

MEDICAL CANNABIS

CONDITIONAL LICENSE APPLICATION INSTRUCTIONS

Overview

The Alcoholic Beverage and Cannabis Administration (ABCA) will begin accepting one-year Conditional license applications during designated open application periods published in the D.C. Register pursuant to the requirements of the Medical Cannabis Amendment Act of 2022 and regulations set forth in Title 22-C. A one-year Conditional license may be filed during a designated open application period by a Cultivation Center, Manufacturer, courier, Retailer, or Internet Retailer that does not currently have a proposed location. A Conditional license does not permit the holder to purchase, possess, cultivate, manufacture or sell medical cannabis or medical cannabis products. The Conditional license provides an applicant with one-year from the date of Alcoholic Beverage and Cannabis Board (ABC Board) approval to submit to ABCA: (1) a lease or similar documentation, (2) A security plan, (3) a certificate of occupancy for the proposed location, (4) a permanent medical cannabis facility license application, (5) any remaining or additional licensing or endorsement fees owed to ABCA, and (6) any other documentation requested by the ABC Board. The holder of a Conditional license is also required to have their facility operational within the one-year period. The failure of the holder of a Conditional license to submit these documents to ABCA or be operating within the one-year period will result in the Conditional license being cancelled by the ABC Board. A one-year Conditional license cannot be sold or transferred to a new owner.

Conditional license applications accepted by ABCA are not required to undergo a 45 calendar day public comment period. Approved Conditional license applicants will be required to undergo a 45 calendar day public comment period after their permanent medical cannabis facility license application is filed.

Eligibility

At least 50% of all new Retailer, Internet Retailer, courier, Cultivation Center, and Manufacturer licenses are required to be set aside for social equity applicants. Conditional license applications filed and approved by the ABC Board count toward the 50% set aside requirement.

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 has complied with all the requirements of the Legalization of Marijuana for Medical Treatment Initiative of 1999 (Act), effective July 27, 2010, and Title 22-C of the District of Columbia Municipal Regulations.
8. 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, courier, Cultivation Center, and Manufacturer licenses 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, courier, Cultivation Center, or Manufacturer 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 Conditional license applicant is \$800.00. The application fee for a social equity Conditional license applicant is \$200.00.

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.

Conditional license applicants that are approved by the ABC Board are also required to pay an approval fee within 60 calendar days of ABC Board approval. The approval fee for a standard Conditional license is \$1,200.00. The approval fee for a social equity Conditional license is \$300.00.

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 provide all of the required documents, the

application will be considered non-responsive and not accepted by ABCA.

2. Provide a completed Medical Cannabis Business License and Endorsement Application.
3. Provide a signed and notarized Medical Cannabis Facility Applicant Acknowledgment and Attestation Form.
4. 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.
5. 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.
6. To be accepted by ABCA, an applicant is required to submit all of the other required documents listed on the "Conditional License Application Checklist".

NOTICE: The District of Columbia will provide the appropriate services and auxiliary aids, including sign language interpreters, whenever necessary to ensure effective communication with members of the public who are deaf, hearing impaired or who have other disabilities affecting communications. Requests for services and auxiliary aids should be made at least ten days prior to any scheduled hearing. Please notify the ADA Coordinator at (202) 442-4423. In order to report fraud, waste, and abuse in District of Columbia government, call 1-800-521-1638.