

Washington State Liquor and Cannabis Board

Date:	October 23, 2024
То:	David Postman, Board Chair Ollie Garrett, Board Member Jim Vollendroff, Board Member
From:	Justin Nordhorn, Director of Policy and External Affairs
Сору:	Will Lukela, Agency Director Toni Hood, Agency Deputy Director Becky Smith, Director of Licensing and Regulations Chandra Wax, Director of Enforcement and Education Cassidy West, Policy and Rules Manager

Subject: Board approval of proposed rules (supp. CR-102) implementing E2SSB 5080 related to the Social Equity in Cannabis Program.

The Policy and Rules Director requests approval to file updated proposed rules (supplemental CR-102) to implement Engrossed Second Substitute Senate Bill (E2SSB 5080) (chapter 220, Laws of 2023 related to expanding and improving the Social Equity in Cannabis Program. If approved for filing, the tentative timeline for this rule proposal is as follows:

October 23, 2024	Request Board approval to file proposed rules (CR-102). If approved, file CR-102 with the Office of the Code Reviser. LCB webpage updated, and notice circulated by GovDelivery distribution list. Formal comment period begins.
November 6, 2024	Notice published in the Washington State Register under WSR 24-21.
December 4, 2024	Public hearing held and formal comment period ends.
No earlier than December 18, 2024	 Board is asked to adopt rules if no substantive changes are made (CR-103). Concise Explanatory Statement provided to individuals who offered written or oral comment at the public hearing or during the formal comment period, consistent with <u>RCW 34.05.325</u>. CR-103 and adopted rules are filed with the Office of the Code Reviser. LCB webpage updated, and notice circulated by GovDelivery distribution list.

	-				
January 18, 2025		Rules are effective 31 days after filing, unless otherwise			
	specified. See <u>RC</u>	specified. See <u>RCW 34.05.380</u> .			
Approve	Disapprove	David Postman, Chair	Date		
Approve	Disapprove	Ollie Garrett, Board Member	Date		
Approve	Disapprove	Jim Vollendroff, Board Member	Date		

Attachments:

- 1. CR-102 Memorandum
- 2. CR-102 Form



Supplemental CR-102 Memorandum

Regarding Proposed Amendments to WAC 314-55-570 related to the Social Equity in Cannabis Program.

Date:October 23, 2024Presented by:Justin Nordhorn, Director of Policy and External Affairs.

Background

Rules are being amended in <u>Chapter 314-55 of the Washington Administrative</u> <u>Code (WAC)</u> to implement <u>Engrossed Second Substitute Senate Bill (E2SSB</u> <u>5080) (chapter 220, Laws of 2023)</u>, related to expanding and improving the Social Equity in Cannabis Program. This legislation builds upon existing efforts to address disparities and injustices caused by the war on drugs, particularly in communities disproportionately impacted by cannabis prohibition and enforcement.

The primary goal of the legislation is to further promote equity within the cannabis industry by providing increased opportunities for individuals from these affected communities to obtain a cannabis license. The legislation mandates the creation of rules that enhance the participation of social equity applicants in the legal cannabis market. It provides the Washington State Liquor and Cannabis Board (LCB or Board) with the authority to clarify eligibility criteria established in <u>E2SSB</u> 5080, develop a scoring system for applications, and establish procedures for the applicants who have been disproportionately affected by the enforcement of cannabis related rule laws.

The scope of this rulemaking under the legislation includes expanding the eligibility criteria to encompass a broader range of individuals impacted by the war on drugs. Refining the application process to be more inclusive and accessible, and improving the verification methods for eligibility. This includes a clear framework for evaluating and scoring applications, setting requirements for ownership and control, and implementing measures to verify the eligibility of applicants. The rules also establish guidelines for using affidavits and other documentation to support claims of eligibility, ensuring that the process is both rigorous and accessible.

By leveraging statutory authority under <u>E2SSB 5080</u>, the LCB aims to create a more inclusive cannabis industry that reflects the diversity of Washington State and provides meaningful opportunities for those who have been most affected by past cannabis laws. This rule making effort seeks to expand and improve the

Social Equity in Cannabis Program, ensuring it effectively addresses the economic and social disparities faced by marginalized communities.

Rule Development Process

The Washington State Liquor and Cannabis Board (LCB) filed the CR-101 initiating the rulemaking on November 8, 2023 (<u>WSR 23-23-062</u>). The informal comment period was open until February 4, 2024.

Rule development input and collaboration included agency staff from multiple divisions, cannabis industry representatives, community members, Department of Commerce, public health, and the Attorney General's Office.

Public Engagement

To inform the first draft of these proposed rules extensive stakeholder engagement was held, as follows:

- A survey was administered to applicants who participated under <u>House</u> <u>Bill (HB) 2870, (chapter 236, laws of 2020)</u>, the legislation that initiated the first round of social equity applications. The survey aimed to gather applicant feedback on the application experiences, highlighting the difficulties of the process such as obtaining necessary documentation and understanding the withdrawal process. These insights garnered from this survey were instrumental in shaping the initial rule proposal.
- Following this first survey, the initial draft of the scoring rubric was presented during a regularly scheduled board meeting, and input from the community on the proposal was provided during these open public meetings.
- A series of engagement sessions were held on May 15, and 22, 2024 to provide stakeholders opportunities to engage LCB staff in discussions and ask questions related to the proposed rules. These sessions also provided a platform for stakeholders to discuss, critique and suggest further refinements to ensure the rules more effectively met the needs of potential applicants and aligned with the objectives of social equity. Insights from these discussions were crucial in developing the subsequent draft, which aimed to enhance inclusivity and fairness in the application process.
- Once feedback was evaluated and incorporated into the next draft of the proposed rules, an online survey accompanying a new draft was publicly disseminated and posted on the LCB's website to facilitate feedback on the subsequent draft. The survey was open from July 11, 2024, until July 19, 2024.

Rule Proposals (CR-102)

The proposed rule filed on August 6, 2024, encompass the community feedback by including detailed definitions and a clear, simplified, and transparent process for determining eligible applicants for the social equity program. The scoring rubric was also refined to reduce barriers to entry and that targets individuals most impacted by the enforcement of cannabis prohibition policies; and provisions are added to enhance accessibility and economic opportunity, including allowing affidavits to demonstrate eligibility for specified criteria, an appeal process, and adjustments to license mobility requirements.

On July 31, 2024, the Board approved filing proposed rules (CR-102) implementing E2SSB 5080. The rules were filed on August 6, 2024, as <u>WSR 24-16-130</u> and the public hearing on proposed rules was held on September 25, 2024. Two stakeholders testified at the hearing and eleven comments were received on the proposed rules during the formal public comment period.

The updated proposal incorporates feedback received during the formal comment period, including testimonies provided during the public hearing. The ongoing refinement of rules shows LCB's commitment to an inclusive process for the Social Equity in Cannabis Program to address historical disparities in the industry.

Need for Rule Changes

Rule changes are necessary to align the existing social equity rules under <u>WAC</u> <u>314-55-570</u> with the statutory changes to the social equity program resulting from <u>E2SSB 5080</u>.

Estimated Costs of Compliance

<u>Chapter 19.85 RCW</u>, 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 Administrative Procedures Act (APA) in <u>chapter 34.05 RCW</u>. This rule is exempt from the cost impact analysis because the content of the rule is explicitly and specifically dictated by statute (see <u>RCW 34.05.310</u>). These rules are explicitly authorized under <u>RCW 69.50.335</u>.

Description of Rule Changes

The proposed rules are intended to expand and improve the Social Equity in Cannabis Program as directed by <u>Engrossed Second Substitute Senate Bill</u> (E2SSB) 5080, chapter 220, Laws of 2023. This includes revising definitions, adjusting eligibility criteria, refining the application and scoring processes to ensure a more equitable distribution of cannabis licenses to individuals from

communities impacted by the enforcement of previous Drug War policies. The proposed rules modify <u>WAC 314-55-570</u>, as follows:

- 1. **Definitions**: Definitions are amended to enhance clarity, inclusivity, and conform with statute: "disproportionately impacted area," "social equity plan," "family member," "median household income," "preliminary letter of approval," "social equity contractor" and "social equity program applicant.
- 2. Social Equity Registrant: A new definition for social equity registrant was created and the definition for social equity applicant modified to distinguish two phases of the application process. A social equity registrant is an individual who has registered to be evaluated for qualification under the social equity criteria. A social equity applicant is an individual who submits application materials to the social equity contractor to be reviewed and scored based on the scoring rubric and has received a preliminary letter of approval by the board.
- 3. **Registration Process**: The initial application process has been amended to provide for registration through an online portal to reduce barriers to entry associated with the eligibility screening for the social equity program, such as financial costs and compliance burden associated with applying for a business license through other state agencies before the social equity contractor scoring evaluation. The registration windows are open for thirty (30) calendar days and there are separate registration windows for retail licenses and non-retail licenses.

Additionally, the existing rules state the Board has sole discretion to reopen the registration window, whereas the proposed rules detail the factors the Board will consider when deciding whether to re-open the registration window. These factors are relevant to the policy change related to license allocation based on county thresholds.

