Social Equity in Cannabis Task Force Update and Final Recommendations

The <u>Social Equity in Cannabis Task Force</u> (SECTF) was created by the Legislature in 2020 and is authorized by <u>RCW 69.50.336</u> to:

- Make recommendations to the WA State Liquor and Cannabis Board (WSLCB) to establish a social equity program for the issuance and reissuance of existing retail, processor, and producer cannabis licenses; and
- Advise the Governor and Legislature on policies that will facilitate development of a social equity in cannabis program.

The SECTF met between October 2020 – December 2022 to develop recommendations and create a final report to submit to relevant agencies, the Governor, and the Legislature (expected release in mid-December 2022).

Task Force Vision

Social Equity: Developing, strengthening, and supporting policies that distribute and prioritize resources to Black and Brown communities that have been historically marginalized. By advancing these policies, we can begin to repair the harms that have been caused in these communities.

Social Equity in Cannabis: The intentional inclusion of Black and Brown communities that have been disproportionately harmed by the "war on drugs" into the cannabis industry in a way that creates social and economic justice.

Final Recommendations: Link to Final Report

Building a just cannabis economy requires addressing the following areas in a comprehensive manner:

Access: Removing barriers to access for recreational cannabis licenses for Black, Latinx, and Indigenous 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.

Recommendation	Responsible Party
1. Social Equity Retail License Program	
1A. Use the Task Force's ranking formula and indicators for disproportionately impacted areas (DIA).	WSLCB
1B. Implement the Community Based Scoring Rubric passed by the Task Force, which has a total score of 650 points.	WSLCB
1C. Implement the application process presented below, which removes time restrictions to secure a location.	WSLCB
2. WSLCB Point System	
2A. Remove non-violent cannabis convictions from consideration in the new	WSLCB
threshold review process.	
2B. Use language that encourages people with previous felony convictions to apply for a business license. Inform potential applicants that based on prior applications, it is very rare to be denied based on criminal history.	WSLCB
2C. Implement a training protocol for the threshold reviewer in alignment with Pro-Equity Anti-Racism (PEAR) requirements, the new mandate for state agencies.	WSLCB
3. Current Licenses	
3A. Reserve any new licenses for social equity through 2029, including any new license types created.	Legislature
3B. Establish a policy goal that 50% of total licenses should be owned by social equity licensees by 2029.	Legislature
3C. Create additional retail licenses, available across the state and exclusive to social equity applicants until 2029.	Legislature
3D. Ensure that all licenses available for social equity retail licenses are not bound by county and can be used statewide in any county, contingent on local jurisdiction approval.	Legislature
3E. 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 should remain at 1,000 feet).	Legislature
3F. Create additional producer licenses, available across the state and exclusive to social equity applicants until 2029.	Legislature
4. New License Types	
Create a cannabis delivery license and cannabis social consumption license, available across the state and exclusive to social equity applicants until 2029.	Legislature

Recommendations continue on the next page.

Recommendation	Responsible Party
5. Technical Assistance and Mentorship	
5A. Immediately implement the Cannabis Mentorship Program using funds appropriated in the state's 2022-2023 operating budget.	Commerce
5B. Expand the scope of technical assistance dollars to include financial assistance.	Legislature
5C. 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.	Legislature
5D. 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.	Legislature
5E. Current license holders that meet the definition of social equity should be eligible for grant dollars.	Legislature
6. Workforce Training Opportunities	
6A. 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.	Legislature
6B. Appropriate Washington state agencies should encourage cannabis certification programs within community colleges, universities, and other educational hubs.	State Agencies
7. Community Reinvestment	
 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. 35% - Service delivery for DIAs, provided by Faith-Based organizations and non-profits 	Legislature
8. Regulation of Cannabis Production	
Shift certain aspects of regulatory oversight for cannabis cultivation from the WSLCB to the WA State Department of Agriculture (WSDA), given the WSDA's guiding principles and its ongoing efforts to work with and support producers and farmers.	Legislature in partnership with WSLCB and WSDA
9. Residential Cannabis Agriculture Regulation (Homegrow)	
9A. Legalize residential cannabis cultivation for personal use (six plants per adult and 15 plants per household).	Legislature
9B. Reclassify the cultivation of seven to 99 plants as a misdemeanor, instead of a Class C felony.	Legislature
9C. Vacate all cultivation convictions for 99 plants or less.	Legislature