

STATE OF NEW YORK

8575

2025-2026 Regular Sessions

IN SENATE

November 12, 2025

Introduced by Sen. COONEY -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the cannabis law, in relation to the prohibition on the sale of intoxicating cannabinoid hemp products; to amend the tax law, in relation to directing the office of cannabis management to enforce against noncompliance; to amend the state finance law, in relation to the New York state cannabis revenue fund; and to amend the tax law, in relation to sales and compensating use taxes on hemp and hemp derived beverages

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Short title. This act shall be known and may be cited as
2 the "hemp beverage and taxation act".

3 § 2. Section 90 of the cannabis law is amended by adding a new subdi-
4 vision 11 to read as follows:

5 11. "Cannabinoid hemp beverage" means any hemp and any product proc-
6 essed or derived from hemp, that is in the form of a potable liquid,
7 that is used for human consumption, provided that when such product is
8 packaged or offered for retail sale to a consumer, it shall not have a
9 concentration of more than five tenths of a percent of delta-9 tetrahy-
10 drocannabinol.

11 § 3. Section 91 of the cannabis law is amended by adding a new subdi-
12 vision 14 to read as follows:

13 14. Nothing in this article shall prevent the sale of cannabinoid hemp
14 beverages; provided however, that any cannabinoid hemp beverage sold
15 shall be limited to a person of twenty-one years of age or older and
16 such beverage may contain up to five milligrams of total delta-9 tetra-
17 hydrocannabinol concentration (THC) per container and shall be subject to
18 regulations promulgated by the board; provided further that such regu-
19 lations shall not unduly restrict the availability of cannabinoid hemp

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD13953-02-5

1 beverages nor include a ratio of any non-THC cannabinoid, including but
2 not limited to cannabidiol (CBD), to THC per serving or container.

3 § 4. The cannabis law is amended by adding a new section 93-a to read
4 as follows:

5 § 93-a. Cannabinoid hemp beverage retailer license. 1. Retailers sell-
6 ing cannabinoid hemp beverages, in final form to consumers within the
7 state, shall be required to obtain a cannabinoid hemp beverage retailer
8 license from the board.

9 2. Retail sales shall be restricted to the premises of the cannabinoid
10 hemp beverage retailer licensee. Indirect or direct delivery of cannabi-
11 noid hemp beverages to a consumer is prohibited, unless such licensee
12 also possesses an adult-use retail dispensary license as provided under
13 section seventy-two of this chapter.

14 3. Licenses issued under this section may be issued to retailers
15 licensed under sections fifty-three and sixty-three of the alcoholic
16 beverage control law, and licensed adult-use cannabis retailers.

17 4. The board shall have the authority to set reasonable fees for such
18 license, to establish the period during which such license is author-
19 ized, which shall be one year or more, and to make rules and regulations
20 necessary to implement this section.

21 5. Cannabinoid hemp beverage retailers shall only sell cannabinoid
22 hemp beverages manufactured, packaged, labeled and tested in accordance
23 with this article.

24 6. Cannabinoid hemp beverage retailers shall post, visible to consum-
25 ers, all signs or posted placards required by the office, including
26 posting of the cannabinoid hemp beverage retail license issued by the
27 office, in a conspicuous location on the premises of each retail
28 location.

29 7. Cannabinoid hemp beverages shall be displayed in a manner that
30 distinguishes them from any and all non-cannabinoid hemp products, to
31 aid consumers in locating cannabinoid hemp beverages and avoid acci-
32 idental purchase or consumption.

33 8. Cannabinoid hemp beverage retailers shall maintain sufficient
34 records of where cannabinoid hemp beverages were purchased for the
35 license period, including the name of the cannabinoid hemp beverage
36 processor if applicable, and the wholesaler or permitted distributor if
37 applicable.

38 9. The office may inspect any retail location offering cannabinoid
39 hemp beverages. Such inspection may include, but not be limited to,
40 taking samples of cannabinoid hemp beverages to ensure compliance with
41 all the requirements of this article.

42 § 5. The cannabis law is amended by adding a new section 93-b to read
43 as follows:

44 § 93-b. Cannabinoid hemp beverage distribution license. 1. The board
45 shall have the authority to issue licenses to:

46 (a) distribute cannabinoid hemp beverages to cannabinoid hemp beverage
47 retailers within New York state; and

48 (b) any other activity as determined by the board.