- 4. **Scoring Rubric**: The scoring rubric is adjusted to focus on the four areas of qualification for the social equity program identified in E2SSB 5080. The scoring rubric criteria are modified to more equitably consider the obstacles encountered by candidates from marginalized communities, in response to feedback from the community advocating for a nuanced evaluation of qualifications and circumstances.
- 5. **Affidavits**: The rule outlines the circumstances under which affidavits may be used to demonstrate a qualification.
- 6. **Social Equity Contractor Review**: The rule change simplifies and clarifies the process for the review of application materials submitted by the registrant to make an eligibility determination for the social equity in cannabis program.

- 7. **Initial and Final Score:** The rules provide registrants with a remedy period after the initial scoring process. This means once the social equity contractor issues an initial score with an explanation of the score, registrants have an opportunity to submit supplemental documentation for consideration to potentially improve their final score. This change provides additional transparency in the scoring process and increases accessibility.
- 8. **Board Notification**: This section is amended to provide transparency as to the different notifications an applicant receives related to moving forward in the application process or not.
- 9. **No Time Restrictions**: These rules provide more flexibility for social equity applicants to secure a location and financing, reducing barriers to entry.
- 10. **2870 License Mobility**: The proposal offers broader location opportunities to locate the initial retail license statewide, under specific conditions, for social equity applicants unable to secure a location in the original city, town, or county where the applicant applied for their social equity license. Effective January 01, 2026, a social equity applicant licensed under the qualification of HB 2870, will be able to locate the initial unopened business to a different county, if the licensee's original score from their HB 2870 application exceeds the lowest awarded score for licenses issued in the desired county. This approach promotes statewide mobility for all applicants, fostering fairness without creating disparities between those who qualified under HB 2870 and those who qualify under E2SSB 5080.

Removing geographical constraints that have impeded the establishment of social equity cannabis businesses advances the program's objectives of increasing diversity in cannabis business ownership and allowing for greater representation of historically marginalized communities.

- 11. **Right to Appeal**: Appeal rights are clearly established for applicants withdrawn or denied a license.
- 12. **Title Certificate Holders (TCH):** The rule allows title certificate holders to reinstate their licenses under the social equity program with an eligibility determination versus a qualifying application score. This provides relocation options for title certificate holders to re-enter the market while providing considerations reflecting public feedback on inclusivity and equitable access to licensing opportunities. The rules provide the TCH must meet the requirements of a social equity applicant, including the 51% ownership requirements to reinstate their license. It also provides that TCHs qualifying for the program may reinstate the TCH privilege for an initial license anywhere in the county where it was originally issued, consistent with existing regulations.

- 13. Local Authority Objections: Local authorities can object to the location of proposed cannabis retail licenses based on preexisting ordinances limiting retail outlet density. The Board will give substantial weight to these objections.
- 14. **County Thresholds**: E2SSB 5080 required the LCB to identify thresholds for the number of producer, processor, and retailer licenses in each county. The rule establishing the county thresholds will be evaluated every three years beginning in 2029 and will be published on the LCB's website. Established thresholds indicate the number of potentially viable licenses by county based on an analysis of market conditions and other relevant factors conducted by a third-party economist. These thresholds are not caps but intended to be an economic evaluation to inform applicants about research information current market conditions and future projections of the number of licenses sustainable based on consumer demand.
- 15. **Conflict of Interest**: Conflict of interest safeguards were added to reduce risk of any preferential treatment between the third-party vendor and
- 16. **Social equity plan reimbursement**: Adopting section 2 of E2SSB 5080 to clarify reimbursement for licensing fees.

Differences Between Initial Proposal and Supplemental Proposal

The following substantive modifications were made to the proposed rules approved by the Board on July 31, 2024 and filed with the Code Reviser on August 6, 2024 as <u>WSR 24-16-130</u>:

Registration Window

The updated proposal has a separate registration window for retailers and nonretail licenses (producers and processors) to allow registrants who did not get selected for a retail license, an additional opportunity to register for a non-retail license.

Scoring Rubric

The goal of the scoring rubric was to provide registrants point accumulation based on the level of impact a person may have experienced based on the war on drugs, and link impacts to qualifications established in statute. Scoring was developed and drafted based on a general assessment of direct impacts to an applicant, and stakeholder feedback from verbal, written, and survey submissions. To ensure familiarity of scores compared to previous rules and proposed changes, the scores in each category match the overall percentage weight on a 300-point scale.

- 1. <u>Lived in a disproportionately impacted area (DIA) [20% of total score]</u>: This was weighted as the second highest impact to applicants, as the evaluation is limited a specific timeframe, and not all people living in a DIA had the same level of adverse impacts based on the war on drugs. This change was supported by stakeholder feedback.
- 2. <u>Criminal arrests and conviction [50% of total score]</u>: This category has the greatest direct impact to the applicant and their family and is not limited by time factors. Escalating scores were identified by level of adverse impacts of a conviction and subsequent disposition. This change was supported by stakeholder feedback.
- 3. <u>Household income [15% of total score]</u>: This category has limited direct impact representation of the war on drugs, as the evaluation is only for the one year prior to license application window, based on state statute.
- 4. Socially and Economically Disadvantaged [15% of total score): Although the statute uses this as a qualification, this is the only qualification category that does not have specific impacts associated for scoring purposes. Scoring was designed to capture direct impacts, such as losing a cannabis business when law changes occurred in 2015, and previously qualifying as a social equity applicant under previous standards but did not receive a license. The weight of this category was determined based on balancing statutory specifics, direct impacts of cannabis law and enforcement, and stakeholder input. Stakeholder feedback was split on point evaluation for this category, with a majority not supporting substantial points. However, stakeholder feedback did demonstrate direct adverse impacts based on the loss of a business, and LCB felt this impact met the spirit of social and economic disadvantages.

HB 2870 Applicants – License Mobility

In the updated proposal, the effective date for allowing HB 2870 applicants who are unable to secure a location in the county where the license was initially issued is January 1, 2026. In the original proposal, the effective date is 90-days after the license application window closes. This approach provides a more equitable time frame for applicants applying under E2SSB 5080 to compete for locations statewide.

Setting a specific date for when licenses without a location can be moved to another location provides clarity for all license holders. The approach eliminates ambiguity about when those who applied under HB 2870 can start securing an initial location outside of county they had originally applied, allowing businesses to plan accordingly to secure an initial location with greater certainty. Furthermore, a specific date simplifies the process for overseeing and managing relocations as it allows for better resource allocation and ensures all relocation applications are processed under the same regulatory framework.

Title Certificate Holders

The approach for license mobility requirements for Title Certificate Holders (TCH) in the updated proposal is consistent with the previously established board policy in the existing rule under <u>WAC 314-55-570</u>. Although the license mobility requirements for a TCH is broader under the original proposal, the updated proposal affords the TCH an opportunity to reinstate their title certificate in addition to applying for a social equity license under provisions of E2SSB 5080.

Under the updated proposal, TCHs cannot modify the ownership structure after registering and submitting the application materials to the social equity contractor for an eligibility determination.

CODE REVISER USE ONLY

PROPOSED RULE MAKING



CR-102 (June 2024) (Implements RCW 34.05.320) Do NOT use for expedited rule making

Agency: Washington S	State Liquor	and Cannabis Board		
Original Notice				
Supplemental Noti	ce to WSR 2	24-16-130		
□ Continuance of WS	-			
		uiry was filed as WSR 23-2	3-062 : or	
		osed notice was filed as W		or
		N 34.05.310(4) or 34.05.330		
			J(1), UI	
 Proposal is exempt under RCW Title of rule and other identifying information: (describe subject) Title 314-55 WAC. Rule language is being proposed to WAC 314-55-570 to implement Engrossed Second Substitute Senate Bill (E2SSB) 5080, (chapter 220, Laws of 2023) to expand and improve the Social Equity in Cannabis Program, including revisions to the scoring and application process, county licensing thresholds, and local jurisdiction objections. Hearing location(s): 				
Date:	Time:	Location: (be specific)	Com	iment:
December 4, 2024	10:00 A.M.	All public Board activity wheld in a "hybrid" environm This means that the public thave options for in-person of virtual attendance. The Boar room headquarters building Olympia (1025 Union Aven Olympia, WA 98504) will be for in-person aattendance a trhe public may also login u computer or a device, or ca using a phone, to listen to t meeting through the Micriso Teams application. The public may provide verbal comme during the specified public comment and rules hearing segments. TVW also regula airs these meetings. Please that although the Boardroon be staffed during a meeting Board members and agence participants may continue to appear virtually.	vill be F nent. visit will <u>s</u> or ard g in ue, e open and lsing a lll-in he oft oluc nts arly e note m will l, y	For more information about Board meetings, please https://lcb.wa.gov/Boardmeetings/Board_meeting
Date of intended adoption: December 18, 2024 (Note: This is NOT the effective date)				
Submit written comm				for persons with disabilities:
Name Cassidy West, F	Name Cassidy West, Policy and Rules Manager Contact Anita Bingham, ADA Coordinator, Human Resources			-
Address PO Box 48030, Olympia WA 98504-3080			Phone 360-878-4235	
			Fax 360-66	64-9689
Fax 360-704-5027		TTY 7-1-1 or 1-800-833-6388		
Other		Email anita.bingham@lcb.wa.gov		
Beginning (date and time) October 23, 2024, 12:00 PM Other				

Purpose of the proposal and its anticipated effects, including any changes in existing rules: The proposed rules are intended to expand and improve the Social Equity in Cannabis Program as directed by Engrossed Second Substitute Senate Bill (E2SSB) 5080, chapter 220, Laws of 2023. This includes revising definitions, adjusting eligibility criteria, refining the application and scoring processes to ensure a more equitable distribution of cannabis licenses to individuals from disadvantaged communities most adversely impacted by the War on Drugs.

