

	Massachusetts (2017)	California (2018)	Portland, OR (2018)
Statute / Proposed Law	The 2017 Act to Ensure Safe Access to Marijuana directed the Cannabis Control Commission (Commission) to ensure that people from communities that have been disproportionately harmed by marijuana law enforcement are included in the new legal marijuana industry.	California Cannabis Equity Act of 2018.	City of Portland: Sept. 26, 2018, Portland lowered cannabis licensing fees and created a city-based social equity program. State of Oregon: Voters passed ballot initiative 91 in 2014 which legalized adult use cannabis without including a social equity program. This year (2020), HB 4088 was introduced in the state assembly directing the cannabis control commission to create a statewide equity program.
Social Equity Licensee Criteria	<p>Applicants or licensees are eligible for the social equity program if they demonstrate at least one of the following criteria:</p> <ul style="list-style-type: none"> • They have resided in an area of disproportionate impact for at least 5 of the past 10 years. • They have a past drug conviction, and they have been residents of Massachusetts for at least the preceding 12 months; • They have been married to or are the child of a person with a drug conviction and they have been residents of Massachusetts for at least the preceding 12 months. or • Those with Economic Empowerment Priority Status. 	<p>The California social equity program relies heavily on local jurisdictions to define eligible participants as well as the parameters of the programs. The stated intent of the Act is to reduce barriers to disadvantaged communities most harmed by the effects of cannabis prohibition.</p> <p>According to the Act, “local equity licensee” means a person who has obtained a license from a local jurisdiction to engage in commercial cannabis activity within the boundaries of that jurisdiction and who meets the requirements of that jurisdiction’s local equity program.</p>	<ul style="list-style-type: none"> • Small Businesses with less than \$750,000 annual total income in the preceding calendar year, and no more than two other cannabis businesses) • Small Businesses that ALSO contract with Minority-owned, Woman-owned, or Emerging Small Business (MWESB)-certified industry vendors. This is a state-sponsored certification program. • 25% of owners OR 20% of staff have a prior cannabis conviction
Benefits of Social Equity License	<p>The Cannabis Control Commission gives priority review of applications and licensing decisions to Economic Empowerment Program candidates.</p> <p>The Cannabis Control Commission gives expedited</p>	The program allows social equity licensees to operate on the premises of licensed retail marijuana stores, cultivation facilities, or marijuana product manufacturing facilities that hold an accelerator endorsement.	<p>Discounts on licensing fees for qualifying businesses, as defined above.</p> <p>Businesses with one of these qualifying factors receive a 15% license fee reduction, and up to \$750 early assistance reimbursement.</p>

	Massachusetts (2017)	California (2018)	Portland, OR (2018)
	<p>review of applications and licensing decisions to candidates who are Social Equity Program participants, and businesses that are certified as Minority-Owned, Women-Owned, or Veteran-Owned.</p> <p>Qualifying Social Equity Program applicants and licensees can receive training and technical assistance in the following areas:</p> <ul style="list-style-type: none"> • Management, recruitment, and employee training • Accounting and sales forecasting • Tax preparation and compliance • Legal compliance • Business plan creation and operational development • Marijuana industry best practices • Assistance with identifying or raising funds or capital. 	<p>Under the cannabis accelerator program which becomes effective January 1, 2021 the host facilities may provide technical, compliance, and capital assistance to the social equity licensee.</p> <p>Licensees are also eligible for incentives from the Office of Economic Development and the Department of Revenue, including a reduction in fees.</p>	<p>Businesses with 2 or more qualifying factors receive 25% license fee reduction and up to \$1,500 early assistance reimbursement.</p> <p>The Bureau of Development Services' Early Assistance program helps business navigate the city's planning rules.</p>
Program Funding	<p>Aside from covering CCC expenses, cannabis tax revenues are not available to promote the social equity program or its licensees. After receiving priority review, applicants are subject to the same requirements as general applicants.</p> <p>These issues are now the subject of remedial legislation under consideration in the legislature.</p>	<p>First year funding for grants to local programs was \$10 million. It was divided among a dozen local jurisdictions who in turn made grants to social equity licensees averaging \$100,000. Governor Newsom announced an increase in local funding this year of \$23 million.</p>	<p>The 2018-2019 Portland budget expected to have \$4.6M available from cannabis tax revenues. Local cannabis tax revenue that year was allocated as follows:</p> <ul style="list-style-type: none"> • \$1,770,626 Vision Zero traffic enforcement projects • \$2,149,750 to Police Bureau, DUII training and Vision Zero enforcement • \$700,000 for social equity programs, including small business support, economic opportunity, education to communities disproportionately impacted by cannabis prohibition and

