


**SOCIAL
EQUITY IN
CANNABIS
TASK FORCE
PROPOSALS**



NOVEMBER 16, 2021

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

Category	Criteria Elements	Point Scale
Eligibility Criteria	1. Lived in a Disproportionately Impacted Area (DIA)	50
	1a. How long have you lived in a DIA (6m-5y)= 5pts, (5y-10)= 10pts, (10+years) =20pts	20
	2. Convicted of a drug offense (self)	5
	2a. Convicted of Cannabis Offense? (Self)	10
	3. Convicted of a drug offense (Family)	5
3a. Convicted of Cannabis Offense (Family)	5	
4. Black (150pts), Hispanic (50pts), Native American (25pts) **Based on arrest rates ratios from (240,000 Marijuana Arrests Costs, Consequences, and Racial Disparities of Possession Arrests in Washington, 1986-2010, Marijuana Arrest Research Project	150	
Eligibility Criteria Weight % of overall Scoring		54% (245pts)
Social Equity Plan Elements	1. Affirm social equity status and 51% (Majority) ownership and controlling interest?	100
	2. Affirm being issued a license will further equity goal	15
	3. Personal or family history with criminal legal system	5
	3a. Did you or your family member's incarceration keep you from getting employment?	5
	3b. Did you lose custody of your children? or separation from your family?	5
3c. Did you lose your home or your ability to purchase a home or rent a home?	5	
Social Equity Plan Elements Weight % of overall Scoring		30% (135pts)
Business Plan	1. Executive summary, vision and mission? a. Employment and labor practices	65
	2. Do you have a previous cannabis business experience that would make your business more viable?	5
Business Plan Elements Weight % of overall Scoring		16% (70pts)
Other Priority Criteria	1. Do you want to apply for the Technical Assistance Grant and how much do you need?	No Points
	3. Do you have ownership of a current license, what percentage?	No Points
Other Priority Weight % of overall Scoring		0% (0pts)
Total Score:		450

DISPROPORTIONATELY IMPACTED AREAS WORKGROUP

AGENDA ITEM 3: WORKGROUP PROPOSAL

Application Process

(Green) Are additions to the current Liquor & Cannabis Board licensing process.

30-60 day application window (Closed)

1. Social Equity Applicant seeks mentorship (optional)
2. Applicant submits Business License Application (Department of Revenue)
3. **Applicant submits social equity plan to Social Equity Contractor (3rd Party)**
 - a. **double-blind lottery as tie breakers (If Necessary)**
4. **Applicant is given Preliminary letter of approval**
5. Liquor & Cannabis Board conducts Criminal History/Finger Printing
6. Liquor & Cannabis Board conducts Financial Review
7. **Applicant can apply for grants with department of Commerce (If Necessary)**
8. **Liquor & Cannabis Board conducts Location Review** (~~12 Months Window with option to extend 6 months if necessary~~)
9. Liquor & Cannabis Board Security Inspection
10. Liquor & Cannabis Board Applicant is invoiced for fees
11. Liquor & Cannabis Board issues license and Department of Revenue is notified
12. Municipality rules and regulations process passed before operation.

DISPROPORTIONATELY IMPACTED AREAS WORKGROUP

AGENDA ITEM 3: WORKGROUP PROPOSAL

Social Equity Contractor (3rd Party)

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

Double-Blind Lottery (3rd party)

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

Preliminary letter of approval

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

DISPROPORTIONATELY IMPACTED AREAS WORKGROUP

AGENDA ITEM 3: WORKGROUP PROPOSAL

6 months for applicant to secure location with optional 6-month extension

This allows the applicant 6 months (with optional 6-month extension) to secure a location. The Liquor & Cannabis Board will give the Social Equity Applicant a window to search for a location. The Social Equity Case Manager will monitor that applicant was given full time to secure location.

Social Equity Case Manager

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

Definition of Family

The Social Equity Applicant (SEA) workgroup is looking to define 'Family' in eligibility option 2 by using the definition from HB2614 passed in 2021 Legislative Session- Paid Medical Family Leave.

The rationale behind this is that WA lawmakers have already agrees that family should be defined in a broad sense across the state. And the workgroup members agree.

The individuals who suffered the most from the War on Drugs lost their mothers and fathers through mass incarceration. Often in these events, individuals had to create kin or de facto relatives who were family without biological ties.

DISPROPORTIONATELY IMPACTED AREAS WORKGROUP

AGENDA ITEM 3: WORKGROUP PROPOSAL

New Proposals to the application process for Social Equity Applicants

1. Contract w/ Social Justice and Racial Equity organization (3rd party)
2. Double-blind tie breakers (if Necessary)
3. Preliminary letter of approval from case manager
4. 6 months for applicant to secure location with optional 6-month extension
5. Social Equity Case Manager (Within Liquor Cannabis Board) to ensure equity standards are met and to help guide applicants during the process.

TECHNICAL ASSISTANCE & MENTORSHIP WORKGROUP

AGENDA ITEM 4: WORKGROUP PROPOSAL

50% of all cannabis tax revenue to community reinvestment.

- Financial assistance awards will be funded by transferring **10%** of the cannabis tax revenue to the cannabis social equity grant program.
- To reserve **5%** of the cannabis tax revenue for low interest loans for licensees who meet the social equity definition
- Remaining **35%** to Disproportionally Impacted Areas for programming: Faith-based organizations **and** Non-profits ~~and individual~~ to provide these services.
- Education, Housing, Small business, Economic Development, College scholarships, Digital Equity, Food Insecurity, Mental Health, Health Care, Job Training, Employment Opportunity, Gun Violence Prevention, Drug Prevention, Research, Child welfare.