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ASSOCIATION OF COUNTIES



Cannabis Law Implementation

Key Takeaways for County Leaders

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HON. MARTHA SAUERBREY
NYSAC President

STEPHEN J. ACQUARIO
Executive Director

Counties Working For You



515 Broadway, Suite 402
Albany, NY 12207



www.nysac.org



518-465-1473

Hochul Administration Moves Forward with Appointment Process

In March 2021, the Marijuana Regulation and Taxation Act (MRTA) was signed into law to legalize adult-use cannabis in New York State. The MRTA creates an Office of Cannabis Management (OCM) that will issue licenses and develop regulations for this new industry. It will also oversee the state's existing medical marijuana and cannabinoid hemp programs.

OCM was created as an independent office within the Division of Alcoholic Beverage Control and will be governed by a five-member Cannabis Control Board.

After six months of inaction under Governor Cuomo, Governor Kathy Hochul nominated Tremaine Wright to serve as the chairperson of the Cannabis Control Board and Christopher Alexander to serve as the executive director of OCM. Both picks were confirmed by the Senate during a special session on Wednesday, September 1.

Former Brooklyn Assemblymember Tremaine Wright was previously the chair of the Assembly's Black, Puerto Rican, Hispanic, and Asian Caucus and has served as the first director of the Department of Financial Services (DFS)'s Statewide Office of Financial Inclusion and Empowerment since April 2021.

Chris Alexander is the former policy director of the Drug Policy Alliance, where he helped to craft the MRTA. He also previously served as associate counsel to the Senate Democrats and has worked as the government relations and policy manager at Village, a black-owned, multi-state cannabis company, since September 2020.

On September 22nd, Governor Hochul announced her final two appointments to the board of Office of Cannabis Management: Reuben R. McDaniel, III and Jessica Garcia.

Key Takeaways

- As of September 22, 2020, the executive director of the Office of Cannabis Management and the five members of the Cannabis Control Board have been appointed, which means the state can begin the work of implementing the MRTA.
- Towns, cities, and villages have until December 31, 2021 to opt out of allowing adult-use cannabis retail dispensaries or on-site consumption licenses.
- Adult-use cannabis retail sales are expected to begin 18 months to two years after the full Cannabis Control Board is appointed, and home cultivation will be permitted within 18 months of the first retail sale.

McDaniel has served as the President and Chief Executive Officer of the Dormitory Authority of the State of New York (DASNY) since June 2020.



Jessica García is Assistant to the President of the Retail, Wholesale Department Store Union, a national labor union representing workers along the food supply chain, as well as workers in non-food retail and healthcare.

The temporary president of the Senate, Andrea Stewart-Cousins, also appointed former State Senator Jen Metzger to serve on the Cannabis Control Board. Metzger was previously the New York State Senator from the 42nd District and served extensively in local government and as a community advocate. The speaker of the Assembly, Carl Heastie, appointed Adam W. Perry to serve on the Board. Mr. Perry is a partner at Hodgson Russ LLP where he focuses on employment litigation and has represented nonprofits, governments, and businesses in state and federal courts.

Now that the Board is fully formed (as of September 22, 2021), it can begin the work of drafting regulations, issuing licenses, hiring staff to support the Board and OCM, and appointing advisory boards and committees.

The Board must also appoint a Chief Equity Officer, who will be responsible for overseeing the social and economic equity initiatives of the OCM.



In addition to the Cannabis Control Board, the MRTA creates a State Cannabis Advisory Board that will consist of 13 voting members and representatives from multiple state agencies who will serve as non-voting members. Governor Hochul has seven appointments to the Cannabis Advisory Board, Majority Leader Stewart-Cousins has three, and Speaker Heastie has three. This Board will advise and issue recommendations on the use of medical cannabis, adult-use cannabis, and cannabinoid hemp in New York State and govern and administer the Community Grants Reinvestment Fund, which will provide grants to non-profits, community-based organizations, and local governments in communities disproportionately impacted by cannabis prohibition. As of the writing of this report, no appointments have been made to the State Cannabis Advisory Board.

New Requirement Announced for Municipal Opt-Out

OCM has launched an online form at ocm-optout-form.ny.gov that municipalities **must** use to notify the Cannabis Control Board of their local opt-out laws. The web-based portal asks for the name of the municipality, a copy of the local law, and a point of contact.

Local opt-out laws must be passed by December 31, 2021. Municipalities that opt out may opt back in at any time; however, municipalities that do not opt out by this date will be unable to do so in the future. Municipalities that opt out will not receive any revenue from the local excise tax on the sale of adult-use cannabis.

For additional information, localities can contact OCM by calling 1-888-OCM-5151 (1-888-626-5151), emailing info@ocm.ny.gov, or visiting www.cannabis.ny.gov.

