



Review of State Cannabis Equity Policy

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Alaska
<p>Recreational (2015):</p> <ul style="list-style-type: none"> • 2022 bill introduced to make convictions prior to legalization confidential (removed from court view & background checks). • No social equity program or specific licensure or priority status for social equity applicants. <p>Medical (1998):</p> <ul style="list-style-type: none"> • No employment protections for qualifying patients.
Arizona
<p>Recreational (2020):</p> <ul style="list-style-type: none"> • Expungement petition option, including youth charges (requires application). AG can file motions on behalf of individuals. • Justice Reinvestment Fund: 7% of tax revenue set aside for grants to health programs & nonprofits supporting communities disproportionately impacted by marijuana prohibition. • Social Equity program: <ul style="list-style-type: none"> ○ Phoenix Urban League joined lawsuit due to loopholes in the policy that allow for companies to take advantage & get licensing fees significantly reduced. ○ 26 licenses for applicants who qualify: <ul style="list-style-type: none"> ▪ Principle officer/board member cannot have an excluded felony offense ▪ 51% ownership of applying entity must belong to PO/BM that complete a training course and meet 3 out of the 4 social equity eligibility requirements: 1) income in at least 3 of the years from 2016-2020 that was less than 400% of the poverty level, 2) adversely affected by enforcement of previous marijuana laws, 3) adversely affected by enforcement because of relation to another person convicted in AZ, 4) lived for at least 3 years from 2016-2020 in an area identified as disproportionately affected by enforcement of previous laws. <p>Medical (2010):</p> <ul style="list-style-type: none"> • Protections for medical users against discrimination
Arkansas
<p>Medical (2016):</p> <ul style="list-style-type: none"> • Employers (9+ employees) cannot discriminate against applicants/employees w/medical card
California
<p>Recreational (2016):</p> <ul style="list-style-type: none"> • State Social Equity program to get fees waived, technical support for navigating the licensing process. You can meet equity criteria using attestation from local equity program OR you have to submit documents for eligibility. There are 3 areas: 1) cannabis conviction or arrest of self or immediate family prior to 2016 legalization, 2) income less than or equal to 60% of area median income, and 3) living in an area disproportionately impacted by cannabis prohibition for at least 5 years between 1980-2016.

- Equity ordinances in *some* cities and counties; website includes resources for advocating for a social equity ordinance in someone’s city/county.
 - May include faster application process, assistance during licensing process, help with business operation, and direct financial support.
- Original law established pathway for expunging/resentencing offenses that were reduced or eliminated. 2018 bill made expungement automatic but doesn’t have enforcement mechanism --> many county court systems failed to process required expungements as of 2021. ~144,000 sentences have been reduced or dismissed.
- 2020: State directed ~\$30 million to a grant fund supporting local programs helping disadvantaged communities. At least 50% must go to local nonprofits.

Medical (1996):

- 2022 bill proposed to prohibit employment discrimination against employees who use cannabis off the job [for both medical and recreational use]

Colorado

Recreational (2012):

- People can apply to have their record sealed (1-2 oz possession charges)
- ~2,700 pardoned after the passage of a 2020 bill expanding expungement
- Only recently considered bill for automatic expungement.
- Accelerator Program allows individuals who have faced barriers to entry into the industry to have support by providing capital and/or technical support, including to a Social Equity Licensee.
- Social Equity License requirements:
 - CO resident that hasn’t previously owned an MJ business that was subject to revocation
 - One of the following: 1) resided for at least 15 years (between 1980-2010) in a census tract designated as an “opportunity zone” or designated as a “disproportionate impacted area”, 2) applicant or family member was arrested/convicted for a marijuana offense or subject to civil asset forfeiture related to a marijuana investigation, 3) household income in a year prior did not exceed 50% of state median income.
 - The Social Equity Licensee holds at least 51% ownership in the business.
- No specific reinvestment but in 2021 the governor requested \$5 million to support cannabis entrepreneurs, including a social equity loan program.

Medical:

- 2022 bill attempting to prohibit employee firing for medical marijuana use and recreational use off-duty did not pass.
- No employment discrimination protections currently in place

Connecticut

Recreational (2021):

- Social Equity Council: oversees verification of equity applicants, creates new programs to support businesses, manages community investment.
- Priority Communities: provides expungement & reserves 50% of all business licenses for people from impacted neighborhoods. >50% of revenue from sales dedicated to equity fund to be invested in those neighborhoods.

