



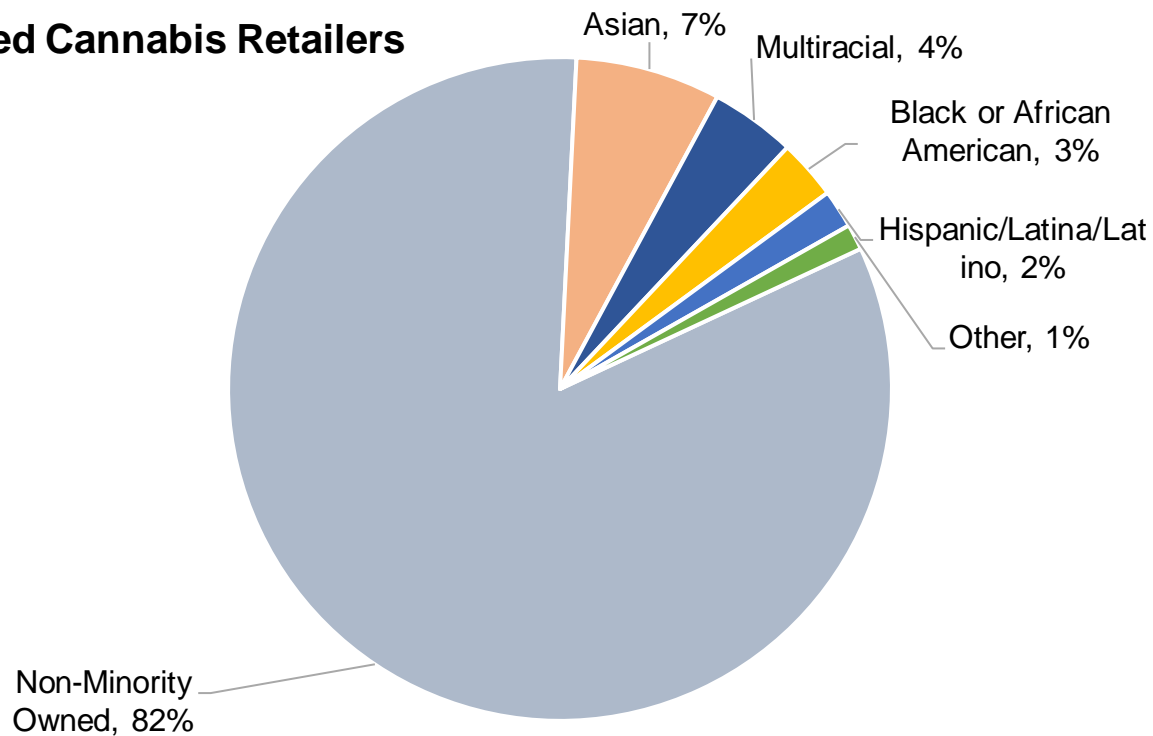
Senate Labor and Commerce Committee

Nov. 30, 2020

Washington State Liquor and Cannabis Board (WSLCB)



