



MARIJUANA LEGALIZATION

BACKGROUND

In 2018, the NYS Department of Health (DOH) issued a report recommending the State legalize non-medical use of marijuana. Ten states—Alaska, California, Colorado, Maine, Massachusetts, Michigan, Nevada, Oregon, Vermont, and Washington—and Washington DC have already legalized cannabis.

The State report acknowledges the difficulties that legalization is anticipated to present for local law enforcement. This legislation will also have other social and practical impacts that will place new responsibilities and service requirements on many county departments, including public health, mental health, substance abuse, consumer protection, economic development, and others.

WHAT TO EXPECT

While much is still unknown about legislation the Governor will propose, we anticipate the following:

- Like alcohol, only individuals age 21+ will be allowed to purchase and consume marijuana.
- Cannabis retail businesses will not be permitted to sell alcoholic beverages or allow gambling.
- A new state agency will be created to deal with medical marijuana, hemp, and cannabidiol (CBD).
- Counties will be able to opt-out of authorizing the cultivation, processing, distribution, and sale of adult-use cannabis. A city with a population over 100,000 can elect to opt-out if the county does not.
- All cannabis-infused products will have separate packaging for each serving, and it must be child-resistant.
- The legislation will address the damaging consequences of marijuana criminalization. This will include investing in the communities hit hardest by the War on Drugs.
- The State acknowledges the safety risks posed by marijuana being a cash-only industry. They are relying on federal law changes that allow states to commercialize medical and recreational marijuana at their discretion without running afoul of federal drug trafficking laws.
- A four-step test for marijuana impairment exists, but other tests – including a cheek swab – are under consideration.
- The Governor proposes to impose three taxes on recreational marijuana. The first tax is imposed on the cultivation of cannabis at the rate of \$1 per dry weight gram of cannabis flower and \$0.25 per dry weight gram of cannabis trim. The second tax is imposed on the sale by a wholesaler to a retail dispensary at the rate of 20 percent of the invoice price. The third tax is imposed on the same sale by a wholesaler to a retail dispensary at the rate of two percent of the invoice price, but it is collected in trust for and on account of the county in which the retail dispensary is located.

COUNTY RECOMMENDATIONS

The State should provide counties with resources for public education and technical assistance to manage the societal impact to public health, public safety, criminal justice, consumer protection, and economic development, among others. NYSAC supports general revenue sharing between the State and counties, similar to the methodology used for casinos. In addition to levying a sales tax on retail sales, it will be important to tax production and processing to support the economies of rural counties.

For more information on the county position regarding this issue, visit www.nysac.org or call 518-465-1473 to speak to Alex LaMonte, Research Analyst.