Medical:

- Employers cannot discriminate against applicants/employees w/medical need

Both Recreational & Medical:

- Equity joint ventures: business (at least 50% owned by person(s) who had an av. Household income <300% of, or 3x, state median income over last 3 tax years AND resident of impacted area for at least 5 of past 10 years OR resident of impacted area for at least 9 years before age of 18) in partnership w/up to 2 medical marijuana producers or dispensary facilities for reduced license fees.

Illinois

Recreational:

- Restore, Reinvestment, and Renewal program directly takes tax money (25% of revenue) and reinvests it into communities and community-serving organizations.
 - Chicago Urban League received ~3.7 million from this program
- Social Equity program: \$30 million low-interest loan program for social equity applicants. Requirements – meet one of the following criteria:
 - Applicant has at least 51% ownership & control by one or more people who have resided in a disproportionately impacted area for at least 5 of the preceding 10 years
 - Applicant w/at least 51% ownership & control by one or more individuals who have been arrested, convicted, or adjudged to be a ward of the juvenile court for a cannabis offense eligible for expungement OR member of impacted family.
 - For applicants w/minimum of 10 full-time employees, an applicant w/at least 51% of current employees who: currently reside in a disproportionately impacted area OR have been arrested, convicted, or adjudged to be a ward of the juvenile court for a cannabis offense eligible for expungement or member of impacted family.
- Dept of Agriculture to develop similar application scoring system favoring social equity applicants in rulemaking for cultivation centers, infusers, craft growers, and transporting orgs.
- Expungement policies, including automatic expungement for arrests not leading to a conviction for possession and manufacture or possession with intent to deliver (up to 30 grams).
 - Governor granting pardons for convictions for possession and manufacture or possession with intent do deliver up to 30 grams. Must not be associated w/violent crime or selling to a minor.
 - Individuals & State’s attorneys may file for expungement for possession convictions (up to 500 grams).
 - Offenses connected w/violent crime not eligible for automatic expungement, but individual may file a motion with the court to vacate their conviction.

Medical:

- Employment discrimination protections for medical marijuana users

Maine

Recreational (2016):

- Employment discrimination protections for recreational use of marijuana
- No social equity program.
- 2021 bill introduced to seal or expunge prior convictions

Medical:

- Employment discrimination protections for medical marijuana users
- A law requiring owners of medical marijuana businesses to be residents of the state was struck down by a federal circuit court of appeals in August 2022.

Both:

- Community listening tour & engagement strategies

Massachusetts

Recreational:

- Additional tax money is distributed to places that host social equity retailers
- Social Equity program includes technical assistance and training providing education, skill-based training, and tools for success in the cannabis industry. Economic Empowerment applicants are prioritized. Qualifications are: those directly impacted by punitive drug laws OR who are from communities disproportionately affected.
 - Local cities & towns also have their own social equity programs.
 - Businesses that aren't social equity/economic empowerment licensees are incentivized & required to develop diversity plans & goals related to social equity.
 - Licenses for retail delivery are exclusively for social equity/economic empowerment licensees.
- 2018 law making some eligible for past possession records sealed. However, many have struggled to actually have their records cleared through this.

Medical:

- Employment discrimination protections for medical marijuana users (businesses w/6+ staff)

Michigan

Recreational:

- 2020 bill signed to “set aside” marijuana related & other convictions to become private record kept by the police. People can petition to expunge misdemeanors. Also, after 7 years, up to four misdemeanor convictions can be set aside (marijuana related or not) along w/up to 2 non-violent felonies.
- 2022: A separate bill allows for automatic expungement process for some offenses.
- State regulators directed to develop “a plan to promote and encourage participation in the...industry by people from communities...disproportionately impacted...by prohibition.”
- 2020: Marijuana Regulatory Agency expanded social equity program: cannabis businesses owned by people w/prior cannabis convictions or from disproportionately affected communities may be eligible for discounted licensing fees up to 75%. Also includes assistance & training.
 - Effective June 1, 2020, applicants will no longer be required to live in a disproportionately impacted community to be eligible for a marijuana-related conviction fee reduction or a caregiver fee reduction.
 - Residency – 25% fee reduction for residency in a disproportionately impacted community for at least 5 cumulative years of the last 10 years.
 - Marijuana-Related Conviction – 25% fee reduction for having been convicted of a marijuana-related misdemeanor**
OR
40% fee reduction or having been convicted of a marijuana-related felony**
**Excluding distribution of a controlled substance to a minor
- 2020: Detroit established its own social equity ordinance. At least 50% must be awarded to “Legacy Detroiters.” Priority to those who have lived in the city for a certain period of time and/or have prior marijuana conviction.

