

STATE OF NEW YORK

1527--B

2019-2020 Regular Sessions

IN SENATE

January 15, 2019

Introduced by Sens. KRUEGER, BAILEY, BIAGGI, COMRIE, GIANARIS, HOYLMAN, JACKSON, KENNEDY, LIU, MAY, MONTGOMERY, MYRIE, PARKER, RAMOS, RIVERA, SALAZAR, SANDERS, SAVINO, SEPULVEDA, SERRANO -- read twice and ordered printed, and when printed to be committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT in relation to constituting chapter 7-A of the consolidated laws, in relation to the creation of a new office of cannabis management, as an independent entity within the division of alcoholic beverage control, providing for the licensure of persons authorized to cultivate, process, distribute and sell cannabis and the use of cannabis by persons aged twenty-one or older; to amend the public health law, in relation to the description of cannabis; to amend the penal law, in relation to the growing and use of cannabis by persons twenty-one years of age or older; to amend the tax law, in relation to providing for the levying of taxes on cannabis; to amend the criminal procedure law, the civil practice law and rules, the general business law, the state finance law, the executive law, the penal law, the alcoholic beverage control law, the general obligations law, the social services law, the agriculture and markets law and the vehicle and traffic law, in relation to making conforming changes; to amend the public health law, in relation to the definition of smoking; to amend the state finance law, in relation to establishing the New York state cannabis revenue fund, the New York state drug treatment and public education fund and the New York state community grants reinvestment fund; to amend chapter 90 of the laws of 2014 amending the public health law, the tax law, the state finance law, the general business law, the penal law and the criminal procedure law relating to medical use of marihuana, in relation to the effectiveness thereof; to repeal certain provisions of the public health law relating to growing of cannabis and medical use of marihuana; to repeal article 221 of the penal law relating to offenses involving marihuana; to repeal paragraph (f) of

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

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subdivision 2 of section 850 of the general business law relating to drug related paraphernalia; to repeal certain provisions of the criminal procedure law relating to certain criminal actions; and to repeal certain provisions of the agriculture and markets law relating to industrial hemp

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

1 Section 1. This act shall be known and may be cited as the "marihuana
2 regulation and taxation act".

3 § 2. Chapter 7-A of the consolidated laws is enacted, to read as
4 follows:

5 CHAPTER 7-A OF THE CONSOLIDATED LAWS

6 CANNABIS LAW

7 ARTICLE 1

8 SHORT TITLE; LEGISLATIVE FINDINGS AND INTENT;

9 DEFINITIONS

10 Section 1. Short title.

11 2. Legislative findings and intent

12 3. Definitions.

13 Section 1. Short title. This chapter shall be known and may be cited
14 and referred to as the "cannabis law".

15 § 2. Legislative findings and intent. The legislature finds that
16 existing marihuana laws have not been beneficial to the welfare of the
17 general public. Existing laws have been ineffective in reducing or curb-
18 ing marihuana use and have instead resulted in devastating collateral
19 consequences that inhibit an otherwise law-abiding citizen's ability to
20 access housing, employment opportunities, and other vital services.
21 Existing laws have also created an illicit market which represents a
22 threat to public health and reduces the ability of the legislature to
23 deter the accessing of marihuana by minors. Existing marihuana laws have
24 also disproportionately impacted African-American and Latino communi-
25 ties.

26 The intent of this act is to regulate, control, and tax marihuana,
27 heretofore known as cannabis, generate millions of dollars in new reven-
28 ue, prevent access to cannabis by those under the age of twenty-one
29 years, reduce the illegal drug market and reduce violent crime, reduce
30 participation of otherwise law-abiding citizens in the illicit market,
31 end the racially disparate impact of existing cannabis laws and create
32 new industries and increase employment.

33 Nothing in this act is intended to limit the authority of any district
34 government agency or office or employers to enact and enforce policies
35 pertaining to cannabis in the workplace, to allow driving under the
36 influence of cannabis, to allow individuals to engage in conduct that
37 endangers others, to allow smoking cannabis in any location where smok-
38 ing tobacco is prohibited, or to require any individual to engage in any
39 conduct that violates federal law or to exempt anyone from any require-
40 ment of federal law or pose any obstacle to the federal enforcement of
41 federal law.

42 It is the intent of this act that no child shall be the subject of a
43 child neglect or abuse investigation or proceeding based solely on a

1 parent's alleged cannabis use, or activity made lawful by this act. A
2 newborn child's positive toxicology result for cannabis, is not suffi-
3 cient on its own to support a finding of child neglect or abuse. Enact-
4 ment of this act shall provide sufficient basis for New York state to
5 favorably resolve open investigations and to amend and seal individuals'
6 family court records and records of indicated child abuse or neglect
7 reports currently in the statewide central register of child abuse and
8 maltreatment based solely on the use of cannabis or where the reporter
9 of suspected abuse or neglect was a law enforcement agency or staff
10 person and the report was based solely upon the presence of a child
11 during a cannabis-related arrest.

12 The legislature further finds and declares that it is in the best
13 interest of the state to regulate medical cannabis, adult-use cannabis,
14 and hemp extracts under one independent agency, known as the office of
15 cannabis management.

16 § 3. Definitions. Whenever used in this chapter, unless otherwise
17 expressly stated or unless the context or subject matter requires a
18 different meaning, the following terms shall have the representative
19 meanings hereinafter set forth or indicated:

20 1. "Applicant" means a resident of New York state aged twenty-one
21 years or older applying for any cannabis or hemp license or special use
22 permit issued by the office of cannabis management.

23 2. "Cannabinoid extractor" means a person licensed by the office to
24 acquire, possess, extract and manufacture hemp extract from licensed
25 cannabinoid growers for the manufacture and sale of hemp extract
26 products marketed for cannabinoid content and used or intended for human
27 or animal consumption or use.

28 3. "Cannabinoid grower" means a person licensed by the office, and in
29 compliance with article twenty-nine of the agriculture and markets law,
30 to acquire, possess, cultivate, and sell hemp extract for its cannabi-
31 noid content.

32 4. "Cannabis" means all parts of the plant of the genus Cannabis,
33 whether growing or not; the seeds thereof; the resin extracted from any
34 part of the plant; and every compound, manufacture, salt, derivative,
35 mixture, or preparation of the plant, its seeds or resin. It does not
36 include the mature stalks of the plant, fiber produced from the stalks,
37 oil or cake made from the seeds of the plant, any other compound, manu-
38 facture, salt, derivative, mixture, or preparation of the mature stalks
39 (except the resin extracted therefrom), fiber, oil, or cake, or the
40 sterilized seed of the plant which is incapable of germination. It does
41 not include hemp extract as defined by this section.

42 5. "Cannabis consumer" means a person twenty-one years of age or older
43 acting in accordance with any provision of this chapter.

44 6. "Cannabis flower" means the flower of a plant of the genus Cannabis
45 that has been harvested, dried, and cured, and prior to any processing
46 whereby the plant material is transformed into a concentrate, including,
47 but not limited to, concentrated cannabis, or an edible or topical prod-
48 uct containing cannabis or concentrated cannabis and other ingredients.
49 Cannabis flower excludes leaves and stem.

50 7. "Cannabis product" or "adult-use cannabis" means cannabis, concen-
51 trated cannabis, and cannabis-infused products for use by a cannabis
52 consumer.

53 8. "Cannabis-infused products" means products that have been manufac-
54 tured and contain either cannabis or concentrated cannabis and other
55 ingredients that are intended for use or consumption.

1 9. "Cannabis trim" means all parts of the plant of the genus Cannabis
2 other than cannabis flower that have been harvested, dried, and cured,
3 but prior to any further processing.

4 10. "Caring for" means treating a patient, in the course of which the
5 practitioner has completed a full assessment of the patient's medical
6 history and current medical condition.

7 11. "Certification" means a certification made under this chapter.

