



**Draft Minutes of the Social Equity in Cannabis Task Force
Licensing Workgroup
February 24, 2022
Virtual Meeting**

Workgroup Members Present:

Monica Martinez, Co-Lead
Micah Sherman, Co-Lead
Mike Asai
Jim Buchanan

Ollie Garrett
David Mendoza
Emijah Smith

Workgroup Members Absent:

TaeAnna Holiday
Angel Joi Swanson

Crystal Oliver
Joy Hollingsworth

Guests and Other Participants:

Throughout the meeting, approximately 24 members of the public joined and participated. The workgroup thanks all of those who attended and shared their time, expertise, and lived experience to help shape this important work.

Staff Support:

Anzhane Slaughter
Lauren King

Crystal Ogle

Call to Order

Monica Martinez, Co-Lead, called the public meeting to order at 1:00 p.m. and read from a prepared statement (on file). Anzhane Slaughter, Staff shared the Zoom protocol, conversation norms, and reviewed the agenda. Micah Sherman, Co-Lead facilitated introductions of members who were absent last meeting. In addition to workgroup members, Sharon Swanson, Task Force Member, Jim Makoso, Task Force Member, Michelle Merriweather, Task Force Member, and Paul Brice, Advisory Member were present.

1. Legislative Update

Micah Sherman, Co-Lead provides the workgroup a legislative update on HB 2022. Rep. Emily Wicks advanced the bill which were many recommendations from this workgroup. HB 2022 has not met required cutoffs to continue to advance and for all

intents and purposes is not moving forward. He then opens it up for workgroup member comment.

Workgroup members discuss possibilities of some parts of the bill being taken up into other bills being moved forward, but generally are disappointed, frustrated and angry. Workgroup members have varying opinions as to why the bill died and how they need to move forward. Workgroup members express feeling discouraged and consider if their opinions are even being heard and listened to. After emotional testimony, Micah moves onto the next agenda item.

2. Review 2021 Workgroup Recommendations

Micah Sherman, Co-Lead reviews the 2021 Workgroup Recommendations which included:

1. Recommendation on Cannabis Excise Tax Local allocation:

- a. That 5-7% of the current 37% excise tax rate be distributed directly to the local municipality where the sale takes place. We recommend this to replace the current fixed fund and distribution model that exists in RCW 69.50.540

Micah then opens floor for workgroup member comments and questions, being none, he moves onto the second recommendation.

2. Recommendation on Producer Licenses

- a. That at least 200 new producer licenses be created and allocated to social equity licensees between now and 2029
 - i. As new paths to market are opened the economic space for these licenses to be successful will increase as should the number of licenses being issued.
 - ii. In the allocation of these licenses over time, agencies should consider market conditions for existing producers in order to ensure that these licenses are being allocated at a time when they are able to be successful. The goal of this recommendation is not to directly tie new licenses to certain metrics but to be cognizant of how difficult being a successful grower is right now. The goal here should be to issue these licenses at a time where they can be successful.

Micah then opens floor to workgroup member questions and comments. Some workgroup members expressed concern that HB 2022 had too much ask bundled into it; others disagreed. A suggestion to reconsider the ask and have it focus on the number of retail licenses currently available or that the Liquor Cannabis Board (LCB) feels can make it through is heard but met by some opposition. There is disappointment that the mobility aspect of Social Equity licenses isn't moving forward, as members feel doing so would have created better opportunity. After member comment, Micah moves on to the third recommendation.

3. The task force should recommend to the legislature that at minimum 300 additional social equity retail licenses should be created and issued with multiple licensing windows between in 2022 and 2029

Micah opens the floor to workgroup member comments and questions. Workgroup members discuss that current retail owners are against having more licensed retail stores, due to competition. They discuss possibilities of study monies being put into the senate budget bill to study the health and capacity of the retail cannabis market but come to the realization that the study won't be complete by the time recommendations are due. Some members feel moving forward with 50 retail licenses, as the LCB thought would be realistic, is best. Other members don't want to settle for a small amount and argue that 50 was a number picked without rationale. A suggestion is made to remove buffer zones from recommendations because municipalities can change buffer zones themselves. Micah explains due to time, they have to move on from this item. He suggests they break and after break, come back to discuss new licenses.

4. All social equity retail licenses and current title certificate holders who fit the social equity definition can be in any municipality that allows for the siting of additional retail licenses.

- a. This would not preempt local restrictions but simply give flexibility to the licensee to locate where they are able, and an open jurisdiction allows it.

This item is tabled for further discussion at a future meeting

5. Social equity goal: 50% of total licenses should be owned by social equity applicants.

This item is tabled for further discussion at a future meeting

3. Discussion – Non-Storefront retail license types

Monica Martinez, Co-Lead begins the discussion by reviewing the delivery license presentation given back on November 10th, 2021 to the workgroup (on file) and provides an overview of the types of non-storefront retail licenses including: Non-storefront retail with storage location and a Peddler's license (individual operator version of delivery license, same concept as delivery but at a different scale, low barrier to entry). Monica then opens it up for workgroup discussion.

Micah Sherman, Co-Lead opens discussion asking for a list of most important points that the recommendations should address and opens the floor to workgroup members. Some suggestions and considerations included: Delivery only in places with bans or moratoriums, not being attached to a single storefront (uber eats model) – not preferred but easier pivot, no direct sales from vehicles, home/hotel (private establishment) delivery only, they also discussed if existing store owners should be included, but didn't come to a consensus. Safety for non-storefront retailers was another point. Some safety ideas discussed included, traceability/tracking, unmarked vehicles, drivers allowed to carry firearms, payment: cash, card or both – one suggestion to wait until non storefront could be cashless, having a delivery database with birthdates, addresses on file and customers preregistered, vehicle lock box, and two-person crew per vehicle. Before transitioning the discussion, Micah invites representatives from the LCB to weigh in. The LCB has no set position on delivery

licenses but are supportive of more than just retail and producer/processor licenses. They believe there will be concern around youth access and oversight components of new licenses and that's something the workgroup may take into consideration. COVID brought changes to liquor and alcohol rules, and there will be new data and observations from that. The question the LCB considers is can people have access to restricted products in a safe manor.

Micah Sherman, Co-Lead then opens the floor to public comment which includes a reminder that the workgroup shouldn't look at limiting people from getting into the market, not to place unnecessary barriers and to advise licensees of things, but don't require it of them.

With no further comment from public or workgroup members, Micah asks to move onto closing.

Next Steps

Monica Martinez, Co-Lead, asks Anzhane Slaughter, Staff to go over Next Steps. Community Reinvestment/Workforce Training Workgroup meets March 10th 2-5 pm, Licensing Workgroup meets again on March 17th 1-4 pm
Anzhane encourages people to join our distribution list to stay in the know.

Adjournment

Monica Martinez, Co-Lead thanked everyone for coming and adjourned the meeting at 3:49 p.m.

To request this document in an alternate format or a different language, 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.

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