49 2. The board shall issue a license to any wholesaler licensed by the
50 state liquor authority, pursuant to section sixty-two of the alcoholic
51 beverage control law, to distribute cannabinoid hemp beverages to licen-
52 sees authorized to sell alcoholic beverages at retail pursuant to
53 section fifty-three and sixty-three of the alcoholic beverage control
54 law, provided that such retail licensee has been issued a cannabinoid
55 hemp beverage retailer license by the board.

1 3. The fee for a permit to distribute cannabinoid hemp beverages shall
2 be seven thousand dollars for a period of two years to be renewed on
3 October first of every other year.

4 4. The board may promulgate rules and regulations to implement this
5 section.

6 § 6. The cannabis law is amended by adding a new section 103-a to read
7 as follows:

8 § 103-a. Packaging and labeling of cannabinoid hemp and hemp beverage.

9 1. All cannabinoid hemp beverages distributed or offered for retail
10 sale in New York state shall include the following information on the
11 product label or packaging:

12 (a) compliance with the requirements in Title 21 Code of Federal Regu-
13 lations Part 101 and include a nutritional or supplement fact panel that
14 is based on the number of servings within the container;

15 (b) a list of all ingredients in descending order of predominance by
16 weight in the product;

17 (c) an expiration or best by date if applicable;

18 (d) a lot or batch number;

19 (e) the name of the cannabinoid hemp processor or out of state
20 manufacturer, packer or distributor;

21 (f) a scannable bar code or QR code linked to a downloadable certifi-
22 cate of analysis, or linked to a website where the certificate of anal-
23 ysis can be downloaded;

24 (g) a means for reporting serious adverse events or side effects; and

25 (h) any other marking, statement or symbol as required by the office.

26 2. No cannabinoid hemp beverages offered for retail sale shall be made
27 attractive to individuals under twenty-one years of age, imitate a candy
28 label, or use cartoons or other images popularly used to advertise to
29 children or otherwise be marketed to individuals under twenty-one years
30 of age.

31 3. All cannabinoid hemp beverages shall be packaged in tamper-evident
32 packaging that minimizes oxygen and light exposure to prevent degrada-
33 tion of the product and cannabinoids.

34 4. All cannabinoid hemp beverages offered for retail sale shall
35 include the following warnings on the product label or packaging, in a
36 manner that is clear and conspicuous that:

37 (a) must be kept out of the reach of children and pets;

38 (b) this product is derived from hemp and may contain THC which could
39 result in a failed drug test;

40 (c) this product has not been evaluated by the Food and Drug Adminis-
41 tration for safety or efficacy; and

42 (d) if you are pregnant or nursing you should consult your health care
43 provider before use.

44 5. No cannabinoid hemp beverage packaging shall display any content,
45 or be labeled in any manner that:

46 (a) is attractive to individuals under twenty-one years of age;

47 (b) includes any false or misleading statements, images, or other
48 content including, but not limited to, any health claims;

49 (c) includes the term organic unless describing the product's ingredi-
50 ents and in compliance with 128 NYCRR 128.6;

51 (d) includes the term gluten-free unless the product meets the term as
52 defined in Title 21, as it relates to Food and Drugs, of the Codes of
53 Federal Regulations section 101.91;

54 (e) includes the term vegan unless the product contains no animal
55 products;

1 (f) includes the term kosher unless the product is packaged and
2 labeled in compliance with 128 NYCRR 128.6;

3 (g) causes a reasonable consumer confusion as to whether the cannabi-
4 noid hemp beverage is trademarked, marked or labeled in a manner that
5 violates any Federal trademark law or regulation;

6 (h) causes a reasonable consumer to believe that a cannabinoid hemp
7 beverage is cannabis, or medical cannabis, or that a licensee is author-
8 ized to sell or dispense cannabis, or medical cannabis, as such terms
9 are defined in section three of this chapter;

10 (i) depicts cannabis products or paraphernalia;

11 (j) promotes overconsumption; or

12 (k) violates any other prohibitions as set out by the office.

