

MEDICAL CANNABIS BUSINESS

UNLICENSED OPERATOR APPLICATION INSTRUCTIONS

Overview

The Alcoholic Beverage and Cannabis Administration (ABCA) will accept Retailer, Internet Retailer, and Cultivation Center license applications from unlicensed establishments beginning on Wednesday, November 1, 2023 and ending on Monday, January 29, 2024, pursuant to the requirements of the Medical Cannabis Amendment Act of 2022 and regulations set forth in Title 22-C.

A Retailer is permitted to dispense medical cannabis, medical cannabis products, and paraphernalia to qualifying patients and the caregivers of qualifying patients and may manufacture, possess, distribute, and purchase paraphernalia. A Retailer is permitted to deliver medical cannabis and medical cannabis products to qualifying patients and their caregivers with a delivery endorsement. A Retailer is also permitted to apply to ABCA for a (1) safe-use treatment facility endorsement, (2) summer garden endorsement, and (3) education tasting endorsement.

An Internet Retailer is not permitted to have its physical location be open to the public. An Internet Retailer is permitted to dispense and deliver medical cannabis, medical cannabis products, and paraphernalia to qualifying patients and the caregivers of qualifying patients. An Internet Retailer may also manufacture, possess, distribute, and purchase paraphernalia. An Internet Retailer is not required to obtain a delivery endorsement to deliver medical cannabis and medical cannabis products to qualifying patients and caregivers. The holder of an Internet Retailer license is not permitted to offer curbside pickup at its approved physical location.

Internet Retailers and Retailers are required to deliver medical cannabis and medical cannabis products to residential and commercial building addresses located in the District that are not on District government or Federal property or on public or private school grounds, with the exception of deliveries to individuals at colleges and universities who are 21 years of age or older.

A Cultivation Center may cultivate and possess medical cannabis for the purpose of distribution to a Manufacturer, Retailer, or Internet Retailer, and may manufacture, possess, purchase, and use medical cannabis products and paraphernalia.

Unlicensed establishments are required to have a proposed facility location and are not permitted to file a conditional license application during the 90-day unlicensed establishment open application period.

Retailer, Internet Retailer, and Cultivation Center applications accepted by ABCA are required to undergo a 45 calendar day public comment period.

Eligibility

At least 50% of all new Retailer, Internet Retailer, and Cultivation Center licenses issued to unlicensed establishments during the 90-day open application period are required to be set aside for social equity applicants. Retailer, Internet Retailer, and Cultivation Center applicants must meet the general qualifications below. Retailer applicants may not hold a testing laboratory or courier license. Internet Retailer applicants may not hold a testing laboratory, Cultivation Center, or courier license. Cultivation Center applicants may not hold a testing laboratory, Internet Retailer, or courier license.

A Retailer, Internet Retailer, or Cultivation Center license application may not be filed for a location that is located within any residential district or within 300 feet of a preschool, primary or secondary school, or a recreation center. The 300 foot restriction does not apply where the main entrance to the preschool, primary or secondary school, or recreation center, or the nearest property line of the school or recreation center, is actually on or occupies ground zoned commercial or industrial according to the official atlases of the Zoning Commission of the District of Columbia.

An applicant for a Retailer license cannot be located within 400 feet of an existing Retailer or a previously submitted Retailer application during the 90-day open application period.

To qualify for a Retailer, Internet Retailer, or Cultivation Center license, an unlicensed establishment applicant must: (1) have a valid, active business license issued on or before December 31, 2022, (2) have a valid certificate of occupancy issued prior to the date on which the application is submitted, (3) have been in operation as an unlicensed cannabis business since December 31, 2022 at the latest, and (4) demonstrate that business taxes were paid to the District of Columbia for each year following the issuance of a certificate of occupancy or business license, if applicable.

To qualify for a Cultivation Center license, an unlicensed establishment must also demonstrate that the facility at which cultivation will take place is suitable for the cultivation of cannabis, including being sufficient in size, power allocation, air exchange and air flow.

A separate application is required for each license type requested as well as for each unlicensed establishment location that was in operation since December 31, 2022.

General Qualifications

Before issuing a license, the Alcoholic Beverage and Cannabis Board (ABC Board) shall determine if the applicant meets all of the following criteria:

1. The applicant is of good character and generally fit for the responsibilities of licensure.
2. The applicant is at least twenty-one (21) years of age.
3. The applicant has not been convicted of a felony for a crime of violence, gun offense, tax evasion, fraud, or credit card fraud within the three (3) years preceding the date the application is filed.
4. The applicant has paid the annual fee and is either a for-profit or non-profit corporation incorporated in the District.
5. The applicant is not a licensed authorized practitioner making patient recommendations.
6. The applicant is not a person whose authority to be a caregiver or qualifying patient has been revoked by the Board.
7. The applicant is current on all tax filings and has "Clean Hands" (does not owe the District more than \$100).

