



# Social Equity

## Community Outreach Session 3



# Washington State Liquor and Cannabis Board

Send feedback to:  
[Communications@lcb.wa.gov](mailto:Communications@lcb.wa.gov)

[lcb.wa.gov](http://lcb.wa.gov)



**Brian Smith**

Communications Director



# Washington State Liquor and Cannabis Board

**Ollie Garrett**

LCB Board Member



# Washington State Liquor and Cannabis Board

**Rick Garza**

LCB Agency Director



# Enforcement and Education

**Justin Nordhorn**

Chief, Enforcement and Education



# Cannabis Licensing

**Rebecca Smith**

Director of Licensing and Regulation



# Washington State Liquor and Cannabis Board

## Licensing of Recreational Cannabis

Initiative 502 - Initial Application Process

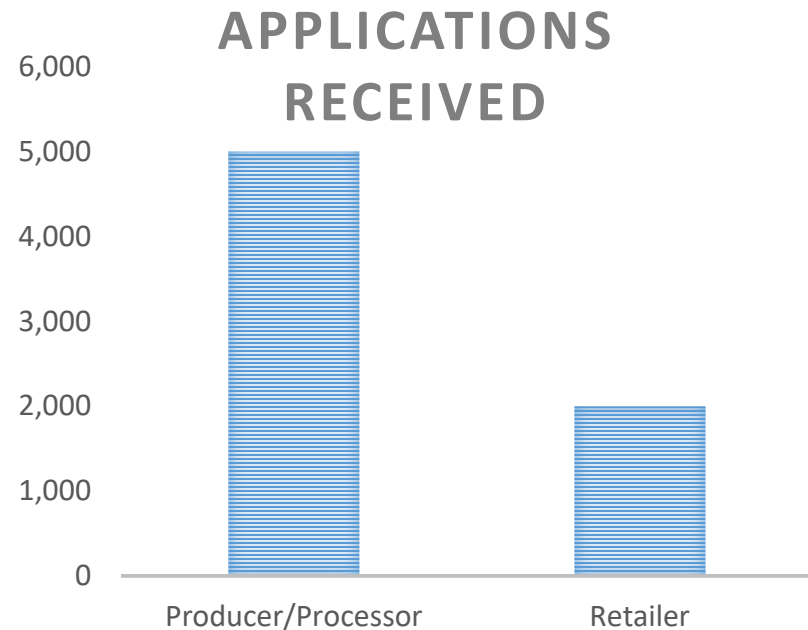
### November 2013 – December 2013: Application Window

- 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)

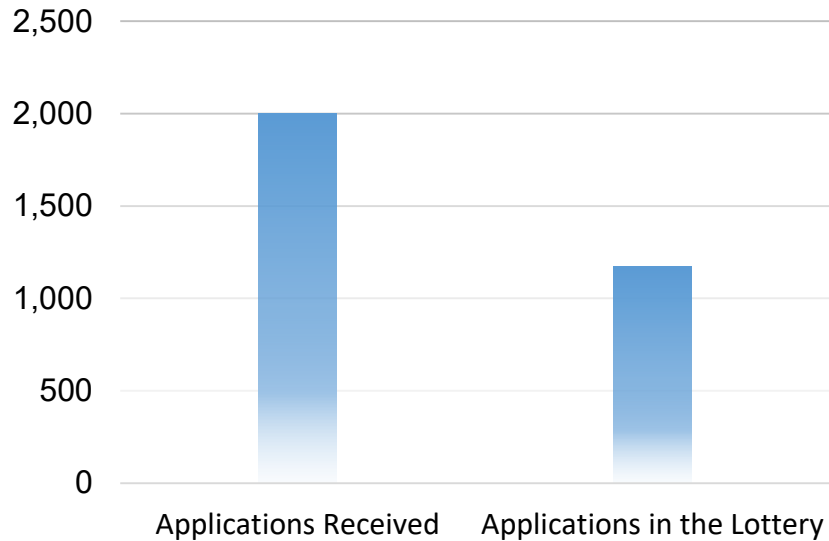
### April 2014: Independent Double Blind Lottery







