



**Topic:** Petition for Adoption, Amendment, or Repeal of a State Administrative Rule – WAC 314-55-570(3)(c)(viii)  
**Date:** June 21, 2023  
**Presented by:** Dr. Kathy Hoffman, Research Manager

## Background

On April 26, 2023, Mike Asai of Black Excellence in Cannabis submitted a petition for adoption, amendment, or repeal of a state administrative rule. The petition requests that the agency change “Social Equity Application Scoring Rubric #8” because “There is no clear transparency regarding qualifications for former Medical Cannabis Dispensary Owners.”

In the rule petition, Mr. Asai provides:

**2. AMEND RULE - I am requesting the agency to change an existing rule.**

List rule number (WAC), if known: WAC 314-55-570 Social Equity in Cannabis Program (viii page 3-4)

I am requesting the following change: Social Equity Application Scoring Rubric #8.

This change is needed because: There is no clear transparency regarding qualifications for former Medical Cannabis Dispensary Owners

The effect of this rule change will be: The day the Board approves the petition.

The rule is not clearly or simply stated: Please read attachment

Mr. Asai's attachment offers the following, including suggested rule language:

We are petitioning the WSLCB to amend WAC Rule 314-55-570 scoring rubric #8. Senate Bill 5052 (2015) created multiple ways of manipulation. We at Black Excellence In Cannabis see this manipulation happening once again with the Social Equity Program. Is the WSLCB position to allow the manipulation to unfold 7 years later under the Social Equity Program?

Current verbiage on Scoring Rubric #8 is too vague and creates confusion for the third party vendor Ponder Diversity Group. We recognize LCB has updated the rubric to give more clarity but it does not go far enough. We are petitioning the Board to make the change so there is no confusion with Ponder or Social Equity Applicants.

HB2870 is referring to Cannabis Retail only. The onset of the Social Equity Program is retail only. A former grower under the Collective Garden model does not qualify under scoring rubric #8. This needs to be made transparent and clear. Former Brick and Mortar Medical Cannabis Dispensary Owners or Governing Members on incorporation only qualify for #8 rubric points.

Amended verbiage on scoring rubric #8 should be amended to state the follow:

**Did you Own or was a Governing Member of a Corporation known as Medical Cannabis Dispensary known as a Collective Garden in a brick and mortar prior to July 1st, 2016?**

Giving a person the same rubric points who's name is not attach to the corporation as an owner or governing member of a former Medical Cannabis Dispensary prior to July 1st, 2016 is unfair to the Pioneers who took risk in the foundation of Medical to Recreational Cannabis.

We respectfully ask for this petition to be granted. This amendment will give more clarity and transparency for Social Equity Applicants and Ponder Diversity Group.

Regards,

Black Excellence In Cannabis.

## Issue

Whether the Board should initiate rulemaking to consider amending the current social equity scoring rubric described in WAC 314-55-570(3)(c)(viii), specifically element 8, concerning prior medical cannabis dispensary or collective garden business operation?

## Authority

### Laws

[RCW 69.50.325](#) describes the Board's specific rulemaking authority concerning cannabis producer, processor and retail license types.

[RCW 69.50.335](#) describes the Board's specific rulemaking authority concerning cannabis retailer licenses and social equity applicants.

## *Rules*

[WAC 314-55-570](#) describes the social equity in cannabis program.

## **Analysis**

### *Rule Background*

Established in 2020, RCW 69.50.336 created the Social Equity in Cannabis Task Force (Task Force) responsible for, among other things, making recommendations to the Board. RCW 69.50.335, also established in 2020, gave the Board authority to create the Social Equity in Cannabis Program by rule, consistent with Task Force recommendations.

The Task Force met continuously beginning in early 2020 and established sub-groups to discuss and develop recommendations concerning disproportionately impacted communities, technical assistance and mentoring, licensing, and other topics.

While the Task Force worked toward formulating recommendations, the Board began to review existing rule to determine where revisions could be made to align with social equity goals as described in statute. The Board began to lay preliminary regulatory framework in existing rule to assure that the agency was positioned to respond as quickly as possible to Task Force recommendations as soon as they were issued.

To accomplish that, on October 27, 2021, a CR 101 was filed, and notice was sent to stakeholders by GovDelivery messaging on the same day. The public comment period for the CR 101 ended on December 17, 2021. No comments were received during the public comment period.

On January 6, 2022, the Task Force issued recommendations.

On March 14, 2022, the Board announced that it would host a public Listen and Learn session as part of the rule development process. The public and all interested parties were invited to review and comment on conceptual draft rules framing the Social Equity in Cannabis Program. Messaging was sent through GovDelivery on March 14, 2022. The agency shared this messaging with the Social Equity in Cannabis Task Force, and on March 16, 2022, messaging was distributed to participants in the Social Equity Task Force work group. The agency also shared this messaging with members of the legislature on the same day.

On March 17, 2022, consistent with RCW 69.50.335, agency representatives met with Director Edward Prince of the Washington State Commission on African American Affairs to review and discuss the conceptual draft rules.

On March 23, 2022, the Listen and Learn session was held as scheduled and attended by more than 120 individuals. The agency reviewed, considered and incorporated feedback received into the rule draft.

On April 13, 2022, the Board approved, and the agency filed the original rule proposal. However, after additional internal review and based on comments received, the agency withdrew the CR 102 on May 11, 2022.

On August 3, 2022, the Board approved a revised proposal reflecting the additional comments received. A public hearing was held on September 4, 2022.

On October 12, 2022, the Board adopted final rules with no substantive changes between the rule proposal and the adopted version. Rules became effective November 12, 2022.

### *Authority*

The Board has statutory authority under RCW 69.50.335(4) provides that the board may adopt rules to create a social equity program.

## **Divisional, Interagency, Intergovernmental, DEIB, Social Equity and Other Impacts**

### ***Divisional***

#### *Licensing*

The requested rule revision would not impact Licensing division operations.

#### *Enforcement & Education*

The requested rule revision would not impact Enforcement & Education division operations.

#### *Finance*

The requested rule revision would not impact Finance division operations.

#### *Information Technology/Infrastructure*

The requested rule revision would not impact Information Technology/Infrastructure division operations.

#### *Public Health/Prevention*

The requested rule revision would not impact Public Health or Prevention.

## ***Interagency***

### *Department of Health*

The requested rule revision would not impact Department of Health operations, rules or standards.

### *Labor & Industries*

The requested rule revision would not impact Department of Labor & Industries operations, rules or standards.

## ***Intergovernmental***

### *Tribes*

The requested rule revision would not impact Tribes.

## ***DEIB, Social Equity***

The current scoring rubric was developed through a policy framing tool that centers diversity, equity, inclusion and belonging (DEIB). The associated analysis describes how the current Social Equity in Cannabis program rules, including the current version of the scoring rubric, were designed to achieve social equity goals. A copy of the CR 102 memorandum containing that analysis and discussion is attached hereto.

## **Options**

### Option 1: Deny the Petition.

On May 1, 2023, Governor Inslee signed Engrossed Second Substitute Senate Bill (E2SSB) 5080 concerning various provisions of the social equity in cannabis program into law. Existing rules will need to be amended or repealed, and new rules will need to be created to implement the legislation.

Agency staff are in the process of reviewing E2SSB 5080, and strategically planning the significant work, including rule development, that the bill requires. At the same time, agency staff are observing the social equity application process as currently described in rule. Agency staff will rely on those observations, including whether the social equity scoring rubric should be amended, to inform future rule development once the current round of social equity application review is complete. This can then be combined with the rulemaking requirements of E2SSB 5080 to provide a more robust, comprehensive, and complete collection of rule revisions.

For these reasons, staff recommend that the Board deny the petition to amend element 8 of the current social equity scoring rubric.

**Board Action**

After considering the option identified by Director’s Office staff, the Board accepts/denies the petition for rulemaking received on April 26, 2023, from Mr. Mike Asai.

\_\_\_\_\_ Accept \_\_\_\_\_ Deny                      \_\_\_\_\_  
David Postman, Chair    Date

\_\_\_\_\_ Accept \_\_\_\_\_ Deny                      \_\_\_\_\_  
Ollie Garrett, Board Member    Date

\_\_\_\_\_ Accept \_\_\_\_\_ Deny                      \_\_\_\_\_  
Jim Vollendroff, Board Member    Date

**Attachments**

- A. Email and Rule Petition from Mr. Asai
- B. Statutory and Regulatory Authority
- C. CR 102 Memorandum dated August 2, 2022

## ATTACHMENT A

**From:** [Hoffman, Katherine \(LCB\)](#)  
**To:** [Mike Asai: LCB DL Rules](#)  
**Subject:** RE: Social Equity Program Petition  
**Date:** Wednesday, April 26, 2023 3:13:00 PM

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Mr. Asai,

Thank you for your petition to adopt, amend, or repeal state administrative rules.

Your petition was received today, April 26, 2023. Consistent with RCW 34.05.330 and WAC 82-05-040, the Board has 60 days after submission of a rulemaking petition to either:

(a) deny the petition in writing, stating (i) its reasons for the denial, specifically addressing the concerns raised by the petitioner, and, where appropriate, (ii) the alternative means by which it will address the concerns raised by the petitioner, or

(b) initiate rule-making proceedings in accordance with RCW 34.05.320.

The Board will have until June 25, 2023, to take action as detailed above.

Please reach out to the Policy & Rules team if you have any additional questions or concerns.

**Kathy Hoffman, PhD, MPA**

Policy and Rules Manager

Director's Office

Washington State Liquor & Cannabis Board

[katherine.hoffman@lcb.wa.gov](mailto:katherine.hoffman@lcb.wa.gov)

PO Box 43100 Olympia WA 98504-3076

(360) 664-1622 Desk | (360) 764-0608 Mobile

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**From:** Mike Asai <mike@blackexcellenceincannabis.org>

**Sent:** Wednesday, April 26, 2023 3:00 PM

**To:** LCB DL Rules <rules@lcb.wa.gov>

**Subject:** Social Equity Program Petition

External Email

Attached is the Petition for Social Equity In Cannabis Program

Mike Asai

Vice President of Black Excellence In Cannabis

(206) 581-6640



## PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE

In accordance with [RCW 34.05.330](#), the Office of Financial Management (OFM) created this form for individuals or groups who wish to petition a state agency or institution of higher education to adopt, amend, or repeal an administrative rule. You may use this form to submit your request. You also may contact agencies using other formats, such as a letter or email.

The agency or institution will give full consideration to your petition and will respond to you within 60 days of receiving your petition. For more information on the rule petition process, see Chapter 82-05 of the Washington Administrative Code (WAC) at <http://apps.leg.wa.gov/wac/default.aspx?cite=82-05>.

### CONTACT INFORMATION *(please type or print)*

Petitioner's Name \_\_\_\_\_

Name of Organization \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Telephone \_\_\_\_\_ Email \_\_\_\_\_

### COMPLETING AND SENDING PETITION FORM

- Check all of the boxes that apply.
- Provide relevant examples.
- Include suggested language for a rule, if possible.
- Attach additional pages, if needed.
- Send your petition to the agency with authority to adopt or administer the rule. Here is a list of agencies and their rules coordinators: <http://www.leg.wa.gov/CodeReviser/Documents/RClist.htm>.

### INFORMATION ON RULE PETITION

Agency responsible for adopting or administering the rule: \_\_\_\_\_

**1. NEW RULE - I am requesting the agency to adopt a new rule.**

The subject (or purpose) of this rule is: \_\_\_\_\_

The rule is needed because: \_\_\_\_\_

The new rule would affect the following people or groups: \_\_\_\_\_



**2. AMEND RULE - I am requesting the agency to change an existing rule.**

List rule number (WAC), if known: \_\_\_\_\_

I am requesting the following change: \_\_\_\_\_

This change is needed because: \_\_\_\_\_

The effect of this rule change will be: \_\_\_\_\_

The rule is not clearly or simply stated: \_\_\_\_\_

**3. REPEAL RULE - I am requesting the agency to eliminate an existing rule.**

List rule number (WAC), if known: \_\_\_\_\_

*(Check one or more boxes)*

It does not do what it was intended to do.

It is no longer needed because: \_\_\_\_\_

It imposes unreasonable costs: \_\_\_\_\_

The agency has no authority to make this rule: \_\_\_\_\_

It is applied differently to public and private parties: \_\_\_\_\_

It conflicts with another federal, state, or local law or rule. List conflicting law or rule, if known: \_\_\_\_\_

It duplicates another federal, state or local law or rule. List duplicate law or rule, if known: \_\_\_\_\_

Other (please explain): \_\_\_\_\_

April 23, 2023

Washington State Liquor Cannabis Board  
1025 Union Avenue SE  
Olympia, WA 98501

Subject: WAC 314-55-570 ( Scoring Rubric #8)

To WSLCB Board Members,

We are petitioning the WSLCB to amend WAC Rule 314-55-570 scoring rubric #8. Senate Bill 5052 (2015) created multiple ways of manipulation. We at Black Excellence In Cannabis see this manipulation happening once again with the Social Equity Program. Is the WSLCB position to allow the manipulation to unfold 7 years later under the Social Equity Program?

Current verbiage on Scoring Rubric #8 is too vague and creates confusion for the third party vendor Ponder Diversity Group. We recognize LCB has updated the rubric to give more clarity but it does not go far enough. We are petitioning the Board to make the change so there is no confusion with Ponder or Social Equity Applicants.

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Giving a person the same rubric points who's name is not attach to the corporation as an owner or governing member of a former Medical Cannabis Dispensary prior to July 1st, 2016 is unfair to the Pioneers who took risk in the foundation of Medical to Recreational Cannabis.

We respectfully ask for this petition to be granted. This amendment will give more clarity and transparency for Social Equity Applicants and Ponder Diversity Group.

Regards,

Black Excellence In Cannabis.

## Cannabis producer's license, cannabis processor's license, cannabis retailer's license.

(1) There shall be a cannabis producer's license regulated by the board and subject to annual renewal. The licensee is authorized to produce: (a) Cannabis for sale at wholesale to cannabis processors and other cannabis producers; (b) immature plants or clones and seeds for sale to cooperatives as described under RCW 69.51A.250; and (c) immature plants or clones and seeds for sale to qualifying patients and designated providers as provided under RCW 69.51A.310. The production, possession, delivery, distribution, and sale of cannabis in accordance with the provisions of this chapter and the rules adopted to implement and enforce it, by a validly licensed cannabis producer, shall not be a criminal or civil offense under Washington state law. Every cannabis producer's license shall be issued in the name of the applicant, shall specify the location at which the cannabis producer intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the license. The application fee for a cannabis producer's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a cannabis producer's license shall be one thousand three hundred eighty-one dollars. A separate license shall be required for each location at which a cannabis producer intends to produce cannabis.

(2) There shall be a cannabis processor's license to process, package, and label cannabis concentrates, useable cannabis, and cannabis-infused products for sale at wholesale to cannabis processors and cannabis retailers, regulated by the board and subject to annual renewal. The processing, packaging, possession, delivery, distribution, and sale of cannabis, useable cannabis, cannabis-infused products, and cannabis concentrates in accordance with the provisions of this chapter and chapter 69.51A RCW and the rules adopted to implement and enforce these chapters, by a validly licensed cannabis processor, shall not be a criminal or civil offense under Washington state law. Every cannabis processor's license shall be issued in the name of the applicant, shall specify the location at which the licensee intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the license. The application fee for a cannabis processor's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a cannabis processor's license shall be one thousand three hundred eighty-one dollars. A separate license shall be required for each location at which a cannabis processor intends to process cannabis.

(3)(a) There shall be a cannabis retailer's license to sell cannabis concentrates, useable cannabis, and cannabis-infused products at retail in retail outlets, regulated by the board and subject to annual renewal. The possession, delivery, distribution, and sale of cannabis concentrates, useable cannabis, and cannabis-infused products in accordance with the provisions of this chapter and the rules adopted to implement and enforce it, by a validly licensed cannabis retailer, shall not be a criminal or civil offense under Washington state law. Every cannabis retailer's license shall be issued in the name of the applicant, shall specify the location of the retail outlet the licensee intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the license. The application fee for a cannabis retailer's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a cannabis retailer's license shall be one thousand three hundred eighty-one dollars. A separate license shall be required for each location at which a cannabis retailer intends to sell cannabis concentrates, useable cannabis, and cannabis-infused products.

