-
117 1671.01 et seq.).

118 “(c) The Chief of Cannabis Regulation shall be appointed by, and
119 report directly to, the Director of the Alcohol and Cannabis Control Administration.

120 “(c) The Chief of Cannabis Regulation shall:

121 “(1) Be a resident of the District within 6 months of the
122 commencement of his or her term of office;

123 “(2) Possess skills and expertise relevant to the regulation
124 of cannabis.”.

125 (5) A new section 25-214 is added to read as follows:

126 “Sec. 25-214. Marijuana Advisory Committee.

127 “(a) The Mayor shall appoint a Marijuana Advisory Committee to
128 study and make recommendations to the Board on the regulation and taxation of marijuana in the
129 District.

130 “(b) The Committee shall consist of the following members:

131 “(1) The Director of ABCA, who shall serve as the
132 Committee Chair;

133 “(2) The Commissioner of DISB or his or her designee;

134 “(3) The Attorney General of the District of Columbia or
135 his or her designee;

136 “(4) The Chief Financial Officer or his or her designee;

137 “(5) The Director of the Public Defender Service for the
138 District of Columbia or his or her designee;

139 “(6) The Director of the Department of Health or his or her
140 designee;

141 “(6) A person with expertise in marijuana cultivation;

142 “(7) A person with expertise in marijuana product
143 manufacturing;

144 “(8) A person with experience selling licensed marijuana or
145 marijuana products;

146 “(9) A person with expertise in criminal justice reform;

147 “(10) Two persons from Disproportionately Impacted
148 Areas as defined in D.C. Code § 25-2101;

149 “(11) A person with expertise in economic development;

150 “(12) A person with expertise in racial and economic
151 justice; and

152 “(13) A person who is a current qualified patient under the
153 District’s medical marijuana program.”.

154 “(c)(1) Members of the Committee identified in (b)(5) through
155 (b)(11) of this subsection shall serve for terms of 3 years.

156 “(2) A member shall disclose any conflicts of interest and
157 recuse him or herself from the discussion or consideration of any recommendations where a
158 conflict of interest exists.

159 “(d)(1) The Committee shall advise on the preparation of
160 regulations and consider all matters submitted to it by the Board.

161 “(2) Where the Board rejects recommendations from the
162 Committee, it must provide the Committee a justification for the rejection.

163 “(e) The Chair may establish subcommittees in order to expedite
164 the work of the Committee.”.

165 (6) A new section 25-215 is added to read as follows:

166 “Sec. 25-215. Cannabis license data portal.

167 “ABCA shall establish a public portal that includes information on
168 the following:

169 “(a) The number of licenses available, pending approval, and
170 awarded in each license category, including Social Equity Applicants;

171 “(b) The demographic characteristics of licensees;

172 “(c) License numbers and other relevant information on licensed
173 marijuana establishments in the District;

174 “(d) Monthly production and sales activity; and

175 “(e) Monthly enforcement and compliance data, including the
176 number and type(s) of violations and the number and type(s) of enforcement visits;

177 “(f) The location of Disproportionately Impacted Areas in the
178 District; and

179 “(g) Annual data on the distribution of grant, equity or loans as
180 described in D.C. Official Code § 25-2107.”.

181 (d) A new Chapter 21 is added to read as follows:

182 CHAPTER 21. GENERAL PROVISIONS, SOCIAL EQUITY, COMMUNITY
183 REINVESTMENT, AND MEDICAL MARIJUANA INCENTIVES.

184 “25-2101. Definitions

185 For purposes of chapters 21 through 29 of this title, the following terms shall apply:

186 “(1) “Adult” means a person who is 21 years of age or older.

187 “(2) “Cannabidiol” or “CBD” means a non-psychoactive cannabinoid found in
188 the plant Cannabis sativa L. or Cannabis indica or any other preparation thereof that is
189 essentially free from plant material and has a tetrahydrocannabinol level of no more than
190 3%.

191 “(3) “Cannabinoid” means any of the chemical compounds that are the active principles
192 of marijuana.

193 “(4) “Cannabis” means marijuana.

194 “(5) “Child-resistant” means special packaging that is:

195 “(A) Designed or constructed to be significantly difficult for children under five
196 years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R.
197 1700.15 (1995) and 16 C.F.R. 1700.20 (1995). Note that this Rule does not include any later
198 amendments or editions to the Code of Federal Regulations;

199 “(B) Opaque so that the packaging does not allow the product to be seen without
200 opening the packaging material; and

201 “(C) Resealable for any product intended for more than a single-use or containing
202 multiple servings.

203 “(6) “Disproportionately Impacted Area” means a census tract or comparable geographic
204 area that satisfies the following criteria as determined by the Cannabis Regulation Division of the
205 Alcoholic Beverage and Cannabis Administration:

206 “(A) Meets at least one of the following criteria:

207 “(i) The area has a poverty rate of at least 15%; or

208 “(ii) The share of households in the area that receive public assistance
209 income as defined by the Census Bureau is at least 4%; or

210 “(iii) The area has an average unemployment rate, as determined by the
211 Department of Employment Services, that is more than 120% of the national unemployment
212 average as determined by the United States Department of Labor, for a period of at least 2
213 consecutive calendar years preceding the date of the application; and

214 “(B) Has or had high rates of arrest, conviction, and incarceration related to the
215 sale, possession, use, cultivation, manufacture, or transport of cannabis.

216 “(7) “DFS” means the Department of Forensic Sciences.

217 “(8) “DOH” means the Department of Health, also known as DC Health.

218 “(9) “Edible marijuana product” means any marijuana product for which the intended use
219 is oral consumption, including any type of food, drink, or pill.

220 “(10) “Electronic smoking device” shall have the same meaning as it is used in the
221 Electronic Cigarette Parity Amendment Act of 2016, effective February 18, 2017 (D.C. Law 21-
222 189; D.C. Official Code § 7-741.01(1)).

223 “(11) “FEMS” means the Fire and Emergency Medical Services Department.

224 “(12) “Finished marijuana” means usable marijuana, cannabis resin or
225 cannabis concentrate.

226 “(13) “Hemp” means a plant of the genus Cannabis and any part of the plant, whether
227 growing or not, containing a delta-9 tetrahydrocannabinol (THC) concentration of no more than
228 three-tenths of one percent (0.3%) on a dry weight basis.

229 “(14) “Laboratory agent” means an employee of an independent testing facility who
230 transports, possesses, or tests marijuana.

231 “(15) “Marijuana” means all parts of the plant from the genus Cannabis, whether growing
232 or not, with a THC concentration greater than 0.3% on a dry weight basis, the seeds thereof; the
233 resin extracted from any part of the plant; and every compound, manufacture, salt, derivative,
234 mixture, or preparation on the plant, its seeds or resin. The term does not include the mature
235 stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant,
236 any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks
237 (except the resin extracted therefrom) fiber, oil, cake, or the sterilized seed of the plant which is
238 incapable of germination.

239 “(16) “Marijuana concentrate” means a product derived from cannabis that is produced
240 by extracting cannabinoids from the plant through the use of propylene glycol, glycerin, butter,

241 middle chain triglyceride oils, olive oil or other typical cooking fats; water, ice, or dry ice; or
242 butane, propane, CO2, ethanol, or isopropanol.

243 “(17) “Marijuana establishment” means a marijuana cultivator, independent testing
244 laboratory, marijuana product manufacturer, marijuana retailer, or any other type of licensed
245 marijuana-related business.

246 “(18) “Marijuana tincture” means an alcoholic extract of cannabis commonly used in the
247 production of marijuana extracts.

248 (19) “Member of an impact family” means an individual who has a parent, legal
249 guardian, child, spouse, or dependent, or was a dependent of an individual who, prior to the
250 effective date of this Act, was arrested for, convicted of, or adjudicated delinquent for any
251 offense that is eligible for expungement under this Act.

252 “(20) “Minor” means a person who is 20 years of age or younger.

253 “(21) “MPD” means the Metropolitan Police Department.

254 “(22) “OAH” means the Office of Administrative Hearings.

255 “(23) “OTR” means the Office of Tax and Revenue.

256 “(24) “Qualified social equity applicant” means social equity applicant who has been
257 awarded a conditional license under this act to operate a cannabis business establishment.

258 “(25) “Research project” means a discrete scientific endeavor to answer a research
259 question or a set of research questions. A research project must include the description of a
260 defined protocol, clearly articulated goal(s), defined methods and outputs, and a defined start and
261 end date.

262 “(26) “Sale” or “sell” includes offering for sale, keeping for sale, cultivating or
263 manufacturing for sale, soliciting orders for sale, trafficking in, importing, exporting, bartering,

264 delivering for value or in any way other than by purely gratuitously transferring. Every delivery
265 of cannabis or a cannabis product made other than purely gratuitously shall constitute a sale.

266 “(27) “Seed to sale tracking system” means an inventory control system used by ABCA
267 and licensees under this title to track the cultivation, manufacturing, and sales of marijuana and
268 marijuana products.

269 “(28) “Social equity applicant” means an applicant that is a resident of the District that
270 meets one of the following criteria:

271 “(A) An applicant with at least 60% ownership and control by one or more
272 individuals who have resided for at least 10 of the preceding 20 years in a Disproportionately
273 Impacted Area; or

274 “(B) An applicant with at least 60% ownership and control by one or more
275 individuals who have been arrested for, convicted of, or adjudicated delinquent for any offense
276 that is eligible for expungement under this Act or are members of an impacted family.

277 “(29) “Straw ownership” is nominal ownership without the attendant benefits and risks of
278 genuine ownership, where someone, often for a fee, allows themselves to be named on
279 documents or purports in writing to be an owner, in whole or in part, to the government for the
280 sake of satisfying a regulatory requirement. Straw ownership for the sake of satisfying a
281 regulatory requirement is a species of fraud and may be used to submit a false claim.

282 “(30) “Sweat equity contributions” are non-monetary investments that founders, owners,
283 and employees contribute to a business venture, through which they obtain shares of ownership
284 as specified in a service agreement.

285 “(31) “THC” means tetrahydrocannabinol.”.

286 “§ 25-2102. Sale of cannabis or cannabis products without a license prohibited.

287 “(a) No person shall sell cannabis or cannabis products in the District without
288 having first obtained an appropriate license as required by this title.

289 “(b) No cultivator or manufacturer located within the District shall offer marijuana or any
290 marijuana products for sale to, or solicit orders for the sale of marijuana or marijuana products
291 from, any person not licensed under this title.

292 “(c) This Act shall not be construed to regulate or include hemp plants and hemp
293 products as the Agriculture Improvement Act of 2018 legalized industrial hemp under
294 Federal law [Public Law No.: 115-334].

295 “(d) It shall be unlawful to give marijuana or marijuana products for free to a person
296 in exchange for their purchasing another item or service, making a donation, engaging in
297 advocacy, joining a club or organization, or paying a cover charge for a party or event. Such a
298 transaction shall constitute a sale of marijuana and shall be unlawful without a license.”.

299 “§ 25-2103. Authority to grant licenses.

300 “(a) The Board may issue licenses to persons who meet the requirements set forth
301 in this title.

302 “(b) All marijuana licenses issued under this title shall be valid for a term of 3
303 years and may be renewed upon completion of the renewal procedures established by the
304 Board and payment of the required fees.

305 “(c) A license to sell cannabis or cannabis products can only be granted by the
306 Board upon completion of the application and review process as contained in this title.

307 “(d) A license for a marijuana establishment shall describe the location of where the
308 rights of the license are to be exercised.

309 “(e) The Board, in issuing licenses, may require that certain conditions be met if it
310 determines that the inclusion of conditions will be in the best interest of the locality, section, or
311 portion of the District where the licensed establishment is to be located. The Board, in setting the
312 conditions, shall state, in writing, the rationale for the determination.”.

313 “§ 25-2104. Social equity in the cannabis industry.

314 “(a) There is established a fund designated as the Cannabis Equity and Opportunity Fund
315 (“Fund”), which shall be separate from the General Fund of the District of Columbia. 30% of
316 monies obtained pursuant to D.C. Official Code § 25-3001 shall be deposited into the Fund
317 without regard to fiscal year limitation pursuant to an act of Congress, and used solely to pay the
318 costs of operating and maintaining the Fund and for the purposes stated in subsection (c) of this
319 section. All funds, interest, and other amounts deposited into the Fund shall not be transferred or
320 revert to the General Fund of the District of Columbia at the end of any fiscal year or at any other
321 time but shall continually be available for the uses and purposes set forth in this section, subject
322 to authorization by Congress in an appropriations act.

323 “(b) The Mayor shall administer the monies deposited into the Fund.