8 12. "Certified medical use" includes the acquisition, administration,
9 cultivation, manufacture, delivery, harvest, possession, preparation,
10 transfer, transportation, or use of cannabis or paraphernalia relating
11 to the administration of cannabis to treat or alleviate a certified
12 patient's medical condition or symptoms associated with the patient's
13 medical condition.

14 13. "Certified patient" means a patient who is a resident of New York
15 state or receiving care and treatment in New York state as determined by
16 the executive director in regulation, and is certified under this chap-
17 ter.

18 14. "Commercial cannabis activity" means the production, cultivation,
19 manufacturing, processing, possession, storing, laboratory testing,
20 packaging, labeling, transportation, delivery, or sale of cannabis and
21 cannabis products as provided for in this chapter.

22 15. "Concentrated cannabis" means: (a) the separated resin, whether
23 crude or purified, obtained from a plant of the genus Cannabis; or (b) a
24 material, preparation, mixture, compound or other substance which
25 contains more than three percent by weight of delta-9 tetrahydrocannabi-
26 nol, or its isomer, delta-8 dibenzopyran numbering system, or delta-1
27 tetrahydrocannabinol or its isomer, delta 1 (6) monoterpene numbering
28 system.

29 16. "Condition" means having one of the following conditions: cancer,
30 positive status for human immunodeficiency virus or acquired immune
31 deficiency syndrome, amyotrophic lateral sclerosis, Parkinson's disease,
32 multiple sclerosis, damage to the nervous tissue of the spinal cord with
33 objective neurological indication of intractable spasticity, epilepsy,
34 inflammatory bowel disease, neuropathies, Huntington's disease, post-
35 traumatic stress disorder, pain that degrades health and functional
36 capability where the use of medical cannabis is an alternative to opioid
37 use, substance use disorder, Alzheimer's, muscular dystrophy, dystonia,
38 rheumatoid arthritis, autism or any other condition certified by the
39 practitioner.

40 17. "Cultivation" means growing, cloning, harvesting, drying, curing,
41 grading, and trimming of cannabis plants for sale to certain other cate-
42 gories of cannabis license- and permit-holders.

43 18. "Delivery" means the direct delivery of cannabis products by a
44 retail licensee, microbusiness licensee, or delivery license holder to a
45 cannabis consumer.

46 19. "Designated caregiver facility" means a general hospital or resi-
47 dential health care facility operating pursuant to article twenty-eight
48 of the public health law; an adult care facility operating pursuant to
49 title two of article seven of the social services law; a community
50 mental health residence established pursuant to section 41.44 of the
51 mental hygiene law; a hospital operating pursuant to section 7.17 of the
52 mental hygiene law; a mental hygiene facility operating pursuant to
53 article thirty-one of the mental hygiene law; an inpatient or residen-
54 tial treatment program certified pursuant to article thirty-two of the
55 mental hygiene law; a residential facility for the care and treatment of
56 persons with developmental disabilities operating pursuant to article

1 sixteen of the mental hygiene law; a residential treatment facility for
2 children and youth operating pursuant to article thirty-one of the
3 mental hygiene law; a private or public school; research institution
4 with an internal review board; or any other facility as determined by
5 the executive director in regulation; that registers with the office to
6 assist one or more certified patients with the acquisition, possession,
7 delivery, transportation or administration of medical cannabis.

8 20. "Designated caregiver" means an individual designated by a certi-
9 fied patient in a registry application. A certified patient may desig-
10 nate up to five designated caregivers not counting designated caregiver
11 facilities or designated caregiver facilities' employees.

12 21. "Designated caregiver facility employee" means an employee of a
13 designated caregiver facility.

14 22. "Distributor" means any person who sells at wholesale any cannabis
15 product, except medical cannabis, for the sale of which a license is
16 required under the provisions of this chapter.

17 23. "Executive director" means the executive director of the office of
18 cannabis management.

19 24. "Form of medical cannabis" means characteristics of the medical
20 cannabis recommended or limited for a particular certified patient,
21 including the method of consumption and any particular strain, variety,
22 and quantity or percentage of cannabis or particular active ingredient.

23 25. "Hemp extract" means any product made or derived from industrial
24 hemp, including the seeds thereof and all derivatives, extracts, canna-
25 binoids, isomers, acids, salts, and salts of isomers, whether growing or
26 not, with a delta-9 tetrahydrocannabinol concentration of not more than
27 an amount determined by the office in regulation, used or intended for
28 human or animal consumption or use for its cannabinoid content, as
29 determined by the executive director in regulation. Hemp extract
30 excludes industrial hemp used or intended exclusively for an industrial
31 purpose.

32 26. "Industrial hemp" means the plant Cannabis sativa L. and any part
33 of such plant, including the seeds thereof and all derivatives,
34 extracts, cannabinoids, isomers, acids, salts, and salts of isomers,
35 whether growing or not, with a delta-9 tetrahydrocannabinol concen-
36 tration of not more than three-tenths of one percent on a dry weight
37 basis, used or intended for an industrial purpose.

38 27. "Labor peace agreement" means an agreement between an entity and a
39 labor organization that, at a minimum, protects the state's proprietary
40 interests by prohibiting labor organizations and members from engaging
41 in picketing, work stoppages, boycotts, and any other economic interfer-
42 ence with the entity.

43 28. "Laboratory testing facility" means any independent laboratory
44 capable of testing cannabis and cannabis products for adult-use and
45 medical-use; hemp extract; or for all categories of cannabis and canna-
46 bis products as per regulations set forth by the office.

47 29. "License" means a written authorization issued by the office of
48 cannabis management permitting persons to engage in a specified activity
49 with respect to cannabis or cannabis products.

50 30. "Medical cannabis" means cannabis as defined in this section,
51 intended for a certified medical use, as determined by the executive
52 director in consultation with the commissioner of health.

53 31. "Microbusiness" means a licensee that may act as a cannabis
54 producer for the cultivation of cannabis, a cannabis processor, and a
55 cannabis retailer under this article; provided such licensee complies
56 with all requirements imposed by this article on licensed producers,

1 processors, and retailers to the extent the licensee engages in such
2 activities. A "microbusiness" may distribute its cannabis and cannabis
3 products to other licensed cannabis businesses and may deliver cannabis
4 and cannabis products to customers.

5 32. "Nursery" means a licensee that produces only clones, immature
6 plants, seeds, and other agricultural products used specifically for the
7 planting, propagation, and cultivation of cannabis.

8 33. "Office" or "office of cannabis management" means the New York
9 state office of cannabis management.

10 34. "On-site consumption" means the consumption of cannabis in an area
11 licensed for such activity by the office.

12 35. "Owner" means an individual with an aggregate ownership interest
13 of twenty percent or more in a cannabis business licensed pursuant to
14 this chapter, unless such interest is solely a security, lien, or encum-
15 brance, or an individual that will be participating in the direction,
16 control, or management of the licensed cannabis business.

17 36. "Package" means any container or receptacle used for holding
18 cannabis or cannabis products.

19 37. "Permit" means a permit issued pursuant to this chapter.

20 38. "Permittee" means any person to whom a permit has been issued
21 pursuant to this chapter.

22 39. "Practitioner" means a practitioner who: (i) is authorized to
23 prescribe controlled substances within the state, (ii) by training or
24 experience is qualified to treat patients; and (iii) completes, at a
25 minimum, a two-hour course as determined by the executive director in
26 regulation. A person's status as a practitioner under this chapter is
27 deemed to be a "license" for purposes of section thirty-three hundred
28 ninety of the public health law and shall be subject to the same revoca-
29 tion process.

30 40. "Processor" means a licensee that extracts concentrated cannabis
31 and/or compounds, blends, extracts, infuses, or otherwise manufactures
32 concentrated cannabis or cannabis products, but not the cultivation of
33 the cannabis contained in the cannabis product.

34 41. "Registered organization" means an organization registered under
35 article three of this chapter.

36 42. "Registry application" means an application properly completed and
37 filed with the office of cannabis management by a certified patient
38 under article three of this chapter.

