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**DRAFT** Report to the Washington  
State Governor and Legislature

December 9th, 2022

## SOCIAL EQUITY IN CANNABIS TASK FORCE



### Recommendations

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## SECTION 1: ACRONYMS

| ACRONYM | FULL TERM/TITLE   |
|---------|---|
| BIPOC   | Black, Indigenous, People of Color                          |
| CAAA    | Commission on African American Affairs                      |
| CHA     | Commission on Hispanic Affairs                              |
| DIA     | Disproportionately Impacted Area                            |
| DPA     | Drug Policy Alliance  |
| FBI     | Federal Bureau of Investigation                             |
| GOIA    | Governor's Office of Indian Affairs                         |
| HEAL    | Healthy Environment for All Act (Chapter 314, Laws of 2021) |
| HR      | Human Resources   |
| WSLCB   | Washington State Liquor and Cannabis Board                  |
| SECTF   | Social Equity in Cannabis Task Force                        |
| TAM     | Technical Assistance & Mentorship                           |
| WA MAST | Washington Mandatory Alcohol Server Training                |
| WSDA    | Washington State Department of Agriculture                  |

## SECTION 2: ACKNOWLEDGEMENT

Section content pending

## SECTION 3: EXECUTIVE SUMMARY

Section content pending

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## SECTION 4: SOCIAL EQUITY IN CANNABIS

### WHAT IS SOCIAL EQUITY?

Equity is not equality. Social equity means developing, strengthening, and supporting policies that distribute and prioritize resources to Black, Latina/o, and Native communities who have been historically and currently marginalized. Equity requires the elimination of systemic barriers that have been deeply entrenched in systems of oppression. Lastly, equity achieves procedural and outcome fairness, promoting dignity, honor, and justice for all.<sup>1</sup>

### HOW CAN POLICY PROMOTE SOCIAL EQUITY IN CANNABIS?

Social equity in cannabis is the intentional inclusion of Black, Latina/o, and Native communities that have been disproportionately harmed by the “war on drugs” into the growing cannabis industry in a way that creates economic justice. Social justice and economic justice are interdependent. Social justice and economic justice start with recognizing and remedying systemic inequities in cannabis legalization and regulation to ensure that everyone has access to the same opportunities.

Building a just cannabis economy requires addressing the following issues of disparity and exclusion for marginalized groups in a comprehensive manner:

**Access:** Removing barriers to access for recreational cannabis licenses for Black, Latina/o, and Native communities.

**Industry Support:** Providing social equity licensees financial, instructional, and institutional support so they can both enter and flourish in Washington’s cannabis market.

**Opportunity:** Maintaining an equitable marketplace to ensure that businesses created by social equity applicants can thrive in Washington’s system, even if there are changes to federal laws.

**Community Investment:** Addressing the damages of systemic oppression by investing in programs that focus on resources for cannabis entrepreneurship, housing instability, unemployment, and food insecurity, as well as supporting trauma-informed care to build healthy communities.

The damage done by the “war on drugs” over the past 50 years is devastating. Even if all cannabis revenue were to be reinvested in disproportionately impacted communities, it would take decades to repair the harm done. The creation of social equity licenses is an important

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<sup>1</sup> This definition was borrowed and adapted from the “principles of equity” in the Washington Office of Equity’s statute (RCW 43.06D.020). Retrieved from:  
<https://app.leg.wa.gov/RCW/default.aspx?cite=43.06D&full=true>.

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start, but there is much more the state must do to adequately address the harms from the “war on drugs” and ensure a more equitable system.

## SECTION 5: HISTORICAL AND ONGOING HARMS

### RACISM IN CANNABIS PROHIBITION AND LAW ENFORCEMENT

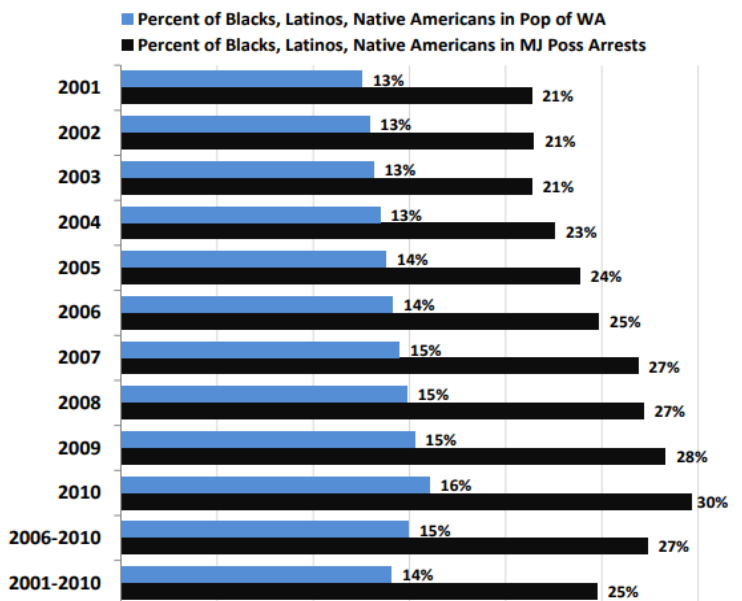
The “war on drugs” is a race-based campaign aimed at marginalizing Black and Brown communities. The vehicle of marginalization is incarceration.

Figure 1 illustrates how Black, Latina/o, and Native American communities have been overrepresented in cannabis arrests between in Washington State.<sup>2</sup> Between 2001 – 2010, Black people were arrested at 2.9 times the rate of white people for cannabis possession, while Latina/o and Native individuals were arrested at 1.6 times the rate of white individuals. These disparities, seen throughout the “war on drugs,” have caused generational harm to Black, Latina/o, and Native communities.

Inequities are due to racism in cannabis prohibition and law enforcement. Figures 2 and 3 illustrate how Blacks and Latinos use cannabis at lower rates than whites aged 18-25 but are arrested at much higher rates for possession.<sup>3</sup>

FIGURE 1

Percentage of Blacks, Latinos, and Native Americans in Washington's Population, and Percentage of Blacks, Latinos, and Native Americans in Washington's Marijuana Possession Arrests, 2001-2010



<sup>2</sup> Levine, H, et.al. 240,000 Marijuana Arrests Costs, Consequences, and Racial Disparities of Possession Arrests in Washington, 1986-2010. p.14. Marijuana Arrest Research Project. Retrieved from [240,000 Marijuana Arrests in Washington - DocsLib.](#)

<sup>3</sup> Id.

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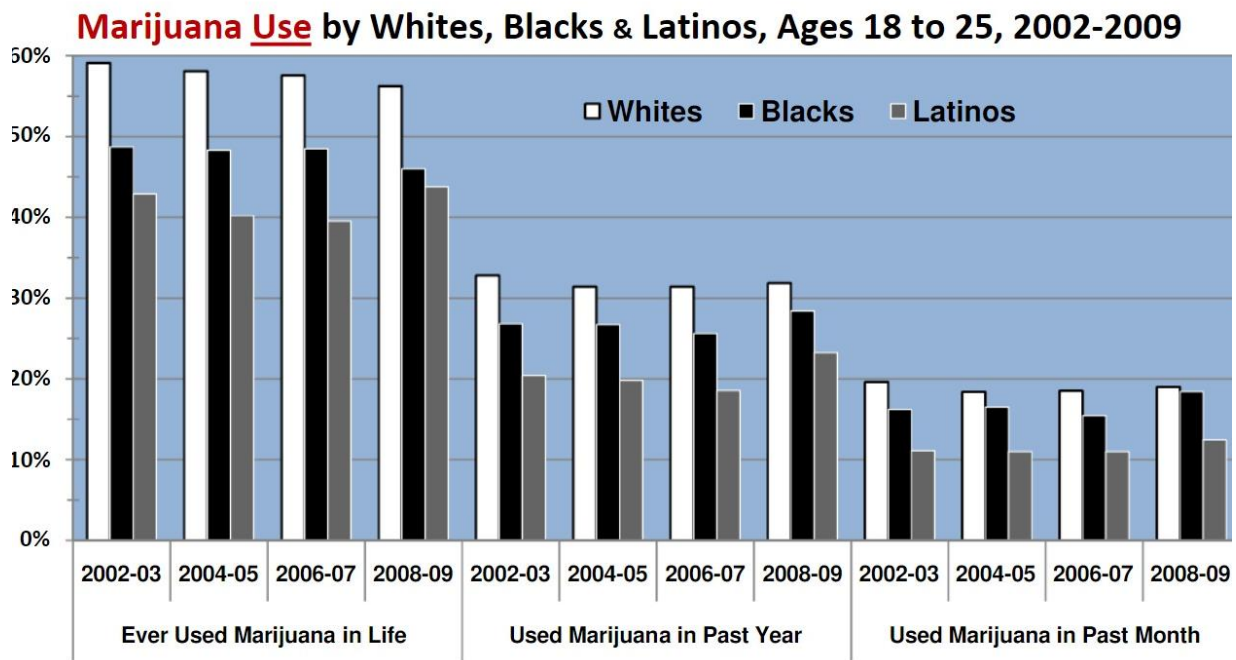


FIGURE 2

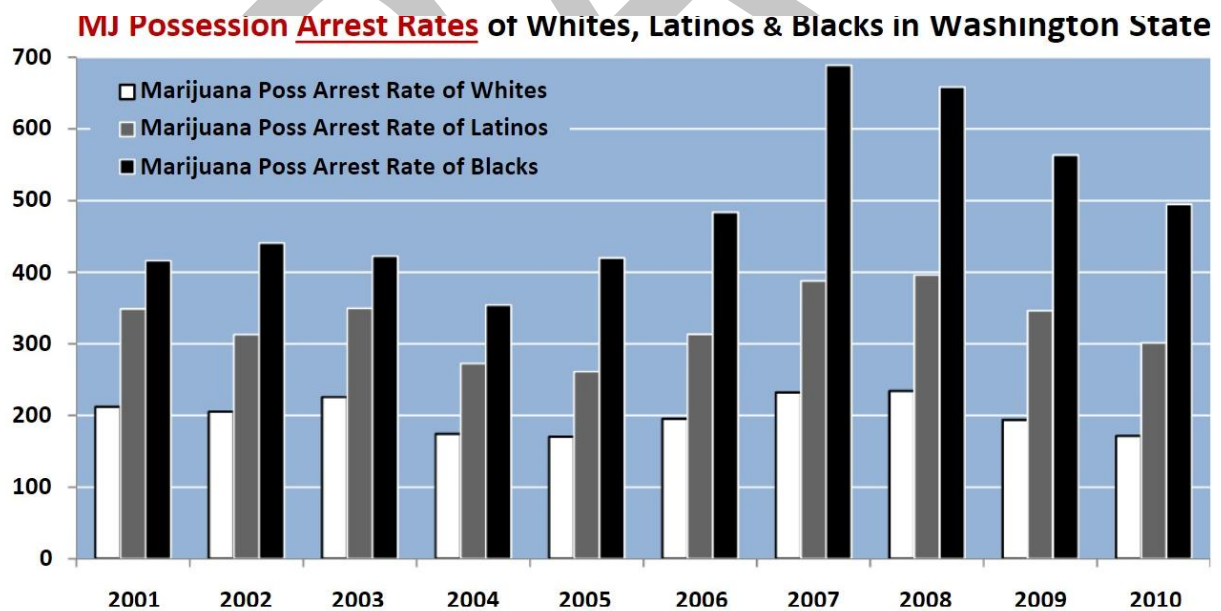


FIGURE 3

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## LASTING IMPACTS OF INCARCERATION

The “war on drugs” is a coordinated and sustained effort to destroy families and neighborhoods. It is a multi-generational project to intentionally divest from and disrupt communities that were thriving. Racism in cannabis prohibition and law enforcement, including racial inequities in arrests, are a major structural factor in economic inequality.<sup>4</sup> Incarceration has dire economic consequences for individuals, families, and whole communities. One in every 14 children in Washington has at least one parent that is or has been incarcerated.<sup>5</sup> Because children of incarcerated parents are at greater risk of witnessing violence, learning disabilities, and homelessness, these factors greatly impact the health and safety of communities long-term.

Incarceration worsens the generational pull of poverty by creating a vulnerable population of children that grow into adults with a lack of financial and community stability.<sup>6</sup>

- Children of incarcerated parents are 5 times more likely to be involved in the criminal legal system than children of non-incarcerated parents.<sup>7</sup>
- Children of incarcerated parents are more likely to exhibit low self-esteem, depression, emotional withdrawal from friends and family, all risk factors of substance abuse disorder.<sup>8</sup>

Communities with higher rates of incarceration have higher rates of crime, poverty, and unemployment as a result.<sup>9</sup> These factors drive down property values, lowering generational wealth, which also impacts funding for schools in the area. Improperly funded schools lead to

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<sup>4</sup>Craigie, T., et al. Conviction, Imprisonment, and Lost Earnings How Involvement with the Criminal Justice System Deepens Inequality. The Brennan Center for Justice. 2020. Retrieved from <https://www.brennancenter.org/our-work/research-reports/conviction-imprisonment-and-lost-earnings-how-involvement-criminal>.

<sup>5</sup>Annie E. Casey Foundation. A Shared Sentence the devastating toll of parental incarceration on kids, families and communities. 2016. Retrieved from <https://childrensalliance.org/no-kidding-blog/new-report-1-14-washington-kids-incarceration-worsens-generational-pull-poverty>.

<sup>6</sup>Id.