324 “(c) The fund shall be used for the purposes of providing loans, equity, and grants as
325 outlined in D.C. Official Code § 25-2106, and for the following purposes:

326 “(1) To pay for outreach to attract and support Social Equity Applicants;

327 “(2) To conduct any study or research concerning the participation of people of
328 color, women, veterans, or people with disabilities in the cannabis industry, including, without
329 limitation, barriers to such individuals entering the industry as equity owners of marijuana
330 establishments;

331 “(3) To assist with job training and technical assistance for residents in
332 Disproportionately Impacted Areas.”.

333 “§ 25-2105. Social equity applicant set-asides.

334 “(a) The Board shall set aside at least half of all available licenses in each of the license
335 categories in D.C. Official Code §§ 25-2201, 25-2202, 25-2203, and 25-2204.

336 “(b) The Board may approve set-asides for Social Equity Applicants in other license
337 categories created by regulations.

338 “(c) Straw ownership for the sake of fulfilling the ownership requirements of Social
339 Equity Applicant licenses section is banned, both for the District resident(s) and the out of state
340 residents purporting to give the District resident(s) a 60% ownership share.

341 “§ 25-2106. Loans and grants to social equity applicants.

342 “(a) ABCA shall establish grant, equity, and loan programs for the purposes of providing
343 financial assistance, loans, grants, equity, and technical assistance to Social Equity Applicants.

344 “(b) ABCA has the power to:

345 “(1) Provide Cannabis Social Equity loans, equity, and grants from appropriations
346 from the Cannabis Equity and Opportunity Fund to assist Social Equity Applicants in gaining
347 entry to, and successfully operating in, the District's regulated cannabis marketplace;

348 “(2) Enter into agreements that set forth terms and conditions of the financial
349 assistance, accept funds or grants, and engage in cooperation with private entities to carry out the
350 purposes of this section;

351 “(3) Fix, determine, charge, and collect any premiums, fees, charges, costs, and
352 expenses, including application fees, commitment fees, program fees, financing charges, or
353 publication fees in connection with its activities under this section;

354 “(4) Provide staff, administration, and related support required to administer this
355 section;

356 “(5) Establish application, notification, contract, and other forms, procedures, or
357 rules deemed necessary and appropriate; and

358 “(6) Utilize vendors or contract work to carry out the purposes of this act.

359 “(c) Grants made under this section shall be awarded on a competitive and annual basis.
360 Grants made under this Section shall further and promote the goals of this act, including the
361 promotion of Social Equity Applicants, job training and workforce development, and technical
362 assistance to Social Equity Applicants.

363 “(d) Loans made under this section shall be in such principal amount and form and
364 contain such terms and provisions with respect to security, insurance, reporting, delinquency
365 charges, default remedies, and other matters as ABCA shall determine appropriate to protect the
366 public interest and to be consistent with the purposes of this section. The terms and provisions
367 may be less than required for similar loans not covered by this section.

368 “(e) Beginning January 1, 2023 and each year thereafter, ABCA shall annually report to
369 the Council on the outcomes and effectiveness of this section that shall include the following:

370 “(1) The number of persons or businesses receiving financial assistance under this
371 section;

372 “(2) The amount in financial assistance awarded in the aggregate, in addition to
373 the number of loans made that are outstanding and the number of grants awarded;

374 “(3) The location of the project engaged in by the person or business; and

375 “(4) If applicable, the number of new jobs and other forms of economic output
376 created as a result of financial assistance.

377 “(f) The Board shall include engagement with individuals with limited English
378 proficiency as part of its outreach provided or targeted to attract and support Social Equity
379 Applicants.”.

380 “§ 25-2107. Transfer of license awarded to a social equity applicant.

381 “(a) In the event a Social Equity Applicant seeks to transfer, sell, or grant a cannabis
382 business establishment license within 5 years after it was issued to a person or entity that does
383 not qualify as a Social Equity Applicant, the transfer agreement shall require the new license
384 holder to pay the Cannabis Equity and Opportunity Fund an amount equal to:

385 “(1) Any fees that were waived by the Board based on the applicant's status as a
386 Social Equity Applicant, if applicable;

387 “(2) Any outstanding amount owed by the Qualified Social Equity Applicant for a
388 loan through the Cannabis Equity and Opportunity Fund, if applicable; and

389 “(3) The full amount of any grants that the Qualified Social Equity Applicant
390 received from ABCA, if applicable.

391 “(b) In cases where a Social Equity Applicant seeks to transfer, sell, or grant a cannabis
392 business establishment license to a non-Social Equity Applicant, the Board shall consider
393 whether the transfer would undermine the set-aside thresholds established in D.C. Official Code
394 § 25-2106 when determining approval of said transfer.

395 “(c) Transfers of cannabis business establishment licenses awarded to a Social Equity
396 Applicant are subject to all other provisions of this Act, and rules regarding transfers.”.

397 “§ 25-2108. Community reinvestment program fund.

398 “(a) There is established a Community Reinvestment Program Fund (“Fund”) which shall
399 be separate from the General Fund of the District of Columbia. 50% of monies obtained pursuant

400 to D.C. Official Code § 25-3001 shall be deposited into the Fund without regard to fiscal year
401 limitation pursuant to an act of Congress, and used solely to pay the costs of operating and
402 maintaining the Fund and for the purposes stated in subsection (b) of this section. All funds,
403 interest, and other amounts deposited into the Fund shall not be transferred or revert to the
404 General Fund of the District of Columbia at the end of any fiscal year or at any other time but
405 shall continually be available for the uses and purposes set forth in this section, subject to
406 authorization by Congress in an appropriations act.

407 “(b) Monies from the Fund shall be used to provide grants to community-based
408 organizations that address economic development, mental health treatment, substance use
409 disorder treatment, non-law enforcement violence prevention services, homeless prevention
410 services, re-entry services, youth development, and civil legal aid in eligible program areas as
411 determined by ABCA in subsection (c).

412 “(c)(1) Within 180 days after the effective date of this act, ABCA and the Deputy Mayor
413 for Economic Development shall identify areas in the District that are eligible to participate in
414 the Community Reinvestment Program. Eligibility shall be determined by an analysis of data that
415 finds that the area is high need, underserved, disproportionately impacted by economic
416 disinvestment, and experiences high levels of gun violence, unemployment, or child poverty.

417 “(2) ABCA and the Deputy Mayor for Economic Development shall send to the
418 Council and make publicly available its analysis and identification of eligible areas in the
419 District. ABCA shall recalculate the eligibility data every 4 years.

420 “(d) There is established a Community Reinvestment Program Board (CRPB) that is
421 responsible for the selection of grantees eligible under subsections (b) and (c). The Board shall
422 be under the Deputy Mayor for Economic Development, who shall work in consultation with

423 ABCA. The CRPB shall be constituted within 180 days after the eligible areas have been
424 designated. Members shall be appointed by the Mayor, with the advice and consent of the
425 Council pursuant to section 2(a) of the Confirmation Act of 1978, effective March 3, 1979 (D.C.
426 Law 2-142; D.C. Official Code § 1-523.01(a)), and shall include:

427 “(1) Three members of community-based organizations that provide services such
428 as job placement and training, educational services, workforce development, and wealth-building
429 in marginalized communities.

430 “(2) Three persons who have been previously incarcerated in the District; and

431 “(3) Three persons from areas eligible for grant funding under the Community
432 Reinvestment Program.

433 “(e) The Board shall also include the following ex-officio members:

434 “(4) The Director of Department of Employment Services or his or her designee;

435 “(5) The Director of the Office of Neighborhood Safety and Engagement or his or
436 her designee; and

437 “(6) The Director of the Department of Health or his or her designee.

438 “(f) A non-ex-officio member shall disclose any conflicts of interest and recuse him or
439 herself from the discussion or consideration of any grant application or program recommendation
440 where a conflict of interest exists.

441 “(f) Within 12 months after the effective date of this Act, the CRPB shall:

442 “(1) Develop a process to solicit community input on the types of programs and
443 grant activities that should be a priority within eligible areas;

444 “(2) Develop a process to solicit applications from eligible areas;

445 “(3) Identify resources sufficient to support the full administration and evaluation
446 of the program, including building and sustaining core program capacity;

447 “(4) Review grant applications and proposed agreements and approve the
448 distribution of resources;

449 “(5) Develop a performance measurement system that focuses on positive
450 outcomes;

451 “(6) Develop a process to support ongoing monitoring and evaluation;

452 “(7) Deliver an annual report to the Mayor and the Council on the distribution of
453 grant funding, performance measurement outcomes, grantee activities, and any other information
454 deemed necessary.

455 (g) The Fund shall be subject to annual audits by the Office of the Chief Financial
456 Officer, which shall be submitted to Council no later than February 1 of each year. The audit
457 shall examine and determine compliance with all applicable laws, rules, and regulations. The
458 audit reports shall be submitted to the Council and the Mayor.”.

459 “§ 25-2109. Incentives for the production of medical marijuana products.

460 “The Board is authorized, through rulemaking, to develop and provide incentives for
461 licensees to produce an adequate supply of medical marijuana and medical marijuana products
462 for qualified patients. Incentives may include the lowering of application and license fees,
463 expedited application and license review, or other financial or non-financial incentives for
464 licensees who will dedicate a percentage of his or her marijuana cultivation, manufacturing, or
465 retail sale to the cultivation, manufacturing, or sale of medical marijuana or medical marijuana
466 products.”.

467 (e) A new Chapter 22 is added to read as follows:

468 CHAPTER 22. CLASSIFICATION OF LICENSES.

469 “§ 25-2201. Cultivation licenses.

470 “(a) A cultivation license shall authorize the licensee to grow and produce medicinal
471 and/or recreational marijuana for sale and delivery at wholesale directly to manufacturers, testing
472 facilities, and retailers.

473 “(b) The holder of a cultivation license shall not be permitted to sell or deliver cannabis
474 or cannabis products directly to the consumer.

475 “(c) Cannabis or cannabis products shall not be consumed, smoked, applied, or
476 vaped on the licensed premises.

477 “(d) The holder of a cultivation license shall provide the Board with the method of
478 disposal used when a testing facility determines that pesticides, mold, or mildew exceed
479 permitted levels or that the cannabis plants are otherwise not suitable for retail
480 distribution.

481 “(e) The Board may create tiers or types of cultivation licenses that are based on square
482 footage, plant count, or annual sales.”.

483 “§ 25-2202. Manufacturer licenses.

484 “(a) A manufacturer's license shall authorize the licensee to process, package, and label
485 medicinal and/or recreational marijuana and medicinal and/or recreational marijuana products for
486 sale and delivery at wholesale directly to testing facilities and retailers.

487 “(b) The holder of a manufacturer’s license shall not be permitted to sell or deliver any
488 cannabis or cannabis products directly to the consumer.

489 “(c) Cannabis or cannabis products shall not be consumed, smoked, applied, or
490 vaped on the licensed premises.”.

491 “§ 25-2203. Marijuana microbusiness licenses.

492 “(a)(1) A marijuana microbusiness license shall authorize the licensee to cultivate,
493 manufacture, and sell at retail medical and/or recreational marijuana and medical and/or
494 recreational marijuana products.

495 “(2) The holder of a microbusiness license shall be permitted to sell any cannabis
496 or cannabis products to off-premises retailers for sale.

497 “(b) A marijuana microbusiness shall not have a total canopy of more than 1,500 square
498 feet for the cultivation of medical and/or recreational marijuana.

499 “(c) The holder of a marijuana microbusiness license shall comply with all applicable
500 laws and regulations regarding cultivation, manufacturing, and sale of marijuana and marijuana
501 products.

502 “(d) Medical marijuana and medical marijuana products must be stored in a manner that
503 separates these products from recreational marijuana or recreational marijuana products.

504 “(e) Cannabis or cannabis products shall not be opened, or the contents consumed,
505 smoked, applied, or vaped, at licensed establishments.”.

506 “§ 25-2204. Off-Premises retailer’s licenses.

507 “(a)(1) An off-premises retailer’s license shall authorize the licensee to sell medical
508 and/or recreational marijuana, and medical and/or recreational marijuana products received from
509 a licensed cultivator, or manufacturer, at retail directly to qualifying patients and caregivers, or
510 customers.

511 “(2) In order to sell medical marijuana or medical marijuana products, an off-
512 premises retailer must:

513 “(A) Register in a form and manner specified by the Board; and

514 “(B) Store and display medical marijuana and medical marijuana products
515 in a manner that separates these products from recreational marijuana or recreational marijuana
516 products.

517 “(b) Cannabis or cannabis products shall not be opened, or the contents consumed,
518 smoked, applied, or vaped, at licensed establishments.