(b) An individual retail licensee and all other persons or entities with a financial or other ownership interest in the business operating under the license are limited, in the aggregate, to holding a collective total of not more than five retail cannabis licenses.

(c)(i) A cannabis retailer's license is subject to forfeiture in accordance with rules adopted by the board pursuant to this section.

(ii) The board shall adopt rules to establish a license forfeiture process for a licensed cannabis retailer that is not fully operational and open to the public within a specified period from the date of license issuance, as established by the board, subject to the following restrictions:

(A) No cannabis retailer's license may be subject to forfeiture within the first nine months of license issuance; and

(B) The board must require license forfeiture on or before twenty-four calendar months of license issuance if a cannabis retailer is not fully operational and open to the public, unless the board determines that circumstances out of the licensee's control are preventing the licensee from becoming fully operational and that, in the board's discretion, the circumstances warrant extending the forfeiture period beyond twenty-four calendar months.

(iii) The board has discretion in adopting rules under this subsection (3)(c).

(iv) This subsection (3)(c) applies to cannabis retailer's licenses issued before and after July 23, 2017. However, no license of a cannabis retailer that otherwise meets the conditions for license forfeiture established pursuant to this subsection (3)(c) may be subject to forfeiture within the first nine calendar months of July 23, 2017.

(v) The board may not require license forfeiture if the licensee has been incapable of opening a fully operational retail cannabis business due to actions by the city, town, or county with jurisdiction over the licensee that include any of the following:

(A) The adoption of a ban or moratorium that prohibits the opening of a retail cannabis business; or

(B) The adoption of an ordinance or regulation related to zoning, business licensing, land use, or other regulatory measure that has the effect of preventing a licensee from receiving an occupancy permit from the jurisdiction or which otherwise prevents a licensed cannabis retailer from becoming operational.

(d) The board may issue cannabis retailer licenses pursuant to this chapter and RCW **69.50.335**.

[ **2022 c 16 § 54**; **2020 c 236 § 6**; **2018 c 132 § 3**. Prior: **2017 c 317 § 1**; **2017 c 316 § 2**; **2016 c 170 § 1**; **2015 c 70 § 5**; **2014 c 192 § 2**; **2013 c 3 § 4** (Initiative Measure No. 502, approved November 6, 2012).]

## NOTES:

**Intent—Finding—2022 c 16:** See note following RCW **69.50.101**.

**Findings—Intent—2020 c 236:** See note following RCW **69.50.335**.

**Effective date—2018 c 132 § 3:** "Section 3 of this act takes effect July 1, 2018." [ **2018 c 132 § 4**.]

**Findings—2017 c 317:** "The legislature finds that protecting the state's children, youth, and young adults under the legal age to purchase and consume marijuana [cannabis], by establishing limited restrictions on the advertising of marijuana [cannabis] and marijuana [cannabis] products, is necessary to assist the state's efforts to discourage and prevent underage consumption and the potential risks associated with underage consumption. The legislature finds that these restrictions assist the state in maintaining a strong and effective regulatory and enforcement system as specified by the federal government. The legislature finds this act leaves ample opportunities for licensed marijuana [cannabis] businesses to market their products to those who are of legal age to purchase them, without infringing on the free speech rights of business owners. Finally, the legislature finds that the state has a substantial and compelling interest in enacting this act aimed at protecting Washington's children, youth, and young adults." [ **2017 c 317 § 12**.]

**Application—2017 c 317:** "This act applies prospectively only and not retroactively. It applies only to causes of action that arise (if change is substantive) or that are commenced (if change is procedural) on or after July 23, 2017." [ [2017 c 317 § 25](#).]

**Effective date—2017 c 316 §§ 2 and 3:** "Sections 2 and 3 of this act take effect July 1, 2018." [ [2017 c 316 § 4](#).]

**Effective date—2016 c 170:** "This act takes effect July 1, 2016." [ [2016 c 170 § 3](#).]

**Short title—Findings—Intent—References to Washington state liquor control board—Draft legislation—2015 c 70:** See notes following RCW [66.08.012](#).

**Intent—2013 c 3 (Initiative Measure No. 502):** See note following RCW [69.50.101](#).

## Cannabis retailer licenses—Social equity applicants—Rules—Definitions.

\*\*\* CHANGE IN 2023 \*\*\* (SEE 5080-S2.SL) \*\*\*

(1) Beginning December 1, 2020, and until July 1, 2029, cannabis retailer licenses that have been subject to forfeiture, revocation, or cancellation by the board, or cannabis retailer licenses that were not previously issued by the board but could have been issued without exceeding the limit on the statewide number of cannabis retailer licenses established before January 1, 2020, by the board, may be issued or reissued to an applicant who meets the cannabis retailer license requirements of this chapter.

(2)(a) In order to be considered for a retail license under subsection (1) of this section, an applicant must be a social equity applicant and submit a social equity plan along with other cannabis retailer license application requirements to the board. If the application proposes ownership by more than one person, then at least fifty-one percent of the proposed ownership structure must reflect the qualifications of a social equity applicant.

(b) Persons holding an existing cannabis retailer license or title certificate for a cannabis retailer business in a local jurisdiction subject to a ban or moratorium on cannabis retail businesses may apply for a license under this section.

(3)(a) In determining the issuance of a license among applicants, the board may prioritize applicants based on the extent to which the application addresses the components of the social equity plan.

(b) The board may deny any application submitted under this subsection if the board determines that:

(i) The application does not meet social equity goals or does not meet social equity plan requirements; or

(ii) The application does not otherwise meet the licensing requirements of this chapter.

(4) The board may adopt rules to implement this section. Rules may include strategies for receiving advice on the social equity program from individuals the program is intended to benefit. Rules may also require that licenses awarded under this section be transferred or sold only to individuals or groups of individuals who comply with the requirements for initial licensure as a social equity applicant with a social equity plan under this section.

(5) The annual fee for issuance, reissuance, or renewal for any license under this section must be equal to the fee established in RCW 69.50.325.

(6) For the purposes of this section:

(a) "Disproportionately impacted area" means a census tract or comparable geographic area that satisfies the following criteria, which may be further defined in rule by the board after consultation with the commission on African American affairs and other agencies, commissions, and community members as determined by the board:

(i) The area has a high poverty rate;

(ii) The area has a high rate of participation in income-based federal or state programs;

(iii) The area has a high rate of unemployment; and

(iv) The area has a high rate of arrest, conviction, or incarceration related to the sale, possession, use, cultivation, manufacture, or transport of cannabis.

(b) "Social equity applicant" means:

(i) An applicant who has at least fifty-one percent ownership and control by one or more individuals who have resided in a disproportionately impacted area for a period of time defined in rule by the board after consultation with the commission on African American affairs and other commissions, agencies, and community members as determined by the board;

(ii) An applicant who has at least fifty-one percent ownership and control by at least one individual who has been convicted of a cannabis offense, a drug offense, or is a family member of such an individual; or

(iii) An applicant who meets criteria defined in rule by the board after consultation with the commission on African American affairs and other commissions, agencies, and community members as determined by the board.

(c) "Social equity goals" means:

(i) Increasing the number of cannabis retailer licenses held by social equity applicants from disproportionately impacted areas; and

(ii) Reducing accumulated harm suffered by individuals, families, and local areas subject to severe impacts from the historical application and enforcement of cannabis prohibition laws.

(d) "Social equity plan" means a plan that addresses at least some of the elements outlined in this subsection (6)(d), along with any additional plan components or requirements approved by the board following consultation with the task force created in RCW **69.50.336**. The plan may include:

(i) A statement that the social equity applicant qualifies as a social equity applicant and intends to own at least fifty-one percent of the proposed cannabis retail business or applicants representing at least fifty-one percent of the ownership of the proposed business qualify as social equity applicants;

(ii) A description of how issuing a cannabis retail license to the social equity applicant will meet social equity goals;

(iii) The social equity applicant's personal or family history with the criminal justice system including any offenses involving cannabis;

(iv) The composition of the workforce the social equity applicant intends to hire;

(v) Neighborhood characteristics of the location where the social equity applicant intends to operate, focusing especially on disproportionately impacted areas; and

(vi) Business plans involving partnerships or assistance to organizations or residents with connection to populations with a history of high rates of enforcement of cannabis prohibition.

[ **2022 c 16 § 60**; **2021 c 169 § 2**; **2020 c 236 § 2**.]

## **NOTES:**

**Intent—Finding—2022 c 16:** See note following RCW **69.50.101**.

**Findings—Intent—2020 c 236:** "(1) The legislature finds that additional efforts are necessary to reduce barriers to entry to the cannabis industry for individuals and communities most adversely impacted by the enforcement of cannabis-related laws. In the interest of establishing a cannabis industry that is equitable and accessible to those most adversely impacted by the enforcement of drug-related laws, including cannabis-related laws, the legislature finds a social equity program should be created.

(2) The legislature finds that individuals who have been arrested or incarcerated due to drug laws, and those who have resided in areas of high poverty, suffer long-lasting adverse consequences, including impacts to employment, business ownership, housing, health, and long-term financial well-being. The legislature also finds that family members, especially children, and communities of those who have been arrested or incarcerated due to drug laws, suffer from emotional, psychological, and financial harms as a result of such arrests and incarceration. The legislature further finds that individuals in disproportionately impacted areas suffered the harms of enforcement of cannabis-related laws. Those communities face greater difficulties accessing traditional banking systems and capital for establishing businesses.

(3) The legislature therefore finds that in the interest of remedying harms resulting from the enforcement of cannabis-related laws in disproportionately impacted areas, creating a social equity program will further an equitable cannabis industry by promoting business ownership among individuals

who have resided in areas of high poverty and high enforcement of cannabis-related laws. The social equity program should offer, among other things, financial and technical assistance and license application benefits to individuals most directly and adversely impacted by the enforcement of cannabis-related laws who are interested in starting cannabis business enterprises. It is the intent of the legislature that implementation of the social equity program authorized by this act not result in an increase in the number of marijuana [cannabis] retailer licenses above the limit on the number of marijuana [cannabis] retailer licenses in the state established by the [Washington state liquor and cannabis] board before January 1, 2020." [ **2020 c 236 § 1.**]



## Social equity in cannabis program.

### (1) Definitions.

(a) **"Disproportionately impacted area (DIA)"** means a census tract within Washington state where community members were more likely to be impacted by the war on drugs. These areas are determined using a standardized statistical equation to identify areas of high unemployment, low income, and demographic indicators consistent with populations most impacted by the war on drugs, including areas with higher rates of arrest for drug charges. The board will provide maps to identify disproportionately impacted areas. The maps will reflect census tracts from different time periods to account for gentrification.

(b) **"Family member"** means:

(i) A biological, adopted, or foster child, a stepchild, a child's spouse, or a child to whom the applicant stands in loco parentis (in place of the parent), is a legal guardian, or is a de facto parent, regardless of age or dependency status;

(ii) Grandchild, grandparent, parent, or sibling of a child as defined in (b)(i) of this subsection;

(iii) Spouse or domestic partner;

(iv) Any individual who regularly resides in the applicant's home or where the relationship creates an expectation that the applicant care for the person and that individual depends on the applicant for care, or that the individual care for the applicant and that the applicant depends on the individual for care.

(c) **"Median household income"** means the most recent median household income within the state of Washington as calculated by the United States Census Bureau.

(d) **"Person"** means a real human being, distinguished from a corporation, company, or other business entity.

(e) **"Preliminary letter of approval"** means an approval letter issued to a social equity program applicant for purposes of securing a grant from the department of commerce and a location and other necessities to complete the licensing process.

(f) **"Social equity program applicant"** means a person(s) who meets the requirements of the social equity program.

(g) **"Social equity contractor"** means a third party responsible to review and score social equity program applications.

(h) **"Social equity licensee"** means a person or entity that holds a social equity cannabis license or any person or entity who is a true party of interest in a social equity in cannabis license as described in WAC [314-55-035](#).

(i) **"Social equity plan"** means a plan that addresses the following elements including, but not limited to:

(i) A description of how issuing a cannabis retail license to the social equity applicant will meet social equity goals as described in statute;

(ii) The social equity applicant's personal or family history with the criminal justice system, including any offenses involving cannabis; and

(iii) Business plans involving partnerships or assistance to organizations or residents with connections or contributions to populations with a history of high rates of enforcement of cannabis prohibition.

(j) **"Social equity title certificate holder"** means a cannabis retail license title certificate holder that meets the requirements of a social equity program applicant as determined by the social equity contractor, and is unable to open for business in the city or county where the cannabis retail license is located.

**(2) Social equity applicant requirements.**

(a) To be considered for the social equity program under this chapter and RCW **69.50.335**, the following requirements must be met by each applicant:

(b) At least a 51 percent majority, or controlling interest, in the applicant, must be held by a person, or persons, who has or have resided in Washington state for six months prior to the application date, consistent with RCW **69.50.331**, and meets at least two of the following qualifications:

(i) **Qualification 1:** The social equity applicant or applicants have lived in a disproportionately impacted area in Washington state for a minimum of five years between 1980 and 2010; or

(ii) **Qualification 2:** The social equity applicant or a family member of the applicant has been arrested or convicted of a cannabis offense; or

(iii) **Qualification 3:** The social equity applicant's household income in the year prior to submitting the application was less than the median household income within the state of Washington as calculated by the United States Census Bureau.

**(3) Social equity application process.**

**(a) Application window.**

(i) The board will open the application window for an initial period of 30 calendar days.

(ii) At its sole discretion, the board may reopen the application window:

(A) After initial evaluation of applications is received and locations are still available; or

(B) If additional allotments become available after the initial application window has closed pursuant to RCW **69.50.335**.

**(b) Initial application requirements.**

(i) The social equity application must be submitted electronically through the department of revenue's business licensing online application system.

(ii) The social equity applicant must apply to the department of revenue's business licensing service within the 30-day application window. All required information must be completed on the application and payment must be submitted within the 30-day application window for the application to be accepted.

(iii) The social equity applicant, whether applying as a person, persons, or entity, may apply for a cannabis license only once during each application window described in subsection (4)(c) of this section.

(iv) An application to reinstate the license of a social equity title certificate holder will not be considered a new social equity license application. The social equity title certificate holder may submit an application for a social equity license and an application to reinstate their existing license through the social equity program.

(v) A location address is not required at the time of application.

**(c) Social equity contractor review.** Once the application window is closed, the social equity contractor will evaluate and prioritize all applications received within the 30-day application window.

(i) The social equity applicant must select one county where they wish to operate their business and notify the social equity contractor of their selection in the form and manner required by the social equity contractor.

(ii) The social equity applicant must submit documentation verifying the eligibility requirements described in (c)(D)(viii) of this subsection to the social equity contractor in the form and manner required by the social equity contractor.

(iii) Examples of documentation that may verify eligibility requirements include, but are not limited to:

(A) School records, rental agreements, utility bills, mortgage statements, loan documents, bank records, or tax returns that show the applicant's address(es), or a signed declaration that includes the applicant's address(es) indicating that the applicant resided in a DIA; or

(B) The applicant's arrest or conviction records, or family member's arrest or conviction records and an affirmation of the familial relationship signed by the applicant and the family member; or

(C) The applicant's tax returns demonstrating their income for the prior year; or

(D) Any other documentation that verifies the eligibility requirements described in (c)(D)(viii) of this subsection.

(iv) If additional materials are needed, the social equity applicant will receive a letter electronically from the social equity contractor directing the applicant to submit additional application materials directly to the social equity contractor.

(v) The social equity applicant must submit complete and accurate additional application materials directly to the social equity contractor within 15 business days of the date of the letter. It is the responsibility of the social equity applicant to comply with the application requirements in this section and ensure the application is complete, accurate, and successfully submitted to the social equity contractor.