<sup>7</sup>Freudenberg, N. (2001). Jails, prisons, and the health of urban populations: A review of the impact of the correctional system on community health. *Journal of Urban Health*, 78(2), 214–235. <https://doi.org/10.1093/jurban/78.2.214>.

<sup>8</sup>Davis, Lois M., et al. “The Impact of Incarceration on Families: Key Findings.” *Understanding the Public Health Implications of Prisoner Reentry in California: State-of-the-State Report*, RAND Corporation, 2011, pp. 117–42. JSTOR, <http://www.jstor.org/stable/10.7249/mg1165tce.13>. Accessed 20 Oct. 2022; [Common Risk Factors of Substance Use Disorder | HARC \(harmreductioncenter.com\)](https://harmreductioncenter.com/).

<sup>9</sup>U.S. Department of Health and Human Services Incarceration Literature Summary. <https://health.gov/healthypeople/priority-areas/social-determinants-health/literature-summaries/incarceration>.

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children not getting the educational support they need, creating a vicious cycle that leads to behavioral issues, gang-related activities, substance abuse, and low-wage jobs.

In addition, incarceration has negative impacts to public health. Incarceration has profoundly negative impacts on an individual's physical and mental health upon release.<sup>10</sup> People who have been incarcerated are more likely to have high blood pressure, asthma, cancer, arthritis, and infectious diseases.<sup>11</sup> Chronic disease contributes to poverty and economic inequities from low-wages, unemployment, high medical bills, and need for caretakers affecting not only the economic stability of the individual, but the entire family.<sup>12</sup> The over-policing and mass imprisonment of the "war on drugs" created entire communities that are economically depressed, sick, and marginalized.<sup>13</sup> Under these conditions, Black and Latina/o communities were at an extreme disadvantage at the onset of the legal cannabis market.

Social equity considers these factors and corrects the wrongs by addressing these issues with financial and community support to ensure that these communities have equal opportunities to succeed where they were unjustly targeted by draconian drug policy. Intentional investment in opportunity expedites the pathway to economic justice.

## HISTORY OF LEGALIZATION IN WASHINGTON

Washington Initiative-692 passed in 1998 with 59% of the popular vote. This measure allowed qualified patients with serious medical conditions to find their own source of cannabis either by growing it themselves, designating someone to grow for them, or participating in collective gardens with a possession limit of 15 plants.

Washington became the first state in the nation to legalize recreational use of cannabis when Initiative-502 (I-502) passed in November 2012 with 56% of the popular vote. The approved measure decriminalized possession of small amounts of cannabis for individuals 21 years of age

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<sup>10</sup> Wildeman, C. and Wang, E. Mass incarceration, public health, and widening inequality in the USA. National Library of Medicine. 2017. Retrieved from <https://pubmed.ncbi.nlm.nih.gov/28402828/>.

<sup>11</sup> U.S. Department of Health and Human Services Incarceration Literature Summary. <https://health.gov/healthypeople/priority-areas/social-determinants-health/literature-summaries/incarceration>.

<sup>12</sup> Thorpe, K. E., et al. The United States Can Reduce Socioeconomic Disparities By Focusing on Chronic Diseases. Health Affairs. Retrieved from <https://www.healthaffairs.org/doi/10.1377/forefront.20170817.061561/full/>.

<sup>13</sup> Wildeman, C. and Muller, C. Mass Imprisonment and Inequality in Health and Family Life. Annual Review of Law and Social Science. 2012. Retrieved from <https://www.annualreviews.org/doi/abs/10.1146/annurev-lawsocsci-102510-105459>.

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or older and removed state criminal and civil penalties for authorized activities. The initiative also created a regulatory framework for an adult use cannabis industry.<sup>14</sup>

The Legislature found it untenable to have a system of highly regulated and tested product for recreational users while no such standards existed for cannabis product for medical patients, so lawmakers passed the Cannabis Patient Protection Act in 2015.<sup>15</sup> This legislation ended all collective gardens that were previously operating under I-692. Unfortunately, when the Cannabis Patient Protection Act passed, people operating a business under I-692 felt they were treated unfairly and given misinformation that they feel prevented them for taking action to apply for a retail license. There has been much discussion around the facts of these events, yet no satisfactory conclusion has been reached.

## I-502 REGULATION

Under the current regulatory framework, the WSLCB has authority to determine the following:

- maximum number of retail outlets permitted in each county;
- maximum quantities of cannabis a producer, processor or retailer may have on the premise at one time;
- labeling requirements;
- classes of usable cannabis;
- advertising restrictions;
- transportation;
- independent testing requirements; and
- compliance.

Since the first sale of cannabis in July 2014, the industry has matured and developed to include seven different license types (Figure 4)<sup>16</sup>:

- Producer

Active Cannabis Licenses

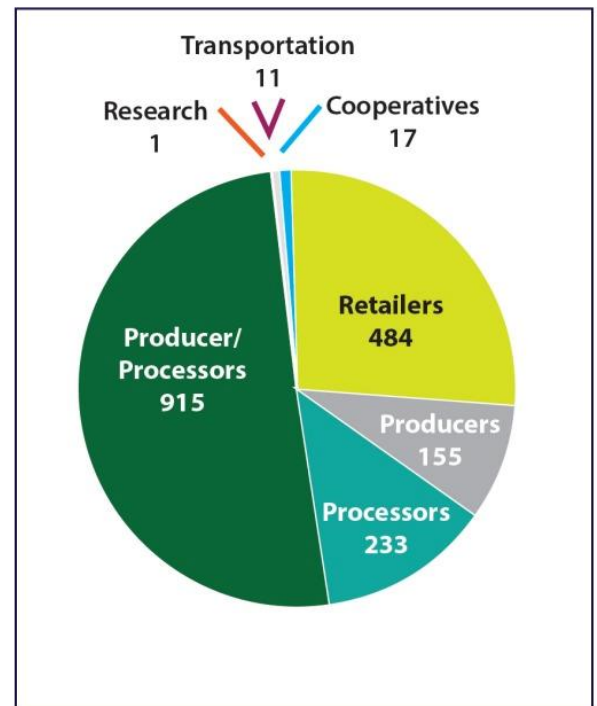


FIGURE 4

<sup>14</sup> State of Washington House of Representatives, Office of Program Research. Summary of Initiative 502, 2012. Retrieved from <http://leg.wa.gov/House/Committees/OPRGeneral/Documents/2012/I-502%20summary.pdf>.

<sup>15</sup> Washington State Legislature. Second Substitute Senate Bill 5052 (2015). Retrieved from <https://app.leg.wa.gov/billsummary?BillNumber=5052&Initiative=false&Year=2015>.

<sup>16</sup> Washington State Liquor and Cannabis Board, Annual Report Fiscal Year 2021. p. 15. Retrieved from [2021-annual-report-draft6.pdf \(wa.gov\)](https://www.wa.gov/2021-annual-report-draft6.pdf).

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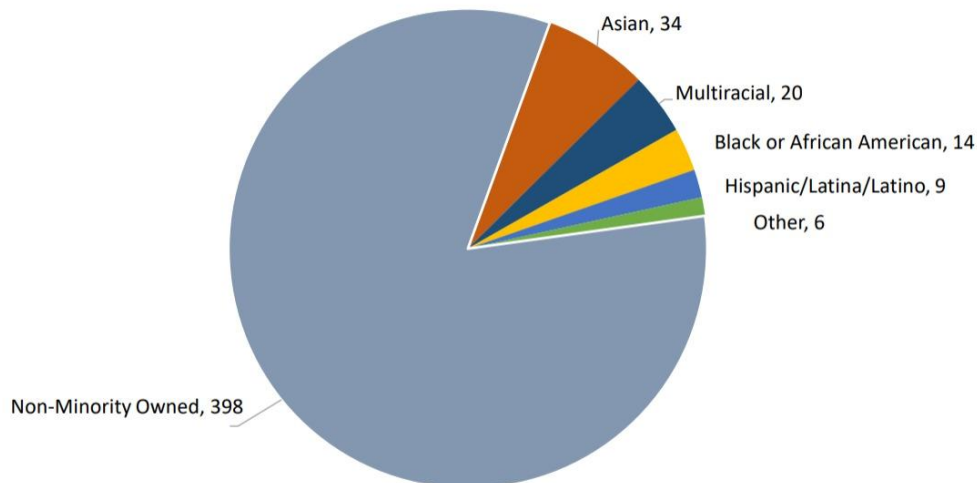
- Processor
- Retailer
- Producer/Processor
- Transportation
- Cooperative
- Research

## RACIAL EXCLUSION

It is not by coincidence that the populations most harmed by the “war on drugs” and other racist policies are also the most excluded in today’s cannabis industry. The WSLCB published survey results in February 2021, collected from 99.3% of cannabis retail license owners, showing that white ownership accounted for 80.99% of retail store licenses while Black/African American ownership accounted for 3.51% and Hispanic/Latinx ownership accounted for 2.07% (Figure 5)<sup>7</sup>. Although Black and Latinx individuals account for 16% of the state population as well as 30% of the cannabis arrests historically, they represent only 5.5% of ownership among cannabis retailers. This stark and undeniable inequity is by design and has come to the forefront of conversations in the cannabis industry.

FIGURE 5

### Minority Owned Cannabis Retailers



Categories based on U.S. Census Bureau definitions. Data represents self-identified race of majority or equal interest of retail licenses on June 30, 2020. 481 of the 483 active licenses self-reported.

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## SECTION 6: WASHINGTON'S CANNABIS ECONOMY

### REVENUE AND JOBS

In 2020, the cannabis sector contributed \$1.85 billion to the state's total output (gross state product) and directly and indirectly supported 18,700 full-time equivalent jobs.<sup>17</sup> At 37%,

FIGURE 6

#### FY2021 Distributions/Spent by Other Appropriations\*

| Agency                                 | Cannabis       | Liquor         | Tobacco/Vapor | Total          |
|--|----------------|----------------|---------------|----------------|
| General Fund-State                     | \$ 191,295,655 | \$ 170,439,719 |               | \$ 361,735,374 |
| Basic Health Account                   | 272,000,000    |                |               | 272,000,000    |
| Local Governments                      | 15,000,000     | 49,486,261     |               | 64,486,261     |
| Wash State Health Care Authority       | 54,216,935     | 7,314,997      |               | 61,531,932     |
| Department of Health                   | 9,778,229      |                | \$ 409,063    | 10,187,292     |
| Washington State Patrol                | 2,313,189      | 150,000        |               | 2,463,189      |
| Municipal Research and Services Center |                | 2,628,899      |               | 2,628,899      |
| University of Washington               | 265,982        | 467,999        |               | 733,981        |
| Washington State University            | 138,000        | 627,944        |               | 765,944        |
| Department of Agriculture              | 635,000        |                |               | 635,000        |
| Superintendent of Public Instruction   | 529,920        |                |               | 529,920        |
| Department of Ecology                  | 416,875        |                |               | 416,875        |
| Washington Wine Commission             |                | 285,934        |               | 285,934        |
| *See appendix for details. Totals      | \$ 546,589,784 | \$ 231,401,754 | \$ 409,063    | \$ 778,400,602 |

Washington State has the highest cannabis excise tax in the country. Tax dollars generated from cannabis sales are allocated into different categories and distributed to various agencies (Figure 6)<sup>18</sup>. Although the cannabis industry contributes a significant amount to Washington's economy,<sup>19</sup> economic benefits have only been marginally distributed to Black and Latina/o communities. This form of inequity has come to the forefront of conversations within the cannabis industry.

<sup>17</sup>Nadreau, T. et al. 2020 Contributions of the Washington Cannabis Sector. Impact Center Washington State University. 2020. Retrieved from [WA Cannabis Final v2.pdf \(wsu.edu\)](#).

<sup>18</sup> Washington State Liquor and Cannabis Board, Annual Report Fiscal Year 2021. p. 20. Retrieved from [2021-annual-report-draft6.pdf \(wa.gov\)](#).

<sup>19</sup> "Cannabis Excise taxes are the fastest growing component of the state's General & Selective Sales Taxes revenues. Total tax revenues in 2020 stemming from the cannabis sector, including property taxes, sales & excise taxes, and corporate and other taxes amounted to \$883.38 million". Nadreau, T. et al. 2020 Contributions of the Washington Cannabis Sector. Impact Center Washington State University. 2020. Retrieved from [WA Cannabis Final v2.pdf \(wsu.edu\)](#).

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## VERTICAL INTEGRATION

To prevent monopoly control, vertical integration is not permitted in Washington State. This means that a producer/processor must sell their product to a retail store. Due to this structure, retail licenses are considered the most valuable type of license in the market. Licenses are not equally distributed among the license types. As of June 2021, there are almost three times as many producer/processor licenses as there are retail stores. The limited number of retail stores has created an unbalanced industry and caused some cannabis producers and processors to struggle.

## SCARCE RETAIL LICENSES

As of September 2022, the majority of available licenses reserved for the social equity program (24 licenses or 59%) are in jurisdictions with bans or moratoria. In 2020, the LCB reached out to these jurisdictions to create a dialogue on lifting the bans.<sup>20</sup> According to the LCB's report, cities cited crime and youth access most often as reasons for the ban. However, legal cannabis retail stores create a controlled product access environment that excludes minors and deters illegal market activity while generating tax revenue for the state. Data from 14 states with adult-use cannabis retail markets suggest a correlation between per-capita store licenses and illicit cannabis sales—the more stores, the fewer illicit dealers.<sup>21</sup> According to this data, Washington's market still struggles to prevent illegal sales. Illegal sales account for 30% of all sales in the state.