519 “(c) The holder of an off-premises retailer’s license shall not be permitted to sell any
520 cannabis or cannabis products to other licensees for resale.

521 “(d) The Board shall propose regulations creating new off-premises license categories,
522 fees, and permitted hours of sales and operation within 18 months of the effective date of the
523 Act. The Board shall consider, but not be limited to, examining whether and under what
524 conditions off-premises retail sales of marijuana and marijuana products should be permitted at
525 full-service grocery stores as defined under § 25-101(22A), farmer's markets, hotels, and events
526 in which the licensee has been approved for a one-day substantial change as defined by
527 regulation.”.

528 “§ 25-2205. On-premises retailer’s licenses.

529 “(a) The Board shall propose regulations creating new on-premises license categories,
530 fees, and permitted hours of sales and operation within 18 months of the effective date of the
531 Act. The Board shall consider, but not be limited to, safe use centers, creative arts venues, hotels,
532 social clubs, restaurants, and temporary events.

533 “(b) Notwithstanding any other District law, the Board shall consider whether the on-
534 premises consumption of edibles, vaping, or smoking cannabis should be permitted. In no event
535 shall the vaping or smoking of cannabis be permitted on outdoor public space, federally owned
536 land or buildings, or space owned or leased by the facility, at street level, or adjacent to the street

537 or sidewalk. As part of its review, the Board shall also consider whether hookah lounges offering
538 cannabis products should be permitted.

539 “(c) The Board shall consult with DOH and the FEMS in preparing regulations
540 pursuant to this section.”.

541 “§ 25-2206. Testing Facility licenses.

542 “(a) A testing facility license shall authorize the licensee to test medical and recreational
543 marijuana plants and medicinal and recreational manufactured products for contaminants and
544 potency.

545 “(b) The holder of a testing facility license shall be permitted to transport samples to and
546 from another licensee.

547 “(c)(1) The Board, in coordination with the DFS, shall establish certification and testing
548 protocols for the sampling, testing, and analysis of medical and recreational marijuana and
549 medical and recreational marijuana products.

550 “(2) Certification protocols shall include, at a minimum, an analysis of a testing
551 facility’s standard operating procedures and facilities and equipment.

552 “(d) DFS may obtain samples sufficient to perform tests and may conduct inspections of
553 licensees’ premises in order to effect the purposes of this title.”.

554 “§ 25-2206. Research and development facility licenses.

555 “(a) A research and development facility license shall authorize the licensee to cultivate
556 or possess medical marijuana and medical marijuana products for the use in research projects
557 only.

558 “(b) A licensed cultivation, manufacturer, or microbusiness may transfer medical
559 marijuana or medical marijuana products to a research and development facility for use in
560 research projects only.

561 “(c) At a minimum, Board approved regulations for research and development facilities
562 shall include a description of authorized research activities for research and development
563 facilities, establish thresholds for the number of medical cannabis plants that a research and
564 development facility may possess at any one time, define procedures for medicinal cultivators or
565 manufacturers to transfer medical marijuana and medical marijuana products to a research and
566 development facility, and establish minimum standards for research involving animal or human
567 subjects, with minimum standards for human subject research conforming to the Federal Policy
568 for the Protection of Human Subjects.”.

569 § 25-2207. Laboratory agent registration.

570 “(a) A laboratory agent volunteering or working at a licensed testing facility shall register
571 with the ABCA prior to starting work or volunteering.

572 “(b) The holder of a testing facility license may apply to ABCA for a registration card for
573 each affiliated laboratory agent by submitting at a minimum the name, address, and date of birth
574 of the laboratory agent.

575 “(c) The holder of a testing facility license shall notify ABCA within one business day if
576 a laboratory agent ceases to be associated with the laboratory, and the laboratory agent’s
577 registration card shall be immediately revoked by ABCA.

578 “(d) A registered laboratory agent shall not be subject to arrest, prosecution, civil
579 penalty, sanctions, or disqualifications under District law, and shall not be subject to seizure or
580 forfeiture of assets under District law for actions taken under the authority of a licensed testing

581 facility and consistent with applicable District laws, regulations, and issuances, including
582 possessing, processing, storing, transferring or testing marijuana within the District of Columbia,
583 provided the registered laboratory agent presents his or her registration card to MPD, any other
584 law enforcement official, or an ABCA investigator or DFS inspector who questions the
585 laboratory agent concerning their marijuana-related activities.

586 “(e) The fee for a laboratory agent registration card shall be determined by rulemaking by
587 the Board.

588 “§ 25-2208. Delivery endorsement.

589 “(a) The holder of a marijuana microbusiness or off-premises retailer’s license shall
590 obtain a delivery endorsement from the Board to be eligible to deliver applicable cannabis or
591 cannabis products directly to District resident’s homes.

592 “(b) The Board may issue rules providing for delivery endorsements by a contractor of a
593 marijuana microbusiness or off-premises retailer, provided that the contractor is approved by the
594 Board, is not a for-hire vehicle service, and does not use vehicles with markings relating to
595 cannabis.

596 “(c) There shall be no additional fee for a delivery endorsement.”.

597 (f) A new Chapter 23 is added to read as follows:

598 CHAPTER 23. LICENSEE AND ESTABLISHMENT QUALIFICATIONS.

599 “§ 25-2301. General qualifications for all applicants.

600 “(a)(1) Before issuing, transferring to a new owner, or renewing a license, the Board shall
601 determine that the applicant meets all of the following criteria:

602 “(A) The applicant is at least 21 years of age.

603 “(B) The applicant has not been convicted of an offense that is directly
604 related to the business for which a license is held or sought.

605 “(2) Pursuant to paragraph (a)(1) of this subsection, the Board shall determine
606 whether a conviction of an offense of an applicant or licensee is directly related to the business
607 for which a license is sought or held by considering the totality of the following factors:

608 “(A) Whether the elements of the offense are directly related, by clear and
609 convincing evidence to the specific duties and responsibilities of the business;

610 “(B) Any evidence produced by the applicant or licensee concerning their
611 rehabilitation and fitness, including:

612 “(i) Evidence as to whether the applicant, licensee, registrant,
613 person certified, or person permitted by this act to practice in the District has recidivated;

614 “(ii) Evidence demonstrating compliance with any terms and
615 conditions of probation, supervised release, or parole;

616 “(iii) The length of time that has elapsed since the offense was
617 committed;

618 “(iv) The age at which the offense was committed;

619 “(v) Any circumstances related to the offense, including mitigating
620 circumstances;

621 “(vi) Evidence of work history, particularly any training or work
622 experience related to the occupation; and

623 “(vii) Letters of reference.

624 “(b) A prior conviction for possession of, possession for sale, manufacture,
625 transportation, or cultivation of a controlled substance shall not be the sole ground for denial of a

626 license, provided that, this shall not apply to convictions for hiring, employing, or using a minor
627 in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled
628 substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or
629 giving any controlled substance to a minor.

630 “(c) To determine whether an applicant or licensee meets the criteria in this section, the
631 Board may obtain criminal history records of criminal convictions maintained by the Federal
632 Bureau of Investigation and the Metropolitan Police Department. The Board shall:

633 “(1) Inform the applicant that a criminal background check will be conducted;

634 “(2) Obtain written approval from the applicant to conduct a criminal background
635 check;

636 “(3) Coordinate with the Metropolitan Police Department to obtain a set of
637 qualified fingerprints from the applicant; and

638 “(4) Obtain any additional identifying information from the applicant that is
639 required for the Metropolitan Police Department and the Federal Bureau of Investigation to
640 complete a criminal background check.”.

641 “25-2302. Restrictions on holding a conflict of interest.

642 “(a) An applicant or licensee shall not hold more than 2 cultivation, manufacturer, or off-
643 premises retailer's licenses; provided, however, that a licensee may hold 2 off-premises retailer's
644 licenses, 2 cultivation licenses, and 2 manufacturer licenses.

645 “(b) An applicant for a testing facility license shall not hold a direct or indirect interest in
646 a cultivation, manufacturer, microbusiness, or off-premises retailer's license.

647 “(c) A marijuana microbusiness applicant or licensee shall not hold a direct or indirect
648 interest in any other license type.

649 “(d) Any licensed facility under this title may be licensed to grow, manufacture, or
650 distribute marijuana under the federal Drug Enforcement Administration Controlled Substances
651 Act registration to supply legitimate researchers in the United States. The ABCA-approved seed
652 to sale tracking system shall be used for these plants, and participation in the federal research
653 program shall be included in the application, annual registration, and license renewal
654 documents.”.

655 “§ 25-2303. Ownership by Residents and Local Hire requirements.

656 “(a) Except for those owners of medical marijuana facilities licensed as of the effective
657 date of this Act, an applicant for a cultivation, manufacturer's, microbusiness, or off-premises
658 retailer's license shall have one or more District residents, which individually or collectively,
659 own at least 60% of the licensed establishment. Persons claiming to be District residents shall
660 submit adequate proof of District residency according to standards determined by ABCA and
661 affirm an intent and commitment to maintaining District residency during the period of
662 ownership of a licensed facility covered by the requirements of this subsection. Such person or
663 persons designated as District resident owners shall receive a return on investment and shall
664 incur obligations and risks on equal footing with all other owners in proportion to their
665 ownership shares.

666 “(b) If the District resident owner(s) who submit proof of residency according to
667 subsection (a) is not a or the majority owner, those who do own such a majority stake,
668 individually or collectively, must affirm on the application, under penalty of perjury, that
669 the 60% owner(s) identified in subsection (a) has and will have all the proportional
670 benefits and obligations accorded to a 60% owner.

671 “(c) Straw ownership for the sake of fulfilling the ownership requirements of this section
672 is banned, both for the District resident(s) and the out of state residents purporting to give the
673 District resident(s) a 60% ownership share in a licensee under this subsection.

674 “(d) Any District resident owner designated as owning at least 60% of the applicant or
675 licensee's business may only satisfy a quarter of its required capital contribution and other indicia
676 and obligations of ownership under this subsection through “sweat equity” — time spent
677 providing services to the company in support of its District licensee pursuant to an agreement
678 describing:

679 “(1) The scope of work that the District resident owner(s) will perform;

680 “(2) The dollar amount that it will be compensated for its services, if any, in
681 addition to the dollar amounts that will be credited to its capital contribution;

682 “(3) The date or time period when the District resident owner(s) will receive
683 compensation and returns on its investment; and

684 “(4) An explanation of when the District resident owner(s) will receive their
685 return or returns as compared to other owners.

686 “(e) Except for those owners of medical marijuana facilities licensed as of the effective
687 date of this Act, a cultivation, manufacturer's, microbusiness or off-premises retailer's licensee
688 shall have at least 60% of its licensed employees submit adequate proof of District residency
689 according to standards determined by ABCA, and that proof shall affirm an intent and severe
690 offenses and encompass occasional or inadvertent failure to comply with basic administrative
691 procedures and protocols or minor changes to plans submitted in licensing documents that do not
692 affect the health, safety, or welfare of the public, nor the integrity of the program established and
693 regulated by this title.

694 “(f) The Board shall require annual certification of the owners’ continued District
695 residency and upon license renewals may require such proof as it deems necessary of ownership
696 if such District residency was an element of the initial granting of a license or transfer of a
697 license, and the Board shall revoke the license of any license holder that no longer maintains the
698 60% ownership by District residents requirement.

699 “(g) The Board shall require annual certification of compliance with the local hiring
700 requirements. If a licensee covered by local hiring requirements falls below the 60% local hiring
701 requirement and does not submit clear and convincing evidence that it has cured the deficit
702 within 90 days, the Board shall revoke the licensee’s license.”.

703 “(h) In addition to any fines imposed for violations or prosecutions, ABCA is authorized
704 to issue warnings, impose additional conditions on licensees, ban persons who have committed
705 violations from participating or purchasing cannabis or working in establishments licensed under
706 this act.

707 “(i) The Board may develop and provide incentives to promote the hiring of District
708 residents who reside in Disproportionately Impacted Areas as defined in § 25-2101(6).

709 “(j) Exceptions to local ownership and local hire requirements in subsections (a) and (e)
710 shall apply to license renewals as well as initial licenses.”.

711 “§ 25-2304. Qualification of establishments.

712 “(a) No license shall be issued to an applicant unless he or she provides the Board with a
713 zoning determination letter, issued by DCRA, stating that the establishment to be licensed is
714 located within a zone that permits the establishment's operation.