- Definitions: Definitions are amended to enhance clarity, inclusivity, and conform with statute: "disproportionately impacted area," "social equity plan," "family member," "median household income," "preliminary letter of approval," "social equity contractor" and "social equity program applicant.
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- 16. **Social equity plan reimbursement**: Adopting section 2 of E2SSB 5080 to clarify reimbursement for licensing fees.

Reasons supporting proposal: The amendments seek to address historical disparities within the cannabis industry by providing greater opportunities for those impacted by the enforcement of cannabis prohibition. The rules aim to foster economic inclusivity and social restoration.

Statutory authority for adoption: RCW 69.50.331, RCW 69.50.335, RCW 69.50.345				
Statute being implemented: RCW 69.50.335, as amended by E2SSB 5080, (chapt	ter 220, Laws of 2023)			
Is rule necessary because of a:				
Federal Law?	🗆 Yes 🛛 No			
Federal Court Decision?	🗆 Yes 🛛 No			
State Court Decision?	🗆 Yes 🛛 No			
If yes, CITATION:				
Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal				
matters: The agency recommends that these rules be implemented as proposed to fulfill the legislative intent of				
E2SSB 5080, ensuring a robust and equitable Social Equity in Cannabis Progra	am.			
Name of proponent: (person or organization)				
Type of proponent: Private. Public. Governmental.				

	Name	Office Location	Phone	
Drafting Rules Manager	Cassidy West, Policy and	1025 Union Avenue, Olympia, WA 98504	360-878-4235	
mplementation _icensing and Re	Rebecca Smith, Director of gulation	1025 Union Avenue, Olympia, WA 9850	360-664-1753	
Enforcement Enforcement and	Chandra Wax, Director of	1025 Union Avenue, Olympia, WA 9850	360-664-1726	
		quired under RCW 28A.305.135?	🗆 Yes 🛛 No	
If yes, insert state	-	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
The public ma	y obtain a copy of the school dis	strict fiscal impact statement by contacting:		
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		alysis is not required under RCW 34.05.328		
	l rulemaking does not qualify er RCW 34.05.328(5)(c)	as a significant legislative rule or other rule r	equiring a cost benefit	
	ness Act and Small Business I nor's Office for Regulatory Innov	Economic Impact Statement ration and Assistance (ORIA) provides support in	completing this part.	
(1) Identification This rule proposa		ay be exempt from requirements of the Regulato	ry Fairness Act (see	
	W). For additional information or any applicable exemption(s):	on exemptions, consult the <u>exemption guide public</u>	shed by ORIA. Please	
adopted solely to	conform and/or comply with fed e is being adopted to conform o	, is exempt under <u>RCW 19.85.061</u> because this r leral statute or regulations. Please cite the specifi r comply with, and describe the consequences to	c federal statute or	
	osal, or portions of the proposal <u>34.05.313</u> before filing the notice	, is exempt because the agency has completed the of this proposed rule.	ne pilot rule process	
	osal, or portions of the proposal	, is exempt under the provisions of <u>RCW 15.65.5</u>	70(2) because it was	

This rule proposal, or portions of the proposal, is exempt under <u>RCW 19.85.025(3)</u> . Check all that apply:					
	<u>RCW 34.05.310</u> (4)(b)	\boxtimes	<u>RCW 34.05.310</u> (4)(e)		
	(Internal government operations)		(Dictated by statute)		
	<u>RCW 34.05.310</u> (4)(c)		<u>RCW 34.05.310</u> (4)(f)		
	(Incorporation by reference)		(Set or adjust fees)		
	<u>RCW 34.05.310</u> (4)(d)		<u>RCW 34.05.310</u> (4)(g)		
	(Correct or clarify language)		((i) Relating to agency hearings; or (ii) process		
			requirements for applying to an agency for a license		
			or permit)		
			<u>CW 19.85.025(</u> 4). (Does not affect small businesses).		
	proposal, or portions of the proposal, is exempt				
			ule: This rule proposal is exempt because it involves		
			d Second Substitute Senate Bill (E2SSB 5080), chapter bis Program, as described in RCW 69.50.331 and		
RCW 69.50.			is rigian, as described in NOW 09.50.551 and		
(2) Scope o	f exemptions: Check one.				
		•	entified above apply to all portions of the rule proposal.		
		,	exemptions identified above apply to portions of the rule		
· ·	It less than the entire rule proposal. Provide detai proposal: Is not exempt. (Complete section 3.) N	•			
		•••••••••••••••••••••••••••••••••••••••			
• •	isiness economic impact statement: Complete				
on business		ose more	e-than-minor costs (as defined by RCW 19.85.020(2))		
□ No impose n	Briefly summarize the agency's minor cost analy nore-than-minor costs.	/sis and	how the agency determined the proposed rule did not		
			-than-minor cost to businesses and a small business		
economio	c impact statement is required. Insert the required	d small b	usiness economic impact statement here:		
The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:					
Na	ame				
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Date: Octob	er 23, 2024	Signatu	re: Place signature here		
Name: Davi	d Postman				
Title: Chair					

AMENDATORY SECTION (Amending WSR 22-21-058, filed 10/12/22, effective 11/12/22)

WAC 314-55-570 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. These areas are determined using a standardized statistical equation to identify areas in the top 15th percentile in at least two of the following demographic indicators of populations most impacted by the war on drugs:

(i) The area has a high rate of people living under the federal poverty level;

(ii) The area has a high rate of people who did not graduate from high school;

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

(iv) The area has a high rate of people receiving public assistance.

(b) "Family member" means:

(i) A biological, adopted, or foster child, a stepchild, a child's spouse, or a child to whom the ((applicant)) <u>social equity</u> <u>registrant, as defined in this subsection below,</u> 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 asdefined in (b)(i) of this subsection;

(iii) Spouse or domestic partner;

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

(c) "((Median)) Household income" means the ((most recent median household)) gross income ((within)) for the previous calendar year and includes the ((state)) sum of ((Washington as calculated)) the income received in the previous calendar year by ((the United States Census Bureau)) all household members aged 15 years and older before taxes and deductions.

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

(e) <u>"Median household income" means the median income for</u> households in Washington for the previous calendar year, as determined by the United States Census Bureau.

(f) "Preliminary letter of approval" means an approval letter issued to a social equity program applicant. The letter may be used for <u>the</u> purposes of ((securing a grant from the department of <u>commerce</u>)) <u>applying for funding and/or securing a location</u>, and ((other necessities to complete)) <u>additional information steps that</u> may be necessary for continuing with the licensing <u>application</u> process.

(((f))) <u>(g)</u> "Social equity program applicant" means ((a person(s) who meets the requirements of)) an individual or entity that receives

a preliminary letter of approval to apply for the social equity licensing program.

(((g))) (h) "Social equity contractor" means a third party responsible ((to review)) for reviewing and ((score)) scoring social equity program applications to identify which applicants qualify to apply for a social equity license.

(((h))) <u>(i)</u> "Social equity licensee" means ((a person)) an <u>individual</u> or entity that holds a social equity cannabis license or any ((person)) <u>individual</u> 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)) (j) "Social equity registrant" means any individual or entity that registers to be evaluated and scored for the social equity program. Qualification is evaluated based on the registrant's application materials submitted to the social equity contractor. If a registrant is deemed qualified for the social equity program and selected to move forward, the registrant becomes a social equity applicant, as defined in this subsection.

(2) ((Social equity applicant requirements.

(a)) Registering for the social equity program. Registration through a designated portal is required prior to submitting application materials to the social equity contractor. If two or more individuals are registering as a single applicant, only one individual may fill out the registration form on behalf of the other individuals who are applying. Each individual is limited to one registration, within a designated license application window. Individuals 10/16/2024 10:20 AM [5] NOT FOR FILING OTS-5703.3 registering and submitting application materials who are contributing to the required 51 percent ownership may not be removed or added after registering.

(a) Registration window. The registration window(s) will be open for 30 calendar days. The board will open separate registration windows for retail applications and for producer and processor applications. The board may reopen the a designated registration window after conducting an evaluation that considers market demand, impacts related to license density, and availability of licenses.

(3) Social equity application process. After the a designated registration window closes, the social equity contractor will provide the registrant with directions for submitting social equity program application materials and verification documents.

(a) Submission requirements. Social equity program application materials must be submitted directly to the social equity contractor in the form τ and manner, and time frame required by the social equity contractor, within 21 calendar days after notification from the social equity contractor. Application materials submitted after the specified time frame will not be reviewed or scored. Registrants are responsible for ensuring the application is complete, accurate, and successfully submitted.

