

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend, on an emergency basis, the Legalization of Marijuana for Medical Treatment Amendment Act of 2010 to ban straw ownership, provide that the number of testing laboratories allowed in an election ward cannot exceed 2, provide that no person who has a felony conviction for a crime of violence, gun offense, tax evasion, fraud, or credit card fraud that occurred within 3 years preceding the filing of an application shall be eligible to be a director, owner, officer, or agent of a dispensary, cultivation center, or testing laboratory, and remove the prohibition preventing an individual with a felony conviction from working at a dispensary, cultivation center, or testing laboratory.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Medical Cannabis Emergency Amendment Act of 2021”.

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

(a) Section 2 (D.C. Official Code § 7-1671.01) is amended by adding a new paragraph (20A) to read as follows:

“(20A) “Straw ownership” means nominal ownership without the attendant benefits and risks of genuine ownership, where someone, often for a fee, allows themselves to be named on documents or purports in writing to be an owner, in whole or in part, for the purpose of satisfying a government regulatory requirement.”.

(b) Section 7 (D.C. Official Code § 7-1671.06) is amended as follows:

(1) Subsection (d) is amended as follows:

37 (A) Paragraph (3)(A) is amended to read as follows:

38 "(3)(A) The total number of cultivation centers that may be registered to
39 operate within an election ward, established by the Council in section 4 of the Redistricting
40 Procedure Act of 1981, effective March 16, 1982 (D.C. Law 4-87; D.C. Official Code § 1-
41 1041.03), shall not exceed 6 and the total number of testing laboratories that may be registered to
42 operate within an election ward shall not exceed 2.”.

43 (B) Paragraph (5) is amended as follows:

44 (i) Subparagraph (A) is amended by striking the phrase “, or
45 applicant eligible to be a medical cannabis certified business enterprise,”.

46 (ii) A new subparagraph (A-i) is added to read as follows:

47 “(A-i) Straw ownership for the purposes of meeting the medical
48 cannabis ownership requirements of this section is prohibited, both for a District resident and an
49 out-of-state resident. A person who is found to have willfully asserted straw ownership shall be
50 guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than the
51 amount set forth in section 101 of the Criminal Fine Proportionality Amendment Act of 2012,
52 effective June 11, 2013 (D.C. Law 19-317; D.C. Official Code § 22-3571.01), or imprisoned for
53 not more than one year, or both.”.

54 (2) Subsection (j) is amended to read as follows:

55 “(j)(1) No person seeking to be a director, officer, member, incorporator, or agent of a
56 dispensary, cultivation center, or testing laboratory who has access to the medical cannabis at the
57 dispensary, cultivation center, or testing laboratory shall have had a felony conviction for a crime
58 of violence, a gun offense, tax evasion, fraud, or credit card fraud within the 3 years preceding
59 the date the application for licensure is filed with ABRA.

60 “(2) The ABC Board shall not disqualify an employee of a dispensary, cultivation
61 center, or testing laboratory who has access to medical cannabis at the dispensary, cultivation
62 center, or testing laboratory from working at the dispensary, cultivation center, or testing
63 laboratory solely because the person has been convicted of a felony before filing the application.

64 “(3) The ABC Board may establish additional criminal background requirements by
65 rulemaking for testing laboratory agents that are responsible for testing cannabis and cannabis
66 products and consult with other District agencies regarding an applicant’s record of adherence to
67 other regulatory requirements before granting an application.”.

68 Sec. 3. Applicability.

69 This act shall apply as of March 22, 2021.

70 Sec. 4. Fiscal impact statement.

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

74 Sec. 4. Effective date.

75 This act shall take effect following approval by the Mayor (or in the event of veto by the
76 Mayor, action by the Council to override the veto), and shall remain in effect for no longer than
77 90 days, as provided for emergency acts of the Council of the District of Columbia in section
78 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788;
79 D.C. Official Code § 1-204.12(a)).