715 “(b) The applicant shall bear the burden of proving to the satisfaction of the Board

716 that the establishment for which the license is sought is appropriate for the locality, section, or
717 portion of the District where it is to be located; provided, that if proper notice has been given
718 under subchapter II of Chapter 4 of this title, and no objection to the appropriateness of the
719 establishment is filed with the Board, the establishment shall be presumed to be appropriate for
720 the locality, section, or portion of the District where it is located.”

721 “(c) No license shall be issued to an applicant that holds an alcohol license or a license to
722 sell tobacco at the same location unless otherwise authorized by the Board.

723 “§ 25-2305. Appropriateness standard.

724 “(a) To qualify for the issuance, renewal of a license, or transfer of a license, an applicant
725 for a cultivation, manufacturer, microbusiness, or off-premises retailer license shall be required
726 to satisfy the appropriateness standards set forth in D.C. Official Code § 25-313.

727 “(b)(1) The Board shall also consider whether issuance of the license would create or
728 contribute to an overconcentration of licensed establishments which is likely to affect adversely
729 the locality, section, or portion in which the establishment is located.

730 “(2) The Board may also consider whether there is an under-concentration of
731 licensed establishments in other localities, sections, or portions of the District to ensure a more
732 equitable distribution of establishments.

733 “(c) No marijuana license shall be issued to an outlet, property, establishment or
734 business that sells motor vehicle gasoline or has drive-through sales.”.

735 “25-2306. Transfer of licensed establishment to a new owner.

736 “(a) In determining the appropriateness of the transfer of a marijuana establishment to a
737 new owner, the Board shall consider only the applicant’s qualifications as set forth in D.C.
738 Official Code § 25-2301, and whether any sale defeats or impairs the social equity thresholds in

739 D.C. Official Code § 25-2106 or the local ownership goals embodied in D.C. Official Code § 25-
740 2303.

741 “(b) Notwithstanding subsection (a), the Board shall deny a transfer of ownership
742 application to a new owner and cancel the marijuana license if the previous applicant
743 either:

744 “(1) Failed to open for business within 180 days of being issued a marijuana
745 license or 365 days for a Social Equity Applicant;

746 “(2) Stopped operating within 90 days of being issued a marijuana license for
747 more than 14 calendar days in the absence of a showing of good cause and approval by ABCA
748 for a longer period of delay or closure. This subsection shall not apply to an applicant that has
749 stopped operations due to a fire, flood, or other natural disaster, a public health emergency, or
750 due to rebuilding or reconstruction.

751 “(c) For the purposes of this section, the term "public health emergency" means a period
752 of time for which the Mayor has declared a public health emergency pursuant to D.C. Official
753 Code § 7-2304.01.”.

754 “§ 25-2307. Transfer of licensed establishment to a new location.

755 “(a) The Board shall consider an application to transfer a license to a new location
756 according to the same standards and procedures as an application for an initial license and
757 shall not presume appropriateness if a protest to the application is filed as set forth in Chapter 6.

758 “(b) An application to transfer a license to a new location shall not be permitted to be
759 filed by an applicant who:

760 “(1) Failed to open for business within 180 days of being issued a marijuana
761 license;

762 “(2) Stopped operating within 90 days of being issued a marijuana license for
763 more than 14 calendar days in the absence of a showing of good cause and approval by ABCA
764 for a longer period of delay or closure. This subsection shall not apply to an applicant that has
765 stopped operations due to a fire, flood, or other natural disaster, a public health emergency, or
766 due to rebuilding or reconstruction.

767 “(c) For the purposes of this section, the term "public health emergency" means a period
768 of time for which the Mayor has declared a public health emergency pursuant to § 7-2304.01.

769 “§ 25-2308. Restrictions on proximity to schools and recreation centers.

770 “(a) The Board shall not issue, except as to entities licensed as of the effective date of this
771 act, a cultivation, manufacturer, microbusiness, or off-premises retailer’s license to any
772 establishment located within 400 feet of the proximity of a pre-existing public, private, or
773 parochial primary, elementary, or high, or the boundary of a recreation area operated by the
774 District of Columbia Department of Parks and Recreation.

775 “(b) This subsection shall not apply to an applicant that was approved by ABRA for a
776 medical marijuana license at the same location prior to the effective date of the act.”.

777 “§ 25-2309. Off-Premises retail license prohibited in residential-use districts.

778 ““No microbusiness or off-premises retailer’s license shall be issued for or transferred to a
779 business operating in a residential-use district as defined in the zoning regulations and shown in
780 the official atlases of the Zoning Commission for the District, including areas designated R, RF,
781 and RA.

782 “§ 25-2310. Restrictions on the total number of cannabis business licenses.

783 “(a) The Board may, through rulemaking, consider restrictions on the total number of
784 licenses issued under each license category in Chapter 22, provided that any such restriction shall
785 be:

786 “(1) Based on an analysis of the supply of legal cannabis and cannabis products
787 necessary to significantly shrink the scale of the illicit cannabis market, and available evidence
788 on the impacts of cannabis businesses on crime and property values; and

789 “(2) Subject to revision by the Board should developments in the legal cannabis
790 market and/or social conditions of the District necessitate such a revision.

791 “(b) Any analysis conducted pursuant to paragraph (a)(1) of this section shall be sent to
792 the Council and made publicly available for comment.

793 “(c) Any restriction on the total number of licenses shall not affect the percentage of
794 licenses set aside for Social Equity Applicants.”.

795 (g) A new Chapter 24 is added to read as follows:

796 CHAPTER 24. APPLICATION AND REVIEW PROCESS.

797 “§ 25-2401. Form of application.

798 “The Board shall propose regulations within 180 days of the effective date of the Act
799 setting forth the license application requirements on forms approved by the Board for marijuana
800 licenses.”.

801 “§ 25-2402. New license application for cultivators, manufacturers, microbusinesses, or
802 retailers.

803 “(a)(1) The Board shall only consider and process applications from owners of currently
804 licensed medical marijuana establishments and Social Equity Applicants in the year following

805 the issuance of final regulations and the establishment of an ABCA-approved seed-to-sale
806 tracking system.

807 “(2) The Board may consider and process applications from owners of currently
808 licensed medical marijuana establishments on an expedited basis during this time.

809 “(b) The Board may begin accepting applications other cultivation, manufacturer,
810 microbusiness and off-premises retailer’s licenses not in subparagraph (a) at any time after the
811 one-year period is over.

812 “(c) After the initial one-year period, any new Social Equity Applicant licenses shall be
813 considered on an expedited basis by the Board.

814 “(c) The Board shall provide notice in the D.C. Register at least 30 days in advance of
815 accepting any new applications, except for testing facility licenses, regarding (1) the number of
816 licenses in each class or ward being made available, and (2) where to find information regarding
817 the license application process.

818 “(d) A license application for a testing facility may be made at any time after the effective
819 date of the act.”.

820 “§ 25-2403. License renewal.

821 “The Board shall propose regulations within 180 days of the effective date of this act
822 setting forth the license application requirements on forms approved by the Board for renewing
823 licenses.”.

824 “§ 25-2404. Notice by Board.

825 “Pursuant to D.C. Official Code §§ 25-421 and 25-423, the Board shall provide notice to
826 the public for 45 days of new and renewal license applications for cultivation, manufacturer,
827 microbusiness, and retailer’s licenses. The Board may approve settlement agreements that

828 include enforceable provisions listed in D.C. Official Code § 25-446.01 between parties eligible
829 to file a protest under Chapter 6 of this title regardless of whether a protest has been filed.”.

830 “§ 25-2405. Board hearings and decisions.

831 “Board hearings, determining factors, and decisions shall follow the procedures set forth
832 in Subchapters II and IV of Chapter 4 of this title. Board decisions shall be issued pursuant to
833 D.C. Official Code § 25-433.”.

834 (h) A new Chapter 25 is added to read as follows:

835 CHAPTER 25. APPLICATION AND LICENSE FEES.

836 “§ 25-2501. Application fee.

837 “(a) The initial application fee for a cultivation, manufacturing, microbusiness, off-
838 premises retailer, or testing facility, license shall be \$1,000.

839 “(b) The initial application fee shall be paid at the time of application to the D.C.
840 Treasurer.”.

841 “§ 25-2502. License fees.

842 “(a) The initial fees and renewal fees for licenses shall be set forth below:

843	License Class	Cost
844	Cultivation	\$7,000
845	Manufacturer	\$7,000
846	Microbusiness	50% of all applicable license fees
847	Off-premises retailer	\$7,000
848	Testing facility	\$5,000
849	Research and development facility	\$2,500

850 “(b) There shall be no additional fee for microbusiness or off-premises retailers that
851 register to sell medical marijuana or medical marijuana products pursuant to D.C. Official Code
852 § 25-220(a)(2).

853 “(c) A licensee’s failure to timely remit the license fee shall be cause for the Board to
854 suspend the license until the licensee pays the fee and any fines imposed by the Board for late
855 payment. The Board shall cancel the license if the licensee is more than 30 days delinquent on
856 payment of the annual fee.”.

857 “§ 25-2503. Alteration of application or license fees.

858 “The Board may propose regulations, pursuant to D.C. Official Code § 25-2202, to
859 alter the license fees established by this chapter or to create additional license categories.”.

860 “§ 25-2504. Fee waivers for social equity applicants.

861 “(a) For Social Equity Applicants, the Board shall waive 75% of any nonrefundable
862 license application fees, any nonrefundable fees associated with receiving a license to operate a
863 marijuana establishment, and any surety bond or other financial requirements.

864 “(b) The Board may require Social Equity Applicants to attest that they meet the
865 requirements for a fee waiver as provided in subsection (a).

866 “(c)(1) If the Board determines that an applicant who applied as a Social Equity
867 Applicant is not eligible for such status, the Board shall provide notice to the applicant.

868 “(2) Upon receipt of the notice, the applicant shall have 15 days to provide
869 alternative evidence that he or she qualifies as a Social Equity Applicant.

870 “(3) The Board shall make a determination of the applicant’s status 10 days after
871 the receipt of any alternative evidence. The Board shall notify the applicant of this determination.

872 “(d) If the applicant does not qualify as a Social Equity Applicant, he or she may pay the
873 remainder of the waived fee and be considered as a non-Social Equity Applicant. If he or she
874 cannot do this, then ABCA may keep the initial application fee to cover any administrative costs
875 associated with the application process, and the application shall not be considered.”.

876 (h) A new Chapter 26 is added to read as follows:

877 CHAPTER 26. PROTESTS.

878 “§ 25-2601. Standing to file a protest and protest requirements.

879 “A person with standing under D.C. Official Code § 25-601 shall be permitted to file a
880 protest of a new, renewal, or transfer to new location application for a cultivation, manufacturer,
881 microbusiness, or retailer’s license.”.

882 “§ 25-2602. Filing a protest—timing and requirements.

883 “(a) Any person objecting, under D.C. Official Code § 25-601, to the approval of an
884 application shall notify the Board in writing of his or her intention to object and the grounds for
885 the objection within the protest period.

886 “(b) If the Board has reason to believe that the applicant did not comply fully with the
887 notice requirements set forth in subchapter II of Chapter 4, it shall extend the protest period as
888 needed to ensure that the public has been given notice and has had adequate opportunity to
889 respond.”.

890 “§ 25-2603. ANC Comments.

891 “(a) The Board shall give the recommendations of an affected ANC great weight
892 pursuant to the requirements set forth in D.C. Official Code § 25-609.

893 “(b) In the event that an affected ANC submits a settlement agreement to the Board on a
894 protested license application, the Board, upon its approval of the settlement agreement, shall
895 dismiss any protest of a group of no fewer than 5 residents or property owners meeting the
896 requirements of D.C. Official Code § 25-601(2). The Board shall not dismiss a protest filed by
897 another affected ANC, a citizens association, or an abutting property owner meeting the

898 requirements of D.C. Official Code § 25-601(3) upon the Board’s approval of an ANC’s
899 settlement agreement submission.”.

900 (i) A new Chapter 27 is added to read as follows:

901 CHAPTER 27. OPERATING STANDARDS.

902 “§ 25-2701. General operating requirements.

903 “(a) A licensee shall be required to secure every entrance to the establishment so that
904 access to areas containing cannabis or cannabis products is restricted to the owner or approved
905 employees.

906 “(b) A licensee shall secure its inventory and equipment during and after hours to deter
907 and prevent theft of marijuana, marijuana products, and marijuana accessories.

908 “(c)(1) A licensee shall not cultivate, process, test, store, or manufacture marijuana or
909 marijuana products at any location other than at a physical address approved by the Board and
910 within an area that is enclosed and secured in a manner that prevents access by persons not
911 permitted by the marijuana establishment to access that area.

