

Summary of Equity Provisions

Under St. 2017, c.55, *An Act To Ensure Safe Access To Marijuana*, the Cannabis Control Commission (Commission) is required to ensure that people from communities that have been disproportionately harmed by marijuana law enforcement are included in the new legal marijuana industry. This handout summarizes Economic Empowerment Priority Review and the Social Equity Program as well as additional regulations regarding equity. The Commission filed its final regulations with the Secretary of State on March 9.

These programs were developed in response to evidence which demonstrates that certain populations, particularly Blacks and Latinos, have been disproportionately impacted by high rates of arrest and incarceration for marijuana and other drug crimes as a result of state and federal drug policy.¹ Criminalization has had long-term ill effects, not only on the individuals arrested and incarcerated, but on their families and communities.

Economic Empowerment Priority Review for Applicants

St. 2017, c.55, *An Act To Ensure Safe Access To Marijuana*, requires the Commission to prioritize review and licensing decisions for applicants seeking retail, manufacturing, or cultivation licenses who are able to demonstrate experience in – or business practices that promote – economic empowerment in communities disproportionately impacted by high rates of arrest and incarceration for offenses under state and federal laws, including the Controlled Substances Act. As will be described in further detail below, the Commission has designated areas of disproportionate impact.

Definition:

Priority Review will be granted to Economic Empowerment Applicants who demonstrate three of the following criteria:

- Majority of ownership belongs to people who have lived in *areas of disproportionate impact* for 5 of the last 10 years;
- Majority of ownership has held one or more previous positions where the primary population served were disproportionately impacted, or where primary responsibilities included economic education, resource provision or empowerment to disproportionately impacted individuals or communities;
- At least 51% of current employees/sub-contractors reside in *areas of disproportionate impact* and will increase to 75% by first day of business;
- At least 51% of employees or sub-contractors have drug-related CORI, but are otherwise legally employable in a cannabis-related enterprise;
- A majority of the ownership is made up of individuals from Black, African American, Hispanic or Latino descent;
- Owners can demonstrate significant past experience in or business practices that promote economic empowerment in areas of disproportionate impact.

To ensure an equitable distribution of economic empowerment and registered marijuana dispensary licenses, both of which receive priority review, the Commission will consider on an alternating basis (1) economic empowerment applications and (2) registered marijuana dispensaries that are applying for an adult-use license.

After receiving priority review, priority applicants are subject to the same requirements as general applicants.

Social Equity Program for Applicants

Requirement:

State law requires the Commission to adopt procedures and policies to promote and encourage full participation in the marijuana industry by people from communities that have been disproportionately harmed by marijuana prohibition and enforcement and to positively impact those communities.

The Social Equity Program has several goals to decrease the disparities in life outcomes for these individuals and improve the quality of life in areas of disproportionate impact: reduce barriers to entry in the commercial marijuana industry; provide professional and technical services and mentoring for businesses facing systemic barriers; and promote sustainable, socially and economically reparative practices in the commercial marijuana industry in Massachusetts.

Eligibility:

Applicants or licensees are eligible for the social equity program if they demonstrate at least one of the following criteria:

- 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; or
- 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.

Benefits:

Qualifying applicants and licensees can receive training and technical assistance in the following areas:

- Management, recruitment and employee trainings;
- Accounting and sales forecasting;
- Tax prediction and compliance;
- Legal compliance;
- Business plan creation and operational development;
- Marijuana industry best practices; and

- Assistance with identifying or raising funds or capital.

Outreach:

The Commission has allocated significant funds to ensure people from underrepresented communities have opportunities to learn about Economic Empowerment Priority Review and the Social Equity Program. The Commission will partner with organizations throughout the Commonwealth to create programs for outreach, technical assistance, workforce development and skills-based training programs. Equitable employment and ownership opportunities for minorities, women, veterans, and low-income individuals also will be established. Educational materials will be disseminated in multiple languages online through the Commission’s website and through in-person trainings.

Areas of Disproportionate Impact

Based primarily on arrest rates, the Commission has designated 29 cities as *areas of disproportionate impact*. Cities with a population of more than 100,000 people, such as Springfield and Worcester, will be subdivided to reflect that only certain neighborhoods qualify as *areas of disproportionate impact*.

The 29 areas are Abington; Amherst; Boston (certain neighborhoods to be designated by the Commission); Braintree; Brockton; Chelsea; Fall River; Fitchburg; Greenfield; Haverhill; Holyoke; Lowell (certain neighborhoods to be designated by the Commission); Lynn; Mansfield; Monson; New Bedford; North Adams; Pittsfield; Quincy; Randolph; Revere; Southbridge; Spencer; Springfield (certain neighborhoods to be designated by the Commission); Taunton; Walpole; Wareham; West Springfield; and Worcester (certain neighborhoods to be designated by the Commission).

The Commission will establish a process for revisiting the defined areas of disproportionate impact on an ongoing basis.

In order to qualify for the Social Equity Program based on residence in an area of disproportionate impact, a person’s income may not exceed 400% of federal poverty level.

Inclusion of Under-Represented Groups

As part of the Commission’s ongoing commitment to promote and encourage broad participation in the regulated cannabis industry, applicants are required to submit, in support of the general suitability requirements certain plans:

- a diversity plan to promote racial and gender equity and include veterans and people with disabilities; and
- a plan for how the business will positively impact communities disproportionately impacted by high rates of arrest and incarceration for drug offenses.

Citizen Review Committee

The Commission approved the appointment of a nine-member review committee in January 2018, which is comprised of people from impacted communities. The committee will make recommendations regarding the equity program and the tax revenue targeted toward community reinvestment under state law.

ⁱACLU, “The War on Marijuana in Black and White,” June 2013 < <https://www.aclu.org/report/report-war-marijuana-black-and-white>>.

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