	Massachusetts (2017)	California (2018)	Portland, OR (2018)
			<p>providing access to safe, stable housing for people reentering the community post-incarceration.</p> <p>30% of Social Equity Grants (\$210,000) were dedicated to industry support and technical assistance for Minority owned cannabis businesses. The remaining \$490,000 were grants to fund record clearing; workforce development; and re-entry housing services.</p>
Allocation of Cannabis taxes for Community Recovery Programs	Not addressed.	Not addressed in the Cannabis Equity Act.	In June, due to unrest related to the murder of George Floyd, Portland Mayor Ted Wheeler announced the city would redirect contributions to the police department and reinvest the funds in social justice initiatives.
Social Equity Program Checklist <ul style="list-style-type: none"> • Licensing preferences: ✓ • Reduced fees: ✓ • Affordable loans: ✗ • Technical Assistance: ✓ • Tax revenues for community development: ✗ 			<ul style="list-style-type: none"> • Licensing preferences: ✓ • Reduced fees: ✓ • Affordable loans: ✗ • Technical Assistance: ✓ <p>More information on this expected when city redirects cannabis tax revenue from police programs to social justice.</p>
Criminal Justice Checklist <ul style="list-style-type: none"> • Expungement ✗ 		California expungement law not addressed in this Act.	More news on expungement expected at state level.
<ul style="list-style-type: none"> • Disregard prior convictions ✓ 			

	Michigan (2019)	Illinois (2020)	Washington State (2020)
Statute / Proposed Law	The Michigan Regulation and Taxation of Marijuana Act (MRTMA), passed by voters in 2018, requires the Marijuana Regulatory Agency (MRA) to develop a plan to promote and encourage participation in the marijuana industry by people from communities that have been disproportionately impacted by marijuana prohibition and enforcement. Adult-use sales began December 2019.	The Cannabis Regulation & Tax Act (“Act”), legalized cannabis for adult use in Illinois starting January 1, 2020 and established a program for Social Equity Applicants.	On March 31, 2020, the governor of Washington signed into law bill E2SHB 2870, which allows additional marijuana retail licenses for a new social equity program. Although Washington was one of the earliest legal recreational states, less than one percent of licenses have been awarded to disadvantaged applicants.
Social Equity Licensee Criteria	<p>Communities which have marijuana-related convictions greater than the state median and have 20% or more of the population living below the federal poverty level will qualify as disproportionately impacted communities. This includes 184 communities eligible throughout the state.</p> <p>Applicants who live in disproportionately impacted communities and have prior convictions for marijuana-related offenses earn preferred treatment on license applications.</p> <p>However, residents living outside a disproportionately impacted community are still eligible for marijuana-related conviction fee reductions.</p>	<p>The Act establishes a program for equity applicants who meet the following criteria.</p> <ul style="list-style-type: none"> • Have at least 51% ownership and control by an individual(s). • Have lived in a Disproportionately Impacted Area in 5 of the past 10 years. • Have been arrested for, convicted of, or adjudicated delinquent for cannabis-related offenses eligible for expungement, including cannabis possession up to 500 grams (about 18 ounces) or intent to deliver up to 30 grams (one ounce). • Have a parent, child, or spouse that has been arrested for, convicted of, or adjudicated delinquent for cannabis-related offenses eligible for expungement, including possession up to 500 grams or intent to deliver up to 30 grams <p>Additional Criteria</p> <ul style="list-style-type: none"> • Have more than 10 full-time employees, and more than half of those employees currently reside in a 	<p>Social equity goals are to increase the number of licenses held by social equity applicants from disproportionately impacted areas and to reduce the accumulated harm suffered by people and areas subject to severe cannabis prohibition enforcement.</p> <p>Applicants must submit a social equity plan. The plan may include:</p> <ul style="list-style-type: none"> • A description of how the retail license issuance will meet social equity goals. • The applicant's personal or family history with the criminal justice system, including any cannabis-related offenses. • The composition of the workforce the applicant intends to hire. • Neighborhood characteristics of the location where the applicant intends to operate; and • Business plans involving partnerships or assistance to organizations or residents with connection to populations with a history of high rates of enforcement of marijuana prohibition.