912 “(2) A licensee who has a cultivation and manufacturing license may co-locate
913 licenses in order to minimize the impacts associated with business operations. The Board shall
914 develop rules for the co-location of cultivation and manufacturing licenses.

915 “(d) A licensee shall not allow the cultivation, processing, manufacture, sale, or display
916 of cannabis or cannabis products to be visible from a public place without the use of binoculars,
917 aircraft, or other optical aids.

918 “(e) Investigators or officers from ABCA, DCRA, DFS, DOH, FEMS, and MPD
919 shall be permitted to inspect the entire licensed premises during its hours of operation and, if
920 within their office’s responsibilities, to obtain samples sufficient for testing pursuant to this title,

921 and an ABCA investigator or MPD officer shall be permitted to audit the books and records of
922 the licensed establishment during its hours of operation.

923 “(f) ABCA-licensed microbusinesses and off-premises retailers shall not admit any
924 person, other than a person hired to guard the premises pursuant to a security plan filed with the
925 ABCA, who is carrying a gun or other weapon.”.

926 “§ 25-2702. Testing requirements.

927 “(a) No cannabis or cannabis product shall be sold or otherwise marketed by a licensee
928 that has not first been tested by an independent testing facility licensed by the Board.

929 “(b) An independent testing facility shall report any results indicating contamination to
930 the Board and DOH within 72 hours of identification.

931 “(c) In the event that only one licensed testing facility exists in the District, the Board
932 may establish, through rulemaking, reasonable prices for testing facility services.”.

933 “§ 25-2703. Posting and carrying of licenses.

934 “(a) A person receiving a license to operate a marijuana establishment shall post the
935 license conspicuously in the licensed establishment. If a settlement agreement is a part of the
936 license, the license shall be marked “settlement agreement on file” by the Board, and the licensee
937 shall make a copy of the settlement agreement immediately accessible to any member of the
938 public, ABCA investigator, or MPD officer upon request.

939 “(b) A microbusiness or off-premises retailer’s licensee shall post window lettering in a
940 conspicuous place on the front window or front door of the licensed premises that contains the
941 correct name or names of the licensee and the class and number of the license in plain and legible
942 lettering not less than one inch nor more than 1.25 inches in height.

943 “§ 25-2704. Hours of operation for cultivation and manufacturers.

944 “The sale or delivery of cannabis or cannabis products by a marijuana cultivator or
945 manufacturer shall only be permitted only between the hours of 6:00 a.m. and midnight, seven
946 days a week, or as may be further limited pursuant to D.C. Official Code § 25-2706.”.

947 “§ 25-2705. Hours of operation for retail sales.

948 “(a) A licensee authorized to sell marijuana or marijuana products at retail to consumers
949 shall be permitted to sell cannabis or cannabis products between the hours of 7 a.m. and
950 midnight, seven days a week, or as may be further limited pursuant to D.C. Official Code § 25-
951 2706.

952 “(b) A licensee under a microbusiness or off-premises retailer's license that possesses a
953 delivery endorsement shall also be permitted to deliver cannabis or cannabis products to the
954 homes of District residents between the hours of 7 a.m. and midnight, 7 days a week.”.

955 “§ 25-2706. Board authorized to further restrict hours of operation for a particular
956 applicant or licensee.

957 “At the time of initial application of any class of license or at renewal, the Board
958 may further limit the hours of sale and delivery for a particular applicant or licensee:

959 “(a) Based upon the Board’s findings of fact and conclusions of law, and order following
960 a protest hearing; or

961 “(b) Under the terms of a settlement agreement.”.

962 “§ 25-2707. Seed-to-sale tracking and wholesale purchase systems.

963 “(a) A licensee shall be required to utilize and record inventory in a seed-to-sale tracking
964 system selected and approved by the Board. The licensee shall be responsible for purchasing
965 radio-frequency identification (RFID) tags and hardware to utilize the designated software and

966 may be charged a user fee by the Board. The Board shall establish rules regarding the entry of
967 data by licensees into the seed-to-sale tracking system.

968 “(b) In addition to a seed-to-sale tracking system in subsection (a), the Board may,
969 through rulemaking, require all licensees to utilize a wholesale purchasing system for wholesale
970 buying and selling of marijuana and marijuana products.

971 “§ 25-2708. Permitted sale amounts for microbusinesses and off-premises retailers.

972 “(a) An off-premises licensee shall not sell more than the following to a customer in
973 either one transaction or in one day:

974 “(1) One ounce of usable marijuana flower;

975 “(2) 5 grams of marijuana concentrate;

976 “(3)(i) 16 ounces of marijuana-infused edibles;

977 “(ii) Marijuana-infused edibles sold by an off-premises licensee shall have
978 a serving size limit of 5 milligrams of THC with a total product dose of 100 milligrams.

979 “(4) 72 ounces of cannabinoid product in liquid form;

980 “(5) 30 milliliters of a marijuana tincture, or a container of tincture containing
981 more than 1500 milligrams of CBD; or

982 “(6) 1000 milligrams of CBD e-liquid for use in an electronic smoking device.

983 “(b) Permitted sale amounts under subsection (a) of this section may be adjusted by the
984 Board for qualified patients participating in the District’s medical marijuana program.”.

985 “§ 25-2709. Packaging requirements.

986 “(a) Prior to sale at a marijuana microbusiness or transfer to an off-premises retailer, all
987 marijuana and marijuana products shall be packaged in a child-resistant container.

988 “(b) Containers shall not include any characters, symbols, or names similar to those
989 identified by or appealing to children or adolescents.”.

990 “§ 25-2710. Labeling requirements.

991 “(a) Prior to sale at a marijuana microbusiness or transfer to an off-premises retailer,
992 every container of marijuana and marijuana products shall be affixed with a label that identifies:

993 “(1) The license numbers of the cultivator, manufacturer, microbusiness, and off-
994 premises retailer where the marijuana or marijuana product was cultivated, manufactured, and
995 offered for sale, as applicable;

996 “(2) The net contents;

997 “(3) The level of THC and CBD contained in the product in percentage terms or
998 in amount per serving, or both, as appropriate to the product, and as may be prescribed by
999 ABCA.

1000 “(4) Information on gases, solvents, and chemicals used in marijuana extraction, if
1001 applicable;

1002 “(5) Instructions on usage;

1003 “(6) For marijuana products, a list of ingredients and possible allergens; and

1004 “(7) For edible marijuana products, a nutrition fact panel.

1005 “(b) Labels shall not include any characters, symbols, or names similar to those identified
1006 by or appealing to children or adolescents.

1007 “(c) Labels shall not contain any false or misleading statements and shall not make
1008 health-related claims.”.

1009 “§ 25-2711. Signage and logos.

1010 “(a)(1) Marijuana licensees shall not use signage or logos that include animals, cartoon
1011 characters, or other images particularly appealing to children and adolescents.

1012 “(2) Logos shall not contain medical symbols, images of marijuana, marijuana
1013 paraphernalia, or colloquial references to marijuana.

1014 “(b) No signage placed on the exterior of a licensed marijuana establishment or elsewhere
1015 in the District, including the licensee’s trade name, shall be illuminated or contain intermittent
1016 flashing lights.

1017 “(c) No signage shall not contain false or misleading statements.

1018 “(d) A sign that does not conform to this section shall be removed.”.

1019 “§ 25-2712. Advertising and marketing restrictions.

1020 “(a) Any advertisement of marijuana or marijuana products shall not:

1021 “(1) Use include animals, cartoon characters, or other images particularly
1022 appealing to children and adolescents.

1023 “(2) Depict someone who is or appears to be under 21 years of age consuming
1024 marijuana; and

1025 “(3) Promote excessive consumption.

1026 “(b) Any radio or television broadcast or publication advertising marijuana or marijuana
1027 products shall be limited to audiences that can be reasonably expected to consist of at least 75%
1028 of persons 21 years of age or older.

1029 “(c) A marijuana establishment’s website or any advertisement shall not make health-
1030 related claims and shall indicate that marijuana and marijuana products are for persons 21 years
1031 of age or older.

1032 “(d)(1) A marijuana licensee shall be prohibited from advertising marijuana or marijuana
1033 products on any exterior sign, special sign as defined in Section N101 of Subtitle 12-A of the
1034 D.C. Construction Code, or outdoor billboard.

1035 “(2) Advertisements related to marijuana or marijuana products shall not be
1036 displayed on the exterior or interior of any window or door of licensed marijuana establishment.

1037 “(e) Any advertisement of marijuana or marijuana product shall not contain false or
1038 misleading statements.

1039 “(f) No person shall publish or disseminate or cause to be published or disseminated,
1040 directly or indirectly, through any radio or television broadcast, in any newspaper, magazine,
1041 periodical, or other publication, or by any sign, placard, or any printed matter, an advertisement
1042 or cannabis or cannabis products that are not in conformity with this title.”.

1043 “§ 25-2713. Restrictions on samples, prizes and sweepstakes, and tie-in purchases.

1044 “(a) The holder of a microbusiness or off-premises retail license shall not be permitted to:

1045 “(1) Provide free samples of any cannabis product to customers; or

1046 “(2) Give away free marijuana products as part of a promotional giveaway or
1047 sweepstakes.

1048 “(b) The holder of a cultivation or manufacturer’s license shall not require, directly or
1049 indirectly, a retailer to purchase any type of cannabis product in order to purchase any other
1050 cannabis product.”.

1051 “§ 25-2714. Sale to minors and intoxicated persons prohibited; restriction on minor’s
1052 entrance to licensed premises.

1053 “(a) The sale or delivery of marijuana or marijuana products to the following persons is
1054 prohibited:

1055 “(1) A person under the age of 21, either for the person’s own use or for the use of
1056 any other person, is prohibited, provided that:

1057 “(A) A microbusiness or off-premises retailer may sell medical cannabis
1058 or medical cannabis products to qualified patients age 18 to 20 who are participating in the
1059 District’s medical marijuana program.

1060 “(B) A microbusiness or off-premises retailer may sell medical cannabis
1061 or medical cannabis products to parents, legal guardians, or caregivers of qualified patients under
1062 the age of 18 who are participating in the District’s medical marijuana program.

1063 “(2) An intoxicated person, or any person who appears to be intoxicated or under
1064 the influence.

1065 “(b)(1) A microbusiness or off-premises retailer shall not permit a person under the age
1066 of 21 to enter the licensed premises unless the person is a qualified patient age 18 to 20 with a
1067 valid medical marijuana registration card.

1068 “(2) A microbusiness or off-premises retailer shall not permit a patron to enter the
1069 licensed establishment until the licensee or the licensee’s employee is shown a valid
1070 identification document showing that the individual is 21 years of age or older, or in the case of a
1071 of a patient age 18 to 20 who is participating in the medical marijuana program, a valid
1072 identification document and a valid registration card.

1073 “(c) It shall be an affirmative defense of violating subsection (b) or (c) of this section that
1074 the licensee or the licensee’s employee was shown a valid identification document that the
1075 licensee or the licensee’s employee reasonably believed was valid and that the licensee or the
1076 licensee’s employee reasonably believed that the person was of age.

1077 “(d) Notwithstanding the provisions of this section, the holder of a microbusiness or off-
1078 premises retailer’s license shall not discriminate on any basis prohibited by Unit A of Chapter 14
1079 of Title 2 of the D.C. Code.”.

1080 “§ 25-2715. Production of valid identification document required.

1081 “(a) A licensee shall refuse to sell or deliver cannabis or cannabis products to any person
1082 who cannot or refuses to provide the licensee with a valid identification document.

1083 “(b) A licensee or a licensee’s employee shall take reasonable steps to ascertain whether
1084 any person to whom the licensee sells or delivers cannabis or cannabis products is of legal age.

1085 “(c) In order to ensure individual privacy is protected, customers shall not be required to
1086 provide microbusiness or off-premises retailer with personal information other than a valid,
1087 government-issued identification necessary to determine the customers' age.”.

1088 “§ 25-2716. Sale or distribution of cannabis or cannabis products by minors prohibited.

1089 “A licensee shall not allow any person under the age of 21 to volunteer or work at a
1090 marijuana establishment.”.

1091 “§ 25-2717. Security plans and measures.

1092 “(a) A licensed marijuana establishment shall be required to submit a security plan with
1093 its license application. At a minimum, the plan shall:

1094 “(1) Account for the prevention of theft or diversion of cannabis;

1095 “(2) Demonstrate safety procedures for employees and patrons;

1096 “(3) Establish procedures, equipment, and designs that provide for safe delivery
1097 and storage of currency; and

1098 “(4) Demonstrates that all security procedures, equipment, and designs are and
1099 will be kept compliant with all applicable laws and rules, including regulations issued by the
1100 Board to implement this act.

