

Social Equity in Cannabis Task Force
Licensing Workgroup: Progress Update
July 2021

Background and Workgroup Scope

As required by statute, the Social Equity in Cannabis Task Force's (SECTF) Licensing Workgroup will lead in assisting the SECTF in making recommendations related to any potential new cannabis license types (e.g., delivery, limited direct sales, etc.). In addition, the SECTF has heard clearly and repeatedly from the community, and Task Force and Licensing Workgroup members have concurred, that the current allotment of licenses available for the retail cannabis social equity program is insufficient to redress the harms faced by Black, Indigenous, and Communities of Color as a result of disproportionate cannabis prohibition enforcement or to promote equity in the industry. Therefore, the Licensing Workgroup has prioritized proposing recommendations for the SECTF's consideration related to the number of retail licenses that should be available for the retail cannabis social equity program. The Licensing Workgroup is also aware of significant barriers that future social equity retail license holders will face in securing store locations in their communities. Therefore, the Licensing Workgroup also intends to discuss and possibly propose recommendations related to local jurisdictional bans and moratoriums, statewide buffering requirements, or other barriers to siting.

Licensing Workgroup Meetings and Membership

- The Licensing Workgroup has met twice—April 21 and June 30, 2021.
 - While the issues the Licensing Workgroup will be leading are incredibly important, limited staff capacity has thus far been prioritized toward the Disproportionately Impacted Communities and Technical Assistance & Mentorship Workgroups as they need to work on the time-sensitive recommendations to the Liquor and Cannabis Board and Department of Commerce to stand up the retail cannabis social equity program and technical assistance and grant program, respectively.
- The Licensing Workgroup has 10 members, including representation from the SECTF, industry, and community. In addition to workgroup members, dozens of community members and other interested partners have joined and participated in workgroup meetings.

Progress Update

- To inform its work broadly, the Licensing Workgroup received a briefing and information on best practices and lessons learned from other state's social equity programs.
- The Licensing Workgroup discussed and broadly agreed that the current allotment of licenses set aside for the retail cannabis social equity program is insufficient to redress harm and promote equity. This agreement was informed by an intentional review and discussion of available data and information:
 - Washington State population growth from 2013 to 2020.
 - Preliminary information that violent crime has not changed in significant ways since cannabis legalization nor have traffic fatalities significantly increased.
 - The number of retail stores per capita in Washington State compared to other states with both adult recreational and medical use regulated programs.
 - Dramatic growth in cannabis retail sales and excise taxes from 2015 to 2020.
 - Contributions from the industry, including jobs and tax revenue.
 - Current active retail licenses by race/ethnicity of majority or equal interest owners.
 - Cannabis possession arrest rates by race/ethnicity.
- The Licensing Workgroup does not yet have guidance on how many additional retail licenses should be allocated. Some members suggest the number shouldn't be arbitrary but instead informed by need and interest from the community.