	Michigan (2019)	Illinois (2020)	Washington State (2020)
		<p>Disproportionately Impacted Area.</p> <ul style="list-style-type: none"> • Have been arrested for, convicted of, or adjudicated delinquent for cannabis-related offenses • Have a parent, child, or spouse that has been arrested for, convicted of, or adjudicated delinquent for cannabis-related offenses eligible for expungement, including cannabis possession up to 500 grams or intent to deliver up to 30 grams. 	<p>A “social equity applicant” means:</p> <ul style="list-style-type: none"> • An applicant who has at least fifty-one percent ownership and control by one or more individuals who have resided for at least five of the preceding ten years in a disproportionately impacted area; or • An applicant who has at least fifty-one percent ownership and control by at least one individual who has been convicted of a marijuana offense or is a family member of such an individual. <p>A “disproportionately impacted area” means: “A census tract or comparable geographic area that satisfies the following criteria:</p> <ul style="list-style-type: none"> • A high poverty rate. • A high rate of income-based federal or state program participants. • A high rate of unemployment. • A high rate of arrest, conviction, or incarceration related to the sale, possession, use, cultivation, manufacture, or transport of marijuana.”
<p>Benefits of Social Equity License</p>	<p>Participating in the Social Equity Program allows qualifying applicants to benefit from a reduction of up to 75% off the application fee, the initial license fee, and future renewal fees, which will be calculated as follows for qualifying applicants:</p> <p>Residency – 25% fee reduction for residency in a disproportionately impacted community for at least 5 cumulative years of the last 10 years.</p> <p>Marijuana-Related</p>	<ul style="list-style-type: none"> • Social equity applicants can receive technical assistance through the Illinois Department of Commerce on creating business plans and applying for cannabis licenses. • Eligible to pay reduced license and application fees • May obtain access to low-interest loans through DCEO for starting and operating a cannabis-related business. 	<p>The new social equity licenses will have a relatively low annual cost of \$1,480 and have an application fee of \$250. They are expected to be available between December 1, 2020, and July 1, 2028.</p> <p>A technical assistance grant program is created, to be administered by the Department of Commerce.</p> <ul style="list-style-type: none"> • Grants must be awarded competitively, based primarily on the strength of an applicant’s social equity plan.

	Michigan (2019)	Illinois (2020)	Washington State (2020)
	<p>Conviction – 25% fee reduction for having been convicted of a marijuana-related misdemeanor** or a 40% fee reduction for having been convicted of a marijuana-related felony.**</p> <p>**Excludes distribution of a controlled substance to a minor</p> <p>Caregiver – 10% fee reduction for registration as a primary caregiver under the Michigan Medical Marijuana Act for at least 2 years between 2008-2017.</p> <p>Effective June 1, 2020, applicants/licensees who qualify for the maximum fee reduction will receive a 75% reduction in their application and annual licensing fees. An applicant can meet any of the above criteria and be eligible for the associated fee reduction, regardless of where they reside in Michigan.</p> <p>Currently, fee reductions last indefinitely so long as the applicant/licensee remains eligible for the fee reductions and operates within a disproportionately impacted community. Applicants/licensees may operate outside of a disproportionately impacted community; if they choose to do so, the fee reductions will expire after the first two years of operation.</p>		<ul style="list-style-type: none"> Activities eligible for funding under the grant program include, but are not limited to, assistance with the marijuana retailer licensing process, marijuana business education and business plan development, regulatory compliance training, and connecting the social equity applicant with established industry members. <p>Possible future benefits to licensees: Members of the Washington State Commission on African American Affairs helped create and promote HB 2870. They have their sights on developing incubator programs for social equity license applicants, investment assistance, additional direct funding through greater technical assistance grants, increasing accessibility to banking and financial services, and better traceability testing.</p>
Program Funding	Substantial application, license and annual fee reductions for social equity participants will impact program costs but how much is unknown at present.	A Cannabis Business Development Fund will be established to help defray Social Equity business start-up costs including a 50% reduction of the non-refundable license application, along with loans and other financial incentives. The Fund is set at \$12 million the first	Grants are to be financed through a \$1.1 million appropriation to the Department of Commerce from the Dedicated Marijuana Account.

