



CR 101 Memorandum

Regarding implementation of Engrossed Senate Substitute Bill (E2SSB) 5080 (chapter 220, Laws of 2023) regarding various provisions of the Social Equity in Cannabis Program

Date: November 8, 2023
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Background

The LCB recognizes that cannabis prohibition laws were disproportionately enforced for decades and that the cumulative harms from this enforcement remain today. In 2020, in response to a policy priority identified by the Board, the LCB developed agency request legislation (HB 2870) that created the state Social Equity program, the Social Equity in Cannabis Task Force, and the opportunity to provide a limited number of cannabis retail licenses to individuals disproportionately impacted by the enforcement of cannabis prohibition laws. The criteria to be a Social Equity applicant included residence in a disproportionately impacted area, arrest or conviction of a cannabis offense among other criteria defined in the rule by the LCB.

In 2023, following recommendations by the Social Equity in Cannabis Task Force, the LCB requested legislation that would amend and expand the Social Equity program. The legislation enacted, Engrossed Second Substitute Senate Bill (E2SSB) 5080, expands the scale of the current Social Equity Program and makes it more effective by allowing additional retail stores over time, allowing social equity licensees more flexibility to locate a store, while also maintaining local control over zoning and outlet density.

The legislation amends: RCW 43.330.540; 69.50.331; 69.50.335; 69.50.345; reenacts and amends 69.50.101; and creates a new section.

Reasons Why Rules May Be Needed

Rules are needed to implement the provisions of Engrossed Second Substitute Senate Bill (E2SSB) 5080 (chapter 220, Laws of 2023), including, but not limited to:

- Updating definitions such as disproportionately impacted area (DIA), social equity plan, social equity applicant, and other relevant definitions within the scope of the social equity in cannabis program;
- Creating a framework and process for local jurisdiction input on outlet density;
- Expanding social equity license issuance and reissuance;
- Providing for license mobility and county threshold establishment; and
- Other revisions as necessary to align current rules within the scope of E2SSB 5080.

Process

The rulemaking process begins by announcing the Board's intent to consider changes to existing rules, adding new rule sections, or both, by filing a preproposal statement of inquiry (CR 101) form with the Office of the Code Reviser. This allows staff, stakeholders, industry partners, and all members of the authorizing environment to begin discussing proposed rule changes.

At this stage of the rulemaking process, no proposed language is offered. Any interested party may comment on the subject of this possible rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule activity related to this preproposal statement of inquiry. The notice will identify the public comment period and where comments can be sent.