(vi) If the application is determined to be incomplete by the social equity contractor, the social equity applicant will be provided with 14 days to submit a complete application. The social equity contractor will score the application based on the materials submitted within the time frame.

(vii) The social equity contractor will review the application materials, including the social equity plan provided by the social equity applicant to determine if the applicant meets the requirements of a social equity applicant.

(viii) After the social equity contractor determines that the requirements have been met, the social equity contractor will score social equity applications using the following scoring rubric to prioritize social equity applicants:

<b>Social Equity Application Scoring Rubric</b>		
<b>Category</b>	<b>Eligibility Requirements</b>	<b>Point Scale</b>
	1. Lived in a disproportionately impacted area (DIA)	40
	1a. How long have you lived in a DIA? 5y -10y = 20 points 10 + years = 40 points	40
	2. Convicted of a drug offense? (Self)	10
	2a. Convicted of a cannabis offense? (Self)	40
	3. Convicted of a drug offense? (Family)	5
	3a. Convicted of a cannabis offense? (Family)	5
	4. If you were convicted of a cannabis offense, what type of sentence did you receive: Fine = 10 points Served probation = 20 points Confined to home = 40 points Served time in jail or prison = 80 points	80
	5. Did you or your family member's incarceration keep you from getting employment?	5
	6. Did you lose your home or ability to purchase a home or rent a home as a result of your convictions or arrests?	5
	7. Is your household income less than the median household income within the state of Washington as calculated by the United States Census Bureau?	40
	8. Did you own or operate a medical cannabis dispensary or collective garden, licensed as a business, prior to July 1, 2016 (10 points)? or Did you own and operate a medical cannabis dispensary or collective garden licensed as a business in a DIA (30 points)?	10 30 in a DIA
	9. Have you held or do you currently hold 51 percent majority/controlling interest of a state cannabis (marijuana) retailer	10

license? No = 10 points Yes = 0 points	
<b>Total Maximum Points</b>	<b>310 points</b>

(ix) The social equity contractor will provide the board with a list of eligible and scored social equity applicants.

(x) Neither the social equity contractor nor its employees shall benefit from any license or licenses granted as a result of their review.

(d)(i) **Board review.** Social equity applicants that are scored highest by the social equity contractor within the county selected by the social equity applicant will be processed by the board.

(ii) In the event of a tie, the board will use a double blind lottery conducted by an independent third party to identify the application(s) that will be processed.

(e) **Preliminary letter of approval.** Once the social equity applications that will be processed are identified as described in this section, eligible social equity applicants will be issued a preliminary letter of approval.

(4) **Additional provisions.**

(a) **Time restrictions.** There are no time restrictions for a social equity applicant to select and secure a location.

(b) **Ownership changes.** Social equity applicants may not make ownership changes to an application after the application has been reviewed, scored, and prioritized by the social equity contractor.

(c) **Social equity applicants may apply for a social equity license once per application window.** If a social equity applicant applies more than once, the board will accept only the first application.

(d) **License mobility.** Social equity licenses that are currently designated to specific cities may be located anywhere within the county in which the city is located. However, the license may not be transferred outside of that county.

(e) **Qualifying for the social equity program will not result in or guarantee cannabis business license approval.** Social equity applicants must meet all license qualifications in WAC **314-55-077** and this chapter to receive a license.

(f) **License transfer and assumption.** Licenses awarded under this section may not be transferred or assumed within the first year of the license being issued. Licenses awarded under this section may only be transferred to or assumed by individuals or groups of individuals who meet the definition of a social equity program applicant for a period of five years from the date of the initial license was approved.

(5) **Social equity title certificate holders.** A title certificate holder that meets the requirements of a social equity program applicant as determined by the social equity contractor may reinstate their retail cannabis license anywhere within the county that they hold their title certificate.

(6) **Application withdrawal.** The board will withdraw a social equity application if:

(a) The social equity program application or additional materials are determined to be incomplete or incorrect by the social equity contractor;

(b) The social equity program application materials are not timely received by the social equity contractor;

(c) The social equity applicant is not selected to continue with the licensing application process;  
or

(d) The social equity applicant(s) requests withdrawal of the social equity program application at any time in the application process. The social equity applicant(s) must request withdrawal in writing. The voluntary withdrawal of a social equity program application does not result in a hearing right.



## CR 102 Memorandum

### Regarding chapter 314-55 WAC: amendments and new rule sections to establish the Social Equity in Cannabis Program.

Date: August 3, 2022  
Presented by: Kathy Hoffman, Policy and Rules Manager

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#### Background

Established in 2020, RCW 69.50.336 created the Social Equity in Cannabis Task Force (Task Force) responsible for, among other things, making recommendations to the Washington State Liquor and Cannabis Board (WSLCB). RCW 69.50.335, also established in 2020, gave the WSLCB authority to create the Social Equity in Cannabis Program, consistent with Task Force recommendations.

The Task Force has met continuously since early 2020, and established sub-groups to discuss and develop recommendations concerning disproportionately impacted communities, technical assistance and mentoring, licensing, and other topics.

While the Task Force worked toward formulating recommendations, WSLCB began to review existing rule to determine where revisions could be made that would lead to socially equitable conditions. The first effort involved revising cannabis license applicant and renewal background checks by reducing barriers to entry in the licensed system. WSLCB also explored where additional rule revisions could be made within its statutory authority, and began to lay the groundwork to assure that the agency was positioned to respond as quickly as possible under the Administrative Procedures Act when Task Force recommendations became available.

The Task Force issued recommendations on January 6, 2022, offered as Attachment A. The agency carefully reviewed and analyzed each recommendation pertaining to rules that would establish the Social Equity in Cannabis Program. This proposal incorporates those recommendations by intentionally centering equity within the regulatory framework and associated administrative processes.

## **Reasons Why Rules May Be Needed**

Engrossed Second Substitute House Bill (E2SHB) 2870 (Chapter 236, Laws of 2020), codified as RCW 69.50.335 and .336 offered a three-part intent section, providing that “...in the interest of remedying harms resulting from the enforcement of cannabis-related laws in disproportionately impacted areas, creating a Social Equity in Cannabis Program will further an equitable cannabis industry by promoting business ownership among individuals who have resided in areas of high poverty and high enforcement of cannabis-related laws.”

The Social Equity in Cannabis program is authorized by RCW 69.50.335 and RCW 69.50.336 and consistent with these statutes, is designed to offer assistance to individuals most directly and adversely impacted by the enforcement of cannabis related laws who are interested in starting cannabis business enterprises. Rules are needed to implement this program consistent with statute.

Rules are also needed to implement second Substitute House Bill (SSHB) 1210, Chapter 16, Laws of 2022, effective June 9, 2022 that changes the word “marijuana” to “cannabis” throughout Washington state law.

## **Stakeholder Engagement**

A CR 101 was filed on October 27, 2021 and notice was sent to stakeholders by GovDelivery messaging on the same day. The public comment period for the CR 101 ended on December 17, 2021. No comments were received during the public comment period.

As part of the rule development process, a virtual public Listen and Learn session to was held on March 23, 2022, inviting the public and all interested parties to review conceptual draft rules framing the Social Equity in Cannabis Program. Messaging was sent through GovDelivery on March 14, 2022. A copy of the message and a delivery report is offered as Attachment B. The agency shared this messaging with the Social Equity in Cannabis Task Force, and on March 16, 2022, messaging was distributed to participants in the Social Equity Task Force work group, offered here as Attachment C. The agency also shared this messaging with members of the legislature on the same day, and a copy of that message is offered here as Attachment D.

Consistent with RCW 69.50.335, on March 17, 2022, WSLCB representatives met with Director Edward Prince of the Washington State Commission on African American Affairs to discuss the conceptual draft rules. A copy of the meeting invitation is offered here as Attachment E.

The virtual Listen and Learn session was held as scheduled, and attended by more than 120 individuals. Attendees offered a wide range of feedback. Those

comments were collected, summarized, and organized by conceptual draft rule section in a table, offered here as Attachment F.

#### *Withdrawing the Original Rule Proposal*

The original rule proposal created through this collaborative process was filed on April 13, 2022 as WSR 22-09-036. However, after additional review of the proposal, and based on comments received, the agency withdrew it on May 11, 2022 as WSR 22-11-030 to allow for additional research, outreach, and analysis.

#### *Current Proposal*

The current proposal is reflective of the initial framework and collaborative efforts, clarifying the original proposal in a variety of ways based on additional stakeholder feedback and further research. While the current proposal is more fully described below, a comparison of the original proposal and the current proposal is offered as Attachment H, Original Proposal/Revised Proposal Comparison.

## **Diversity, Equity, Inclusion and Belonging**

The agency relies on a continuous policy analysis process centered on the overarching domains of stakeholder engagement and education. These are surrounded by continuous evaluation and framed by the following additional domains:

- Problem identification;
- Policy analysis;
- Strategy and policy development;
- Policy enactment; and
- Policy implementation.

To evaluate a problem and analyze its policy implications, the agency relies on a policy framing tool designed to view the problem and associated analysis through seven different criteria. These are:

- Diversity, equity and inclusion;
- Licensing Division impacts/perspectives;
- Public Safety (WSLCB Education and Enforcement) impacts/perspectives;
- Public Health/Prevention impact/perspectives;
- Feasibility (the likelihood that the policy can be successfully adopted and implemented);
- Economic and budgetary impacts, including a comparison of the costs to enact, implement, and enforce the policy with the value of the benefit; and
- A legal assessment to assure that the rule is authorized by statute.

Each of these criteria are reviewed under different analysis focus areas. The analysis focus for diversity, equity, and inclusion consists of the following levels of analysis:



<b>CRITERIA</b>	<b>Analysis Focus</b>
<b>Diversity, Equity, Inclusion, and Belonging</b>	<ul style="list-style-type: none"> <li>• <b>Diversity:</b> Does the policy consider race and ethnicity, gender and gender identity, sexual orientation, socioeconomic status, language, culture, national origin, religious commitments, age, (dis)ability status and political perspectives across the authorizing environment?</li> <li>• <b>Equity:</b> Does the policy support the agency’s commitment to work actively in challenging and responding to bias, harassment, and discrimination? Does the policy extend the agency’s commitment to equal opportunity for all persons and does not discriminate on the basis of race, color, national origin, age, marital status, sex, sexual orientation, gender identity, gender expression, disability, religion, height, weight, or veteran status?</li> <li>• <b>Inclusion:</b> Does the policy support the agency’s commitment to pursuing deliberate efforts to respectfully honor and acknowledge different perspectives, where every individual feels a sense of inclusion that leverages collective capabilities?</li> <li>• <b>Belonging:</b> Does the policy identify and remove barriers that limit or prevent equity and justice for all, particularly for those who have been historically excluded and oppressed? Does the policy move toward replacing old systems with new systems that are just, equitable, diverse and inclusive for the benefit of all?</li> </ul>

Responses to each of these analysis elements as they relate to this rule proposal are offered below.

<b>Analysis Focus</b>	<b>Agency Response</b>
<b>Diversity:</b> Does the policy embodied in proposed rule consider race and ethnicity, gender and gender identity, sexual orientation, socioeconomic status, language, culture, national origin, religious commitments, age, (dis)ability status and political perspectives across the authorizing environment?	The agency recognizes that race, gender, sexual orientation, socioeconomic status, language, culture, national origin, religious commitments, age, ability and political perspectives are deeply connected. This understanding informs the agency’s commitment to shifting repressive power dynamics and strengthening the influence of those most affected by the impact of such dynamics. That shift is represented in the formation of the Social Equity in Cannabis Program through a regulatory framework that is designed to reduce barriers to market entry consistent with statute, but also through agency-initiated efforts to assure that regulatory construction is concise and framed in a way that honors the four pillars of public administration (economy, efficiency, effectiveness, and social equity), <sup>1</sup> while reducing barriers to entry in the legal cannabis market.
<b>Equity:</b> Does the policy embodied in proposed rule support the agency’s commitment to work actively in challenging and responding to bias, harassment, and discrimination? Does the policy extend the agency’s commitment to equal opportunity for all persons and does not discriminate on the basis of race, color, national origin, age, marital status, sex, sexual orientation, gender identity, gender expression, disability, religion, height, weight, or veteran status?	Equal access to inequitable systems does not advance social equity. Disparities in structures and systems ensures barriers to access. By reverse engineering regulatory frameworks to align with statute, the agency has been able to proactively dismantle them, allowing the agency to enable conditions that may lead to social equity. These efforts have become embedded in the agency’s approach to rule and policy development. The breadth and depth of the changes described in this rule proposal demonstrates the agency’s commitment to regulatory revision that may lead to socially equitable conditions, realizing and operationalizing the intent of the enabling legislation.
<b>Inclusion:</b> Does the policy embodied in proposed rule support the agency’s commitment to pursuing deliberate efforts to respectfully honor and acknowledge different perspectives, where every individual feels a sense of inclusion that leverages collective capabilities?	These rules were developed through an inclusive, collaborative, deliberative process designed to honor and acknowledge different perspectives. Collective community knowledge and capabilities were leveraged during that process to assure that all voices were heard, acknowledged, and included in rule development. The proposal reflects the outcome of that process, as well as rule language and section reorganization that was informed by the individuals to whom such rules apply.

<sup>1</sup> See [Social Equity Is a Pillar of Public Administration \(1\).pdf](#)



<p><b>Belonging:</b> Does the policy embodied in proposed rule identify and remove barriers that limit or prevent equity and justice for all, particularly for those who have been historically excluded and oppressed? Does the policy move toward replacing old systems with new systems that are just, equitable, diverse and inclusive for the benefit of all?</p>	<p>Belonging is difficult to quantitatively measure. Cultivating a sense of belonging hinges on building trust and effective working relationships that support positive business outcomes. The cultivation process includes creating space for information sharing between regulators and those who are regulated or thinking about becoming part of the regulated community. The rule proposal supports a culture of belonging because it was developed with community through their contributions in a way that is anticipated to reduce barriers to entry in the regulated cannabis market.</p>
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## Estimated Costs of Compliance

Chapter 19.85 RCW, the Regulatory Fairness Act, provides that agencies are required to consider costs imposed on businesses and costs associated with compliance with proposed rules unless an exemption is provided under the chapter 34.05 RCW, the Administrative Procedures Act.

Specifically, RCW 19.85.025(3) provides that the Regulatory Fairness Act does not apply to the adoption of rule if the content of the rule is explicitly and specifically dictated by statute (see RCW 34.05.310(4)(e)). These rules are authorized under RCW 69.50.335.

However, an analysis of potential administrative costs was conducted, and is described more fully in the CR 102 form. That analysis indicates that these rules are not anticipated to result in more than minor costs on businesses as defined in RCW 19.85.020(2).

## Description of Rule Changes

Rule change descriptions below include substantive or technical changes to assist the reader in understanding revisions.

**Amended section (technical changes). WAC 314-55-015:** *Formerly entitled “General Information about marijuana licenses”* renamed “General information about cannabis licenses.” This section was updated and modernized to align with previous rule updates, and to increase readability and ease of use. No substantive changes were made to the rule section.

**Amended section (technical changes). WAC 314-55-020:** *Formerly entitled “Marijuana license qualifications and application process – Licensing requests”* renamed “Cannabis license qualifications and application process – Licensing change requests.” Existing language was updated, reorganized and streamlined to increase readability and ease of use. No substantive changes were made to the rule section.

**Amended section (technical changes). WAC 314-55-040:** Technical change was made to subsection (4)(a) by adding the words “there is” in the sentence structure.

**Amended section (technical changes). WAC 314-55-045:** *Formerly entitled “What marijuana law or rule violation history might prevent an applicant from receiving a marijuana license?”* renamed “Cannabis license applicant administrative violation review.” Existing language was updated, reorganized and simplified to increase readability and ease of use. Updates were made to align references to enforcement rule changes that were completed in early 2020 and adopted as WSR 20-03-177. No substantive changes were made to the rule section.