Medical:

- No employment protections

- Caregiver – 10% fee reduction for registration as a primary caregiver under the Michigan Medical Marijuana Act for at least 2 years between 2008-2017

Minnesota

Recreational:

- Delta 8 is legal, Delta 9: only edibles are legalized
- **2022: Proposed legislation (passed House, didn't pass in Senate) language highlights:
 - Social Equity initiatives, including:
 - Cannabis Management Board that is supposed to prioritize growth & recovery in communities that have experienced disproportionate impact from prohibition
 - Social Equity Office: administer grants to communities, act as ombudsman, report to the board^
 - Cannabis Advisory Council: policy review, study of cannabis review, taking public comment, and making recommendations to management board
 - Business License/Ownership:
 - Criminal Records:
 - People w/a substance related felony (not marijuana) are disqualified
 - People w/sale of weed in the 1st Degree are also disqualified
 - Sale of weed to a minor charge – must wait 20 years since conviction or stay of adjudication
 - 2nd Degree charge – must wait 10 years after discharge
 - Other sale of weed – must wait 5 years since discharge of sentence
 - 3rd Degree – must wait 5 years after discharge
 - 4th Degree – must wait 1 year after discharge
 - License Applicants/Owners must reside in state, cannot be a cop, and if a business entity – 75% must be owned by MN residents.
 - Social Equity Applicants:
 - Veteran who lost honorable status due to cannabis
 - Median family income didn't exceed 80% of statewide family income or for that metro area.
 - Auto expungement on cases of possession (nonviolent), other specific qualifying charges; Expungement & resentencing of felony offenses.

Medical:

- Employment discrimination protections for medical marijuana users

Montana

Recreational (2020):

- 2020: ballot initiative establishes that conduct no longer criminal can be expunged or be eligible for resentencing.

Medical:

- No employment protections. Contracts may prohibit employee use of medical marijuana.

Nevada

Recreational:

- 2019 bill signed that allows people to have past convictions sealed if the conduct has been legalized or decriminalized.

- 2020, governor pardoned ~15,000 marijuana convictions
- Clark County (Las Vegas) allocates some local taxes to support people experiencing homelessness

Medical:

- Discrimination protections for medical marijuana patients.

New Jersey

Recreational:

- 2019 bill signed establishing expedited process for expungement of low-level offenses.
- 2021 bill signed designates 25% of total licenses for applicants who have lived in “impact zones” (higher level of police activity/unemployment/poverty) OR who plan to ensure at least 25% of their workforce will be comprised of people who live in impact zones.
 - An additional 25% of licenses awarded must be given to microbusinesses.
- At least 70% of revenue (fees & taxes) will be used for grants, loans, reimbursement of expenses, and other financial assistance in places designated as “impact zones.”

Medical:

- No protections found.

New Mexico

Recreational:

- Automatic expungement of public records 2 years after arrest/conviction of offenses that are no longer a crime under legalization or would have resulted in lesser offense.
- Executive can enter into intergovernmental agreements w/Indian Nations, Tribes, Pueblos. Microbusiness licenses available.
- Requirement of technical assistance/resource guide for rural residents seeking to establish a cannabis business.
- Business applicants are required to have a social and economic equity plan.

Medical:

- Employers may fire/discipline medical marijuana users based on a positive drug test.

New York

Recreational:

- ~400,000 records eligible for automatic expungement.
- Goal to award 50% of adult-use licenses to social and economic equity applicants.

Eligibility:

 - Individuals from communities disproportionately impacted by the enforcement of cannabis prohibition
 - Minority-owned businesses
 - Women-owned businesses
 - Minority and women-owned businesses
 - Distressed farmers
 - Service-disabled veterans
- Extra priority given to applicants who: is a member of community disproportionately impacted by prohibition, has income lower than 80% of median income of the county where the applicant resides, was either 1) convicted of a cannabis-related offense OR 2) had a parent, guardian, child, spouse or dependent; or was dependent of an individual convicted of a cannabis-related offense.

