

QUALIFYING AS A SOCIAL EQUITY APPLICANT

Overview

The Medical Cannabis Amendment Act of 2022 requires that at least 50% of all new cultivation center, manufacturer, retailer, internet retailer, and courier licenses be set aside for social equity applicants.

To qualify as a social equity applicant, an applicant must meet two of the following three criteria: (1) the applicant has at least one owner who is a District resident, individually or collectively owns at least 50% of the business, and is a returning citizen, (2) the applicant has at least one owner who is a District resident, individually or collectively owns at least 50% of the business, and is married to or in a civil union, has a child, or is the child of a person or has a non-parent legal guardian who is or has been incarcerated in the District or in any other jurisdiction for a cannabis or drug-related offense, or (3) the applicant has at least one owner who is a District resident, individually or collectively owns at least 50% of the business and has an income that does not exceed 150% of the median family income as set forth by the United States Department of Housing and Urban Development, adjusted for household size, at the time the applicant submits the application.

Measure Information

Under the first measure, the term “returning citizen” is defined as “a District resident who was arrested, convicted, or incarcerated for a cannabis or drug-related offense”. The arrest, conviction, or incarceration may have taken place in either the District or another jurisdiction. The arrest, conviction, or incarceration may have occurred in any year provided that the arrest, conviction, or incarceration occurs prior to the filing of the medical cannabis business application with ABCA.

Under the second measure, the qualifying person referenced in a submitted application (e.g., parent, non-parent legal guardian, child, spouse, or person you are in a civil union) must have been incarcerated in either the District or another jurisdiction for a cannabis or drug-related offense. An arrest or conviction for a cannabis or drug offense is not sufficient to satisfy the second measure.

Under each of the three measures, the term “District resident” does not require that an individual have lived in the District of Columbia for a specific period of time. However, under D.C. Code § 4-205.03, a resident of the District of Columbia is one who is living in the District of Columbia voluntarily and not for a temporary purpose (e.g., only to file a medical cannabis business application).

Under the third measure, the income limit that at least one owner owning 50% or more of the business must be under is based upon the owner’s household size at the time the application is submitted to ABCA. Specifically, as of May 1, 2023, the income limits to satisfy measure three are as follows:

Median Family Income for District of Columbia

<u>Household Size</u>	<u>Median Family Income</u>	<u>150% of the Median Family Income</u>
1	\$99,700	\$149,550
2	\$113,900	\$170,850
3	\$128,100	\$192,150
4	\$142,300	\$213,450
5	\$153,700	\$230,550
6	\$165,100	\$247,650
7	\$176,500	\$264,750
8	\$187,900	\$281,850

The submission of a copy of the qualifying applicant's filed income taxes or withholdings in the District of Columbia for calendar year 2022 must be submitted by a qualifying applicant to establish that the individual satisfies the median family income limits set forth in measure three.

If not possible to obtain, an applicant must submit a notarized statement of net income anticipated to be received within the next (12) months, based on the previous twelve (12) months and an explanation of the reason for failing to obtain and submit the applicant's filed income taxes or withholdings in the District of Columbia for calendar year 2022.