39 43. "Registry identification card" means a document that identifies a
40 certified patient or designated caregiver, as provided under this chap-
41 ter.

42 44. "Retail sale" means to solicit or receive an order for, to keep or
43 expose for sale, and to keep with intent to sell, made by any person,
44 whether principal, proprietor, agent, or employee, of any cannabis,
45 cannabis product, or hemp extract product to a cannabis consumer for any
46 purpose other than resale.

47 45. "Retailer" means any person who sells at retail any cannabis prod-
48 uct, the sale of which a license is required under the provisions of
49 this chapter.

50 46. "Smoking" means the burning of a lighted cigar, cigarette, pipe or
51 any other matter or substance which contains tobacco or cannabis
52 provided that it does not include the use of an electronic smoking
53 device that creates an aerosol or vapor, unless local laws or ordinances
54 or state statutes extend prohibitions on smoking to electronic smoking
55 devices.

1 47. "Terminally ill" means an individual has a medical prognosis that
2 the individual's life expectancy is approximately one year or less if
3 the illness runs its normal course.

4 48. "Warehouse" means and includes a place in which cannabis products
5 are housed or stored.

6 49. "Wholesale" means to solicit or receive an order for, to keep or
7 expose for sale, and to keep with intent to sell, made by any person,
8 whether principal, proprietor, agent, or employee of any adult-use,
9 medical-use, or hemp extract product for purposes of resale.

10 ARTICLE 2

11 NEW YORK STATE OFFICE OF CANNABIS MANAGEMENT

12 Section 9. Establishment of an office of cannabis management.

13 10. Executive director.

14 11. Functions, powers and duties of the office and executive
15 director.

16 12. Rulemaking authority.

17 13. State cannabis advisory board.

18 14. Disposition of moneys received for license fees.

19 15. Legal presumptions.

20 16. Violations of cannabis laws or regulations; penalties and
21 injunctions.

22 17. Formal hearings; notice and procedure.

23 18. Ethics, transparency and accountability.

24 § 9. Establishment of an office of cannabis management. There is here-
25 by established, within the division of alcoholic beverage control, an
26 independent office of cannabis management, which shall have exclusive
27 jurisdiction to exercise the powers and duties provided by this chapter.
28 The office shall exercise its authority by and through an executive
29 director.

30 § 10. Executive director. The executive director shall be appointed
31 by the governor and confirmed by the senate. The executive director of
32 the state office of cannabis management shall receive an annual salary
33 not to exceed an amount appropriated therefor by the legislature and his
34 or her expenses actually and necessarily incurred in the performance of
35 official duties, unless otherwise provided by the legislature.

36 § 11. Functions, powers and duties of the office and executive direc-
37 tor. The office of cannabis management, by and through its executive
38 director, shall have the following powers and duties:

39 1. To issue or refuse to issue any registration, license or permit
40 provided for in this chapter, and to issue temporary or provisional
41 licenses.

42 2. To issue or refuse to issue registrations, licenses, permits, and
43 temporary or provisional licenses in a manner that prioritizes social
44 equity applicants, and small business opportunities and concerns, avoids
45 market dominance in sectors of the industry, and reflects the demograph-
46 ics of the state.

47 3. To limit, or not to limit, in the executive director's discretion,
48 the number of registrations, licenses and permits of each class to be
49 issued within the state or any political subdivision thereof, and in
50 connection therewith to prohibit the acceptance of applications for such
51 classes which have been so limited. Such limitations shall consider
52 consumer access, market demand, and geographic diversity.

53 4. To develop testing standards and certify testing laboratories in
54 the state.

1 5. To regulate advertising, marketing, branding, packaging, and label-
2 ing, including regulating the accuracy of information about cannabis and
3 cannabis products and restricting marketing and advertising to youth.

4 6. To revoke, cancel or suspend for cause any registration, license,
5 or permit issued under this chapter and/or to impose a civil penalty for
6 cause against any holder of a registration, license, or permit issued
7 pursuant to this chapter.

8 7. To fix by rule the standards of cultivation and processing of
9 medical cannabis, adult use cannabis and hemp extract, including but not
10 limited to, the ability to regulate potency and the types of products
11 which may be manufactured and/or processed, in order to ensure the
12 health and safety of the public and the use of proper ingredients and
13 methods in the manufacture of all medical cannabis, adult use cannabis,
14 and hemp extract to be sold or consumed in the state.

15 8. To hold hearings, subpoena witnesses, compel their attendance,
16 administer oaths, to examine any person under oath and in connection
17 therewith to require the production of any books or records relative to
18 the inquiry. A subpoena issued under this section shall be regulated by
19 the civil practice law and rules.

20 9. To appoint any necessary directors, deputies, counsels, assistants,
21 investigators, and other employees within the limits provided by appro-
22 priation. Investigators so employed by the office shall be deemed to be
23 peace officers for the purpose of enforcing the provisions of the canna-
24 bis control law or judgements or orders obtained for violation thereof,
25 with all the powers set forth in section 2.20 of the criminal procedure
26 law. Directors, deputies, and counsels shall be in the exempt class of
27 the civil service. The other assistants, investigators and employees of
28 the office shall all be in the competitive class of the civil service.
29 Employees transferred to the office shall be transferred without further
30 examination or qualification to the same or similar titles and shall
31 remain in the same collective bargaining units and shall retain their
32 respective civil service classifications, status and rights pursuant to
33 their collective bargaining units and collective bargaining agreements.
34 Employees serving in positions in newly created titles shall be assigned
35 to the appropriate collective bargaining unit.

36 10. To remove any employee of the office for cause, after giving such
37 employee a copy of the charges against him or her in writing, and an
38 opportunity to be heard thereon. Any action taken under this subdivision
39 shall be subject to and in accordance with the civil service law.

40 11. To inspect or provide for the inspection at any time of any prem-
41 ises where medical cannabis, adult use cannabis, or hemp extract is
42 cultivated, processed, stored, distributed or sold.

43 12. To prescribe forms of applications for registrations, licenses and
44 permits under this chapter and of all reports deemed necessary by the
45 office.

46 13. To delegate the powers provided in this section to such other
47 officers or employees or other state agencies as may be deemed appropri-
48 ate by the executive director.

49 14. To appoint such advisory groups and committees as the executive
50 director deems necessary to provide assistance to the office to carry
51 out the purposes and objectives of this chapter.

52 15. To exercise the powers and perform the duties in relation to the
53 administration of the office as are necessary but not specifically vest-
54 ed by this chapter, including but not limited to budgetary and fiscal
55 matters in consultation with the cannabis advisory board.

1 16. To develop and establish minimum criteria for certifying employees
2 to work in the cannabis industry, including the establishment of a
3 cannabis workers certification program.

4 17. To enter into contracts, memoranda of understanding, and agree-
5 ments as deemed appropriate by the executive director to effectuate the
6 policy and purpose of this chapter.

7 18. To issue and administer low interest or zero-interest loans and
8 other assistance to qualified social equity applicants.

9 19. If the executive director finds that public health, safety, or
10 welfare imperatively requires emergency action, and incorporates a find-
11 ing to that effect in an order, summary suspension of a license may be
12 ordered, effective on the date specified in such order or upon service
13 of a certified copy of such order on the licensee, whichever shall be
14 later, pending proceedings for revocation or other action. These
15 proceedings shall be promptly instituted and determined. In addition,
16 the executive director may order the administrative seizure of product,
17 issue a stop order, or take any other action necessary to effectuate and
18 enforce the policy and purpose of this chapter.

19 20. To issue regulations, declaratory rulings, guidance and industry
20 advisories.

21 § 12. Rulemaking authority. 1. The office shall perform such acts,
22 prescribe such forms and propose such rules, regulations and orders as
23 it may deem necessary or proper to fully effectuate the provisions of
24 this chapter.