## 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



# Washington State Liquor and Cannabis Board

## 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*

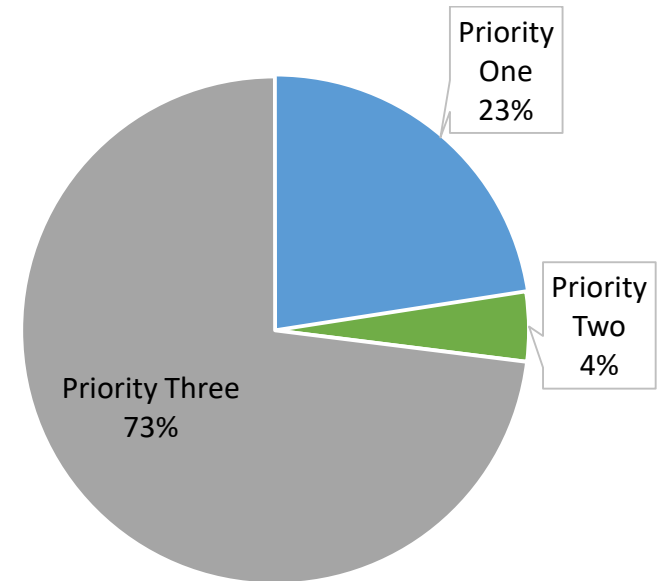
- Applied to the WSLCB for a marijuana retailer license prior to July 1, 2014.
- Operated or were employed by a collective garden before January 1, 2013.
- Maintained a state business license and a municipal business license, as applicable in the relevant jurisdiction.
- History of paying all applicable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



