



Social Equity

Community Outreach Session 2



Washington State Liquor and Cannabis Board

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Washington State Liquor and Cannabis Board

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Cannabis Licensing

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Washington State Liquor and Cannabis Board

Licensing of Recreational Cannabis

Initiative 502 - Initial Application Process

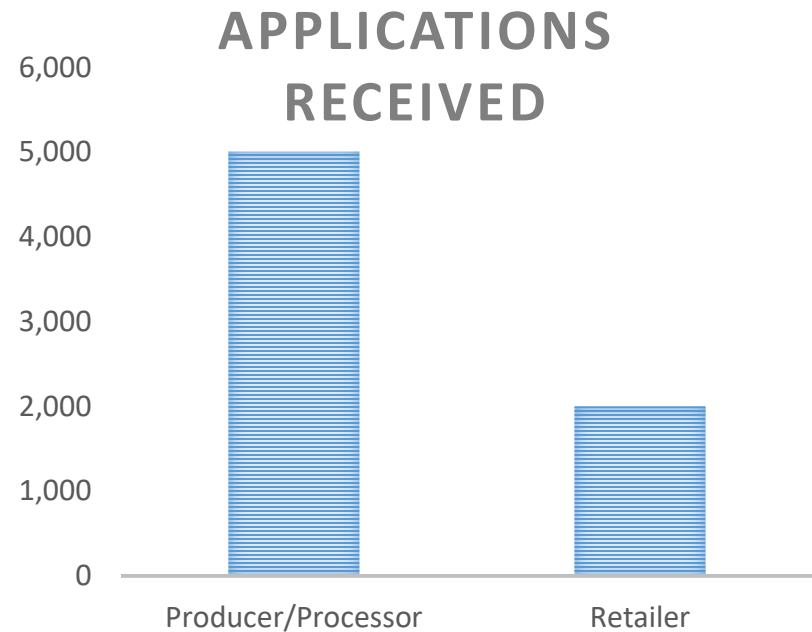
November 2013 – December 2013: Application Window

- Opened for 30 days
- Received over 7,000 applications for retail and producer/processor licenses
- 334 retail allotments

February 2014: Retail Lottery Prescreen Requirements

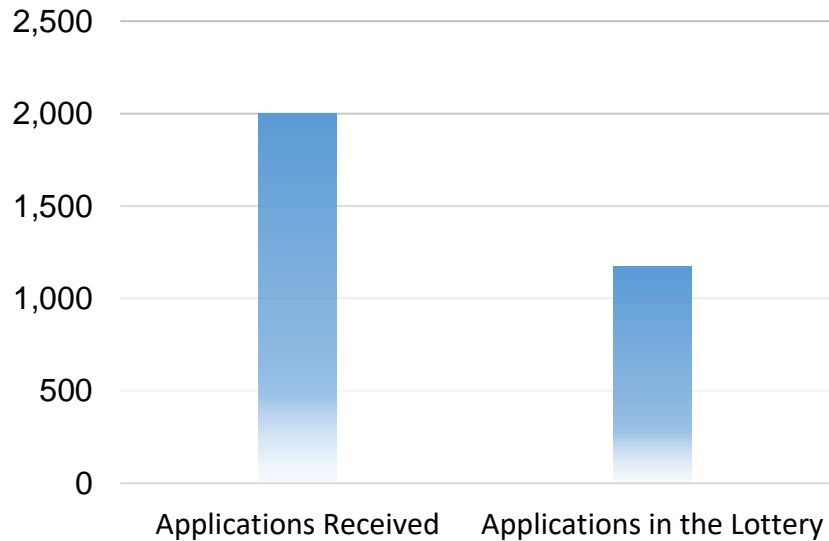
- All true parties of interest/spouses meet Washington residency requirements
- All true parties of interest/spouses are at least 21 years of age
- Applying entity is formed in Washington State
- Location address meets 1,000' distance requirement
- Applicant has the right to real property (letter of intent signed by the landlord)

April 2014: Independent Double Blind Lottery





Retail Lottery



Independent Lottery

The lottery was conducted by the Social and Economic Sciences Research Center of Washington State University and the accounting firm, Kraght-Snell of Seattle.

