

Social Equity in Cannabis Task Force
Licensing Workgroup
June 30, 2021

Retail License
Allotments:
Statutory
Requirements
and Other
Considerations

Statutory Authority

- **RCW 69.50.345** – LCB has authority to determine the number of retail outlets licensed in each county (consideration to population distribution)
- **RCW 69.50.335** – LCB has authority to open retail license applications for social equity applicants (unused, current allotments)
- **RCW 69.50.336** – Any recommendation of the SECTF to increase the number of retail outlets must be approved by the legislature.

Key Takeaway:

Legislative action is required to increase retail license allotments specifically for the social equity program

How does LCB determine the number of Licenses?

RCW 69.50.345(2) – LCB authority to determine how many retail outlets may be licensed:

(2) Determining, in consultation with the office of financial management, the maximum number of retail outlets that may be licensed in each county, taking into consideration:

(a) Population distribution;

(b) Security and safety issues;

(c) The provision of **adequate access** to licensed sources of marijuana concentrates, useable marijuana, and marijuana-infused products **to discourage purchases from the illegal market**; and

(d) The number of retail outlets holding medical marijuana endorsements necessary to meet the **medical needs** of qualifying patients.

WA State Population Growth

Year	Total Washington State Population
2013	6,882,400
2020	7,656,200 (11% increase from 2013)

Source:

Office of Financial Management. Small Area Demographic Estimates. Accessed at:

<https://ofm.wa.gov/washington-data-research/population-demographics/population-estimates/estimates-april-1-population-age-sex-race-and-hispanic-origin>

Security and Safety

- **Crime:** “...violent crime has neither soared nor plummeted in the wake of marijuana legalization”. Source: CATO Institute, the Effect of State Marijuana Legalizations: 2021 Update.
- **Traffic Accidents:** “...limited overall evidence the fatalities are significantly increasing in Colorado and Washington following the legalization of recreational marijuana”. Source: National Bureau of Economic Research Working Paper 24417, March 2018.

Retail Stores per Capita

State (Adult & Medical Use Regulated Programs)	Stores per 100,000 population
Washington (2012)	6.2
Oregon (2014)	16.5
Montana (2020)	15.1
Colorado (2012)	14.1
Alaska (2014)	12.7
New Mexico (2021)	5.2
Nevada (2016)	2.4
Michigan (2018)	1.7
California (2016)	1.6
Arizona (2020)	1.4
Vermont (2018)	1.1
Massachusetts (2016)	1.0
Washington D.C. (2014)	0.9
Maine (2016)	0.6
Pennsylvania (2016)	0.6
Illinois (2019)	0.4
New York (2021)	0.2
New Jersey (2020)	0.1

Sources:

United States of Weed. Accessed at: <https://www.verilife.com/blog/united-states-weed#>

Cannabis Overview. National Conference of State Legislatures. Accessed at: <https://www.ncsl.org/research/civil-and-criminal-justice/marijuana-overview.aspx>

Retail Sale /Excise Tax *In Millions

Year	Retail Sales	Excise Tax
FY15	\$258.4	\$64.6
FY16	\$502.9	\$186.1
FY17	\$851.9	\$315.2
FY18	\$978.4	\$362.0
FY19	\$1,055.1	\$390.4
FY20	\$1,268.0	\$469.2

Excise Tax rate = 37%

Contributions from the Industry

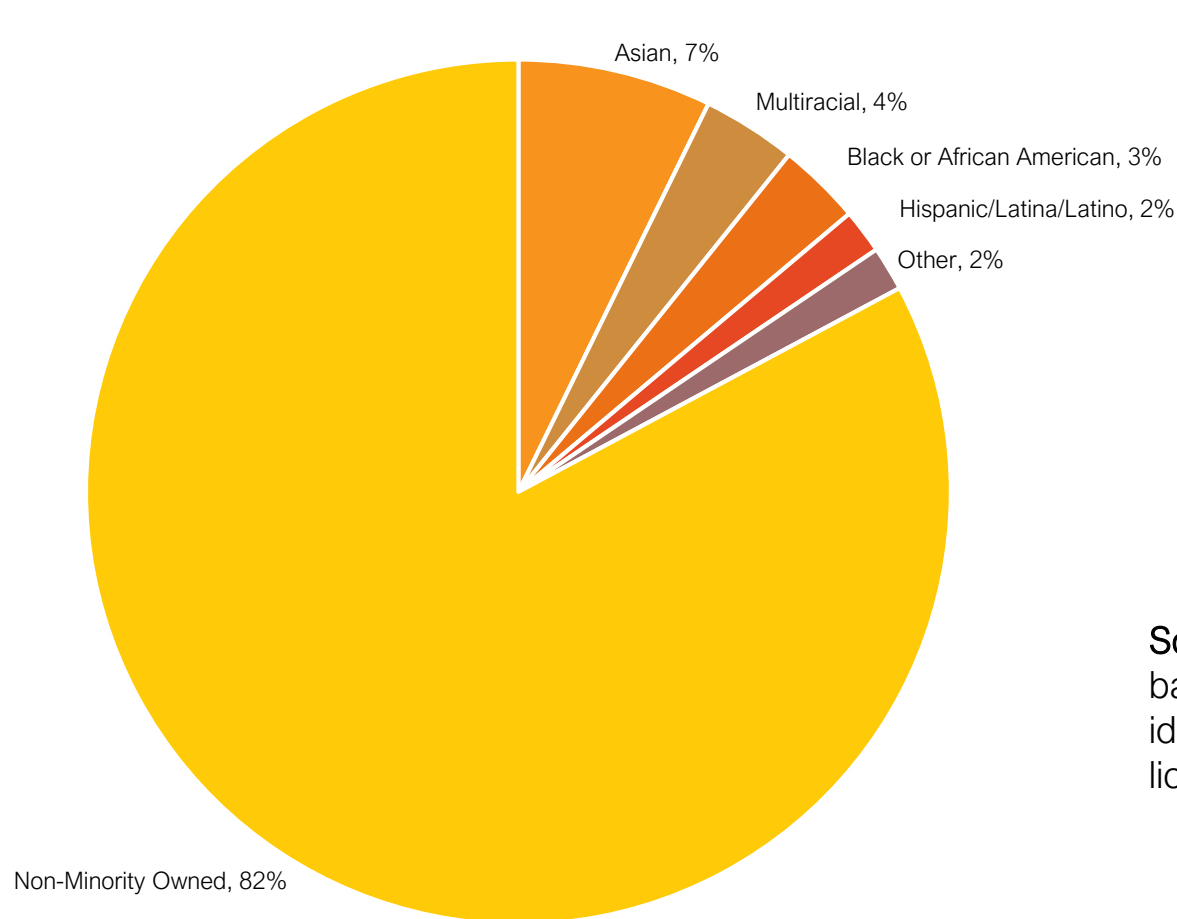
- 18,700 full time equivalent jobs
- \$468.81 million state tax revenues from direct cannabis retail sales in 2020
 - \$415.28 million from liquor and alcohol sales
 - \$383.55 million from cigarette, tobacco, vapor product sales
- How is cannabis tax revenue spent in Washington State?
 - Health Care (58%)
 - State General Fund (33%)
 - Local governments, education/prevention, licensing/enforcement, research and testing

