

**HB 4088 A STAFF MEASURE SUMMARY**  
**House Committee On Economic Development**

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**Action Date:** 02/12/20

**Action:** Do pass with amendments and be referred to Ways and Means by prior reference.  
(Printed A-Eng.)

**Vote:** 6-4-1-0

**Yeas:** 6 - Fahey, Helm, Lively, Marsh, McLain, Witt

**Nays:** 4 - Barreto, Bonham, McKeown, Wilson

**Exc:** 1 - Wallan

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

**Prepared By:** Melissa Leoni, LPRO Analyst

**Meeting Dates:** 2/3, 2/12

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**WHAT THE MEASURE DOES:**

Creates the Task Force to Promote Social Equity in the Cannabis Industry consisting of 11 members, including two legislative members and nine members appointed by the Governor to represent specified stakeholders.

Establishes purpose of task force to: (1) identify barriers to starting and growing businesses in the legal cannabis industry for people of color, low-income people, and people with previous cannabis-related convictions; (2) recommend additional community investments in areas disproportionately impacted by marijuana criminalization; and, (3) recommend solutions, including legislation. Specifies task force membership and requires report to Legislative Assembly by November 1, 2020. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Viability of starting cannabis businesses
- Racial and gender equity in the industry
- Need to address disparate impacts from the war on drugs
- Funding source for social equity grants and loans
- Assisting individuals with prior convictions to enter the industry

**EFFECT OF AMENDMENT:**

Replaces measure.

**BACKGROUND:**

Presenters at the November 2019 meeting of the House Interim Committee on Economic Development shared information about cannabis social equity, which are programs that work to remove barriers that have kept persons and communities most impacted by cannabis prohibition out of the legal recreational market. Other states that have recently legalized recreational cannabis (California, Illinois, Massachusetts, and Michigan) have included social equity provisions as part of their regulatory framework.

In 2018, the City of Portland created a Social Equity Program to help support small cannabis businesses and those directly impacted by cannabis prohibition. Under the program, qualifying businesses receive a fee reduction for the City of Portland's Marijuana Regulatory License, with the percent reduction based on the number of qualifying factors met by the business.

House Bill 4088-A creates the Task Force to Promote Social Equity in the Cannabis Industry to identify barriers to entry for people of color, low-income people, and people with previous cannabis-related convictions; recommend investments in areas disproportionately impacted by marijuana criminalization; and make recommendations to the Legislative Assembly by November 1, 2020.