	Michigan (2019)	Illinois (2020)	Washington State (2020)
		year and is expected to grow to \$30 million in future years.	
Allocation of Cannabis tax Revenues for Community-wide Recovery Programs	Not addressed in social equity law.	Twenty-five percent of revenues generated from cannabis sales and license fees will fund a new the Recovery, Reinvest, Renew (3R) program to provide resources directly to community groups to offer services in communities that were disproportionately impacted by violence, poverty, and uneven enforcement of cannabis-related laws.	Not addressed in social equity law.
Social Equity Program Checklist			
• Licensing preferences:	✓	✓	✓
• Reduced fees:	✓	✓	X
• Affordable loans:	X	✓	✓
• Technical Assistance:	✓	✓	X
• Tax revenues for community development:	X	✓	
Criminal Justice Issues Checklist			
• Expungement	Separate expungement legislation is under consideration in the legislature.		✓ In 2019, the Washington legislature passed Senate Bill 5605 that vacates misdemeanor marijuana convictions.
• Disregard prior convictions	See benefits section above.		

	Colorado (2020)	New York (2021)	New Jersey (2021)
Statute / Proposed Law	<p>An Act Relating to Social Equity Licensees in Regulated Marijuana (Enacted June 2020). The program is built on a law passed in 2019 which established an “accelerator program” akin to an apprenticeship for small business startups. Social equity licensees (formerly called “accelerator licensees”) who are approved by the state, are Colorado residents who have lived in a designated opportunity zone for 5 of the past 10 years.</p>	<p>On March 31, 2021, Governor Cuomo signed the Marihuana Regulation & Taxation Act (MRTA) legalizing adult-use in New York State. The legislation creates a new Office of Cannabis Management (OCM) that will issue licenses and develop regulations outlining how businesses can participate in the new industry.</p> <p>A major focus of the MRTA is social and economic equity. The MRTA incentivizes participation in the new industry for individuals disproportionately impacted by cannabis prohibition, automatically expunges an individual’s past marijuana convictions, and invests 40% of the adult-use cannabis tax revenue toward rebuilding communities harmed by the War on Drugs.</p> <p>Additionally, the MRTA includes provisions allowing New Yorkers over 21 years old to grow their own cannabis at their personal residence, once regulations pertaining to home grow have been promulgated by the Cannabis Control Board.</p>	<p>Governor Phil Murphy signed New Jersey bill A. 21 into law on February 22, 2021, legalizing and regulating cannabis use and possession for adults 21 years and older. According to legislative leaders, “The New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act” could result in recreational marijuana sales in about 6 months. The Cannabis Regulatory Commission will be working on additional regulations for the remainder of 2021, including rules to implement social equity provisions and funding.</p>
Social Equity Licensee Criteria	<p>A social equity licensee is a Colorado resident; has not been the owner of a revoked marijuana license; and has demonstrated at least one of the following:</p> <ul style="list-style-type: none"> • Resided for at least 15 years between 1980 and 2010 in an area designated as an opportunity zone, or as a disproportionate impacted area as defined in rule by the Marijuana Enforcement Division; • The applicant or the applicant’s immediate family was arrested for or convicted of a marijuana offense or was subject to 	<p>A goal is to award 50% of adult-use cannabis licenses to social and economic equity applicants.</p> <p>Would ensure inclusion of:</p> <ul style="list-style-type: none"> • individuals from communities disproportionately impacted by the enforcement of cannabis prohibition • minority-owned businesses • women-owned businesses • disadvantaged farmers • service-disabled veterans <p>The Cannabis Control Board will also create an incubator program to encourage social and economic equity</p>	<ul style="list-style-type: none"> • The Cannabis Regulatory Commission (CRC) will issue six categories of cannabis licenses: <ul style="list-style-type: none"> ○ Class 1 - Grower ○ Class 2 – Processor ○ Class 3– Wholesaler ○ Class 4 – Distributor ○ Class 5 – Retailer ○ Class 6 – Delivery • Applicants would be scored on a system that considers the merits of the overall business plan, environmental responsibility, and workforce development plans, as well as participation by persons from socially and economically disadvantaged communities.