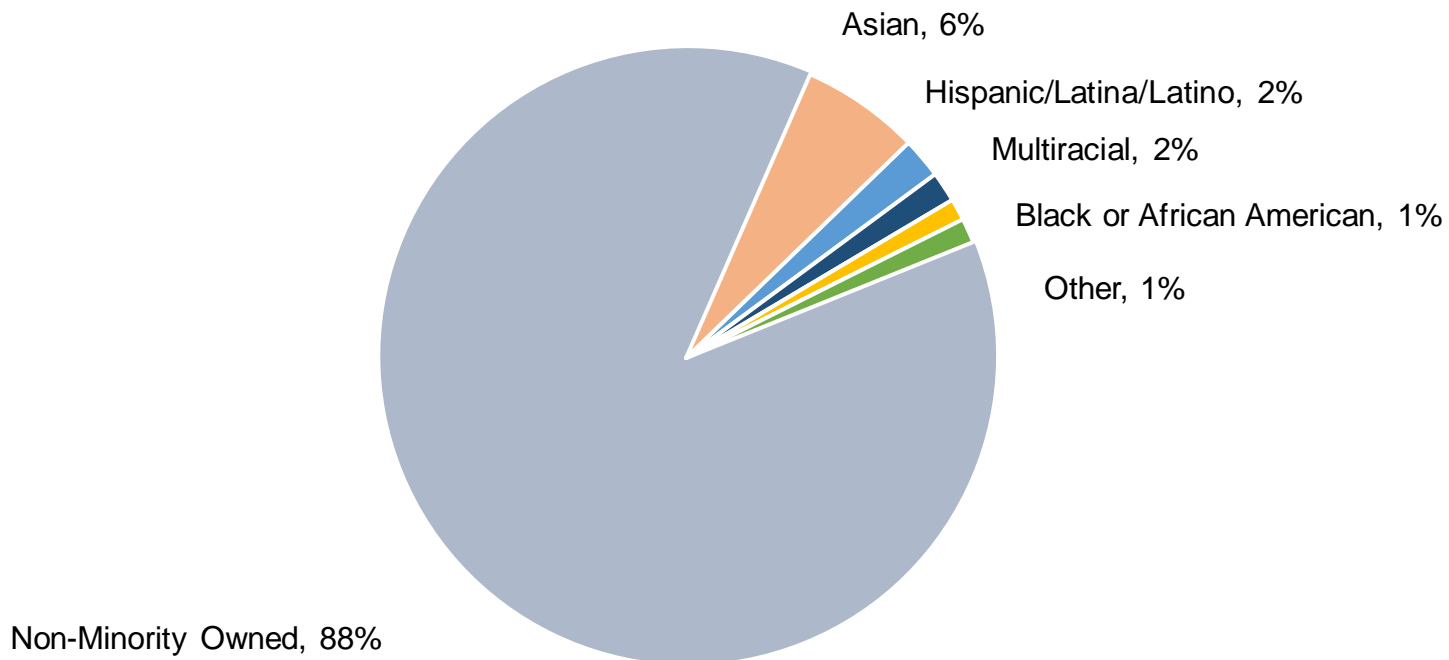
Minority Owned Cannabis Retailers



Categories based on U.S. Census Bureau Definitions. Data represents self-identified race of majority or equal interest owners of the 483 active licenses on June 30, 2020.