Washington State could double the number of retail stores per 100,000 residents and still have a conservative per capita ratio compared to other mature markets. Washington's cannabis market has 6.6 retail stores per 100,000 residents, whereas Oregon and Colorado have 17.9 and 14.2 respectively.<sup>22</sup> Alaska has the most dispensaries per capita in the country at 20.3 stores per 100,000 residents.<sup>23</sup>

In addition to inadvertently supporting the illicit market, a low number of retail stores leads to an unhealthy legal market dynamic. According to economists, Washington's current policies restricting retail license gives retailers undue power in the market, effectively creating a market

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<sup>20</sup>Smith, R. Washington State Liquor and Cannabis Board. Cannabis Retail Allotment-Local Jurisdiction Outreach. 2020. Retrieved from [https://lcb.wa.gov/sites/default/files/publications/temp\\_links/Licensing\\_Retail\\_Allotment\\_Outreach\\_Presentation.pdf](https://lcb.wa.gov/sites/default/files/publications/temp_links/Licensing_Retail_Allotment_Outreach_Presentation.pdf).

<sup>21</sup> See Appendix \_\_\_\_ for chart.

<sup>22</sup>Nieves, A. California's legal weed industry can't compete with illicit market. Politico. Oct. 2021. Retrieved from <https://www.politico.com/news/2021/10/23/california-legal-illicit-weed-market-516868>.

<sup>23</sup> Id.

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that operates like a monopoly.<sup>24</sup> Although the Legislature took care to prevent monopolies through the ban of vertical integration, the lack of retail stores is creating a similar dynamic.

Small businesses are being consumed and wealth is being collected by fewer and fewer companies. In this current system, small businesses created by social equity applicants are unlikely to thrive without a pointed effort to correct for these unintended consequences. Economic justice is an unlikely outcome within current market dynamics. To create an environment where new and diverse businesses can flourish, the state must address the issue of limited retail licenses.

## SECTION 7: CURRENT SOCIAL EQUITY PROGRAM

The murder of George Floyd and the subsequent racial reckoning created increased attention on police violence against Black people and further bolstered social equity movements across the country. Policy makers are facing urgent recommendations to implement social equity in our regulated cannabis industry. To begin the road towards an equitable cannabis industry in Washington, the State Legislature adopted Engrossed Second Substitute House Bill 2870 (E2SHB 2870; Chapter 236, Laws of 2020) and Engrossed Substitute House Bill 1443 (ESHB 1443; Chapter 169, Laws of 2021) to create the Social Equity Retail Cannabis Program, the Social Equity Technical Assistance Grant Program, and the Social Equity in Cannabis Task Force (Task Force).

Between December 1, 2020, and July 1, 2029, all forfeited, revoked, or cancelled cannabis licenses are reserved for the Social Equity Retail Cannabis Program. Forty-one (41) licenses out of a total 522 retail licenses in the state meet this definition. Twenty-four (24) of those licenses are in areas with bans or moratoriums, leaving only 17 viable licenses available for social equity applicants.

Social equity was not a central component during Washington's first ten years of cannabis regulation. Instead, communities most harmed by the "war on drugs" have experienced further marginalization through inequitable state policies. This Task Force is motivated to correct these systemic issues by promoting policies leading to equity for members of Black and Brown communities.

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<sup>24</sup> Hollenbeck, B. and Uetake, K. Taxation and market power in the legal marijuana industry. RAND Journal of Economics. 2021.

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## SECTION 8: THE SOCIAL EQUITY IN CANNABIS TASK FORCE

### AUTHORITY

The Legislature directed the Social Equity in Cannabis Task Force to make recommendations to the Washington State Liquor and Cannabis Board (WSLCB) to establish a social equity program for the issuance and reissuance of existing retail cannabis licenses (ESHB 1443 - [Chapter 169, Laws of 2021](#)). The Task Force is also charged with advising the Governor and Legislature on policies that will facilitate social equity in the cannabis industry.

The Task Force must submit a final report to the Legislature and Governor by December 9, 2022, with recommendations on the following:

- Factors WSLCB must consider in distributing currently available cannabis retail licenses (i.e., subject to forfeiture, revocation, or cancellation by WSLCB) or those that were not previously issued;
- Whether any additional retail, producer, or processor licenses should be issued beyond the total number of licenses that have been issued as of June 11, 2020;
- The social equity impact of altering residential cannabis agriculture regulations;
- The social equity impact of shifting regulation of cannabis production from WSLCB to the Washington State Department of Agriculture (WSDA), including impacts to the employment rights of workers;
- The social equity impact of removing nonviolent cannabis related charges from the existing point system used to determine qualification for cannabis licenses;
- Whether to create workforce training opportunities for underserved communities to increase employment opportunities in the cannabis industry;
- The social equity impact of creating new cannabis license types; and
- The Cannabis Social Equity Technical Assistance Grant Program.

Since ESHB 1443 encourages the Task Force “to submit individual recommendations, as soon as possible, to facilitate the [Liquor and Cannabis Board’s] early implementation work,” the Task Force has been delivering recommendations to the Legislature and agencies in a piecemeal fashion prior to this final report. This report outlines the Task Force’s full recommendations using a social equity framework, as well as rationale and additional information helpful to policy makers for implementation.

### MEMBERS

This Task Force is a mixed body of state lawmakers, agency employees, and industry representatives. Task Force members elected two co-chairs: one representing community and one from the Legislature. The Task Force’s authorizing legislation allows the co-chairs to

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appoint community advisory members, making this Task Force a collaborative effort of key partners across both public and private sectors.

A full membership list of is included in Appendix \_\_\_\_.

## TASK FORCE GOAL

**The Task Force’s goal is to make recommendations to promote business ownership among individuals who have been disproportionately impacted by the “war on drugs”, to remedy the harms resulting from the enforcement of cannabis-related laws.** The Task Force works to center the voices of Black, Indigenous, and People of Color (BIPOC) communities that have been most impacted by enforcement of cannabis-related laws.

## OPERATING PRINCIPLES

The Task Force’s operating principles are shared values that guide Task Force members’ recommendations.

### Embrace Equity

We embrace equity as we strive for fairness and justice to ensure that everyone has the opportunity to reach their full potential. Equity is not equality—equity acknowledges that everyone is not starting from the same place. Equity is achievable and requires unwavering commitment to prioritizing resources and supports toward communities facing inequity. Achieving equity requires us to identify, name, and dismantle institutional racism and oppression.

### Focus on Anti-Black Racism

We are committed to promoting equity for all individuals and communities that have been disproportionately harmed by cannabis law violations. However, we recognize that Black and African American people have experienced particularly stark inequities in the criminal legal system generally, and specifically in the enforcement of cannabis laws, which have had a lasting impact on Black communities across Washington. We also recognize that different forms of discrimination and oppression are related to each other, and we will take the intersections of various identities into account.

### Center Community

We recognize that we can only achieve equity if communities impacted by inequity are at the center of our work. We acknowledge that communities know best their assets, needs, and solutions. We strive to recognize and share power and structure our meetings to foster meaningful engagement. We will strive to incorporate stories of lived experience into our reports and recommendations.

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## **Commit to Bold Action**

Inequities exist because of racism, economic injustice, and systemic oppression that hinder opportunities for individuals and communities to thrive. Eliminating racism, injustice, and oppression requires transformative, not incremental, change. We commit to using the authority we have and our collective influence to push for bold changes that interrupt and dismantle historical systems of oppression and create systems of fairness and justice.

## **Be Vigilant for Unintended Consequences**

Policy, program, and budget decisions can have adverse unintended consequences if equity is not intentionally and systematically considered. We, as a government entity, understand that our decisions have long-term impacts. We commit to using an equity lens in the development of recommendations as a Task Force and in our decisions as individual members.

## **TASK FORCE PROCESS**

The Task Force wanted to provide community members opportunity to give input on issues that affect them. To create a collaborative and inclusive process, the policy topics were assigned to smaller workgroups where community members could directly engage with Task Force members on the workgroup.

See Appendix \_\_\_ for a list of workgroup topics and members.

## **PUBLIC COMMENT**

Task Force meetings are open and public and held at designated times throughout the year. The Task Force encourages public attendance and provides an opportunity for public comment at designated times during the meetings as well as written comment before meetings.

## **VOTING PROCEDURE**

Each workgroup formed a proposal for its respective policy topic, and co-leads brought the proposal to the full Task Force for a discussion and vote. All votes were conducted during public meetings, with a quorum (i.e., a majority of Task Force members present), and through voice vote. Although adopted recommendations do not reflect the full range of nuances in perspectives among Task Force members, they do reflect the collective voice and vision of the Task Force as established through an inclusive deliberation and voting procedure.

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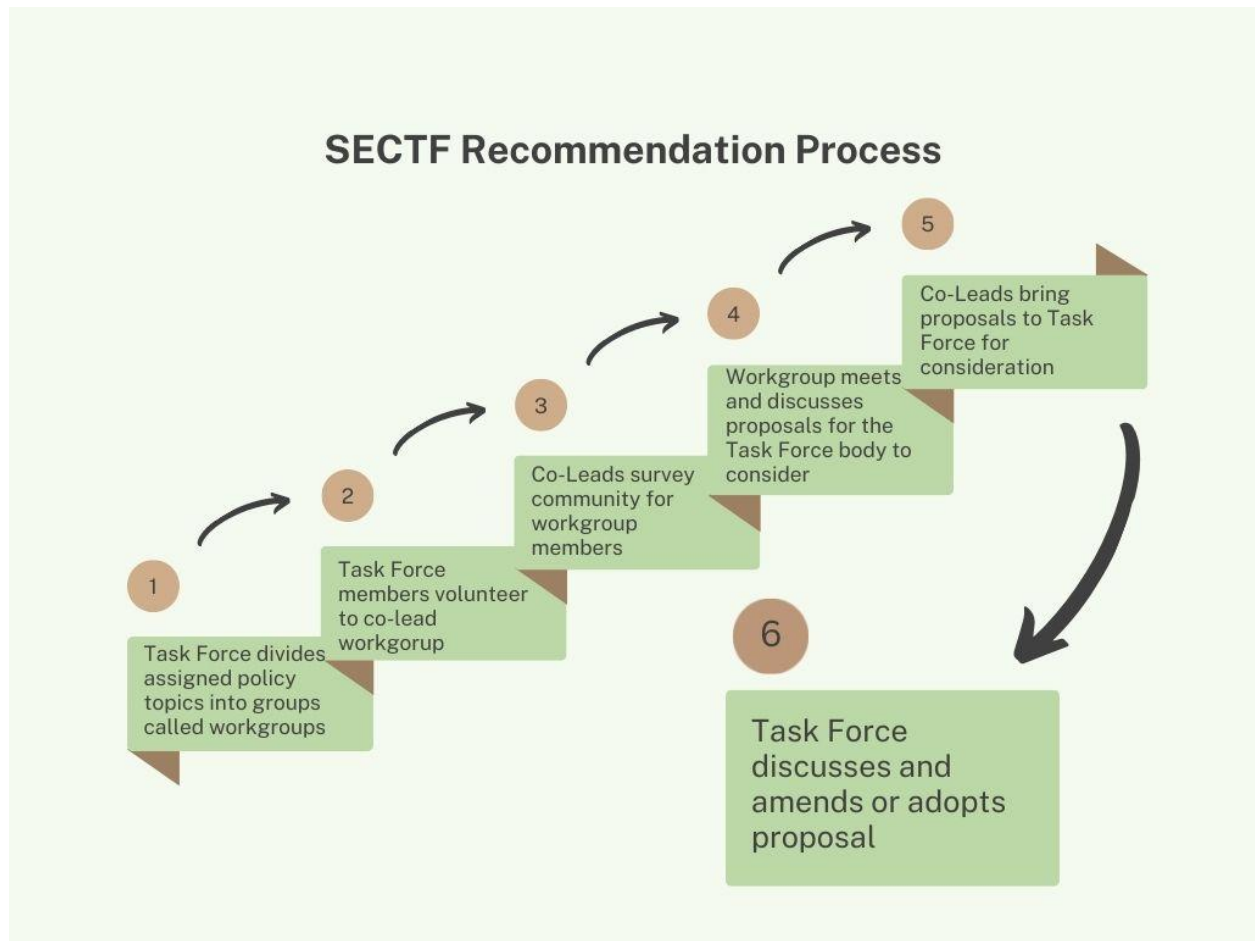


FIGURE 8

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## SECTION 9: TASK FORCE RECOMMENDATIONS

### 1. SOCIAL EQUITY RETAIL LICENSE PROGRAM RECOMMENDATIONS

**1A. The WSLCB should use the Task Force’s ranking formula and indicators for disproportionately impacted areas (DIA).**

**DIA Formula:**

**% Unemployment + Median Household Income as Proportion to County + # of Drug Convictions + (2.9 × % of Black Residents) + (1.6 × % of Latino/a/x Residents) + (1.6 × % of Indigenous Residents) = DIA Census Tract**

See Appendix \_\_\_\_ for the statutory definition of “disproportionately impacted area.”

**1B. The WSLCB should implement the Community Based Scoring Rubric passed by the Task Force, which has a total score of 650 points.**

See Appendix \_\_\_\_ for the complete scoring rubric as passed by the Task Force.

**1C. The WSLCB should implement the application process presented below, which removes time restrictions to secure a location.**

**DIA Formula**

This policy area determines who has access to social equity licenses. DIA indicators are used to determine individual license eligibility and are incredibly important due to the limited number of retail licenses available for social equity applicants. ESHB 1443 provides criteria to determine a DIA.<sup>25</sup> These criteria should be revised so DIAs accurately reflect communities most harmed by the “war on drugs”.

