



Washington State Liquor and Cannabis Board

Social Equity in Cannabis Rulemaking

Expanding and Improving the Social Equity in Cannabis Program
(E2SSB 5080)

Public Engagement Session #1

Wednesday, May 15 (3:00 p.m. – 5:00 p.m.)

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Washington State Liquor and Cannabis Board

Welcome

Meeting Agenda	
Time	Topic
3:00 p.m.– 3:05 p.m.	Welcome
3:05 p.m.– 3:55 p.m.	Review and gather feedback on draft changes to the scoring rubric
3:55 p.m. – 4:00 p.m.	5-minute break
4:00 p.m.– 4:45 p.m.	Review and gather feedback on draft changes to the scoring rubric (continued)
4:45 p.m.– 5:00 p.m.	Next steps and questions



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Housekeeping

1. This session is being recorded.
2. All comments and chat entries are subject to public disclosure.
3. The chat will be open for comments and questions, as long as the chat is not being use to attack people, or their position on an issue.
4. Any abusive language and/or profanity will not be tolerated.



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Purpose

1. Engage in dialogue and solicit constructive feedback on the current concepts for the proposed scoring rubric.
2. Gain and understanding of what issues are important to consider in the rule development.
3. Start conversations about topics and points of consideration.
4. Provide some understanding about our thinking and intent.
5. Hear from a variety of people

The overall conversation relates to modify existing rules (chapter 314-55 WAC), as necessary, to implement changes to the social equity in cannabis program made by E2SSB 5080.



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Reminders

1. All rule language is in a preliminary and conceptual draft stage.
2. Concepts have been developed based on feedback received.
3. Recent feedback has been incorporated into today's presentation.
4. Nothing has been finalized.
5. There will be no decisions made today.
6. All feedback will be considered.
7. Not all feedback can be adopted.
8. Additional comments and feedback after the meeting can be provided through email to rules@lcb.wa.gov



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Ground Rules

1. **Stay on topic with constructive feedback.** Today's focus is on the scoring rubric. Comments should address pros, cons, concerns, suggestions, and perceived impacts of the proposed language and concepts. You may be cut off and muted if you are not commenting on the rule set.
2. **Be respectful.** Please be respectful of others' time. No personal attacks. Making comments about other people or organizations may result in being cut off and muted.
3. **One speaker at a time.** Please raise your hand to speak and you will be called upon.
4. **Time.** Please be concise to ensure everyone has a chance to contribute. If you are raising your hand to contribute multiple times, others who have not had a chance to contribute may be called upon before you speak again, so please be patient until you are called upon again.
 - The chat feature will be turned on for questions and comments. Please note: Anything in the chat is subject to public disclosure.
5. **Agreement and Disagreement – limit comments so other can comment too**
6. **Break.** We have one scheduled 5-minute break.



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Scoring Rubric

The scoring rubric is a tool used to assign points to an individual for meeting specific criteria. As required by legislation, those interested in applying for a cannabis Social Equity license must first meet **two of the four Social Equity qualifications**. If qualifications are met, eligible applicants will be evaluated with the scoring rubric and given a total point value.



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Qualifications

Under E2SSB 5080, a Social Equity Applicant means an applicant who has at least 51 percent ownership and control by one or more individuals who meet at least two of the following qualifications:

1. Lived in a disproportionately impacted area in Washington state for a minimum of 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;
3. Had a household income that was less than the median household income within the state of Washington as calculated by the United States census bureau; or
4. Is both a socially and economically disadvantaged individual as defined by the office of minority and women's business enterprises under chapter 39.19 RCW.



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Current Rubric

Social Equity Application Scoring Rubric		
Category	Eligibility Requirements	Point Scale
	1. Lived in a disproportionately impacted area (DIA)	40
	1a. How long have you lived in a DIA? 5y -10y = 20 points 10 + years = 40 points	40
	2. Convicted of a drug offense? (Self)	10
	2a. Convicted of a cannabis offense? (Self)	40
	3. Convicted of a drug offense? (Family)	5
	3a. Convicted of a cannabis offense? (Family)	5
	4. If you were convicted of a cannabis offense, what type of sentence did you receive: Fine = 10 points Served probation = 20 points Confined to home = 40 points Served time in jail or prison = 80 points	80
	5. Did you or your family member's incarceration keep you from getting employment?	5
	6. Did you lose your home or ability to purchase a home or rent a home as a result of your convictions or arrests?	5
	7. Is your household income less than the median household income within the state of Washington as calculated by the United States Census Bureau?	40
	8. Did you own or operate a medical cannabis dispensary or collective garden, licensed as a business, prior to July 1, 2016 (10 points)? or Did you own and operate a medical cannabis dispensary or collective garden licensed as a business in a DIA (30 points)?	10 30 in a DIA
	9. Have you held or do you currently hold 51 percent majority/controlling interest of a state cannabis (marijuana) retailer license? No = 10 points Yes = 0 points	10
	Total Maximum Points	310 points