Jurisdictions Requiring a Lottery

1,174 applicants were included in the lottery

- 75 jurisdictions required a lottery
- 47 jurisdictions did not require a lottery



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Medical Cannabis Merge

October 2015 – April 2016: Application Window

- Increased retail allotments to 556 (accommodate medical cannabis patients)
- Received over 2,300 retail applications

Priority Requirements Established by Legislature

Priority One

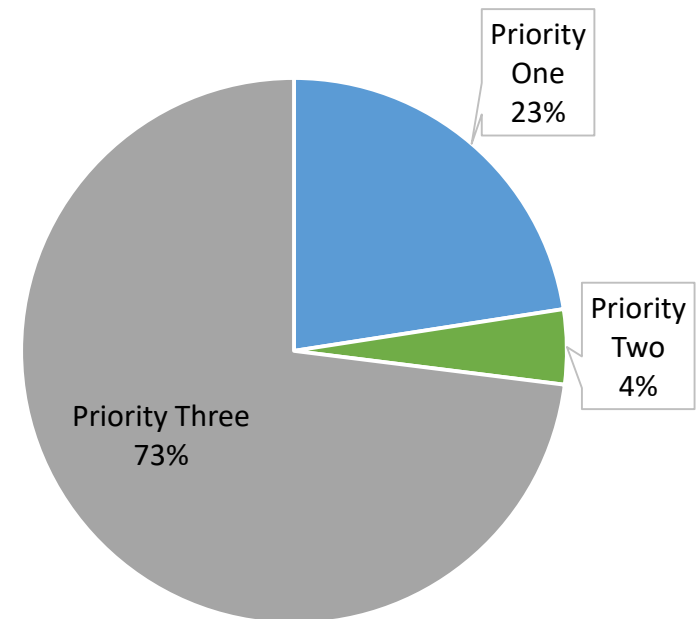
- Applied to the WSLCB for a marijuana retailer license prior to July 1, 2014.
- Operated or were employed by a collective garden before January 1, 2013.
- Maintained a state business license and a municipal business license, as applicable in the relevant jurisdiction.
- History of paying all applicable state taxes and fees since January 1, 2013.

Priority Two

- All items outlined in Priority 1 minus having applied to the State Liquor and Cannabis Board for a marijuana retailer prior to July 1, 2014.

Priority Three

- Completion of the Marijuana Priority Verification Form.





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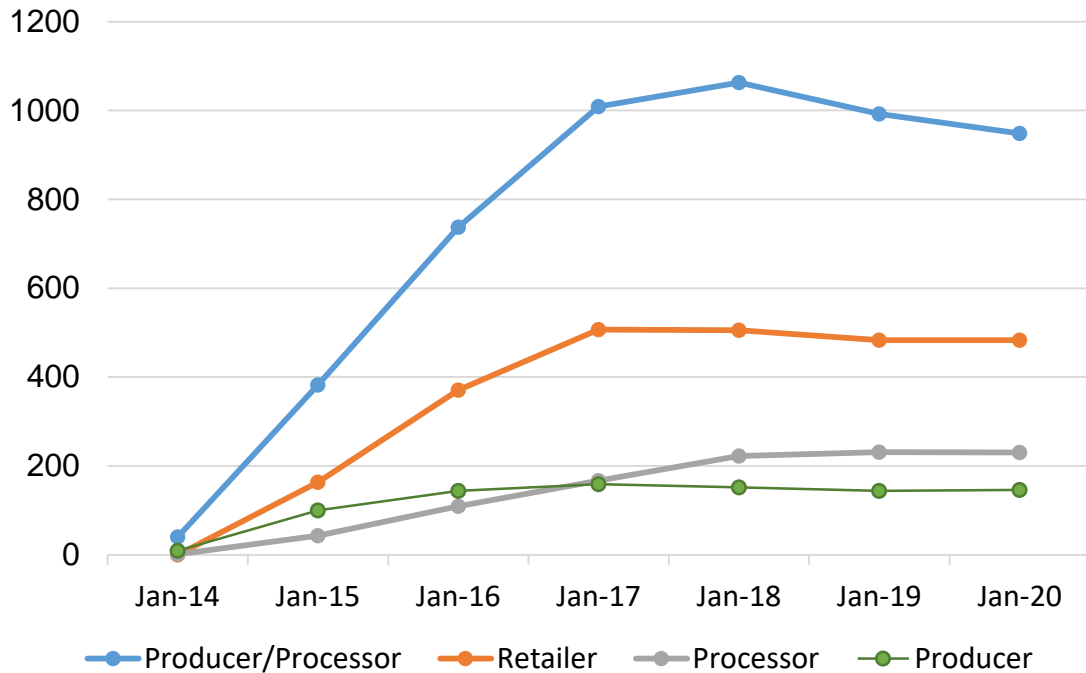
Licensing Requirements