The Task Force recommends the following changes:

- Remove areas with a high rate of participation in income-based federal programs;
- Replace the federal poverty rate with median household income; and
- Add a community demographic co-efficient based on the disproportionate rate of arrests that happen in Black and Brown communities.

Using participation in income-based federal programs is not an accurate indicator of the population most harmed by the “war on drugs” and should be removed. Median household

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<sup>25</sup> See Appendix \_\_\_\_ for criteria to determine a disproportionately impacted area.

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income accounts for local cost of living, so is a better indicator than federal poverty rate. Including a race-based indicator showing the disproportionate rates of arrests is essential in facilitating social equity.

## **Community Based Scoring Rubric**

The Task Force created a rubric that focuses on our operating principle of addressing anti-Black racism and making bold recommendations. The community and Task Force members found it imperative to consider race when identifying social equity applicants. The “war on drugs” is a race-based campaign with an aim to marginalize Black and Latinx people. Any solution must consider race to adequately address the harms. If the licensing process excludes race as an indicator, there is a significant risk that the social equity licenses will be awarded to non-BIPOC people who happen to live in a DIA or have a drug conviction but have not experienced the same inequities caused by the “war on drugs” as BIPOC communities. Issuing licenses to individuals who are not most harmed by the “war on drugs” will lead to more harm and create more distrust of government.

## **Application Process**

With input from our members holding current cannabis licenses, changes to the previous licensing process were made to make it fairer and more accessible. The changes will bring continuity between the Technical Assistance Mentorship Program and the social equity in cannabis program while also removing barriers to entry for new social equity license holders.

See Appendix \_\_\_\_ for outline of application process.

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## SOCIAL EQUITY APPLICATION PROCESS

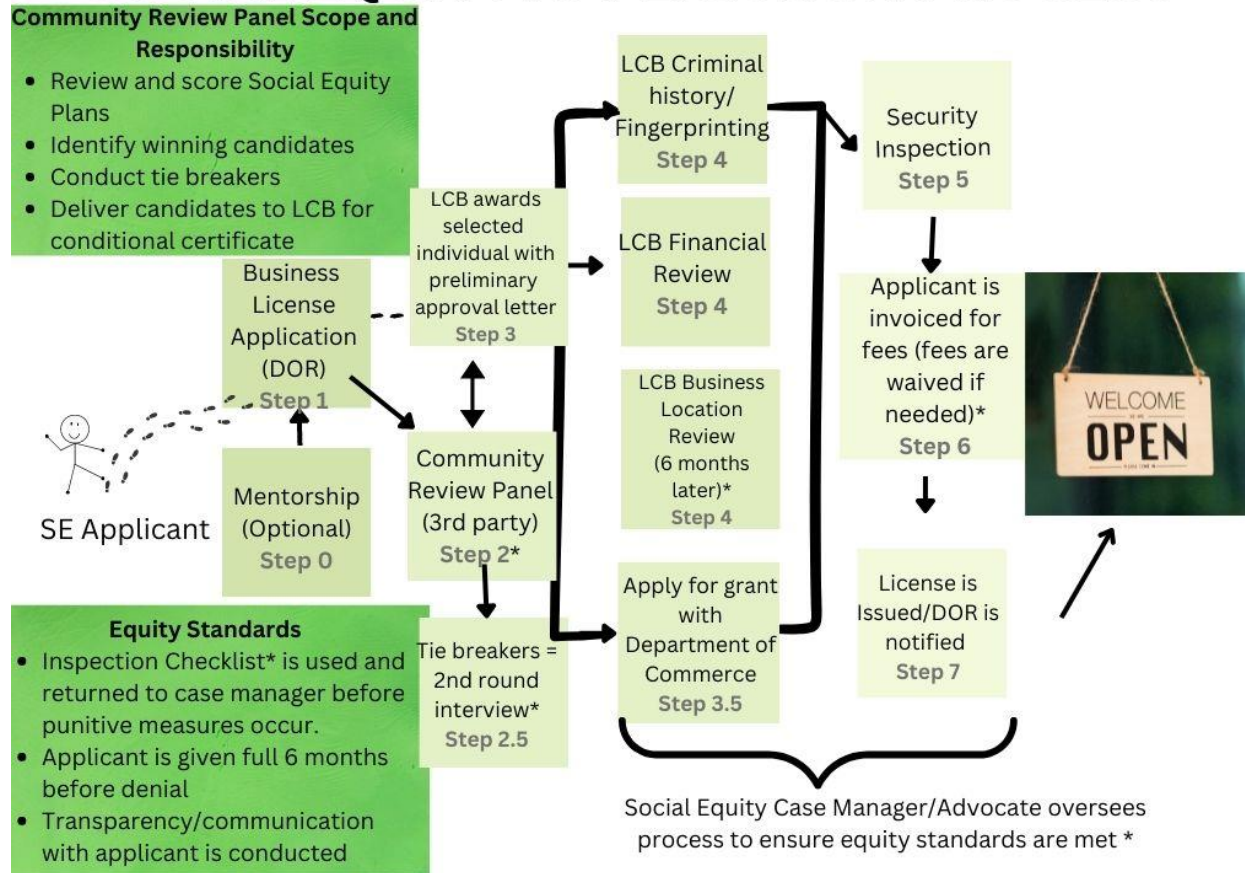


FIGURE 9

### 2. WSLCB POINT SYSTEM RECOMMENDATIONS

**2A. The WSLCB should remove non-violent cannabis convictions from consideration in the new threshold review process.**

**2B. The WSLCB should use language that encourages people with previous felony convictions to apply for a business license. The WSLCB should inform potential applicants that based on prior applications, it is very rare to be denied based on criminal history.**

**2C. The WSLCB should implement a training protocol for the threshold reviewer in alignment with Pro-Equity Anti-Racism (PEAR) requirements, the new mandate for state agencies.**

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## **Threshold Review Process**

Since the passage of ESHB 1443, the WSLCB updated its criminal history review process. Previously, the process assigned points to convictions from an applicant's criminal record. Applicants with too many points were ineligible for a license. Now, WSLCB staff review the application when a person's history of criminal convictions meets a certain threshold. The Task Force's recommendations are based on the current WSLCB threshold system (chapter 314-55-040 WAC).<sup>26</sup>

A main goal of social equity is to get licenses to those harmed by cannabis convictions during the "war on drugs". Removing those convictions from the criminal history review is a logical conclusion of that goal.

See Appendix \_\_\_\_ for WSLCB's table highlighting the major changes to the criminal history review process.

## **Outreach to Applicants**

The WSLCB should communicate with the public and potential social equity applicants that criminal history is not going to be a barrier to licensing moving forward. Some Task Force members and public participants said that many people do not apply assuming they will be denied based on criminal history. However, the WSLCB shared with the Task Force that denials were very rare in previous licensing windows.<sup>27</sup> Actively correcting that misperception is important to the licensing process and can begin to undo harms from stigmatization. Moving forward, potential applicants would benefit from seeing clear, transparent data on previous application denials and understanding how the social equity licensing approach will be different.

## **Training Protocol**

The WSLCB should require staff involved in the application review process to complete unconscious bias training that focuses on equity and anti-racism. The WSLCB lists its assessment criteria in rule (e.g., time since the conviction, nature and specific circumstances of the offense, number of offenses or incidents, any relevant evidence of rehabilitation), but does not specify

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<sup>26</sup> See Appendix \_\_\_\_ for WAC 314-55-040.

<sup>27</sup> Washington State Liquor and Cannabis Board, Social Equity Community Outreach Session 3. Retrieved from [https://lcb.wa.gov/sites/default/files/publications/Marijuana/Social%20Equity/Community\\_Meetings\\_Master\\_Set\\_S3\\_AS.pdf](https://lcb.wa.gov/sites/default/files/publications/Marijuana/Social%20Equity/Community_Meetings_Master_Set_S3_AS.pdf).

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how staff must review those criteria.<sup>28</sup> Mandatory training would help counter personal biases that are caused by lack of specificity in rule.

| 3. CURRENT LICENSE RECOMMENDATIONS   |
|--|
| <b>3A. The Legislature should reserve any new licenses for social equity through 2029, including any new license types created.</b>  |
| <b>3B. The Legislature should establish a policy goal that 50% of total licenses should be owned by social equity licensees by 2029.</b>   |
| <b>3C. The Legislature should create additional retail licenses, available across the state and exclusive to social equity applicants until 2029.</b>  |
| <b>3D. The Legislature should ensure that all licenses available for social equity retail licenses are not bound by county but contingent on local jurisdiction approval.</b>  |
| <b>3E. The Legislature should reduce buffer zones from 1,000 feet to 500 feet for licenses reserved for the social equity program (excluding elementary schools and secondary schools, which must remain at 1,000 ft).</b> |
| <b>3F. The Legislature should create additional producer licenses, available across the state and exclusive to social equity applicants until 2029.</b>  |

## Reserving Licenses

Current law reserves canceled, revoked, and never issued retail licenses for the social equity program through 2029. The Task Force recommends expanding that policy to all newly issued licenses through 2029. If implemented immediately, this time period would be approximately the same duration between legalization (2012) and the creation of the social equity program (2020). This would allow social equity licensees approximately the same amount of time to establish their businesses as previous licensees had before any more licenses are issued to new applicants.

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<sup>28</sup> See Appendix \_\_\_\_ for WAC 314-55-040.

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## **Social Equity Policy Goal**

An effective social equity program will have a clear, definitive goal with an actionable timeline. New York’s social equity goal is to award 50% of all adult-use licenses to social and economic equity applicants. Equity applicants are individuals who have lived in communities disproportionately impacted by the “war on drugs” and other underrepresented groups, including minority- and women-owned businesses, distressed farmers, and service-disabled veteran-owned businesses.<sup>29</sup>

Putting a definitive goal in law would allow Washington to measure success and enforce accountability, thereby building trust with communities. Other ways to measure the success of a social equity program are:

- The ratio of social equity operator licenses to non-social equity operators;
- The ratio of social equity operators who are presently operating to non-social equity operators;
- Percentage of social equity operators in high-wage/profit-margin segments of industry; and
- Median wage of employees of social equity businesses.<sup>30</sup>

## **More Retail Licenses**

Adding more retail licenses and allocating them into the social equity program is the foundation to establishing a more equitable Washington cannabis industry. As referenced earlier in the report, Washington has a very low per capita number of retail locations. Doubling the number of retail licenses would bring Washington from the current 6.6 retail stores per 100,000 residents closer to, but still less than, Oregon and Colorado at 17.9 and 14.2 respectively.<sup>31</sup>

The current economy, with such a limited number of access points for consumers, is rife with a variety of unhealthy market dynamics. Dynamics that would be less impactful if there were more retail access points and healthier competition. Combined with other recommendations to

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<sup>29</sup> New York Office of Cannabis Management. What is in the Law Social and Economic Equity. 2021. Retrieved from <https://cannabis.ny.gov/social-and-economic-equity-fact-sheet>.

<sup>30</sup> Supernova Women & Cannabis Social Equity Program. Ecotone Analytics Impact Analysis and Social Return on Investment. 2022. Retrieved from [https://mcusercontent.com/351fff664d89dd2591655c3b0/files/71df25b9-e9c6-bacd-43be-830577db91ab/Supernova\\_Women\\_Social\\_Equity\\_Impact\\_Report.pdf](https://mcusercontent.com/351fff664d89dd2591655c3b0/files/71df25b9-e9c6-bacd-43be-830577db91ab/Supernova_Women_Social_Equity_Impact_Report.pdf).

<sup>31</sup> Nieves, A. California’s legal weed industry can’t compete with illicit market. Politico. Oct. 2021. Retrieved from <https://www.politico.com/news/2021/10/23/california-legal-illicit-weed-market-516868>.

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support these social equity licensees, the current economy is well positioned to support new stores.

There has been a steady increase in the amount the state has collected from the cannabis excise tax every year since legalization.<sup>32</sup> Economists project the amount will continue to rise.<sup>33</sup>

## **Location Restrictions**

Removing unnecessary restrictions on the siting of social equity retail licenses would allow businesses to operate where they are most likely to succeed. Cities and counties that want to support social equity licensees in their jurisdiction could actively create opportunities for them to succeed. The City of Seattle has already taken steps to do so. Other cities have expressed an interest in expanding opportunities for social equity licensees to have support in operating in their jurisdictions.

There are 41 cancelled or revoked licenses that are currently reserved for social equity applicants and, of those, only 17 licenses are in viable jurisdictions that do not have bans or moratoriums. The current approach of geographically tethering retail licenses severely restricts opportunities for social equity applicants and limits their ability to succeed. All social equity licenses, including existing social equity licenses, should be given flexibility to locate in any jurisdiction that will permit them.

In addition, within districts that allow for cannabis sales, there is limited space available due to the 1,000-foot buffer zone. There is an extreme strain on social equity applicants to find locations for new retail stores. A state-wide reduction of the buffer zone would open more potential retail space.

## **More Producer Licenses**

More producer licenses should be made available, but only later in the implementation timeline and not at the outset. In the allocation of these licenses over time, agencies should consider market conditions for existing producers to ensure that additional licenses are being allocated at a time when all licensees are able to operate successfully.

The Task Force wants to provide opportunity to social equity applicants who wish to become cannabis producers. The Task Force also wants to see these new applicants succeed in the market. Currently, there is significantly more licensed cannabis production in Washington than

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<sup>32</sup> Nadreau, T. 2020 Contributions of the Washington Cannabis Sector: a fiscal summary. Impact Center Washington State University. 2020. Retrieved from <https://drive.google.com/file/d/1fRujt-l7FRaH7SJiMQFVbRW3ttExck2C/view>.