(4) Qualifying for the social equity program. To ((be

considered)) <u>qualify</u> for the social equity program under this chapter and RCW 69.50.335, the ((following requirements)) <u>criteria provided in</u> this subsection must be met ((by each applicant:

(b) At least a)). Social equity applicants with the highest scores will be prioritized by the social equity contractor to proceed with the social equity license application process. The social equity contractor will provide the board with a list of the selected registrants that may move forward in the application process as an applicant.

(a) 51 percent ownership. An applicant must have 51 percent ownership and control by one or more individuals- qualifying as a social equity applicant. All individuals that are a part of the license registration must be held by a person, or persons, who has lawfully resided in Washington state for six months prior to the registration date, consistent with RCW 69.50.331. Any ownership and control by an individual not meeting qualifications of a social equity applicant may not hold a higher percentage of the business where they alone have the most ownership and control of any individual of the business. Each individual comprising the 51 percent majority ownership((, or controlling interest, in the applicant, must be held 10/16/2024 10:20 AM [7] NOT FOR FILING OTS-5703.3 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)) must meet at least two of the four qualifications below:

(i) Qualification 1: ((The social equity applicant or applicants have lived in a disproportionately impacted area)) <u>Resided in a</u> <u>disproportionately impacted area (DIA)</u> in Washington state for a minimum of five years <u>any time</u> between 1980 and 2010((; or)). <u>Time</u> <u>spent living in a DIA does not need to be consecutive.</u>

(A) Proof of address documentation that may demonstrate currently living or having lived in a DIA include, but are not limited to, documents such as: Bank statements, lease agreements, home insurance or car policy, federal or state tax returns that show the address for each year, utility bills, employment records, school records, voter registration. Any combination of documents may be utilized to demonstrate the qualification.

(B) Affidavits may be used as a supplemental document to demonstrate the registrant meets the qualifications under (4) (a) (i) of this subsection, provided that the affidavit is accompanied by other documents. The social equity contractor reserves the right to verify the authenticity and accuracy of the submitted affidavit and 10/16/2024 10:20 AM [8] NOT FOR FILING OTS-5703.3 supporting documentation. Additional documentation or evidence may be requested to support the claims made in the affidavit. Failure to provide truthful information or to comply with the verification request may be considered a misrepresentation of fact, under WAC 314-55-050, 314-55-073, or 314-55-505.

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

(A) Documentation to To demonstrate the this qualification may include, but are not limited to, documents that contain details such as the date of the arrest or conviction, the charges, and the law enforcement agency involved, - may include, but are not limited to, the following, such as: Arrest records from the agency that made the arrest, booking reports, bail papers, police reports or police logs, court documents (e.g., arrest warrants, charging documents, or minutes from the arraignment), criminal history records, news reports to establish the event, witness testimonies, online inmate locator services for the family member, legal representation who can provide details about the arrest or conviction, court mandated community service paperwork, court mandated paperwork, or background checks. Any combination of documents may be utilized to demonstrate the qualification.

(B) Affidavits may be used as a supplemental document to demonstrate an arrest or conviction was a cannabis offense provided that the affidavit is accompanied by court records that provide evidence of an arrest or conviction for a schedule 1 drug offense. Court records include, but are not limited to, arrest records, charging documents, plea agreements, court orders, or sentencing documents. The social equity contractor reserves the right to verify the authenticity and accuracy of the submitted affidavit and supporting documentation. Additional documentation or evidence may be requested to support the claims made in the affidavit. Failure to provide truthful information or to comply with the verification request may be considered a misrepresentation of fact, under WAC 314-55-050, 314-55-073, or 314-55-505.

(iii) **Qualification 3:** ((The social equity applicant's)) <u>Had a</u> household income ((in the year prior to submitting the application was)) less than the median household income within the state of Washington as ((calculated)) <u>determined</u> by the United States Census Bureau for the calendar year preceding the date of application.

(A) Proof of household income documentation_includes, but is are not limited to, documents such as: Federal tax return, W-2 forms issued by an employer that shows annual wages and taxes withheld, 1099-NEC forms, bank statements showing consistent deposits, employer income verification letter stating your salary and terms of employment, unemployment benefits statements, court ordered agreements, annuity statements from an insurance company showing regular annuity payments, workers' compensation letter from an employer or insurance company detailing workers' compensation payments, profit or loss statements for self-employed individuals, a statement showing business income and expenses. Any combination of documents may be utilized to demonstrate the qualification.

(iv) **Qualification 4:** Is both socially and economically disadvantaged as defined by the office of minority and women's business enterprises.

(A) Examples of documentation to demonstrate the qualification may include, but are not limited to, those identified by the office of minority and women's business enterprises for Washington state certification. Any combination of documents may be utilized to demonstrate the qualification.

((3) Social equity application process.)) <u>(5) Registering</u> <u>forIdentifying registrants eligible to apply for a license. the social</u> <u>equity program.</u> After the social equity contractor has evaluated all registrations from a designated registration window, the social equity contractor will provide the board with a prioritized list of:

(a) The top 52 scoring registrants eligible to apply for a retail license.

(b) The top ten scoring registrants for a cannabis producer license, which must be issued in conjunction with a cannabis processor license.

(c) The top 100 scoring registrants for a cannabis processor only license.

(a) Application window.

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

(ii) ((At its sole discretion,)) The board may reopen the

((application)) registration window:

(A) After ((initial)) <u>conducting an</u> 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)) that considers market demand, impacts related to license density, and availability of licenses.

(((c))) <u>(6)</u> Social equity contractor review. ((Once)) <u>After</u> the ((application)) <u>registration</u> window is closed, the social equity contractor will ((evaluate and prioritize all applications received within the 30-day application window)) <u>provide the registrant</u>, or <u>title certificate holder</u>, with directions for submitting social equity program application materials and verification documents.

(((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 10/16/2024 10:20 AM [15] NOT FOR FILING OTS-5703.3 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:)) (a) Submission requirements. Social equity program application materials must be submitted directly to the social equity contractor in the form, manner, and time frame required by the social equity contractor. Application materials submitted after the specified time frame will not be reviewed or scored. Registrants are responsible for ensuring the application is complete, accurate, and successfully submitted.

(ba) Who is eligible to be scored: Scoring by the social equity contractor will be limited to each registrant who meets two out of the four required social equity program qualifications, and each registrant may only be scored once. Only the first registration 10/16/2024 10:20 AM [16] NOT FOR FILING OTS-5703.3 received will be scored for qualifications. Title certificate holders

applying for license reinstatement and registering for an eligibility

determination shall not be considered a duplicate registration for

other new social equity license application under this section.

(eb) Scoring rubric. The social equity contractor will prioritize

social equity program registrants based on the below scoring rubric

criteria. The total score will be based on a cumulative total, adding

	Social Equity Application Scoring Rubric			
Category	Eligibility Requirements	Point Scale		
	1. Lived in a disproportionately impacted area (DIA) <u>1-5 years = 15 points</u> <u>6-10 years = 45 points</u> <u>11+ years = 60 points</u>	((4 0)) <u>60</u>		
	((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) $=$ 15 points Convicted of a cannabis offense? (Self) $=$ 60 points	((10)) <u>60</u>		
	((2a. Convicted of a cannabis offense? (Self)	40))		
	3. Convicted of a drug offense? (Family) = <u>15 points</u> Convicted of a cannabis offense? (Family) = <u>30 points</u>	((5)) <u>30</u>		
	((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 = $((10))$ <u>15</u> points	((80)) <u>60</u>		
	Served probation <u>or Confined to home</u> = $((20))$ <u>30</u> points ((Confined to home = 40 points))			
	Served time in jail or prison = $((80)) \underline{60}$ points			
	((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.)) <u>5.</u> Is your household income less than the median household income within the state of Washington as calculated by the United States Census Bureau?	((4 0)) <u>45</u>		

together the highest achieved score for each of the 7 categories:

	Social Equity Application Scoring Rubric			
Category	Eligibility Requirements	Point Scale		
	((8. Did you own or operate)) <u>6. Owned</u> a medical cannabis dispensary or collective garden, licensed as a business, prior to July 1, 2016 (((10 points?))) = 15 points	((10))		
	((or	((30 in a DIA)) <u>30</u>		
	Did you own and operate)) Owned a medical cannabis dispensary or collective garden licensed as a business in a DIA ((30 points?))) = <u>30 points</u>			
	 ((9. Have you held or do you currently hold 51 percent majority/controlling interest of a state cannabis (marijuana) retailer license? No = 10 points Yes = 0 points)) 7. Applied during the HB 2870 social equity application window, qualified as a social equity applicant, but were not eligible to be issued a license 	((10)) <u>15</u>		
	Total Maximum Points	((310)) <u>300</u> points		

(((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.)) (dc) Preliminary score. Upon

initial assessment of the social equity program application materials,

the social equity contractor will provide the registrant with a 10/16/2024 10:20 AM [18] NOT FOR FILING OTS-5703.3

preliminary score, along with a comprehensive explanation of the score detailing the points allocated for each criterion.

(i) The registrant may submit additional documentation to potentially improve the final score. Documentation must be submitted in the form and manner specified by the social equity contractor no later than 21 calendar days after being provided the preliminary score.