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Active Licenses



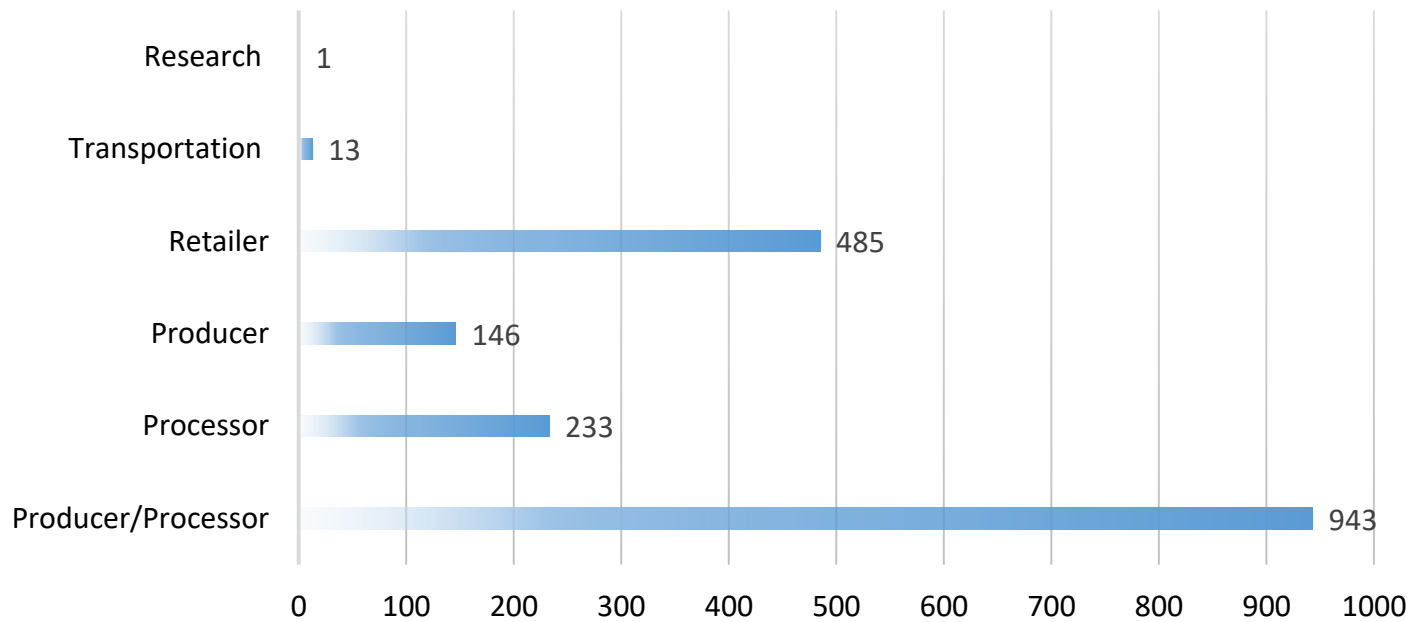
March 2014
First Producer License Issued