<sup>33</sup> Id.

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the market needs. A 2015 report from the BOTEC Analysis Corporation estimated that the Washington market needs approximately 1.5 million square feet of canopy,<sup>34</sup> while a 2016 study from The University of Washington estimated that 2 million square feet of canopy was needed to support the medical and recreational market. However, the WSLCB licensed enough producers to produce 12 million square feet of canopy.<sup>35</sup> As a result of this excess, many cannabis producers are failing.

Opening new production licenses without changes to the overall market would be unwise. As new paths to market are opened, the economic space for successful licenses will increase as should the number of licenses being issued. When a direct path to market for small producers is established, more licenses should be made available to the social equity program.

## 4. NEW LICENSE TYPE RECOMMENDATIONS

**The Legislature should create a cannabis delivery license and cannabis social consumption license, available across the state and exclusive to social equity applicants until 2029.**

### Reshaping the Cannabis Market

Creating new retail license types would allow social equity licensees to shape new paths to market. New business models would add much needed diversity to the market ecosystem. Currently, the only way for consumers to purchase cannabis in Washington is through a limited number of retail storefronts. There is a unique opportunity for creating new license types for retail cannabis under the social equity program. These new business types can be built with less barriers to entry.

### Issuing New Licenses Ahead of Federal Policy Changes

New license types for social equity applicants will provide an early advantage that is so important in competitive markets. Federal policy will substantially alter the cannabis industry in

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<sup>34</sup>Caulkins, J. Estimating Adequate Licensed Square Footage for Production. BOTEC Analysis Corporation. Retrieved from [https://lcb.wa.gov/publications/Cannabis/BOTEC%20reports/5a\\_Cannabis\\_Yields-Final.pdf](https://lcb.wa.gov/publications/Cannabis/BOTEC%20reports/5a_Cannabis_Yields-Final.pdf).

<sup>35</sup> A key feature of the Washington cannabis industry is the lack of vertical integration. Any producer could obtain a processor license when application for licenses were available. A licensee must have a processor license to sell to retail. A cannabis farm must maintain and pay for two licenses if would like to sell their product to a retail store. There is currently room in the industry for processors. However, there was a lack of community interest in only a processor license.

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Washington and across the country. The faster licenses are issued to social equity applicants, the more time they will have to establish their businesses prior to these changes. With new license types, it is particularly important that these new businesses have as much time as possible to operate and establish their operations. The Task Force wants to give them the best chance to thrive.

## **Delivery License**

A new delivery license type would offer a desirable business model for social equity applicants, because there would be a lower barrier to entry. A public-facing storefront demands a lot of capital investment. A non-storefront retail delivery license could be located in a less trafficked commercial area with lower rent. Siting a cannabis business is difficult and expensive. Adding options for how cannabis is retailed will provide social equity applicants a more flexible option that has less need for large investment.

- The Task Force is specifically opposed to the creation of a delivery fulfillment model, in the style of UberEats and DoorDash, that would deliver product for existing licensed retailers. These types of services have been shown to misclassify workers as independent contractors, resulted in poverty-wage jobs and exploited BIPOC and immigrant workforces.
- To avoid similar outcomes as app-based delivery models, the use of independent contractors by delivery license holders should be banned and all drivers should be required to be employees of the license holder.
- All sales should be online only; no physical presence for selling would be allowed.
- Delivery should only be permissible to private establishments where there is an address (e.g., homes and hotels).

See Appendix\_\_\_ for common rules from other states.

## **Social Consumption License**

Social consumption licenses would allow social equity licensees to create more legal and social areas for consuming cannabis that would be attractive to tourists and locals alike. Most renters have no legal space to consume cannabis. Social consumption would allow for more legal and public spaces for anyone who wants to consume cannabis among friends and their community. These license types could be standalone businesses or paired with already established businesses. Adding a cannabis consumption license to existing coffee shops and restaurants could widen customer base and bring in more revenue. A wide variety of social consumption models would give social equity applicants more access points into the cannabis industry and

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provide an important educational tool for the industry to help consumers better understand products in a legal setting and knowledgeable manner.

## **Viable Social Consumption Models:**

- Membership Model: This model is most similar to a gym membership and would allow private spaces to host indoor or outdoor consumption while not violating public clean air laws.
- Commercial Sales Model: This model is most similar to a bar. Without changes to clean air laws, this would not allow indoor consumption of smoked or vaped products. However, outdoor patio spaces would be an option.
- Beer Garden Model: This model could allow for large outdoor events to have a licensed cannabis operation to sell products on site and create an outdoor consumption space, that would comply with clean air laws. This is a strong and useful model.
- Consumption License Paired with an Established Business: In this scenario, an endorsement on an existing business license could allow a variety of flexible social consumption business models to be created and have the existing business provide resilience and flexibility in trying new things with cannabis as a part of their business.

See Appendix \_\_\_\_ for common rules from other states.

## **Second-hand Smoke Research**

Research shows that there is a weak association between cannabis smoking and lung cancer for people who never smoked tobacco. However, precision of the studies are low when considering high-exposure levels.<sup>36</sup> There is little evidence for increased risk of lung cancer through directly smoking cannabis, although the potential for adverse effect for heavy smoking cannot be eliminated.<sup>37</sup> There is evidence that extreme cannabis smoke exposure can produce positive urine tests at commonly utilized cutoff concentrations.<sup>38</sup> Positive urine tests occur where environmental exposure is very obvious, but room ventilation substantially reduces exposure levels.<sup>39</sup> There should be notifications to persons who have to demonstrate abstinence from cannabis to avoid heavily smoky and unventilated environments.<sup>40</sup>

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<sup>36</sup> Zhang LR, et al. Cannabis smoking and lung cancer risk: pooled analysis in the International Lung Cancer Consortium. Int J Cancer. 2015.

<sup>37</sup> Id.

<sup>38</sup> Cone EJ, et al. Non-Smoker Exposure to Secondhand Cannabis Smoke. I. Urine Screening and Confirmation Results. Journal of Analytical Toxicology. 2015.

<sup>39</sup> Id.

<sup>40</sup> Berthota A, et al. A systematic review of passive exposure to cannabis. Forensic Science International. 2016.

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## 5. TECHNICAL ASSISTANCE AND MENTORSHIP RECOMMENDATIONS

**5A. The Department of Commerce should immediately implement the Cannabis Mentorship Program using funds appropriated in the state's 2022-2023 operating budget.**

**5B. The Legislature should expand the scope of technical assistance dollars to include financial assistance.**

**5C. The Legislature should increase the allotment for the Technical Assistance Grant Mentorship program to 10% of the cannabis tax revenue, which currently goes to the state general fund.**

**5D. The Legislature should reserve 5% of the cannabis tax revenue that currently goes to the state general fund for low interest loans for social equity cannabis license holders.**

**5E. Current license holders that meet the definition of social equity should be eligible for grant dollars.**

### **Department of Commerce Funding**

With support from the Department of Commerce, the Task Force recommends immediate implementation of the \$1.1 million appropriated for the Cannabis Mentorship Program.

### **Expanding Financial Assistance**

According to cannabis business owners, the biggest barrier to entry relates to startup capital.<sup>41</sup> However, technical assistant grants are currently limited to mentorship support and continued education. To address the need for capital, the Task Force recommends expanding the scope of technical assistance grants to include financial assistance provisions. Licensees would be better able to meet their needs if they can use technical assistance grant funds toward any eligible business expense.

An expansion in amount and scope of financial assistance for social equity applicants would greatly increase the likelihood for success. The state collects over \$500 million in cannabis tax

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<sup>41</sup> [CITATION]

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revenue annually. Dedicating \$1.1 million for the Technical Assistance Grant Mentorship Program is an inadequate distribution of funds to ensure social equity. Illinois and California include low-interest loans in their social equity programs to avoid any concerns around the use of public funds for private business. New York includes business grants for social equity operators.

## 6. WORKFORCE TRAINING OPPORTUNITIES RECOMMENDATIONS

**6A. The Legislature should make funds available for grants and scholarships to be issued to applicants from underserved communities to support education for careers in the cannabis industry, including human resources, manufacturing training, engineering/science, accounting, creative writing and marketing, culinary arts, agriculture, business/operations management, information technology, trademarking, and law and policy.**

**6B. Appropriate Washington state agencies should encourage cannabis certification programs within community colleges, universities, and other educational hubs.**

### Cannabis Workforce Training

Community members, Task Force members, and industry experts discussed the need for workforce support outside of retail workers. An equitable workforce in the cannabis industry requires diversity in all aspects of the industry. Careers with room for growth, advancement, and high earning potential support communities and families from historically marginalized groups. This recommendation supports economic justice and repair harms from systemic oppression.

### Cannabis Certification

The Task Force is not recommending that receiving a certification to enter the cannabis industry be a requirement. However, offering certificates in a cannabis-related field would help the industry tailor education and training programs to support businesses and would help employees prepare for industry-specific work. State funding for these education programs would also lower stigma around cannabis and lend credibility to the field, supporting longevity and growth in the industry.

## 7. COMMUNITY REINVESTMENT RECOMMENDATION

**The Legislature should create a community reinvestment fund using 50% of cannabis tax revenue, including the following assistance programs:**

- **10% - Financial assistance awards should be funded by transferring cannabis tax revenue to the Cannabis Social Equity Grant Program.**
- **5% - Low-interest loans for licensees who meet the social equity definition.**

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- **35% - Service delivery for DIAs, provided by Faith-Based organizations and non-profits**

## **Community Reinvestment**

The “war on drugs” had generational consequences to the stability of individuals and families, affecting both physical and behavioral health. The Task Force recommends that cannabis tax dollars go back to the affected communities to address damages from the “war on drugs”. As once source states:

“For every \$1 dollar invested in a social equity program there is a projected return of \$1.20 in social value generated through increased earnings for operators and employees, wealth, health, and tax revenue. However, when the benefits of the community reinvestment are considered, and these investments support early childhood and public education, employment training, mental health and expungement assistance, the projected social value generated by a social equity program increases to \$4.56 for every \$1 spent to serve equity operators.”<sup>42</sup>

The Task Force, with the help of community polling, created a list of recommended service organizations for the Department of Commerce’s community reinvestment program in the areas of economic development, legal services, violence prevention, and re-entry services.

See Appendix \_\_\_\_ for Task Force recommended organizations.

## **8. REGULATION OF CANNABIS PRODUCTION RECOMMENDATION**

**Certain aspects of regulatory oversight for cannabis cultivation should be shifted from the WSLCB to the WSDA, given the WSDA’s guiding principles and its ongoing efforts to work with and support producers and farmers.**

## **Legislative Considerations**

The Legislature would need to carefully plan this transition and determine what aspects of regulation each agency should be responsible for. Involvement from both agencies is critical to

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<sup>42</sup> Supernova Women & Cannabis Social Equity Program. Ecotone Analytics Impact Analysis and Social Return on Investment. 2022. Retrieved from [https://mcusercontent.com/351fff664d89dd2591655c3b0/files/71df25b9-e9c6-bacd-43be-830577db91ab/Supernova Women Social Equity Impact Report.pdf](https://mcusercontent.com/351fff664d89dd2591655c3b0/files/71df25b9-e9c6-bacd-43be-830577db91ab/Supernova_Women_Social_Equity_Impact_Report.pdf).

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determining the appropriate division of oversight and implement details in ways that support social equity goals.

## **Concern for Economic Outcomes**

It is not in the WSLCB's statutory responsibility to be concerned about the economic outcomes of regulated entities. However, a stated goal of the WSDA is to consider the economic outcomes of industry participants. This difference is a significant factor in our rationale for supporting this transition. The Task Force has already recommended allocating production licenses to social equity applicants in the future. For this to be successful, production business models must be fully supported by regulators in new ways that have not been considered to date.

## **Business Support**

The WSDA's involvement in cannabis regulatory oversight could provide a more equitable cannabis production economy for small businesses and lay the groundwork for future entry of social equity applicants who wish to be small cannabis producers. The WSDA provides support for commodity cultivators through internal departments such as "Business and Marketing Support" and "Laboratories" with an aim to help these businesses and reduce operational costs. Consequently, the agency regulates several crops that are the highest producing crops by state in the country (apples, hops, blueberries, etc.). This experience and support are a much-needed service, especially for small cannabis producers.

## **Creating a Sustainable Economy**

A successful outcome for social equity applicants is dependent on an overall healthy and sustainable cannabis economy. Such an economy requires policies that foster equitable opportunities for the entire industry, while simultaneously addressing issues specific to social equity applicants. Current regulatory policies have created an economy where many cultivators are struggling to participate in the market. Regulation and support for cannabis production through the WSDA would lead to an increase in opportunities for current and future cannabis cultivators to compete and thrive.