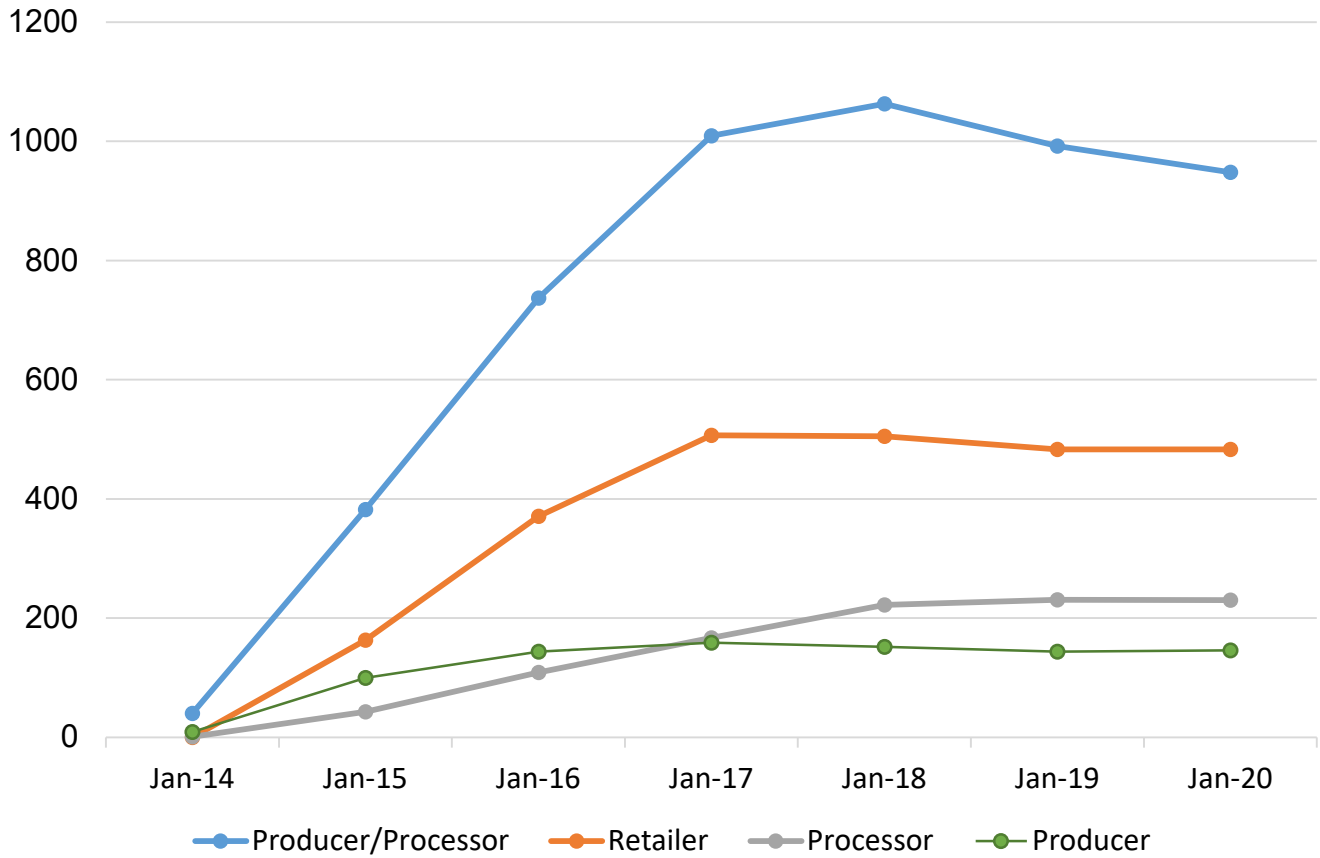


# Washington State Liquor and Cannabis Board

## Licensing Requirements



## Active Licenses

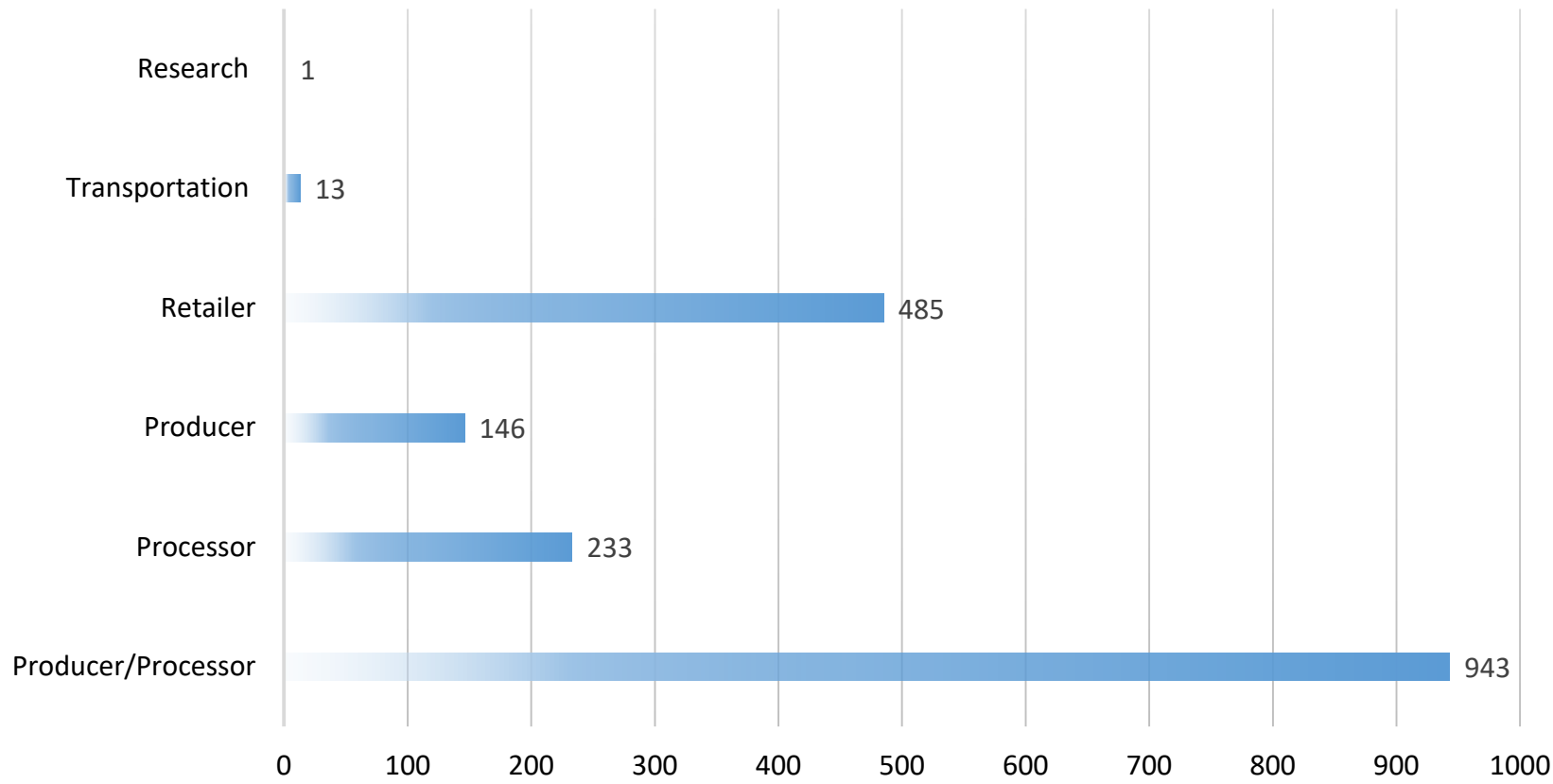


**March 2014**  
First Producer License Issued

**July 2014**  
First Retailer License Issued

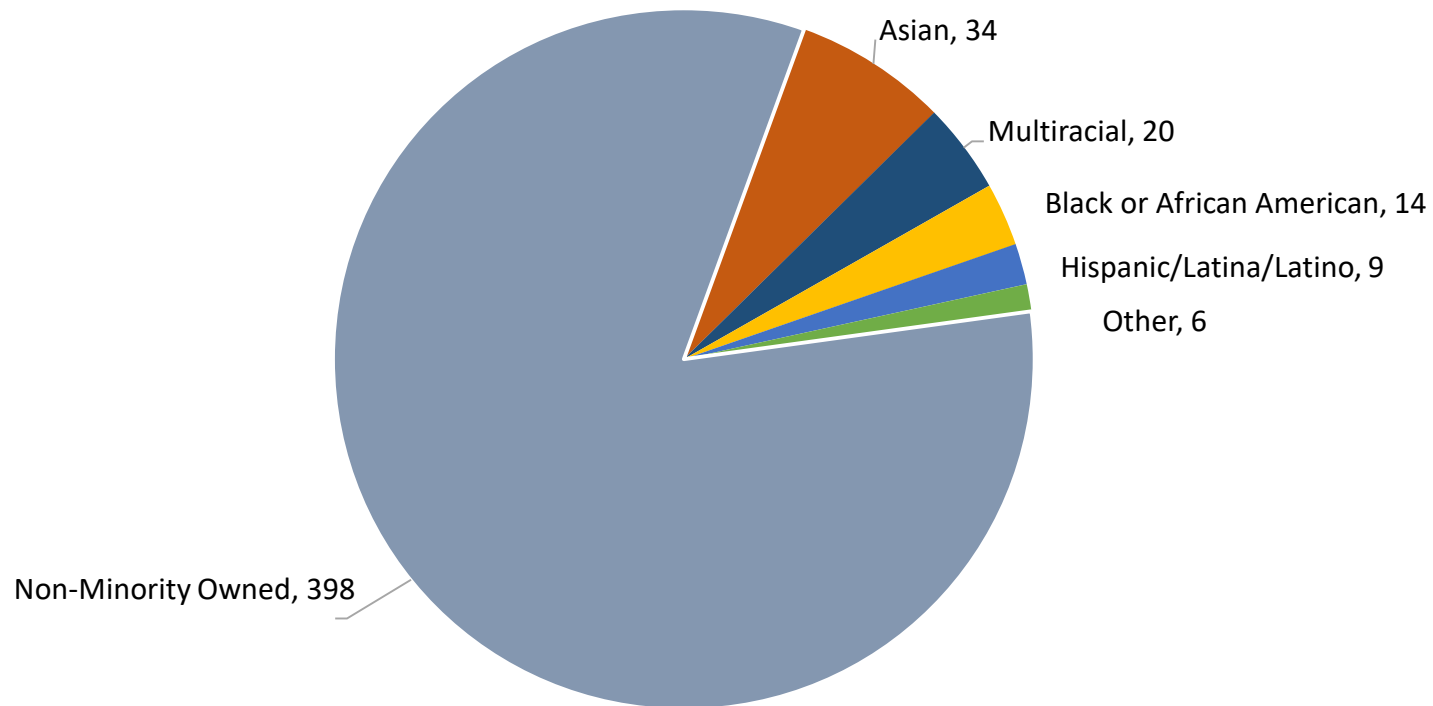