	Colorado (2020)	New York (2021)	New Jersey (2021)
	<p>civil asset forfeiture related to a marijuana case; or</p> <ul style="list-style-type: none"> The applicant's household income in the previous year did not exceed an amount determined by the Department of Revenue (DOR). 	<p>applicants to apply for licensure and to provide direct support in the form of counseling services, education, small business coaching, financial planning, and compliance assistance.</p> <p>Additional priority would be given to applications that demonstrate an applicant meets the following additional criteria:</p> <ul style="list-style-type: none"> is a member of a community disproportionately impacted by the enforcement of cannabis prohibition has an income lower than eighty percent of the median income of the county in which the applicant resides was convicted of a marijuana - related offense prior to the enactment of this legislation (or had a parent, guardian, child, spouse, or dependent convicted of such an offense) <p>Licenses issued under the social and economic equity plan cannot be transferred or sold within the first three years of issuance, except to another qualified social and economic equity applicant with approval from the Cannabis Control Board.</p> <p>Additionally, all non-equity licensees are required as part of the application process, to develop and implement a social responsibility framework, which is designed to contribute to communities disproportionately harmed by cannabis prohibition and to annually report this progress to the Cannabis Control Board. Adherence to this requirement, is a condition of license renewal.</p>	<ul style="list-style-type: none"> At least 35 percent licenses in each category would be "conditional licenses" and have income limits and preferences for in-state applicants. At least 25 percent of licenses would go to microbusinesses which would have limits on the number of employees (10) and the amount of cannabis that could be handled. A goal would be set to have at least 15 percent of new licenses given to businesses certified as minority-owned and at least 15 percent certified as women- or disabled veteran-owned Applicants residing in certain high-unemployment, high-crime "impact zones" and applicants that would have at least 25 percent of employees from these impact zones would be given priority.

	Colorado (2020)	New York (2021)	New Jersey (2021)
Benefits of Social Equity License	<p>The program allows social equity licensees to operate on the premises of licensed retail marijuana stores, cultivation facilities, or marijuana product manufacturing facilities that hold an accelerator endorsement.</p> <p>Under the cannabis accelerator program which becomes effective January 1, 2021 the host facilities may provide technical, compliance, and capital assistance to the social equity licensee. Licensees are also eligible for incentives from the Office of Economic Development and the Department of Revenue, including a reduction in fees.</p>	<p>The Act dedicates 40% of the adult-use cannabis tax revenue to the New York State Community Reinvestment Grant Fund. Through this fund, qualified community-based nonprofit organizations and local governments would be eligible to apply for funding to support several different community revitalization efforts, including, but not limited to:</p> <ul style="list-style-type: none"> • Low and no-interest loans to qualified candidates • Job placement and skills services • Adult education • Mental health treatment • Substance use disorder treatment • Housing • Financial literacy • Community banking • Nutrition services • Afterschool and childcare services • Legal services to address barriers to reentry 	<p>Most of the benefits to social equity license applicants are in the form of licensing preferences, as described above.</p> <p>Low interest loans, application assistance, and technical assistance are specified in the Act, although the CRC has wide latitude to shape the program and ensure its success.</p> <p>Program benefits would be under the purview of the CRC and would depend on resources available through of cannabis excise and sales taxes.</p>
Program Funding	<p>The legislature’s fiscal note anticipates the program will increase state revenues which will offset any new costs.</p>	<p>Cannabis tax revenue will be deposited to the New York State Community Reinvestment Grant Fund.</p>	<p>Cannabis excise fees could be levied on cultivators and deposited to the Cannabis Regulatory, Enforcement Assistance and Marketplace Modernization Fund. These resources may be used for investing in social equity programs, administration of grants, low interest loans and application assistance.</p> <p>The Act call for distribution of 70 percent of tax revenue from retail cannabis sales to investments in impact zones which have been adversely affected by criminalization of cannabis.</p> <p>Local governments may impose an additional 2 percent on top of the state’s 6.625 percent sales tax.</p>

