



**CANNABIS CONTROL BOARD**

**89 Main Street Montpelier, VT 05602 | [ccb.vermont.gov](http://ccb.vermont.gov)**

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# **GUIDANCE FOR SOCIAL EQUITY APPLICANTS**

**JULY 2022**

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## Introduction

In 2020, the Vermont State Legislature passed Act 164 which created the Cannabis Control Board to “safely, equitably, and effectively” implement and administer the laws enabling access to adult-use cannabis.

In 2021, the Legislature passed Act 62. This bill tasks the Cannabis Control Board with creating a definition of Social Equity Applicant, as well as a reduced fee schedule for those applicants. Act 62 also created the Cannabis Business Loan Fund.

The Cannabis Control Board aims to achieve the mission laid out in Acts 164 and 62 by recognizing *"the disproportionate impact of the historically government-led policies that fueled the economic oppression of Black and Brown people for generations and continues to disadvantage these individuals as well as Indigenous people, people of color, and other historically marginalized groups. The Board aspires to build an equitable and accessible program in order to mitigate the past harm inflicted by the prohibition of cannabis. To this end, the Board will prioritize inclusivity in its process of building the regulatory framework, and endeavor to collect data on the program to inform course corrections."* (Cannabis Control Board Vision Statement, 2021)

This section of guidance will aid in understanding how a Social Equity Applicant is defined and how to apply under that program. Please note that qualifying as a Social Equity Applicant does not guarantee that the applicant will be issued a license.

This guidance is not legal advice. Applicants who need additional support should seek advice from their legal counsel.

## Definitions

Either individuals or businesses may apply for Social Equity status.

A Social Equity Individual Applicant is a person who is applying for a license and is the sole owner of the cannabis establishment or is a Social Equity Applicant applying for a Cannabis Establishment ID Card.

A Social Equity Business Applicant is a cannabis business establishment with multiple owners. However, not all business owners need to be Social Equity Applicants to apply.

### Social Equity Individual Applicant

To be a Social Equity Individual Applicant, a person must be a resident of Vermont and meet one of the following criteria:

1. Be Black or Hispanic; or
2. Have served a sentence of incarceration in a correctional facility as a result of a cannabis-related conviction; or

3. Have a family member who has served a sentence of incarceration in a correctional facility as a result of a cannabis-related conviction; or
4. Be able to demonstrate that they are from a community that historically has been disproportionately impacted by cannabis prohibition and that they have been personally harmed by that impact.

### Social Equity Business Applicant

To be a Social Equity Business Applicant 51% of the ownership of the business must be comprised of Social Equity Applicants. These are individuals who have ownership in the business, are empowered to make day-to-day business decisions and meet the same criteria as a Social Equity Individual Applicant.

### Demonstrating 51% Ownership

Most of the information regarding ownership of a Cannabis Establishment is included in the license application however, additional information may sometimes be required.

### Social Equity vs. Economic Empowerment Applicants

Applicants who do not meet the criteria for the Board's social equity program, but still come from historically disadvantaged communities may be considered economic empowerment candidates. The Board will prioritize reviewing license applications from these applicants over non-social equity and non-economic empowerment applicants.

Economic empowerment applicant businesses must be at least 51% owned by a member of a historically disadvantaged community. Those communities include:

- Women
- Veterans
- Members of the LGBTQIA+ community
- First Nation/Indigenous/Native Americans
- Asian American / Pacific Islander
- Other communities of color not explicitly named in the social equity program.

By statute, only Social Equity applicants have access to technical assistance and grant funding through the Cannabis Business Development Fund.

### Required Documents for Vermont Residency

A Social Equity Applicant must be a Vermont resident on the date of application and provide proof of residency. Applicants must provide one of the following:

- Identification issued by the Vermont Department of Motor Vehicles. This can be a driver or non-driver ID.
- Current utility bill. Acceptable utility bills include electric, water, home heating fuel, sewer, or wastewater. The name on the utility bill must match the applicant's name and must be a bill that provides utility services to a residential address in Vermont.

- Another government document proves current Vermont residency. Other acceptable documents may include a current property tax bill, valid public aid card, income tax documents, or mailing from a Vermont Court.

## How to Apply

Both individual and business social equity applicants should submit information as part of their pre-qualification application or licensing application. The type of information required depends on the criteria under which an individual or business is applying as a social equity applicant. Applicants should be prepared to upload Vermont Residency information and any additional information required (outlined below).