25 2. The office shall have the power to promulgate any and all necessary
26 rules and regulations governing the cultivation, manufacture, process-
27 ing, transportation, distribution, testing, delivery, and sale of
28 medical cannabis, adult-use cannabis, and hemp extract, including but
29 not limited to the registration of organizations authorized to sell
30 medical cannabis, the licensing and/or permitting of adult-use cannabis
31 cultivators, processors, cooperatives, distributors, laboratories, and
32 retailers, and the licensing of hemp extract producers and processors
33 pursuant to this chapter, including, but not limited to:

34 (a) prescribing forms and establishing application, reinstatement, and
35 renewal fees;

36 (b) the qualifications and selection criteria for registration,
37 licensing, or permitting;

38 (c) the books and records to be created and maintained by registered
39 organizations, licensees, and permittees, including the reports to be
40 made thereon to the office, and inspection of any and all books and
41 records maintained by any registered organization, licensee, or permittee
42 and on the premise of any registered organization, licensee, or permit-
43 tee;

44 (d) methods of producing, processing, and packaging cannabis, medical
45 cannabis, cannabis-infused products, concentrated cannabis, and hemp
46 extract; conditions of sanitation, and standards of ingredients, quali-
47 ty, and identity of cannabis products cultivated, processed, packaged,
48 or sold by registered organizations and licensees;

49 (e) security requirements for adult-use cannabis retail dispensaries
50 and premises where cannabis products, medical cannabis, and hemp
51 extract, are cultivated, produced, processed, or stored, and safety
52 protocols for registered organizations, licensees and their employees;
53 and

54 (f) hearing procedures and additional causes for cancellation, revoca-
55 tion, and/or civil penalties against any person registered, licensed, or
56 permitted by the authority.

1 3. The office shall promulgate rules and regulations that are designed
2 to:

3 (a) prevent the distribution of adult-use cannabis to persons under
4 twenty-one years of age;

5 (b) prevent the revenue from the sale of cannabis from going to crimi-
6 nal enterprises, gangs, and cartels;

7 (c) prevent the diversion of cannabis from this state to other states;

8 (d) prevent cannabis activity that is legal under state law from being
9 used as a cover or pretext for the trafficking of other illegal drugs or
10 other illegal activity;

11 (e) prevent drugged driving and the exacerbation of other adverse
12 public health consequences associated with the use of cannabis;

13 (f) prevent the growing of cannabis on public lands; and

14 (g) prevent the possession and use of cannabis on federal property.

15 4. The office, in consultation with the department of agriculture and
16 markets and the department of environmental conservation, shall promul-
17 gate necessary rules and regulations governing the safe production of
18 cannabis, including environmental and energy standards and restrictions
19 on the use of pesticides.

20 § 13. State cannabis advisory board. 1. The executive director shall
21 establish within the office a state cannabis advisory board prior to
22 engaging in rulemaking, which may consider all matters submitted to it
23 by the executive director, and advise the office and the legislature on
24 cannabis cultivation, processing, distribution, transport, equity in the
25 cannabis industry, public health concerns related to cannabis, and on
26 the testing and sale of cannabis and cannabis products.

27 2. The executive director of the office shall serve as the chairperson
28 of the board. The vice chairperson shall be elected from among the
29 members of the board by the members of such board, and shall represent
30 the board in the absence of the chairperson at all official board func-
31 tions.

32 3. The members of the board shall be appointed by the temporary presi-
33 dent of the senate and the speaker of the assembly and shall receive no
34 compensation for their services but shall be allowed their actual and
35 necessary expenses incurred in the performance of their duties as board
36 members.

37 4. The executive director shall promulgate regulations establishing
38 the number of members on the board, the term of the board members and
39 any other terms or conditions regarding the state cannabis advisory
40 board, including that such board shall include members from the
41 geographic regions of the state.

42 5. Every effort shall be made to ensure a balanced and diverse board,
43 which shall have expertise in public and behavioral health, substance
44 use disorder treatment, effective rehabilitative treatment for adults
45 and juveniles, economic development, environmental conservation, job
46 training and placement, criminal justice, and drug policy. Further, the
47 board shall include residents from communities most impacted by cannabis
48 prohibition, people with prior drug convictions, the formerly incarcer-
49 ated, and representatives of organizations serving communities impacted
50 by past federal and state drug policies.

51 § 14. Disposition of moneys received for license fees. The office
52 shall establish a scale of application, licensing, and renewal fees,
53 based upon the cost of enforcing this chapter and the size of the canna-
54 bis business being licensed, as follows:

55 1. The office shall charge each registered organization, licensee and
56 permittee a registration, licensure or permit fee, and renewal fee, as

1 applicable. The fees may vary depending upon the nature and scope of
2 the different registration, licensure and permit activities.

3 2. The total fees assessed pursuant to this chapter shall be set at an
4 amount that will generate sufficient total revenue to, at a minimum,
5 fully cover the total costs of administering this chapter.

6 3. All registration and licensure fees shall be set on a scaled basis
7 by the office, dependent on the size and capacity of the business.

8 4. The office shall deposit all fees collected in the New York state
9 cannabis revenue fund established pursuant to section ninety-nine-hh of
10 the state finance law.

11 § 15. Legal presumptions. The action, proceedings, authority, and
12 orders of the office in enforcing the provisions of the cannabis law and
13 applying them to specific cases shall at all times be regarded as in
14 their nature judicial, and shall be treated as prima facie just and
15 legal.

16 § 16. Violations of cannabis laws or regulations; penalties and
17 injunctions. 1. A person who willfully violates any provision of this
18 chapter, or any regulation lawfully made or established by any public
19 officer under authority of this chapter, the punishment for violating
20 which is not otherwise prescribed by this chapter or any other law, is
21 punishable by imprisonment not exceeding one year, or by a fine not
22 exceeding five thousand dollars or by both.

23 2. Any person who violates, disobeys or disregards any term or
24 provision of this chapter or of any lawful notice, order or regulation
25 pursuant thereto for which a civil or criminal penalty is not otherwise
26 expressly prescribed by law, shall be liable to the people of the state
27 for a civil penalty of not to exceed five thousand dollars for every
28 such violation.

29 3. The penalty provided for in subdivision one of this section may be
30 recovered by an action brought by the executive director in any court of
31 competent jurisdiction.

32 4. Such civil penalty may be released or compromised by the executive
33 director before the matter has been referred to the attorney general,
34 and where such matter has been referred to the attorney general, any
35 such penalty may be released or compromised and any action commenced to
36 recover the same may be settled and discontinued by the attorney general
37 with the consent of the executive director.

38 5. It shall be the duty of the attorney general upon the request of
39 the executive director to bring an action for an injunction against any
40 person who violates, disobeys or disregards any term or provision of
41 this chapter or of any lawful notice, order or regulation pursuant ther-
42 eto; provided, however, that the executive director shall furnish the
43 attorney general with such material, evidentiary matter or proof as may
44 be requested by the attorney general for the prosecution of such an
45 action.

46 6. It is the purpose of this section to provide additional and cumula-
47 tive remedies, and nothing herein contained shall abridge or alter
48 rights of action or remedies now or hereafter existing, nor shall any
49 provision of this section, nor any action done by virtue of this
50 section, be construed as estopping the state, persons or municipalities
51 in the exercising of their respective rights.

52 § 17. Formal hearings; notice and procedure. 1. The executive direc-
53 tor, or any person designated by him or her for this purpose, may issue
54 subpoenas and administer oaths in connection with any hearing or inves-
55 tigation under or pursuant to this chapter, and it shall be the duty of
56 the executive director and any persons designated by him or her for such

1 purpose to issue subpoenas at the request of and upon behalf of the
2 respondent.

3 2. The executive director and those designated by him or her shall not
4 be bound by the laws of evidence in the conduct of hearing proceedings,
5 but the determination shall be founded upon sufficient evidence to
6 sustain it.

7 3. Notice of hearing shall be served at least fifteen days prior to
8 the date of the hearing, provided that, whenever because of danger to
9 the public health, safety or welfare it appears prejudicial to the
10 interests of the people of the state to delay action for fifteen days,
11 the executive director may serve the respondent with an order requiring
12 certain action or the cessation of certain activities immediately or
13 within a specified period of less than fifteen days.

