



September

2023

# MARYLAND SOCIAL EQUITY CANNABIS VERIFICATION:

## A GUIDE FOR APPLICANTS

THIS DOCUMENT IS FOR INFORMATIONAL PURPOSES ONLY  
AND IS NOT A CONTRACT.





# Introduction

***The Maryland Cannabis Administration (“the Administration”) is responsible for the implementation and enforcement of rules and regulations governing the cannabis market in Maryland, pursuant to the Cannabis Reform Act (“the CRA”). Among these administrative duties is oversight of the cannabis business license application process and the awarding of licenses. Included in this oversight and operations is the management of a third-party vendor to verify individuals’ status as a social equity applicant.***

The Administration is requiring individuals interested in applying for a:

- Standard Grower License,
- Standard Processor License,
- Standard Dispensary License,
- Micro Grower License,
- Micro Processor License, or
- Micro Dispensary License

to verify their status as a social equity applicant before the initial application round. The CRA restricts the initial application round to social equity applicants.

**By verifying an individual’s status as a social equity applicant before the licensing round, the Administration aims to streamline the application process and ensure that potential applicants know whether they meet the statutory eligibility requirements prior to the 30-day application period.**

This guide is intended to provide guidance and instruction for applicants seeking a cannabis business license with a social equity determination in Round 1 of licensing, pursuant to Alcoholic Beverages and Cannabis Article § 36-404 of the Annotated Code of Maryland. Under the CRA, the Administration is scheduled to hold three separate business licensing rounds

Summaries are given at the top of each section. These summaries are intended to give a basic description of each section and should not be relied on as the sole source of adequate instruction for meeting each requirement. If you do not carefully follow the requirements in each section, you might not provide enough evidence to support your eligibility as a social equity applicant.



# SECTION 1: ELIGIBILITY FOR SOCIAL EQUITY APPLICANT STATUS

## SECTION SUMMARY

- To apply for a cannabis business license in Round 1, you must meet the definition of a social equity applicant under Maryland law.

In Maryland law (the CRA), a “social equity applicant” is defined as an applicant for a cannabis license or registration that has at least 65 percent ownership and control held by one or more individuals who meet at least ONE of the following criteria:

- I. Lived in a disproportionately impacted area for at least 5 of the 10 years immediately preceding the submission of the application\*
- II. Attended a public school in a disproportionately impacted area for at least 5 years
- III. For at least 2 years, attended a 4-year institution of higher education in Maryland where at least 40 percent of the individuals who attend the institution of higher education are eligible for a Pell Grant

Alcoholic Beverages and Cannabis Article § 36-404 of the Annotated Code of Maryland defines “disproportionately impacted area” as a geographic area that has above 150 percent of the State’s 10-year average for cannabis possession charges.

The Office of Social Equity’s website contains specific information for each of the three criteria above, including:

*\*Living in a disproportionately impacted area for a minimum of 5 years will be validated using a combination of two data points per address. Failure to provide the requested documentation will result in a delay in qualifying your application.*



- An interactive map of disproportionately impacted areas in the State;
- A list of currently operating public schools in a disproportionately impacted area in the State; and
- A list of qualifying institutions of higher education.

Prospective applicants who have not lived for 5 out of the last 10 years in a disproportionately impacted area in Maryland, or attended a public school in a disproportionately impacted area in Maryland, may still qualify as a social equity applicant. In order to qualify, these individuals must demonstrate to the Administration that they lived, or attended public school in another state or jurisdiction that meets the definition of a disproportionately impacted area.

THIS DOCUMENT HAS BEEN APPROVED

# SECTION 2: PROCESS FOR VERIFYING SOCIAL EQUITY ELIGIBILITY

## SECTION SUMMARY

- Before beginning your application for a cannabis business license, you must complete the process outlined below.
- To proceed with an application, you must receive the final confirmation of your social equity eligibility. This will be sent via email with a link to access your PDF report, with the term “CLEAR” in the top section.
- You are responsible for working with the third-party verification vendor Creative Services, Inc., to verify the required information.
- Verification is provided at no cost to you.
- You must provide your final PDF report and unique identifier/order number when completing a license application in Round 1.

Before starting an application for **any** cannabis business license types in Round 1, you must complete the following process to verify your eligibility as a social equity applicant. You **MUST** complete this process with our third-party vendor and wait until a final determination of social equity eligibility is made before you can start the process for a cannabis business license. The verification portal will close *before* the licensing round opens. Begin this process as soon as possible to give yourself adequate time to collect documents and work with the State’s vendor to verify your status.