(ed) Final score. Prior to issuing the final score, the social equity contractor may adjust the registrant's preliminary score based on a review of any additional documentation provided. The social equity contractor will notify registrants and qualified social equity applicants of the final score and include a detailed explanation of the scoring decision.

(fe) **Prioritization**. Qualified registrants with highest final scores will be prioritized by the social equity contractor to be included on the list of social equity applicants who are selected to apply for a social equity license.

(gf) Double-blind lottery. If a tie should occur among qualified registrants with identical scores, a double-blind lottery will be used to prioritize the social equity applicants who may proceed with applying for a social equity license. The double-blind lottery will be 10/16/2024 10:20 AM [19] NOT FOR FILING OTS-5703.3 conducted by a third-party contractor who is separate from the social equity contractor reviewing and scoring the application.

(hg) Conflict of interest. It is a conflict of interest and violation of this chapter if the social equity contractor, the thirdparty contractor conducting the double-blind lottery, or employees of any contractor benefit from any social equity license granted under this section. Any conflicts of interest between a contractor and applicant or cannabis licensee may result in the denial of an application or a revocation of the cannabis license.

(7) Board notification.

(((e))) (a) **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.)) (b) Withdrawal letter. The board will issue a withdrawal letter

notifying registrants that are not eligible to apply for a social equity license if:

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

(ii) The social equity program application materials are not received by the social equity contractor in a timely manner;

(iii) The social equity registrant is not qualified for the social equity program based on the determination made by the social equity contractor;

(iv) The social equity registrant is deemed qualified for the social equity program but did not score high enough to be prioritized, based on the score provided by the social equity contractor or the social equity registrant was not selected in a lottery to determine which registrants could move forward.

(v) The social equity registrant makes a voluntary request to the board, in writing, to voluntarily withdraw the social equity program application being reviewed and scored by the social equity contractor. The voluntary withdrawal of a social equity program application does not result in a hearing right.

(((c))) <u>(8)</u> 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.

(c) 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.)) Once the board issues the preliminary letter of approval, selected applicants may submit social equity license application materials to the board. Qualifying as a social equity applicant does not guarantee the issuance of a social equity license.

(a) Licensing requirements. To qualify for a social equity license, applicants must meet the licensing requirements provided in this chapter, RCW 69.50.331, and RCW 69.50.335.

(b) Location and financing. There are no time restrictions for when a social equity applicant must select and secure a location 10/16/2024 10:20 AM [22] NOT FOR FILING OTS-5703.3 and/or financing. Social equity registrants who applied under chapter 220, Laws of 2023, have been scored and prioritized pursuant to this section by the social equity contractor and have been selected to apply for a new social equity license may locate the initial licensed business to any city, town, or county in the state of Washington, one time only. Once the initial licensed location is established it may not be moved from the selected city, town, or county.

(c) County threshold. The board will establish license thresholds for each county to ensure there is an adequate amount of access to licensed sources of cannabis, cannabis concentrates, usable cannabis, and cannabis-infused products to discourage purchases from the illegal market. The board shall conduct a license threshold determination every three years, beginning July 1, 2029. In making its determination, the board shall consider market conditions, economic trends, demographics, and other relevant factors. County thresholds will be publicly posted and updated every three years and will be accessible to all stakeholders and the general public via the internet.

(d) Retailer **Llicense mobility**. Effective January 01, 2026, social equity applicants, who applied under chapter 236, Laws of 2020, <u>and are unable to secure a location in the county where the</u> <u>license is allocated, may locate the initial license location to any</u> <u>city, town, or county in the state of Washington.</u> may change the <u>initial business location from their currently allocated local</u> jurisdiction under the following conditions:

(i) The qualifying licensee has not secured a location in the initial county where their license is allocated; and

(ii) Any relocation into a different county requires the qualifying social equity licensee to have received an application score which exceeds the lowest score awarded for successful applicants in the desired county.

(iii) The lowest scores awarded for successful applicants under chapter 236, Laws of 2020, by county will be posted on-line.

(e) Local ordinance. The board will substantially consider an objection from an incorporated city or town, or county for a proposed location of a social equity retail license if an ordinance limiting retail outlet density is in effect in the area prior to the board receiving the license application.

(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. Once permitted, After the first year and up to 10/16/2024 10:20 AM [24] NOT FOR FILING OTS-5703.3

the fifth year from the date of the initial license approval, <u>l</u>icenses awarded under this section may only be transferred to or assumed by individuals or groups of individuals who meet the <u>definition</u> <u>qualifications</u> of a social equity program applicant. for a period of five years from the date of the initial license was approved.

(g) Appeals. An applicant or licensee may request an administrative hearing to contest the withdrawal, denial, nonrenewal, or revocation of a license pursuant to chapter 34.05 RCW. A request for a hearing must be made in writing and received by the board no later than 20 days after the date the notification of withdrawal, denial, nonrenewal, or revocation was mailed to the applicant or licensee.

(((5) Social equity title certificate holders.)) <u>(9)</u> 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.)) means a licensee who is unable to open for business in the city or county where the cannabis retail license is allocated, was originally located due to a ban or moratorium.

(a) Title certificate holders that meet the requirements of a social equity applicant under chapter 220, Laws of 2023, and the 51 percent ownership requirements in subsection (4) (a) of this section may reinstate their existing license under the social equity program, and locate —anywhere in the county where the cannabis retail license was originally allocated. Effective January 1, 2026, a title

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cortificate holder, meeting the qualifications of a social equity applicant, may relocate the title certificate privilege for an initial license location to any city, town, or county in Washington state. To reinstate a license under the social equity program, title certificate holders must first register through the board to then and submit application materials to the social equity contractor for an eligibility determination, as defined in this chapter and RCW 69.50.335. Scoring by the social equity contractor is not required as part of eligibility determination.

(i) Prior to submitting application materials to the board to reinstate the license under the social equity program, the title certificate holders must have an established business entity structure that has been approved by the board.

(ii) Individuals registering and submitting application materials for an eligibility determination, who are contributing ton the required 51 percent ownership, may not be removed <u>The ownership</u> <u>structure may not be modified</u> after the title certificate holder registers and submits application materials to the social equity contractor for an eligibility determination_during the 30-day registration window<u>in 2025</u>. (iii) An application to reinstate a license and application for a social equity license must be submitted to the board.

(iv) Neither a new location for the retail license in the county or financing are required at the time of the application to reinstate an existing cannabis license.

(v) Nothing shall prevent a title certificate holder from applying for a social equity license under chapter 220, Laws of 2023, in addition to reinstating a license under the social equity in cannabis program. Only social equity registrants receiving a score by the social equity contractor are eligible to be prioritized for a new license under this section.

(10) Social equity plan reimbursement. All cannabis licensees with an active license may submit a social equity plan, as defined in RCW 69.50.101, to the board for a one-time reimbursement that equals the cost of the licensee's annual cannabis license renewal fee, one per entity. The board will reimburse the licensee no later than 30 calendar days after the social equity plan has been received and verified.

(a) Reimbursements may only be provided to licenses that are currently operational, and not in the process of assumption, acquisition, or discontinuation of business activities.

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(b) Social equity applicants or those who hold a social equity license are not required to pay a license renewal fee.

[Statutory Authority: RCW 69.50.335, 69.50.336, 69.50.342, and 2022 c
16. WSR 22-21-058, § 314-55-570, filed 10/12/22, effective 11/12/22.]

Date	Name & Contact Information	Written Comment Text
9/9/2024	Pisteo Kasala pisteok@gmail.com	I wanted to comment on the CR 102 (Proposed Rule Making) on Social Equity Rulemaking since it's an issue that affects me personally. As someone who was previously affected by systemic discrimination and War on Drugs, I applied for a social equity retail license and was awarded a license opportunity in Cowlitz County. When I learned my application had been successful, I immediately started looking for a suitable location in that county. I did not restrict myself to any particular area, and searched for spots in Kelso, Longview, Kalama, and beyond. I contacted real estate agents for help as well, and we found a number of places.
		However, we found time and again that every spot we considered was not viable for one reason or another. Either it was within 1,000 feet of a restricted entity, did not meet local zoning requirements, or was owned by a landlord who refused to do business with cannabis entities. All the truly viable locations, it seemed, had already been taken by licensees who had gotten set up during the initial round of licensing – a round I was excluded from due to my past brushes with the law involving cannabis.
		My hopes were renewed, however, when I learned that three different social equity applicants like me were petitioning the Board for repeal of the rule limiting their potential locations to only one county, namely WAC 314-55-570(4)(d). The Board granted all three of these petitions. At least one of those petitions, from Casey Calhoun, further requested that the Board "[a]dopt no new rule that conflicts with the clear license mobility language of the current law contained in RCW 69.50.335(1)(e)" (from Casey Calhoun's petition, a copy of which is attached).
		When those petitions were granted, I started looking elsewhere for a viable location for my retail store, including in historically underserved communities in populous counties like Pierce, King, and Spokane counties. I invested considerable time and resources in researching available locations, contacting landlords, and even negotiating lease terms. I expected the CR 102 (Proposed Rule Making) on Social Equity Rulemaking to include updated rule language regarding social equity license mobility reflecting the fact that the Board had granted these petitions since the writing of the draft rules last year.
		Instead, the same language has carried over, as follows: "Effective 90 days after the license application window closes in 2025, social equity applicants, who applied under chapter 236, Laws of 2020, and are unable to secure a location in the county where the license is allocated,