Proposed draft changes

Social Equity Application Scoring Rubric		
Category	Eligibility Requirements	Point Scale
1	Lived in a disproportionately impacted area (DIA) 1-5 years: 15 6-10 years: 20 11+ years: 40	
2	Applicant convicted of a drug offense.	60
3	Family member convicted of a drug offense.	30
4	If you were convicted of a drug offense, what type of sentence did you receive? <i>Fine:</i> 10 <i>Served Probation:</i> 30 <i>Served time in jail or prison:</i> 80	
5	Is your household income less than the median household income within the state of Washington as calculated by the U.S. Census Bureau?	15
6	a. Did you own a medical cannabis dispensary or collective garden, licensed as a business prior to July 1, 2016? or b. Did you own a medical cannabis dispensary or collective garden licensed as a business in a DIA?	If a. : 10 If b. : 30
7	Have you held, or do you currently hold 51% majority/controlling interest of a state cannabis license?	If no: 15 If yes: 0
8	Did you apply and qualify under HB 2870, but were not selected to move forward?	If no: 0 If yes: 15
	Total Maximum Points	285



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Rubric Criteria: Lived in a DIA for any amount of time.

Draft proposed change

Remove living in a DIA for “any amount of time” as a separate Criteria (40 points) and combined with “time spent living in a DIA” (see next slide).

Intent

- 1. Alignment with statute:** Criteria awards points to those who do not meet have not lived in a DIA for a minimum of 5 years (5080 qualification).
- 2. To clarify scoring requirements:** People had difficult time distinguishing living in a DIA for any time and time spent living in a DIA; and
- 3. Reflect long-term impacts:** Does not consider cumulative negative effects associated with living longer in a DIA (economic, social, or health-related).



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Rubric Criteria: Time spent living in a DIA

Draft proposed change

Adjusted point allocation increments, as follows:

Current Rubric

5-10 years

10+ years

Proposed Rubric

1– 5 years

6 -10 years

11+ years

Intent

Recognize long-term impacts:

Awarding more points for the length of time spent living in a DIA reflects the accumulating impact.



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Rubric Criteria: Arrested or convicted for a cannabis offense (applicant or family)

Draft proposed change

Modified cannabis specific offense to general violation of the uniform controlled substances act.

Intent

Promotion of social equity goals: To prioritize populations of those most impacted by the war on drugs.

Reduce barriers to entry: Reducing barriers to entry associated with documentation demonstrating the specific offense. There are some limitations in court case management systems where lack of specificity exists.



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Criteria: Applicant arrested or convicted for a drug offense

Draft proposed change

Increase points awarded for the Criteria by 50.

Intent

Promotion of social equity goals: To prioritize populations of those most impacted by the war on drugs.

Reduce barriers to entry: Reducing barriers to entry associated with documentation demonstrating the specific offense. There are some limitations in court case management systems where lack of specificity exists.



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Limitations of Case Management System

Examples of current law entries from current posted Superior Court law table

Statute	Long Description	Effective Date	Degree of Offense
69.50.401(1)	Controlled Substance Manufacture, Deliver, Possess with Intent to Manufacture or Deliver	7/1/2004	DE
69.50.401(2)(a)	Controlled Substance Schedule I or II Narcotic Drug or Flunitrazepam Salts, Isomers in Schedule IV	7/1/2004	FB
69.50.401(2)(c)	Controlled Substance Schedule I, II, or III	7/1/2004	FC
69.50.4012	Controlled Substance Dispense/Distribute	7/1/2004	FC
69.50.4012(1)	Controlled Substance Distribute/Dispence	7/1/2004	FC
69.50.4012(2)	Controlled Substance Dispense/Distribute Penalty	7/1/2004	FC
69.50.4013(1)(b)	Controlled Substance Knowingly Use in Public	7/1/2023	GM
69.50.4013(5)	Cannabis Under 21yo Possess/Manuf/Sell/Distribute	7/1/2023	M
69.50.4014	Cannabis Knowingly Possess 40 Grams or Less	6/9/2022	M
69.50.4015	Controlled Substance Transact Involve Minor	7/1/2004	FC
69.50.4015(1)	Controlled Substance Transaction Involve Minor	7/1/2004	FC
69.50.4015(2)	Controlled Substance Transaction Involve Minor Penalty	7/1/2004	FC
69.50.402(1)	Controlled Substance Practitioner Violation	7/1/2004	FC
69.50.402(1)(a)	Controlled Substance Practitioner Dispense/Distribute Violation	7/1/2004	FC



