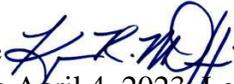


**Council of the District of Columbia**  
**COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT**  
**MEMORANDUM**

1350 Pennsylvania Avenue, NW, Washington, D.C. 20004

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**TO:** Chairperson Phil Mendelson  
**FROM:** Councilmember Kenyan R. McDuffie   
**RE:** Request to Agendize Measures for the April 4, 2023, Legislative Meeting  
**DATE:** March 30, 2023

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I write to request that the following measures be placed on the agenda for the April 4, 2023, Legislative Meeting:

Emergency and Temporary Legislation

- **Medical Cannabis Application Process Clarification Emergency Declaration Resolution of 2023**
- **Medical Cannabis Application Process Clarification Emergency Amendment Act of 2023**
- **Medical Cannabis Application Process Clarification Temporary Amendment Act of 2023**

There exists an immediate need to provide a deadline date that existing cultivation centers and dispensaries must file their applications with the Alcoholic Beverage and Cannabis Administration (ABCA) for additional medical cannabis facility licenses. The Medical Cannabis Amendment Act of 2022 (Act) requires ABCA to make applications for additional licenses available to existing medical cannabis cultivation centers and dispensaries by May 1, 2023. The Act, however, does not contain a deadline date that applications from existing medical cannabis facilities must be filed with ABCA. A deadline date is necessary to provide clarity in the application process as well as to ensure compliance with the Act's requirement that at least 50% of cultivation center and retailer licenses issued by ABCA be set aside for social equity applicants. The emergency legislation sets a deadline date of May 1, 2024 that additional applications from existing cultivation centers and dispensaries would need to be filed with ABCA.

There also exists an immediate need to increase medical cannabis product availability to current and future retailers and internet retailers by not allowing a cultivation center to also hold an internet retailer license. The District currently has a limited number of cultivation centers in operation that are currently making and selling medical cannabis products. The Medical Cannabis Amendment Act of 2022 eliminates the current cap on medical cannabis facility licenses and requires that at least 50% of all new facility licenses, excluding testing laboratories, be made available to social equity applicants. To be successful, it is imperative that existing and new retailers and internet retailers, including social equity applicants, have access to and the ability to sell a variety of medical cannabis products. Allowing cultivation centers that obtain an internet retailer license to sell medical cannabis on-line directly to qualifying patients throughout the District from a cultivation center warehouse and bypass licensed retailers and other internet retailers, including social equity licensees, will further limit access and the availability of medical cannabis products to other retailer and internet retailer licensees while the District's medical cannabis market is seeking to move forward.

The emergency legislation seeks to amend the Act and address and clarify this issue prior to any cultivation centers applying for or receiving an internet retailer license.

- **Medical Cannabis Clarification Supplemental Emergency Declaration Resolution of 2023**
- **Medical Cannabis Clarification Supplemental Emergency Amendment Act of 2023**
- **Medical Cannabis Clarification Supplemental Temporary Amendment Act of 2023**

There exists an immediate need to provide that the two cultivation center registration applicants that submitted a medical cannabis facility registration application to the Alcoholic Beverage Control Board (“ABC Board”) between November 29, 2021, and March 28, 2022 (“open application period”), that tied for second and received the same score be awarded a cultivation center registration. There exists a need to allow other cultivation center and dispensary registration applicants that scored 150 points or more after submitting a cultivation center or dispensary application to the ABC Board during the same open application period to be considered for a cultivation center or retailer registration.

The ABC Board’s open application period made available two cultivation center registrations. Submitted cultivation center registration applications were scored by a six-member selection panel consisting of individuals from six different District of Columbia government agencies. Scoring by the selection panel resulted in a tie for second place with two cultivation center registration applicants, which are both equity impact enterprises, receiving the same total score. An on-going legal dispute exists regarding the awarding of the second cultivation center registration that hinders the ability of either cultivation center registration applicant that tied for second to proceed forward with opening and operating a cultivation center to the detriment of the District.