may locate the initial license location to any city, town, or county in the state of Washington."This rule directly contradicts Casey Calhoun's request in his petition that the Board "[a]dopt no new rule that conflicts with the clear license mobility language of the current law contained in RCW 69.50.335(1)(e)," which the Board granted without qualification.
As a social equity applicant, I applied for and was awarded \$141,729.00 with the condition that the entirety of those funds be used within a year of their awarding. The current rule language limiting social equity license mobility puts me and others like me in an impossible bind, where we can't move forward in our assigned counties due to a complete lack of viable locations, but we also can't afford to wait until 90 days after the license application window closes in 2025 without losing out entirely on the grant money we've been counting on to fund our business start-up in the absence of access to capital or substantial personal funds at our disposal.
Waiting as long as the current draft rule language requires also means losing out entirely on the consulting and mentorship services built into the social equity program, designed to help applicants like me who do not have previous experience in the cannabis business. These services won't be available after June 30, 2025 (or maybe even sooner if all 2,400 allocated hours are used up), which will leave me without any guidance specific to a potential new location, which is when it would be most valuable. I really appreciated the efforts to offer this program, and I'm disappointed to think that I wouldn't be able to use it—or any of the grant money I was relying on—if the rules go into effect as written.
It's therefore essential to me, my livelihood, and other social equity applicants in the exact same position that this rule be struck before these rules became final. Instead, the rules should simply align with RCW 69.50.335(1)(e), which states plainly that "all licenses issued under the social equity program under this section may be located in any city, town, or county in the state that allows cannabis retail, cannabis production, or cannabis processing business activities, as applicable, at the proposed location, regardless of: (A) Whether a cannabis retailer license, cannabis producer license, or cannabis processor license was originally allocated to or issued in another city, town, or county and (B) The maximum number of retail cannabis licenses established by the board for each county under RCW 69.50.345."
Thank You,
Pisteo Kasala

		Attachment: Calhoun Rule petition
9/9/2024	shayla Curtis shaylacurtis@yahoo.com	I wanted to comment on the CR 102 (Proposed Rule Making) on Social Equity Rulemaking since it's an issue that affects me personally. In partnership with another individual, Eric Upchurch, I applied for a social equity retail license and was awarded a license opportunity in Whatcom County. When I learned my application had been successful, I immediately started looking for a suitable location in that county. I contacted real estate agents for help as well, and searched all throughout Bellingham and the surrounding areas.
		However, we found time and again that every spot we considered was not viable for one reason or another. Either it was within 1,000 feet of a restricted entity, did not meet local zoning requirements, or was owned by a landlord who refused to do business with cannabis entities. All the truly viable locations, it seemed, had already been taken by licensees who had gotten set up during the initial round of licensing.
		My hopes were renewed, however, when I learned that three different social equity applicants like me were petitioning the Board for repeal of the rule limiting their potential locations to only one county, namely WAC 314-55-570(4)(d). The Board granted all three of these petitions. At least one of those petitions, from Casey Calhoun, further requested that the Board "[a]dopt no new rule that conflicts with the clear license mobility language of the current law contained in RCW 69.50.335(1)(e)" (from Casey Calhoun's petition, a copy of which is attached).
		When those petitions were granted, I started looking elsewhere for a viable location for my retail store, including in historically underserved communities in populous counties like Pierce, King, and Spokane counties. I invested considerable time and resources in researching available locations, contacting landlords, and even negotiating lease terms. I expected the CR 102 (Proposed Rule Making) on Social Equity Rulemaking to include updated rule language regarding social equity license mobility reflecting the fact that the Board had granted these petitions since the writing of the draft rules last year.
		Instead, the same language has carried over, as follows: "Effective 90 days after the license application window closes in 2025, social equity applicants, who applied under chapter 236, Laws of 2020, and are unable to secure a location in the county where the license is allocated, may locate the initial license location to any city, town, or county in the state of Washington." This rule directly contradicts Casey Calhoun's request in his petition that the Board "[a]dopt no

		new rule that conflicts with the clear license mobility language of the current law contained in RCW 69.50.335(1)(e)," which the Board granted without qualification. As a social equity applicant, I applied for and was awarded \$141,729.00 with the condition that the entirety of those funds be used within a year of their awarding. The current rule language limiting social equity license mobility puts me and others like me in an impossible bind, where we can't move forward in our assigned counties due to a complete lack of viable locations, but we also can't afford to wait until 90 days after the license application window closes in 2025 without losing out entirely on the grant money we've been counting on to fund our business
		start-up in the absence of access to capital or substantial personal funds at our disposal. Waiting as long as the current draft rule language requires also means losing out entirely on the consulting and mentorship services built into the social equity program, designed to help applicants like me who do not have previous experience in the cannabis business. These services won't be available after June 30, 2025 (or maybe even sooner if all 2,400 allocated hours are used up), which will leave me without any guidance specific to a potential new location, which it is when it would be most valuable. I really appreciated the efforts to offer this program, and I'm disappointed to think that I wouldn't be able to use it - or any of the grant money I was relying on - if the rules go into effect as written.
		It's therefore essential to me, my livelihood, and and other social equity applicants in the exact same position that this rule be struck before these rules became final. Instead, the rules should simply align with RCW69.50.335(1)(e), which states plainly that "all licenses issued under the social equity program under this section may be located in any city, town, or county in the state that allows cannabis retail, cannabis production, or cannabis processing business activities, as applicable, at the proposed location, regardless of: (A) Whether a cannabis retailer license, cannabis producer license, or cannabis processor license was originally allocated to or issued in another city, town, or county and (B) The maximum number of retail cannabis licenses established by the board for each county under RCW69.50.335"
		Attachment: Calhoun Rule petition
9/9/2024	Chris Crew chris.w.crew@gmail.com	I wanted to comment on the CR 102 (Proposed Rule Making) on Social Equity Rulemaking since it's an issue that affects me personally. In partnership with another individual, Pisteo Kasala, I applied for a social equity retail license and was awarded a license opportunity in

Cowlitz County. When I learned my application had been successful, I immediately started looking for a suitable location in that county. I did not restrict myself to any particular area, and searched for spots in Kelso, Longview, Kalama, and beyond. I contacted real estate agents for help as well, and we found a number of places. However, we found time and again that every spot we considered was not viable for one reason or
another. Either it was within 1,000 feet of a restricted entity, did not meet local zoning requirements, or was owned by a landlord who refused to do business with cannabis entities. All the truly viable
locations, it seemed, had already been taken by licensees who had gotten set up during the initial round of licensing.
My hopes were renewed, however, when I learned that three different social equity applicants like me were petitioning the Board for repeal of the rule limiting their potential locations to only one county, namely WAC 314-55-570(4)(d). The Board granted all three of these petitions. At least one of those petitions, from Casey Calhoun, further requested that the Board "[a]dopt no new rule that conflicts with the clear license mobility language of the current law contained in RCW 69.50.335(1)(e)" (from Casey Calhoun's petition).
When those petitions were granted, I started looking elsewhere for a viable location for my retail store, including in historically underserved communities in populous counties like Pierce, King, and Spokane counties. I invested considerable time and resources in researching available locations, contacting landlords, and even negotiating lease terms. I expected the CR 102 (Proposed Rule Making) on Social Equity Rulemaking to include updated rule language regarding social equity license mobility reflecting the fact that the Board had granted these petitions since the writing of the draft rules last year.
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Thank you,	
Chris Crew	
9/9/2024 Brett Walker Hello,	
brettwalker1980@gmail.com	