**Amended section (technical changes). WAC 314-55-050:** *Formerly entitled, “Reasons why the WSLCB may seek denial, suspension, or cancellation of a marijuana license application or license,”* renamed “Denial, suspension or cancellation of a cannabis license application or license.” Existing language was updated, reorganized and simplified to increase readability and ease of use. No substantive changes were made to the rule section.

**Amended section (technical changes). WAC 314-55-055:** *Formerly entitled, “Marijuana retail license forfeiture”* renamed “Cannabis retail license forfeiture.” Existing language was updated, reorganized and simplified to increase readability and ease of use. No substantive changes were made to the rule section.

**Amended section (technical changes). WAC 314-55-070:** *Formerly entitled, “Process if the WSLCB denies a marijuana license application”* renamed “Cannabis license application denial.” Existing language was updated, reorganized and simplified to increase readability and ease of use. No substantive changes were made to the rule section.

**Amended section (technical changes). WAC 314-55-079:** *Formerly entitled, “Marijuana retailer license – Privileges, requirements, and fees”* renamed “Cannabis retailer license – Privileges, requirements, and fees.” Existing language was updated and simplified to increase readability and ease of use. No substantive changes were made to the rule section.

**Amended section (technical changes). WAC 314-55-082:** Insurance requirements. Existing language was updated and simplified to increase readability and ease of use. No substantive changes were made to the rule section.

**Amended section (technical changes). WAC 314-55-110.** *Formerly entitled, “What are my responsibilities as a marijuana licensee?”* renamed “Licensee responsibilities.” Existing language was updated and simplified to increase readability and ease of use. No substantive changes were made to the rule section.

**Amended section (technical changes). WAC 314-55-120.** Ownership changes. Existing language was updated and simplified to increase readability and ease of use. No substantive changes were made to the rule section.

**Amended section (technical changes). WAC 314-55-125.** Change of location. Existing language was updated and simplified to increase readability and ease of use. No substantive changes were made to the rule section.

**Amended section (technical changes). WAC 314-55-137.** Receiverships. Existing language was updated and simplified to increase readability and ease of use. No substantive changes were made to the rule section.

**New Section (new rule section). WAC 314-55-570.** Social Equity in Cannabis Program.

The following table describes each new rule section, and aligns it with the recommendations of the Social Equity in Cannabis Task Force as described in Attachment A and other attachments as noted.

New Rule Section	Summary	Alignment with SETF Recommendations, Statutory Authority, or Both
<p><b>WAC 314-55-570(1)</b> Definitions</p>	<p>Provides a list of definitions for words, terms, and phrases used throughout the section.</p>	<p><i>Statutory Authority</i> RCW 69.50.335(4)</p>
<p><b>WAC 314-55-570(1)(a)</b> Disproportionately Impacted Area (DIA)</p>	<p>Aligns with and expands statutory language; provides that the board will provide maps that reflect census tracts from different time periods to account for gentrification.</p>	<p><i>Statutory Authority</i> RCW 69.50.335(6)(b)</p>
<p><b>WAC 314-55-570(1)(b)</b> Family Member</p>	<p><b>Rule Text:</b> (b) "Family member" means: (i) A biological, adopted, or foster child, a stepchild, a child's spouse, or a child to whom the applicant stands in loco parentis (in place of the parent), is a legal guardian, or is a de facto parent, regardless of age or dependency status; (ii) Grandchild, grandparent, parent, or sibling of a child as defined in (i); (iii) spouse or domestic partner; (iv) Any individual who regularly resides in the applicant's home or where the relationship creates an expectation that the applicant care for the person and that individual depends on the applicant for care, or that the individual care for the applicant and that the applicant depends on the individual for care.</p>	<p><b>SETF Recommendation:</b> Definition of "Family member": includes a biological, adopted, or foster child, a stepchild, a child's spouse, or a child to whom the applicant stands loco parentis (in place of a parent), is a legal guardian, or is a de facto parent, regardless of age or dependency status; grandchild, grandparent, parent, sibling, or spouse, and also includes any individual who regularly resides in the applicant's home or where the relationship creates an expectation that the applicant care for the person and that individual depends on the applicant for care. Except that it does not include an individual who simply resides in the same home with no expectation that the employee care for the individual.</p> <p><i>Statutory Authority</i> RCW 69.50.335(4)</p>
<p><b>WAC 314-55-570(1)(c)</b> Median household income</p>	<p>Needed to provide definition for phrase used in Social Equity Scoring Rubric; see proposed WAC 314-55-570(3)(c)(viii)</p>	<p><i>Statutory Authority</i> RCW 69.50.335(4)</p> <p>See also Attachment G</p>

<p><b>WAC 314-55-570(1)(d)</b> Person</p>	<p>Needed to distinguish between person or other business entity.</p>	<p><i>Statutory Authority</i> RCW 69.50.335(4)</p>
<p><b>WAC 314-55-570(1)(e)</b> Preliminary letter of approval</p>	<p>Needed to define term used in Social Equity Task Force recommendation.</p>	<p><b>SETF Recommendation:</b> Approval letter is given to selected applicants by the Social Equity Case Manager. Applicants with an approval letter can then take that letter to apply for grants from the Department of Commerce. These grant dollars can then be used to help the applicant secure retail location and other necessities needed to complete the remaining portion of the application process.</p> <p><i>Statutory Authority</i> RCW 69.50.335(4)</p>
<p><b>WAC 314-55-570(1)(f)</b> Social equity program applicant</p>	<p>Needed to define term in rule context.</p>	<p><i>Statutory Authority</i> RCW 69.50.335(4)</p> <p><i>Statutory Authority</i> RCW 69.50.335(6)(c)</p>
<p><b>WAC 314-55-570(1)(g)</b> Social equity contractor</p>	<p>Needed to define term in rule context.</p>	<p><b>SETF Recommendation:</b> Responsibility is to review and score social equity plans. Then recommend winning candidates to the Social Equity Case Manager (LCB) for approval and advancement.</p> <p><i>Statutory Authority</i> RCW 69.50.335(4)</p>
<p><b>WAC 314-55-570(1)(h)</b> Social equity licensee</p>	<p>Needed to define term in rule context.</p>	<p><i>Statutory Authority</i> RCW 69.50.335(4)</p>
<p><b>WAC 314-55-570(1)(i)</b> Social equity plan</p>	<p>Needed to define term in rule context.</p>	<p><i>Statutory Authority</i> RCW 69.50.335(4)</p> <p><i>Statutory Authority</i> RCW 69.50.335(2)(a) requires social equity applicant to submit a social equity plan</p> <p>RCW 69.50.335(6)(e) – definition of "social equity plan"</p>
<p><b>WAC 314-55-570(1)(j)</b> Social equity title certificate holder</p>	<p>Needed to define term in rule context.</p>	<p><i>Statutory Authority</i> RCW 69.50.335(4)</p>
<p><b>WAC 314-55-570(2)</b> Social equity applicant requirements</p>	<p>Described social equity applicant requirements, consistent with the Social Equity Scoring Rubric; see proposed WAC 314-55-570(3)(c)(viii).</p> <p>Provides that a social equity applicant must meet at least two of the three requirements described in the scoring rubric.</p>	<p><i>Statutory Authority</i> RCW 69.50.335(2)(a)</p> <p><i>Statutory Authority</i> RCW 69.50.335(4)</p> <p>See also Attachment G</p>

<p><b>WAC 314-55-570(3)</b> Social equity application process</p>	<p>Describes the following social equity application process:</p> <p>Provides a 30 calendar day application window that the board may reopen at its discretion;</p> <p>Includes provision for social equity title certificate holders;</p> <p>Location address is not required at the time of application;</p> <p>Social equity contractor will review using Social Equity Scoring Rubric;</p> <p>Provides that social equity applicant must submit documentation to verify eligibility criteria described in Social Equity Scoring Rubric and provides examples and timeframes;</p> <p>Applicant may apply once and select one county where they wish to operate their business;</p> <p>Board will provide a list of available counties.</p> <p>Highest scoring applicants will be processed by the board;</p> <p>Double blind lottery will occur in the event that the number of eligible applicants exceeds the number of available licenses;</p> <p>Preliminary letter of approval issued.</p>	<p><b>SETF Recommendation:</b></p> <p>1) Social Equity Application a) <b>Social Equity Application Process:</b> i) 30-60-day application window to submit information (closed window) ii) Liquor &amp; Cannabis Board to contract with Equity organization (3rd party). iii) double-blind tiebreakers (If necessary) iv) Social Equity Applicants are given a preliminary letter of approval from the case manager. v) No time restrictions to secure a location. vi) Social Equity Case Manager (Within Liquor Cannabis Board) to ensure equity standards are met and to help guide applicants during the process vii)</p> <p><b>SETF Recommendation:</b> Double-Blind Lottery (3rd party) • Method used to determine winners in the event of a tie.</p> <p><i>Statutory Authority</i> RCW 69.50.335(2)(a)</p> <p><i>Statutory Authority</i> RCW 69.50.335(4)</p> <p>See also Attachments A and G</p>
<p><b>WAC 314-55-570(4)</b> Additional provisions</p>	<p>No time restriction to secure a location.</p> <p>Provides that an applicant may not make ownership changes after application has been reviewed, scored, and prioritized;</p> <p>Provides for license mobility within county;</p> <p>Provides that licenses awarded under program may not be transferred within the first year of issuance; may only be transferred to groups or individuals who comply with initial licensure as a social equity applicant for a period of five years from the date of transfer.</p>	<p><b>SETF Recommendation:</b> <b>No time restriction to secure a location.</b> This allows the applicant to secure a location. The Liquor &amp; Cannabis Board will give the Social Equity Applicant a window to search for a location. The Social Equity Case Manager will monitor that applicant was given full time to secure the location.</p> <p><i>Statutory Authority</i> RCW 69.50.335(4)</p>
<p><b>WAC 314-55-570(5)</b> Social equity title certificate holders</p>	<p>Provides that a retail cannabis license title certificate holder may reinstate their license anywhere within the county that they hold their certificate.</p>	<p><i>Statutory Authority</i> RCW 69.50.335(2)(b)</p> <p><i>Statutory Authority</i> RCW 69.50.335(4)</p>
<p><b>WAC 314-55-570(6)</b> Application withdrawal</p>	<p>Describes social equity application withdrawal processes and circumstances under which a social equity application may be withdrawn.</p>	<p><i>Statutory Authority</i> RCW 69.50.335(4)</p>

# **Attachment A**

The Social Equity in Cannabis Task Force was formed in 2020 in accordance to [HB 2870](#), allowing additional marijuana retail licenses for social equity purposes. The task force met remotely throughout 2020 to develop the following recommendations to establish a social equity program for issuing and re-issuance of existing retail cannabis licenses.

**Liquor & Cannabis Board:**

1. The definition of Family that is used for the eligibility criteria for the Social Equity Application will follow the definition in statute, [HB 2614](#).
2. Definition of “Family member”: includes a biological, adopted, or foster child, a stepchild, a child’s spouse, or a child to whom the applicant stands loco parentis (in place of a parent), is a legal guardian, or is a de facto parent, regardless of age or dependency status; grandchild, grandparent, parent, sibling, or spouse, and also includes any individual who regularly resides in the applicant’s home or where the relationship creates an expectation that the applicant care for the person and that individual depends on the applicant for care. Except that it does not include an individual who simply resides in the same home with no expectation that the employee care for the individual.
3. Utilize the Ranking formulas and Indicators Formula to determine disproportionately Impacted Areas

**Disproportionately Impacted Areas Formula:**

DIA FORMULA

$$\begin{aligned} & \% \text{ Unemployment} + \\ & \text{Median Household Income as Proportion to County} + \\ & \# \text{ of Drug Convictions} + \\ & 2.9 \times \text{ of Black Residents} + \\ & 1.6 \times \% \text{ of Latino/a/x Residents} + \\ & 1.6 \times \% \text{ of Indigenous Residents} + \end{aligned}$$

Legend:  
Explicitly Expressed in legislative mandates  
Prioritizing communities of color  
Incorporating the disparities in cannabis convictions

**= DIA Score for Census Tract**

## 1) Social Equity Application

### a) **Social Equity Application Process:**

- i) 30-60-day application window to submit information (closed window)
- ii) Liquor & Cannabis Board to contract with Equity organization (3rd party).
- iii) double-blind tiebreakers (If necessary)
- iv) Social Equity Applicants are given a preliminary letter of approval from the case manager.
- v) No time restrictions to secure a location.
- vi) Social Equity Case Manager (Within Liquor Cannabis Board) to ensure equity standards are met and to help guide applicants during the process.

### **Application Definitions:**

#### **Social Equity Contractor (3rd Party)**

- Responsibility is to review and score social equity plans. Then recommend winning candidates to the Social Equity Case Manager (LCB) for approval and advancement.

#### **Double-Blind Lottery (3rd party)**

- Method used to determine winners in the event of a tie.

#### **Preliminary letter of approval**

- Approval letter is given to selected applicants by the Social Equity Case Manager. Applicants with an approval letter can then take that letter to apply for grants from the Department of Commerce. These grant dollars can then be used to help the applicant secure retail location and other necessities needed to complete the remaining portion of the application process

#### **No time restriction to secure location.**

- This allows the applicant to secure a location. The Liquor & Cannabis Board will give the Social Equity Applicant a window to search for a location. The Social Equity Case Manager will monitor that applicant was given full time to secure the location.

#### **Social Equity Case Manager**

- This role will be associated with the Liquor & Cannabis Board to ensure social equity standards are met during and after the social equity application process. They will give the preliminary approval letter after reviewing recommendations from 3rd party. This individual will also be a resource for applicants and license holders to file grievances whenever facing inequity within the agency.