13 § 7. Section 107 of the cannabis law is amended to read as follows:

14 § 107. Penalties. 1. Notwithstanding the provision of any law to the
15 contrary, the failure to comply with a requirement of this article, or a
16 regulation thereunder, may be punishable by a civil penalty of not more
17 than one thousand dollars for a first violation; not more than five
18 thousand dollars for a second violation within three years; and not more
19 than ten thousand dollars for a third violation and each subsequent
20 violation thereafter, within three years.

21 2. Where a licensee willfully violates, refuses or neglects to comply
22 with one or more sections of this article the office may limit, suspend,
23 revoke or annul the license after providing notice and an opportunity
24 for a hearing to the licensee. However, a license may be temporarily
25 limited, suspended, revoked or annulled without hearing for a period not
26 to exceed thirty days, upon notice to the licensee, following a finding
27 by the office that public health, safety or welfare is in imminent
28 danger.

29 3. A licensee who negligently violates this article three times in a
30 five-year period shall be ineligible to process or sell cannabinoid hemp
31 beverages, or adult-use cannabis, for a period of five years beginning
32 on the date of the third violation. The office, for good cause shown,
33 may choose to impose a lesser penalty.

34 § 8. Section 109 of the cannabis law is amended to read as follows:

35 § 109. Prohibitions. 1. Except as authorized by the United States food
36 and drug administration, the processing of cannabinoid hemp or hemp
37 extract used for human consumption is prohibited within the state unless
38 the processor is licensed under this article.

39 (a) No cannabinoid hemp beverage processor may transfer a license
40 issued under this article without prior written approval from the
41 office.

42 (b) No cannabinoid hemp beverage processor shall manufacture a canna-
43 binoid hemp beverage that is potentially hazardous food, as defined in
44 10 NYCRR 14-1.31.

45 (c) No cannabinoid hemp beverage processor may conduct final product
46 testing for the licensee's own products to meet the testing requirements
47 of this article. Nothing in this section prohibits a cannabinoid hemp
48 beverage processor from performing internal testing for research and
49 product development or for quality assurance prior to final product
50 testing by a third-party laboratory.

51 (d) No cannabinoid hemp beverage processor may sell cannabinoid hemp
52 products to consumers for final retail sale without first obtaining a
53 cannabinoid hemp beverage retail license.

54 (e) No cannabinoid hemp beverage processor shall process any final
55 cannabinoid hemp beverages for retail sale which exceeds the maximum

1 total THC limits per serving and per package as set forth in this arti-
2 cle.

3 2. Cannabinoid hemp and hemp extracts used for human consumption and
4 grown or processed outside the state shall not be distributed or sold at
5 retail within the state, unless they meet all standards established for
6 cannabinoid hemp under state law and regulations.

7 3. The retail sale of cannabinoid hemp is prohibited in this state
8 unless the retailer is licensed under this article.

9 4. The direct or indirect shipment of a cannabinoid hemp beverage to a
10 consumer from a cannabinoid hemp beverage processor or cannabinoid hemp
11 beverage retailer licensee is prohibited in this state.

12 5. (a) No cannabinoid hemp beverages shall be shipped into the state
13 unless the same shall be consigned to a person duly licensed or permit-
14 ted hereunder to traffic in cannabinoid hemp beverages. This prohibition
15 shall apply to all shipments of cannabinoid hemp beverages into New York
16 state and includes importation or distribution for commercial purposes,
17 for personal use, or otherwise, and irrespective of whether such canna-
18 binoid hemp beverages were purchased within or out of the state.

19 (b) No common carrier or other person shall bring or carry into the
20 state any cannabinoid hemp beverages, unless the same shall be consigned
21 to a person duly licensed or permitted hereunder to traffic in cannabi-
22 noid beverages.

23 (c) Nothing in this chapter shall be deemed to exempt from taxation
24 the sale or use of any cannabinoid hemp beverages subject to any tax
25 imposed under or pursuant to the authority of the tax law or to grant
26 any other exemption from the provisions of such law.

27 6. No cannabinoid hemp beverage shall be released for delivery from
28 any warehouse located within the state, except upon a permit having
29 first been obtained as provided by this chapter. Applications for such
30 permits may be filed at the office and shall be made upon a form
31 prepared by the board. This provision shall not apply to cannabinoid
32 hemp beverages, which are to be released for shipment outside of the
33 state.