## **HEAL Act**

The WSDA is incorporating an equity lens in its regulatory activities in order to implement the Healthy Environment for All (HEAL) Act (Chapter 314, Laws of 2021). If certain regulatory oversight of cannabis production were transferred to the WSDA, there is an opportunity for the industry to benefit from strengthened equitable opportunities, labor standards, environmental

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standards, and safety standards if WSDA takes a holistic approach to cannabis industry equity and sustainability.<sup>43</sup>

## 9. CANNABIS AGRICULTURE REGULATION (HOMEGROW) RECOMMENDATIONS

**9A. The Legislature should legalize residential cannabis cultivation for personal use (six plants per adult and 15 plants per household).**

**9B. The Legislature should reclassify the cultivation of seven to 99 plants as a misdemeanor, instead of a Class C felony.**

**9C. The Legislature should vacate all cultivation convictions for 99 plants or less.**

### On-going Harms

Legalizing residential cannabis cultivation for recreational use would reduce arrests and felony convictions that disproportionately harm Black people,<sup>44</sup> while also potentially increasing social equity applicant eligibility. Limiting arrests would reduce the accumulated harm suffered by individuals, families, and local areas subject to severe impacts from the application and enforcement of cannabis prohibition laws. These severe impacts for small residential cannabis cultivation are not only historical, but they are also ongoing. According to an analysis of Federal Bureau of Investigation (FBI) Incident-Based Reporting System data, Black people were 5 times more likely, on average, to be arrested for homegrow-sized activity than non-Hispanic whites, while Latinx people were about 2.4 times more likely to be arrested for the same activity than for whites.

Ending residential cannabis prohibition, which is already the norm in 16 states and Washington D.C., would carry with it a definable social equity benefit and the degree of benefit is measurable.<sup>45</sup>

### Dismantle Poverty

Collateral consequences of arrest can push people into poverty. Washington has a 10-year plan to dismantle poverty. The first of eight strategies is to undo structural racism.<sup>46</sup> Because data

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<sup>43</sup> Revised Code of Washington “RCW 70A.02.060” Environmental Justice Assessment.  
<https://app.leg.wa.gov/RCW/default.aspx?cite=70A.02.060>

<sup>44</sup> See Appendix \_\_\_\_

<sup>45</sup> Sixteen other states plus Washington D.C. have already legalized residential cannabis cultivation. Most states allow 6 plants per individual, while Michigan allows 12 and Oregon allows 4; [CITATION]

<sup>46</sup> See Appendix \_\_\_\_ for 10-Year Plan to Dismantle Poverty.

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shows that Blacks are 5 times more likely to be arrested for residential cannabis cultivation, this recommendation could work to reduce structural racism and poverty.

There are severe consequences for people with a non-violent offense conviction:

- Potential ineligibility for Section 8 housing;
- Landlords can reject application for all housing;
- A conviction could affect future employment opportunities; and
- An arrest can cause loss of employment due to missed work.

**This concludes the Social Equity in Cannabis Task Force’s formal recommendations. The sections below include important considerations for lawmakers and others as they implement social equity in cannabis policies.**

## SECTION 10: PREPARING FOR FEDERAL LEGALIZATION AND LESSONS FROM OTHER STATES

### PREPARING FOR FEDERAL LEGALIZATION

We may see federal legalization of cannabis. The question remains as to when that would occur and what form it may take. The potential effect of federal cannabis reform and its impacts on social equity in Washington has been a recurring topic for the Task Force.

On October 6, 2022, President Biden laid out his Administration’s cannabis reform approach. The three-step plan includes:

1. Pardoning all prior federal offenses for simple cannabis possession
2. Encouraging Governors to do the same at the state level
3. Evaluating cannabis rescheduling under the Controlled Substances Act

President Biden also mentioned his desire to maintain restrictions and limitations on the trafficking, marketing, and under-age sales of cannabis as important factors in any reform efforts.<sup>47</sup> In addition, several federal bills were recently introduced including the Secure and Fair Enforcement (SAFE) Banking Act, Marijuana Opportunity Reinvestment and Expungement (MORE) Act, Cannabis Administration and Opportunity Act (CAOA), and Small and Homestead Independent Producers (SHIP) Act. These bills, along with President Biden’s proposed reforms, provide insight into the primary cannabis-related policy issues being considered by lawmakers and advocates at the national level.

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<sup>47</sup> [CITATION]

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## LESSONS FROM OTHER STATES

The Task Force actively researched other social equity programs throughout the country. The following themes from that research support the Task Force’s recommendations.

- Providing abundant access to licenses and license types across the supply chain;
- Providing access to capital funding, technical assistance, mentorship, and other forms of material support;
- Establishing cannabis policies that encourage city and county governments to explicitly support social equity businesses and small businesses;
- Emphasizing opportunities for members of communities that were the most impacted by the “war on drugs”;<sup>48</sup>
- Encouraging competitive markets and cooperative approaches that enable equity applicants to thrive;<sup>49</sup>
- Identifying and preventing policies that enable monopolistic business practices that could severely limit small business opportunities;<sup>50</sup> and
- Considering the Dormant Commerce Clause, a legal doctrine used to support interstate commerce.

With this in mind, there are several considerations to keep in mind when implementing the Task Force’s recommendations. Implementation efforts should prioritize solutions that create the best outcomes for social equity licensees. These policies should optimize the overall health of the state’s cannabis economy within the scope of pending federal cannabis legislation.

The expansion of the cannabis market from siloed state markets to a national economy would provide unprecedented wealth-generating opportunities for Washington cannabis businesses. Consequently, this transition will also create the greatest potential for pitfalls and failures. Ensuring a well-designed framework will be paramount in determining the long-term impact of Washington’s social equity program. Foresight, communication, and coordination between all

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<sup>48</sup> Title, Shaleen, Fair and Square: How to Effectively Incorporate Social Equity Into Cannabis Laws and Regulations (December 6, 2021). Ohio State Legal Studies Research Paper No. 672, Drug Enforcement and Policy Center, 2021, Available at SSRN: <https://ssrn.com/abstract=3978766> or <http://dx.doi.org/10.2139/ssrn.3978766>.

<sup>49</sup>Parabola Center. Proposed Amendments and Alternatives to the Marijuana Opportunity, Reinvestment and Expungement Act of 2021. Retrieved from <https://www.parabolacenter.com/pdf/MORE%20Act%20Rewrite%20by%20Parabola%20Center.pdf>

<sup>50</sup>Title, Shaleen, Bigger is Not Better: Preventing Monopolies in the National Cannabis Market (January 26, 2022). Ohio State Legal Studies Research Paper No. 678, Drug Enforcement and Policy Center, 2022, Available at SSRN: <https://ssrn.com/abstract=4018493>.

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levels of representative government, regulatory bodies, and impacted parties are necessary to optimize the impact and sustainability of the program.

Resources for policymakers on social equity and federal policy changes:

- Title, Shaleen, Bigger is Not Better: Preventing Monopolies in the National Cannabis Market (January 26, 2022). Ohio State Legal Studies Research Paper No. 678, Drug Enforcement and Policy Center, 2022, Available at SSRN: <https://ssrn.com/abstract=4018493>. Title, Shaleen, Fair and Square: How to Effectively Incorporate Social Equity Into Cannabis Laws and Regulations (December 6, 2021). Ohio State Legal Studies Research Paper No. 672, Drug Enforcement and Policy Center, 2021, Available at SSRN: <https://ssrn.com/abstract=3978766>. Parabola Center. Proposed Amendments and Alternatives to the Marijuana Opportunity, Reinvestment and Expungement Act of 2021. Available at <https://www.parabolacenter.com/pdf/MORE%20Act%20Rewrite%20by%20Parabola%20Center.pdf>.

## SECTION 11: AGENCY STATEMENTS

Section content pending

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## SECTION 12: DEFINITIONS

### APPLICATION DEFINITIONS PASSED BY THE TASK FORCE

#### **Social Equity Contractor (3rd Party):**

A Social Equity Contractor has the responsibility to review and score social equity plans. Once reviewed, they recommend winning candidates to the Social Equity Case Manager at the WSLCB for approval and advancement.

#### **Double-Blind Lottery (3rd party):**

The method used to determine winners in the event of a tie.

#### **Preliminary letter of approval:**

The approval letter that 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 a retail location and other necessities needed to complete the remaining portion of the application process.

#### **Social Equity Case Manager:**

This role at the Liquor and Cannabis Board will ensure social equity standards are met during and after the social equity application process. The case manager will provide the applicant with the preliminary letter of approval after reviewing recommendations from the 3rd party contractor. 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 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.

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#### **Social Equity Applicant:**

- (i) An applicant who has at least fifty-one percent ownership and control by one or more individuals who have resided in a disproportionately impacted area for a period of time defined in rule by the board after consultation with the commission on African American affairs and other commissions, agencies, and community members as determined by the board;
- (ii) An applicant who has at least fifty-one percent ownership and control by at least one individual who has been convicted of a cannabis offense, a drug offense, or is a family member of such an individual; or

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(iii) An applicant who meets criteria defined in rule by the board after consultation with the commission on African American affairs and other commissions, agencies, and community members as determined by the board.<sup>51</sup>

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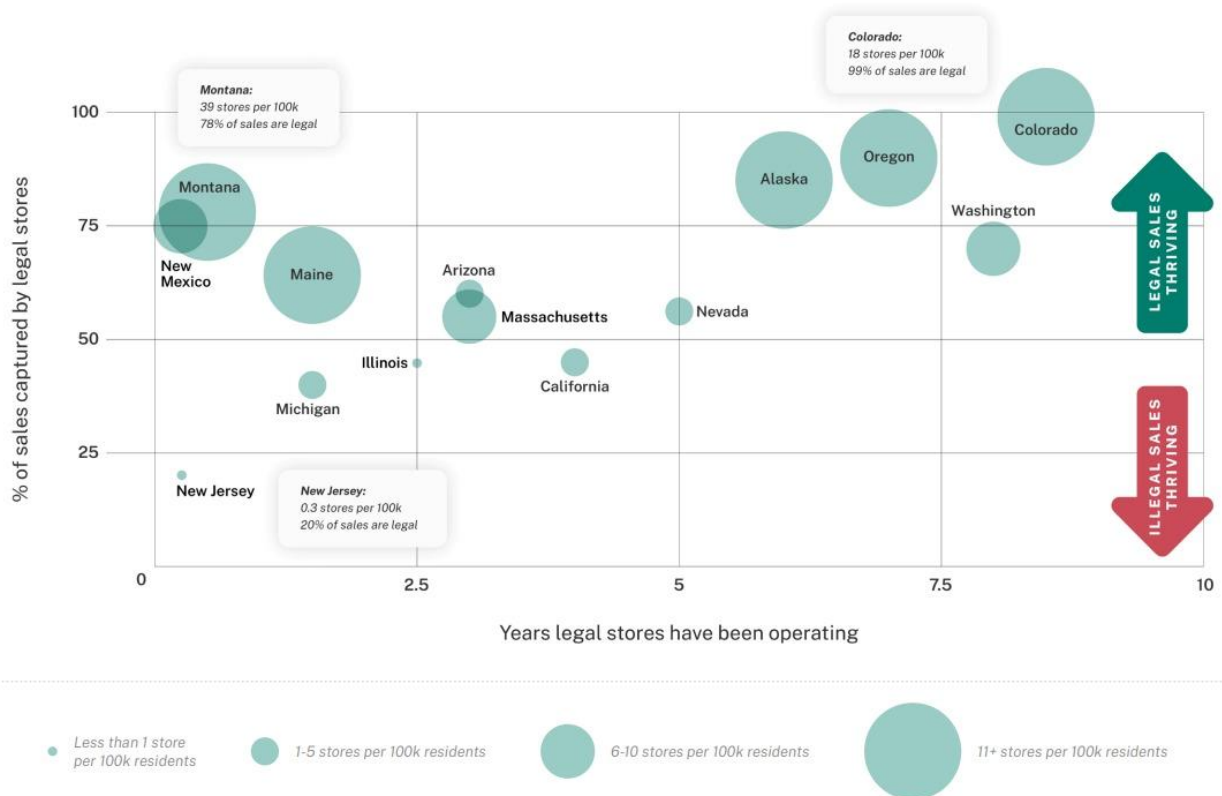
<sup>51</sup> REVISED CODE OF WASHINGTON “RCW 69.50.335” CANNABIS RETAILER LICENSES—SOCIAL EQUITY APPLICANTS—RULES—DEFINITIONS

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## SECTION 13: APPENDICES

### APPENDIX : LEGAL REGULATED SALES LEAD TO FEWER ILLEGAL STREET SALES

#### Legal regulated sales lead to fewer illegal street sales



\*Aggregate data from Whitney Economics, 'Opt-out' towns are encouraging illegal marijuana sales<sup>52</sup>

<sup>52</sup> Barcott, B. and Whitney, B. 'Opt-out' towns are encouraging illegal marijuana sales. Leafly. 2020. p. 4. Retrieved from [OptOutReport2022.pdf \(imgix.net\)](#)

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## APPENDIX : TASK FORCE MEMBERSHIP

| Member                         | Representing  |
|--------------------------------|---|
| Representative Kelly Chambers  | Washington State House of Representatives Republican Caucus |
| Representative Melanie Morgan* | Washington State House of Representatives Democratic Caucus |
| Representative Debra Entenman  |   |
| Senator Rebecca Saldaña        | Washington State Senate Democratic Caucus                   |
| Senator Curtis King            | Washington State Senate Republican Caucus                   |
| Paula Sardinas*                | Commission on African American Affairs (CAAA)               |
| Dorian Waller                  |   |
| Carmen Rivera                  | Commission on Hispanic Affairs (CHA)                        |
| Craig Bill                     | Governor's Office of Indian Affairs (GOIA)                  |
| Michelle Merriweather          | Organization representing African American Community        |
| David Mendoza                  | Organization representing Latina/o Community                |
| Joe Solorio                    | Labor Organization Involved in Cannabis Industry            |
| Ollie Garrett                  | Liquor and Cannabis Board (LCB)                             |
| Christopher Poulos*            | Department of Commerce                                      |
| Jessica Camacho*               |   |
| Alison Beason                  |   |
| Paul Brice                     | Advisory Member   |
| Yasmin Trudeau*                | Attorney General's Office                                   |
| Joyce Bruce                    |   |
| Cherie MacLeod*                | Association of Washington Cities                            |
| Sharon Swanson*                |   |
| Tamara Berkley                 | Individual Currently Holding a Cannabis Retail License      |
| Pablo Antonio Gonzalez         | Individual Currently Holding a Cannabis Retail License      |

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|                    |   |
|--------------------|---|
| Raft Hollingsworth | Individual Currently Holding a Cannabis Producer License  |
| Monica Martinez    | Individual Currently Holding a Cannabis Producer License  |
| Jim Makoso         | Individual Currently Holding a Cannabis Processor License |
| Micah Sherman      | Individual Currently Holding a Cannabis Processor License |

\*past taskforce members

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## APPENDIX : WORKGROUP DESCRIPTIONS AND MEMBERSHIP

Workgroups met for various periods of time between August 2021 and August 2022. Each workgroup had approximately ten members, including active community members who have lived experience with the “war on drugs” and/or professional experience in Washington’s cannabis industry. All workgroup meetings were public and provided opportunity for public participants to provide feedback and guidance.