I wanted to comment on the CR 102 (Proposed Rule Making) on Social Equity Rulemaking since it's an issue that affects me personally. As someone whose life has been impacted by the War on Drugs, I applied for a social equity retail license and was awarded a license opportunity in Lewis County. When I learned my application had been successful, I immediately started looking for a suitable location in that county. I did not restrict myself to any particular area, and searched for spots in Centralia, Chehalis, Toledo, and beyond. I contacted real estate agents for help as well, and we found a number of places.
However, we found time and again that every spot we considered was not viable for one reason or another. Either it was within 1,000 feet of a restricted entity, did not meet local zoning requirements, or was owned by a landlord who refused to do business with cannabis entities. All the truly viable locations, it seemed, had already been taken by licensees who had gotten set up during the initial round of licensing—a round I was excluded from due to my past brushes with the law involving cannabis.
My hopes were renewed, however, when I learned that three different social equity applicants like me were petitioning the Board for repeal of the rule limiting their potential locations to only one county, namely WAC 314-55-570(4)(d). The Board granted all three of these petitions. At least one of those petitions, from Casey Calhoun, further requested that the Board "[a]dopt no new rule that conflicts with the clear license mobility language of the current law contained in RCW 69.50.335(1)(e)" (from Casey Calhoun's petition, a copy of which is attached).
When those petitions were granted, I started looking elsewhere for a viable location for my retail store, including in historically underserved communities in populous counties like Pierce, King, and Spokane counties. I invested considerable time and resources in researching available locations, contacting landlords, and even negotiating lease terms. I expected the CR 102 (Proposed Rule Making) on Social Equity Rulemaking to include updated rule language regarding social equity license mobility reflecting the fact that the Board had granted these petitions since the writing of the draft rules last year.
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rule that conflicts with the clear license mobility language of the current law contained in RCW 69.50.335(1)(e)," which the Board granted without qualification.
As a social equity applicant, I applied for and was awarded \$141,729.00 with the condition that the entirety of those funds be used within a year of their awarding. The current rule language limiting social equity license mobility puts me and others like me in an impossible bind, where we can't move forward in our assigned counties due to a complete lack of viable locations, but we also can't afford to wait until 90 days after the license application window closes in 2025 without losing out entirely on the grant money we've been counting on to fund our business start-up in the absence of access to capital or substantial personal funds at our disposal.
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It's therefore essential to me, my livelihood, and other social equity applicants in the exact same position that this rule be struck before these rules became final. Instead, the rules should simply align with RCW 69.50.335(1)(e), which states plainly that "all licenses issued under the social equity program under this section may be located in any city, town, or county in the state that allows cannabis retail, cannabis production, or cannabis processing business activities, as applicable, at the proposed location, regardless of: (A) Whether a cannabis retailer license, cannabis producer license, or cannabis processor license was originally allocated to or issued in another city, town, or county and (B) The maximum number of retail cannabis licenses established by the board for each county under RCW 69.50.345."
Thank you,

		Brett Walker
9/9/2024		To Washington State Liquor and Cannabis Board (LCB)
	Arnar Olgeirsson arnaro@greenvaultsystems.com	Good afternoon,
		My name is Arnar Olgeirsson, I am Vice President and Co-founder of a local WA company, GreenVault Systems (GVS).
		GVS provides automated dried flower batching and packing solutions for many Producer/Processors in WA State and across the country.
		I am writing you today to submit public comments in support of license mobility for all social equity applicants. Many of us in the legal cannabis industry remember the height of the War on Drugs and have been personally or know someone who has been impacted by it. I wholeheartedly support the social equity program being rolled out by the LCB.
		In working with WA State Producer/Processors, helping bring their products to market, I know what a competitive space retail cannabis has become. Giving license mobility to all social equity program participants will help these applicants have equal opportunity for success entering late into a market that has been operating now in the state for 12 years.
		Thank you for your time.
		Best regards,
		Arnar Olgeirsson
9/9/2024	Chris Crew	I wanted to comment on the CR 102 (Proposed Rule Making) on Social Equity Rulemaking since it's an issue that affects me personally. In partnership with another individual, Pisteo Kasala, I applied

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	for a social equity retail license and was awarded a license opportunity in Cowlitz County. When I
	learned my application had been successful, I immediately started looking for a suitable location in that
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	not restrict myself to any particular area, and searched for spots in Kelso, Longview, Kalama, and
	beyond. I contacted real estate agents for help as well, and we found a number of places.
	However, we found time and again that every spot we considered was not viable for one reason or
	another. Either it was within 1,000 feet of a restricted entity, did not meet local zoning requirements, or
	was owned by a landlord who refused to do business with cannabis entities. All the truly viable locations, it seemed, had already been taken by licensees who had gotten set up during the initial round of licensing.
	My hopes were renewed, however, when I learned that three different social equity applicants like me
	were petitioning the Board for repeal of the rule limiting their potential locations to only one county.
	namely WAC 314-55-570(4)(d). The Board granted all three of these petitions. At least one of those
	petitions, from Casey Calhoun, further requested that the Board "[a]dopt no new rule that conflicts with
	the clear license mobility language of the current law contained in RCW 69.50.335(1)(e)" (from Casey
	Calhoun's petition).
	When those petitions were granted, I started looking elsewhere for a viable location for my retail
	store, including in historically underserved communities in populous counties like Pierce, King, and
	Spokane
	counties. I invested considerable time and resources in researching available locations, contacting
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		be able to use it—or any of the grant money I was relying on—if the rules go into effect as written. It's therefore essential to me, my livelihood, and other social equity applicants in the exact same position that this rule be struck before these rules become final. Instead, the rules should simply align with RCW 69.50.335(1)(e), which states plainly that "all licenses issued under the social equity program under this section may be located in any city, town, or county in the state that allows cannabis retail, cannabis production, or cannabis processing business activities, as applicable, at the proposed location, regardless of: (A) Whether a cannabis retailer license, cannabis producer license, or cannabis processor license was originally allocated to or issued in another city, town, or county and (B) The maximum number of retail cannabis licenses established by the board for each county under RCW 69.50.345." Thank you, Chris Crew
9/9/2024	Marguerite Crew marguerite.crew@gmail.com	I wanted to comment on the CR 102 (Proposed Rule Making) on Social Equity Rulemaking since it's an issue that affects me personally. In partnership with another individual, Brett Walker, I applied for a social equity retail license and was awarded a license opportunity in Lewis County. When I learned my application had been successful, I immediately started looking for a suitable location in that county. I did not restrict myself to any particular area, and searched for spots in Centralia, Chehalis, Toledo, and beyond. I contacted real estate agents for help as well, and we found a number of places.
		However, we found time and again that every spot we considered was not viable for one reason or another. Either it was within 1,000 feet of a restricted entity, did not meet local zoning requirements, or was owned by a landlord who refused to do business with cannabis entities. All the truly viable locations, it seemed, had already been taken by licensees who had gotten set up during the initial round of licensing.
		My hopes were renewed, however, when I learned that three different social equity applicants like me were petitioning the Board for repeal of the rule limiting their potential locations to only one county, namely WAC 314-55-570(4)(d). The Board granted all three of these petitions. At least one of those petitions, from Casey Calhoun, further requested that the Board "[a]dopt no

new rule that conflicts with the clear license mobility language of the current law contained in RCW 69.50.335(1)(e)" (from Casey Calhoun's petition, a copy of which is attached).
When those petitions were granted, I started looking elsewhere for a viable location for my retail store, including in historically under-served communities in populous counties like Pierce, King, and Spokane counties. I invested considerable time and resources in researching available locations, contacting landlords, and even negotiating lease terms. I expected the CR 102 (Proposed Rule Making) on Social Equity Rulemaking to include updated rule language regarding social equity license mobility reflecting the fact that the Board had granted these petitions since the writing of the draft rules last year.
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As a social equity applicant, I applied for and was awarded \$141,729.00 with the condition that the entirety of those funds be used within a year of their awarding. The current rule language limiting social equity license mobility puts me and others like me in an impossible bind, where we can't move forward in our assigned counties due to a complete lack of viable locations, but we also can't afford to wait until 90 days after the license application window closes in 2025 without losing out entirely on the grant money we've been counting on to fund our business start-up in the absence of access to capital or substantial personal funds at our disposal.
Waiting as long as the current draft rule language requires also means losing out entirely on the consulting and mentorship services built into the social equity program, designed to help applicants like me who do not have previous experience in the cannabis business. These services won't be available after June 30, 2025 (or maybe even sooner if all 2,400 allocated hours are used up), which will leave me without any guidance specific to a potential new location, which is when it would be most valuable. I really appreciated the efforts to offer this program, and I'm disappointed to think that I wouldn't be able to use it—or any of the grant money I was relying on—if the rules go into effect as written.
It's therefore essential to me, my livelihood, and other social equity applicants in the exact same position that this rule be struck before these rules became final. Instead, the rules should simply align with RCW 69.50.335(1)(e), which states plainly that "all licenses issued under the social equity program under this section may be located in any city, town, or county in the state that allows cannabis retail, cannabis production, or cannabis processing business activities, as applicable, at the proposed location, regardless of: (A) Whether a cannabis retailer license, cannabis producer license, or cannabis processor license was originally allocated to or issued in

		another city, town, or county and (B) The maximum number of retail car established by the board for each county under RCW <u>69.50.345</u> ."	nnabis licenses
9/10/2024	Casey Calhoun caseydean003@gmail.com	Casey Calhoun, Owner, Canna Craft 7357 30th AVE S.W. Seattle, WA 98126 Email: caseydean003@gmail.com Cell: 907-617-0673 To the Honorable WSLCB Chair, David Postman, the Honorable WSLCB Member, Ollie Garrett, the Honorable WSLCB Member, Jim Vollendroff, and the Honorable Policy and Rules Manager, Cassidy West PO Box 43080 Olympia, WA 98504 Subject: Written public comment on WSR 24-16-130, CR-102, support f Thank you for the opportunity to submit written testimony for your consid Casey Calhoun, I am a recipient of a preliminary letter of approval for a license in Klickitat County. I am writing you to offer my comments on WS specifically in support of the State Wide License Mobility rule change th WSR 24-16-130, CR-102.	deration. My name is Social Equity retail SR 24-16-130 CR-102,
		Thank you to the LCB for listening to stakeholder feedback and writing license mobility for all Social Equity licensees. I urge the board to adopt license mobility, contained in CR-102, into CR-103 for implementation.	

