



MELLO TYMES LLC  
Savage, Minnesota 55378  
Telephone 202-677-8571

March 20, 2024

Hon. Senator Matt D. Klein (DFL)  
And Members of the Committee on Commerce  
And Consumer Protection  
2105 Minnesota Senate Bldg.  
St. Paul, MN 55155

***Re: S.F. 4782 Cannabis Amendment***

Mr. Chairman Klein and Members of the Committee,

My name is Eric Spencer and I am the Chief Executive Officer (“CEO”) and Policy Analyst for Mello Tymes MN LLC (“Mello Tymes”), a Minority and Returning Citizen (I was incarcerated for 13 years in federal prison as a first-time nonviolent felony offender for cannabis and other nonviolent offenses) owned Social Equity Brand that intends to apply and ultimately participate in Minnesota’s adult use recreational cannabis program. Too often the voices of those directly impacted are rarely seen or heard. Please accept this written testimony in good faith and of legal certainty.

It is imperative to acknowledge and recognize that HF 100 is an equitably crafted cannabis law that we fully support and believe could withstand lawsuits. Nevertheless, we want to provide some analysis on S.F. 4782.

Initially capping retail licenses at 50 whether temporary or permanent and then implementing a lottery system goes against the spirit of HF 100.<sup>1</sup> Subsequent lotteries will not cure the inequity that will result. S.F. 4782 provides a limited license structure that creates winners and losers. The point system is fine. It allows interested social equity applicants an opportunity to participate in a new industry. In the spirit of equity, if two or more social equity applicants achieve the same points in their application, both should receive temporary or conditional licenses without having to implement a lottery.

New Jersey implemented a point system and their social equity program was able to award conditional licenses. They have not encountered any lawsuits. New Jersey did not put caps on its Social Equity Retail Licenses. New Jersey gave everyone a chance to participate in their Program through a point system and conditional licensing. Those that are ultimately unable to open and operate in an extended timeframe in New Jersey must surrender their conditional licenses.

New York’s main lawsuit was premised on the fact that the Plaintiff did not have a New York Cannabis

---

<sup>1</sup> We are fully aware that lotteries are part of H.F. 100. As we express later in this written testimony, if a lottery is implemented to satisfy S.F. 4782 and “first mover status” for equity applicants, a minimum of 200 licenses should be the starting point and not 50.

Conviction which was required to be eligible for social equity. HF 100 does not have that issue. More importantly, New York State already has the most diverse adult use cannabis industry in the nation. As of March 17, 2024, more than a quarter (26%) of NY's adult-use dispensaries were majority Black owned, nearly half (44%) are majority minority owned. In total, around 70% of New York's open recreational adult use dispensaries are Minority and Women-Owned Businesses. Regardless of the lawsuits, New York has created an equitable marketplace for adult use recreational cannabis.

Maryland recently had a lottery to award social equity licenses. It has been considered a success because it did not use a point system. We expect the Industry as a whole to use that as an example. However, Maryland allowed Multistate Cannabis Organizations ("MSOs") to sell first before the lottery. The lottery had caps and a judge in a case involving hemp called the lottery arbitrary. Most importantly, Maryland did not recognize those with prior cannabis convictions in its social equity definition.<sup>2</sup>

Social Equity is an experiment and no state will get it right. Removing the point system and instituting caps is counterproductive and will produce unintended consequences. The results will be a limited license culture of winners and losers a contradiction of Minnesota's equity mandate. H.F.100 and its companion in the Senate were carefully researched and crafted pieces of legislation to prevent such inequity in its upcoming adult use cannabis program.

We applaud S.F. 4782 for providing an avenue for social equity applicants to get the first opportunity to open and operate a recreational cannabis dispensary. If the lottery system is in fact adopted, caps on retail dispensaries should be increased to a minimum of 200. The current law requires one dispensary for every 12,500 Minnesotans. That totals to a minimum of 381 cannabis dispensaries across the state. A minimum of 200 will ensure equity is front and center in Minnesota's adult use market. ***Men, women, parents, dependents and veterans with prior marijuana convictions should receive three entries per application. These additional entries would honor those directly impacted by the War on Drugs. Living in a disproportionately impacted area with a high poverty rate (gentrification) is fundamentally different than someone who has suffered directly through the indignities and inhumane treatment of living in a cage for years or lost their honorable status in our Armed Services.***<sup>3</sup>

Thank You,

Eric Spencer  
CEO, and Policy Analyst  
Mello Tymes MN LLC  
202-677-8571  
[eric@mellotymes.com](mailto:eric@mellotymes.com)

---

<sup>2</sup> Maryland also mandated that Social Equity Applicants had to attend at least two years of college at an Historically Black College or University in Maryland. This requirement did not take into consideration the thousands of men and women convicted of felony marijuana possession and distribution being able to obtain a Pell Grant to attend college in the first instance. Maryland is now facing a lawsuit in this aspect.

<sup>3</sup> In no way are we trying to reward individuals for committing crimes involving cannabis. We are simply recognizing the intent of Minnesota's Social Equity experiment in achieving its mandate in its adult use cannabis program by highlighting those truly harmed.