As a prospective applicant, you are expected to complete the following:

1



**View the training video and complete the short interest form provided by the Administration on the application process.**

Once this is done, your email address will be recorded and you will receive a personalized link to a verification portal within approximately 2 business days from **Creative Services, Inc. (“CSI”)**.<sup>1</sup> CSI will perform a background check to verify your eligibility as a social equity applicant. This link will be unique to you, and you can save your progress as you go.

[1] CSI is a full-service, global background screening and security firm that is partnering with the Administration to verify applicants’ eligibility for social equity licensing.

2



**Submit documents to CSI verifying that you meet the definition of social equity applicant under the CRA. This documentation must support at least one of the following criteria:**

- **Criterion I: Lived in a disproportionately impacted area for at least 5 of the last 10 years immediately preceding the submission of the application.** Acceptable documents include any combination of at least two of the following documents for 5 separate years from calendar year 2014 to 2023 displaying a valid address associated with the prospective applicant:
  - Residential lease;
  - Driver's license, or other government issued identification containing a valid address;
  - Mortgage loan;
  - Bank statement;
  - Utility bill addressed to the prospective applicant;
  - W-2/1099;
  - Income tax return;
  - Court document;
  - Credit card statement; and
  - Housing authority record.
- **Criterion II: Attended a public school in a disproportionately impacted area for at least 5 years.** Acceptable documents include either of the following documents showing enrollment in a public school for 5 or more years:
  - School transcripts
  - Enrollment records

Records must be obtained from a public school and include the address of the public school. If you are unable to obtain or access school records, or the school you attended is no longer operational, the Administration encourages you to still enter and engage with CSI's portal. CSI may be able to verify certain information through third-party information sources by providing to CSI the following:

- School name
- School location
- Dates of attendance
- Date of graduation (if applicable)
- Name while attending

2  
cont.



- **Criterion III: For at least 2 years, attended a 4-year institution of higher education in Maryland where at least 40 percent of the individuals who attend the institution of higher education are eligible for a Pell Grant.** Acceptable documents include 2 years' worth of transcripts or enrollment records from any of the following institutions:

- Bowie State University
- Coppin State University
- Morgan State University
- The University of Baltimore
- University of Maryland Eastern Shore
- Washington Adventist University

You will be asked to provide the following:

- School name
- School location
- Dates of attendance
- Major
- Degree
- Date of graduation (if applicable)
- Name while attending

3



#### **Electronically sign and submit required forms and disclosures.**

- The CSI verification portal will open on September 8, 2023.

4



**After submitting the information outlined above, CSI may contact you to make sure they have all the information they need to verify your social equity status.**

- If you meet the requirements and your social equity status is verified, you will receive an email with a link to a PDF of your background check report stating that you are **“CLEAR.”**
- If you do not meet the requirements and/or your social equity status is not verified, you will receive an email with a link to a PDF of your background check report stating that you are **“Under Review.”** If you have been found to be “Under Review,” the Administration will notify you with next steps. If social equity status cannot be verified,
- If social equity status cannot be verified, you will receive an email with a link to a PDF of your background check report stating that you are **“DEFICIENT.”**
- CSI will send you the final report determining your social equity applicant status *before the first application round opens*, unless the Administration requests an extension.
- See Appendix A for example background check reports.

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**You will be responsible for uploading your final PDF report stating a **CLEAR** status in the license application, along with your unique identifier—your Order Number, found at the top of the report. Verification of social equity applicant status does not:**

- Guarantee admission to the application lottery; or
- Replace the need for other application materials required by law.



# **SECTION 3: PROCESS FOR VERIFYING SOCIAL EQUITY ELIGIBILITY FOR INDIVIDUALS WHO HAVE NOT LIVED, OR ATTENDED PUBLIC SCHOOL, IN MARYLAND**

## **SECTION SUMMARY**

- Individuals who believe they are eligible because of disproportionately impacted areas outside of Maryland must provide additional data and information to the Administration.**

Prospective applicants who have not lived for 5 out of the last 10 years in a disproportionately impacted area in Maryland, or attended a public school in a disproportionately impacted area in Maryland, may still qualify as a social equity applicant. In order to qualify, these individuals must demonstrate to the Administration that they lived, or attended public school in another state or jurisdiction that meets the definition of a disproportionately impacted area. Alcoholic Beverages and Cannabis Article § 36-404 of the Annotated Code of Maryland defines “disproportionately impacted area” as a geographic area that has above 150 percent of Maryland’s 10-year average for cannabis possession charges.

