



**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**

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## Table of Contents

Introduction .....	2
Definitions .....	2
Social Equity Individual Applicant .....	2
Social Equity Business Applicant .....	3
Demonstrating 51% Ownership .....	3
Social Equity vs. Economic Empowerment Applicants .....	3
Documenting Vermont Residency .....	3
How to Apply .....	4
Additional Application Information for Black or Hispanic Individuals .....	4
Additional Application Information for Previously Incarcerated Individuals .....	4
Documents From the Court .....	4
Sentences that are Sealed or Expunged .....	4
For those who have had a Family Member Incarcerated .....	5
Documents From the Court .....	5
For Those Who Are From a Community that Historically Has Been Disproportionately Impacted by Cannabis Prohibition .....	6
What may Constitute a Community .....	6
What may Constitute Historical and Disproportionate Impact on a Community .....	6
What Does it Mean to have been Personally Affected .....	6
Additional Information .....	7

## 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. The following year, Act 62 of 2021 tasked the Board with creating a definition of Social Equity Applicant and assigning a reduced fee schedule for those applicants. Act 62 also created the Cannabis Business Development 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 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 guidance explains how a Social Equity Applicant is defined and how to apply for that designation.

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 consult an attorney.

## 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. Demonstrate that they are (a.) from a community that historically has been disproportionately impacted by cannabis prohibition and (b.) 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, a business seeking Social Equity status may be required to supply additional details of its ownership and management structure.

### **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. 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 Americans / Pacific Islanders
- 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.

### **Documenting Vermont Residency**

A Social Equity Applicant must be a Vermont resident on the date of application and provide proof of residency satisfactory to the Board. 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, a Vermont Department of Taxes homestead declaration, a valid public aid card, and income tax filings.

## **How to Apply**

Both individual and business social equity applicants must supply credible verifying documentation. The information required depends on the basis upon which an individual or business is applying for social equity status. Applicants should be prepared to upload evidence of Vermont residency and additional information 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 license applications and Cannabis Establishment ID Card applications require a record check. See the Record Check Guidance for a list of presumptively disqualifying offenses.

The Cannabis Control Board will receive your criminal background check report. This confidential report may provide some of the information needed to determine whether you served a sentence of incarceration in a correctional facility as a result of a cannabis-related conviction; however, other supporting documents typically are needed. 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 conviction records may be available from the court.

### **Documents From the Court**

In the narrative space on the application, applicants should specify how their incarcerative sentence was related to cannabis.

Applicants should also provide information from the court such as an affidavit, case summary, sentencing order, mittimus, or other court documents. Some courts charge copying fees.

### **Sentences that are Sealed or Expunged**

Applicants whose sentences of incarceration have been sealed or expunged should provide a copy of the court order sealing or expunging the conviction.

Applicants may provide other credible documentation, such as a newspaper article, letter from a representing attorney, letter from a probation officer or case worker. In the narrative space on the application, applicants should share additional details to expand upon the information they provide from the court.

### **For those who have had a Family Member Incarcerated**

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

- 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
- Minor in the guardianship of the incarcerated family member
- Legal guardian
- Parent
- Sibling
- Grandparent
- Grandchild

Applicants that have a family member as defined above who has been sentenced to incarceration for a cannabis-related offense are eligible for social equity status. 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**

An applicant who is Black or Hispanic or affected by a cannabis-related sentence of incarceration, as explained above, should apply on that basis. However, an applicant who does not fit in one of those three categories may yet qualify as a social equity applicant.

To do so, an applicant must present persuasive evidence that they are from a community that has historically been disproportionately impacted by cannabis prohibition and that they were personally harmed by that impact. Because this path to social equity status is complex, the Board has created a supplemental application worksheet to assist applicants in presenting relevant information.

Applicants will be interviewed by a CCB licensing agent, who will collect biographical information. Before or after the interview, the licensing agent may ask for relevant supporting documentation. An applicant who fails without justification to supply reasonable supporting documentation will be considered not to have completed the application for social equity status. The following descriptions may help an applicant determine whether the applicant qualifies by this path.

### **What may Constitute a Community**

A community is a group of people bound together by a shared characteristic of born or imposed circumstance that leads members to be thought of and treated as having common interests, traits, and life experiences.

By regulation, economic disadvantage may constitute a community if an applicant resides, or resided for most of the applicant's childhood, in a household eligible for SNAP benefits—once called Food Stamps—or similar food supports for Indigenous Americans resident on reservations.

For the purposes of determining social equity status, a community is not a chosen hobby, activity, legal or illicit business, or political cause. Community denotes a place of origin and does not arise from freely chosen engagement in the illicit cannabis market or mere association with cannabis, nor does community arise from policy activism or affiliation with particular styles of art or music.

### **What may Constitute Historical and Disproportionate Impact on a Community**

An impact occurred historically if it was sufficiently persistent across time as to be recognized and reflected in literature, art, historical research, or contemporaneous news reports.

An impact is disproportionate if it fell more harshly on the applicant's community of origin than on the general public.

### **What Does it Mean to have been Personally Affected**

An impact personally affected an applicant if it limited the applicant's own long-term life prospects and opportunities related to such things as education, employment, housing, access to capital, or health.

## **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 at [legislature.vermont.gov/](http://legislature.vermont.gov/).