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Rep. Cedrick Frazier (DFL- 43A)
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Rep. Alizia Kozlowski (DFL- 08B)
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Rep. Nolan West (R-32A)
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Senator Lindsey Port (55, DFL)
95 University Avenue W.
Minnesota Senate Bldg., Room 3213
St. Paul, MN 55155

Senator Susan Pha (38, DFL)
95 University Avenue W.
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St. Paul, MN 55155

Senator Nick A. Frentz (18, DFL)
Assistant Majority Leader
95 University Avenue W.
Minnesota Senate Bldg., Room 3109
St. Paul, MN 55155

Senator Erin K. Maye Quade (56, DFL)
95 University Avenue W.
Minnesota Senate Bldg., Room 3227
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Senator Tou Xiong (44, DFL)
95 University Avenue W.
Minnesota Senate Bldg., Room 3203
St. Paul, MN 55155

RE: Reconciliation of HF 4757-3 and UEH 4757-2

Members of the Conference Committee,

My name is Eric Spencer and I am a Returning Citizen and first-time nonviolent felony offender that has served over a decade in federal prison for cannabis and other nonviolent offenses. I am a staunch advocate for the Returning Citizen Community as well as a member of the Divine Nine National Black Greek Fraternity and Sorority Organizations which have championed criminal and social justice reform for decades. I also serve as the policy analyst and chief executive officer of Mello Tymes MN LLC, a minority and Returning Citizen owned cannabis brand. Most importantly, my perspective derives from my direct and lived experience in a War on Drugs that has failed Minnesota and society at large.

I have supported Minnesota's desire to legalize adult use cannabis with a focus on social justice. Therefore, I wanted to provide additional comments as I have throughout this daunting process. Admittedly, Social Equity is an experiment with no magic formula to perfection. Laws are created with

the best of intentions, but unfortunately unintended consequences. I was heartened to see that the True Party of Interest has been implemented in both versions. New York did a great job making it a part of its cannabis rules.

One of the overarching issues that this letter addresses is the lottery process that seems to be a foregone conclusion. If this is the case, I believe that Extra Priority should be given to those men and women who have been directly impacted by the War on Drugs stemming from their cannabis convictions. New York addressed its extra priority mandate by awarding each Social Equity Applicant three entries in its lottery who could pass the requirements.

I believe [342.175] of HF 4757-3 and UEH 4757-2 should be amended with language similar to that of New York's cannabis law:

(c) The social and economic equity plan shall require the consideration of additional criteria in its licensing determinations. Under the social and economic equity plan, extra priority shall be given to applications that demonstrate that an applicant:

(i) is a member of a community disproportionately impacted by the enforcement of cannabis prohibition;

(ii) has an income lower than eighty percent of the median income of the county in which the applicant resides; and

(iii) was convicted of a marijuana-related offense prior to the effective date of this chapter, or had a parent, guardian, child, spouse, or dependent, or was a dependent of an individual who, prior to the effective date of this chapter, was convicted of a marijuana-related offense.

(See attachment 1, highlighted section). As expressed above, the Office of Cannabis Management (OCM) could put this mandate into practice by ensuring that each Social Equity Applicant that met the above requirements for extra priority would receive three entries into the lottery. In other words, if a Social Equity Applicant met these three requirements as opposed to one requirement, he or she would receive three entries. (See also Attachment 2).

Minnesota has championed its adult use cannabis program on social equity. The OCM has followed suit with HF 4757 and SF 4782 to highlight the commitment that Minnesota sought when it created its adult use cannabis program. It is important to continue to adhere to this commitment by recognizing those with prior cannabis convictions as being the lynchpin to its adult use program and social justice writ large.

In conclusion, there can be no dispute that someone with a prior cannabis conviction has suffered the most in the War on Drugs through the indignity of incarceration¹ and the draconian effects of a cannabis conviction itself: unable to get jobs, benefits or apply for affordable (Public) housing etc. ***Men, women, parents, dependents and veterans with prior marijuana convictions who meet the additional criteria should receive three entries per application. These additional entries would honor those directly impacted by the War on Drugs. Simply living in a disproportionately impacted area with a high poverty***

¹ Maryland is often considered a blueprint for the success of recent lotteries. However, Maryland did not even recognize the indignities that men and women suffer as a result of their cannabis convictions. Maryland did not define those with a cannabis conviction as part of its social equity definition, so its lottery and accompanying results should be greatly limited in its reach as it relates to lotteries that involve those with cannabis convictions. Maryland also mandated that its current licensed Medical Marijuana Dispensaries be allowed to sell recreational cannabis, another point at odds with Minnesota's H.F. 100.

rate (gentrification) is fundamentally different than someone who has suffered directly through the inhumane treatment of living in a cage for years or lost their honorable status in our Armed Services.² Likewise, emerging farmers should receive two entries for every application submitted.

Thank You,

Eric Spencer
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² In no way are we trying to reward individuals for committing crimes involving cannabis. We are simply recognizing the intent of Minnesota's Social Equity experiment in achieving its mandate in its adult use cannabis program by highlighting those truly harmed through their cannabis conviction.

1 (a) appeal to persons less than twenty-one years of age and/or popu-
2 lations at-risk of increased adverse health consequences as determined
3 by the board in regulation; or

4 (b) disseminate false or misleading information to customers.

5 4. The board shall promulgate regulations requiring that:

6 (a) all advertisements and marketing accurately and legibly identify
7 the party or other business responsible for its content; and

8 (b) any broadcast, cable, radio, print and digital communications
9 advertisements only be placed where the audience is reasonably expected
10 to be twenty-one years of age or older, as determined by reliable,
11 up-to-date audience composition data. The burden of proving this
12 requirement lies with the party that has paid for or facilitated the
13 advertisement.

14 5. The board may establish procedures to review and enforce advertis-
15 ing and marketing requirements.

16 § 87. Social and economic equity, minority and women-owned businesses,
17 distressed farmers and service-disabled veterans; incubator program. 1.
18 The board, in consultation with the chief equity officer and executive
19 director, and after receiving public input shall create and implement a
20 social and economic equity plan and actively promote applicants from
21 communities disproportionately impacted by cannabis prohibition, and
22 promote racial, ethnic, and gender diversity when issuing licenses for
23 adult-use cannabis related activities, including mentoring potential
24 applicants, by prioritizing consideration of applications by applicants
25 who are from communities disproportionately impacted by the enforcement
26 of cannabis prohibition or who qualify as a minority or women-owned
27 business, distressed farmers, or service-disabled veterans. Such quali-
28 fications shall be determined by the board, with recommendations from
29 the state cannabis advisory board, the chief equity officer and execu-
30 tive director, by regulation.

31 2. The board's social and economic equity plan shall also promote
32 diversity in commerce, ownership and employment, and opportunities for
33 social and economic equity in the adult-use cannabis industry. A goal
34 shall be established to award fifty percent of adult-use cannabis
35 licenses to social and economic equity applicants and ensure inclusion
36 of:

37 (a) individuals from communities disproportionately impacted by the
38 enforcement of cannabis prohibition;

39 (b) minority-owned businesses;

40 (c) women-owned businesses;

41 (d) minority and women-owned businesses, as defined in paragraph (d)
42 of subdivision five of this section;

43 (e) distressed farmers, as defined in subdivision five of this
44 section; and

45 (f) service-disabled veterans.

46 3. The social and economic equity plan shall require the consideration
47 of additional criteria in its licensing determinations. Under the social
48 and economic equity plan, extra priority shall be given to applications
49 that demonstrate that an applicant:

50 (a) is a member of a community disproportionately impacted by the
51 enforcement of cannabis prohibition;

52 (b) has an income lower than eighty percent of the median income of
53 the county in which the applicant resides; and

54 (c) was convicted of a marijuana-related offense prior to the effec-
55 tive date of this chapter, or had a parent, guardian, child, spouse, or

1 dependent, or was a dependent of an individual who, prior to the effec-
2 tive date of this chapter, was convicted of a marihuana-related offense.

3 4. The board in consultation with the cannabis advisory board and the
4 chief equity officer, shall also create an incubator program to encour-
5 age social and economic equity applicants to apply and, if granted an
6 adult-use cannabis license, permit or registration, the program shall
7 provide direct support in the form of counseling services, education,
8 small business coaching and financial planning, and compliance assist-
9 ance.

10 5. For the purposes of this section, the following definitions shall
11 apply:

12 (a) "Minority-owned business" shall mean a business enterprise,
13 including a sole proprietorship, partnership, limited liability company
14 or corporation that is:

15 (i) at least fifty-one percent owned by one or more minority group
16 members;

17 (ii) an enterprise in which such minority ownership is real, substan-
18 tial and continuing;

19 (iii) an enterprise in which such minority ownership has and exercises
20 the authority to control independently the day-to-day business decisions
21 of the enterprise;

22 (iv) an enterprise authorized to do business in this state and inde-
23 pendently owned and operated; and

24 (v) an enterprise that is a small business.

25 (b) "Minority group member" shall mean a United States citizen or
26 permanent resident alien who is and can demonstrate membership in one of
27 the following groups:

28 (i) black persons having origins in any of the black African racial
29 groups;

30 (ii) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban,
31 Central or South American of either Indian or Hispanic origin, regard-
32 less of race;

33 (iii) Native American or Alaskan native persons having origins in any
34 of the original peoples of North America; or

35 (iv) Asian and Pacific Islander persons having origins in any of the
36 far east countries, south east Asia, the Indian subcontinent or the
37 Pacific islands.