Prospective applicants who have not lived, or attended public school, in Maryland are encouraged to complete this process sooner to ensure the Administration has time to fully evaluate additional data applicants provide.

As a prospective applicant, you are expected to complete the following:

1



**Follow and complete the process outlined in SECTION 2.**

2



**Once you submit your information to the CSI portal, the Administration will contact you and require you to provide evidence that your ZIP Code meets the definition of a disproportionately impacted area as outlined in Alcoholic Beverages and Cannabis Article § 36-404 of the Annotated Code of Maryland.**

3



**Before the application round closes, the Administration will confirm whether your ZIP Code meets the statutory definition of a disproportionately impacted area.**

4



**While awaiting confirmation, continue to work with CSI to verify your eligibility.**



## SECTION 4: APPLICATION PROCESS AND NEXT STEPS

### SECTION SUMMARY

- The Administration will soon announce more information and guidance regarding the license application process and the lottery selection process.

In the coming weeks, the Administration will release more information and guidance on the license application and lottery process. Please continue to closely monitor communications from the Administration to make sure you are aware of important announcements.

**For now, you are encouraged to take all necessary steps to prepare for the social equity applicant status verification process.**

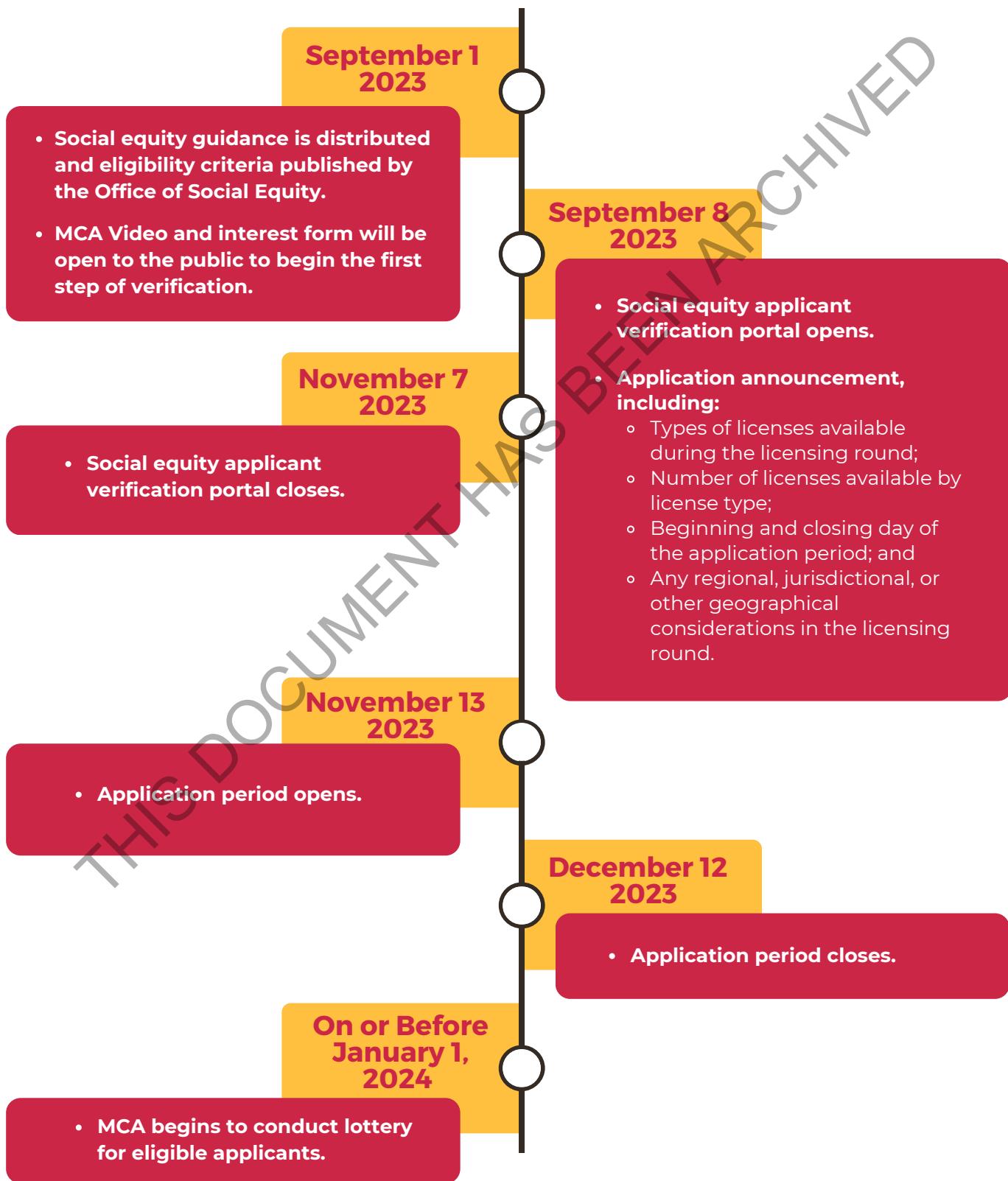
### Office of Social Equity

The Maryland Office of Social Equity (“the OSE”) is an independent office within the Maryland Cannabis Administration, established by the Cannabis Reform Act of 2023 (“the CRA”). The OSE is tasked with providing resources and support for historically disadvantaged individuals and businesses seeking to enter the adult-use cannabis market, providing technical assistance programs for qualifying social equity applicants and licensees.

The OSE is available to provide technical assistance to prospective applicants interested in verifying their eligibility as social equity applicants. Prospective applicants interested in learning more may contact the OSE at [info.ose@maryland.gov](mailto:info.ose@maryland.gov).

