


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

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

TO: Chairperson Phil Mendelson
FROM: Councilmember Kenyan R. McDuffie 
RE: Request to Agendize Measures for the February 6, 2024, Legislative Meeting
DATE: February 1, 2024

I write to request that the following measures be placed on the agenda for the February 6, 2024, Legislative Meeting:

Emergency Legislation

- **Medical Cannabis Clarification Supplemental Emergency Declaration Resolution of 2024**
- **Medical Cannabis Clarification Supplemental Emergency Amendment Act of 2024**
- **Medical Cannabis Clarification Supplemental Temporary Amendment Act of 2024**

There existed an immediate need to provide a deadline date by which existing cultivation centers and dispensaries must file their applications with ABCA for additional medical cannabis facility licenses, increase medical cannabis product availability to prohibit a cultivation center from also holding an internet retailer license, provide that the 2 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, and provide that 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.

In April 2023, the Council enacted legislation to address the above-mentioned issues. The temporary, the Medical Cannabis Clarification Supplemental Temporary Amendment Act of 2023, effective July 20, 2023 (D.C. Law 25-31; 70 DCR 7924) (“temporary act”), expires on March 1, 2024. Comprehensive permanent legislation addressing these issues has been introduced but must complete the legislative process. It is of vital importance that the provisions of the temporary act continue in effect until the permanent legislation has become law.

- **Medical Cannabis License Clarification Emergency Declaration Resolution of 2024**
- **Medical Cannabis License Clarification Emergency Amendment Act of 2024**
- **Medical Cannabis License Clarification Temporary Amendment Act of 2024**

The Medical Cannabis Program Enforcement Emergency Amendment Act of 2024, effective January 25, 2024 (D.C. Act 25-371) (“Act 25-371”), clarified that Advisory Neighborhood Commissions within 600 feet of where the establishment is or will be located can file a protest of an application filed by an unlicensed establishment during the statutory 90-calendar day open application period. Act 25-371 also allowed the Alcoholic Beverage and Cannabis Board (“Board”) to extend the unlicensed establishment public comment period by an additional 30-calendar days. With the next open application period for retailer and internet retailer social equity applicants beginning on March 1, 2024, it is necessary to apply this same protest standard and provide the Board the authority to extend the protest deadline to all cultivation center, manufacturer, retailer, and internet retailer applications.

The Medical Cannabis Amendment Act of 2022, effective March 22, 2023 (D.C. Law 24-332; 70 DCR 4303) (“Act”) prohibits retailer applicants that apply during the unlicensed establishment 90-calendar day open application period from being located within 400 feet of each other. However, District law does not currently apply this 400-foot prohibition to retailer applications that are filed with the Alcoholic Beverage and Cannabis Administration (“ABCA”) during open application periods other than 90 calendar-day period for unlicensed establishments. To avoid issues of overconcentration in specific blocks or areas of the District it is imperative that all medical cannabis retailers be required to locate more than 400 feet from each other.

The Act requires that at least 50% of all new cultivation center, retailer, internet retailer, manufacturer, and courier licenses be set aside for social equity applicants. The emergency legislation clarifies that cultivation center, retailer, and internet retailer licenses issued to unlicensed establishments during the statutory 90 calendar-day open application period count toward the 50% set aside requirement for social equity applicants.

As noted above, the Act established a 90 calendar-day open application period for unlicensed establishments (“establishments”) to apply for cultivation center, retailer, and internet retailer licenses. The open application period for unlicensed establishments began on November 1, 2023, and ended on January 29, 2024. ABCA received 76 applications from unlicensed establishments, with 26 placarded thus far. The Act requires the Board to notify successful establishments of license approval at least 15 days prior to the issuance of the license and to cease unlicensed activity immediately. However, these cessations would impede the good faith and legitimate pathway to licensure that the Council intended with the unanimous passage of the Act if establishments are afforded no opportunity to transition into the regulated market. Emergency legislation is necessary to allow ABCA to issue licenses by the later date of either September 30, 2024, or within 180 days of Board approval and require unlicensed activity to cease once an establishment’s license is issued by ABCA. This procedure would stagger the demand for supply at cultivation centers and set these establishments up for success. These changes would solely assist the establishments approved for licensure, while all other unlicensed activity would remain on track for enforcement.

Emergency legislation is also necessary to allow those establishments that choose to discontinue operations after Board approval and are not involved in unlicensed activity to request one additional 180-day period extension to allow the applicant to take steps to resume business operations at the applicant’s proposed location. This extension would only be granted if the applicant can demonstrate to the Alcoholic Beverage and Cannabis Board that it is making reasonable progress to resume business operations at the proposed location.

The Committee on Business and Economic Development is currently considering legislation to enact these changes on a permanent basis.

The draft measures are attached. Feel free to contact Doni Crawford, Legislative Director, at 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