### Current License Count





## Minority Owned Cannabis Retailers

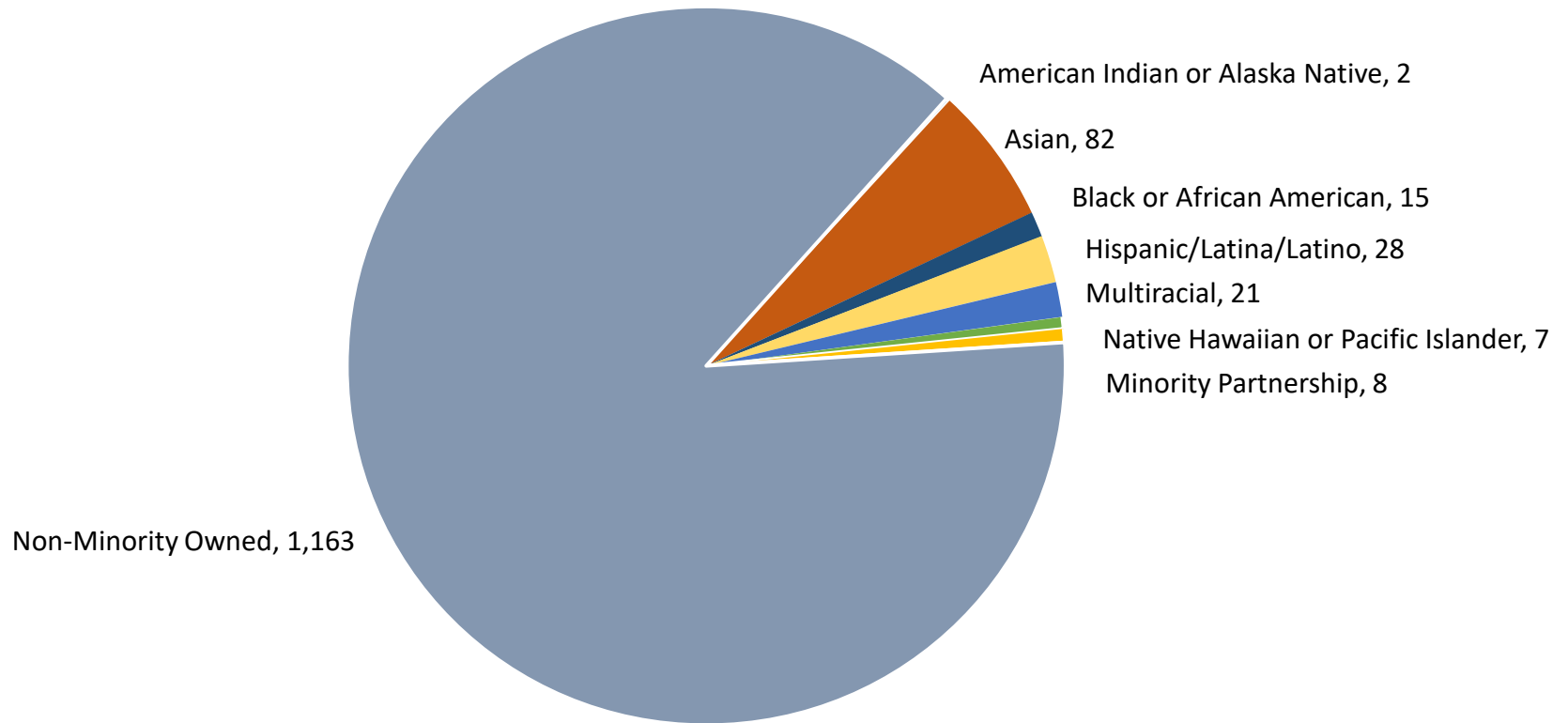


Categories based on U.S. Census Bureau definitions. Data represents self-identified race of majority or equal interest of retail licenses on June 30, 2020. 481 of the 483 active licenses self-reported.



# Washington State Liquor and Cannabis Board

## Minority Owned Cannabis Producers and Processors

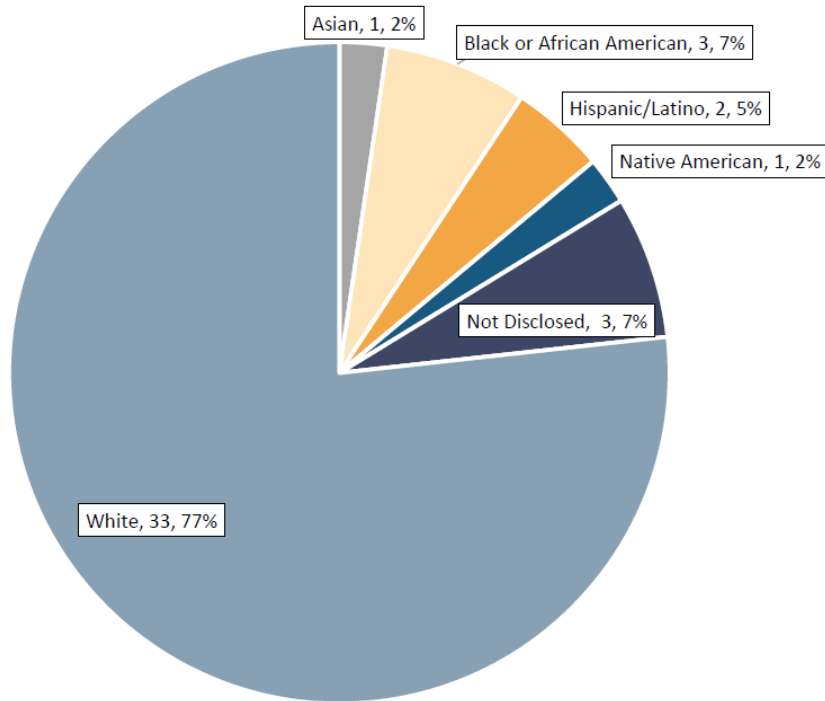


Categories based on U.S. Census Bureau definitions. Data represents self-identified race of majority or equal interest owners of producer and processor licenses on February 25, 2020. 1,326 of the 1,335 active licenses self-reported.



# Washington State Liquor and Cannabis Board

## 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



# Legislative Task Force on Social Equity

**Commissioner Paula Sardinias**

Washington State Commission on African Affairs





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

[CulturesConnecting.com](http://CulturesConnecting.com)



**Thank You**

Send feedback to:

[Communications@lcb.wa.gov](mailto:Communications@lcb.wa.gov)

lcb.wa.gov