



The Comprehensive Cannabis Legalization and Regulation Act of 2021

In 2014, voters of the District overwhelmingly approved Initiative 71, which legalized the possession and cultivation of limited amounts of cannabis for residents age 21 and older.

However, due to the fact that D.C. cannot control its own budget, Congress has been able to block the District from taxing and regulating cannabis sales via the “Harris rider.”

On the federal level, the Senate Appropriations Committee has omitted the Harris rider in this year’s appropriations bill. The House appropriations legislation approved over the summer did not include the provision, and the fact that it’s not in the Senate bill either greatly increases the chances that the District of Columbia could soon move forward with regulated cannabis sales. Democratic leaders plan to enact a final appropriations package by December 3, 2021.

Regulation

- The Alcoholic Beverage Administration (ABRA) will be renamed the Alcoholic Beverage and Cannabis Administration (ABCA) and will be charged with licensing and regulating the following types of cannabis businesses: cultivators, manufacturers, micro-businesses, testing facilities, off-premises retailers, on-premises retailers, and research and development facilities.
 - Microbusiness or off-premises retailer licensees may obtain a delivery endorsement to be eligible to deliver cannabis products to D.C. residents.
- Regulations will be drafted by the renamed Alcoholic Beverage and Cannabis Administration (ABCA) in consultation with a Marijuana Advisory Committee composed of experts and community members.
- A seed-to-sale tracking system will be implemented to ensure cannabis is not diverted to the illicit market.

Public Health and Safety

- All cannabis and cannabis products must be packaged in a child-resistant container; containers may not include symbols or names appealing to children.
- All cannabis and cannabis products must be labeled to include: net contents, the level (in percentages) of THC and CBD in the product, instructions for usage, a list of ingredients and possible allergens, and a nutrition fact panel.
- ABCA will implement a public education campaign that includes information on who can legally purchase, possess, and use cannabis; health effects of cannabis use; methods of cannabis use, including potential risks of each method; places or locations where cannabis use and possession is prohibited; and responsible use strategies including safe storage of cannabis, not operating a vehicle while impaired, avoiding using cannabis while pregnant, and not consuming cannabis

with other drugs.

Social Equity

- A social equity program will be established to provide opportunities for entrepreneurship for individuals most impacted by the war on drugs.
 - “Social equity applicants” are defined as applicants with at least 60% ownership and control by D.C. residents who have been previously convicted of cannabis-related offenses, are members of an impacted family, or have lived 10 of the last 20 years in a disproportionately impacted area.
 - A “disproportionately impacted area” is defined as a census tract or comparable geographic area that:
 - Meets one of the following criteria: 1) has a poverty rate of at least 15%; 2) the share of households in the area that receive public assistance income as defined by the Census Bureau is at least 4%; or 3) the area has had an unemployment rate that is more than 120% of the national average for at least two years preceding the date of the application; AND
 - Has or had high rates of arrest, conviction, and incarceration related to the sale, possession, use, cultivation, manufacture, or transport of cannabis.
 - At least half of all cannabis business licenses will be set aside for social equity applicants.
 - Seventy-five percent of any nonrefundable license application fees will be waived for social equity applicants.
 - A “Cannabis Equity and Opportunity Fund” will be created to pay for outreach and support for social equity applicants and to assist with job training and technical assistance for residents in disproportionately impacted areas. It can also provide grants and loans to assist social equity applicants. Thirty percent of tax revenues from legal cannabis sales will be allocated to the fund.
 - ABCA will establish grant, equity, and loan programs to provide financial assistance, loans, grants, equity, and technical assistance to social equity applicants.
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Community Reinvestment

- Fifty percent of tax revenues from the sale of cannabis will be deposited into a Community Reinvestment Program Fund. The fund will be used to provide grants to organizations addressing issues such as economic development, homeless prevention services, support for returning citizens, and civil legal aid in areas with high poverty, unemployment, and gun violence.
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Automatic Expungement and Re-sentencing

- The Clerk of the Superior Court of the District of Columbia will search and automatically expunge any D.C. Code arrests and convictions for cannabis-related offenses. Incarcerated people will have an opportunity to have their sentences for cannabis-related offenses modified,

vacated, or set aside.

Non-Discrimination

Employers may not refuse to hire, fire, or otherwise disadvantage an individual for consuming cannabis during non-work and non-call hours, with the exception of federal restrictions. Employers may still take action if a person is impaired at work.

Licensing

- The board may impose caps on the number of licenses for each license type.
 - Includes qualifications for licensure. An applicant for a cultivation, manufacturer, microbusiness, or off-premises retailer license must have one or more District residents, which individually or collectively, own at least 60% of the licensed establishment.
 - Sixty percent of the employees for those businesses must be District residents.
 - Applicants who have been convicted of an offense that is directly related to the business for which a license is held or sought are disqualified from being licensed, though a drug conviction shall not be the sole ground for denial of a license, unless the offense involved a minor.
 - Only currently licensed medical cannabis establishments and social equity applicants will be licensed in the first year. After the initial one-year period, social equity applicants will be licensed on an expedited basis.
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Taxation

- A 13% retail tax is imposed for retail cannabis and cannabis products.
 - A 6% retail tax is imposed on medical cannabis products.
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