

**SOCIAL EQUITY APPLICANT (SEA) RESIDENCY VERIFICATION (Revised 1/14/22)**

Per Sec. 35 of Sen Bill No. 1201, the Social Equity Council shall review the ownership information and any other information necessary to confirm that an applicant qualifies as a social equity applicant for all license type applications submitted to the department and designated by the applicant as a social equity applicant. The SEC shall prescribe the documentation necessary for applicants to submit to establish that the ownership, residency, and income requirements for social equity applicants are met.

A “**social equity applicant**” is an applicant for a cannabis establishment license, where the applicant is at least 65% owned and controlled by an individual or individuals, or the applicant is an individual, who meets the following criteria. First, their average household income must have been less than 300% of the state median over the three tax years immediately before the application. **In addition, they must have been residents of a disproportionately impacted area for at least (1) five of the 10 years immediately before applying for the license or (2) nine years before they turned age 18.**

The following documents are required to establish residency.

<b>REQUIRED</b>	
<ul style="list-style-type: none"> <li>• A Government issued Photo ID Card (Driver’s License, State ID etc.)</li> <li>• Social Security Card and;</li> <li>• Long-form Birth Certificate which includes the applicant’s name</li> </ul>	
<b>THE FOLLOWING DOCUMENTS ARE ACCEPTABLE FOR VERIFICATION OF RESIDENCY. SUBMIT ONE OR A COMBINATION OF THE FOLLOWING:</b>	
Bank records that include the applicant’s name.	School records that include the applicant’s name.
Residential property deed that includes the applicant’s name.	Utility bills (electric, gas or water), which includes the applicant’s name or family name and address.
Housing authority records that include the applicant’s name or family name.	Insurance Policy which includes the applicant’s name.
A signed, notarized lease agreement that includes the applicant’s name.	Dated notices or correspondence from a local or state government entity that includes the applicant’s name or family name. (i.e., DCF, DSS, DMHAS)
<b>Other Supporting Documents (i.e., documents noting incarceration) The Social Equity Council will consider other documents for certain populations.</b>	

**SOCIAL EQUITY APPLICANT (SEA) INCOME VERIFICATION (Revised 1/14/22)**

Per Sec. 35 of Sen Bill No. 1201, the Social Equity Council shall review the ownership information and any other information necessary to confirm that an applicant qualifies as a social equity applicant for all license type applications submitted to the department and designated by the applicant as a social equity applicant. The SEC shall prescribe the documentation necessary for applicants to submit to establish that the ownership, residency, and income requirements for social equity applicants are met.

“**SOCIAL EQUITY APPLICANT**” is a business that has applied for a license for a cannabis establishment where the applying business is at least 65% owned and controlled by an individual (or individuals) who: Had an average household income of less than 300% of the state medium household income over the three tax years immediately preceding the application

Documents from your employer can give the most up-to-date picture of your income since it takes into account any changes in your wages from the past year.

The following documents are acceptable for verification of income. *Submit one or a combination of the following:*

<p><b>Proof of Household Income Requirements:</b></p> <ul style="list-style-type: none"> <li>• Household income includes all members of the household 21 years and older.</li> <li>• Household income includes all income over the three tax years immediately preceding the application</li> </ul>
Notarized income verification from all employers for the past three years
Pay Stubs (3 years)
Tax Returns (1040 EZ or 1040, including all schedules) - Last three years
Wage and Tax Statement - (W-2) Last three years
Social Security - Proof of Income Letter – 3 most recent years
Pension/Retirement Distribution Statement - 3 most recent years
<p><b>Record of Account Transcript</b> - combines the tax return and tax account transcripts into one complete transcript. This transcript is available for the current tax year and returns processed during the prior three years using Get Transcript Online or Form 4506-T.  <a href="https://www.irs.gov/individuals/transcript-types-and-ways-to-order-them">https://www.irs.gov/individuals/transcript-types-and-ways-to-order-them</a>.</p>
Annuity Statements which include the applicant’s name
Pension/Retirement - Distribution Statement
Court-Ordered Agreements which includes the applicant’s name
Unemployment Benefits document which includes the applicant’s name
Workers Compensation letter which includes the applicant’s name
<p style="text-align: center;"><b>Other Supporting Documents (i.e., documents noting incarceration)</b></p> <p><b>The Social Equity Council will consider other documents for certain populations.</b></p>

