

Social Equity in Cannabis Summary – Z-0099.2

Purpose

This proposal aims to improve the flexibility and effectiveness of the current social equity in cannabis program and to expand that program. A moderate expansion of the currently authorized program is necessary to make significant progress toward the state's existing social equity goals.

Summary of Provisions

Section 1

Encourages all current cannabis licensees to submit a social equity plan to the LCB. It provides an incentive by offering a one-time reimbursement of the cost of annual renewal of the cannabis license. This incentive is available only one time and limited to one per licensed entity, regardless of the number of cannabis licenses held by that entity.

Section 2

- Authorizes the Board to create additional social equity cannabis retailer licenses;
- The number of new licenses created is based on population growth as indicated by the most recent census data and OFM's annual population estimates;
- Social equity licensees are permitted to locate in any local jurisdiction that will allow their operation, but this portability feature is available only one time, at the point of initial licensure;
- The Board must select a third-party contractor to score social equity applicants using a rubric developed by the Board and the Board must rely on the score provided by the third-party contractor in issuing licenses;
- The Board is authorized to require by rule that social equity licenses may only be transferred to or assumed by individuals who qualify as social equity applicants for a period of at least five years from the date of initial licensure;
- The annual license and license renewal fee for social equity applicants is waived through December 31, 2029;
- The definition of "disproportionately impacted areas" is revised to mean census tracts in Washington where community members were more likely to be impacted by the war on drugs; these are areas of high unemployment, low income, and demographic indicators consistent with populations most impacted by the war on drugs, including areas with higher rates of arrest for drug charges;
- The definition of a social equity plan is revised to indicate a plan may include how the cannabis licensee will work to promote social equity goals in their community, and removes other elements of the current statutory definition.

- The definition of a “social equity applicant” is revised to mean a person who meets at least two of three criteria listed below:
 - 1) lived in a disproportionately impacted area for at least five years between 1980 and 2010;
 - 2) Has been arrested or convicted of a cannabis offense or has a family member who has been arrested or convicted of a cannabis offense; and
 - 3) Had a household income less than the state median in the year prior to submitting an application.

Section 3

Provides for an exception to the existing statutory process in RCW 69.50.345 through which the LCB creates cannabis retail licenses within counties, to allow for the initial portability of social equity retail licenses to any local jurisdiction in the state that will allow these businesses.

Section 4

Provides for the same exception described in section 3 for the version of RCW 69.50.345 that becomes effective on July 1, 2024.

Section 5

Provides for the expiration of section 3 of this act on July 1, 2024.

Section 6

Establishes an effective date for section 4 of the act of July 1, 2024.