14 4. Service of notice of hearing or order shall be made by personal
15 service or by registered or certified mail. Where service, whether by
16 personal service or by registered or certified mail, is made upon an
17 incompetent, partnership, or corporation, it shall be made upon the
18 person or persons designated to receive personal service by article
19 three of the civil practice law and rules.

20 5. At a hearing, the respondent may appear personally, shall have the
21 right of counsel, and may cross-examine witnesses against him or her and
22 produce evidence and witnesses in his or her behalf.

23 6. Following a hearing, the executive director may make appropriate
24 determinations and issue a final order in accordance therewith.

25 7. The executive director may adopt, amend and repeal administrative
26 rules and regulations governing the procedures to be followed with
27 respect to hearings, such rules to be consistent with the policy and
28 purpose of this chapter and the effective and fair enforcement of its
29 provisions.

30 8. The provisions of this section shall be applicable to all hearings
31 held pursuant to this chapter, except where other provisions of this
32 chapter applicable thereto are inconsistent therewith, in which event
33 such other provisions shall apply.

34 § 18. Ethics, transparency and accountability. No member of the
35 office or any officer, deputy, assistant, inspector or employee thereof
36 shall have any interest, direct or indirect, either proprietary or by
37 means of any loan, mortgage or lien, or in any other manner, in or on
38 any premises where adult use cannabis, medical cannabis or hemp extract
39 is cultivated, processed, distributed or sold; nor shall he or she have
40 any interest, direct or indirect, in any business wholly or partially
41 devoted to the cultivation, processing, distribution, sale, transporta-
42 tion or storage of adult use cannabis, medical cannabis or hemp extract,
43 or own any stock in any corporation which has any interest, proprietary
44 or otherwise, direct or indirect, in any premises where adult use canna-
45 bis, medical cannabis or hemp extract is cultivated, processed, distrib-
46 uted or sold, or in any business wholly or partially devoted to the
47 cultivation, processing, distribution, sale, transportation or storage
48 of adult use cannabis, medical cannabis or hemp extract, or receive any
49 commission or profit whatsoever, direct or indirect, from any person
50 applying for or receiving any license or permit provided for in this
51 chapter, or hold any other elected or appointed public office in the
52 state or in any political subdivision. Anyone who violates any of the
53 provisions of this section shall be removed and shall divulge themselves
54 of such direct or indirect interests, in addition to any other penalty
55 provided by law.

ARTICLE 3
MEDICAL CANNABIS

- 3 Section 30. Certification of patients.
- 4 31. Lawful medical use.
- 5 32. Registry identification cards.
- 6 33. Registration as a designated caregiver facility.
- 7 34. Registered organizations.
- 8 35. Registering of registered organizations.
- 9 36. Reports of registered organizations.
- 10 37. Evaluation; research programs; report by office.
- 11 38. Cannabis research license.
- 12 39. Registered organizations and adult-use cannabis.
- 13 40. Relation to other laws.
- 14 41. Protections for the medical use of cannabis.
- 15 42. Regulations.
- 16 43. Suspend; terminate.
- 17 44. Pricing.

18 § 30. Certification of patients. 1. A patient certification may only
19 be issued if:

- 20 (a) the patient has a condition, which shall be specified in the
- 21 patient's health care record;
- 22 (b) the practitioner by training or experience is qualified to treat
- 23 the condition;
- 24 (c) the patient is under the practitioner's continuing care for the
- 25 condition; and
- 26 (d) in the practitioner's professional opinion and review of past
- 27 treatments, the patient is likely to receive therapeutic or palliative
- 28 benefit from the primary or adjunctive treatment with medical use of
- 29 cannabis for the condition.

30 2. The certification shall include: (a) the name, date of birth and
31 address of the patient; (b) a statement that the patient has a condition
32 and the patient is under the practitioner's care for the condition; (c)
33 a statement attesting that all requirements of subdivision one of this
34 section have been satisfied; (d) the date; and (e) the name, address,
35 telephone number, and the signature of the certifying practitioner. The
36 executive director may require by regulation that the certification
37 shall be on a form provided by the office. The practitioner may state in
38 the certification that, in the practitioner's professional opinion, the
39 patient would benefit from medical cannabis only until a specified date.
40 The practitioner may state in the certification that, in the practition-
41 er's professional opinion, the patient is terminally ill and that the
42 certification shall not expire until the patient dies.

43 3. In making a certification, the practitioner may consider the form
44 of medical cannabis the patient should consume, including the method of
45 consumption and any particular strain, variety, and quantity or percent-
46 age of cannabis or particular active ingredient, and appropriate dosage.
47 The practitioner may state in the certification any recommendation or
48 limitation the practitioner makes, in his or her professional opinion,
49 concerning the appropriate form or forms of medical cannabis and dosage.

50 4. Every practitioner shall consult the prescription monitoring
51 program registry prior to making or issuing a certification, for the
52 purpose of reviewing a patient's controlled substance history. For
53 purposes of this section, a practitioner may authorize a designee to
54 consult the prescription monitoring program registry on his or her

1 behalf, provided that such designation is in accordance with section
2 thirty-three hundred forty-three-a of the public health law.

3 5. The practitioner shall give the certification to the certified
4 patient, and place a copy in the patient's health care record.

5 6. No practitioner shall issue a certification under this section for
6 themselves.

7 7. A registry identification card based on a certification shall
8 expire one year after the date the certification is signed by the prac-
9 tioner.

10 8. (a) If the practitioner states in the certification that, in the
11 practitioner's professional opinion, the patient would benefit from
12 medical cannabis only until a specified earlier date, then the registry
13 identification card shall expire on that date; (b) if the practitioner
14 states in the certification that in the practitioner's professional
15 opinion the patient is terminally ill and that the certification shall
16 not expire until the patient dies, then the registry identification card
17 shall state that the patient is terminally ill and that the registration
18 card shall not expire until the patient dies; (c) if the practitioner
19 re-issues the certification to terminate the certification on an earlier
20 date, then the registry identification card shall expire on that date
21 and shall be promptly destroyed by the certified patient; (d) if the
22 certification so provides, the registry identification card shall state
23 any recommendation or limitation by the practitioner as to the form or
24 forms of medical cannabis or dosage for the certified patient; and (e)
25 the executive director shall make regulations to implement this subdivi-
26 sion.

27 § 31. Lawful medical use. The possession, acquisition, use, delivery,
28 transfer, transportation, or administration of medical cannabis by a
29 certified patient, designated caregiver or the employees of a designated
30 caregiver facility, for certified medical use, shall be lawful under
31 this article provided that:

32 1. the cannabis that may be possessed by a certified patient shall not
33 exceed a sixty-day supply of the dosage if determined by the practition-
34 er, consistent with any guidance and regulations issued by the executive
35 director, provided that during the last seven days of any sixty-day
36 period, the certified patient may also possess up to such amount for the
37 next sixty-day period;

38 2. the cannabis that may be possessed by designated caregivers does
39 not exceed the quantities referred to in subdivision one of this section
40 for each certified patient for whom the caregiver possesses a valid
41 registry identification card, up to five certified patients;

42 3. the cannabis that may be possessed by designated caregiver facili-
43 ties does not exceed the quantities referred to in subdivision one of
44 this section for each certified patient under the care or treatment of
45 the facility;

46 4. the form or forms of medical cannabis that may be possessed by the
47 certified patient, designated caregiver or designated caregiver facility
48 pursuant to a certification shall be in compliance with any recommenda-
49 tion or limitation by the practitioner as to the form or forms of
50 medical cannabis or dosage for the certified patient in the certif-
51 ication;

52 5. the medical cannabis shall be kept in the original package in which
53 it was dispensed under this article, except for the portion removed for
54 immediate consumption for certified medical use by the certified
55 patient; and

1 6. in the case of a designated caregiver facility, the employee
2 assisting the patient has been designated as such by the designated
3 caregiver facility.