## SOCIAL EQUITY APPLICANT (SEA) OWNERSHIP & CONTROL

Per Sec. 35 of PA 21-01, the Social Equity Council shall review the ownership information and any other information necessary to confirm that an applicant qualifies as a social equity applicant for all license type applications submitted to the department and designated by the applicant as a social equity applicant. The SEC shall prescribe the documentation necessary for applicants to submit to establish that the ownership, residency, and income requirements for social equity applicants are met.

**“SOCIAL EQUITY APPLICANT”** is a business that has applied for a license for a cannabis establishment where the applying business is at least 65% owned and controlled by an individual (or individuals) who: ***Had an average household income of less than 300% of the state median household income (SMHI) over the three tax years immediately preceding the application (SMHI in 2021 is approximately \$74,000)***

### **THE FOLLOWING DOCUMENTATION IS REQUIRED TO ESTABLISH OWNERSHIP AND CONTROL OF A SOCIAL EQUITY VENTURE:**

Please attach copies of all of the following REQUIRED documents. A failure to supply any information, without justification, may result in denial of social equity certification. If any of the documents listed below are not applicable to your business structure, upload a sheet of paper with the document name and type **“Not Applicable.”**

- Organization Chart (including affiliates)
- List of owners and ownership interest
- List of Affiliates
- Résumés (that include places of employment with corresponding dates), for all owners, officers, and key personnel of the applicant firm
- Personal Net Worth Statement for each social equity applicant, Backer and anyone owning five percent or more of the total ownership or interest rights in such cannabis establishment.
- Personal Federal tax returns for the past 3 years, for each social equity applicant, backer and anyone owning five percent or more of the total ownership or interest rights in such cannabis establishment.
- Federal tax returns (and requests for extensions) filed by social equity applicant, backer and anyone owning five per cent or more of the total ownership or interest rights in such cannabis establishment.
- Federal tax returns (and requests for extensions) filed by any affiliate companies, with related schedules, for the past 3 years.
- Documented proof of contributions used to acquire ownership interest rights in such cannabis establishment, for each owner (e.g., both sides of cancelled checks, letters of credit, financial agreements, bank statements etc.)
- Signed loan and security agreements, and bonding forms related to ownership or interest rights in such cannabis establishment.
- Documented proof of any transfers of assets to/from your firm and/or to/from any of its owners over the past 2 years.
- DBE/ACDBE and SBA 8(a), SDB, MBE/WBE certifications, denials, and/or decertification’s, if applicable; and any appeal decisions on these actions.
- Bank authorization and signatory cards.
- Schedule of salaries (or other remuneration) paid to all officers, managers, owners, and/or directors of the company.
- List of all employees, job titles, and dates of employment (including affiliates).

- Management Agreements (if available; required for full license)
- Operating Agreements (if available; required for full license)
- Option Agreements (if available; required for full license)

**IN ADDITION:**

**Partnership or Joint Venture**

- Original and any amended Partnership or Joint Venture Agreements related to ownership or interest rights in such cannabis establishment.