### **Disproportionately Impacted Areas (DIA) Workgroup**

The DIA workgroup proposed recommendations to define eligibility and prioritization for social equity licenses. The scope of work included:

- defining “family member” for the LCB’s social equity application;
- defining the “area” relating to the census tract for eligibility;
- creating a formula and indicators to develop a disproportionately impacted areas map; and
- creating a social equity scoring rubric for eligibility criteria and the social equity in cannabis application process.

These are factors LCB must consider when distributing currently available cannabis retail licenses (i.e., subject to forfeiture, revocation, or cancellation by LCB) or those that were not previously issued.

### **Technical Assistance & Mentorship Workgroup**

The Technical Assistance & Mentorship workgroup proposed recommendations to help ensure license holders from disproportionately impacted areas receive the support they need to succeed. Recommendations were intended for the state’s Social Equity Technical Assistance Grant Program and included a mentorship program, technical assistance grants and funding.

### **Licensing Workgroup**

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The Licensing workgroup examined the impacts of bans and moratoriums in cities and counties where the sale and production of cannabis is currently prohibited; the social equity impacts of creating new license types; impacts of adding additional retail and producer and processor licenses; and other barriers to entry for social equity cannabis retail businesses.

## **Community Reinvestment/ Workforce Job Training Workgroup**

The community reinvestment and workforce job training workgroup proposed recommendations to create workforce training opportunities for underserved communities to increase employment opportunities in the cannabis industry. Although not originally in statute, community reinvestment became an important topic to community members. The workgroup created a list of approved organizations to inform the Department of Commerce community reinvestment budget.

## **Non-violent Criminal background/ Homegrow Workgroup**

The non-violent conviction policy and homegrow workgroup examined the social equity impact of altering residential cannabis agriculture regulations, and the social equity impact of removing nonviolent cannabis related felonies and misdemeanors from the existing point system used to determine if a person qualifies for obtaining or renewing a cannabis license.

## **Regulation of Cannabis Production Workgroup**

The regulation of cannabis production workgroup examined the social equity impact of shifting primary regulation of cannabis production from the board (LCB) to the Department of Agriculture, including potential impacts to the employment rights of workers.

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## APPENDIX : DEFINITION OF DIA AREA

ESHB 1443:

"Disproportionately impacted area" means a census tract or comparable geographic area that satisfies the following criteria, which may be further defined in rule by the board after consultation with the commission on African American affairs and other agencies, commissions, and community members as determined by the board:

Indicators to identify a DIA include:

- (i) The area has a high poverty rate
- (ii) The area has a high rate of participation in income-based federal or state programs
- (iii) The area has a high rate of unemployment;
- (iv) The area has a high rate of arrest, conviction, or incarceration related to the sale, possession, use, cultivation, manufacture, or transport of cannabis.

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## APPENDIX : APPROVED SCORING RUBRIC

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| Category  | Criteria Elements   | Point Scale<br>(Maximum Possible) |
|---|---|-----------------------------------|
| Eligibility Criteria  | 1. Lived in a Disproportionately Impacted Area (DIA)<br>Black-30pts<br>Hispanic-25pts<br>Native-10pts   | 30                                |
|   | 2. Conviction History<br>Convicted of a marijuana offense<br>Black-30pts<br>Hispanic-25pts<br>Native-10pts  | 50                                |
|   | OR 2a. Convicted of a drug offense<br>Black-20pts<br>Hispanic-10pts<br>Native-5pts  |                                   |
|   | OR 2b. Family member convicted of any drug offense-5pts   |                                   |
|   | 4. Black (150pts), Hispanic (75pts), Native American (25pts)<br>** 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 -<br>100%- 200pts<br>90-99%-150pts<br>76-89%-100pts<br>51-75%-50pts   | 200                               |
|   | Or Hispanic Ownership -<br>100%- 100pts<br>90-99%-75pts<br>76-89%-50pts<br>51-75%-25pts   |                                   |
|   | Or Native Ownership -<br>100%- 40pts<br>90-99%-30pts<br>76-89%-20pts<br>51-75%-10pts  |                                   |
|   | Total for Category  | 200                               |
| Social Equity Plan Elements Weight % of overall Scoring   |   | 31%                               |
| Business Plan   | 1. Executive summary, vision and mission?<br>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                         |
| <p>Affirmations (licensee must affirm that all statements are true and risks being removed from consideration if any statement is found to be untrue)</p> <p>Affirm the business is at least 51% minority ownership</p> <p>Affirm if you lived in a DIA area and the length of time you lived there it's accurate on your application and plan.</p> <p>Affirm if you represent you or your family member was convicted of a marijuana or drug offense it is true.</p> <p>Affirm if you represent you have marijuana business ownership experience, it's true.</p> <p>Affirm everything on your application and business plan is true</p> <p>Affirm all owners and parties of interest that are represented on this plan and the application are accurate.</p> <p>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.</p> <p>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.</p> <p>Affirm that you are a resident of the state of Washington</p> <p>Affirm that any affirmations that are affirmed by applicant and found not to be true will result in denial of application or license revoked.</p> |   | No Points                         |
| Other Priority Weight % of overall Scoring  |   | 0% (0pts)                         |
| Total Score:  |   | 650                               |

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## APPENDIX : TASK FORCE RECOMMENDED APPLICATION PROCESS

\***Green** are Task Force additions to the current Liquor & Cannabis Board licensing process.

### 30-60 day application window

Step 0 (optional): Social Equity Applicant seeks mentorship

Step 1: Applicant submits Business License Application (Department of Revenue)

**Step 2: Applicant submits social equity plan to Social Equity Contractor (3rd Party)**

**Step 2.5: double-blind lottery as tie breakers (If Necessary)**

### SOCIAL EQUITY MANAGER OVERSEES THE FOLLOWING STEPS:

**Step 3: Applicant is given Preliminary letter of approval**

**Step 3.5: Applicant can apply for grants with department of Commerce (If Necessary)**

Step 4: Liquor & Cannabis Board conducts Criminal History/Finger Printing

Liquor & Cannabis Board conducts Financial Review

**Step 4.5 (6 months later): Liquor & Cannabis Board conducts Location Review**

Step 5: Liquor & Cannabis Board Security Inspection

Step 6: Liquor & Cannabis Board Applicant is invoiced for fees

Step 7: Liquor & Cannabis Board issues license and Department of Revenue is notified

Final: Municipality rules and regulations process passed before operation.

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## APPENDIX : LCB CRIMINAL HISTORY REVIEW CHANGES

| Previous Rule  | Current Rule  |
|--|---|
| Required applicants to report their own criminal history in addition to LCB completing a background check  | Requires attestation only and LCB will complete the background check  |
| A point system was used to determine whether a file will be sent to a manager for further review and decision ( <i>Figure 1.1</i> )                      | The type and timeframe of convictions is used to determine whether a file will be sent to a licensing manager for further review and decision ( <i>Figure 1.2</i> ) |
| Applicants received points for failing to disclose history that is reported during LCB background check  | Point system eliminated, requirement to disclose history is removed   |
| Applications went to a manager for review and were provided the ability to submit information on their behalf, but the rule did not explain this process | Clarifies the review process and that applicants can submit information on their behalf if the file goes to a threshold review                                      |
| Licensees were required to report any new convictions within 14 days   | Licensees are required to report new convictions within 30 days   |

Figure 1.1 Previous Point System

| Description  | Time period during which points will be assigned | Points assigned |
|--|--|-----------------|
| Felony conviction  | Ten years  | 12 points       |
| Gross misdemeanor conviction   | Three years                                      | 5 points        |
| Misdemeanor conviction   | Three years                                      | 4 points        |
| Currently under federal or state supervision for a felony conviction | n/a  | 8 points        |
| Nondisclosure of any of the above                                    | n/a  | 4 points each   |

Figure 1.2 Current Type and Timeframe Considerations

| Conviction Type | Conviction Class                    | Time Consideration | Determination                 |
|-----------------|-------------------------------------|--------------------|-------------------------------|
| Felonies        | Class A and B convictions           | 10 years           | Threshold review if 1 or more |
|                 | Class C convictions                 | 7 years            | Threshold review if 2 or more |
| Misdemeanors    | Gross misdemeanors and misdemeanors | 3 years            | Threshold review if 3 or more |

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## APPENDIX : WAC 314-55-040

### **WAC 314-55-040 Cannabis applicant or licensee background checks.**

(1) The board conducts a background check of a new applicant or for license renewals to evaluate whether the applicant or licensee qualifies or requalifies for a license. The background check includes a criminal record check through the Washington state patrol and the Federal Bureau of Investigations database.

(2) **Review and evaluation of information produced by background checks.** The board will review the information produced by background checks to determine whether the applicant or licensee qualifies for a new or renewed license. Information from the background check may not preclude approval, but will be considered in determining the applicant's eligibility for licensure.

(3) The board will conduct a threshold review for the following types of convictions:

| Conviction Type | Conviction Class                    | Time Consideration | Determination                 |
|-----------------|-------------------------------------|--------------------|-------------------------------|
| Felonies        | Class A and B convictions           | 10 years           | Threshold review if 1 or more |
|                 | Class C convictions                 | 7 years            | Threshold review if 2 or more |
| Misdemeanors    | Gross misdemeanors and misdemeanors | 3 years            | Threshold review if 3 or more |

(a) Active state supervision and active federal supervision resulting in determination of threshold review. Threshold review if 3 or more

(b) The board will conduct a threshold review of any license applicant or license renewal if the background check indicates that the applicant or renewing licensee is under active state supervision, active federal supervision, or both.

(4) **Pending criminal charge review and evaluation.** The board will review and evaluate the applicant or renewing licensee's pending criminal charges. Review and evaluation criteria include, but are not limited to:

(a) A determination of whether the convictions of pending charge(s) alone or compiled would put an individual over the conviction allowance above.

(b) The application may be placed on hold for ninety days and if no disposition within ninety days, the application will be withdrawn.

(5) **Threshold review evaluation criteria.** When a background check results in a determination for a threshold review, the board will consider the following criteria:

(a) Time since the conviction, or pending offenses;

(b) Nature and specific circumstances of the offense;

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- (c) Relationship of the offense or incident to the nature of the work performed;
  - (d) Number of offenses or incidents;
  - (e) If criminal, any relevant evidence of rehabilitation, such as information about compliance with conditions of parole or probation, including orders of no contact with victims and witnesses, and the individual's conduct and experience since the time of the offense; and
  - (f) Any other relevant information, including information submitted by the applicant or licensee, or requested by the board.
- (6) **Continued reporting.** Cannabis licensees must report any criminal convictions to the board within thirty days. New convictions will be considered upon receipt or at the time of renewal.

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## APPENDIX : DELIVERY LICENSE RULES FROM OTHER STATES

### Common rules and regulations from Colorado, California, and Oregon:

- Delivery hours are common among other states. Delivery hours are between 8:00am and 12:00am.<sup>53</sup>
- Limit on one delivery per address per day.
- \$10,000 max on product in a delivery vehicle<sup>54</sup>
- States have a wide variety of delivery safety measures:
  - Vehicle GPS tracking devices
  - Unmarked vehicles
  - Lock boxes
  - Video surveillance
- Every state has rules on type of vehicle, licensed drivers, and insurance requirements
- Delivery person training and permit (similar to WA MAST server permit)- training on youth prevention, and not delivering to intoxicated clients
- Delivery to private residences only
- Signature of someone over 21 upon delivery
- Delivery information including name and address to be retained for 1 year<sup>55</sup>
- Package compliance

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<sup>53</sup> Colorado legislation, [https://leg.colorado.gov/sites/default/files/2019a\\_1234\\_signed.pdf](https://leg.colorado.gov/sites/default/files/2019a_1234_signed.pdf)

<sup>54</sup> Lesson from California: the initial limit was \$3,000-\$5,000 but that was too low to compete with the illicit market and the Legislature had to pass a new law allowing \$10,000 in product in vehicles. California legislation, [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202120220AB1014](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1014)

<sup>55</sup> Oregon legislation, <https://secure.sos.state.or.us/oard/viewSingleRule.action?ruleVrsnRsn=287870>, [https://www.oregon.gov/olcc/marijuana/Documents/Licensing\\_Forms/mj\\_ref\\_delivery\\_guide.pdf](https://www.oregon.gov/olcc/marijuana/Documents/Licensing_Forms/mj_ref_delivery_guide.pdf)

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## APPENDIX : SOCIAL CONSUMPTION RULES FROM OTHER STATES

### Common rules and regulations from Colorado, New Jersey, Nevada, and New York:

- No dual consumption of alcohol or tobacco<sup>56</sup>
- License holders can apply for food server license
- Indoor or outdoor structures<sup>57</sup>
- Civil liability laws similar to alcohol servers<sup>58</sup>
- Nevada has reserved the first half of the social consumption licenses for social equity applicants
- 500ft buffer zones from schools<sup>59</sup>
- May only have a controlling interest in three social consumption lounges<sup>60</sup>
- May not hold any other cannabis license type<sup>61</sup>
- Smoking in Public Places (and workplace) RCW 70.160<sup>62</sup> /Vapor Products RCW 70.345<sup>63</sup>

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<sup>56</sup> Colorado legislation, [https://leg.colorado.gov/sites/default/files/2019a\\_1230\\_signed.pdf](https://leg.colorado.gov/sites/default/files/2019a_1230_signed.pdf)

<sup>57</sup> New Jersey legislation, [https://www.njleg.state.nj.us/Bills/2020/PL21/16\\_.PDF](https://www.njleg.state.nj.us/Bills/2020/PL21/16_.PDF)

<sup>58</sup> Nevada legislation, <https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7877/Text>

<sup>59</sup> New York legislation, [https://nyassembly.gov/leg/?default\\_fld=&leg\\_video=&bn=A01248&term=2021&Summary=Y&Actions=Y&Text=Y](https://nyassembly.gov/leg/?default_fld=&leg_video=&bn=A01248&term=2021&Summary=Y&Actions=Y&Text=Y)

<sup>60</sup> Id.