The Medical Cannabis Amendment Act of 2022, effective March 22, 2023 (D.C. Law L24-332; D.C. Official Code § 7-1671.01 *et seq.*) removed the caps on the number of cultivation center and dispensary registrations per ward (“cap”). Additionally, those applicants who applied and made it to the second round after scoring the requisite 150 points or more during the open application period necessary to move forward in the selection process, invested significant time, money, and resources into a legal and regulatory framework that the Council of the District of Columbia changed shortly thereafter. There exists an immediate need for additional cultivation centers to open and operate in the District of Columbia to ensure a sufficient supply of medical cannabis is available for the additional retailers, internet retailers, and manufacturers permitted to apply for a medical cannabis facility license under the Medical Cannabis Amendment Act of 2022.

The Medical Cannabis Clarification Supplemental Emergency Amendment Act of 2023 (“Act”) will remedy this issue and will also enable the eligible cultivation center applicants that scored 150 points or higher to be considered for a cultivation center registration and have the option to change their location to another compliant property that was previously unavailable to them due to the cap after May 1, 2023, enabling them to begin operations more quickly and better serve registered patients and retailers. The Act will similarly allow eligible dispensary applicants to be considered for a retailer registration no earlier than 180 calendar days after the effective date of the Medical Cannabis Amendment Act of 2022 and have the option to change their location to another compliant property that was previously unavailable to them due to the cap.

Emergency Legislation at the Request of the Mayor

- **Modifications to Contract No. CW64488 with Capital Area Asset Builders (CAAB) Approval and Payment Authorization Emergency Declaration Resolution of 2023**

- **Modifications to Contract No. CW64488 with Capital Area Asset Builders (CAAB) Approval and Payment Authorization Emergency Act of 2023**

This emergency legislation will approve modifications to Contract No. CW64488. This contract with Capital Area Asset Builders is to administer the District's Opportunity Accounts Program on behalf of the Department of Insurance, Securities and Banking, and authorizes payment not-to-exceed \$1,990,000 for the goods and services received and to be received under the contract for the period from September 29, 2022 through September 28, 2023.

By Modification No. 12, dated September 27, 2022, the Office of Contracting and Procurement, on behalf of the Department of Insurance, Securities and Banking, exercised a partial option of period four of Contract No. CW64488 with Capital Area Asset Builders (CAAB) for the period from September 29, 2022 through March 28, 2023 in the not-to-exceed amount of \$950,000. Modification No. 13 was an administrative modification. No Modification No. 14 was issued. Modification No. 15, dated March 9, 2023, the Office of Contracting and Procurement, on behalf of the Department of Insurance, Securities and Banking, exercised another partial option of period four of Contract No. CW64488 with Capital Area Asset Builders (CAAB) for the period from March 29, 2023 through May 28, 2023 at no cost to the District. Modification No. 16 is now necessary to exercise the remainder of option period four of Contract No. CW64488 in the not-to-exceed amount of \$995,000, bringing the total not-to-exceed amount for the period from September 29, 2022 through September 28, 2023 to \$1,990,000.

#### Ceremonial Resolutions

- **Evelyn Boatwright Seraile Posthumous Ceremonial Recognition Resolution of 2023**

This ceremonial posthumously recognizes and honors the life and accomplishments of Evelyn Boatwright Seraile. Evelyn Boatwright Seraile had a passion for serving her community and bringing them together through her love of the theater, family, and friends.

- **Howard University Men's Basketball Championship Recognition Resolution of 2023**

This ceremonial recognizes and honors the Howard University Men's Basketball program for winning the Mid-Eastern Athletic Conference tournament and for participating in the NCAA Men's Basketball Tournament for the first time since 1992.

- **Tricky Entertainment Recognition Resolution of 2023**

This ceremonial recognizes and honors Tricky Entertainment for their contributions to the District of Columbia in showcasing the talent that the District has to offer and providing those in the community a space to celebrate it together.

The filed Executive measures and draft Committee measures along with their supporting materials are attached. Feel free to contact Doni Crawford, Legislative Director, at [dcrawford@dccouncil.gov](mailto:dcrawford@dccouncil.gov), with any questions.

Thank you for your consideration of this request.

cc: Members, Council of the District of Columbia  
Office of the Secretary

Office of the General Counsel  
Office of the Budget Director