

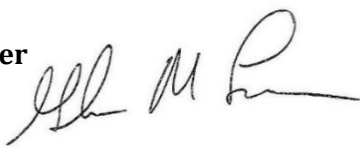
Government of the District of Columbia  
Office of the Chief Financial Officer



**Glen Lee**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Glen Lee  
Chief Financial Officer 

**DATE:** February 28, 2025

**SUBJECT:** Fiscal Impact Statement – Unlicensed Establishment Enforcement  
Clarification Emergency Amendment Act of 2025

**REFERENCE:** Draft Bill as provided to the Office of Revenue Analysis on February 28,  
2025

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**Conclusion**

Funds are sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill.

**Background**

Under District law, the Alcoholic Beverage and Cannabis Administration (ABCA) is the lead agency for managing the District’s medical cannabis program<sup>1</sup>, including taking enforcement actions against entities not in compliance with the law. To help establishments engaging in unlicensed medical cannabis transactions become compliant with the law, a special unlicensed establishment transition program was established.<sup>2</sup> Entities that are approved for a license under that program have until March 31, 2025 to be fully operational and in compliance with all medical cannabis related laws and regulations or else the approval for a license is rescinded<sup>3</sup>.

The bill clarifies that unlicensed entities in the transition program not fully operational and licensed by April 1, 2025 are subject to ABCA enforcement actions. Additionally, the bill expands ABCA’s existing power to summarily close and padlock unlicensed establishments if there is an imminent danger to the health or safety of the public as follows: First, it extends that power to unlicensed

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<sup>1</sup> D.C. Official Code § 25-204.02

<sup>2</sup> D.C. Official Code § 7-1671.06a

<sup>3</sup> D.C. Official Code § 7-1671.06b

The Honorable Phil Mendelson

FIS: "Unlicensed Establishment Enforcement Clarification Emergency Amendment Act of 2025", Draft bill as provided to the Office of Revenue Analysis on February 28, 2025

establishments that have Schedule I substances<sup>4</sup> on the premises even if cannabis is not present. Second, it explicitly allows ABCA through the Alcoholic Beverage and Cannabis Board ("the Board") to extend a summary closure if the Board makes a reasonable judgment that the danger to health or safety is likely to recur, subject to a right of appeal. Finally, the legislation extends ABCA's power to summarily close and padlock an establishment for imminent dangers to the health and safety of the public to ABCA-licensed establishments and creates a framework for businesses to appeal those decisions to the Board.

### **Financial Plan Impact**

Funds are sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. ABCA can implement the bill's enforcement authority within its existing resources.

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<sup>4</sup> As defined by D.C. Official Code § 48-902.04