July 2014
First Retailer License Issued



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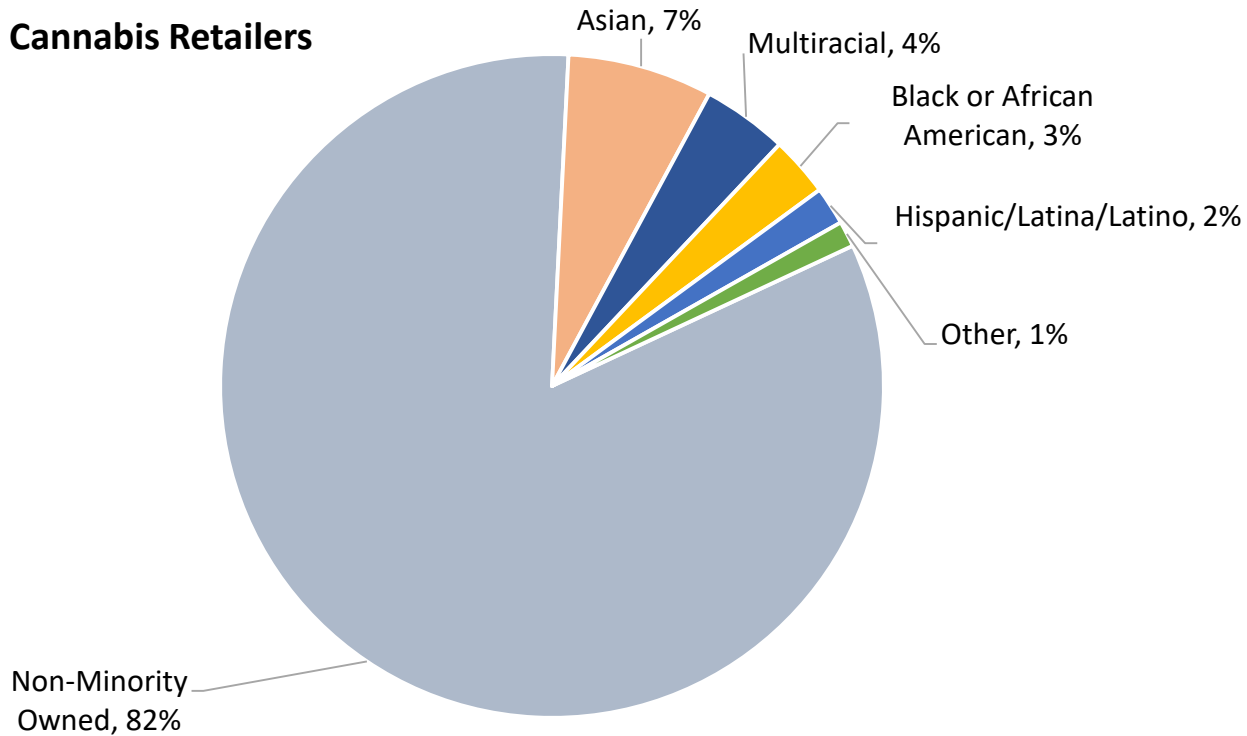
Current License Count





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Minority Owned Cannabis Retailers