4 § 32. Registry identification cards. 1. Upon approval of the certifi-
5 cation, the office shall issue registry identification cards for certi-
6 fied patients and designated caregivers. A registry identification card
7 shall expire as provided in this article or as otherwise provided in
8 this section. The office shall begin issuing registry identification
9 cards as soon as practicable after the certifications required by this
10 chapter are granted. The office may specify a form for a registry appli-
11 cation, in which case the office shall provide the form on request,
12 reproductions of the form may be used, and the form shall be available
13 for downloading from the office's website.

14 2. To obtain, amend or renew a registry identification card, a certi-
15 fied patient or designated caregiver shall file a registry application
16 with the office, unless otherwise exempted by the executive director in
17 regulation. The registry application or renewal application shall
18 include:

19 (a) in the case of a certified patient:

20 (i) the patient's certification, a new written certification shall be
21 provided with a renewal application;

22 (ii) the name, address, and date of birth of the patient;

23 (iii) the date of the certification;

24 (iv) if the patient has a registry identification card based on a
25 current valid certification, the registry identification number and
26 expiration date of that registry identification card;

27 (v) the specified date until which the patient would benefit from
28 medical cannabis, if the certification states such a date;

29 (vi) the name, address, and telephone number of the certifying practi-
30 tioner;

31 (vii) any recommendation or limitation by the practitioner as to the
32 form or forms of medical cannabis or dosage for the certified patient;

33 (viii) if the certified patient designates a designated caregiver, the
34 name, address, and date of birth of the designated caregiver, and other
35 individual identifying information required by the office;

36 (ix) if the designated caregiver is a cannabis research license holder
37 under this chapter, the name of the organization conducting the
38 research, the address, phone number, name of the individual leading the
39 research or appropriate designee, and other identifying information
40 required by the executive director; and

41 (x) other individual identifying information required by the office;

42 (b) in the case of a designated caregiver:

43 (i) the name, address, and date of birth of the designated caregiver;

44 (ii) if the designated caregiver has a registry identification card,
45 the registry identification number and expiration date of that registry
46 identification card; and

47 (iii) other individual identifying information required by the office;

48 (c) a statement that a false statement made in the application is
49 punishable under section 210.45 of the penal law;

50 (d) the date of the application and the signature of the certified
51 patient or designated caregiver, as the case may be;

52 (e) any other requirements determined by the executive director.

53 3. Where a certified patient is under the age of eighteen or otherwise
54 incapable of consent:

1 (a) The application for a registry identification card shall be made
2 by the person responsible for making health care decisions for the
3 patient.

4 (b) The designated caregiver shall be: (i) a parent or legal guardian
5 of the certified patient; (ii) a person designated by a parent or legal
6 guardian; (iii) an employee of a designated caregiver facility, includ-
7 ing a cannabis research license holder; or (iv) an appropriate person
8 approved by the office upon a sufficient showing that no parent or legal
9 guardian is appropriate or available.

10 4. No person may be a designated caregiver if the person is under
11 twenty-one years of age unless a sufficient showing is made to the
12 office that the person should be permitted to serve as a designated
13 caregiver. The requirements for such a showing shall be determined by
14 the executive director.

15 5. No person may be a designated caregiver for more than five certi-
16 fied patients at one time; provided, however, that this limitation shall
17 not apply to a designated caregiver facility, or cannabis research
18 license holder as defined by this chapter.

19 6. If a certified patient wishes to change or terminate his or her
20 designated caregiver, for whatever reason, the certified patient shall
21 notify the office as soon as practicable. The office shall issue a
22 notification to the designated caregiver that their registration card is
23 invalid and must be promptly destroyed. The newly designated caregiver
24 must comply with all requirements set forth in this section.

25 7. If the certification so provides, the registry identification card
26 shall contain any recommendation or limitation by the practitioner as to
27 the form or forms of medical cannabis or dosage for the certified
28 patient.

29 8. The office shall issue separate registry identification cards for
30 certified patients and designated caregivers as soon as reasonably prac-
31 ticable after receiving a complete application under this section,
32 unless it determines that the application is incomplete or factually
33 inaccurate, in which case it shall promptly notify the applicant.

34 9. If the application of a certified patient designates an individual
35 as a designated caregiver who is not authorized to be a designated care-
36 giver, that portion of the application shall be denied by the office but
37 that shall not affect the approval of the balance of the application.

38 10. A registry identification card shall:

39 (a) contain the name of the certified patient or the designated care-
40 giver as the case may be;

41 (b) contain the date of issuance and expiration date of the registry
42 identification card;

43 (c) contain a registry identification number for the certified patient
44 or designated caregiver, as the case may be and a registry identifica-
45 tion number;

46 (d) contain a photograph of the individual to whom the registry iden-
47 tification card is being issued, which shall be obtained by the office
48 in a manner specified by the executive director in regulations;
49 provided, however, that if the office requires certified patients to
50 submit photographs for this purpose, there shall be a reasonable accom-
51 modation of certified patients who are confined to their homes due to
52 their medical conditions and may therefore have difficulty procuring
53 photographs;

54 (e) be a secure document as determined by the office;

1 (f) plainly state any recommendation or limitation by the practitioner
2 as to the form or forms of medical cannabis or dosage for the certified
3 patient; and

4 (g) any other requirements determined by the executive director.

5 11. A certified patient or designated caregiver who has been issued a
6 registry identification card shall notify the office of any change in
7 his or her name or address or, with respect to the patient, if he or she
8 ceases to have the condition noted on the certification within ten days
9 of such change. The certified patient's or designated caregiver's regis-
10 try identification card shall be deemed invalid and shall be promptly
11 destroyed.

12 12. If a certified patient or designated caregiver loses his or her
13 registry identification card, he or she shall notify the office within
14 ten days of losing the card. The office shall issue a new registry iden-
15 tification card as soon as practicable, which may contain a new registry
16 identification number, to the certified patient or designated caregiver,
17 as the case may be.

18 13. The office shall maintain a confidential list of the persons to
19 whom it has issued registry identification cards. Individual identifying
20 information obtained by the office under this article shall be confiden-
21 tial and exempt from disclosure under article six of the public officers
22 law. Notwithstanding this subdivision, the office may notify any appro-
23 priate law enforcement agency of information relating to any violation
24 or suspected violation of this article.

25 14. The office shall verify to law enforcement personnel in an appro-
26 priate case whether a registry identification card is valid.

27 15. If a certified patient or designated caregiver willfully violates
28 any provision of this article as determined by the executive director,
29 his or her certification and registry identification card may be
30 suspended or revoked. This is in addition to any other penalty that may
31 apply.

32 § 33. Registration as a designated caregiver facility. 1. To obtain,
33 amend or renew a registration as a designated caregiver facility, the
34 facility shall file a registry application with the office. The registry
35 application or renewal application shall include:

36 (a) the facility's full name and address;

37 (b) operating certificate or license number where appropriate;

38 (c) printed name, title, and signature of an authorized facility
39 representative;

40 (d) a statement that the facility agrees to secure and ensure proper
41 handling of all medical cannabis products;

42 (e) an acknowledgement that a false statement in the application is
43 punishable under section 210.45 of the penal law; and

44 (f) any other information that may be required by the executive direc-
45 tor.

46 2. Prior to issuing or renewing a designated caregiver facility regis-
47 tration, the office may verify the information submitted by the appli-
48 cant. The applicant shall provide, at the office's request, such infor-
49 mation and documentation, including any consents or authorizations that
50 may be necessary for the office to verify the information.

51 3. The office shall approve, deny or determine incomplete or inaccu-
52 rate an initial or renewal application within thirty days of receipt of
53 the application. If the application is approved within the thirty-day
54 period, the office shall issue a registration as soon as is reasonably
55 practicable.