34 § 9. The cannabis law is amended by adding a new section 109-a to read
35 as follows:

36 § 109-a. Prohibited sales. 1. No licensee or agent or employee of such
37 licensee shall sell, deliver or give away or cause or permit or procure
38 to be sold, delivered or given away any cannabinoid hemp beverages to:

39 (a) any person, actually or apparently, under the age of twenty-one
40 years; or

41 (b) any visibly intoxicated person.

42 2. No licensee or agent or employee of such licensee shall accept as
43 evidence of age by any such person for the purchase of any cannabinoid
44 hemp beverage, any documentation other than:

45 (a) a valid driver's license or non-driver identification card issued
46 by the commissioner of motor vehicles, the federal government, any
47 United States territory, commonwealth or possession, the District of
48 Columbia, a state government within the United States or a provincial
49 government of the dominion of Canada; or

50 (b) a valid passport issued by the United States government or any
51 other country; or

52 (c) an identification card issued by the armed forces of the United
53 States.

54 3. In any proceeding pursuant to subdivision seven or eight of section
55 one hundred thirty-three of this chapter to revoke, cancel or suspend a
56 license to sell cannabinoid hemp beverages, in which proceeding it is

1 alleged that a person violated subdivision one of this section, it shall
2 be an affirmative defense that such person had produced a photographic
3 identification card apparently issued by a governmental entity and that
4 the cannabinoid hemp beverage had been sold, delivered or given to such
5 person in reasonable reliance upon such identification.

6 § 10. The cannabis law is amended by adding a new section 109-b to
7 read as follows:

8 § 109-b. Offense for persons under the age of twenty-one to purchase
9 or attempt to purchase a cannabinoid hemp beverage through fraudulent
10 means. 1. No person under the age of twenty-one shall present or offer
11 to any licensee under this chapter, or to the agent or employee of such
12 licensee, any evidence of age which is false, fraudulent or not actually
13 their own, for the purpose of purchasing or attempting to purchase any
14 cannabinoid hemp beverage.

15 2. Any person under the age of twenty-one found to purchase or attempt
16 to purchase a cannabinoid hemp beverage through fraudulent means shall
17 be subject to the same penalty as found under subparagraph (i) of para-
18 graph (a) of subdivision four of section one hundred thirty-two of this
19 chapter.

20 § 11. The cannabis law is amended by adding a new section 109-c to
21 read as follows:

22 § 109-c. Procuring cannabinoid hemp beverages for persons under the
23 age of twenty-one. Any person who misrepresents the age of a person
24 under the age of twenty-one for the purpose of inducing the sale of any
25 cannabinoid hemp beverage, as defined in this chapter, to such person,
26 is guilty of an offense and upon conviction thereof shall be punished by
27 a fine of not more than fifty dollars.

28 § 12. Section 110 of the cannabis law is amended to read as follows:

29 § 110. Special use permits. 1. The board shall have the authority to
30 issue temporary permits for carrying on any activity related to cannabi-
31 noid hemp, hemp extract and products derived therefrom, licensed under
32 this article. The board may set reasonable fees for such permits, to
33 establish the periods during which such permits are valid, and to make
34 rules and regulations to implement this section.

35 2. The office is hereby authorized to issue temporary permits effec-
36 tive for a period not to exceed twenty-four consecutive hours to author-
37 ize the sale of cannabinoid hemp beverages at outdoor or indoor gath-
38 erings, functions, occasions or events, within the hours fixed by or
39 pursuant to subdivision five of section one hundred six of the alcoholic
40 beverage control law, during which hemp beverages may lawfully be sold
41 or served upon premises licensed to sell alcoholic beverages at retail
42 for on-premises consumption in the community in which it is located
43 and the premises in which such gathering, function, occasion or event is
44 held. The fee for such permit shall be twenty-six dollars. Such permit
45 and the exercise of the privilege granted thereby shall be subject to
46 such rules the office of cannabis management deems necessary.