Social Equity Applicants

Applicants applying as a social equity applicant must submit to ABCA a Medical Cannabis Facility Applicant Social Equity Declaration Form with their submitted application. At least 50% of all new Retailer, Internet Retailer, and Cultivation Center licenses issued to unlicensed establishments during the 90-day open application period are required to be set aside for social equity applicants. Only a social equity applicant or a medical cannabis certified business enterprise are eligible to receive equity, grants, and loans from the medical cannabis social equity fund. Social equity applicants also receive a 75% fee reduction on application and licensing fees for the first three years.

Certified Business Enterprise

Applicants applying as a medical cannabis certified business enterprise must submit to ABCA the required Department of Small and Local Business Development (DSLBD)-issued certification documentation with their submitted application. There is no requirement to be a medical cannabis certified business enterprise to be eligible for a Retailer, Internet Retailer, or Cultivation Center license. However, only a medical cannabis certified business enterprise or a social equity applicant are eligible to receive equity, grants, and loans from the medical cannabis social equity fund.

Fee and Submission Instructions

Applications must be:

- Legibly typed (preferably in a 12-point font).
- Filed in their entirety in hard copy OR electronically (all items must be combined into one (1) PDF document).

- Mailing/Office Address—ABCA, 2000 14th Street NW, Suite 400 South, Washington, DC 20009.
- Electronically—ABCA.CannabisLicensing@dc.gov.

Additionally, applicants must pay a non-refundable application fee as part of their application submission. The application fee for a standard Retailer, Internet Retailer, or Cultivation Center applicant is \$8,000.00. The application fee for a social equity Retailer, Internet Retailer, or Cultivation Center applicant is \$2,000.00.

Accepted methods of payment by application submission:

- Mail—Include with your application a check (no starter checks), money order, or cashier’s check made payable to “DC Treasurer” or request a payment link by emailing ABCA.CannabisLicensing@dc.gov.
- In-Person—Include with your application a check (no starter checks), money order, or cashier’s check made payable to “DC Treasurer” or present a credit card to an ABCA contact representative upon submission.
- Electronic—Applicants who submit their application electronically may pay online, by mail, or in-person as indicated above. To request a payment link, email ABCA.CannabisLicensing@dc.gov.

Payment by phone and cash are not accepted.

All costs involved in the preparation and submission of an application are the responsibility of the applicant. ABCA is not responsible for any costs incurred by an applicant in preparation or submission of an application.

Retailer, Internet Retailer, and Cultivation Center applicants are also required to pay their annual fee for the first year within 60 calendar days of ABC Board approval but prior to license issuance. The annual fee for a standard Retailer or Internet Retailer license is \$16,000.00. The annual fee for a social equity Retailer or Internet Retailer license is \$4,000.00 for the first three years. The annual fee for Cultivation Center license varies based upon the facility’s mature cannabis plant grow canopy area with the annual fee for social equity applicants being 75% less for the first three years.

Criminal Background Checks

Except for social equity applicants, an applicant’s criminal background check information shall not be due to or considered by ABCA until ABCA has otherwise determined that the applicant is qualified and ready for license acceptance.

Inquiries

Inquiries should be made in writing to ABCA.CannabisLicensing@dc.gov.

Application Criteria

1. **Completeness**—Per the regulations, if an applicant fails to address all of the required documents and plans, the application will be considered non-responsive and not accepted by ABCA.
2. **Zoning Compliance**— Provide evidence that the proposed physical address to be utilized as a Retailer, Internet Retailer, or Cultivation Center is not located within a residential district or within 300 feet of a preschool, primary or secondary school, or a recreation center or that the nearest property line or the main entrance to the school or recreation center is zoned commercial or industrial according to the official atlases of the Zoning Commission. The submission must include either a certified surveyor’s report or a detailed Geographic Information Systems (GIS) map requested from ABCA setting forth the proximity of the Retailer, Internet Retailer, or Cultivation Center to the nearest public or private, preschool, primary or secondary school or recreation center, and the name of the school or recreation center. To request a GIS map, email ABCA.CannabisLicensing@dc.gov. Include “GIS Map Request for Medical Cannabis Facility Application” in the subject line.
3. **Certificate of Occupancy**— Provide a valid certificate of Occupancy issued prior to the date the application is submitted indicating that a Retailer, Internet Retailer, or Cultivation Center can operate at the premises.
4. Provide a valid written lease or deed that indicates that the applicant currently occupies all or a portion of the building for the applicant’s use in carrying on the business of a Retailer, Internet Retailer, or Cultivation Center.

