



Washington State Liquor and Cannabis Board

Social Equity Program Updates **January 12, 2022**

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Washington State Liquor and Cannabis Board

Social Equity Program

- State law limits the LCB to only re-issue retail licenses to social equity applicants that have been forfeited, revoked, cancelled or not previously issued. Currently, there are 39 licenses available.
- The LCB does not have the authority to increase the number of retail licenses for the Social Equity Program, this must be done by the legislature.
- The Social Equity Task Force was created to provide the LCB with recommendations on how to implement the program.
- LCB rulemaking is required to legally issue social equity licenses.



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LCB Social Equity Task Force Support and Community Feedback

- Agency Staff attended all Social Equity Task Force Meetings
 - Provided presentations and have staff dedicated to answer questions for the Task Force on LCB regulatory authority and the cannabis licensing process
- Weekly Meetings with Task Force Staff
 - Provided data and support to answer questions
- Community feedback drove action items



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Cannabis Social Equity Webpage – Launched July 2021

- Social Equity Program Overview
- Licensing Resources
 - Business Structures, Local Requirements, Location Restrictions, Real Property, Security and Floor Plan Examples, etc.
- Community Engagement
 - Online Submission Forum
- Resources
 - Agency partners, laws/rules, business start-up

Cannabis Social Equity



Governor Inslee signed E2SHB 2870 into law opening a new chapter for Washington's cannabis industry. Social equity in cannabis legislation, introduced by Rep. Eric Pettigrew at the request of the Liquor and Cannabis Board (LCB) took effect June 12, 2020.

LCB has a fact sheet about the new law, which can be found [here](#).

Future updates on the progress of social equity in cannabis will be added here.

Submit Your Questions

The LCB is dedicated to providing resources and useful information for social equity applicants. Please send your questions or suggestions for information you would like to see on our site. We will respond directly to your inquiry and include questions and responses in the FAQ section.

After clicking on preview, you will have the option to send your question(s).

Name (optional)

Phone (optional)



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Criminal History Rule Changes – Effective October 2, 2021

The goal was to reduce any unintentional barriers to entry into the legal cannabis market. Some areas of focus were:

- Easing conviction allowances and time considered;
- Removing the point system and penalties for non-disclosure; and
- Including our internal review process and considerations so an applicant is not discouraged from applying.



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Licensing Process Improvements

As staff heard from the community our goal was to take the feedback and evaluate all of our current application processes, including:

- Outreach to other States;
- Evaluating our application processes to allow more flexibility and identifying barriers;
- Identifying work that the Licensing Specialist can assume or assist with;
- Providing resources for an easier connection with our partner agencies;
- Creating letters for applicants to assist with local jurisdictions or property owners; and
- Planning outreach and education for potential applicants.



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State Outreach

Licensing staff reached out to the following states that had implemented successful social equity cannabis programs: Colorado, Los Angeles County, and Massachusetts

Some of the questions addressed, included:

- Identifying barriers encountered;
- Social equity criteria;
- If requirements were validated;
- Third Party Reviewer;
- Best practices around implementation;
- Educational and training opportunities; and
- Any legal challenges.

Social Equity Overview of Colorado, Los Angeles, and Massachusetts	
Application Window:	
Question 1:	How long was the application window open?
Colorado	Indefinitely.
Los Angeles	For retail, Phase 3 Retail Round 1 (P3RR1) was open for 2 weeks from 9/3/2019 - 9/17/2019. Uncapped licenses (Delivery, Distribution, and Manufacturing) have been open since 10/20/2020.
Massachusetts	There are open Cohorts that allow applicants to apply for 3-4 months. On June 21, 2021, Massachusetts opened their third Cohort and the window closed November 15, 2021. Looking at opening a cohort annually.



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Rulemaking

- Why is rulemaking necessary?
 - LCB cannot legally issue social equity licenses without first adopting rules necessary to implement the program.
 - State law requires further definition in rule to be implemented.
- LCB Social Equity in Cannabis Rule Project Team
 - Consider new rules and changes to current rule.
 - Subgroups developed to focus attention on Application Scoring, and Process and Procedures.
- Rulemaking process
 - CR-101 filed October 27, 2021
 - Next Steps –
 - Hold Listen and Learn Session
 - File CR-102



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (October 2017)
(Implements RCW 34.05.310)
Do **NOT** use for expedited rule making

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: October 27, 2021
TIME: 10:54 AM

WSR 21-22-042

Agency: Washington State Liquor and Cannabis Board

Subject of possible rule making: Chapter 314-55 WAC. The Washington State Liquor and Cannabis Board (WSLCB) is considering new rules in response to future recommendations of the Social Equity in Cannabis Task Force, and changes to current rule that will reduce barriers to entry in the legal cannabis market. Additional rules specifically related to this topic may be amended or created as necessary to accomplish the overarching goal of this project.



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Preparing the Agency for Change

The LCB has developed an internal workgroup to prepare to license Social Equity applicants and implement the recommendations of the Task Force.

Topics include:

- Rules and policy
- Contracts
- Information sharing
- Consistent communications across the agency