47 § 13. Section 111 of the cannabis law is renumbered section 112 and a
48 new section 111 is added to read as follows:

49 § 111. Advertising requirements. An advertisement for a cannabinoid
50 hemp beverage, cannabinoid hemp beverage processor or cannabinoid hemp
51 beverage retailer shall not:

52 1. include any false or misleading statements, images, or other
53 content including, but not limited to, any health claims;

54 2. contain claims that cannabinoid hemp beverages can, or is intended
55 to, diagnose, cure, mitigate, treat, or prevent disease;

1 3. lead a reasonable consumer to believe that a cannabinoid hemp
2 beverage is adult-use cannabis, or medical cannabis, or that a licensee
3 is authorized to sell or dispense cannabis or medical cannabis, as such
4 terms are defined in section three of this chapter, unless such licensee
5 is so authorized; or

6 4. have the purpose or effect of targeting or being attractive to
7 individuals under twenty-one years of age. The use of images of children
8 or minors consuming cannabinoid hemp beverages and the use of words,
9 designs, or brands that resemble products commonly associated with chil-
10 dren, minors, or marketed to children or minors, is prohibited.

11 § 14. The tax law is amended by adding a new article 20-E to read as
12 follows:

13 ARTICLE 20-E

14 TAX ON CANNABINOID HEMP PRODUCTS

15 Section 500. Definitions.

16 500-a. Imposition of tax.

17 500-b. Registration and renewal.

18 500-c. Returns and payment of tax.

19 500-d. Records to be kept; penalties.

20 500-e. Administrative provisions.

21 500-f. Notification of enforcement actions.

22 § 500. Definitions. 1. For purposes of this article, the following
23 terms shall have the following meanings: "cannabinoid hemp beverage" and
24 "licensed hemp beverage retailer" shall have the same meaning as such
25 terms are defined in section ninety of the cannabis law.

26 2. "Distributor" when used with respect to cannabinoid hemp beverages,
27 means any person who imports or causes to be imported into this state
28 any such cannabinoid hemp beverages which are or will be offered for
29 sale or used for any commercial purpose; any purchaser of warehouse
30 receipts for such cannabinoid hemp beverages stored in a warehouse in
31 this state who causes such beverages to be removed from such warehouse;
32 and any person who produces, distills, manufactures, brews, compounds,
33 mixes or ferments any such cannabinoid hemp beverages within this state
34 for sale, except (a) a person who manufactures, mixes or compounds such
35 cannabinoid hemp beverages on which the taxes imposed by this article
36 have been paid; and (b) a person who mixes or compounds such cannabinoid
37 hemp beverages with non-cannabinoid hemp beverages ingredients for sale
38 and immediate consumption on the premises, who shall be a distributor
39 only with respect to the ingredients which consist of cannabinoid hemp
40 beverages upon which the taxes imposed by this article have not been
41 paid.

42 3. "Licensed hemp beverage retailer" shall mean a retailer licensed
43 pursuant to section ninety-three-a of the cannabis law.

44 4. "Person" shall mean every individual, partnership, limited liabil-
45 ity company, society, association, joint stock company, corporation,
46 estate, receiver, trustee, assignee, referee, and any other person
47 acting in a fiduciary or representative capacity, whether appointed by a
48 court or otherwise, and any combination of the foregoing.

49 5. "Sale" means any transfer of title, possession or both, exchange or
50 barter, rental, lease or license to use or consume, conditional, or
51 otherwise, in any manner or by any means whatsoever for a consideration
52 or any agreement, therefore.

53 § 500-a. Imposition of tax. There is hereby imposed a tax on cannabi-
54 noid hemp beverages sold by a distributor to a licensed hemp retailer at
55 a rate of ten percent of the amount charged for the sale or transfer of
56 cannabinoid hemp beverage to a licensed hemp beverage retailer. Such tax

1 is imposed on the distributor and shall accrue at the time of such sale
2 or transfer.

3 § 500-b. Registration and renewal. 1. Every distributor on whom tax is
4 imposed under this article must file with the commissioner a properly
5 completed application for a certificate of registration and obtain such
6 certificate before engaging in business. An application for a certif-
7 icate of registration shall be submitted electronically, on a form
8 prescribed by the commissioner, and must be accompanied by a non-refund-
9 able application fee of two hundred fifty dollars. A certificate of
10 registration shall not be assignable or transferable and shall be
11 destroyed immediately upon such person ceasing to do business as speci-
12 fied in such certificate, or in the event that such business never
13 commenced.

