

As a local chapter of NORML, Chicago NORML is dedicated to ensuring equity for communities that have been disproportionately impacted by the failed War on Drugs. After engaging our members and community partners and reviewing social equity programs in other states and municipalities, including California, Massachusetts, New Jersey, and New York, we have drafted program components that can be used to create a gold standard for cannabis social equity throughout the country.

## **Increase Diversity & Accountability**

- Expand the State's current Business Enterprise Program to include cannabis businesses
- Create an RFP process that gives minority, women and veteran owned businesses ("MBE/WBE/VOB") priority for vendor contracts
- Incentivize established cannabis businesses to create diversity programs that contract with MBE/WBE/VOB vendors; that allocate a percentage of their bottom line disproportionately impacted areas ("DIA"); that implement robust hiring plans.
- Require bilingual versions of the state's cannabis related applications and other documentation
- Create programs for outreach, technical assistance, workforce development, and skills-based training

# **Reduce Barriers to Entry and Successful Operation**

- Reduce barriers to entry in the commercial marijuana industry by providing <u>Pre-License</u>
   Assistance
  - Establish a scale for reduced licensing fees for equity applicants
  - Aid applicants with the creation of a business plan that can be used to raise the capital necessary to apply for a license
  - Assist applicants with identifying or raising funds or capital
  - o Prioritize review and licensing decisions for disproportionately impacted applicants
  - Provide professional and technical services and mentoring for businesses facing systemic barriers
  - Promote sustainable, socially and economically reparative practices in the commercial marijuana industry.
- Encourage the successful operation of new cannabis businesses by providing continuing education post-licensure
  - Management, recruitment and employee training
  - Accounting and sales forecasting
  - Tax prediction and compliance
  - Legal compliance
  - Marijuana industry best practices and business development strategies

# **Expand License Types**

- Expand and Categorize licenses based on size with different requirements for zoning, application fees, and initial capital requirement. This allows for a variety of applicants to be successful.
  - Reduce the zoning distance requirement from schools and daycare centers in Disproportionately Impacted Areas (DIAs) from 1000 ft to 250 ft
  - Cultivation licenses based on size
    - Up to 4,000 square feet
    - Up to 8,000 square feet
    - Up to 16,000 square feet
    - Up to 32,000 square feet
    - Unlimited
  - At least two levels of Dispensary license
    - Retail dispensary
    - Mobile dispensary
  - At least two types of Processing licenses
    - Concentrates that require special, closed-loop extraction. (Waxes, shatters, vape pens)
    - Infused Products (Edibles, topicals, tinctures)
  - Marijuana Marketplace License
  - Home Delivery Transporter License
  - On-site Consumption License

### **Automatic Expungement of Cannabis Convictions**

- Permit the expungement of adult and juvenile criminal records of cannabis-related charges and convictions
- Relief from sentencing, penalties, and court costs for prior offenses
- Reform of civil and criminal penalties
- Engage woman or minority-owned coding groups to automate these processes for speed and scalability

## **Disproportionately Impacted Areas (DIAs)**

Use best practices to define a DIA and determine eligibility for social equity program applicants

- An area that has a higher than average percentage of cannabis-related arrest rates as measured by law enforcement
- An area that has a higher than average annual unemployment rate
- An area in which the median income is at or below the national poverty level

### Proposed applicant eligibility criteria:

- Resident in a defined DIA for at least 10 of the past 20 years
- A past cannabis conviction in Illinois
- A resident of Illinois for at least the preceding 12 months

Chicago NORML: Proposed Social Equity Program
IL Cannabis Regulation & Taxation Act
(Adult Use Cannabis Bill SB 316/HB 2353)
November 2018

- Legal spouse or dependent of a person with a cannabis conviction
- Income may not exceed 400% of the federal poverty level

#### ADDITIONAL COMPONENTS OF A GOLD STAR SOCIAL EQUITY PROGRAM

**Illinois Cannabis Equity Commission**. The purpose of this group is to ensure that:

- Funding is set aside and a specific outreach strategy is implemented to inform qualifying communities about the social equity program
- Program participants are getting the training and support required to be successful business partners
- DIA's are receiving their share of cannabis tax dollars
- Adequate funding is set aside to provide cannabis educational programs to DIA's to encourage entrepreneurship, learn about safe cannabis consumption, and address the myths, stigmas, and misperceptions of cannabis as a result of the war on drugs
- Continued research is conducted to determine the impact of increased funding sources and the need for additional resources
- Proposals for new program innovations and business models are reviewed to spur economic growth for equity applicants, apprenticeship students, and businesses

**Community Benefits Agreement.** All cannabis business applicants should be required to provide a Community Benefits Agreement that describes how the applicant will work to provide employment opportunities to persons that have been disproportionately impacted by the criminalization of cannabis and otherwise work to encourage and support Illinois's equity goals.

**Cannabis Apprenticeship Training Program.** Provide funding for a cannabis apprenticeship training program to be implemented at the 48 Illinois community colleges and other vocational training facilities.

Create new entertainment districts and markets. The creation of new social/commercial entertainment districts or zones in previously impacted and blighted areas will foster a vibrant economy, jumpstart revitalization, promote tourism and industry. Cannabis-related business would be the catalyst for new businesses to help drive consumers and revenue to areas of the city that have been long ignored and abandoned by industries of the past. These revitalized areas will not need to wait for tax money to trickle down. Funds will be immediately recirculated among the zones.

**Pre-Funding.** Tax revenue will dramatically increase once new businesses are open and operating, but the need for start-up capital to staff and execute the initial stages of the program is essential to its success. Early budget appropriations to create a fund for expeditious grants, subsidies, and loans to MBEs, WBEs and VOBs will prove to be critical components of creating a virtuous cycle of economic prosperity