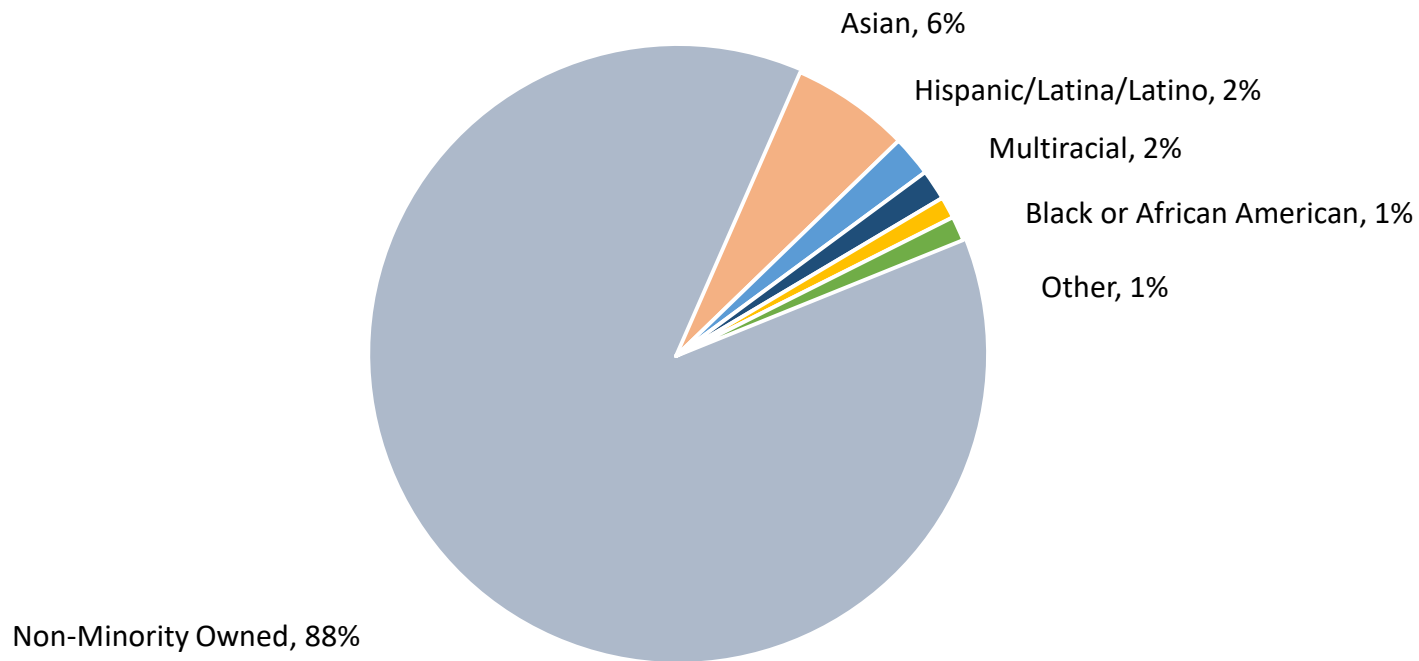


Categories based on U.S. Census Bureau Definitions. Data represents self-identified race of majority or equal interest owners of the 483 active licenses on June 30, 2020.



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Minority Owned Cannabis Producers and Processors