Additionally, OSE will be hosting technical assistance on the application itself in the coming months. Please additionally monitor communications from OSE to be made aware of upcoming events and assistance.

## SECTION 5: TIMELINE





# APPENDIX A: EXAMPLE BACKGROUND CHECK REPORTS

## CLEAR

Subject Information:		Requestor Information:
Subject:	SMITH, JANE T	
DOB:	01/01/XXXX	Requestor Name: CSI
Social Security Number:	XXX-XX-6789	Requestor Userid: mdcann/admin
Order Number(s):	1574801	Requestor Phone: 508-339-5451
Report Disposition	CLEAR	Requestor Email: clientsuccess@creativeservices.com
Package Name(s):	Social Equity Pre Qualification	Email: jane@test.com
Address:	456 MAIN STREET	Billing Identifier 1:
	WALDORF MD 20603	Billing Identifier 2:
Order Date:	August 9, 2023 12:09 PM	Billing Identifier 3:
Completion Date	August 10, 2023 07:40 AM	
Time First Completed	August 9, 2023 12:10 PM	

## UNDER REVIEW

Subject Information:		Requestor Information:
Subject:	WILLIAMS, JOHNNY B	
DOB:	01/01/XXXX	Requestor Name: CSI
Social Security Number:	XXX-XX-6789	Requestor Userid: mdcann/admin
Order Number(s):	1575832	Requestor Phone: 508-339-5451
Report Disposition	UNDER REVIEW	Requestor Email: clientsuccess@creativeservices.com
Package Name(s):	Social Equity Pre Qualification	Email: johnny@test.com
Address:	123 MAIN STREET	Billing Identifier 1:
	WALDORF MD 20603	Billing Identifier 2:
Order Date:	August 10, 2023 07:37 AM	Billing Identifier 3:
Completion Date	August 10, 2023 07:38 AM	
Time First Completed	August 10, 2023 07:38 AM	

## DEFICIENT

Subject Information:		Requestor Information:
Subject:	WILLIAMS, JOHNNY B	
DOB:	01/01/XXXX	Requestor Name: CSI
Social Security Number:	XXX-XX-6789	Requestor Userid: mdcann/admin
Order Number(s):	1575832	Requestor Phone: 508-339-5451
Report Disposition	CLIENT DETERMINATION - DEFICIENT	Requestor Email: clientsuccess@creativeservices.com
Package Name(s):	Social Equity Pre Qualification	Email: johnny@test.com
Address:	123 MAIN STREET	Billing Identifier 1:
	WALDORF MD 20603	Billing Identifier 2:
Order Date:	August 10, 2023 07:37 AM	Billing Identifier 3:
Completion Date	August 10, 2023 07:38 AM	
Time First Completed	August 10, 2023 07:38 AM	