<sup>61</sup> Id.

<sup>62</sup> <https://app.leg.wa.gov/rcw/default.aspx?cite=70.160>

<sup>63</sup> <https://app.leg.wa.gov/RCW/default.aspx?cite=70.345>

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## APPENDIX : TASK FORCE APPROVED ORGANIZATIONS

### Economic Development

| ORGANIZATION  |
|---|
| 1element gardens  |
| Acts On Stage   |
| Africa Town Community Land Trust                          |
| African American Leadership Forum                         |
| Artist in Activism  |
| Bethel Church (Spokane)                                   |
| Black Dollar Days   |
| Black Excellence in Cannabis                              |
| Seattle Black Panther Party Legacy Committee              |
| Business Impact   |
| Cannabis Workers Coalition                                |
| Central District Preservation Authority (CDCPDA)          |
| Community Credit Lab                                      |
| Community Passageways                                     |
| Economic Alliance in Okanogan County                      |
| El Centro de la raza                                      |
| FAME/First AME Church – First African Methodist Episcopal |
| First Place   |
| Fresh Start PS  |
| Global Majority Consortium                                |
| Goodwill  |
| Homesight   |
| Impact Motion Sports                                      |
| Institute for Black Justice                               |
| It's All Bigger Than Me Consultant                        |
| It's All Bigger Than Me Ministry                          |
| KD Hall Foundation  |
| Kent Black Action Commission                              |
| King County Equity Now                                    |
| Live for Love Human Outreach                              |
| Live for Love Inc   |
| Mt. Calvary Christian Center                              |
| Mt. Zion Baptist Church                                   |
| NAACP   |
| National Association of Real Estate Brokers               |
| National Black MBA Associations, Seattle Chapter          |
| New Beginnings Church                                     |

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|  |
|--|
| New Hope Missionary Baptist Church                     |
| Rainier Avenue Radio                                   |
| Rainier Beach Action Council                           |
| Reclaiming our Greatness                               |
| Roni Lifeworks Training Center                         |
| Safe Streets Tacoma                                    |
| Scholar Fund (DBA Scholarship Junkies)                 |
| Seattle Black Panther Party Legacy Committee           |
| Seattle Hempfest                                       |
| Skyway Coalition                                       |
| Skyway Resource Center                                 |
| Small Business Development Center                      |
| Tabor 100  |
| Technology Access Foundays                             |
| The Black Collective                                   |
| The Full Spectrum                                      |
| The Tacoma Urban League                                |
| United Negro College Fund                              |
| United Way of King County                              |
| United Way of Snohomish County                         |
| Uplift Northwest                                       |
| Urban impact   |
| Urban League - Seattle                                 |
| Volunteers of America                                  |
| WaNaWari   |
| Washington Build Back Black Alliance                   |
| Washington Equity Now Alliance                         |
| Washington State African American Cannabis Association |
| Whatcom Community Land Trust                           |
| Whatcom Dream  |
| Work Money   |
| WOW - Women Of Wisdom Tricities                        |

## LEGAL ASSISTANCE

| ORGANIZATION           |
|------------------------|
| A Better Way - Spokane |
| Acts On Stage          |
| Atheist                |
| B                      |

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|  |
|--|
| Beautiful Birds Family and Consulting Services       |
| <a href="#">Black Excellence in Cannabis</a>         |
| CAIR   |
| Choose 180   |
| Civil Survival                                       |
| Colectiva legal de pueblo                            |
| Communities Rise                                     |
| <a href="#">Community Passageways</a>                |
| Creative Justice                                     |
| DADS   |
| Dispute resolution and mediation centers             |
| El Centro – de la Raza                               |
| First AME Church – First African Methodist Episcopal |
| Fortune Society                                      |
| Fresh Start PS                                       |
| Kent Black Action Commission                         |
| King County Equity Now                               |
| Law Advocates  |
| <a href="#">Lawyers Against Systemic Racism</a>      |
| Legal Voice  |
| Loren Miller Bar Association                         |
| <a href="#">NAACP</a>                                |
| New Hope Missionary Baptist Church                   |
| <a href="#">Northwest Justice Project</a>            |
| NW Women's Law                                       |
| NWIRP  |
| Progress Pushers                                     |
| Reclaiming Your Greatness                            |
| Seattle ACLU   |
| Seattle Clemency Project                             |
| <a href="#">Tabor 100</a>                            |
| <a href="#">Tacoma Pro Bono</a>                      |
| Tacoma Urban League                                  |
| The Black Collective                                 |
| The innocence project                                |
| The Way To Justice, Spokane                          |
| <a href="#">United Way of King County</a>            |
| <a href="#">Urban League of Seattle</a>              |
| Washington Build Back Black Alliance                 |
| Washington CAN                                       |
| We are legally black                                 |

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## VIOLENCE PREVENTION

| ORGANIZATION   |
|--|
| ACE Academy  |
| Acts On Stage  |
| African American Leadership Forum                          |
| Africa Town  |
| Artist In Activism   |
| Bethel Church (Spokane)                                    |
| Black Dollar Day Task Force                                |
| Black Excellence in Cannabist                              |
| Boys and Girls Club (Rainier Vista, Federal Way, Rotary)   |
| Caring with Compassion Community                           |
| Casey Foundation   |
| Choose 180   |
| Community Closet   |
| Community Passageways                                      |
| Creative Justice   |
| DARE   |
| DAWN   |
| Domestic Violence Services of Snohomish County             |
| DVSAS  |
| Estellitas Library   |
| FAME Youth & Law Forum – First African Methodist Episcopal |
| Feed The People  |
| Feeding Feasible Feasts                                    |
| FEEST  |
| First Place  |
| Fresh Start PS   |
| FYRE   |
| Good Shepard Youth Outreach                                |
| House of Prayer Foundation                                 |
| Institute for Black Justice                                |
| It's Bigger Than Me Consultant                             |
| It's Bigger Than Me Ministry                               |
| KD Hall Foundation   |
| Kent Black Action Commission                               |
| Live 4 Love Human Outreach                                 |
| Live 4 Love Inc  |

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|  |
|--|
| Lydia Place  |
| Martin Luther King Family Outreach Center, Spokane |
| MUST   |
| NAACP  |
| National Black MBA Association, Seattle Chapter    |
| New Hope Missionary Baptist Church                 |
| Odyessy House                                      |
| Okanogan County Community Coalition                |
| Parents for Student Success                        |
| Path with Art                                      |
| Progress Pushers                                   |
| Rainier Avenue Radio                               |
| Rainier Beach Action Council                       |
| Rainier Beach Learning Gardens                     |
| Rainier Valley Leadership academy                  |
| Rainier Vista boys and girls club                  |
| Rejoyce Academy                                    |
| Roni Lifeworks                                     |
| Safe Streets                                       |
| Seattle Black Panther Party Legacy Committee       |
| SOAR King County                                   |
| Speak with purpose (formerly WeAPP)                |
| Spokane Public Schools                             |
| Tabernacle Food Pantry                             |
| Tabor 100  |
| Tacoma Pierce County YMCA                          |
| The Breakfast Group                                |
| The Good Foots Arts                                |
| United Culturas                                    |
| United Way of King County                          |
| Urban League                                       |
| WA-BLOC  |
| Washington Build Back Black Alliance               |
| YMCA   |
| Youth Care   |
| YWCA   |

## RE-ENTRY SERVICES

### ORGANIZATION

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|  |
|--|
| Acts On Stage  |
| African American Leadership Forum                    |
| Artist In Activism                                   |
| Beautiful Birds Family/Consulting Services           |
| Bembry Consulting                                    |
| Bethel Church (Spokane)                              |
| Black Excellence In Cannabis                         |
| Byrd Barr  |
| Catholic Community Services                          |
| Choose 180   |
| Civil Survival                                       |
| Collective Justice                                   |
| Community Closet                                     |
| Community Passageways                                |
| Families Shoulder to Shoulder                        |
| FIGHT  |
| First AME Church – First African Methodist Episcopal |
| First Place  |
| Freedom Project                                      |
| Fresh Start PS                                       |
| Goodwill   |
| Hip Hop is Green                                     |
| I Did My Time  |
| It's Bigger Than Me Consultant                       |
| It's Bigger Than Me Ministry                         |
| Kent Black Action Commission                         |
| Last Prisoner Project                                |
| Like Me Foundation                                   |
| NAACP  |
| National Black MBA Association, Seattle Chapter      |
| Newsplace  |
| New Hope Missionary Baptist Church                   |
| Pioneer Services                                     |
| Progress Pushers                                     |
| Project 253  |
| Rainier Avenue Radio                                 |
| Reclaiming our Greatness                             |
| Restorative Community Pathways                       |
| Revive Re Entry                                      |
| Seattle Clemency Project                             |
| Tabor 100  |
| Tasc   |

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|                                      |
|--------------------------------------|
| United Way of King County            |
| Unity Church                         |
| Urban League - Seattle               |
| Urban League - Tacoma                |
| Village of Hope                      |
| Washington Build Back Black Alliance |

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## RESULTS

### THE PROHIBITION OF HOME CULTIVATION HAS HAD DISPARATE IMPACTS

#### COMPARATIVE CHANCE OF BEING ARRESTED, BY RACE \*

|              | 2012 | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019   | average      |
|--------------|------|-------|-------|-------|-------|-------|-------|--------|--------------|
| <b>White</b> | /    | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000  | <b>1.000</b> |
| <b>Black</b> | /    | 4.232 | 1.512 | .756  | 7.237 | 3.540 | 2.592 | 15.378 | <b>5.035</b> |

**Hispanic**

/

1.433

0

1.295

.296

3.517

2.542

7.780

**2.409**

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## APPENDIX : DISMANTLE POVERTY IN WASHINGTON



**1 IN 4 WASHINGTONIANS STRUGGLE TO MAKE ENDS MEET.**  
**We have a plan to change that.**

Washington is transforming into a state where everyone has their foundational needs met and can access opportunities to reach their full potential in life.

Governor Inslee's Poverty Reduction Work Group recently released its **10-Year Plan to Dismantle Poverty**. Powered by a steering committee of people experiencing poverty and in collaboration with agencies, legislators, local organizations and employers, the plan contains eight strategies and 60 recommendations to guide Washington toward a just and equitable future.

### WANT TO LEARN MORE?

- Visit our website at [dismantlepovertyinwa.com](https://dismantlepovertyinwa.com).
- Check out our new Q&A series, **Blueprint Revealed**, at [dismantlepovertyinwa.com/blog](https://dismantlepovertyinwa.com/blog), where we answer your questions about the 10-Year Plan.
- To ask a question or schedule a presentation, email us at [prwg@dshs.wa.gov](mailto:prwg@dshs.wa.gov).

### JOIN THE MOVEMENT!



## 8 STRATEGIES POVERTY REDUCTION

ROOT CAUSES & BEYOND

- 1 UNDO STRUCTURAL RACISM**  
Understand structural racism and historical trauma and take action to undo how they manifest in state policy, program, and practice.
- 2 BALANCE POWER**  
Make equal space in decision-making for people and communities most affected by poverty and inequality.
- 3 INCREASE ECONOMIC OPPORTUNITY**  
Target equitable income growth and wealth-building among people with low incomes.
- 4 ENSURE FOUNDATIONAL WELL-BEING**  
Strengthen health supports across the life span to promote the intergenerational well-being of families.
- 5 PRIORITIZE URGENT NEEDS**  
Prioritize the urgent needs of people experiencing homelessness, mental illness, or addiction.
- 6 BUILD A HOLISTIC CONTINUUM OF CARE**  
Build an integrated human service continuum of care that addresses the holistic needs of children, adults, and families.
- 7 DECRIMINALIZE POVERTY**  
Decriminalize poverty and reduce reliance on the child welfare, juvenile justice, and criminal justice systems.
- 8 PREPARE FOR THE FUTURE OF WORK**  
Ensure a just transition to the future of work.

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