

House Business Affairs & Labor

02/23/2023 01:30 PM

HB23-1020 -

Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
Jesus Enriquez For The Color of Cannabis	I agree with the full details of the HB23-1020 bill to be passed.
Yadira Silva For YS Cannabis Delivery AI LLC	<p>My name is Yadira Silva. I am a Social Equity participant, I am a single mother of 2 children, Jamie and Emiliano.</p> <p>I received my transporter licensed on August 2021. Since then, I had 5 deliveries, than made me to file a Lost of -\$25,000 for 2 years consecutives.</p> <p>If this bill passes, my life, my company and of other Social Equity participants will be change for good.</p> <p>Please allow more grants to Social Equity Participants who are qualified by the Low Income category. We are putting our pennies on licenses that are not returning any profits, hurting my family with eviction of my apartment's, and hunger.</p> <p>Help us to get contracts to transport and deliver legal cannabis in Colorado, please help me, and my community to succeed and be a good sample for our kids.</p>
Gabriel Vieira For themselves	<p>Hello, my name is Gabriel Vieira. I am the CEO of Zyp Run, Boston's first stand-alone social equity delivery company which launched last month. As amended by the bill sponsor, I support HB 23-1020. A similar battle was fought and won by Massachusetts Social Equity members to obtain a more oportune business license. The MA social equity program needed a change in delivery model because the current model - which models the existing delivery model in Colorado -was fundamentally flawed and unprofitable. Many of my social equity colleagues and I received backlash from some large MSOs and mid-tier cannabis companies in Massachusetts. My fellow social equity businesses here in Colorado are facing similar backlash. In the end, Social Equity prevailed in its push for the stand-alone delivery models, of which 5 are now operational. Stand-alone delivery</p>

	<p>allows social equity operators to compete with retailers FAIRLY, as overhead (drivers, management, gas, software stack, 280E - a federal tax code which does NOT allow for standard business deductions and taxes) cannot be eliminated. As a result of the stand-alone delivery model, we were able to save our social equity program in Massachusetts. The same equitable opportunities should be made available to Colorado social equity operators! As the pioneering company for social equity delivery operators in Boston MA, Zyp Run is putting forth the standards of how social equity licenses should be delivered. In order to create more efficient delivery operations for ourselves and our equity partners, we built a proprietary three-pronged tech stack that includes a consumer facing website, an iOS application, an order management backend that integrates with inventory management solutions, and a partnership with Onfleet. It is our intention to offer our platform in order to enhance the operations of future stand-alone social equity operators in Colorado.</p> <p>Thanks to the committee for allowing me to speak on behalf of social equity empowerment.</p>
<p>damon washington Amend themselves</p>	<p>Good morning, my name is Damon Washington, and I'm a social equity applicant in the cannabis industry. I'm here to urge your support for House Bill 1020, specifically the Independent Delivery License provision.</p> <p>One of the biggest challenges facing social equity applicants like myself is the requirement to enter into contracts with established dispensaries, which have little incentive to partner with us. As a result, many of us are unable to operate our businesses and contribute to the industry's growth.</p> <p>However, the Independent Delivery License provision in House Bill 1020 will change that. It will provide social equity applicants with the opportunity to operate our delivery businesses independently, without relying on partnerships with established dispensaries. This will level the playing field and provide a real entry point into the industry for individuals who have been arrested, jailed, and paid thousands of dollars to courts.</p> <p>Passing House Bill 1020 will not only support entrepreneurs like myself, but also promote equity and opportunity in the cannabis industry. This provision creates a thoughtful and conservative solution to the unwillingness of the established industry to partner with social equity delivery businesses. It offers more fair competition and access to the market for dispensaries and wholesalers, resulting in more collaborative</p>

	<p>and profitable partnerships with social equity businesses and the established industry.</p> <p>Moreover, passing this bill will enable us to support our families and fund community events for underprivileged areas. It will allow us to give back to those who look like us and provide opportunities for others to become successful entrepreneurs.</p> <p>In conclusion, I urge you to vote yes on the amended bill and protect the Independent Delivery License provision. Thank you for your time and dedication to creating a more just and equitable society.</p>
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Honorable Representatives Naquetta Ricks, and Business Affairs & Labor Committee members:

My name is Nicole Sabilia and I am testifying today on behalf of Ayan Enterprises d/b/a Cirrus Social Club, Social Equity License #2022-BFN-0014455

Regarding House Bill 23-1020, the license holder, the team, and I are excited about this proposed amendment.