1 4. An applicant shall have thirty days from the date of a notification
2 of an incomplete or factually inaccurate application to submit the mate-
3 rials required to complete, revise or substantiate information in the
4 application. If the applicant fails to submit the required materials
5 within such thirty-day time period, the application shall be denied by
6 the office.

7 5. Registrations issued under this section shall remain valid for two
8 years from the date of issuance.

9 § 34. Registered organizations. 1. A registered organization shall be
10 a for-profit business entity or not-for-profit corporation organized for
11 the purpose of acquiring, possessing, manufacturing, selling, deliver-
12 ing, transporting, distributing or dispensing cannabis for certified
13 medical use.

14 2. The acquiring, possession, manufacture, sale, delivery, transport-
15 ing, distributing or dispensing of medical cannabis by a registered
16 organization under this article in accordance with its registration
17 under this article or a renewal thereof shall be lawful under this chap-
18 ter.

19 3. Each registered organization shall contract with an independent
20 laboratory permitted by the office to test the medical cannabis produced
21 by the registered organization. The executive director shall approve the
22 laboratory used by the registered organization and may require that the
23 registered organization use a particular testing laboratory. The execu-
24 tive director is authorized to issue regulations requiring the laborato-
25 ry to perform certain tests and services.

26 4. (a) A registered organization may lawfully, in good faith, sell,
27 deliver, distribute or dispense medical cannabis to a certified patient
28 or designated caregiver upon presentation to the registered organization
29 of a valid registry identification card for that certified patient or
30 designated caregiver. When presented with the registry identification
31 card, the registered organization shall provide to the certified patient
32 or designated caregiver a receipt, which shall state: the name, address,
33 and registry identification number of the registered organization; the
34 name and registry identification number of the certified patient and the
35 designated caregiver, if any; the date the cannabis was sold; any recom-
36 mendation or limitation by the practitioner as to the form or forms of
37 medical cannabis or dosage for the certified patient; and the form and
38 the quantity of medical cannabis sold. The registered organization shall
39 retain a copy of the registry identification card and the receipt for
40 six years.

41 (b) The proprietor of a registered organization shall file or cause to
42 be filed any receipt and certification information with the office by
43 electronic means on a real-time basis as the executive director shall
44 require by regulation. When filing receipt and certification information
45 electronically pursuant to this paragraph, the proprietor of the regis-
46 tered organization shall dispose of any electronically recorded
47 prescription information in such manner as the executive director shall
48 by regulation require.

49 5. (a) No registered organization may sell, deliver, distribute or
50 dispense to any certified patient or designated caregiver a quantity of
51 medical cannabis larger than that individual would be allowed to possess
52 under this chapter.

53 (b) When dispensing medical cannabis to a certified patient or desig-
54 nated caregiver, the registered organization: (i) shall not dispense an
55 amount greater than a sixty-day supply to a certified patient until the
56 certified patient has exhausted all but a seven day supply provided

1 pursuant to a previously issued certification; and (ii) shall verify the
2 information in subparagraph (i) of this paragraph by consulting the
3 prescription monitoring program registry under this article.

4 (c) Medical cannabis dispensed to a certified patient or designated
5 caregiver by a registered organization shall conform to any recommenda-
6 tion or limitation by the practitioner as to the form or forms of
7 medical cannabis or dosage for the certified patient.

8 6. When a registered organization sells, delivers, distributes or
9 dispenses medical cannabis to a certified patient or designated caregiv-
10 er, it shall provide to that individual a safety insert, which will be
11 developed by the registered organization and approved by the executive
12 director and include, but not be limited to, information on:

13 (a) methods for administering medical cannabis,

14 (b) any potential dangers stemming from the use of medical cannabis,

15 (c) how to recognize what may be problematic usage of medical cannabis
16 and obtain appropriate services or treatment for problematic usage, and

17 (d) other information as determined by the executive director.

18 7. Registered organizations shall not be managed by or employ anyone
19 who has been convicted within three years of the date of hire, of any
20 felony related to the functions or duties of operating a business,
21 except that if the executive director determines that the manager or
22 employee is otherwise suitable to be hired, and hiring the manager or
23 employee would not compromise public safety, the executive director
24 shall conduct a thorough review of the nature of the crime, conviction,
25 circumstances, and evidence of rehabilitation of the manager or employ-
26 ee, and shall evaluate the suitability of the manager or employee based
27 on the evidence found through the review. In determining which offenses
28 are substantially related to the functions or duties of operating a
29 business, the executive director shall include, but not be limited to,
30 the following:

31 (a) a felony conviction involving fraud, money laundering, forgery and
32 other unlawful conduct related to owning and operating a business; and

33 (b) a felony conviction for hiring, employing or using a minor in
34 transporting, carrying, selling, giving away, preparing for sale, or
35 peddling, any controlled substance, or selling, offering to sell,
36 furnishing, offering to furnish, administering, or giving any controlled
37 substance to a minor.

38 A felony conviction for the sale or possession of drugs, narcotics, or
39 controlled substances is not substantially related. This subdivision
40 shall only apply to managers or employees who come into contact with or
41 handle medical cannabis.

42 8. Manufacturing of medical cannabis by a registered organization
43 shall only be done in an indoor, enclosed, secure facility located in
44 New York state, which may include a greenhouse. The executive director
45 shall promulgate regulations establishing requirements for such facili-
46 ties.

47 9. Dispensing of medical cannabis by a registered organization shall
48 only be done in an indoor, enclosed, secure facility located in New York
49 state, which may include a greenhouse. The executive director shall
50 promulgate regulations establishing requirements for such facilities.

51 10. A registered organization may contract with a person or entity to
52 provide facilities, equipment or services that are ancillary to the
53 registered organization's functions or activities under this article
54 including, but not limited to, shipping, maintenance, construction,
55 repair, and security, provided that the person or entity shall not
56 perform any function or activity directly involving the planting, grow-

1 ing, tending, harvesting, processing, or packaging of cannabis plants,
2 medical cannabis, or medical cannabis products being produced by the
3 registered organization; or any other function directly involving manu-
4 facturing or retailing of medical cannabis. All laws and regulations
5 applicable to such facilities, equipment, or services shall apply to the
6 contract. The registered organization and other parties to the contract
7 shall each be responsible for compliance with such laws and regulations
8 under the contract. The executive director may make regulations consist-
9 ent with this article relating to contracts and parties to contracts
10 under this subdivision.

11 11. A registered organization shall, based on the findings of an inde-
12 pendent laboratory, provide documentation of the quality, safety and
13 clinical strength of the medical cannabis manufactured or dispensed by
14 the registered organization to the office and to any person or entity to
15 which the medical cannabis is sold or dispensed.

16 12. A registered organization shall be deemed to be a "health care
17 provider" for the purposes of title two-D of article two of the public
18 health law.

19 13. Medical cannabis shall be dispensed to a certified patient or
20 designated caregiver in a sealed and properly labeled package. The
21 labeling shall contain: (a) the information required to be included in
22 the receipt provided to the certified patient or designated caregiver by
23 the registered organization; (b) the packaging date; (c) any applicable
24 date by which the medical cannabis should be used; (d) a warning stat-
25 ing, "This product is for medicinal use only. Women should not consume
26 during pregnancy or while breastfeeding except on the advice of the
27 certifying health care practitioner, and in the case of breastfeeding
28 mothers, including the infant's pediatrician. This product might impair
29 the ability to drive. Keep out of reach of children."; (e) the amount of
30 individual doses contained within; and (f) a warning that the medical
31 cannabis must be kept in the original container in which it was
32 dispensed.

33 14. The executive director is authorized to make rules and regulations
34 restricting the advertising and marketing of medical cannabis.

