

**Summary of Public Comments from the Washington State Liquor and Cannabis Board's Social Equity Events (9/29, 10/5, and 10/12) – For Discussion Purposes Only**  
October 26, 2020

**Elements necessary to build trust in the Social Equity in Cannabis Task Force (SECTF):**

- 1) Transparency in all aspects of the SECTF's work.
  - a. Who is involved? What are their views on social equity?
  - b. What information is presented? How are decisions made? When will decisions be made? How will community feedback be implemented?
- 2) Efficiency in developing the Social Equity Program recommendations. (This work is already years late.)
  - a. What recommendations can the Liquor and Cannabis Board (LCB) act on prior to the SECTF completing its work?
  - b. How can the SECTF support LCB in implementing rulemaking as swiftly as possible?
- 3) A Community Panel to advise the SECTF (and LCB) in decision-making.

**Retail Cannabis Licenses**

- 4) Allow existing Title Certificates, which guarantee the right to a license in a specific jurisdiction, to be moved if the title holder(s) has (have) been unable to open due to local restrictions.
  - a. Specifically, Title Certificate holders harmed by local jurisdiction prohibitions and restrictions on retail cannabis should be allowed to move their right to a license to a jurisdiction where they can operate.
  - b. It is unnecessary to wait for the establishment of the Social Equity Program to move this recommendation forward.
- 5) Allow for additional cannabis retail licenses going forward.
  - a. Establish a process to address limited retail ownership by People of Color even in communities where they live.
  - b. Desire to own and operate businesses in their own communities.
- 6) Create specific opportunities for those who owned medical dispensaries (including collectives and co-ops) to obtain retail licenses.
  - a. These industry pioneers built the foundation of the recreational cannabis industry and should be able to participate and build generational wealth for their families. These business owners lost opportunities due to the roll-out of Initiative 502 (I-502) and subsequent passage of Senate Bill 5052, Establishing the cannabis patient protection act, which required the merger of the medical and recreational licensing systems.
    - i. Owners received clear notification that medical dispensaries had to shut down.

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- ii. LCB did not clearly notify medical dispensary owners of the steps necessary to participate in the recreational market in a timely manner.
- b. Provide opportunities for former medical dispensary owners who previously submitted Priority 1 Applications to be awarded a license.

### **Social Equity Program**

- 7) Social Equity Applicant requirements need to be designed with consideration of how gentrification has changed the population in areas that were previously subject to disproportionate enforcement of cannabis prohibition.
- 8) Establish safeguards so that the Social Equity Program cannot be gamed by applicants who would not otherwise qualify for the program.
  - a. Consider requirements which prevent a qualifying Social Equity Applicant from being bought out by non-qualifying business partners.
  - b. Consider criteria which protect the Social Equity Applicant(s) from predatory investors.
- 9) Consider elements of a Social Equity Program that could be extended beyond retail licensing:
  - a. Producer and/or processor licensing
  - b. Vertical integration

### **Technical Assistance Grant Program (Washington State Department of Commerce; \$1.1 Million annually)**

- 10) Allow funds to be directed toward non-profits providing wrap around services and resources to cannabis retailers.
  - a. Offer participation and development in ways beyond retail ownership.
- 11) Direct technical assistance contracts to People of Color contractors.
- 12) Promote an equitable grantmaking process (e.g., make sure communities are aware of the grant; are supported during the application process; have multiple avenues by which to apply – such as interviews; and receive support during the grant implementation process).

### **Financial Opportunities**

- 13) Create opportunities to entice potential investors:
  - a. Allow the possibility of vertical integration
  - b. Offer a tax break for a certain period-of-time
  - c. Allow out-of-state investment

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- 14) Create opportunities to address inequities related to industry purchasing practices and buying power (i.e., minimum purchase amount) that pose barriers to smaller retail licensees:
  - a. Vertical integration could allow smaller retailers to sell products they produce
  - b. Options for collective purchasing power

### **LCB Accountability**

- 15) Create a permanent Stakeholder/Community Review Board for LCB enforcement activities.
- 16) Identify actions LCB can take to repair the damage it has done to communities.
  - a. Provide an opportunity for community members to share their personal stories in full.