**Corporations or LLC**

- Official Articles of Incorporation/Articles of Organization (LLC) (signed by the state official)
- Certificate of Good Standing
- Both sides of all corporate stock certificates and your firm's stock transfer ledger
- Shareholders' Agreement(s)
- Minutes of all stockholders and board of director's meetings (2 years)
- Corporate bylaws and any amendments
- Corporate bank resolution and bank signature cards
- Membership certificates (front and back) and ledgers (only required if the LLC has issued membership shares)
- Current Certificate of Good Standing (may be called Certificate of Existence or Certificate of Status)  
Official Certificate of Formation and Operating Agreement with any amendments (for LLCs)

## SOCIAL EQUITY APPLICANT (SEA) EQUITY JOINT VENTURE (EJV) OWNERSHIP & CONTROL

Per Sec. 35 of PA 21-01, the Social Equity Council shall review the ownership information and any other information necessary to confirm that an applicant qualifies as a social equity applicant for all license type applications submitted to the department and designated by the applicant as a social equity applicant. The SEC shall prescribe the documentation necessary for applicants to submit to establish that the ownership, residency, and income requirements for social equity applicants are met.

“EQUITY JOINT VENTURE” a business entity that is at least fifty per cent owned and controlled by an individual or individuals, or such applicant is an individual who meets all Social Equity Applicant criteria as prescribed by the Social Equity Council.

- ***Had an average household income of less than 300% of the state median household income (SMHI) over the three tax years immediately preceding the application, In addition***
- ***Applicant/s must have been residents of a disproportionately impacted area for at least (1) five of the 10 years immediately before applying for the license or (2) nine years before they turned age 18.***

### ***THE FOLLOWING DOCUMENTATION IS REQUIRED TO ESTABLISH OWNERSHIP AND CONTROL OF AN EQUITY JOINT VENTURE:***

Please attach copies of all the following REQUIRED documents. A failure to supply any information, without justification, may result in denial of social equity certification. If any of the documents listed below are not applicable to your business structure, upload a sheet of paper with the document name and type “**Not Applicable.**”

- Organization Chart (including affiliates)
- List of owners and ownership interest
- List of Affiliates
- Résumés (including places of employment with corresponding dates), for all owners, officers, and key personnel of the applicant firm
- Personal Net Worth Statement for each social equity applicant, Backer and anyone owning five percent or more of the total ownership or interest rights in such cannabis establishment.
- Personal Federal tax returns for the past 3 years, for each social equity applicant, backer and anyone owning five percent or more of the total ownership or interest rights in such cannabis establishment.
- Federal tax returns (and requests for extensions) filed by social equity applicant, backer and anyone owning five per cent or more of the total ownership or interest rights in such cannabis establishment.
- Federal tax returns (and requests for extensions) filed by any affiliate companies, with related schedules, for the past 3 years.
- Documented proof of contributions used to acquire ownership interest rights in such cannabis establishment, for each owner (e.g., both sides of cancelled checks, letters of credit, financial agreements, bank statements etc.)
- Signed loan and security agreements, and bonding forms related to ownership or interest rights in such cannabis establishment.
- Documented proof of any transfers of assets to/from your firm and/or to/from any of its owners over the past 2 years.
- DBE/ACDBE and SBA 8(a), SDB, MBE/WBE certifications, denials, and/or decertification’s, if applicable; and any appeal decisions on these actions.
- Bank authorization and signatory cards.

- Schedule of salaries (or other remuneration) paid to all officers, managers, owners, and/or directors of the company.
- List of all employees, job titles, and dates of employment (including affiliates).
- Management Agreements (if available; required for full license)
- Operating Agreements (if available; required for full license)
- Option Agreements (if available; required for full license)

**IN ADDITION:**

**Partnership or Joint Venture**

- Original and any amended Partnership or Joint Venture Agreements related to ownership or interest rights in such cannabis establishment.

**Corporations or LLC**

- Official Articles of Incorporation/Articles of Organization (LLC) (signed by the state official)
- Certificate of Good Standing
- Both sides of all corporate stock certificates and your firm's stock transfer ledger
- Shareholders' Agreement(s)
- Minutes of all stockholders and board of director's meetings (2 years)
- Corporate bylaws and any amendments
- Corporate bank resolution and bank signature cards
- Membership certificates (front and back) and ledgers (only required if the LLC has issued membership shares)
- Current Certificate of Good Standing (may be called Certificate of Existence or Certificate of Status)  
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