



Legislation Text

File #: CB 120391, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE establishing the City’s commitments and plans for supporting cannabis workers and supporting communities disproportionately harmed by the federal War on Drugs.

WHEREAS, the unequal enforcement of cannabis laws results in racially disproportionate arrests and

incarcerations causing inter-generational poverty, housing insecurity, loss of education and employment opportunities, disruption of family structures and other burdens; and

WHEREAS, the use of the term “marijuana” in the United States has discriminatory origins and should be replaced with the more scientifically accurate term “cannabis”; and

WHEREAS, Initiative 502, the 2012 ballot measure that legalized recreational use of cannabis by adults over 21 years of age in the State of Washington, did not include provisions or create programs to acknowledge the disproportionate harms the enforcement of cannabis laws has on certain populations and communities, primarily Black communities; and

WHEREAS, Seattle cannabis businesses are owned primarily and operated by White men. This is also reflected nationally, as entry and success in the industry requires a combination of personal/generational wealth, access to unrestricted capital, technical expertise and a clean criminal record. The Washington State Liquor and Cannabis Board released ownership demographic data to the City of Seattle Department of Finance and Administrative Services (FAS) in 2018 and 2020 that confirms this disparity. As of January 2020, 42 of Seattle’s 48 cannabis retail stores had White majority ownership, and 37 of those stores were owned by white men; and

WHEREAS, the racial disproportionalities in the cannabis industry extend beyond licensing and ownership to professional development and professional advancement; and

WHEREAS, jobs in the cannabis industry pose unusual risks to workers in both retail and processing due to the prevalence of cash-based transactions, use of volatile chemicals in manufacturing, and contagion exposure; and jobs in the cannabis industry involve a product that is highly regulated in Washington and remains illegal under federal law; and

WHEREAS, FAS launched a Racial Equity Toolkit (RET) in 2018 to examine racial disparities in the licensing of cannabis businesses in Seattle. Research and engagement with hundreds of community stakeholders resulted in recommendations to address disproportionate ownership of Seattle cannabis businesses and redress some of the harms caused by the racially unequal enforcement of prior cannabis laws; and

WHEREAS, those recommendations include: eliminating City licensing fees for individuals who meet social equity criteria; reducing buffering and dispersion requirements to ensure there are desirable locations available for cannabis business licensees who meet social equity criteria; providing grants or loans, technical assistance, and business planning and mentorship to cannabis business applicants and licensees who meet social equity criteria; and investment in communities most harmed by the disproportionate enforcement of prior cannabis laws; and

WHEREAS, the City finds that it is necessary and appropriate to regulate the emerging cannabis industry within the City to improve workforce training and development, provide employee protections, and remedy the damage caused by cannabis prohibition and the failed War on Drugs to communities of color and marginalized communities; and

WHEREAS, cannabis businesses operating in the City of Seattle must be licensed by both the City and the State, and City laws and regulations of cannabis businesses must be consistent with State law; and

WHEREAS, this licensure affords the City an opportunity to engage with the cannabis industry and advance these recommendations; and

WHEREAS, in 2020, the State passed legislation, further amended in 2021 and 2022, to establish a Social Equity in Cannabis program. The purpose of the legislation is to provide business opportunities to cannabis license applicants who were disproportionately impacted by the unequal enforcement of cannabis prohibition laws; and

WHEREAS, the program authorizes the Washington State Liquor and Cannabis Board to issue retailer licenses that were previously forfeited, cancelled, revoked, or never issued but which could have been issued without exceeding the statewide cap on the number of retail licenses set in rule by the Board. These licenses will only be issued to applicants who meet certain social equity criteria established by State law and further clarified by rules to be promulgated by the Washington State Liquor and Cannabis Board. The program also establishes a technical assistance grant program for applicants who meet social equity criteria; and

WHEREAS, the Washington State Social Equity in Cannabis Task Force was established in 2020 and amended in 2021 and 2022 to make recommendations to the Washington State Liquor and Cannabis Board to promote business ownership among individuals who have been disproportionately impacted by the War on Drugs in order to remedy the harms resulting from the unequal enforcement of cannabis-related laws; and

WHEREAS, in addition to recommending the issuance of additional cannabis retailer, producer and processor licenses for those who meet certain criteria for social equity, the Washington State Social Equity in Cannabis Task Force is currently considering recommendations for the legislature to establish new cannabis business license types. The Task Force is also considering recommendations to make the new license types exclusive to those who meet certain criteria for social equity through 2029; and

WHEREAS, the City supports the establishment of new license types by the State, recognizing that Washington is behind other states in creating a variety of paths to market for cannabis consumers, producers, and retailers. The City also recognizes making these license types exclusive to social equity applicants

creates a unique opportunity for individuals who have been disproportionately impacted by the War on Drugs, and who have historically been excluded from opportunities in the legal cannabis industry, to launch competitive cannabis businesses with a reasonable chance for success; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City will include issues of cannabis equity on its 2023 State Legislative Agenda to be adopted later this year. These could include cooperative licensing, expungement of criminal records, social equity licensing for ancillary businesses, access to capital, and technical assistance.

Section 2. The City will include issues of cannabis equity on its 2023 Federal Legislative Agenda to be adopted later this year.

Section 3. The City will advocate partnership with King County to seek the expungement of cannabis convictions handed down prior to 2014.

Section 4. The Mayor's Office will use summer legal interns to participate in and partner with ongoing regional efforts to work on expungement of cannabis convictions handed down prior to 2014.

Section 5. The City intends to continue to partner with organizations that represent communities negatively impacted by the federal War on Drugs to ensure increased opportunities to ameliorate that damage including, but not limited to, cannabis related business ownership.

Section 6. The City will continue to partner with organizations advocating for the advancement, safety, and retention of cannabis workers.

Section 7. The City will pursue funds from the State and Federal government to address these aims.

Section 8. The City will fund a Cannabis Needs Assessment to further clarify what investments and improvements in this burgeoning industry could be supported by the City moving forward. At a minimum, the study will provide demographic information about workers currently employed in Seattle's cannabis industry. In addition to evaluating the training needs of the incumbent workforce, the study will evaluate and determine the highest training needs of those workers who wish to advance in the industry beyond entry-level positions

and also those seeking to become new owners. The study will include recommendations about whether and how to fund such training.

Section 9. To aid in the scoping of this needs assessment, the City will appoint an advisory committee comprised of workers, industry members, and community members impacted by the federal War on Drugs. The work of this advisory committee will commence in Quarter One of 2023, with a task of completing the scope of the needs assessment no later than the end of Quarter Two 2023. The advisory committee will then be tasked with reviewing the results of the needs assessment and providing recommendations to the Mayor and the Council no later than 60 days after the completion of the needs assessment, at which time the committee shall be dissolved.

Section 10. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2022, and signed by
me in open session in authentication of its passage this _____ day of _____, 2022.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2022.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2022.

Elizabeth M. Adkisson, Interim City Clerk

(Seal)

Attachments: