



February 17, 2021

Commerce Finance and Policy  
Minnesota House of Representatives

**RE: Testimony in H.F. 600, Cannabis Legalization**

Good Afternoon Chairman Stephenson, and Members of the Committee:

My name is Eric Spencer and I am the Secretary for the District of Columbia Democratic Caucus for Returning Citizens. We are situated in the DC Democratic State Committee and focus on voting rights and other issues involving Returning Citizens of all colors and backgrounds. The Caucus supports H.F. 600 but with amendments.

First, Article 1, Sec. 55. **[342.70] SOCIAL EQUITY APPLICANTS** should be amended to add men and women with prior marijuana convictions to be deemed Social Equity Applicants. To create “carve outs” by limiting participation to Veterans but prevent individuals convicted of marijuana crimes to participate in the Social Equity Program is not Equity. All States with Social Equity Programs specifically give Social Equity Status with additional incentives to individuals that have been convicted of marijuana crimes.

Second, Article 1, Sec. 14. Subd. 3(c) and (d) **APPLICATION SCORE; LICENSE PRIORITY** should be amended to set aside licenses of all types specifically for Social Equity Participants instead of giving them a few extra points. This amendment will create true equity. Having Social Equity Applicants compete with Multistate Operators who have the resources to hire the best consultants and who have a blueprint for creating perfect scores for licenses based on a point system is a recipe for disaster. This scenario is an issue that has plagued Illinois’ Social Equity Program.

Third, Article 2, Sec. 4. **CANNABIS PRODUCTS GROSS RECEIPTS TAX.** Gross Receipts Tax Imposed should be amended to limit to 3-4% for Social Equity Applicants for the first 24-36 months of operation to give them a chance to succeed. This allows for reinvestment.

Fourth, Article 4, Sec. 2. Subd 4 (d) **[116J.659] LOANS TO BUSINESSES.** Loans to Businesses should be amended to increase the maximum to \$250,000 because cannabis businesses are an expensive endeavor and is the overarching reason that people living in urban and rural areas that were disproportionately affected by the disastrous War on Drugs cannot participate as owners and operators.

Thank You  
Eric Spencer, Secretary  
DC Democratic Caucus for Returning Citizens