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Criteria: Type of sentence received for drug offense

Draft proposed changes

1. Increased points for awarded for a probation sentence (10+ points); and
2. Removed home confinement as a sentencing type. 40-points no longer awarded for home confinement sentencing.

Intent

- Provide points for standard disposition.
- Based on a sample of 2870 applications reviewed, no one was awarded points for a home-confinement sentence.
- Home confinement is typically a condition of bail, probation, or parole.



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Criteria: Loss of home or ability to purchase home or rent a home due to conviction or arrest

Proposed change

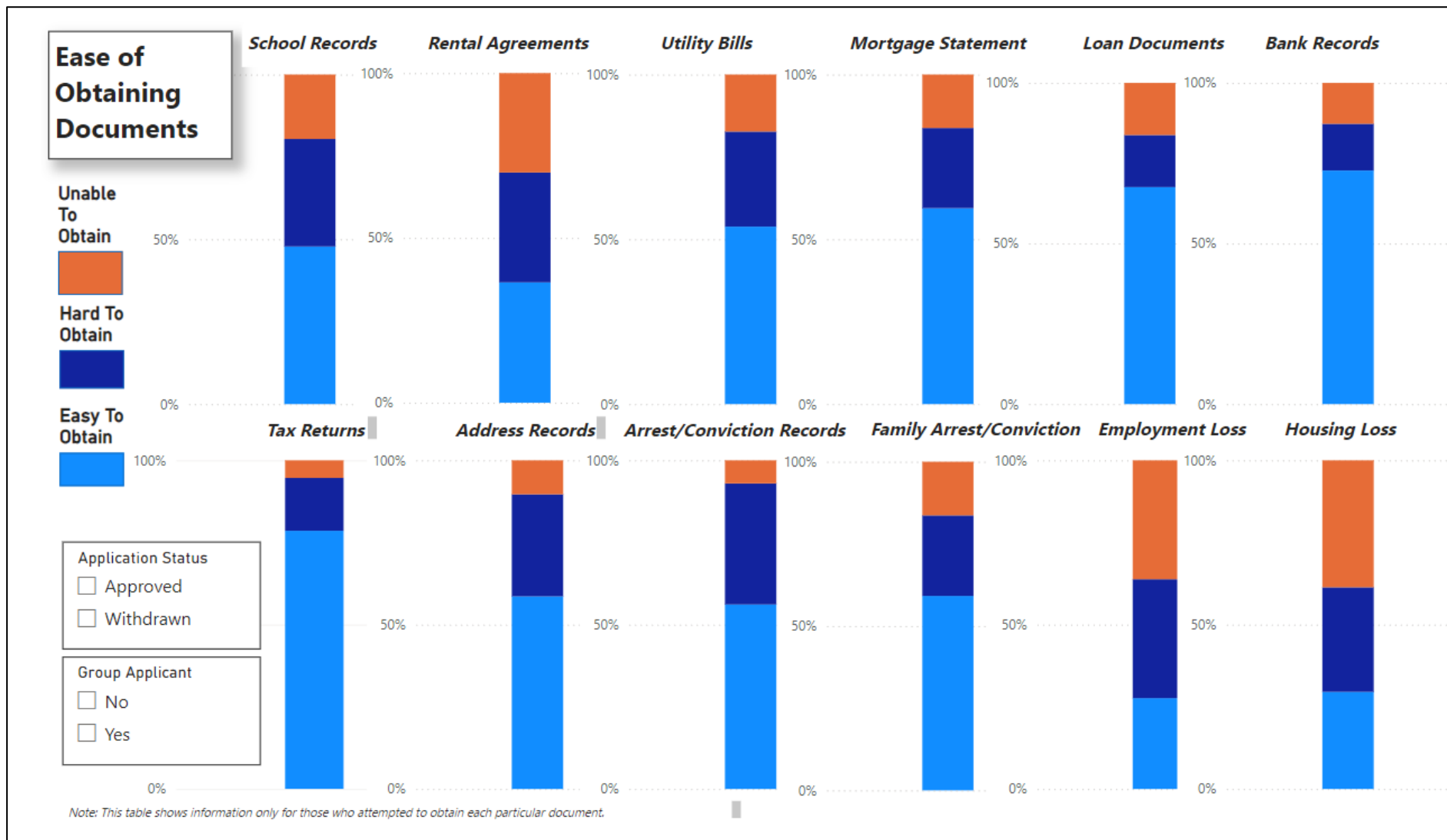
Remove criteria – 5 points no longer awarded for meeting the criteria.