38 (c) "Women-owned business" shall mean a business enterprise, including
39 a sole proprietorship, partnership, limited liability company or corpo-
40 ration that is:

41 (i) at least fifty-one percent owned by one or more United States
42 citizens or permanent resident aliens who are women;

43 (ii) an enterprise in which the ownership interest of such women is
44 real, substantial and continuing;

45 (iii) an enterprise in which such women ownership has and exercises
46 the authority to control independently the day-to-day business decisions
47 of the enterprise;

48 (iv) an enterprise authorized to do business in this state and inde-
49 pendently owned and operated; and

50 (v) an enterprise that is a small business.

51 (d) A firm owned by a minority group member who is also a woman may be
52 defined as a minority-owned business, a women-owned business, or both.

53 (e) "Distressed farmer" shall mean: (i) a New York state resident or
54 business enterprise, including a sole proprietorship, partnership,
55 limited liability company or corporation, that meets the small farm
56 classification developed by the Economic Research Service of the United

1 States Department of Agriculture, has filed a schedule F with farm
2 receipts for the last three years, qualifies for an agriculture assess-
3 ment and meets other qualifications defined in regulation by the board
4 to demonstrate that they operate a farm operation as defined in section
5 three hundred one of the agriculture and markets law and has been
6 disproportionately impacted, including but not limited to incurring
7 operating losses, by low commodity prices and faces the loss of farmland
8 through development or suburban sprawl and meets any other qualifica-
9 tions as defined in regulation by board; or (ii) a New York state resi-
10 dent or business enterprise, including a sole proprietorship, partner-
11 ship, limited liability company or corporation, that is a small farm
12 operator and a member of a group that has been historically underrepre-
13 sented in farm ownership and meets any other qualifications as defined
14 in regulation by board.

15 (f) "Service-disabled veterans" shall mean persons qualified under
16 article seventeen-B of the executive law.

17 (g) "Communities disproportionately impacted" shall mean, but not be
18 limited to, a history of arrests, convictions, and other law enforcement
19 practices in a certain geographic area, such as, but not limited to,
20 precincts, zip codes, neighborhoods, and political subdivisions,
21 reflecting a disparate enforcement of cannabis prohibition during a
22 certain time period, when compared to the rest of the state. The board
23 shall, with recommendations from the state cannabis advisory board, the
24 chief equity officer and executive director, issue guidelines to deter-
25 mine how to assess which communities have been disproportionately
26 impacted and how to assess if someone is a member of a community dispro-
27 portionately impacted.

28 6. The board shall actively promote applicants that foster racial,
29 ethnic, and gender diversity in their workforce.

30 7. Licenses issued under the social and economic equity plan shall not
31 be transferred or sold within the first three years of issue, except to
32 a qualified social and economic equity applicant and with the prior
33 written approval of the board. In the event a social and economic equity
34 applicant seeks to transfer or sell their license at any point after
35 issue and the transferee is to a person or entity that does not qualify
36 as a social and economic equity applicant, the transfer agreement shall
37 require the new license holder to pay to the board any outstanding
38 amount owed by the transferor to the board as repayment of any loan
39 issued by the board as well as any other fee or assessment as determined
40 by the board.

41 § 88. Data collection and reporting. The board shall collect demo-
42 graphic data on owners and employees in the adult-use cannabis industry
43 and shall annually publish such data in its annual report.

44 § 89. Regulations. The board shall promulgate regulations with recom-
45 mendations from the state cannabis advisory board to implement this
46 article.

47 ARTICLE 5

48 CANNABINOID HEMP AND HEMP EXTRACT

49 Section 90. Definitions.

50 91. Rulemaking authority.

51 92. Cannabinoid hemp processor license.

52 93. Cannabinoid hemp retailer license.

53 94. Cannabinoid license applications.

54 95. Information to be requested in applications for licenses.



Office of Cannabis Management

Notes:

*Extra Priority Social and Economic Equity applicants for retail dispensary and microbusiness licenses received three chances in the queue.

**Cannabis Compliance Training and Mentorship applicants for microbusiness licenses received two chances in the queue.

***Adult-Use Conditional Cultivator applicants transitioning to a microbusiness license are guaranteed to have their application reviewed.

****The queue does not include applications that have been administratively closed, withdrawn, voided, removed due to certain True Party of Interest violations or removed due to technical issues. In total, 4,346 applications are included on the final queue.

*****The Office reserves the right to correct any technical issues the Office discovers with the queue, after the date of this posting.