Sources:

WSU IMPACT Center.
2020 Contributions of
the Washington
Cannabis Sector.

Crosscut. How \$1
billion in pot taxes gets
spent in Washington
State.

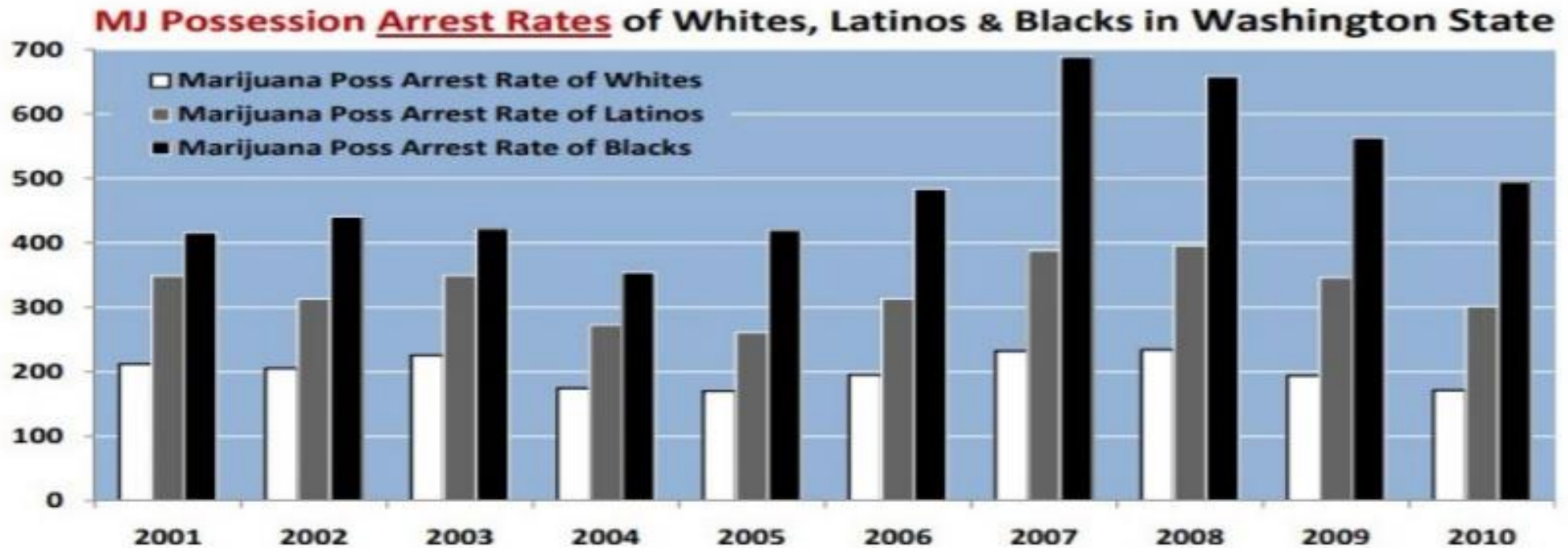
Retail Licensees by Race/Ethnicity



Other	
Hispanic/Latina/Latino and Multiracial	0.62%
Native Hawaiian or Pacific Islander	0.41%
Asian and Multiracial	0.41%
Unknown	0.41%
American Indian or Alaska Native	0.21%

Source: Washington State Liquor and Cannabis Board. Categories based on U.S. Census Bureau Definitions. Data represents self-identified race of majority or equal interest owners of the 485 active licenses on January 2, 2020.

Cannabis Possession Arrest Rates





To request this document in an alternate format, please contact Kelie Kahler, Washington State Board of Health Communication Manager, at 360-236-4102, or by email at

kelie.kahler@sboh.wa.gov

TTY users can dial 711