	Colorado (2020)	New York (2021)	New Jersey (2021)
Allocation of Cannabis tax Revenues for Community-wide Recovery Programs	The Social Equity Act does not address the expenditure of marijuana taxes, but legislation passed in 2014 requires 85 percent of Colorado cannabis taxes to be used for health care, education, substance abuse treatment, and law enforcement. 15 percent is remitted to local governments that allow marijuana sales.	40 percent of adult-use cannabis tax revenue will be deposited to the New York State Community Reinvestment Grant Fund.	Not specified in the draft.
Social Equity Program Checklist			
• Licensing preferences:	✓	✓	✓
• Reduced fees:	✓	✓	Unspecified
• Affordable loans:	✓	✓	✓
• Technical Assistance:	✓	✓	✓
• Tax revenues for community development:	X	✓	✓
Criminal Justice Issues Checklist			
• Expungement	<p>✓ Governor may pardon any conviction involving possession of 2 oz. Other marijuana related crimes may be pardoned at Governor's discretion after input received from attorneys, judges, etc.</p> <p>✓ The Act also stipulates that prior marijuana convictions shall not be an impediment to participating in the state's social equity program.</p>	<p>✓ Yes, for offenses now legal under MRTA statute</p>	<p>✓ A cannabis-related expungement bill was signed into law by the Governor in 2020.</p> <p>✓</p>

	Virginia (2021)	New Mexico (2021)	Arizona (2021)
Statute / Proposed Law	<p>Virginia HB 2312 and SB 1406, to legalize, tax and regulate cannabis for adults 21 and older, passed the House and Senate on February 27, 2021. Gov. Ralph Northam requested amendments from the legislature to accelerate the timetable for adult possession and home grow which the legislature approved on April 7. This part of the new law went into effect July 1, 2021 making Virginia the 17th state to enact cannabis legalization.</p> <p>Provisions to set up licensing of commercial cultivators and dispensaries do not take effect until January 1, 2024. The legislation also includes automatic sealing of low-level past cannabis offenses and establishes a social equity program to promote participation in the legal cannabis industry from those hardest hit by the war on cannabis.</p>	<p>HB 2 (and companion SB 2), The Cannabis Regulation Act, legalizes and regulates cannabis for adults over 21 years signed by the governor on April 12, 2021. The Cannabis Control Division will develop rules to license and regulate cannabis businesses and diversity and inclusion.</p>	<p>The passage of the Smart and Safe Act ballot (Prop 207) included provisions for the Social Equity Ownership Program (SEOP) designed to issue licenses to entities whose owners are from communities disproportionately impacted by the enforcement of previous marijuana laws. The Arizona Department of Health Services (ADHS) is responsible for adopting the rules. ADHS issued the first draft regulations in May 2021 (R9-18-102, 302-305). Only 26 licenses are available.</p>
Social Equity Licensee Criteria	<p>A 10-person Cannabis Control Advisory Board (CCAB) tasked with creating a Cannabis Social Equity Liaison, a Cannabis Business Equity and Diversity Support Team, and an Outreach/Action Plan.</p> <p>CCAB will develop criteria for identifying social equity license applicants, establishing criteria for identifying jurisdictions that have been disproportionately policed for marijuana, or are economically distressed.</p> <p>The bill does provide guidance for prioritizing people who have been charged with marijuana-related offenses or who graduated from historically Black colleges and universities. Those</p>	<p>The Cannabis Control Division will develop rules that must include procedures that promote and encourage full participation in the cannabis industry by representatives of communities that:</p> <ul style="list-style-type: none"> • have been disproportionately harmed by rates of arrest through enforcement of cannabis prohibitions • are rural communities impacted by cannabis production and agricultural producers from economically disadvantaged communities. 	<p>Applicants must have 51% ownership of individuals that petitioned the Court to have prior marijuana conviction expunged from their record and 2019 income that does not exceed 200% of federal poverty guidelines.</p>