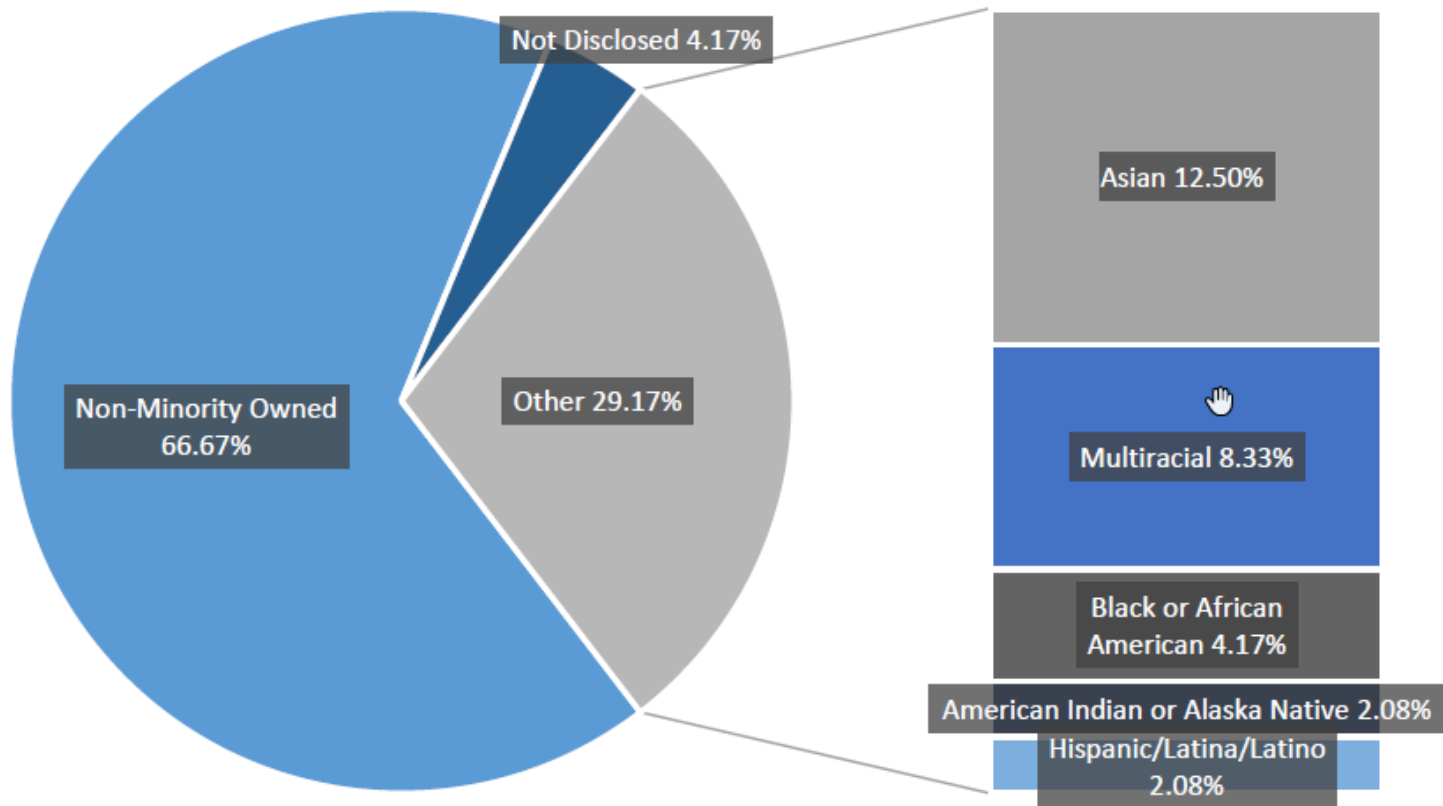


Minority Owned Cannabis Producers and Processors



Data represents self-identified race of majority or equal interest owners of the 1,335 active Producer and Processor licenses on February 25, 2020.

Title Certificate Holders: Minority Owned





Medical/Recreational Cannabis Merger History

1998 – Voters approve I-692

- Provides defense for qualified patients possessing small amounts of cannabis.

2011 – Legislature passes SB 5073 to expand protections for cannabis, legalize dispensaries.

- Gov. Gregoire vetoed most of the bill over risk of prosecution of state employees
- Partial veto left a loophole allowing dispensaries to recast themselves as legal “collective garden” co-ops with rotating member lists.

2012 – Voters approve I-502



Continued Development of Cannabis Industry

- 2011-16** – Dispensary growth explodes across Puget Sound region
Perceived by many as illegal storefronts operating as “medical dispensaries”
U.S. Attorneys on Westside prosecuted few
U.S. Attorneys on Eastside prosecuted many
- 2014** – LCB licenses the first adult use producers, processors and retailers.
- 2015** – Legislature passes Comprehensive Patient Protection Act (SB 5052)
Established system of medical cannabis regulation governed by
Department of Health, closing “collective gardens” effective July 1, 2016.



Implementing SB 5052

2015-16 – LCB charged with drafting rules to implement new law

- Integrating medical marketplace into recreational marketplace
- Licensing additional retail stores

LCB determined 222 additional retail licenses would be available

SB 5052 created three priority levels for applications.

First Priority required meeting all four of these criteria:

1. Applied to LCB for a retail license before July 1, 2014;
 2. Operated or were employed by a collective garden before January 1, 2013;
 3. Maintained a state business license and a municipal business license, and
 4. Paid all applicable state taxes and fees.
- 2,300 applications were received during the merger, 387 applications were prioritized as a Priority 1.



LCB Community Outreach

Listen and Learn sessions

- Series of virtual community meetings, Sept. and Oct.
 - Improve Diversity, Equity and Inclusion at LCB
 - Prepare for Social Equity program implementation
- Dozens attended each meeting
- LCB heard many concerns
- Actively exploring strategies to improve agency operations