

**TL:DR version**

The Select Board through Warrant Article 7 is seeking approval to raise the cap on retail marijuana licenses to make available TWO more licenses to equity applicants. Past and present Select Board Members readily admit that they erred by rushing to license the FOUR current license holders and would like to address this error with these TWO additional licenses.

The Select Board doesn't need to issue TWO more licenses to deliver social equity. Instead, the Select Board's effort and focus might be better directed at ensuring that the FOUR existing retailers deliver on the diversity and inclusion promises included in each Host Community Agreement.

In addition, the policy that the Select Board put in place in August 2021 to implement their goal has eligibility criteria that is so loose, that if applied, it is unlikely to deliver the intended social equity. And if the policy is not applied or modified to plug gaps exposed by an application, it is likely to result in another retail license issued to big business or a lawsuit. The Town would be better served if the Select Board took the time to craft a policy that will actually deliver on their goal of social equity.

Tax revenue is an important outcome of marijuana licensing. But it's not clear that TWO more licenses will actually increase tax revenue because the balance between supply and demand is not known. What we do know is that the number of retailers in Boston will increase, so some demand is likely to shift away from Brookline.

The Select Board policy also does not contain guidance on the tax and fee structure that a Host Community Agreement with an Equity Applicant might contain. Tax and fee waivers are likely to be considered in the case of a social equity applicant.

The Select Board can provide social equity in more ways than simply licensing more marijuana retail stores. It could, for example, encourage the Economic Development Advisory Board to consider and propose social equity programs. It could, for example, match minority entrepreneurs with Brookline based mentors and investors. It could, for example, provide tax incentives to attract minority business owners.

Adult use, recreational marijuana is available in Brookline. Before we add more licenses, we should take the time to learn how to administer what we have. We should take the time to have a diverse committee discuss and agree our policy goals. We should take the time to ensure we balance access with other policy goals, like the health of our community.

## **Frequently Asked Questions**

### **1. The Select Board is requesting the Town Meeting to approve two more retail marijuana licenses and promise that they will award those to address social equity.**

The Select Board's stated purpose of Warrant Article 7 is to issue two new retail marijuana licenses to address social equity. On August 31, 2021, the Select Board voted to approve a "[MARIJUANA RETAILER EQUITY POLICY](#)" which defines an Equity Applicant as individuals or entities who can provide evidence of social equity or economic empowerment status as defined by the State's Cannabis Control Commission or CCC.

Under the CCC [guidelines](#), the eligibility criteria for social equity or economic empowerment status includes having worked in a job or other "significant articulable demonstration of past experience in or business practices" that promoted economic empowerment.

And most tellingly, neither the Select Board policy nor the CCC guidelines have a requirement that the Equity Applicant actually own an equity share of the licensed business. True equity is ownership, not just tokenism.

Select Board Members – both past and present – have publicly stated that their regret with the first FOUR licenses is that they went too fast and did not take the time to get it right and award the licenses to social equity applicants.

Warrant Article 7 is another example of this. Heather Hamilton, the Chair of the Select Board, during her presentation of WA7 to the League of Women Voters on October 15, 2021 said that "we're building this plane as we're flying it."

There is absolutely no reason to RUSH into approving TWO new licenses to address social equity without FIRST having a framework that ensures that the outcome is likely to be aligned with the purpose.

And, BEFORE issuing two new licenses, the Select Board should take the time to understand whether the existing licensees have actually delivered on their diversity and inclusion promises as contained in their Host Community Agreements. If they have, what lessons can be learned and shared? If they have not, what can the Town do to help them to achieve their goals?

And, BEFORE issuing two new licenses, the Select Board should take the time to understand and address other barriers to entry for equity applicants. For example, the amount of investment needed to enter the marijuana retail industry is estimated to be \$500,000 to \$1,000,000.

### **2. We need the tax revenue. Better that Brookline grab first mover advantage.**

It is true that the retail shops provide tax revenue to the Town of Brookline. In the last twelve months, almost \$1mm. That is a significant sum of money. But all of the money does not go to the general fund, the host agreement portion is placed into a stabilization fund and the Cannabis Mitigation Advisory Committee recommends spending.