	Virginia (2021)	New Mexico (2021)	Arizona (2021)
	entrepreneurs will be given preference when the state grants licensing.	The Rules must include procedures to encourage diversity among applicants.	
Benefits of Social Equity License	<p>Include but are not limited to the following:</p> <ul style="list-style-type: none"> • Qualified social equity applicants may have their license application fees waived or discounted. Future regulations will determine how this is accomplished. • The Bill establishes the Virginia Cannabis Equity Business Loan Fund for the benefit of communities that have been the most disproportionately impacted by the former prohibition of cannabis. This Fund will provide low-interest and zero-interest loans for business ownership and economic growth to qualified social equity licensees. • Between July 2023 December 2023, the Virginia Cannabis Control Authority (VCCA) must give preference to qualified social equity applicants. If there is a limit on the total number of licenses granted in Virginia, the VCCA must reserve spots for qualified social equity licensees. If a social equity licensee obtains a license, and then surrenders that license between 2023-2028, only another qualified social equity applicant can step into the place of the previous licensee. The VCCA also must develop and implement its diversity, equity, and inclusion plan, and publish resources to assist social equity applicants by January 1, 2023. 	The Rules have not yet been developed.	The Rules have not yet been developed, but initial draft proposes a \$5,000 application fee (vs. \$25,000 fee for adult-use).

	Virginia (2021)	New Mexico (2021)	Arizona (2021)
Program Funding	<p>There will be a 21 percent state cannabis tax which will be divided among several priorities including a new Cannabis Equity Reinvestment Fund that can provide scholarships, grant, loans, job training and other services to qualified social equity beneficiaries.</p> <p>After covering expenses of the regulatory agencies, 30 percent of the tax revenues will go into the Cannabis Equity Reinvestment Fund, 40 percent to state early childhood education programs, and 30 percent to fund substance abuse programs. At this point, it is unknown how much money will be available for these purposes.</p>	<p>The Rules have not yet been developed.</p>	<p>The Rules have not yet been developed.</p>
Allocation of Cannabis tax Revenues for Community-wide Recovery Programs	<p>Rules have not yet been developed.</p>	<p>The Rules have not yet been developed, but there will be 12% excise tax that increases to 18% in 2030 and gross receipts tax ranging from 5.125% to 8.8125%.</p>	<p>The Rules have not yet been developed.</p>
Social Equity Program Checklist <ul style="list-style-type: none"> • Licensing preferences: • Reduced fees: • Affordable loans: • Technical Assistance: • Tax revenues for community development: 	<p>Rules have not yet been developed.</p>	<p>The Rules have not yet been developed.</p>	<p>The Rules have not yet been developed.</p>
Criminal Justice Issues Checklist <ul style="list-style-type: none"> • Expungement • Disregard Prior Convictions: 	<p>Expungement - yes, by July 1, 2022</p>	<p>✔ Yes, under SB 2</p>	<p>✔ Yes</p>

Connecticut (2021)

Nevada (2021)