1101 “(b) A licensed marijuana establishment shall be required to maintain security cameras
1102 and video footage that satisfies the requirements of § 25-402(4)(4).

1103 “(c) ABCA-licensed microbusinesses and off-premises retailers shall not admit any
1104 person, other than a person hired to guard the premises pursuant to its security plan filed with the
1105 ABCA, who is carrying a gun or other weapon.”.

1106 “§ 25-2718. Public space plan.

1107 “(a) A licensed marijuana establishment shall be required to submit a public space plan
1108 showing what, if any, potential impacts the establishment will have on:

1109 “(1) Local vehicular traffic and parking; and

1110 “(2) Pedestrian traffic around the premises.

1111 “(b) The public space plan shall identify strategies or mechanisms to mitigate potential
1112 negative impacts.”.

1113 “§ 25-2719. Temporary surrender of license—safekeeping.

1114 “(a)(1) A marijuana license that is discontinued for any reason for more than 14 calendar
1115 days shall be surrendered by the licensee to the Board for safekeeping.

1116 “(2) The licensee shall submit to ABCA a plan to dispose of cannabis or cannabis
1117 products upon surrendering their license.

1118 “(b)(1) The Board shall hold the license until the licensee resumes business at the
1119 licensed establishment or the license is transferred to a new owner. If the licensee has not

1120 initiated proceedings to resume operations or transfer within one year, the Board shall deem the
1121 license abandoned and cancel the license.

1122 “(2) The Board may extend the period in paragraph (1) if a licensee can
1123 demonstrate:

1124 “(A) A good faith effort has been made to resume operations or transfer
1125 the license; and

1126 “(B) Personal or financial hardships have caused delays in resuming
1127 operations or transferring the license.

1128 “(c) ABCA shall review licenses in safekeeping every 6 months to ensure that the
1129 licensee is making reasonable progress on returning to operation.

1130 “(d) A license suspended by the Board under this title shall be stored at ABCA.

1131 “(e) A license shall not be eligible for safekeeping and shall be canceled by the
1132 Board if the licensee failed to open for business within 180 days of initially being issued a
1133 marijuana license or 365 days for Social Equity Applicants, or stopped within 90 days of initially
1134 being issued a marijuana license.

1135 “§ 25-2720. Authorized products and methods of sale.

1136 “(a) Except as permitted by the Board, a microbusiness or off-premises retailer shall not
1137 be authorized to sell any products or services other than cannabis, cannabis products, or cannabis
1138 paraphernalia intended for the storage or use of cannabis or cannabis products.

1139 “(b) It shall be unlawful for microbusinesses or off-premises retailers, or any other
1140 business or person in the District, to offer cannabis or cannabis products via a vending machine.

1141 “(c) Microbusinesses and off-premises retailers shall keep all products secured behind a
1142 counter, locked door, or under glass not accessible to the customer. Customers are not permitted

1143 to help themselves to a product but shall place an order with authorized employees of the
1144 retailer.”.

1145 “§ 25-2721. Delivery of cannabis and cannabis products.

1146 “(a) Deliveries shall only be made by the holder of a microbusiness or off-premises
1147 retailer’s license that has a delivery endorsement.

1148 “(b) Microbusiness and off-premises retailers shall only be permitted to deliver to a
1149 District residence or at the business location via curbside pickup but shall not be permitted to
1150 deliver to residences located on college campuses and universities.

1151 “(c)(1) The person ordering the delivery shall be at the home or at the business for
1152 curbside pickup at the time of the delivery.

1153 “(2) For purposes of this section, “at the home” includes on the steps of the
1154 residence or in the yard of the residence.

1155 “(d) Prior to transfer of marijuana or marijuana product to the consumer, a microbusiness
1156 or off-premises retailer shall require the person ordering the delivery to sign for the delivery and
1157 shall ensure that the name on the valid identification document matches the name of the
1158 customer who placed the order.

1159 “(e) Marijuana microbusinesses and off-premises retailers offering home delivery or
1160 curbside pickup must state prominently on their website or by telephone that it is illegal under
1161 federal law to receive, possess, or use marijuana in federally-funded public housing under the
1162 Controlled Substances Act, so long as that remains the case.

1163 “(h) Landlords remain free to ban the delivery of combustible marijuana to their tenants
1164 at premises they own, notwithstanding the legality of such delivery.

1165 “(i) If a landlord or property owner posts a sign reasonably designed to be visible from
1166 the front door saying “No combustible marijuana deliveries to this building” any delivery service
1167 must cancel the order for a combustible marijuana product placed by a tenant at the residence.

1168 “(j) Except as may be authorized by the Board in subsection (h), no deliveries shall be
1169 made to licensed businesses, including hotels and restaurants, nor shall deliveries be made to
1170 public parks or in public spaces, and it is an affirmative duty of an off-premises retailer to verify
1171 that the address for delivery is a residential address.

1172 “(h) No deliveries may take place on federally owned land or on the premises of federally
1173 owned buildings.

1174 “(i) The Board is authorized to issue regulations regarding verifying the identity and age
1175 of the customer, the status of an address as a residence, and record retention for deliveries. No
1176 sooner than two years after the effective date of this act, the Board may establish a system to
1177 expand permissible delivery locations in the District.”.

1178 (j) A new Chapter 28 is added to read as follows:

1179 CHAPTER 28. ENFORCEMENT, INFRACTIONS, AND PENALTIES.

1180 “§ 25-2801. Authority of the Board and ABCA investigators.

1181 “(a) The Board shall have the authority to enforce the provisions of this title with respect
1182 to licensees and with respect to any person not holding a license and selling marijuana and
1183 marijuana products without a license in violation of the provisions of this title.

1184 “(b) ABCA investigators shall issue citations for civil violations of this title that are set
1185 forth in the schedule of penalties established under D.C. Code § 25-2803.

1186 “(c) ABCA investigators may:

1187 “(1) Request and check the identification of a patron inside of or attempting to
1188 enter an establishment with a marijuana license;

1189 “(2) Seize evidence that substantiates a violation under this title, which shall
1190 include the seizing of marijuana or marijuana products believed to have been sold to minors and
1191 fake identification documents used by minors.

1192 “(d) ABCA investigators may seize a marijuana license from an establishment if:

1193 “(1) The marijuana license has been suspended, revoked, or canceled by the
1194 Board;

1195 “(2) The business is no longer in existence; or

1196 “(3) The business has been closed by another District government agency.

1197 “(e) Any show cause enforcement hearings brought by the Board for violations of
1198 this title shall follow the procedures set forth in D.C. Code § 25-447.”.

1199 “§ 25-2802. Revocation or suspension of licenses for violations of this title.

1200 “(a) Pursuant to Subchapter II of Chapter 8, the Board may fine, suspend,
1201 summarily suspend or revoke the license of a licensee.

1202 “(b) Pursuant to D.C. Code § 25-827, or if the Chief of Police finds that a licensed
1203 establishment is diverting cannabis product out of state, selling cannabis or cannabis products to
1204 minors, or if the facility is associated with crimes of violence, the Chief of Police may close a
1205 marijuana establishment for up to 96 hours.”.

1206 “§ 25-2803. Civil penalties.

1207 “(a) In the rules implementing this act, the Board shall include a schedule of civil
1208 penalties and fine ranges for violations of this title.

1209 “(b) The schedule shall contain three tiers that shall reflect the severity of the violation
1210 for which the penalty is proposed:

1211 “(1) Tier 1 shall apply to violations that may hurt the efficiency and overall
1212 performance of programs for the regulated sale of cannabis, such as failure to comply with basic
1213 administrative procedures and protocols and minor changes to plans that do not affect the health
1214 safety or welfare of the public.

1215 “(2) Tier 2 shall apply to violations that are more severe than Tier 1 but generally
1216 do not have an immediate or potential negative impact on the health, safety, and welfare of the
1217 public. This tier may include violations of advertising and marketing requirements, violations of
1218 packaging and labeling requirements that do not directly impact patient or consumer safety, and
1219 minor or clerical errors in the seed-to-sale tracking system.

1220 “(3) Tier 3 shall apply to violations that generally have an immediate or potential
1221 negative impact on the health, safety, and welfare of the public, including selling to minors,
1222 making false statements, or utilizing advertising or marketing materials that target minors.

1223 “(c) The schedule shall contain escalating penalties for repeat violations and a list of
1224 potential mitigating or aggravating factors that may be considered when determining the
1225 imposition of a civil penalty.

1226 “§ 25-2804. Alcohol or tobacco infused marijuana.

1227 “(a) Except in the case of tincture products containing distilled spirits in conformance
1228 with regulations issued by the Tax and Trade Bureau of the United States Department of
1229 Treasury, it shall be unlawful for a person to sell or offer for sale alcohol that has been infused
1230 with marijuana; or marijuana products that have been infused with tobacco products.

1231 “(b) A licensee shall not sell or offer for sale alcohol that has been infused with

1232 marijuana except in the case of tinctures that are infused with distilled spirits in conformance
1233 with regulations issued by the Tax and Trade Bureau; or tobacco products.

1234 “(c) A licensee who violates this section shall be assessed a civil fine in an amount of no
1235 more than \$1,000.”.

1236 “§ 25-2805. Tampering with packaging or container.

1237 “(a) A licensee or a licensee’s employee shall not knowingly:

1238 “(1) Misrepresent the brand or contents of any marijuana product sold or offered
1239 for sale;

1240 “(2) Tamper with the contents of any marijuana packaging;

1241 “(3) Remove or obliterate any label from marijuana packaging being offered for
1242 sale;

1243 “(4) Deliver or sell the contents of any marijuana packaging that has had its label
1244 removed or obliterated.

1245 “(b) It shall be unlawful for a person to willfully or knowingly alter, forge counterfeit,
1246 endorse, or make use of any false or misleading document reasonably calculated to deceive the
1247 public as being a genuine marijuana license issued by ABCA.”.

1248 “§ 25-2806. Vaping devices.

1249 “(a) It shall be unlawful for a person to sell, offer for sale, or give a vaping device to a
1250 person who is under 21 years of age.

1251 “(b) A licensee shall not sell, offer for sale, or give a vaping device to a customer who is
1252 under 21 years of age.

1253 “(c) A licensee who violates this section shall be assessed a civil fine in an amount of no
1254 more than \$1,000.”.

1255 “§ 25-2806. Forged licenses.

1256 “(a) It shall be unlawful for a person to willfully or knowingly alter, forge counterfeit,
1257 endorse, or make use of any false or misleading document reasonably calculated to deceive the
1258 public as being a genuine license issued by ABCA.

1259 “(b) It shall be unlawful for a person to willfully or knowingly furnish to a member of
1260 MPD or an ABCA investigator an altered, forged, counterfeited, endorsed or false or misleading
1261 document reasonably calculated to deceive MPD or the ABCA investigator as being a genuine
1262 license issued by ABCA.

1263 “(c) A person convicted of a violation of this section shall be fined no more than
1264 the amount set forth in D.C. Official Code § 22-3571.01, or incarcerated for more than 1
1265 year or both.”.

1266 “§25-2807. Other penalties.

1267 “(a) Any person who significantly alters or at all falsifies any reports, documents, or
1268 plans, or misrepresents any information required for licensing or purchasing marijuana under this
1269 title shall be guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not
1270 more than the amount set forth in D.C. Official Code § 22-3571.01, or imprisoned for not more
1271 than one year, or both.

1272 “(b) Any person required to file taxes for sales or transfer of marijuana or marijuana
1273 products under this title who willfully attempts in any manner to evade or defeat a tax, or the
1274 payment there; any person who knowingly diverts marijuana or marijuana products outside of
1275 the regulated system, shall be guilty of a felony and, upon conviction, shall be fined not more
1276 than the amount set forth in D.C. Official Code § 22-3571.01, or imprisoned for not more than

1277 three years, or both. The penalty provided herein shall be in addition to other penalties provided
1278 under District or federal law.

1279 “(c) Violations of this section that are misdemeanors shall be prosecuted on information
1280 filed in the Superior Court of the District of Columbia by the Office of the Attorney General.
1281 Violations of this subsection that are felonies shall be prosecuted by the United States Attorney
1282 for the District of Columbia.

1283 “(d) In addition to any civil penalties or fines imposed, ABCA is authorized to issue
1284 warnings, impose additional conditions on licensees, ban persons who have committed violations
1285 from participating or purchasing cannabis or working in establishments under this act.

1286 “(e) A civil fine may be imposed by ABCA as an alternative sanction for any violation of
1287 this title for which no specific penalty is provided, or any rules or regulations issued under the
1288 authority of this title, under Chapter 18 of Title 2. Adjudication of an infraction that is contested
1289 or appealed under this section shall be heard by OAH pursuant to Chapter 18 of Title 2.”.