Implementation Timeline

The Governor and Legislature expect adult-use retail sales to begin 18 months to two years after the full Cannabis Control Board is appointed. This is based on the time it took for sales to begin in Canada and other states that legalized adult-use cannabis before New York. The home cultivation of cannabis is permitted only after OCM issues regulations governing home cultivation, which will occur within 18 months of the first adult-use retail sale.

Towns, cities, and villages have until December 31, 2021 to opt out of allowing adult-use cannabis retail dispensaries or on-site consumption licenses by passing a local law that is subject to permissive referendum. They are prohibited from opting out of other adult-use license types, as well as medical cannabis and cannabinoid hemp licenses.

If a municipality does not opt out by December 31, 2021, they will be unable to opt out at a future date. However, a municipality may opt back in at any time. Towns, cities, and villages are also permitted to pass local laws and regulations governing the time, place, and manner of adult-use retail dispensaries and on-site consumption licenses, provided such laws and regulations do not make the operation of the license “unreasonably impracticable.”



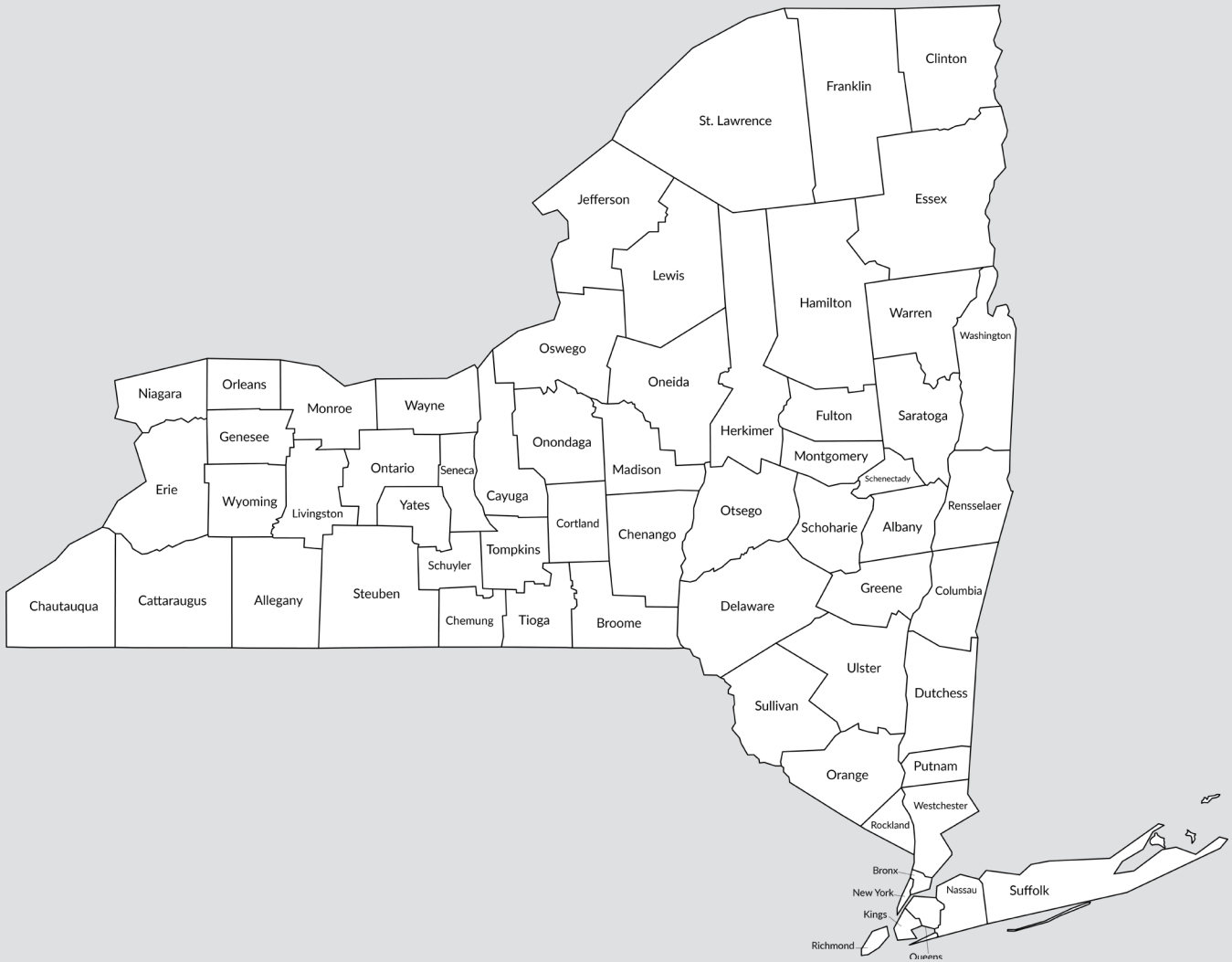
Next Steps

In the weeks and months ahead, NYSAC will advocate for representation on the State Cannabis Advisory Board, and continue to educate our members about the implementation of the MRTA.



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