14 2. (a) The commissioner shall refuse to issue a certificate of regis-
15 tration to any applicant and shall revoke the certificate of registra-
16 tion of any such person who does not possess a valid license or permit
17 from the office of cannabis management.

18 (b) The commissioner may refuse to issue a certificate of registration
19 to any applicant where such applicant: (i) has had a certificate of
20 registration under this article, a license or permit from the office of
21 cannabis management, or any license or registration provided for in this
22 chapter revoked or suspended where such revocation or suspension was in
23 effect on the date the application was filed or ended within one year
24 from the date on which such application was filed; (ii) has been
25 convicted of a crime provided for in this chapter within one year from
26 the date on which such application was filed or the certificate was
27 issued, as applicable; (iii) willfully fails to file a report or return
28 required by this article; (iv) willfully files, causes to be filed,
29 gives or causes to be given a report, return, certificate or affidavit
30 required by this article which is false; and (v) willfully fails to
31 collect or truthfully account for or pay over any tax imposed by this
32 article.

33 3. The commissioner may revoke the certificate of registration issued
34 to any person who: (a) has had any license or registration provided for
35 in this chapter revoked or suspended;

36 (b) has been convicted of a crime provided for in this chapter where
37 such conviction occurred not more than one year prior to the date of
38 revocation;

39 (c) willfully fails to file a report or return required by this arti-
40 cle;

41 (d) willfully files, causes to be filed, gives or causes to be given a
42 report, return, certificate or affidavit required by this article which
43 is false; or

44 (e) willfully fails to collect or truthfully account for or pay over
45 any tax imposed by this article.

46 4. A certificate of registration shall be valid for the period speci-
47 fied thereon, unless earlier suspended or revoked. Upon the expiration
48 of the term stated on a certificate of registration, such certificate
49 shall be null and void.

50 5. Every holder of a certificate of registration must notify the
51 commissioner of changes to any of the information stated on the certif-
52 icate, or of changes to any information contained in the application for
53 the certificate of registration. Such notification must be made on or
54 before the last day of the month in which a change occurs and must be
55 made electronically on a form prescribed by the commissioner.

1 § 500-c. Returns and payment of tax. 1. Every person on whom tax is
2 imposed under this article shall, on or before the twentieth day of the
3 month following each quarterly period ending on the last day of Febru-
4 ary, May, August, and November, respectively, file electronically with
5 the commissioner a return on forms to be prescribed by the commissioner,
6 showing the total amount of tax due in such quarterly period, and
7 including such other information as the commissioner may require.

8 2. Every person required to file a return under this section shall, at
9 the time of filing such return, pay electronically to the commissioner
10 the total amount of tax due for the period covered by such return. If a
11 return is not filed when due, the tax shall be due on the day on which
12 the return is required to be filed.

13 § 500-d. Records to be kept; penalties. 1. Every distributor on whom
14 tax is imposed under this article shall maintain complete and accurate
15 records in such form as the commissioner may require. Such records must
16 be preserved for a period of three years after the filing of the return
17 to which such records relate and must be provided to the commissioner
18 upon request.

19 2. In addition to any other penalty provided in this article or other-
20 wise imposed by law, every distributor on whom tax is imposed under this
21 article who fails to maintain or make available to the commissioner the
22 records required by this section is subject to a penalty not to exceed
23 five hundred dollars for each month or part thereof for which the fail-
24 ure occurs. Such penalty may not be imposed more than once for failures
25 for the same monthly period or part thereof. If the commissioner deter-
26 mines that a failure to maintain or make available records in any month
27 was entirely due to reasonable cause and not to willful neglect, the
28 commissioner shall remit the penalty for that month.

29 3. If books and records are not provided or are determined to be
30 insufficient, the amount of the tax due shall be determined by the
31 commissioner from such information as may be available. In the absence
32 of evidence of the wholesale price for the tax imposed by section five
33 hundred-a of this article, the tax may be determined based on the retail
34 price of such cannabinoid hemp beverage.

35 § 500-e. Administrative provisions. 1. The provisions of part four of
36 article twenty-eight of this chapter shall apply to the taxes imposed by
37 section five hundred-a of this article in the same manner and with the
38 same force and effect as if the language of such article had been incor-
39 porated in full into this section and had expressly referred to the tax
40 imposed by this article, except to the extent that any provision of such
41 article is either inconsistent with a provision of this article or is
42 not relevant to this article.