It is also not clear that TWO more licenses will actually increase tax revenue because the balance between supply and demand is not yet known. What we do know is that the number of retailers in Boston will increase, so some demand is likely to shift away from Brookline. And if supply exceeds

demand, tax revenue that is based on gross revenue is likely to reduce as competition fuels lower prices and more advertising and discounts.

In addition, the Select Board policy does not contain guidance on the tax and fee structure that a Host Community Agreement with an Equity Applicant might contain. And it very likely that an equity applicant will have limited financial resources and therefore will request tax and fee waivers.

And revenue alone does not provide the full picture. The revenue is accompanied by expense. Before we add retail licenses, we should understand the full profit and loss to the Town. The FY22 budget identifies ~\$950,000 of spending in FY21 that was funded by the Host Community Agreements (“HCA”) for expenses related to pot. In addition, we cannot be sure that two more licenses won’t simply cannibalize sales from the existing licensees. On the other hand, added competition is almost certainly to result in more advertising.

And is revenue our only policy goal? If so, then why has the Town decided to restrict tobacco sales? We have in the past balanced revenue with other social goals such as community health.

**3. Instead of restricting licensing of retail licenses, we should increase education to prevent underage use, it’s the only answer.**

The Town of Brookline website states:

“The Brookline Department of Public Health provides substance abuse education and prevention programming in schools and throughout the community. Education and awareness efforts focus on tailored messaging for children, young adults, adults, and seniors. In addition, the Town of Brookline is currently developing a research portfolio to better understand the impact of marijuana on the town. “

We checked with Dr. Jett. He said that currently, education only occurs in the High School. The DPH has requested that the school system increase the footprint to the middle school “at least two years ago” but this has not happened. We need time to develop and deploy an effective education program to our high school and middle schools to mitigate negative effects from the “normalization” of marijuana in our community.

The State law also requires retailers to provide data to the Towns in which they operate. We have not received this data. And the DPH only recently hired a person develop a plan to gather data to establish a baseline. It will take time to collect and analyze data, operate this on an on-going basis and understand the impact that retail sales of recreational marijuana might be having on the health of our community, and specifically with respect to under-aged use.

Let’s implement education and a data analysis framework BEFORE we issue new licenses.

**4. Me and all my friends tried marijuana when we were young, what’s the big deal? Teenagers will try it regardless of what we do. And it’s better if they buy the pot in Brookline than elsewhere.**

Marijuana when we were young (in the 80s for the author of the FAQs) is not the marijuana that is available today. Although it might be true that because of regulation, the marijuana grown today has fewer impurities, it also means that the levels of THC are much higher, making for a more potent drug. And, there are now a variety of products – including gummy bears, vaping, candy – that many of us in this Town attacked when introduced by the tobacco industry.

Because legalization of recreational marijuana is relatively recent, studies are only now starting to provide data with respect to the impact of recreational marijuana on our teenage population. The early data is showing that 1/6 teenagers becomes addicted. And that the effect on the developing brain is very harmful. What if that was your child, or your niece, your nephew, your grandchild or your neighbor's child?

Normalization of marijuana in our Town will affect our teenagers. We have a duty to follow the science and to try to protect those who are most vulnerable.

**5. People opposed to warrant article 7 are just trying to relitigate legalization.**

The purpose of opposing warrant article 7 is not to try to roll back or restrict adult access to recreational marijuana. Brookline already has FOUR licensed retail stores. What we are saying is that the FOUR existing stores guarantee adult access and we don't need TWO more.

WE don't need TWO more because the lawful recreational marijuana industry is new and has the potential to cause disproportionate damage to our underaged and marginalized population. And, according to the CDC, the health consequences of long-term use are not yet known with certainty. This is especially important for teenagers since marijuana causes disproportionate harm to the developing brain.

We don't need two more. And if social equity is TRULY the goal, then there are better ways to provide this and the vehicle to provide it doesn't have to be marijuana licensing.

This is a new industry and the health effects are not as yet known. We should not forget the lessons learned with tobacco. We should give ourselves time to understand the data emerging from the studies and follow the science. We should give our department of public health time to establish baselines and data frameworks so that we can understand the long-term impacts. We should take the time to develop and deploy effective education programs to combat the negative effects of "normalization." We should understand whether retail stores result in increased availability to our underaged population. We should take the time to have diverse views think about and balance our policy goals in the context of new information.

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