<ul style="list-style-type: none"> ○ Importantly: social equity licenses cannot be transferred or sold w/in first 3 years. ^Exception for transfer/sale to another qualified social/economic equity applicant. ○ Any person/entity investing w/social equity applicant MUST follow NY requirements: <ul style="list-style-type: none"> ▪ Any entity applying for cannabis license needs to be owned at least 51% by social equity class applicant ▪ ^That ownership must be “real, substantial, and continuing” ▪ Social equity applicant must have & exercise authority to control independently day-to-day business decisions ▪ Individual/entity seeking license must be authorized to do business in the state & be independently owned & operated ▪ Must be a small business ● Tax revenue will be distributed into 3 separate funds: 1) 40% to state lottery fund for education purposes, 2) 40% to community grants reinvestment fund, 3) 20% to drug treatment and public education fund. <p>Medical (2014):</p> <ul style="list-style-type: none"> ● Discrimination protections.
Oregon
<p>Recreational:</p> <ul style="list-style-type: none"> ● Equity bill just passed <ul style="list-style-type: none"> ○ \$15 million set aside for grants for culturally responsive, community-based organizations ● No bill to address equity and justice ● 2019 bill signed allowing people to file motions to expunge low-level offenses that occurred prior to 2015 (no filing fees). This in addition to 2015 bill that directed courts to evaluate requests to set aside prior convictions to assist with expungement of offenses occurring prior to 2013. ● In 2016 the city of Portland approved a local 3% sales tax that funds the SEED Grant to support business development and social justice programs. <p>Medical:</p> <ul style="list-style-type: none"> ● Employers may fire/discipline employees for testing positive for marijuana, even if off duty and with a valid medical marijuana card.
Rhode Island
<p>Recreational (2022):</p> <ul style="list-style-type: none"> ● Auto expungement of prior civil or criminal possession charges. ● Social Equity Applicants have to meet at least one of the following criteria: <ul style="list-style-type: none"> ○ At least 51% ownership & control by 1+ people who have resided for at least 5 of the preceding 10 years in a disproportionately impacted area ○ Applicant w/at least 51% ownership & control by 1+ individuals who: have been arrested/convicted/adjudicated delinquent for any offense eligible for expungement OR a member of an impacted family ○ For applicants w/a minimum of 10 full-time employees, applicant w/at least 51% of current employees who: 1) currently reside in disproportionately impacted area OR 2) have been arrested/convicted/adjudicated delinquent for any offense eligible for expungement or a member of an impacted family

<ul style="list-style-type: none"> ○ Demonstrate significant past experience in/business practices that promote economic empowerment in disproportionately impacted areas ○ Income does not exceed 400% of median income in a disproportionately impacted area for at least 5 of the past 10 years ● Social Equity license can only be transferred to another qualified social equity applicant ● Tax revenue to be used for funding for public programs. *Bill includes mention of potential for use of tax revenue for law enforcement training & tech improvements, including grants to local law enforcement. <p>Medical (2006):</p> <ul style="list-style-type: none"> ● Employers may not refuse to hire or otherwise penalize person based on status as medical marijuana patient or testing positive on a drug test.
Vermont
<p>Recreational:</p> <ul style="list-style-type: none"> ● 2020: bill signed to establish automatic expungement for possession (up to 2 oz) of cannabis and/or cultivation of up to 4 mature plants. ● Cannabis Control Board <i>directed</i> to prioritize & consider business applicants who would “foster social justice in the cannabis industry by being minority or women-owned business.” <p>Medical:</p> <ul style="list-style-type: none"> ● Employers may regulate or prohibit use or possession in the workplace.
Virginia
<p>Recreational (will be allowed in 2024):</p> <ul style="list-style-type: none"> ● Current Social Equity license language includes specific application criteria: <ul style="list-style-type: none"> ○ Graduated from a historically black college or university ○ Resides in jurisdiction disproportionately targeted by police for marijuana arrests OR that is economically distressed ○ Convicted of misdemeanor violations OR a relative of someone convicted <p>Medical:</p> <ul style="list-style-type: none"> ● No protections found.
Washington
<p>Recreational:</p> <ul style="list-style-type: none"> ● 2019 bill signed by the governor allowing any person convicted of a misdemeanor offense when they were 21+ to apply & be granted expungement. ● 2020 bill signed to create new social equity program, including establishment of a \$1.1 million grant program to assist with applicants’ business plans. Eligibility: <ul style="list-style-type: none"> ○ Applicant lived for at least 5 of the past 10 years in a disproportionately impacted area ○ They or a family member have been convicted of a cannabis offense <p>Medical:</p> <ul style="list-style-type: none"> ● Employers may refuse to hire or fire employees for testing positive on a drug test, even if off duty.
Washington D.C.
<p>Recreational:</p> <ul style="list-style-type: none"> ● Boost for applications from businesses that qualify as an “equity impact enterprise,” meaning they are owned by local residents who are “economically disadvantaged” or have faced “racial or ethnic or cultural bias.”

- 2021: Law introduced but not established working to require that 50% of tax revenue be deposited into a community reinvestment program fund and require automatic expungement and provide opportunities for resentencing.

Medical:

- 2022 bill enacted establishing a Medical Cannabis Social Equity Fund, seeking to give priority to those who are economically disadvantaged or are subject to racial, ethnic, or cultural bias or prejudice.