43 2. All taxes, interest, and penalties collected or received by the
44 commissioner under this article shall be deposited and disposed of
45 pursuant to the provisions of section one hundred seventy-one-a of this
46 chapter, provided that an amount equal to one hundred percent collected
47 under this article less any amount determined by the commissioner to be
48 reserved by the comptroller for refunds or reimbursements shall be paid
49 by the comptroller to the credit of the cannabis revenue fund estab-
50 lished by section ninety-nine-ii of the state finance law. Of the total
51 revenue collected or received under this article, the comptroller shall
52 retain such amount as the commissioner may determine to be necessary for
53 refunds. The commissioner is authorized and directed to deduct from the
54 registration fees under subdivision one of section five hundred-b of
55 this article, before deposit into the cannabis revenue fund designated
56 by the comptroller, a reasonable amount necessary to effectuate refunds

1 of appropriations of the department to reimburse the department for the
2 costs incurred to administer, collect, and distribute the taxes imposed
3 by this article.

4 § 500-f. Notification of enforcement actions. The commissioner shall
5 notify the cannabis control board and the office of cannabis management
6 of the commencement of any enforcement actions taken under this article
7 as well as the conclusion, outcomes, and the amount of penalties
8 collected as a result of such actions.

9 § 15. Subdivision 2 of section 99-ii of the state finance law, as
10 added by chapter 92 of the laws of 2021, is amended and a new subdivi-
11 sion 2-b is added to read as follows:

12 2. Such fund shall consist of all revenues received by the department
13 of taxation and finance, pursuant to the provisions of [~~article~~] arti-
14 cles twenty-C and twenty-E of the tax law and all other moneys credited
15 or transferred thereto from any other fund or source pursuant to law.
16 Nothing contained in this section shall prevent the state from receiving
17 grants, gifts or bequests for the purposes of the fund as defined in
18 this section and depositing them into the fund according to law.

19 2-b. Revenues deposited into this fund pursuant to article twenty-E of
20 the tax law shall be expended for the following purposes:

21 (a) The renegotiation and provision of zero interest loans to condi-
22 tional adult-use retail dispensary licensees approved by the cannabis
23 control board on or before April first, two thousand twenty-five.

24 (b) Subject to available appropriations and providing that no more
25 than twenty-five million dollars in funding, shall be made available to
26 cultivator licensees that possessed a conditional cultivator license as
27 defined in section sixty-eight of the cannabis law from April first, two
28 thousand twenty-one through January first, two thousand twenty-four, for
29 the mitigation of the effects of actual losses resulting from the limit-
30 ed number of licensed and operational retail dispensaries.

31 (c) Subject to available appropriations and providing that no more
32 than twenty-five million dollars in funding, shall be made available to
33 processor licensees that possessed a conditional processor license as
34 defined in section sixty-nine of the cannabis law from April first, two
35 thousand twenty-one through January first, two thousand twenty-four, for
36 the mitigation of the effects of actual losses resulting from the limit-
37 ed number of licensed and operational retail dispensaries.

38 § 16. Subparagraph (A) of paragraph 1 of subsection (a) of section
39 1115 of the tax law, as amended by section 1 of part CCC of chapter 59
40 of the laws of 2019, is amended to read as follows:

41 (A) Food, food products, beverages, dietary foods and health supple-
42 ments, sold for human consumption but not including (i) candy and
43 confectionery, (ii) fruit drinks which contain less than seventy percent
44 of natural fruit juice, (iii) soft drinks, sodas and beverages such as
45 are ordinarily dispensed at soda fountains or in connection therewith
46 (other than coffee, tea and cocoa) [~~and~~], (iv) beer, wine or other alco-
47 holic beverages and (v) hemp or hemp derived beverages, all of which
48 shall be subject to the retail sales and compensating use taxes, whether
49 or not the item is sold in liquid form. Nothing in this subparagraph
50 shall be construed as exempting food or drink from the tax imposed under
51 subdivision (d) of section eleven hundred five of this article.

52 § 17. This act shall take effect immediately.