We believe that the possibilities proposed here for improving equity in Colorado's cannabis industry will improve state commerce and provide innovative space for specialization as the market matures.

I respectfully request that the General Assembly considers including explicit language in the update, allowing delivery license holders to deliver to hotels other non-private residences, and cannabis consumption lounges.

I believe that this change is imperative for several reasons:

- Transport of safe, regulated products to be delivered to consumers stimulates commerce beyond what's nearby Cirrus and other cannabis hospitality spaces,
- Encouraging responsible consumption means discouraging driving under the influence of any substance. Thus, promoting more ubiquitous access to direct-to-consumer cannabis delivery promotes safety.
- Delivery services are equipped to handle and transport these products safely with robust security and compliance measures down pat.

If passed, this bill would benefit all license holders and stakeholders in the cannabis industry. Public safety is promoted in neighborhoods and communities where cannabis delivery thrives.

As humans, neighbors, and active members of our community, we understand there might be opposition. However, an industry promoting safe consumption and transport of regulated products, working to heal systemic disadvantages day by day, is one where everybody can win.

Thank you for your time and consideration.

Good morning committee, thank you for taking the time to address this important issue and this bill. My Name is Mark Slaugh and I'm the CEO and Founder of iComply. We are a compliance and regulatory affairs business, serving cannabis businesses and the government since 2011 in providing a trusted resource on cannabis policy and compliance. In social equity, we've been working at the National Cannabis Industry Association to ensure good policy in other States for the last 4 years as it relates to Diversity Equity and Inclusion. And we are a Colorado business with our offices in Denver. I've served in director roles for Colorado cannabis industry groups in the early formative stages of the industry and continue my service in a pro-bono policy and regulations advisory capacity to social equity operators in our state. When the first grant applications through the OEDIT came around, we helped a majority of clients obtain them on a contingency basis, helping to award us with the Minority Business Office's Minority Business Award. I'm also half-Brazilian from a first generation immigrant family. Its the harmful effects of the drug war I've seen in both of my countries that drives me to speak to you today.

The first thing I said to the MED's social equity advisory board that we helped spark into existence last year is that we must first admit, that Colorado's social equity program is designed to fail and does not work. Whether through noble intentions of those representatives to do so, or the influences of lobbyists, the industry, and special interests, the result of the social equity system in Colorado has failed.

As much as we hope with all our hearts that it will work this time, with this bill, I am afraid to say, putting Band-Aids on simply will not do enough to save social equity. It is on life support and a number of terminal illnesses are plaguing it.

While I support this bill, I also want to lend you my expertise in dealing with multiple regulatory models across multiple states and countries as they relate to social equity and tell you that this will help, but the help will not be enough and will likely come too late.

The industry is depressed as oversupply has lead to massive drop in prices to the extend that people cannot afford to comply. Regulatory violations for contamination and failed product are on the rise as operators cut corners on process validation and testing costs. The only operators positioned to survive are those with the deepest pockets and largest portfolios. This environment simply leaves no room for social equity cultivators or manufacturers to compete and succeed.

Having said that, the reality of this bill is to try and create a chance for delivery alone. It is the hope that these social equity businesses can afford an offsite premises storage buildout at the tune of at least \$300,000 and then go through a long permitting process, if they can find an establishment willing to rent to them with little to no access to funding. This is already an issue with hospitality licensing, which will only get worse.

The bill sponsor proposes limiting qualifying definitions for social equity after being told some people may be exploiting it to take advantage, but fails to offer evidence of this widespread abuse. If we're just going off of anecdotal evidence, I see many more actual social equity people

qualifying, being given false hope in "technical assistance", then MAYBE being given a pittance of \$25k in grants, and then left to figure it out.

This is not technical or financial assistance, but the illusion thereof while the industry can wait out exclusivity periods and we can all pretend like social equity had a fair shot. Mark my words, this is not going to work.

A year from now, we will be back here again still in need of comprehensive reform of the social equity system in Colorado. We need emergency surgery, not band-aids with cute and cuddly pictures on them. Thank you for voting yes on this bill, and, if you truly want a social equity industry that works, I encourage you to formulate a working group on comprehensive reform made up of those most impacted by the war on cannabis.

Until that day comes, Colorado will not have repented for its mistakes of the past, nor will it have achieved equity in the industry's ownership by those impacted most by those mistakes.