### Additional Application Information for Black or Hispanic Individuals

Applicants who are Black or Hispanic who apply as Social Equity Applicants must complete an attestation during the online application process.

### Additional Application Information for Previously Incarcerated Individuals

All cannabis licensing applications and Cannabis Establishment ID Card applications require a record check. Further information on the types of offenses that could limit one's ability to obtain a license are included in the Record Check Guidance.

The Cannabis Control Board will receive information on your criminal background check result. This information is confidential and may provide some of the information needed because it will list some information about an individual's criminal record. However, it may not include enough detail to show that a sentence of incarceration in a correctional facility was cannabis-related. The online application provides space for individuals to share additional information regarding whether or not the sentence of incarceration was cannabis-related.

Additional information about criminal convictions may be available from the court. The type of documentation available from the court may vary from state to state.

### Documents From the Court

In the narrative space on the application, applicants should share details on how their sentence of incarceration is related to cannabis.

Applicants should also provide information from the court such as an affidavit, case summary, order, or other court documents. **Please note:** the court may charge a fee for retrieving or copying documents.

### For Incarcerations that are Sealed or Expunged

Applicants whose sentences of incarceration<sup>s</sup> are sealed or expunged should provide a copy of the sealing or expungement order.

Applicants may also choose to provide other supporting information such as a newspaper article, documentation from representing attorney, a letter from their offender re-entry case worker, or other narrative documentation. In the narrative space on the application, applicants

should share additional details to expand upon the information they provide from the court. Please note the court may charge a fee for retrieving or copying documents.

### For those who have had a family member who was incarcerated

As outlined in the Cannabis Control Board's rule [1.1.3](#), a family member is a:

- Spouse
- Domestic Partner (as defined in [17 V.S.A § 2414\(e\)\(1\)](#))
- Child or Stepchild who resided with the family member when the child was a minor
- A minor in the guardianship of the incarcerated family member
- Legal guardian
- Parent
- Sibling
- Grandparent
- Grandchild

of a person who has been sentenced to incarceration for a cannabis-related offense. Applicants should provide information to show that the incarcerated person is a family member.

Documentation may include birth certificates, adoption paperwork, marriage certificates, or a narrative description with an attestation by the applicant.

### Documents From the Court

Applicants must also gather information about the family member's incarceration.

Additional information about criminal convictions may be available from the court. In some cases, information is available at the request of the general public, which means that the applicant can request documentation themselves. In other cases, only the incarcerated person will be able to request information. For example, if a conviction was sealed or expunged, the information may not be available to the public.

If information is available, applicants will want to request enough information about their family member's sentence of incarceration to show that the incarceration was cannabis-related. This information might be contained in an affidavit, a case summary, orders, or other documents from the court. In the narrative space on the application, applicants should share additional details to expand upon the information in the court documents.

If the family member's incarceration is sealed or expunged, it may be difficult to obtain information directly. The applicant may need to request that the incarcerated family member obtain the documents or may need to rely on other sources of documentation.

Additional documentation may include a newspaper article, representing attorney documentation, a letter from their offender re-entry caseworker, or other narrative documentation.

Applicants can use the narrative space on the application to clearly describe how the incarcerated person is a family member, and how the incarceration is cannabis-related.

### For those who are from a community that historically has been disproportionately impacted by cannabis prohibition

Applicants who do not fall into the first three criteria but can demonstrate that they are from a community that has historically been disproportionately impacted by cannabis prohibition and that they were personally harmed by that impact should provide details in the open, narrative space on the application. They may also provide additional documentation. This documentation could include data or reports demonstrating the historical disproportionate impact of cannabis prohibition on their community.

In the narrative, applicants should describe the impact of cannabis prohibition on their community as well as how they were personally harmed by cannabis prohibition. The description should include details on how the harm impacted their life outcomes, including in education, employment, housing, or other detrimental effects on their lives and well-being.

Applicants applying under this criteria will be interviewed by the CCB to collect information about their community and the disparate harm that they and their community experienced as a result of cannabis prohibition. It will be the responsibility of the applicant to be responsive to calls and notices from the CCB to avoid delays in application processing.

### Additional Information

For the full definition of Social Equity Applicant please review Cannabis Control Board [Rule 1.1.3](#). Additional information about [Act 164 of 2020](#) and [Act 62 of 2021](#) can be found on the Vermont State Legislature's website.