<p>Statute / Proposed Law</p>	<ul style="list-style-type: none"> • SB 1118 • An Act concerning responsible and equitable regulation of adult-use cannabis • Legislative Action • Signed into law 6/22/2021 	<ul style="list-style-type: none"> • AB 341 • An ACT relating to cannabis; providing for the licensure and regulation by the Cannabis Compliance Board (“CCB”) of cannabis consumption lounges. • Legislative Action • Signed into law 6/4/2021 • Goes into effect 10/1/2021 • No regs yet
<p>Social Equity Licensee Criteria</p>	<p>Social Equity Council. Establishes a 15-member Social Equity Council to promote and encourage full participation in the cannabis industry by people from communities disproportionately harmed by cannabis prohibition. § 22</p> <p>Social Equity Program for Applicants Applicants or licensees are eligible for the social equity program if they demonstrate the following criteria § 1(48):</p> <ul style="list-style-type: none"> • Business is at least 65% owned and controlled by SE applicant • Applicant has resided in a disproportionately impacted area (“DIA”) for at least 5 of the past 10 years. Or • Resided in a DIA for at least 9 years before reaching age 18 • Had household income <300% of state median household income for the last 3 years 	<p>Social Equity Applicant § 9 Defined as</p> <ul style="list-style-type: none"> • Person applying for a retail or independent consumption lounge license • who has been adversely affected by provisions of previous laws which criminalized activity relating to cannabis <p>§§ 11 & 12</p> <ul style="list-style-type: none"> • Authorizes the Cannabis Compliance Board (“CCB”) to promulgate regulations that will define criteria for the SE applicant • Authorizes the CCB to determine percentage of company ownership that the SE licensee must retain • Authorizes CCB to consider race, ethnicity, or gender of applicant
<p>Benefits of Social Equity License</p>	<p>Qualifying Social Equity Program applicants and licensees can receive training and technical assistance in the following areas:</p> <ul style="list-style-type: none"> • Workforce training program. § 39 • Cannabis business accelerator program. § 38 • Financial assistance. §§134 & 135 	<ul style="list-style-type: none"> • Reduced fees. § 17 • 10 of the first 20 consumption lounge licenses are reserved for SE applicants. § 12.4 • If the locality limits the number of consumption lounge licenses, 50% of them must be reserved for SE applicants. § 12.5

	Connecticut (2021)	Nevada (2021)
	<ul style="list-style-type: none"> • SE applicants can qualify for a cultivator license without having to participate in the lottery (for a limited time). § 149 • Priority licensing. § 22 • Mentorship. § 26(c) • Shared grow space with non-SE operator. § 26(c) • SE applicant is eligible for any of the 9 license types. § 34 • Separate lottery for SE applicants. § 35(d) • SE licenses only transferrable to other SE applicants for 3 years. § 36 • Training on accounting methods, business services, how to access capital markets and financing opportunities and on regulatory compliance. §38(e) • Assistance with identifying or raising funds or capital. § 21(h)(9) <p>Opportunity to set up cultivation facilities in DIA. § 149(a)</p>	
Program Funding	<p>§§ 27 & 145 compel producers and dispensaries to create at least two equity joint ventures (approved by the Social Equity Council). The SE licensee must retain more than 50% ownership of the business for 7 years.</p> <p>§128 creates the Social Equity and Innovation Fund for access to capital, technical assistance, workforce education, community investments.</p> <p>§133 creates a tax incentive for angel investors to contribute to SE applicants</p> <p>§ 21(h)(4) compels other licensees who are not part of the SE program to reinvest in DIA</p>	n/a
Allocation of Cannabis tax Revenues for Community-wide Recovery Programs	n/a	n/a

	Connecticut (2021)	Nevada (2021)
<p>Social Equity Program Checklist</p> <ul style="list-style-type: none"> • Licensing preferences: ✓ 50% of all license types are to be awarded to SE applicants through a lottery system. §35 • Reduced fees: ✓ SE applicant fees are discounted 50% for 1-3 years. §34(d) • Affordable loans: ✓ Authorizes bond sales to fund low-interest loans, capital support, accelerator program, and workforce training programs for SE applicants. § 134(b) • Technical Assistance: ✓ SE Council is authorized to start an accelerator program to offer tech support for participants. §38 • Tax revenues for community development: ✗ 	<p>Rules have not yet been developed.</p>	<p>The Rules have not yet been developed.</p> <p>10 of the first 20 consumption lounges are reserved for SE applicants. §12.4</p> <p>CCB has authority to create regs that reduce operation and application fees by a maximum of 75%. §17(2)(a) & (b)</p>
<p>Criminal Justice Issues Checklist</p> <ul style="list-style-type: none"> • Expungement Pathway to erase records of convictions for certain single-count, nonviolent marijuana offenses. §8 Specific procedure is outlined in § 9 • Disregard Prior Convictions: 	<p>✓ Yes, under SB 2</p>	