I believe full state wide license mobility is the clear intent of the Social Equity Task Force's Final Report and the change in mobility allowance is further supported in law by the expansion of the Social Equity program with SB 5080. I previously submitted a Petition for Rule Change to the LCB that was accepted for consideration, thank you for considering that petition. I have attached my previous petition to this comment, as it contains my reasoning, belief, and facts regarding this proposed change for license mobility for all Social Equity Applicants.
Page 1 Myself, and other Social Equity applicants, are facing multiple obstacles in securing a location in our respective counties. For my current license location restriction some of my obstacles for securing a location in my allotted county are listed below:
 Klickitat County's population of 22,000, as of the 2020 Census, doesn't have the population to support an additional retail store in the county.] The Whitney Economics Report sites on Page 19 that up to the year 2035 only two (2) retail stores are economically viable in Klickitat County, which are already currently operating. The limited opportunity for two retail stores is also reiterated on Page 5 of
 LCB's "Key Takeaways: Whitney Economics Report". The Klickitat County Board of Commissioners has placed a moratorium ban in the county on cannabis retail stores, leaving only three small towns, Goldendale, Bingen, and White Salmon.
 These towns have extremely limited access to commercial retail spaces for lease, combined with distance setbacks, securing a location in the county is extremely challenging.
 A third store was in operation, "Bud Hut" centrally located in Klickitat County on HWY 14 but closed in approximately 2021, after producing low gross monthly sales, which did not make it financially viable.
Adopting the License Mobility language currently contained in CR-102 would greatly benefit all Social Equity applicants, adding more economic viability, with more location options. This mobility will allow all Social Equity applicants a greater chance of success in the well-established and highly competitive retail market.

		 Furthermore, I believe granting license mobility to all Social Equity Applicants will satisfy the change in statue from SB 5080, now codified in RCW 69.50.335(1)(e), as well as, meeting the recommendations from the Social Equity Task Force's Final Report. I would like to thank the LCB, board members and staff, who throughout the creation and implementation of this new Social Equity Program, have engaged with the public through numerous comment periods, surveys, and board meetings, with exemplary patience and dedication to stakeholder feedback and the creation of the Social Equity Program. Thank you.
		Respectfully, Casey Calhoun Owner, Canna Craft
		Page 2 Attached below:
		Calhoun Petition for Adoption and Repeal Comments
9/10/2024		I wanted to comment on the CR 102 (Proposed Rulemaking) on Social Equity Rulemaking since it's an issue that affects me personally. As someone who was previously affected by systemic discrimination and War on Drugs, I applied for a social equity retail license and was awarded a license opportunity in Clark County.
	Goliath Pines goliathpines@gmail.com	I then learned that three different social equity applicants like me were petitioning the Board for repeal of the rule limiting their potential locations to only one county, namely WAC 314-55-570(4)(d). The Board granted all three of these petitions. At least one of those petitions, from Casey Calhoun, further requested that the Board "[a]dopt no new rule that conflicts with the clear license mobility language of the current law contained in RCW 69.50.335(1)(e)" (from Casey Calhoun's petition, a copy of which is attached).
		When those petitions were granted, I didn't give up on finding a spot in Clark County, but I also started looking elsewhere for a viable location for my retail store, including in historically underserved communities in populous counties like Pierce, King, and Spokane counties. I

invested considerable time and resources in researching available locations and contacting landlords. I expected the CR 102 (Proposed Rulemaking) on Social Equity Rulemaking to include updated rule language regarding social equity license mobility reflecting the fact that the Board had granted these petitions since the writing of the draft rules last year.
Instead, the same language has carried over, as follows: "Effective 90 days after the license application window closes in 2025, social equity applicants, who applied under chapter 236, Laws of 2020, and are unable to secure a location in the county where the license is allocated, may locate the initial license location to any city, town, or county in the state of Washington." This rule directly contradicts Casey Calhoun's request in his petition that the Board "[a]dopt no new rule that conflicts with the clear license mobility language of the current law contained in RCW 69.50.335(1)(e)," which the Board granted without qualification.
As a social equity applicant, I applied for and was awarded \$141,729.00 with the condition that the entirety of those funds be used within a year of their awarding. The current rule language limiting social equity license mobility puts me and others like me in an impossible bind, where we can't move forward in our assigned counties due to a complete lack of viable locations, but we also can't afford to wait until 90 days after the license application window closes in 2025 without losing out entirely on the grant money we've been counting on to fund our business start-up in the absence of access to capital or substantial personal funds at our disposal.
Waiting as long as the current draft rule language requires also means losing out entirely on the consulting and mentorship services built into the social equity program, designed to help applicants like me who do not have previous experience in the cannabis business. These services won't be available after June 30, 2025 (or maybe even sooner if all 2,400 allocated hours are used up), which will leave me without any guidance specific to a potential new location, which is when it would be most valuable. I really appreciated the efforts to offer this program, and I'm disappointed to think that I wouldn't be able to use it—or any of the grant money I was relying on—if the rules go into effect as written.
It's therefore essential to me, my livelihood, and other social equity applicants in the exact same position that this rule be struck before these rules become final. Instead, the rules should simply align with RCW 69.50.335(1)(e), which states plainly that "all licenses issued under the social equity program under this section may be located in any city, town, or county in the state that allows cannabis retail, cannabis production, or cannabis processing business activities, as applicable, at the proposed location, regardless of: (A) Whether a cannabis retailer license, cannabis producer license, or cannabis processor license was originally allocated to or issued in another city, town, or county and (B) The maximum number of retail cannabis licenses established by the board for each county under RCW <u>69.50.345</u> ."

		Attachment: Calhoun petition
9/10/2024		I wanted to comment on the CR 102 (Proposed Rulemaking) on Social Equity Rulemaking since it's an issue that affects me personally. In partnership with another individual, Sonereka Dupree, I applied for a social equity retail license and was awarded a license opportunity in Clark County.
		I then learned that three different social equity applicants like me were petitioning the Board for repeal of the rule limiting their potential locations to only one county, namely WAC 314-55-570(4)(d). The Board granted all three of these petitions. At least one of those petitions, from Casey Calhoun, further requested that the Board "[a]dopt no new rule that conflicts with the clear license mobility language of the current law contained in RCW 69.50.335(1)(e)" (from Casey Calhoun's petition, a copy of which is attached).
	David Sanders	When those petitions were granted, I didn't give up on finding a spot in Clark County, but I also started looking elsewhere for a viable location for my retail store, including in historically underserved communities in populous counties like Pierce, King, and Spokane counties. I invested considerable time and resources in researching available locations and contacting landlords. I expected the CR 102 (Proposed Rulemaking) on Social Equity Rulemaking to include updated rule language regarding social equity license mobility reflecting the fact that the Board had granted these petitions since the writing of the draft rules last year.
	david@thclawfirm.com	Instead, the same language has carried over, as follows: "Effective 90 days after the license application window closes in 2025, social equity applicants, who applied under chapter 236, Laws of 2020, and are unable to secure a location in the county where the license is allocated, may locate the initial license location to any city, town, or county in the state of Washington." This rule directly contradicts Casey Calhoun's request in his petition that the Board "[a]dopt no new rule that conflicts with the clear license mobility language of the current law contained in RCW 69.50.335(1)(e)," which the Board granted without qualification.
		As a social equity applicant, I applied for and was awarded \$141,729.00 with the condition that the entirety of those funds be used within a year of their awarding. The current rule language limiting social equity license mobility puts me and others like me in an impossible bind, where we can't move forward in our assigned counties due to a complete lack of viable locations, but we also can't afford to wait until 90 days after the license application window closes in 2025 without losing out entirely on the grant money we've been counting on to fund our business start-up in the absence of access to capital or substantial personal funds at our disposal.
		Waiting as long as the current draft rule language requires also means losing out entirely on the consulting and mentorship services built into the social equity program, designed to help applicants like me who do not have previous experience in the cannabis business. These services won't be available after June 30, 2025 (or maybe even sooner if all 2,400 allocated

		hours are used up), which will leave me without any guidance specific to a potential new location, which is when it would be most valuable. I really appreciated the efforts to offer this program, and I'm disappointed to think that I wouldn't be able to use it—or any of the grant money I was relying on—if the rules go into effect as written.
		It's therefore essential to me, my livelihood, and other social equity applicants in the exact same position that this rule be struck before these rules become final. Instead, the rules should simply align with RCW 69.50.335(1)(e), which states plainly that "all licenses issued under the social equity program under this section may be located in any city, town, or county in the state that allows cannabis retail, cannabis production, or cannabis processing business activities, as applicable, at the proposed location, regardless of: (A) Whether a cannabis retailer license, cannabis producer license, or cannabis processor license was originally allocated to or issued in another city, town, or county and (B) The maximum number of retail cannabis licenses established by the board for each county under RCW <u>69.50.345</u> ."
9/11/2024	Paul Brice pbrice168@gmail.com	My comment is on rubric scoring. The misuse and abuse of attorneys filing for multiple participants pairing them with little to no true ownership of the license. This needs to be addressed and additional points need to be awarded to a sole proprietor/single individual has to have more merit value than piecing together people to misuse misrepresent ownership to obtain licenses. Paul Brice