1290 (j) A new Chapter 29 is added to read as follows:

1291 CHAPTER 29. LIMITATIONS ON CONSUMERS; PUBLIC EDUCATION.

1292 “§ 25-2901. Purchase, possession, use, or consumption by persons under the age of 21;
1293 misrepresentation of age; penalties.

1294 “(a)(1) No person who is under 21 years age shall purchase, attempt to purchase, possess,
1295 use, or consume marijuana or marijuana products in the District, provided that this shall not
1296 apply to minors ages 18 to 20 participating in the District’s medical marijuana program.

1297 “(2) Only an authorized parent, legal guardian, or caregiver shall be allowed to
1298 purchase marijuana or marijuana products for minors under the age of 18 who are participating
1299 in the District’s medical marijuana program.

1300 “(b) No person shall falsely represent his or her age or possess as proof of age an
1301 identification document which is in any way fraudulent for the purpose of purchasing,
1302 possessing, using, or consuming cannabis in the District.

1303 “(c) No person shall present a fraudulent identification document for the purposes
1304 of entering an establishment possessing an off-premises retailer’s license licensed under
1305 chapter 21 of this title.

1306 “(d) For the purpose of determining valid representation of age, each person shall be
1307 required to present to the establishment owner or representative at least one form of valid
1308 identification, which shall have been issued by an agency of government (local, state, federal, or
1309 foreign) and shall contain the name, date of birth, signature, and photograph of the individual;
1310 provided, that a military identification card issued by an agency of government (local, state,
1311 federal, or foreign) shall be an acceptable form of valid identification whether or not it contains
1312 the individual's signature.

1313 “(e) Any person guilty of violating this section shall be subject to fines and penalties as
1314 follows:

1315 “(1) Upon the first violation, a fine of not more than \$25, or the performance of
1316 10 hours of community service;

1317 “(2) Upon the second violation, a fine of not more than \$50, the performance of
1318 15 hours of community service, or both; and

1319 “(3) Upon the third and subsequent violations, a fine of not more than \$100, the
1320 performance of 20 hours of community service, or both.

1321 “(f) If the individual subject to penalties in subsection (e) is under the age of 18, the
1322 Office of Administrative Hearings shall mail a copy of the notice of violation to the parent or
1323 guardian of the person to whom the notice of violation is issued at the address provided by the
1324 the person at the time the citation is issued pursuant to § 48-1202.

1325 “§ 25-2902. Marijuana paraphernalia.

1326 “A person 21 years of age or older shall not be arrested, prosecuted, penalized or
1327 disqualified and shall not be subject to seizure or forfeiture of assets for possessing,
1328 purchasing or otherwise obtaining or manufacturing marijuana accessories or for selling
1329 or otherwise transferring marijuana accessories to a person who is 21 years of age or
1330 older.”.

1331 “§ 25-2903. Public education.

1332 “The Board shall develop and implement a public education campaign that includes
1333 information on:

1334 “(a) Who is legally authorized to purchase, possess, and use marijuana or marijuana
1335 products pursuant to the Comprehensive Cannabis Legalization and Regulation Act of 2021;

1336 “(b) Sale and dosage limits pursuant to the Comprehensive Cannabis Legalization and
1337 Regulation Act of 2021 and applicable regulations;

1338 “(c) Places or locations where the possession and/or use of marijuana or marijuana
1339 products are prohibited;

1340 “(d) Methods of marijuana use, including the effects and potentials risks associated with
1341 each method;

1342 “(e) The health effects of marijuana use; and

1343 “(f) Responsible use and harm reduction strategies, including safe storage of marijuana
1344 and marijuana products in the home, not operating a motor vehicle while impaired, avoiding the
1345 use of marijuana and marijuana products while pregnant, and not consuming marijuana with
1346 alcohol or other drugs.”.

1347 (j) A new Chapter 30 is added to read as follows:

1348 CHAPTER 30. TAXES AND REVENUES.

1349 “§ 25-3001. Imposition and collection of taxes.

1350 “(a)(1) A tax is imposed upon all vendors for the privilege of selling retail marijuana and
1351 marijuana products. The rate of such tax shall be 13% of the gross receipts from sales or charges
1352 for retail marijuana or marijuana products.

1353 “(2) For medical marijuana and medical marijuana products, the rate of such tax
1354 shall be 6% of the gross receipts from sales or charges.

1355 “(b) The taxes imposed in subsection (a) shall be collected by the off-premises retailer
1356 from the purchaser on all sales of retail marijuana or marijuana products.”.

1357 “§ 25-3002. Income taxes and tax exemptions.

1358 “(a) Licensees shall be subject to applicable income taxes pursuant to Chapter 18 of Title
1359 47.

1360 “(b) For License carriers engaged in the commercial cannabis supply chain of cultivation,
1361 manufacturing, and off-premises retail, there shall be allowed as a deduction all the ordinary and
1362 necessary expenses paid or incurred during the taxable year in carrying on any trade or business,
1363 as defined in D.C. Official Code § 47- 1803.03(a). Any business expenses allowed under this
1364 paragraph shall be subject to the same limitations as provided for the Internal Revenue Code of
1365 1986; however, a licensed cannabis business shall be allowed, for the purposes of District taxes,

1366 any federal income tax deduction that is disallowed by Internal Revenue Code §280E. This
1367 deduction shall be available for all corporations, including limited liability corporations (LLCs)
1368 and sole proprietors established as corporations. The Office of Tax and Revenue shall accept a
1369 federal pro forma return that includes business expenses and calculate District of Columbia
1370 income tax liability using the pro forma return.

1371 “(c) Deductions prescribed in D.C. Official Code § 47-1803.03(d) shall not be
1372 allowed under this Chapter.”.

1373 “§ 25-3003. Revenues.

1374 “(a) All funds obtained from initial marijuana licensing and permitting fees shall be
1375 deposited into the Cannabis Equity and Opportunity Fund established in D.C. Official Code §
1376 22-2105.

1377 “(b) All funds obtained from renewal of marijuana licenses and permits, and penalties
1378 and fines, shall be deposited into the General Fund of the District of Columbia.

1379 “(c) Except as provided in D.C. Official Code §§ 25-2104 and 25-2108, all funds
1380 obtained from the tax imposed under D.C. Official Code § 25-3001 shall be deposited into the
1381 General Fund of the District of Columbia.”.

1382 Sec. 4. The District of Columbia Uniform Controlled Substances Act of 1981, effective
1383 August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-901.01 *et seq.*) is amended as follows:

1384 (a) Section 102 (D.C. Official Code § 48-901.02) is amended as follows:

1385 (1) Paragraph (3) is amended as follows:

1386 (A) Subparagraph (A) is amended by striking the phrase “whether growing
1387 or not” and inserting the phrase “whether growing or not, and whether in edible form or not” in
1388 its place.

1389 (B) Subparagraph (B) is amended by striking the phrase “form such resin”
1390 and inserting the phrase “from such resin, whether in edible form or not” in its place.

1391 (2) A new paragraph (13A) is added to read as follows:

1392 “(13A) “Marijuana concentrates” means products consisting wholly or in part of a
1393 substance derived from any part of the cannabis plant by a mechanical or chemical extraction
1394 process.

1395 “(b) Section 401 (D.C. Official Code § 48-904.01) is amended to read as follows:

1396 (1) A new subsection (c-1) is added to read as follows:

1397 “(c-1)(1) It is unlawful for any person who is not licensed as a cultivator
1398 under this act or registered as a cultivation center and authorized by regulations promulgated
1399 under the Legalization of Marijuana for Medical Treatment Initiative of 1999, effective July 27,
1400 2010 (D.C. Law 13-315; D.C. Official Code § 7-1671.01 *et seq.*), to knowingly or intentionally;

1401 “(A) Use butane, hexane, propane, or other explosive gases to extract or
1402 separate resin from marijuana, or Tetrahydrocannabinol from marijuana; or

1403 “(B) Use any other liquid chemical, compressed gas, or commercial
1404 product, other than alcohol or ethanol, that has a flashpoint at or lower than 38 degrees Celsius or
1405 100 degrees Fahrenheit, for the purpose of manufacturing marijuana concentrates.

1406 “(2) Any person who violates this subsection is guilty of a felony and, upon
1407 conviction, may be imprisoned for not more than 3 years, fined not more than the amount set
1408 forth in section 101 of the Criminal Fine Proportionality Amendment Act of 2012, effective June
1409 11, 2013 (D.C. Law 19-317; D.C. Official Code § 22-3571.01), or both.”.

1410 Sec. 5. Discrimination prohibited.

1411 “(a) Neither the presence of cannabinoid components or metabolites in a person's bodily
1412 fluids nor possession of cannabis-related paraphernalia, nor conduct related to the use of
1413 cannabis or the participation in cannabis-related activities lawful under this act by a custodial or
1414 non-custodial parent, grandparent, legal guardian, foster parent, or other person charged with the
1415 well-being of a child shall form the sole basis for any action or proceeding by a child welfare
1416 agency or in family or juvenile court, any adverse finding, adverse evidence, or restriction of any
1417 right or privilege in a proceeding related to adoption of a child, acting as a foster parent of a
1418 child, or a person’s fitness to adopt a child or act as a foster parent of a child, or serve as the
1419 basis of any adverse finding, adverse evidence or restriction of any right or privilege in a
1420 proceeding related to guardianship, conservatorship, trusteeship, the execution of a will, or the
1421 management of an estate, unless the person's actions in relation to cannabis created an
1422 unreasonable danger to the safety of the minor or otherwise show the person to not be competent
1423 as established by clear and convincing evidence. This section applies only to conduct protected
1424 under this act.

1425 “(b) A person shall not be denied eligibility for public assistance programs based solely
1426 on conduct that is permitted under this act unless otherwise required by federal law.

1427 “(c) No landlord may be penalized or denied any benefit under District law for leasing to
1428 a person who uses cannabis under this act.

1429 “(d) Nothing in this Act may be construed to require any person or establishment in
1430 lawful possession of property to allow a guest, client, lessee, customer, or visitor to use cannabis
1431 on or in that property.”.

1432 Sec. 6. Expungement of marijuana-related arrests and convictions.

1433 “(a)(1) Commencing 180 days after the effective date of this act, the Clerk of the District
1434 of Columbia Superior Court shall conduct a comprehensive review and issue an order expunging
1435 each arrest, prosecution, conviction or adjudication of juvenile delinquency for a violation of the
1436 District of Columbia Uniform Controlled Substances Act of 1981, effective August 5, 1981
1437 (D.C. Law 4-29; D.C. Official Code § 48-901.02 *et seq.*) relating to marijuana or marijuana
1438 paraphernalia except as provided in subsection (c).

1439 (2) The order shall direct the prosecutor, any law enforcement agency, and any
1440 pretrial, corrections, or community supervision agency to expunge any affected arrests,
1441 prosecutions, or convictions.

1442 “(b) At any point after the effective date of this Act, any individual with a prior arrest,
1443 prosecution, conviction or adjudication of juvenile delinquency relating to marijuana or
1444 marijuana paraphernalia under the District of Columbia Uniform Controlled Substances Act of
1445 1981, effective August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-901.02 *et seq.*), who is
1446 not under a criminal justice sentence, may file a motion for expungement, except for offenses in
1447 subsection (c). If the expungement of such an arrest, prosecution, conviction, or adjudication of
1448 juvenile delinquency is required pursuant to this Act, the court shall issue an order to expunge
1449 the arrest, prosecution, conviction, or adjudication and any associated arrests. If the individual is
1450 indigent, counsel shall be appointed to represent the individual in any proceedings under this
1451 subsection.

1452 “(c) Subsections (a) and (b) shall not apply to cases that involving the distribution or sale
1453 of marijuana to minors, except if the arrest or charge was dismissed with prejudice.”.

1454 Sec. 7. Modification of sentences for marijuana-related convictions.

1455 “(a)(1) A defendant serving a sentence for a conviction, whether by trial or by open or
1456 negotiated plea, of the District of Columbia Uniform Controlled Substances Act of 1981,
1457 effective August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-901.02 *et seq.*) relating to
1458 marijuana or marijuana paraphernalia may file an application to vacate, set aside, or correct the
1459 sentence.

1460 “(2) The defendant shall be present at any hearing conducted under this section
1461 unless the defendant waives the right to be present. Any proceeding under this section may occur
1462 by video teleconferencing, and the requirement of a defendant's presence is satisfied by
1463 participation in the video teleconference.