## 2. Scoring rubric criteria for social equity application

Category	Criteria Elements	Point Scale (Maximum Possible)
Eligibility Criteria	1. Lived in a Disproportionately Impacted Area (DIA) Black-30pts Hispanic-25pts Native-10pts	30
	2. Conviction History Convicted of a marijuana offense Black-30pts Hispanic-25pts Native-10pts	30
	OR 2a. Convicted of a drug offense Black-20pts Hispanic-10pts Native-5pts	
	OR 2b. Family member convicted of any drug offense-3pts	
4. Black (150pts), Hispanic (75pts), Native American (25pts) ** Based on arrest rates ratios from (240,000 Marijuana Arrests Costs, Consequences, and Racial Disparities of Possession Arrests in Washington, 1986-2010, Marijuana Arrest Research Project	150	
<b>Total for Category</b>		250
<b>Eligibility Criteria Weight % of overall Scoring</b>		38%
Social Equity Ownership Scoring	Black Ownership - 100%- 200pts 90-99%-150pts 76-89%-100pts 51-75%-50pts	200
	Or Hispanic Ownership - 100%- 100pts 90-99%-75pts 76-89%-50pts 51-75%-25pts	
	Or Native Ownership - 100%- 40pts 90-99%-30pts 76-89%-20pts 51-75%-10pts	
	<b>Total for Category</b>	
<b>Social Equity Plan Elements Weight % of overall Scoring</b>		31%
Business Plan	1. Executive summary, vision and mission? a. Employment and labor practices	150
	2. Do you have a previous cannabis business experience that would make your business more viable?	50
	<b>Total for Category</b>	
<b>Business Plan Elements Weight % of overall Scoring</b>		31%
Other Priority Criteria	1. Do you want to apply for the Technical Assistance Grant and how much do you need?	No Points
	3. Do you have ownership of a current license, what percentage?	No Points
<p>Affirmations (licensee must affirm that all statements are true and risks being removed from consideration if any statement is found to be untrue)</p> <p>Affirm the business is at least 51% minority ownership</p> <p>Affirm if you lived in a DIA area and the length of time you lived there it's accurate on your application and plan.</p> <p>Affirm if you represent you or your family member was convicted of a marijuana or drug offense it is true.</p> <p>Affirm if you represent you have marijuana business ownership experience, it's true.</p> <p>Affirm everything on your application and business plan is true</p> <p>Affirm all owners and parties of interest that are represented on this plan and the application are accurate.</p> <p>Affirm all ownership represented on the plan is the same ownership that will be represented on the application and the operating agreement including all documents to WSLCB, county, and city.</p> <p>Affirm that no outside management companies other than management company owned by a social equity/Minority licenses holder can have any form of controlling interest in the business.</p> <p>Affirm that you are a resident of the state of Washington</p> <p>Affirm that any affirmations that are affirmed by applicant and found not to be true will result in denial of application or license revoked.</p>		No Points
<b>Other Priority Weight % of overall Scoring</b>		0% (0pts)
<b>Total Score:</b>		<b>650</b>

## Department of Commerce:

1. Cannabis mentorship program.
  - Provides financial assistance to cannabis licensees who meet the social equity definition.
  - The “social equity applicant” means
    - i. An applicant who has at least fifty-one percent ownership and control by one or more individuals who have resided in a disproportionately impacted area for a period of time defined in rule by the board after consultation with the Commission on African American Affairs and other commissions, agencies, and community members as determined by the board;
    - ii. An applicant who has at least fifty-one percent ownership and control by at least one individual who has been convicted of a cannabis offense, a drug offense, or is a family member of such an individual:  
or
    - iii. An applicant who meets criteria defined in rule by the board after consultation with the Commission on African American Affairs and other commissions, agencies, and community members as determined by the board. (RCW 69.50.335)

## Legislative Requests:

1. Create a community reinvestment fund using 50% of cannabis tax revenue
  - a. 10% - Financial assistance awards will be funded by transferring the cannabis tax revenue to the cannabis social equity grant program.
  - b. 5% - Low-interest loans for licensees who meet the social equity definition.
  - c. 35% to Disproportionally Impacted Areas for programming: Faith-Based organizations and non-profits to provide these services.
  - d. That any new cannabis licenses are reserved for social equity through 2029, this includes new licenses that are passed through the legislator. (ex. Delivery licenses, social consumption lounges, and additional retail licenses)
2. Any new cannabis licenses will be reserved for social equity through 2029. This includes new licenses that are passed through the legislature. (e.g. Delivery licenses, social consumption lounges, and additional retail licenses.)
3. Social equity retail licenses are eligible for mobility, contingent on local approval within their respective counties.
4. Reduce buffer zones from 1000ft to 500ft (excluding elementary schools, secondary schools, playgrounds which must remain at 1000 feet.)

If you have any questions or concerns, please contact Social Equity in Cannabis Task Force Chair, Representative Melanie Morgan, at [Melanie.Morgan@leg.wa.gov](mailto:Melanie.Morgan@leg.wa.gov).

# **Attachment B**

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## Invitation: Session on Conceptual Draft Rules about the Social Equity in Cannabis Program – March 23

Washington State Liquor and Cannabis Board sent this bulletin at 03/14/2022 02:45 PM PDT

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March 14, 2022

### Invitation: Session on Conceptual Draft Rules about the Social Equity in Cannabis Program – March 23 at 1:00 p.m.

The Washington State Liquor and Cannabis Board (LCB) is hosting a Listen and Learn session about conceptual draft rules on the Social Equity in Cannabis Program. The session is designed to get public and licensee feedback on rule concepts before the agency moves toward a rule proposal.

In late October 2021, while awaiting recommendations from the Social Equity in Cannabis Task Force (Task Force), the LCB began to consider amendments to existing rule and new rules that would both support and establish the Social Equity in Cannabis program. The CR 101, or Statement of Inquiry, was filed as [WSR 21-22-042](#) on October 27, 2021.

The Task Force released recommendations on January 6, 2022, and the agency began to draft rules based on those recommendations. The conceptual draft rules can be viewed [here](#).

Please review [this guidance document](#) and the session [agenda](#) before the forum and come prepared to offer feedback and suggestions for revisions to the draft.

- **WHEN:** Thursday, March 23, 2022, from 1:00 p.m. until 4:00 p.m.
- **WHERE:** Join on your computer or smart phone using Microsoft (MS) Teams.

[Click here to join the meeting](#)

If you have the MS Teams app on your device, select "Open Microsoft Teams" when prompted.

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# Washington State Liquor and Cannabis Board - Bulletin ...



Subject: Invitation: Session on Conceptual Draft Rules about the Social Equity in Cannabis Program – March 23

Sent: 03/14/2022 02:45 PM PDT

Sent By: brian.smith@lcb.wa.gov

Sent To: 15 Topics

# 32,958

Recipients

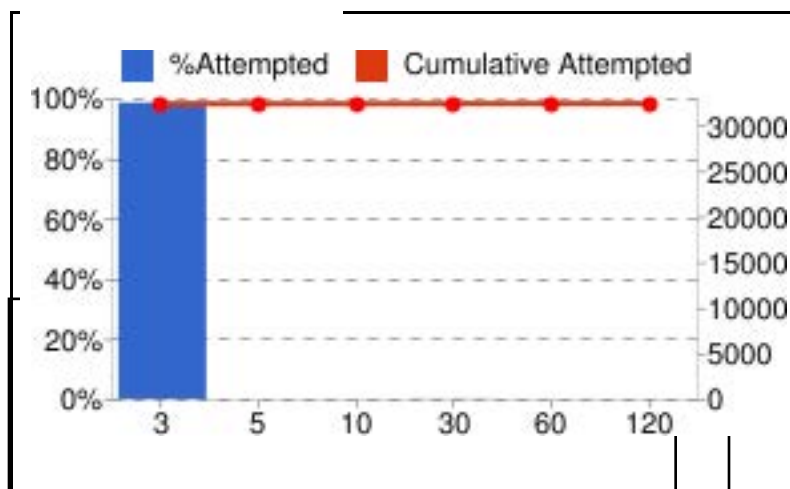
- Email
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# 96%

Delivered



- 0% Pending
- 4% Bounced
- 29% Open Rate
- 2% Click Rate



Minutes	Cumulative Attempted
3	98%
5	98%
10	98%
30	99%
60	99%
120	99%

**32,958** Total Sent

**31,759 (96%)** Delivered

**0 (0%)** Pending

**1,199 (4%)** Bounced

**17 (0%)** Unsubscribed

**15,900** Total Opens

**9170 (29%)** Unique Opens

**1,152** Total Clicks

**721 (2%)** Unique Clicks

**15** # of Links

*These figures represent all data since the bulletin was first sent to present time.*

	Progress	% Delivered	Recipients	# Delivered	Opened Unique	Bounced/Failed	Unsubscribes
<b>Email Bulletin</b>	Delivered	96.4%	32,958	31,759	9170 / 28.9%	1,199	17
<b>Digest</b>	n/a	n/a	0	0	0 / 0.0%	0	0
<b>SMS Message</b>	Delivered	0.0%	0	0	n/a	0	n/a

Link URL	Unique Clicks	Total Clicks
<a href="https://lcb.wa.gov/sites/default/files/publications/temp_links/...">https://lcb.wa.gov/sites/default/files/publications/temp_links/...</a>	209	325
<a href="https://teams.microsoft.com/l/meetup-join/19%3ameeting_M...">https://teams.microsoft.com/l/meetup-join/19%3ameeting_M...</a>	83	233
<a href="https://lcb.wa.gov/sites/default/files/publications/rules/2021...">https://lcb.wa.gov/sites/default/files/publications/rules/2021...</a>	131	197
<a href="https://lcb.wa.gov/sites/default/files/publications/temp_links/...">https://lcb.wa.gov/sites/default/files/publications/temp_links/...</a>	81	121
<a href="https://lcb.wa.gov/sites/default/files/publications/rules/2021...">https://lcb.wa.gov/sites/default/files/publications/rules/2021...</a>	92	104
<a href="https://teams.microsoft.com/l/meetup-join/19%3ameeting_N...">https://teams.microsoft.com/l/meetup-join/19%3ameeting_N...</a>	26	54
<a href="https://content.govdelivery.com/accounts/WALCB/bulletins/3...">https://content.govdelivery.com/accounts/WALCB/bulletins/3...</a>	38	46
<a href="https://public.govdelivery.com/accounts/WALCB/subscriber/o...">https://public.govdelivery.com/accounts/WALCB/subscriber/o...</a>	17	20
<a href="https://public.govdelivery.com/accounts/WALCB/subscriber/e...">https://public.govdelivery.com/accounts/WALCB/subscriber/e...</a>	8	9
<a href="https://www.youtube.com/user/WSLCB">https://www.youtube.com/user/WSLCB</a>	7	9
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<a href="https://lcb.wa.gov/rss.xml">https://lcb.wa.gov/rss.xml</a>	7	7
<a href="https://twitter.com/wslcb">https://twitter.com/wslcb</a>	6	7
<a href="https://public.govdelivery.com/accounts/WALCB/subscriber/n...">https://public.govdelivery.com/accounts/WALCB/subscriber/n...</a>	4	7
<a href="https://subscriberhelp.granicus.com/">https://subscriberhelp.granicus.com/</a>	5	5



# **Attachment C**

**From:** [Ogle, Crystal \(SBOH\)](#)  
**Subject:** Listen and Learn Session: LCB Draft Rules of Social Equity in Cannabis Program  
**Date:** Wednesday, March 16, 2022 9:51:10 AM

---

Dear Friends,

We wanted to make you aware of an important opportunity to be heard by the Washington State Liquor and Cannabis Board (LCB).

**Invitation: Session on Conceptual Draft Rules about the Social Equity in Cannabis Program – March 23 at 1:00 p.m.**

The Washington State Liquor and Cannabis Board (LCB) is hosting a Listen and Learn session about conceptual draft rules on the Social Equity in Cannabis Program. The session is designed to get public and licensee feedback on rule concepts before the agency moves toward a rule proposal.

For more information, including how to join, please visit the LCB's meeting website:

[Invitation: Session on Conceptual Draft Rules about the Social Equity in Cannabis Program – March 23 \(govdelivery.com\)](#)

Warmly,

**Crystal Ogle** (she/her)  
Administrative Assistant – Social Equity in Cannabis Task Force  
Washington State Board of Health  
(360) 742-7174  
[crystal.ogle@sboh.wa.gov](mailto:crystal.ogle@sboh.wa.gov)

# **Attachment D**

**From:** [Thompson, Chris \(LCB\)](#)  
**To:** [Wicks, Emily](#); [Johnson, Jesse](#); [Berry, Liz](#); [Taylor, Jamila](#); [Riccelli, Marcus](#); [Ryu, Cindy](#); [Macri, Nicole](#); [Bateman, Jessica](#); [Orwall, Tina](#); [Ormsby, Timm](#); [Lekanoff, Debra](#); [Pollet, Gerry](#)  
**Cc:** [Morgan, Melanie](#); [Chambers, Kelly](#); [King, Curtis](#); [Saldana, Rebecca \(LEG\)](#); [Clifthorne, Sarah](#); [Shakotko, Veronica](#); [Clogston, Mary](#); [Barnett, Stephanie](#)  
**Subject:** FW: Invitation: Session on Conceptual Draft Rules about the Social Equity in Cannabis Program – March 23  
**Date:** Wednesday, March 16, 2022 2:28:02 PM

---

Honorable Members –

I'm forwarding to you information about an upcoming information session because you sponsored social equity legislation this session, HB 2022. This event is being organized to share and receive information that will help guide agency rule development as we work toward implementation of the social equity in cannabis program. If you or your staff would be interested in attending, please plan on joining us. And by all means, if you know of colleagues who might be interested and would like to forward this event information to them, we certainly welcome that as well.

Let us know if you have questions, and thank you for your work on social equity in cannabis.

Chris

Chris Thompson  
Director of Legislative Relations  
Washington State Liquor and Cannabis Board  
1025 Union Avenue SE  
PO Box 43080  
Olympia, Washington 98504-3080  
Office: (360) 664-4548  
Mobile: (360) 485-8550

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**From:** Washington State Liquor and Cannabis Board <[wslcb@public.govdelivery.com](mailto:wslcb@public.govdelivery.com)>  
**Sent:** Monday, March 14, 2022 2:47 PM  
**To:** Thompson, Chris (LCB) <[chris.thompson@lcb.wa.gov](mailto:chris.thompson@lcb.wa.gov)>  
**Subject:** Invitation: Session on Conceptual Draft Rules about the Social Equity in Cannabis Program – March 23

External Email

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March 14, 2022

## **Invitation: Session on Conceptual Draft Rules about the Social Equity in Cannabis Program – March 23 at 1:00 p.m.**

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Please review [this guidance document](#) and the session [agenda](#) before the forum and come prepared to offer feedback and suggestions for revisions to the draft.

- **WHEN: Thursday, March 23, 2022, from 1:00 p.m. until 4:00 p.m.**
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[Click here to join the meeting](#)

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This email was sent to [chris.thompson@lcb.wa.gov](mailto:chris.thompson@lcb.wa.gov) using GovDelivery Communications Cloud on behalf of:  
Washington State Liquor and Cannabis Board · 1025 Union Avenue SE · P.O. Box 43088 · Washington  
98504-3088

# **Attachment E**

## Hoffman, Katherine (LCB)

---

**Subject:** CAAA/LCB Social Equity Rule Development Discussion  
**Location:** Microsoft Teams Meeting

**Start:** Thu 3/17/2022 3:30 PM  
**End:** Thu 3/17/2022 4:00 PM

**Recurrence:** (none)

**Meeting Status:** Meeting organizer

**Organizer:** Hoffman, Katherine (LCB)  
**Required Attendees:** Prince, Ed (CAAA); Smith, Rebecca (LCB); Bamba, Kaitlin (LCB)

Mr. Prince,

Thank you very much for meeting with us. I will prepare an informal agenda early next week to help guide our conversation.

Please don't hesitate to reach out with any questions or concerns you may have.

Kathy Hoffman

**UPDATED 3/16/22: Rescheduled from 10 – 11AM to 3:30 – 4PM.**

---

## Microsoft Teams meeting

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### Or call in (audio only)

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**Attachment F**  
**Comments and Email Received Regarding Virtual Social Equity Listen and Learn Session**  
**Held March 23, 2022**

Order	Commenter	Rule Section/Topic	Summaries of Oral Comments Received During Session
1.	Representative Debra Entenman	WAC 314-55-570(1)	<b>Summary:</b> Does an applicant have to meet both the criteria of being in a low-income area and a high enforcement area?
2.	Christy Stanley	WAC 314-55-570(1)	<b>Summary:</b> Regarding “Disproportionately impacted areas”, is there a timeline for when the board will provide maps of the identified areas? How long will it be before these areas are identified or have they already been identified?
3.	Ross	WAC 314-55-570(1)	<b>Summary:</b> Is the application window opening for all license types or just retail licenses?
4.	Peter Manning	WAC 314-55-570(1)	<b>Summary:</b> When identifying disproportionately impacted areas, how will the board account for gentrification? I think all three qualifications should be met before a person qualifies as a social equity applicant, rather than two out of three.
5.	Philip Petty	WAC 314-55-570(1)	<b>Summary:</b> Data about who was harmed the most by the war on drugs, including information from the ACLU, includes race. Why wouldn't we use race as one criterion for qualifying as a social equity applicant? The analogy is two people are in line to see the doctor, one with a cut finger and one who just had a heart attack – which one should the doctor see first? People who have experience the most harm should be at the front of the line for these licenses.
6.	James Buchanan	WAC 314-55-570(1)	<b>Summary:</b> How will you make sure that African Americans receive licenses based on the same rate that we were harmed? You are not using race as an explicit criterion because you are afraid of lawsuits. You are going to get lawsuits regardless of the outcome, because many applicants will be excluded and some licenses will get into the wrong hands. Do you want to be in court on the right side or wrong side of the issue?
7.	Susan Stoltzfus	WAC 314-55-570(2)	<b>Summary:</b> Definition of “average state income” from (2)(a) is: most recent median household income AND per capita income, but (3)(iii) “household income is less than the average state income”. This

**Attachment F**  
**Comments and Email Received Regarding Virtual Social Equity Listen and Learn Session**  
**Held March 23, 2022**

			seems inconsistent. Also, median household income without adjusting for cost of living will put some at a disadvantage.
8.	Justin	WAC 314-55-570(2)	<b>Summary:</b> Removing the limit on the number of licenses will remove the need to have all of these definitions and rulemaking around social equity applicants. We should allow for unlimited number of licenses and allow the free market to work. This could stop gentrification and could let meritocracy take place.
9.	Ryan Lee	WAC 314-55-570(2)	<b>Summary:</b> For the definition of the social equity plan, section J(i), referring to ownership – 51% ownership. 51% threshold leaves a lot of room for this process to be abused. There should be consideration for raising the threshold of ownership.
10.	Representative Debra Entenman	WAC 314-55-570(2)	<b>Summary:</b> Regarding the “average state income” – I have never seen this term used. Regarding income, it is typically median income as a qualifying factor. Replace average state income with median income. Social equity in cannabis is supposed to be specifically about ensuring that Black African-American people have an opportunity to obtain licenses because they were left out of the original licensing plan. My understanding of Governor Inslee’s recent statement is that there is no prohibition on using race as an explicit criterion. Race should be included as part of the criteria.
11.	Emerald City Collective	WAC 314-55-570(2)	<b>Summary:</b> Question is in regards to how disproportionately impacted areas will be identified. Because of gentrification, areas have changed over the years. What is the full criteria for determining DIA, is it from 20 years ago or are we talking about DIA right now?
12.	Board Member Garrett	WAC 314-55-570(2)	<b>Summary:</b> In order for the LCB to include race as a specific criterion, it has to come from the legislature. Representative Entenman, are you willing to run a bill if you feel like race should be included in the overall criteria?
13.	Representative Debra Entenman	WAC 314-55-570(2)	<b>Summary:</b> If a bill was needed, I would be willing to run the bill. Based on the information I have, the executive order the Governor issued, and the equity and disparity reports that have been released, we have all the evidence we need to show that we can ask for these limited licenses to be set aside so that African-American people have the opportunity to compete in the cannabis space.