5. Basic Business License—Provide a valid, active Basic Business License issued on or before December 31, 2022.
6. Business Taxes— Provide documentation that Business Taxes were paid to the District for each year following the issuance of a certificate of occupancy or business license, if applicable.
7. Proof of operation—Provide the Medical Cannabis Business Unlicensed Operator Attestation Form and submit documentation that the Applicant’s business was in operation as a cannabis business since December 31, 2022.
8. Facility Suitability—Documentation that the facility is suitable for the cultivation of cannabis, including being sufficient in size, power allocation, air exchange and air flow (Cultivation Center applicants only)
9. Provide a completed Medical Cannabis Business License Application.
10. Provide a signed and notarized Medical Cannabis Facility Applicant Acknowledgment and Attestation Form.
11. Social Equity Applicant—If applicable, provide documentation that the applicant qualifies as a social equity applicant. To qualify as a social equity applicant, an applicant must meet 2 or more of the criteria set forth in D.C. Official Code § 7-1671.01(20C) and satisfy the requirements of D.C. Official Code § 7-1671.06(g)(1). Provide both the notarized Medical Cannabis Facility Applicant Social Equity Declaration Form and a Social Equity Applicant Attestation Statement. The Social Equity Applicant Attestation Statement is a notarized affidavit from the applicant attesting to: (1) the number of owners who meet the criteria for a social equity applicant, (2) the ownership interests, incomes, and net worth of any owners, (3) the location of the applicant’s principal office, (4) the residency of owners, employees, and contractors, and (5) the locations of the assets and the percentages of the assets in each location.
12. Medical Cannabis Certified Business Enterprise—If applicable, provide documentation that the applicant is registered as a medical cannabis CBE by DSLBD. To qualify as a medical cannabis CBE an applicant shall be required to meet all of the criteria set forth in D.C. Official Code § 7-1671.01(12A) and § 7-1671.06(g)(2). Provide (1) the notarized Annual Personal Net Income Attestation Form attesting that the annual personal net income of each owner does not exceed \$349,999, (2) the Medical Cannabis Certified Business Enterprise Declaration Form, and (3) a Medical Cannabis CBE Applicant Attestation Statement (Attestation Statement). The applicant’s Attestation Statement is a notarized affidavit from the applicant attesting to: (1) the number of owners who are economically disadvantaged individuals or individuals who have been subjected to racial or ethnic prejudice or bias because of their identities as members of a group without regard to their individual qualities, (2) the ownership interests, incomes, and net worth of any owners, (3) the location of the applicant’s principal office, (4) the residency of owners, employees, and contractors, and (5) the locations of the assets and the percentage of the assets in each location.
13. To be accepted by ABCA, an applicant is required to submit all of the other required documents listed on the “Medical Cannabis Unlicensed Establishment Applicant Checklist”
14. Additionally, an applicant for a Retailer, Internet Retailer, or Cultivation Center shall submit a security plan with its application that shall address, at a minimum, the following elements:
 - Evidence that the space will comply with all security system requirements set forth in Title 22-C of the regulations.
 - A site plan showing the entire structure the business is housed in, including the street(s), parking lot(s), other tenants within the facility, and any other entities that physically border the facility’s proposed location.
 - A floor plan of the business detailing the location of the following:
 - All entrances and exits to the business.
 - The location of any windows, skylights, and roof hatches.
 - The location of all cameras, and their field of view.
 - The location of all alarm inputs (door contacts, motion detectors, duress/hold up devices) and alarm sirens.
 - The location of the digital video recorder and alarm control panel.
 - Restricted and public areas.
 - The type of security training provided for, and completed by, establishment personnel, including:
 - Procedures for handling violent incidents, other emergencies, and calling MPD.
 - The number and location of cameras used by the establishment.
 - Security measures taken by the applicant to prevent individuals from entering the limited access area portion of the licensed premises.
 - The applicant’s closing procedures after the cessation of business each day.
 - The applicant’s plan to prevent theft or the diversion of medical cannabis, including maintaining all medical

- cannabis in a secure, locked room that is accessible only to authorized persons.
- The type of security or alarm system and outdoor lighting to be used by the applicant.