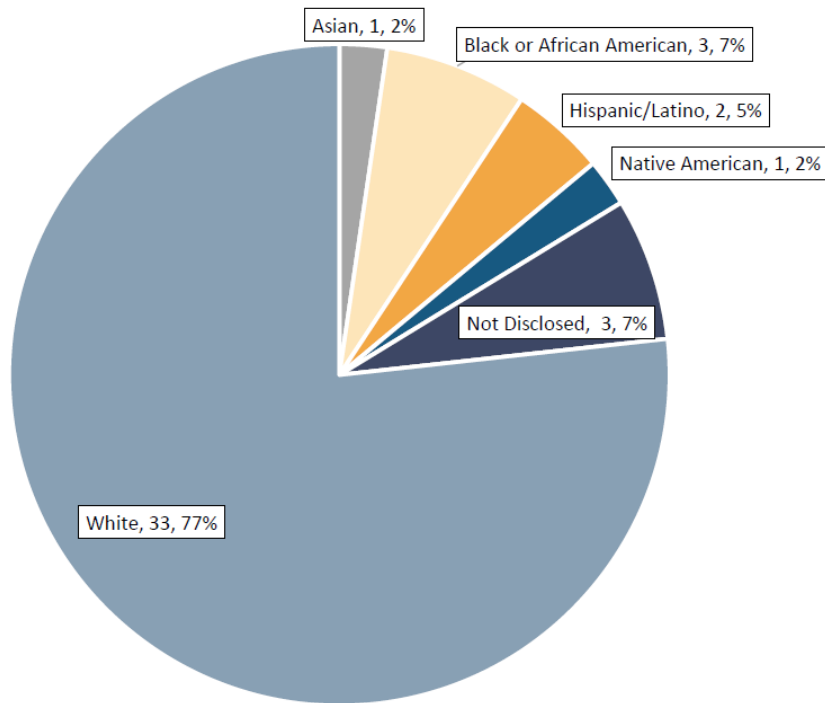


Data represents self-identified race of majority or equal interest owners of the 1,335 active Producer and Processor licenses on February 25, 2020.



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Evaluation of Applicants Denied for Criminal History



Criminal History Review

- Point System: 8 or more points - reviewed by a manager

Exception Clause in Current Rule (WAC 314-55-040)

- Two federal or state misdemeanor convictions for possession of marijuana within the previous three years do not accrue points.
- Any single state or federal conviction for the growing, possession or sale of marijuana will be considered for mitigation on an individual basis.



New Social Equity Law

Chris Thompson

Director of Legislative Relations



New Social Equity Law

- Requested by Washington State Liquor and Cannabis Board
- Sponsored by Rep. Eric Pettigrew
- Strongly supported by the Washington State Commission on African American Affairs
 - **Intent** – Reduce barriers to entry to cannabis industry for individuals and communities most adversely impacted by enforcement of drug laws



Cannabis Retail Store Licenses

- LCB may issue retail licenses previously forfeited, cancelled or revoked, or which were never issued but could have been without exceeding the statewide limit – as part of a new social equity program.
- This means approximately 34 licenses will be available
- They will be issued to social equity applicants
- “Social equity applicant” means a person who either:
 - Resided for at least five of the preceding ten years in a “disproportionately impacted area” OR
 - Has been convicted of a marijuana offense or is a family member of such an individual



Social Equity License Qualifications (cont.)

- “Disproportionately impacted area” is defined as a census tract or comparable geographic area that satisfies these criteria:
 - High rate of poverty;
 - High rate of unemployment;
 - High rate of participation in income-based federal or state program; and
 - High rate of arrest, conviction, or incarceration related to sale, possession, use, cultivation, manufacture, or transport of cannabis



Program Requirements

- Applicants must submit a **Social Equity Plan**. The plan may include:
 - A description of how the retail license issuance will meet social equity goals;
 - Applicant's personal or family history with the criminal justice system, including any cannabis-related offenses;
 - Composition of the workforce the applicant intends to hire;
 - Neighborhood characteristics of the location where the applicant intends to operate; and
 - Business plans involving partnerships or assistance to organizations or residents with connection to populations with a history of high rates of enforcement of marijuana prohibition
- **Social Equity Goals**
 - Increase number of cannabis retail licenses held by social equity applicants from disproportionately impacted areas; and
 - Reducing accumulated harm suffered by individuals, families, and local areas subject to severe impacts from the historical application and enforcement of marijuana prohibition laws.



Technical Assistance Grants

- \$1.1 million available annually
- Administered by Washington State Department of Commerce
- Awarded on competitive basis to social equity applicants
- Based primarily on the strength of the social equity plan
- Can be used for purposes including, but not limited to ...
 - Assistance with licensing process
 - Marijuana business education and business plan development
 - Regulatory compliance training
 - Financial management training and assistance seeking financing
 - Connecting social equity applicant with established industry members



Legislative Task Force on Social Equity in Marijuana

- 18-Member Task Force created, with two purposes
 1. Guide LCB in establishing specifics of new social equity program, and
 2. Make recommendations to Governor and Legislature on future program development
- Task Force Chair will be a Legislator
- Members from communities of color, industry, labor, state agencies
- Staff support provided by Governor's Interagency Council on Health Disparities



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Olympia, WA

Coast Salish

- Cowlitz
- Puget Sound Salish
- Nisqually



Dr. Caprice D. Hollins, Psy. D.
Cultures Connecting

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Thank You

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