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14.	James Buchanan	WAC 314-55-570(2)	<b>Summary:</b> I agree with Representative Entenman that state agencies, like the LCB, can already use race as an explicit criterion or factor for awarding contracts and licenses. The attorney general released a case study asserting race can be used if there is no other way. If it is determined that harm was done based on race, then the same measure can be used to give out contracts or licenses based on race. This was true even before the Governor recently rescinded Executive Order 98-01.
15.	Peter Manning	WAC 314-55-570(3)	<b>Summary:</b> Qualification to have lived 6 months in a Disproportionately Impacted Area (DIA) is too short. Anyone could move to a DIA now and be eligible for a SE license when the applications are available. This program should be a pathway for African American ownership. Anybody could set up shop, then qualify. Agrees with Rep. Entenman regarding who was most harmed – like him – everyone who was black. Eg. White women who owed million in taxes and got 3 licenses.
16.	Mike Asai, Emerald City Collective	WAC 314-55-570(3)	<b>Summary:</b> Was the first dispensary in downtown Seattle as pioneers. Are we talking about blacks in the past (time, 20 years ago) or we talking about now (blacks don't live in these areas)? 6 months in a Disproportionately Impacted Area (DIA) is too short. All 3 criteria should be required to qualify for a SE license. Applicants should be required to have been arrested or have a family member who was arrested. More points should be given to applicants who have more than a 51% ownership in the company. (DIA) time used to be 10 years, why did it change to 6 months?
17.	Louie Flores	WAC 314-55-570(3)	<b>Summary:</b> I am currently 20% owner of retail store in Vancouver. My father was African Cuban. I was arrested for possessing small amount of cannabis years ago. That arrest really affected me in job market. Is there an opportunity in this program for somebody like me?
18.	Christy Stanley	WAC 314-55-570(3)	<b>Summary:</b> 51% is a controlling interest, requiring more than that is redundant. The Disproportionately Impacted Area qualification should be 6 months. As a child I didn't have a lot of money and we moved to many areas. Qualification of living six month in disproportionately impacted area is advantage. There is more than one DIA and we didn't live in one area for very long. How far back will they be going back looking at qualifying income?
19.	Philip Petty	WAC 314-55-570(3)	<b>Summary:</b> If you are black or brown, a SE plan is ridiculous, we are social equity. How long you have lived in the area? Other states require applicants to have lived in a DIA for 5 years, why ONLY 6 months? People move around different areas. A pioneer is a guy who way back before there was medical MJ, they were selling out of their pocket; not trying to get into who should get it; how many licenses you can get, capitalization and reduce restrictions on locations; what about making mobile?

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20.	Micah Sherman	WAC 314-55-570(3)	<b>Summary:</b> Would like to see a race conscious approach added to the qualifications. SE rules should be race based, it is what the SECTF recommended and it is allowed by Governor Inslee's executive order. Current qualifications won't allow those that are black and brown to end up with these license – add this to the list of qualifications
21.	Darrell Powell	WAC 314-55-570(3)	<b>Summary:</b> Why didn't the LCB take recommendation to consider race? Black and African American must be at the head of the line. Unfair not to consider race. Need explanation to understand why LCB is not including race based criteria; if rules are not written in a way that black/brown are first in line, unfair; can't keep using SE without any equity involved; go back and look at rules and rubric tool from SECTF.
22.	Representative Debra Entenman	WAC 314-55-570(3)	<b>Summary:</b> Do the applicants have to be low income? Will a person who is not low income not be considered? If person is black and lives in a disproportionately impacted area and is not low income, are they not allowed to apply?
23.	James Buchanan	WAC 314-55-570(3)	<b>Summary:</b> Use the race based rubric developed by the SECTF. The Task Force did their job on recommending proper rubric; this process being presenting today is absolutely horrible and unacceptable. Licenses will end up in wrong hands. The SECTF rubric tool is legal and does not have to go to legislative session. LCB does not want to use racial reference – there is fork in the road and which way will LCB go. Do the right thing.
24.	Mike Asai Emerald City Collective	WAC 314-55-570(4)	<b>Summary:</b> The Board will open the window for 30 days. How long after the window is open will the LCB receive the application?
25.	Representative Debra Entenman	WAC 314-55-570(4)	<b>Summary:</b> Is the group reviewing the application part of LCB, or independent? Will the RFP for the third party contractor to score the applications require that the contractor declare that they won't benefit from granted licenses?
26.	Micah Sherman	WAC 314-55-570(4)	<b>Summary:</b> The social equity contractor will score applications using the scoring rubric provided by the board. Three qualifications are listed and two qualifications need to be met to be approved as a social equity applicant. So my question is what will the scoring be and will applicants be prioritized independently of the minimum requirements based on that score?

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27.	Tony Motley Jr.	WAC 314-55-570(4)	<b>Summary:</b> Is there a reason why the chat feature has been disabled? Enabling the chat feature would help people in agreeing with what someone says, rather than feeling the need to also speak. It would also help so you could drop some of the links that you're referring to in the discussion.
28.	Latisha Ellery	WAC 314-55-570(4)	<b>Summary:</b> Why is it being implied that this opportunity is just for African Americans? Is the scoring rubric still in place? Are we being divided by race on a point scale in the rubric – like African-Americans get more points than a Native American or Hispanic person? If this is a social equality opportunity why don't we all get the same amount of points for being a person? Recommendation to not include race in the scoring rubric.
29.	Peter Manning	Operational	<b>Summary:</b> When the formula to give out licenses in the I-502 system was created, it was expressed that Blacks and Latinos would suffer the most and they wouldn't be qualified. I took up that fight and I have carried that fight. The war on drugs decimated my community. Black communities were harmed the most. Now when it is legal, there are a lot of white-owned shops in black communities, while we are only allowed to consume. This program can give us an opportunity to be involved in the cannabis industry and create generational wealth for our kids.
30.	James Buchanan	WAC 314-55-570(4)	<p><b>Topic:</b> Section (4)(c)(v), Scoring Rubric  <b>Summary:</b> Offered feedback that the SECTF rubric should be adopted.</p> <p><b>Topic:</b> Operational  <b>Summary:</b> Shared concerns that the Listen and Learn rule development process would not result in any meaningful change to the draft rule language.</p> <p><b>Topic:</b> Section (4), Social equity plan requirement  <b>Summary:</b> Suggested removing the requirement that SE applicants submit a SE plan, since those who didn't receive equity and have been harmed should not be required to write a plan showing how they're going to be equitable.</p>

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31.	Alexis Gobeske, Dynamic Law Group	WAC 314-55-570(4)	<p><b>Topic:</b> Section (4)(c)(v), Scoring Rubric  <b>Summary:</b> Suggested that the scoring rubric should be placed directly into the rule language, rather than in a separate document, so that it cannot be modified later and to provide clarity so that everyone knows what the scoring rubric includes. Offered feedback that the placement of the phrase “social equity plan” in parenthesis was poorly drafted and suggested redrafting as follows: “the social equity contractor will score social equity applications, including their social equity plan, using the scoring rubric provided by the board.”</p>
32.	Mike Asai, Emerald City Collective	WAC 314-55-570(4)	<p><b>Topic:</b> Section (4)(c)(v), Scoring Rubric  <b>Summary:</b> Question/ seeks clarification about which version of the scoring rubric that the LCB is planning to use.</p> <p><b>Topic:</b> Section (4)(b)(i)(C)-(D)  <b>Summary:</b> Question/ seeks clarification about the language in (C) stating the SE applicant can only apply for one jurisdiction during the application window, and the language in (D) stating that the SE applicant may not change their selected jurisdiction after initial application.</p>
33.	Representative Debra Entenman	WAC 314-55-570(4)	<p><b>Topic:</b> Section (4), Social equity plan requirement  <b>Summary:</b> Question/ seeks clarification about whether a SE licensee is required to have SE plan, and whether the SE plan is something that is required for every licensee, or just the SE licenses. Offered feedback that the SE plan is an unfair requirement for a group that has had the least opportunity to open up cannabis stores. Suggested adding the SE plan requirement for everyone or no one.</p>
34.	Susan Stoltzfus	WAC 314-55-570(5)	<p><b>Topic:</b> Section (5)(iii), Moving licenses within jurisdictions (counties)  <b>Summary:</b> Suggestion to clarify that licenses can be moved anywhere in the county where not prohibited by the local government. Question/ seeks clarification in the rule that licenses that are moved within the county could potentially be moved to cities within the county that have already reached their city cap.</p>
35.	Christy Stanley	WAC 314-55-570(5)	<p><b>Topic:</b> Section (5)(iii), Moving licenses within jurisdictions (counties)  <b>Summary:</b> Question/ seeks clarification that the SE applicant license pool will not give away licenses currently held by marijuana certificate holders. Suggestion that the rules should clarify what will</p>

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			happen if an applicant attempts to get a license in a banned city. Suggestion to clarify that the available licenses need to stay within the jurisdictions (counties) in which they were lost or forfeited.
36.	Jeff Merryman	WAC 314-55-570(4)	<b>Topic:</b> Section (4), Social equity plan requirement <b>Summary:</b> In support of the requirement that SE applicants must complete a SE plan.
37.	Micah Sherman	WAC 314-55-570(5)	<b>Topic:</b> Section (5)(iii), Moving licenses within jurisdictions (counties) <b>Summary:</b> Question/seek clarification about whether it is possible to move licenses from cities with a ban, to somewhere else in the county. Question about how many of the open allotments there currently are in areas without a ban or moratorium.
38.	James Buchanan	WAC 314-55-570(5)	<b>Topic:</b> Section (5)(v), SE License transfer period and requirements <b>Summary:</b> Suggestion to make the SE license not transferrable for a 5 year period instead of a 1 year period to prevent manipulation of SE license program and hidden ownership, and to ensure that SE licenses are issued to the intended beneficiaries of the SE program.
39.	Mike Asai, Emerald City Collective	WAC 314-55-570(5)	<b>Topic:</b> Section (5)(iii) Moving licenses within jurisdictions (counties) <b>Summary:</b> Question about the total number of SE licenses currently available and how many are in locations with a ban or a moratorium. Question/ seeks clarification about the mobility of licenses within the county and why this mobility can't be extended to the whole state instead of the just the county.  <b>Topic:</b> Section (5)(iv), Qualifying for the SE program <b>Summary:</b> Question/seek clarification about why Section 2 states that SE applicants need to meet 2 out of 3 of the SE application qualifications, but section 5 states that SE applicants must meet all license qualifications in chapter 314-55 WAC.  <b>Topic:</b> Section (5)(v), SE License transfer period and requirements <b>Summary:</b> Question/seek clarification about what the transfer period means—why does it state that the SE licenses may not be transferred within the first year but later mentions “a period of five years from the date of the transfer.” Question/seek clarification about whether after five years the business could be sold to someone who is not a SE applicant.

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40.	Tim Lauks	Operational	<b>Summary:</b> Question about whether he would be able to qualify for a license under the SE application process as an individual with a medical dispensary prior to I-502 but who was previously denied a recreational license due to criminal history after I-502. Suggestion to allow those who were previously denied a license due to criminal history background to receive a preference for a SE license.
41.	Justin	Operational	<b>Summary:</b> Suggestion to allow unlimited licenses, rather than issuing a limited number of licenses to individuals of specific backgrounds, to reduce animosity among licensees.
42.	Osaze Wilson	WAC 314-55-570(5)	<b>Topic:</b> Section (5)(iii), Moving licenses within jurisdictions (counties) <b>Summary:</b> Question/seek clarification about whether the pool of available licenses are those that have been previously been lost or revoked and whether these licenses have to stay within their original jurisdiction of issuance. Seeks clarification about whether jurisdiction is county level or city level.  <b>Topic:</b> Operational <b>Summary:</b> Question about who will be doing the SE application review and what qualifications they will have.
43.	Philip Petty	Operational	<b>Topic:</b> Operational <b>Summary:</b> Question about how many licenses are available, how many are in areas with bans or moratoria, and how many are in Western Washington.  <b>Topic:</b> Operational <b>Summary:</b> Request to clarify for the group why and how the social equity program was created—for the purpose of addressing past inequities for communities that were harmed or disadvantaged when licenses were originally issued.
44.	Peter Manning	WAC 314-55-570(6)	<b>Topic:</b> Section (6), Application withdrawal <b>Summary:</b> Shared feedback that there are no problems with section 6.  <b>Topic:</b> Operational <b>Summary:</b> Request to clarify and share history of how we got to where we are at with the social equity program. The social equity program was created to make amends for what was done to black



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			and brown people who were victimized in the war on drugs and have not benefited from the legalization of cannabis.
45.	Justin	Operational	<b>Summary:</b> Shared/ repeated previous suggestion to allow unlimited licenses, rather than issuing a limited number of licenses to individuals of specific backgrounds, to reduce animosity among licensees.
46.	Mike Asai, Emerald City Collective	Operational	<b>Summary:</b> Shared information about locations of available SE licenses. Shared the history behind Emerald City Collective and former medical collectives run by the black and brown community.
47.	James Buchanan	WAC 314-55-570(5)	<b>Topic:</b> Section (5)(iii), Moving licenses within jurisdictions (counties) <b>Summary:</b> Question about why the LCB did not implement rules to allow licenses to move within jurisdictions (counties) two years ago when the SE program was first created and HB 2870 first went into effect.
48.	Jeff Merryman	WAC 314-55-570(4)	<b>Topic:</b> Section (4)(c), Social equity application process <b>Summary:</b> Suggestion that preference should be given to SE applicants who were part of former medical collectives/dispensaries prior to SB 5052 but were left out of the recreational cannabis market, rather than judging applications on the basis of skin color.
49.	Peter Manning	Operational	<b>Summary:</b> Suggestion that there should be 80 SE licenses available. Offered a thank you to everyone who participated in the Listen and Learn session. Offered feedback that he would like there to be a wider understanding of the history behind the SE program without hostility and animosity, and a positive outlook going forward.