1464 “(3) The court shall issue an opinion in writing stating the reasons for granting or
1465 denying an application under this section, but the court may proceed to sentencing immediately
1466 after granting an application.

1467 “(b) In determining whether to vacate, set aside, or correct a sentence pursuant to
1468 subsection (a) of this section, the court may consider:

1469 “(1) The defendant’s criminal conviction history, including the types of crimes
1470 committed, the length of prison commitments, and the remoteness of crimes;

1471 “(2) The defendant’s disciplinary record and record of rehabilitation while
1472 incarcerated; and

1473 “(3) Any other evidence the court, within its discretion, determines to be relevant.

1474 “(c) Any defendant whose sentence is reduced under this section shall be resentenced
1475 pursuant to D.C. Official Code § 24-403, § 24-403.01, or § 24-903, as applicable.

1476 “(d) This section shall not apply to convictions involving the distribution or sale of
1477 marijuana to minors.”.

1478 Sec. 8. Employment and legal cannabis use.

1479 “(a) Except as otherwise provided by law and subsections (b), (c), and (d) of this section,
1480 it shall be unlawful for an employer to refuse to hire or to discharge any individual, or otherwise
1481 disadvantage any individual, with respect to compensation, terms, conditions, or privileges of
1482 employment because he or she lawfully consumes cannabis or cannabis products off the
1483 premises of the employer during nonworking and non-call hours. For purposes of this section, an
1484 employee is deemed on-call when the employee is scheduled with at least 24 hours' notice by his
1485 or her employer to be on standby or otherwise responsible for performing tasks related to his or
1486 her employment either at the employer's premises or other previously designated location by his
1487 or her employer or supervisor to perform a work-related task.

1488 “(b) Nothing in subsection (a) shall:

1489 “(1) Prohibit an employer from adopting reasonable zero tolerance or drug-free
1490 workplace policies, or employment policies concerning drug testing, smoking, consumption,
1491 storage, or use of cannabis in the workplace or while on-call provided that the policy is applied
1492 in a nondiscriminatory manner;

1493 “(2) Require an employer to permit an employee to be under the influence of or
1494 use cannabis in the employer’s workplace o while performing the employee’s job duties or while
1495 on call; or

1496 “(3) Limit or prevent an employer from disciplining an employee or terminating
1497 the employment of an employee for violating an employer’s employment policies or workplace
1498 drug policy.

1499 “(c) An employer may consider an employee to impaired or under the influence of
1500 cannabis if the employer has a good faith belief that an employee manifests specific, articulable

1501 symptoms while working that decrease or lessen the employee’s performance of the duties or
1502 tasks of the employee’s job position, including symptoms of the employee’s speech, physical
1503 dexterity, agility, coordination, demeanor, irrational or unusual behavior, or negligence or
1504 carelessness in operating equipment or machinery; disregard for the safety of the employee or
1505 others, or involvement in an accident that results in serious damage to equipment or property;
1506 disruption of a production or manufacturing process; or carelessness that results in any injury to
1507 the employee or others. If an employer elects to discipline an employee on the basis that the
1508 employee is under the influence or impaired by cannabis, the employer must afford the employee
1509 a reasonable opportunity to contest the basis of the determination.

1510 “(d) Nothing in this section shall be construed to create or imply a cause of action for any
1511 person against an employer for:

1512 “(1) Actions, including subjecting an employee or applicant to reasonable drug
1513 and alcohol testing under the employer's workplace drug policy, including an employee's refusal
1514 to be tested or to cooperate in testing procedures or disciplining or termination of employment,
1515 based on the employer's good faith belief that an employee used or possessed cannabis in the
1516 employer's workplace or while performing the employee's job duties or while on call in violation
1517 of the employer's employment policies;

1518 “(2) Actions, including discipline or termination of employment, based on the
1519 employer’s good faith belief that an employee was impaired as a result of the use of cannabis, or
1520 under the influence of cannabis, while at the employer’s workplace or while performing the
1521 employee’s job duties or while on call in violation of the employer’s workplace drug policy; or

1522 “(3) Injury, loss, or liability to a third party if the employer neither knew nor had
1523 reason to know that the employee was impaired.

1524 “(e) Nothing in this section shall be construed to interfere with any federal restrictions on
1525 employment or impact an employer’s ability to comply with federal law or cause it to lose
1526 federal contract or funding.”.

1527 Sec. 9. Section 23-1321(c)(1)(B)(ix) of the District of Columbia Official Code is
1528 amended as to read as follows:

1529 “(ix) Refrain from excessive use of alcohol or marijuana or any use of a narcotic drug or
1530 other controlled substance without a prescription by a licensed medical practitioner; provided,
1531 that a positive test for the use of marijuana, a violation of § 48-1201, or legal possession or use
1532 of marijuana pursuant to the Comprehensive Cannabis Legalization and Regulation Act of 2021
1533 shall not be considered a violation of the conditions of pretrial release, unless the judicial officer
1534 expressly prohibits the use or possession of marijuana, as opposed to controlled substances
1535 generally, as a condition of pretrial release; the terms “narcotic drug” and “controlled substance”
1536 shall have the same meaning as in § 48-901.02;”.

1537 Sec. 10. Section 4(c) of An Act For the establishment of a probation system for the
1538 District of Columbia, approved June 25, 191 (36 Stat. 865; D.C. Official Code § 24-304), is
1539 amended to read as follows:

1540 “(c) A positive test for the use of marijuana, a violation of § 48-1201, or legal possession
1541 or use of marijuana pursuant to the Comprehensive Cannabis Legalization and Regulation Act of
1542 2021 shall not be considered a violation of a condition of probation unless the judicial officer
1543 expressly prohibits the use or possession of marijuana, as opposed to controlled substances
1544 generally, as a condition of probation.”.

1545 Sec. 11. Section 124 of the 21st Century Financial Modernization Act of 2000, effective
1546 June 9, 2001 (D.C. Law 13-308; D.C. Official Code § 26-551.24) is amended to read as follows:

1547 “Sec. 124. Authority to transact business with marijuana licensees.

1548 “(a) A financial institution authorized to conduct business in the District of Columbia

1549 pursuant to the District of Columbia Banking Code is authorized to provide financial services to

1550 persons or entities with ABCA-approved marijuana licenses; and

1551 “(b) The financial institution shall not be in violation of the following by virtue of

1552 providing financial services to persons or entities with ABCA-approved marijuana licenses,

1553 provided that the financial institution complies with the Bank Secrecy Act Expectations

1554 Regarding Marijuana-Related Businesses Guidelines (FIN-2014-G001), February 14, 2014, in

1555 the provision of the financial services:

1556 “(1) Section 2(k) of the District of Columbia Regional Interstate Banking

1557 Act of 1985, effective November 23, 1985 (D.C. Law 6-107 § 2(k); D.C. Official Code §

1558 26-109);

1559 “(2) Sections 122; 203(c)(4), (8), (12) and (13); 211(a), (e)(6); 217(6);

1560 and 219(a), of the 21st Century Financial Modernization Act of 2000, effective June 9,

1561 2001 (D.C. Law 13-308 § 122; D.C. Official Code § 26-101 et seq., 521, 26-551.22); and

1562 “(3) Section 10c(a)(1) and (2) District of Columbia Regional Interstate

1563 Banking Act of 1985, effective November 23, 1985 (D.C. Law 9-42; D.C. Official Code

1564 § 26-109(a)(1) and (2)).”.

1565 Sec. 12. Section 125 of the 21st Century Financial Modernization Act of 2000, effective

1566 June 9, 2001 (D.C. law 13-308; D.C. Official Code § 26-551.24) is amended to read as follows:

1567 “Sec. 125. Marijuana License and Compliance Portal.

1568 “(a) The Department of Insurance, Securities and Banking, in consultation

1569 with ABCA, shall establish a marijuana license and compliance portal for use by financial
1570 institutions.

1571 “(b) The portal shall be an online portal aggregating data on marijuana businesses from
1572 ABCA. The portal shall be designed to support financial institutions’ compliance and provide
1573 information so that financial institutions can with the Bank Secrecy Act Expectations Regarding
1574 Marijuana-Related Businesses Guidelines (FIN-2014-G001), February 14, 2014.

1575 “(c) At a minimum, the portal shall include the following information:

1576 “(1) Licensing and regulatory information;

1577 “(2) Product lists and sources of supply;

1578 “(3) Financial records of licensed establishments, including major transactions;

1579 “(4) Civil or criminal enforcement actions against licensees;

1580 “(5) Evidence of suspicious or illegal activity; and

1581 “(6) Other information to assist financial institutions, as determined by
1582 the Commissioner.”.

1583 Sec. 13. Section 126 of the 21st Century Financial Modernization Act of 2000,
1584 effective June 9, 2001 (D.C. Law 13-308; D.C. Official Code § 26-551.24) is amended to
1585 read as follows:

1586 “Sec. 126. Banking services enhancement.

1587 “(a) DISB shall conduct an analysis of additional changes in laws or regulations that
1588 might enable legal marijuana-related businesses to have better access to banking services and
1589 issue a report on such analysis within 18 months of the effective date of final regulations issued
1590 by the Alcoholic Beverage and Cannabis Board.

1591 “(b) DISB shall issue any rules necessary to repeal or amend any local rules, regulations,
1592 and practices that might impair access to financial services by persons licensed pursuant to this
1593 act, or to issue such rules to increase the availability of such services.

1594 “(c) Upon the enactment of any statute authorizing state-chartered credit unions in the
1595 District of Columbia, it shall be legal under District law for such a credit union to open accounts
1596 on behalf of and accept receipts from licensed marijuana businesses from their licensed
1597 activities.”.

1598 Sec. 14. Title 2 of the District of Columbia Official Code is amended as follows:

1599 Section 2-534(a) is amended by adding a new paragraph (18) to read as follows:

1600 “(18) Information related to the location of the premises owned by a cultivator or
1601 manufacturer licensee.”.

1602 Sec. 15. Section 6 of the Office of the Administrative Hearings Establishment Act
1603 Of 2001, effective March 6, 2002 (D.C. Law 14-76; D.C. Official Code § 2-1831.03), is
1604 amended by added a new subsection (b-25) to read as follows:

1605 “(b-25) This chapter shall apply to all adjudicated cases arising under D.C. Code § 25-
1606 2807.”.

1607 Sec. 16. Section 106a of The Prevention of Child Abuse and Neglect Act of 1977,
1608 effective September 23, 1977 (D.C. Law 2-22; D.C. Official Code § 4-1301.06a) is amended by
1609 adding new subsections (d) and (e) to read as follows:

1610 “(d) Where a newborn tests positive for the presence of cannabinoid components or
1611 metabolites, the positive test result alone shall not be sufficient to commence an investigation
1612 pursuant to paragraph (a)(1).

1613 “(e) Legal possession and use of marijuana by parents, legal guardians, or custodians
1614 pursuant to the Comprehensive Cannabis Legalization and Regulation Act of 2021 shall not form
1615 the sole basis of an investigation pursuant to paragraph (a)(1).”.

1616 Sec. 17. Title 48 of the District of Columbia Official Code is amended as follows:

1617 (a) Section 48-904.01(a)(1)(B) is amended to read as follows:

1618 “(B) Transfer to another person 21 years of age or older, without remuneration,
1619 marijuana weighing one ounce or less, or one clone, regardless of weight.”.

1620 (b) Section 48-904.01(a)(1)(C) is amended to read as follows:

1621 “(C) Possess, grow, harvest, or process, within the interior of a house, rental unit, or
1622 outdoor space accessible only from inside the house that is in the exclusive control of the
1623 resident, and constitutes such person’s principal residence, no more than 6 cannabis plants, with
1624 3 or fewer being mature, flowing plants; provided, that all persons residing within a single house
1625 or single rental unit may not possess, grow, harvest, or process, in the aggregate, more than 12
1626 cannabis plants, with 6 or fewer being mature, flowering plants;”

1627 (c) Section 48-904.01a(1) is amended by adding a new paragraph (E) to read as
1628 follows:

1629 “(E) “The Mayor shall be responsible for issuing all rules necessary to implement the
1630 provisions of this chapter.”.

1631 Sec. 18. Severability.

1632 If any provision of this act, or the application thereof to any person or circumstance, is
1633 found by a court invalid, such determination shall not affect other provisions or applications of
1634 this act which can be given effect without the invalid provision or application.

1635 Sec. 19. Fiscal impact statement.

1636 The Council adopts the fiscal impact statement in the committee report as the fiscal
1637 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
1638 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

1639 Sec. 20. Effective date.

1640 This act shall take effect following approval by the Mayor (or in the event of veto by the
1641 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
1642 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
1643 24, 1973, (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
1644 Columbia Register.