Intent

- Reduce barriers to entry related to difficulty obtaining records demonstrating the qualification.
- Approximately 70% of the 2870 applicant survey respondents found it difficult or impossible to obtain housing loss records.



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Criteria: Household income less than median household income in WA state

Proposed change

Decreased points awarded for meeting Criteria from 40 to 15 (25-point decrease)

Intent

Mitigate verification challenges

Income verification issues: Verifying income for the household can be difficult

Stakeholder feedback: Majority of 2870 applicants who were not selected to move forward were awarded points for Criteria.

1. Lack of access to capital
2. Potential for exploitation



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Criteria: Unable to obtain employment due to an arrest or conviction (applicant or family)

Proposed change

Remove criteria – 5 points no longer awarded.

Intent

- Reduce barriers to entry related to difficulty obtaining records demonstrating the qualification.
- Approximately 72% of the 2870 applicant survey respondents found it difficult or impossible to obtain employment loss records.



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Criteria: Involvement in a medical cannabis dispensary or collective garden, licensed as a business, prior to July 1, 2016

Proposed change

1. 30 points are no longer awarded for operators of a business in a DIA.
2. 10 points are no longer awarded for operators of a business not in a DIA.

Intent

1. *Focus on ownership vs operators*
2. *Improve evaluation consistency.*
Based on stakeholder feedback from 2870 applicant survey and comments received during the application process, documentation was difficult to obtain.



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Criteria: Never held or do not currently hold 51% majority/controlling interest of a state cannabis (marijuana) retailer

Proposed change

Increased points awarded by 5 points.

Intent

1. Provide broader opportunities for those not currently in the industry
2. Encourage diversity of ownership and executive positions
3. Economic empowerment
4. Reducing barriers to entry
5. Promotion of social equity goals



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New Concept: Applied as a 2870 applicant and was not selected to move forward

New Criteria

Award 15 points to 2870 applicants who applied but were not selected to move forward.

Intent

1. Fairness in scoring
2. Promote social equity goals
3. Encouragement for disadvantaged groups



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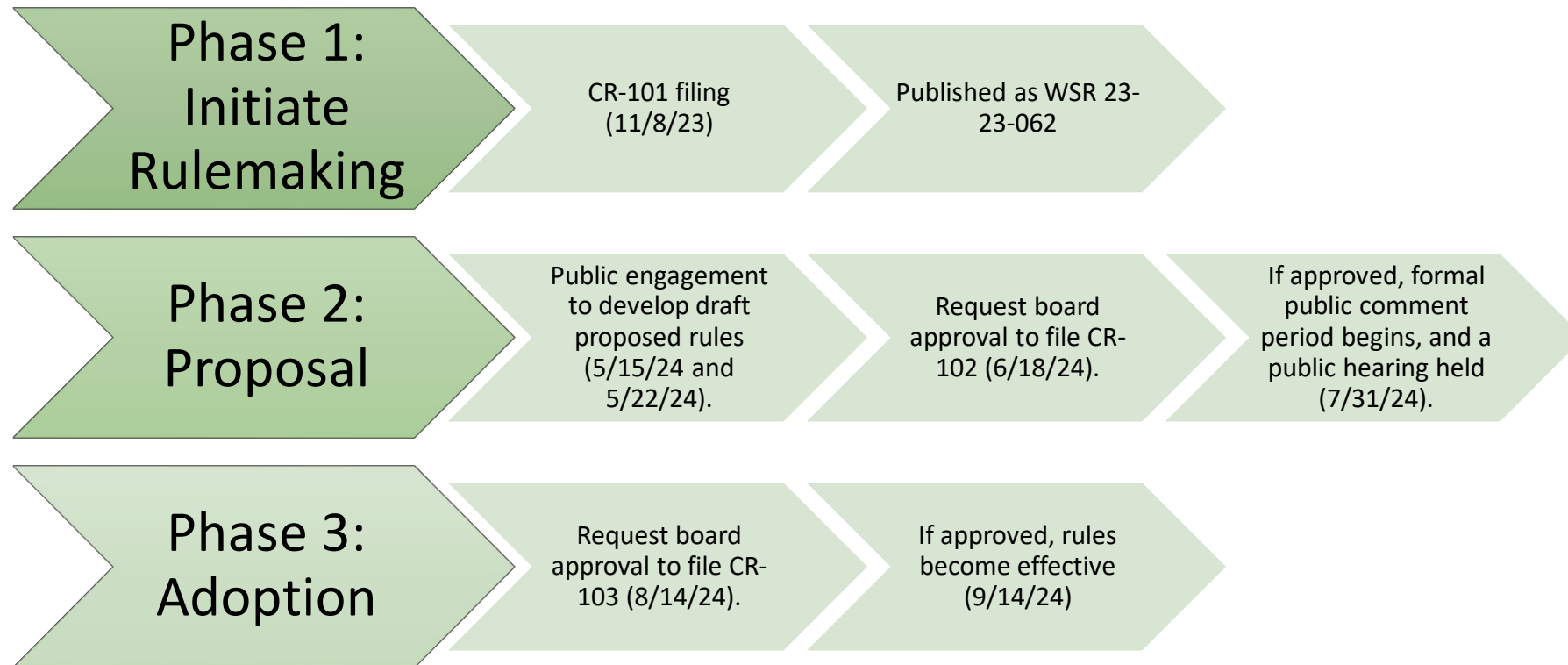
Rulemaking Timeline