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#### Email Comments

	Email	Commenter	Date & Time Received	Direct Quotes from Emails Received
1	<i>Email</i>	Christy Stanley	3/23 @2:15PM	<p>"Hello,</p> <p>In response to "Ryan" concerning Section 2, J, i "an applicant own at least fifty-one percent..." My response is: In any business entity structure, fifty-one percent IS the controlling interest any business. To state a percentage any higher than 51% that is a redundancy.</p> <p>In response to Rep. Entenman (and others) that state that the Governor and/or legislature stated specifically black/African Americans should be the only ones who should qualify for a license, is incorrect. The language said, "persons of color" as far as being ONE of the qualifiers for licensure.</p> <p>Thank you, Christy Stanley"</p>
2	<i>Email</i>	Christy Stanley	3/23 @ 2:44PM	<p>"Hello,</p> <p>In response to Micha Sherman: I strongly believe that race, being an obvious factor in the historical rates of arrests for crimes PRIOR to legalization for people of color, isn't capturing the entire scope of disproportionately impacted areas. Many people in these impacted areas were not all black. Many were/are of mixed races as well as white, all of whom lived below the national poverty level in many instances, and experienced crime as a direct result of having to reside in these disproportionately impacted areas, albeit indirectly in many cases, whereby, an applicant may have been a family member who suffered because of the actions of another who broke the law.</p> <p>Thank you, Christy Stanley"</p>
3	<i>Email</i>	Christy Stanley	3/23 @ 2:53PM	<p>"Hello,</p> <p>I am concerned that the 34 available license allotments to be used for the Social Equity Plan are gleaned from available licenses that ARE NOT gleaned from current Marijuana Certificate holder's allotments. Please advise.</p>

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				Thank you, Christy Stanley”
4	<i>Email</i>	Christy Stanley	3/23 @ 3:07 PM	<p>“Hello,</p> <p>In response to Peter Manning: I strongly disagree with pretty much all of his comments. His comments are incendiary and I feel as though my being "white" is to blame for his woes. The fact is: There were choices made by ALL people during illegal marijuana. The fact that HE made the choices he did, have nothing whatsoever to do with MY being white.</p> <p>Respectfully, Christy Stanley”</p>
5	<i>Email</i>	Christy Stanley	3/23 @3:12PM	<p>“Hello,</p> <p>I may be wrong, but the way I understood the Social Justice and Equity Bill, was to give benefit to those individuals who were impacted by arrests, incarcerations, etc. AFTER the passage of I-502 back in 2012, but hadn't yet been implemented creating a huge "grey" area regarding the legality of cannabis in Washington State and it's conflict at that time with the Federal Law as a Schedule 1 narcotic and how Law Enforcement was, at that time, interpreting the passage of I-502.</p> <p>Sincerely, Christy Stanley”</p>
6	<i>Email</i>	Christy Stanley	3/23 @ 4:09PM	<p>“Hello,</p> <p>After hearing of the ability of the LCB to elevate license allotments from the city level to the county level I am going to request that those licensees who converted their licenses to a Marijuana Certificate, be allowed to be moved up to the county level, separate and apart from this Social Equity Plan, and not encumbered by any of it's criteria. The Marijuana Certificates should be processed as a regular Retail Marijuana License application as that's how they were originally applied and vetted for.</p> <p>I hold a Retail Marijuana Certificate in University Place, within Pierce County, and since the LCB is allowing for additional allotments to accomodate for the 40 Social Equity Plan applicants, it only makes sense and is only</p>

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				<p>RIGHT to allow us to leave our unfortunate situations within the banned cities. It has been FAR too long that we have patiently waited for resolve living in the "legal but just not here limbo".</p> <p>Respectfully, Christy Stanley”</p>
7	<i>Email</i>	Teddy Leake	3/24 @ 12:32PM	<p>“Hello,</p> <p>I wanna to know if you guys could add language that provide some type of safeguards or mile stone for the licenses that get disbursed. Possibly after every 10 licenses that get issued you look back and see if the social equity program is working as it should be. Because it would be bad if 40 licenses got issued, and out of the 40 licenses, only 10 minorities actually get the license. I would hate to wait another 8-10 years before this program gets fixed if it doesn’t work the way it was intended to work.</p> <p>Thank you</p> <p>Teddy Leake”</p>
8	<i>Email</i>	The Peaceful Choice	3/28/22@ 12:52PM	<p>Hello!</p> <p>I very much enjoyed the social equity listen and learn. I do However have feedback to be given directly to the team in charge of the licensing for social equity. See Below</p> <ol style="list-style-type: none"> <li>1. A social equity license cannot be sold AT ALL for Five Years!</li> <li>2. There should be a pathway for Priority 2 or 3 Collective Garden Licenses that paid medical marijuana DOR tax and had a real medical marijuana dispensary licensed by the local authority to have a pathway to apply with a social equity applicant to receive extra added points to get into the lottery.</li> <li>3. There is a major inequity for producer &amp; processor licenses to retailer licenses. The store shelves are monopolized by northwest cannabis solutions and Grow Op farms that sell 2 million a month.</li> </ol> <p>We need to retract the producer/ processor licenses if they can't sell 19,000 dollars in a fiscal year. There are way too many grow licenses and they need to be retracted in order for the number of licenses to balance.</p>
9		Latisha Ellery	4/1/22 @ 11:24 AM	<p>Hello,</p>

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			<p>Im Latisha Ellery, I just wanted to share my concerns about the application process for the cannabis retail opportunity that is going to be available to the minorities in our state. I had attended the listen and learn meeting on March 23d 2022 and was honestly pretty disappointed at the amount of helpful information that was not covered In the 3 hour meeting. It really seemed like a complaint session for the African American advocates to complain about how they as one race among many races weren't given the opportunity to get into the marijuana retail business, but isn't this opportunity for the people that didn't get a fair chance when retail stores opened in Washington State? I don't mean to sound apathetic or callous to African Americans, everyone has struggles and things that happen in their lives or the lives of their ancestors. The things that were being said during this meeting were irrelevant to what this meeting was to be about we all have problems whatever they may be and I felt as if it was a sob story session instead of a listen a learn about this opportunity. I felt bad for the board members because they were being verbally attacked basically, and when I asked a question that was very relevant to the scoring rubric I was attacked as well and a board member had to step in and mute the individual which I am very grateful for, so thank you sir for doing that.</p> <p>I feel that the current scoring rubric that the LCB plans to use to see who qualifies for the social equality program is unfair and unjust to any person of any race.</p> <p>First of all how is the LCB board think that dividing us by race to determine the amount of points one qualifies for is social equality that is social injustice. We should all get the same amount of points no matter what our race is. The points for our merits or for our backgrounds should be based on each individual's background. I shouldn't get less points for living in poverty area than a African American or hispanic person because I'm native. Our backgrounds and individual merits should determine the points we can qualify for. Any other way of scoring would be based on another social injustice for the people of color that live in our state.</p> <p>I would like your department to try to understand, coming from a different point of view. There is 40 licenses available so since African Americans get the most points across the board if 40 African Americans apply for the same program I apply for being Native American or say a person of Hispanic decent applies for, and a Native American or Hispanic checks all the boxes across the current scoring rubric, but in the current point system neither the person of Native or Hispanic decent has no chance of qualifying. I say this because if 40 African Americans apply they get more points on the rubric than any other race, so if the license is awarded on points then no other race even has a chance to qualify because one single race gets more points in every category and that in itself is social injustice not social equality.</p>
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				<p>I would like to see the point system be revised with all races to be considered for example:</p> <p>Eligibility criteria should be based on if you qualify for all the criteria. Any person of a different race shouldn't get more points because of their race or how much of a race they are. All the category's should be treated like the business plan category and not points being awarded on race or percentages of race. You recieve a certain amount of points for having a business plan across the rubric and every category should be treated like that. I think it should be this way because no other race than African Americans will have a chance to qualify on the current scoring rubric, so Im wondering if this program was made for African American community only in mind? Also why are people of Asian decent not included in this?</p> <p>I don't want to get in to my individual story/qualifications but want to give an example so it can be better understood of how unfair and unjust the current scoring rubric is. I am of Native decent and both my parents are Native American from two different tribes but the United States government says that I can only enroll with one tribe. They also set the blood Quantum levels for a Native American to be enough Native American to be enrolled. So since I have 2 parents of Native American decent, but can only enroll with one tribe due to current laws. I am only a quarter Native American on my enrollment paperwork. Even though I am actually half Native American. Being documented at only a quarter would put me at the least likely to qualify for the social equality program under the current scoring rubric.</p> <p>I really hope the social equality board takes this into consideration and revises the current scoring rubric to make it fair for all people of all races that want to apply for this wonderful oppotunity in our beautiful state. Thank you for your time I hope you all have a wonderful day and blessed lives.</p> <p>Sincerely,</p> <p>Latisha Ellery</p>
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# **Attachment G**

**From:** Sawyer, Sheri (GOV)  
**Sent:** Thursday, January 20, 2022 5:28 PM  
**To:** Wicks, Emily <[Emily.wicks@leg.wa.gov](mailto:Emily.wicks@leg.wa.gov)>  
**Subject:** Feedback regarding HB 2022

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Hello Rep. Wicks –

Thanks for asking for feedback regarding HB 2022. First and foremost, our office supports the policy goal of continuing the work started in 2020 with the ESHB 2870, requested by the Liquor and Cannabis Board, to provide true social equity in cannabis licensing.

New Licenses: Our office supports the issuance of additional social equity retail licenses and we are neutral on the number the legislature allows. We also support adding new social equity producer/processor licenses; however, we do have concerns that if too many are issued, we could have an overproduction problem and this could lead to diversion to the illicit market. In addition, we have concerns about potential odor issues within communities.

Mobility: We support the concept of mobility as long as local jurisdictions retain their current authority.

Changes in Buffers: We support the removal of the buffers in the areas indicated and the reduction of the buffer to 500' in proximity of an elementary or secondary school. This is with one notable exception: we believe the buffer should be retained for child care centers but also reduced to 500'. We do believe this should be the "floor" so to speak, and local jurisdictions should retain their authority to set any further restrictions as they deem appropriate for their community.

Process for Prioritizing Social Equity Applicants: We do not support the giving prioritization of the applicants to Commerce. We firmly believe this authority needs to be retained by the LCB. We would support LCB selecting a contractor to score the applications; however, not based the *current* scoring rubric recommended by the Social Equity in Cannabis Task Force. We share the LCB's concerns about the current scoring rubric. I've attached a memo the LCB sent to the Task Force members, dated January 14, that outlines their concerns and makes recommendations for the Task Force to consider. We support the LCB's recommendations.

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LCB to consult with Office of Equity rather than the Commission on African American Affairs when defining disproportionately impacted areas and approving social equity applicants. – We support.

Social Equity Plan: – We support deleting the requirement for a social equity plan.

Prohibition on issuing new producer, processor, or retail licenses to anyone other than social equity applicants through 12/31/29: We support the prohibition.

Require any new license types to be issued only to social equity applicants through 12/31/29: We support this concept; however, we do have a concern regarding potential legal risk. We would need review by the Attorney General’s Office. An alternative could be to require 51% of any new license types to be issued to social equity licenses with no expiration date.

Beginning 1/1/30, 51% of new cannabis licenses must be issued to social equity applicants: We support.

Social equity grants, low-interest loans, and technical assistance – We support generally; however, we have concerns over the interpretation of the language , “low-interest loans *must be made available*” by Commerce.

Importantly, I want to note that since the bill impacts the Department of Commerce, the Liquor and Cannabis Board and the Office of Equity, they will likely have additional feedback for you.

Thanks for your consideration and please let me know if you would like to discuss.

Sheri

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# Washington State Liquor and Cannabis Board

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January 14, 2022

**TO:** Representative Morgan and the Social Equity in Cannabis Task Force

**FROM:** Rebecca Smith, Director of Licensing and Regulation

**SUBJECT:** Social Equity in Cannabis Taskforce recommendations

Dear Representative Morgan and Task Force Members,

Thank you for sending the Social Equity in Cannabis Task Force recommendations to the Liquor and Cannabis Board (LCB) on January 6, 2022. We appreciate the substantial work by the committee to support our efforts to improve the cannabis licensing system.

The LCB is committed to adopting a social equity program that is impactful and can withstand legal challenges. After careful review, there are some concerns about the current scoring rubric. The LCB strives to ensure that any licensing processes can withstand constitutional challenges. The federal Equal Protection Clause prohibits the LCB from using explicit racial preferences in licensing. We have taken steps to identify an alternative option that includes race neutral factors we hope will achieve the social equity goals expressed in the legislation.

Utilizing the Task Force's original scoring rubric draft as a foundation, the LCB has developed a model that incorporates other factors that reflect the impact on the community as a result of the war on drugs, including:

- Household income less than the State median
- Type of sentence received for cannabis related conviction

As you review our proposed changes to the rubric, please understand that although the format is a bit different, we used all but two of the original questions from the Task Force.

To further support the Task Force's work, the LCB is conducted outreach to other states that have successfully implemented and issued licenses for their social equity program. We reviewed Colorado, LA County and Massachusetts social equity programs. We were seeking information and resources that speak to the number of licenses issued, their approach to scoring applications, whether a third-party reviewer was contracted, any litigation and the outcome, lessons learned, etc. The outcome of this outreach provided valuable data that will aid in how the LCB moves forward to support the Task Force recommendations and initiate a solid program for Washington state.

The Agency remains committed to meeting the needs of the community and we look forward to continued partnership to reach our shared vision of a sound, viable and successful Social Equity program.

If you have any questions or would like to schedule time to discuss in more detail, please do not hesitate to let me know. Thank you for your time and consideration.

Attachments (2)

cc: David Postman, LCB Board Chair  
Ollie Garrett, LCB Board Member

## Social Equity Applicant Requirements

To be considered a Social Equity Applicant, the following requirements must be met.

1. The social equity applicant must be a person (not a company) and must hold 51% majority/controlling interest.
2. Applicants are eligible if they have resided in Washington for six months prior to the application date (as required currently in [RCW 69.50.331](#)) and demonstrate at least two of the following criteria outlined numbered 1-3 below:
  - Criteria 1: Lived in a Disproportionately Impacted Area (DIA) in Washington State for a minimum of 6 months.
  - Criteria 2: Applicant or family member (as defined in law Washington Family Medical Leave Act) arrested or convicted of a cannabis offense.
  - Criteria 3: Household income less than average state income.
    - [WA Household Income 2019: \\$73,775 / Per Capita \\$38,915](#), US Census Bureau
3. Submit a Social Equity Plan.

## Scoring Rubric

The following scoring rubric will be used to prioritize social equity applicants:

Category	Criteria Elements	Point Scale
Eligibility Criteria	1. Lived in a Disproportionately Impacted Area (DIA)	40
	1a. How long have you lived in a DIA? 6m-5y = 5 points 5y-10y = 10 points 10+ years = 20 points	20
	2. Convicted of a drug offense? (Self)	5
	2a. Convicted of a cannabis offense? (Self)	20
	3. Convicted of a drug offense? (Family)	5
	3a. Convicted of a cannabis offense? (Family)	5
	4. If you were convicted of a cannabis offense, what type of sentence did you receive:  Fine=5 points Served probation=10 points Confined to home =20 points Served time in jail or prison=40 points	40
	5. Did you or your family member's incarceration keep you from getting employment?	5
	6. Did you lose your home or ability to purchase a home or rent a home as a result of your convictions?	5
	7. Is your household income less than average state income? <a href="#">WA Median Household Income in 2019: \$73,775 / Per Capita \$38,915, US Census Bureau</a>	40
8. Do you have previous cannabis business experience that would make your business more viable?  <u>or</u> Were you a member of a medical cannabis collective garden between 1998-2016?	5	
9. Have you held or do you currently hold 51% majority/controlling interest of a state cannabis (marijuana) retailer license? No = 10 points	10	

	Yes = 0 points	
<b>Total Points</b>		<b>200 points</b>
<b>Technical Assistance</b>	<ol style="list-style-type: none"> <li>1. Do you want to apply for the Technical Assistance Grant and how much do you need?</li> <li>2. Do you need assistance with a Business Plan or any of the following? <ol style="list-style-type: none"> <li>a) Navigating the licensing process;</li> <li>b) Cannabis-business specific education;</li> <li>c) Regulatory compliance training;</li> <li>d) Financial management training;</li> <li>e) Strengthening a social equity plan; and/or</li> <li>f) Connecting applicants to industry members.</li> </ol> </li> </ol>	

DRAFT

The Social Equity in Cannabis Task Force was formed in 2020 in accordance to [HB 2870](#), allowing additional marijuana retail licenses for social equity purposes. The task force met remotely throughout 2020 to develop the following recommendations to establish a social equity program for issuing and re-issuance of existing retail cannabis licenses.