- Nov. 8, 2023: CR-101 filed
- May 24, 2024 (11:59 p.m.): Deadline for feedback on draft rule changes
- June 18, 2024: Request board approval to file CR-102
- July 31, 2024: Public hearing
- Aug. 14, 2024: Request board approval to file CR-103
- Sept. 14, 2024: Effective date of rules



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Rulemaking Timeline





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Make a Difference. Let your Voice Be Heard!

Ways to Engage with Us

Please submit written comments to rules@lcb.wa.gov, by fax at (360) 704-5027, or by mail:

Rules Coordinator
Liquor and Cannabis Board
P.O. Box 43080
Olympia, WA 98504-3080

You can find more information about submitting public comments and other ways to participate in the rulemaking process at: <https://lcb.wa.gov/laws/rulemaking-overview>.



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Participating in the Rulemaking Process

Informal Comment Period

(pre-102 filing)

Interested parties are encouraged to provide feedback and suggestions on proposed draft rules for the CR-102 filing by:

1. Attending virtual rulemaking workshop series to review and discuss changes to proposed draft rules; and
2. Submitting written comments.

Comment deadline: 11:59 pm on Friday, May 24, 2024

Please submit written comments to rules@lcb.wa.gov or licensing socialequity@lcb.wa.gov, by fax at (360) 704-5027, or by mail:

Rules Coordinator
Liquor and Cannabis Board
P.O. Box 43080
Olympia, WA 98504-3080

Formal Public Comment Period

(pre-103 filing)

Interested parties are encouraged to comment on proposed rules approved in the CR-102 filing by:

1. Submitting written comments; and
2. Testifying at a public hearing.

Comment period begins after the CR-102 is filed and closes at 11:59 pm on the day of the scheduled public hearing.



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Rulemaking Resources

- Current and upcoming engagement opportunities:
https://lcb.wa.gov/laws/outreach_and_public_engagement.
- Rules team email: rules@lcb.wa.gov.
- Understanding the rulemaking process and ways to engage:
<https://lcb.wa.gov/laws/rulemaking-overview>.



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Social Equity Program Resources

- Social Equity Website: <https://lcb.wa.gov/se/cannabis-social-equity>
- Blog: <https://medium.com/lcb socialequity>
- Social Equity Email: LicensingSocialEquity@lcb.wa.gov
- Social Equity Plan Email: SocialEquityPlan@lcb.wa.gov



Next Steps – Public Engagement Session #2

Objective

To review draft changes to social equity in cannabis rules (WAC 314-55-570); and collaboratively engage with interested parties to gather feedback and suggestions to improved the draft rules.

Details

May 22, 2024, from 5:00 p.m. – 7:00 p.m.

Hybrid format

- Highline community college (*in-person*)
- Microsoft Teams (*virtual*)



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Thank You!