**Liquor & Cannabis Board:**

1. The definition of Family that is used for the eligibility criteria for the Social Equity Application will follow the definition in statute, [HB 2614](#).
2. Definition of “Family member”: includes a biological, adopted, or foster child, a stepchild, a child’s spouse, or a child to whom the applicant stands loco parentis (in place of a parent), is a legal guardian, or is a de facto parent, regardless of age or dependency status; grandchild, grandparent, parent, sibling, or spouse, and also includes any individual who regularly resides in the applicant’s home or where the relationship creates an expectation that the applicant care for the person and that individual depends on the applicant for care. Except that it does not include an individual who simply resides in the same home with no expectation that the employee care for the individual.
3. Utilize the Ranking formulas and Indicators Formula to determine disproportionately Impacted Areas

**Disproportionately Impacted Areas Formula:**

DIA FORMULA

**% Unemployment +**

**Median Household Income as Proportion to County +**

**# of Drug Convictions +**

**2.9 × of Black Residents +**

**1.6 × % of Latino/a/x Residents +**

**1.6 × % of Indigenous Residents +**

**= DIA Score for Census Tract**

Legend:

Explicitly Expressed in legislative mandates

Prioritizing communities of color

Incorporating the disparities in cannabis

convictions

## 1) Social Equity Application

### a) **Social Equity Application Process:**

- i) 30-60-day application window to submit information (closed window)
- ii) Liquor & Cannabis Board to contract with Equity organization (3rd party).
- iii) double-blind tiebreakers (If necessary)
- iv) Social Equity Applicants are given a preliminary letter of approval from the case manager.
- v) No time restrictions to secure a location.
- vi) Social Equity Case Manager (Within Liquor Cannabis Board) to ensure equity standards are met and to help guide applicants during the process.

### **Application Definitions:**

#### **Social Equity Contractor (3rd Party)**

- Responsibility is to review and score social equity plans. Then recommend winning candidates to the Social Equity Case Manager (LCB) for approval and advancement.

#### **Double-Blind Lottery (3rd party)**

- Method used to determine winners in the event of a tie.

#### **Preliminary letter of approval**

- Approval letter is given to selected applicants by the Social Equity Case Manager. Applicants with an approval letter can then take that letter to apply for grants from the Department of Commerce. These grant dollars can then be used to help the applicant secure retail location and other necessities needed to complete the remaining portion of the application process

#### **No time restriction to secure location.**

- This allows the applicant to secure a location. The Liquor & Cannabis Board will give the Social Equity Applicant a window to search for a location. The Social Equity Case Manager will monitor that applicant was given full time to secure the location.

#### **Social Equity Case Manager**

- This role will be associated with the Liquor & Cannabis Board to ensure social equity standards are met during and after the social equity application process. They will give the preliminary approval letter after reviewing recommendations from 3rd party. This individual will also be a resource for applicants and license holders to file grievances whenever facing inequity within the agency.



## 2. Scoring rubric criteria for social equity application

Category	Criteria Elements	Point Scale (Maximum Possible)
Eligibility Criteria	1. Lived in a Disproportionately Impacted Area (DIA) Black-30pts Hispanic-25pts Native-10pts	30
	2. Conviction History Convicted of a marijuana offense Black-30pts Hispanic-25pts Native-10pts	30
	OR 2a. Convicted of a drug offense Black-20pts Hispanic-10pts Native-5pts	
	OR 2b. Family member convicted of any drug offense-3pts	
4. Black (150pts), Hispanic (75pts), Native American (25pts) ** Based on arrest rates ratios from (240,000 Marijuana Arrests Costs, Consequences, and Racial Disparities of Possession Arrests in Washington, 1986-2010, Marijuana Arrest Research Project	150	
<b>Total for Category</b>		250
<b>Eligibility Criteria Weight % of overall Scoring</b>		38%
Social Equity Ownership Scoring	Black Ownership - 100%- 200pts 90-99%-150pts 76-89%-100pts 51-75%-50pts	200
	Or Hispanic Ownership - 100%- 100pts 90-99%-75pts 76-89%-50pts 51-75%-25pts	
	Or Native Ownership - 100%- 40pts 90-99%-30pts 76-89%-20pts 51-75%-10pts	
	<b>Total for Category</b>	
<b>Social Equity Plan Elements Weight % of overall Scoring</b>		31%
Business Plan	1. Executive summary, vision and mission? a. Employment and labor practices	150
	2. Do you have a previous cannabis business experience that would make your business more viable?	50
	<b>Total for Category</b>	
<b>Business Plan Elements Weight % of overall Scoring</b>		31%
Other Priority Criteria	1. Do you want to apply for the Technical Assistance Grant and how much do you need?	No Points
	3. Do you have ownership of a current license, what percentage?	No Points
<p>Affirmations (licensee must affirm that all statements are true and risks being removed from consideration if any statement is found to be untrue)</p> <p>Affirm the business is at least 51% minority ownership</p> <p>Affirm if you lived in a DIA area and the length of time you lived there it's accurate on your application and plan.</p> <p>Affirm if you represent you or your family member was convicted of a marijuana or drug offense it is true.</p> <p>Affirm if you represent you have marijuana business ownership experience, it's true.</p> <p>Affirm everything on your application and business plan is true</p> <p>Affirm all owners and parties of interest that are represented on this plan and the application are accurate.</p> <p>Affirm all ownership represented on the plan is the same ownership that will be represented on the application and the operating agreement including all documents to WSLCB, county, and city.</p> <p>Affirm that no outside management companies other than management company owned by a social equity/Minority licenses holder can have any form of controlling interest in the business.</p> <p>Affirm that you are a resident of the state of Washington</p> <p>Affirm that any affirmations that are affirmed by applicant and found not to be true will result in denial of application or license revoked.</p>		No Points
<b>Other Priority Weight % of overall Scoring</b>		0% (0pts)
<b>Total Score:</b>		<b>650</b>

## Department of Commerce:

1. Cannabis mentorship program.
  - Provides financial assistance to cannabis licensees who meet the social equity definition.
  - The “social equity applicant” means
    - i. An applicant who has at least fifty-one percent ownership and control by one or more individuals who have resided in a disproportionately impacted area for a period of time defined in rule by the board after consultation with the Commission on African American Affairs and other commissions, agencies, and community members as determined by the board;
    - ii. An applicant who has at least fifty-one percent ownership and control by at least one individual who has been convicted of a cannabis offense, a drug offense, or is a family member of such an individual: or
    - iii. An applicant who meets criteria defined in rule by the board after consultation with the Commission on African American Affairs and other commissions, agencies, and community members as determined by the board. (RCW 69.50.335)

## Legislative Requests:

1. Create a community reinvestment fund using 50% of cannabis tax revenue
  - a. 10% - Financial assistance awards will be funded by transferring the cannabis tax revenue to the cannabis social equity grant program.
  - b. 5% - Low-interest loans for licensees who meet the social equity definition.
  - c. 35% to Disproportionally Impacted Areas for programming: Faith-Based organizations and non-profits to provide these services.
  - d. That any new cannabis licenses are reserved for social equity through 2029, this includes new licenses that are passed through the legislator. (ex. Delivery licenses, social consumption lounges, and additional retail licenses)
2. Any new cannabis licenses will be reserved for social equity through 2029. This includes new licenses that are passed through the legislature. (e.g. Delivery licenses, social consumption lounges, and additional retail licenses.)
3. Social equity retail licenses are eligible for mobility, contingent on local approval within their respective counties.
4. Reduce buffer zones from 1000ft to 500ft (excluding elementary schools, secondary schools, playgrounds which must remain at 1000 feet.)

If you have any questions or concerns, please contact Social Equity in Cannabis Task Force Chair, Representative Melanie Morgan, at [Melanie.Morgan@leg.wa.gov](mailto:Melanie.Morgan@leg.wa.gov).

# **Attachment H**

## Original Proposal/Revised Proposal Comparison

Original Proposal	Revised Proposal	Change	Summary
<b>WAC 314-55-570(1)</b> Definitions	<b>WAC 314-55-570(1)</b> Definitions	No change.	Provides a list of definitions for words, terms, and phrases used throughout the section.
<b>WAC 314-55-570(1)(a)</b> Disproportionately Impacted Area (DIA)	<b>WAC 314-55-570(1)(a)</b> Disproportionately Impacted Area (DIA)	No change.	Aligns with and expands statutory language; provides that the board will provide maps that reflect census tracts from different time periods to account for gentrification.
<b>WAC 314-55-570(1)(b)</b> Double Blind Lottery	Removed definition.	Removed definition.	Previously a selection process to determine the order of application processing to be conducted by an independent third party in the event of a tie.  Lottery process now more generally described in proposed WAC 314-55-570(3)(d)(ii): "In the event of a tie, the board will use a double blind lottery conducted by a third party to identify application(s) that will be processed." (See below)
<b>WAC 314-55-570(1)(c)</b> Family Member	<b>WAC 314-55-570(1)(b)</b> Family Member	Expanded definition for clarity.	<b>Rule Text:</b> (b) "Family member" means: (i) A biological, adopted, or foster child, a stepchild, a child's spouse, or a child to whom the applicant stands in loco parentis (in place of the parent), is a legal guardian, or is a de facto parent, regardless of age or dependency status; (ii) Grandchild, grandparent, parent, <b>or sibling of a child as defined in (b)(i) of this subsection</b> ; (iii) Spouse <b>or domestic partner</b> ; (iv) Any individual who regularly resides in the applicant's home or where the relationship creates an expectation that the applicant care for the person and that individual depends on the applicant for care, <b>or that the individual care for the applicant and that the applicant depends on the individual for care.</b>
<b>WAC 314-55-570(1)(d)</b> Median household income	<b>WAC 314-55-570(1)(c)</b> Median household income	No change	Need to provide definition for phrase used in WSLCB Scoring Rubric; see proposed WAC 314-55-570(3)(c)(viii)

WAC 314-55-570(1)(e) Person	WAC 314-55-570(1)(d) Person	No change	Needed to distinguish between person or other business entity.
WAC 314-55-570(1)(f) Preliminary letter of approval	WAC 314-55-570(1)(e) Preliminary letter of approval	No change	Needed to define term used in Social Equity Task Force recommendation.
WAC 314-55-570(1)(g) Social equity applicant	WAC 314-55-570(1)(f) Social equity program applicant	Revised for additional clarity.	Needed to define term in rule context. Added "program" to further distinguish between a social equity program applicant and future licensee.  <b>Rule text:</b> "Social equity <b>program</b> applicant means an applicant <b>person(s)</b> who meets the requirements <del>for a social equity license of the social equity program.</del> "
WAC 314-55-570(1)(h) Social equity contractor	WAC 314-55-570(1)(g) Social equity contractor	Revised for additional clarity.	Needed to define term in rule context.  <b>Rule text:</b> "Social equity contractor" means a third party responsible to review and score social equity <b>program</b> applications. <del>and recommend social equity applicants.</del>
WAC 314-55-570(1)(i) Social equity licensee	WAC 314-55-570(1)(h) Social equity licensee	Revised for additional clarity.	Needed to define term in rule context.  <b>Rule text:</b> "Social equity licensee" means a person <b>or entity that holds a social equity cannabis license or any person or entity who is a true party of interest in a social equity in cannabis license as described in WAC 314-55-035.</b> <del>who meets the qualifications for licensure described in this chapter.</del>
WAC 314-55-570(1)(j) Social equity plan	WAC 314-55-570(1)(i) Social equity plan	Revised for additional clarity.	Needed to define term in rule context.  Added "as described in statute" when referring to social equity goals.
N/A	WAC 314-55-570(1)(j) Social equity title certificate holder	Added definition.	<b>"Social equity title certificate holder" means a cannabis retail title certificate holder that meets the requirements of a social equity program applicant as determined by the social equity contractor, and is unable to open for business in the city or county where the cannabis business license is located.</b>
WAC 314-55-570(2) Social equity applicant requirements	WAC 314-55-570(2) Social equity applicant requirements	Revised period of time for DIA	<b>Rule text:</b>  WAC 314-55-570(2)(b)(i): Qualification 1: The social equity applicant or applicants have lived in a disproportionately impacted area in Washington state for a minimum of <del>six months</del> <b>five years between 1980 and 2010;</b> ..... WAC 314-55-570(2)(b)(iii): Qualification 3: The social equity applicant's household income <b>in the year prior to submitting the application</b> <del>is</del> was less than the median income within the state of Washington as calculated by the United States Census Bureau.  Language regarding county selection, change once the application is submitted, and list of available counties was moved to social equity application process (WAC 314-55-570(3)).

<p><b>WAC 314-55-570(3)</b> Social equity application process</p>	<p><b>WAC 314-55-570(3)</b> Social equity application process</p>	<p>Expanded for additional clarity.</p>	<p>Added clarification that initial application must be submitted electronically within a certain timeframe;</p> <p>Added language that an application to reinstate the license of a social equity title certificate holder will not be considered to be a new application; the social equity title certificate holder may submit an application for a social equity license and an application to reinstate their existing license through the social equity program.</p> <p>Language regarding county selection, change once the application is submitted, and list of available counties was moved to social equity application process (from WAC 314-55-570(2) was added.</p> <p>Requirement to submit documentation to verify eligibility requirements described in Social Equity Application Scoring Rubric were added, and a list of documentation examples were provided.</p> <p><b>Scoring rubric updates:</b></p> <ul style="list-style-type: none"> <li>• Increased points scale overall</li> <li>• Aligned length of time in DIA with definition (removed reference to 6 months – 5 years) increased points from 20 to 40</li> <li>• Increased points for drug offense conviction (5 to 10)</li> <li>• Increased points for cannabis offense conviction (20 to 40)</li> <li>• Increased points for cannabis offense conviction type (Fine, 5 now 10 points; probation 10 now 20 points; confined to home, 20 now 40 points; served jail time 40 now 80 points)</li> <li>• Added arrests to home loss (did not increase points)</li> <li>• Increased points for owning/operating a dispensary licensed as a business before July 1, 2016 (5 to 10 points)</li> <li>• Added points for dispensary ownership/operation licensed as a business in a DIA (30 points)</li> <li>• Removed reference to title certificate holders (did not affect points)</li> </ul>
<p><b>WAC 314-55-570(4)</b> Additional provisions</p>	<p><b>WAC 314-55-570(4)</b> Additional provisions</p>	<p>Revised for additional clarity.</p>	<p>Revised subsection (f):</p> <p><b>License transfer assumption.</b> Licenses awarded under this section may not be transferred <b>or assumed</b> within the first year of the license being issued. <b>Licenses awarded under this section</b> <del>and</del> may only be transferred <b>to or assumed</b> to by individuals or groups of individuals who <b>meet the definition of a social equity program applicant</b> <del>comply with the requirements for initial licensure as a social equity applicant</del> for a period of five years from the date of <b>the initial license was approved transfer.</b></p>

N/A	<b>WAC 314-55-570(5)</b> Social equity title certificate holders	New section	Provides that a title certificate holder meeting the requirements of a social equity program applicant as determined by the social equity contractor can reinstate their retail license anywhere within the county that they hold their certificate.
<b>WAC 314-55-570(5)</b> Application withdrawal	<b>WAC 314-55-570(6)</b> Application withdrawal	No change.	Updated section numbering.