35 § 35. Registering of registered organizations. 1. (a) An applicant
36 for registration as a registered organization under section thirty-four
37 of this article shall include such information prepared in such manner
38 and detail as the executive director may require, including but not
39 limited to:

40 (i) a description of the activities in which it intends to engage as a
41 registered organization;

42 (ii) that the applicant:

43 (A) is of good moral character;

44 (B) possesses or has the right to use sufficient land, buildings, and
45 other premises, which shall be specified in the application, and equip-
46 ment to properly carry on the activity described in the application, or
47 in the alternative posts a bond of not less than two million dollars;

48 (C) is able to maintain effective security and control to prevent
49 diversion, abuse, and other illegal conduct relating to the cannabis;
50 and

51 (D) is able to comply with all applicable state laws and regulations
52 relating to the activities in which it intends to engage under the
53 registration;

54 (iii) that the applicant has entered into a labor peace agreement with
55 a bona fide labor organization that is actively engaged in representing
56 or attempting to represent the applicant's employees and the maintenance

1 of such a labor peace agreement shall be an ongoing material condition
2 of certification;

3 (iv) the applicant's status as a for-profit business entity or not-
4 for-profit corporation; and

5 (v) the application shall include the name, residence address and
6 title of each of the officers and directors and the name and residence
7 address of any person or entity that is a member of the applicant. Each
8 such person, if an individual, or lawful representative if a legal enti-
9 ty, shall submit an affidavit with the application setting forth:

10 (A) any position of management or ownership during the preceding ten
11 years of a twenty per centum or greater interest in any other business,
12 located in or outside this state, manufacturing or distributing drugs;

13 (B) whether such person or any such business has been convicted of a
14 felony or had a registration or license suspended or revoked in any
15 administrative or judicial proceeding; and

16 (C) such other information as the executive director may reasonably
17 require.

18 2. The applicant shall be under a continuing duty to report to the
19 office any change in facts or circumstances reflected in the application
20 or any newly discovered or occurring fact or circumstance which is
21 required to be included in the application.

22 3. (a) The executive director shall grant a registration or amendment
23 to a registration under this section if he or she is satisfied that:

24 (i) the applicant will be able to maintain effective control against
25 diversion of cannabis;

26 (ii) the applicant will be able to comply with all applicable state
27 laws;

28 (iii) the applicant and its officers are ready, willing and able to
29 properly carry on the manufacturing or distributing activity for which a
30 registration is sought;

31 (iv) the applicant possesses or has the right to use sufficient land,
32 buildings and equipment to properly carry on the activity described in
33 the application;

34 (v) it is in the public interest that such registration be granted,
35 including but not limited to:

36 (A) whether the number of registered organizations in an area will be
37 adequate or excessive to reasonably serve the area;

38 (B) whether the registered organization is a minority and/or woman
39 owned business enterprise or a service-disabled veteran-owned business;

40 (C) whether the registered organization provides education and
41 outreach to practitioners;

42 (D) whether the registered organization promotes the research and
43 development of medical cannabis and patient outreach; and

44 (E) the affordability of medical cannabis products offered by the
45 registered organization;

46 (vi) the applicant and its managing officers are of good moral charac-
47 ter;

48 (vii) the applicant has entered into a labor peace agreement with a
49 bona fide labor organization that is actively engaged in representing or
50 attempting to represent the applicant's employees; and the maintenance
51 of such a labor peace agreement shall be an ongoing material condition
52 of registration; and

53 (viii) the applicant satisfies any other conditions as determined by
54 the executive director.

55 (b) If the executive director is not satisfied that the applicant
56 should be issued a registration, he or she shall notify the applicant in

1 writing of those factors upon which the denial is based. Within thirty
2 days of the receipt of such notification, the applicant may submit a
3 written request to the executive director to appeal the decision.

4 (c) The fee for a registration under this section shall be an amount
5 determined by the office in regulations; provided, however, if the
6 registration is issued for a period greater than two years the fee shall
7 be increased, pro rata, for each additional month of validity.

8 (d) Registrations issued under this section shall be effective only
9 for the registered organization and shall specify:

10 (i) the name and address of the registered organization;

11 (ii) which activities of a registered organization are permitted by
12 the registration;

13 (iii) the land, buildings and facilities that may be used for the
14 permitted activities of the registered organization; and

15 (iv) such other information as the executive director shall reasonably
16 provide to assure compliance with this article.

17 (e) Upon application of a registered organization, a registration may
18 be amended to allow the registered organization to relocate within the
19 state or to add or delete permitted registered organization activities
20 or facilities. The fee for such amendment shall be two hundred fifty
21 dollars.

22 4. A registration issued under this section shall be valid for two
23 years from the date of issue, except that in order to facilitate the
24 renewals of such registrations, the executive director may upon the
25 initial application for a registration, issue some registrations which
26 may remain valid for a period of time greater than two years but not
27 exceeding an additional eleven months.

28 5. (a) An application for the renewal of any registration issued
29 under this section shall be filed with the office not more than six
30 months nor less than four months prior to the expiration thereof. A
31 late-filed application for the renewal of a registration may, in the
32 discretion of the executive director, be treated as an application for
33 an initial license.

34 (b) The application for renewal shall include such information
35 prepared in the manner and detail as the executive director may require,
36 including but not limited to:

37 (i) any material change in the circumstances or factors listed in
38 subdivision one of this section; and

39 (ii) every known charge or investigation, pending or concluded during
40 the period of the registration, by any governmental or administrative
41 agency with respect to:

42 (A) each incident or alleged incident involving the theft, loss, or
43 possible diversion of medical cannabis manufactured or distributed by
44 the applicant; and

45 (B) compliance by the applicant with the laws of the state with
46 respect to any substance listed in section thirty-three hundred six of
47 the public health law.

48 (c) An applicant for renewal shall be under a continuing duty to
49 report to the office any change in facts or circumstances reflected in
50 the application or any newly discovered or occurring fact or circum-
51 stance which is required to be included in the application.

52 (d) If the executive director is not satisfied that the registered
53 organization applicant is entitled to a renewal of the registration, he
54 or she shall within a reasonably practicable time as determined by the
55 executive director, serve upon the registered organization or its attor-
56 ney of record in person or by registered or certified mail an order

1 directing the registered organization to show cause why its application
2 for renewal should not be denied. The order shall specify in detail the
3 respects in which the applicant has not satisfied the executive director
4 that the registration should be renewed.

5 6. (a) The executive director shall renew a registration unless he or
6 she determines and finds that:

7 (i) the applicant is unlikely to maintain or be able to maintain
8 effective control against diversion;

9 (ii) the applicant is unlikely to comply with all state laws applica-
10 ble to the activities in which it may engage under the registration;

11 (iii) it is not in the public interest to renew the registration
12 because the number of registered organizations in an area is excessive
13 to reasonably serve the area; or

14 (iv) the applicant has either violated or terminated its labor peace
15 agreement.

16 (b) For purposes of this section, proof that a registered organiza-
17 tion, during the period of its registration, has failed to maintain
18 effective control against diversion, violates any provision of this
19 article, or has knowingly or negligently failed to comply with applica-
20 ble state laws relating to the activities in which it engages under the
21 registration, shall constitute grounds for suspension, termination or
22 limitation of the registered organization's registration or as deter-
23 mined by the executive director. The registered organization shall also
24 be under a continuing duty to report to the authority any material
25 change or fact or circumstance to the information provided in the regis-
26 tered organization's application.

27 7. The office may suspend or terminate the registration of a regis-
28 tered organization, on grounds and using procedures under this article
29 relating to a license, to the extent consistent with this article. The
30 authority shall suspend or terminate the registration in the event that
31 a registered organization violates or terminates the applicable labor
32 peace agreement. Conduct in compliance with this article which may
33 violate conflicting federal law, shall not be grounds to suspend or
34 terminate a registration.

35 8. A registered organization that manufactures medical cannabis may
36 have no more than four dispensing sites wholly owned and operated by
37 such registered organization. The executive director shall ensure that
38 such registered organizations and dispensing sites are geographically
39 distributed across the state and that their ownership reflects the demo-
40 graphics of the state. The executive director shall register additional
41 registered organizations reflecting the demographics of the state.

42 § 36. Reports of registered organizations. 1. The executive director
43 shall, by regulation, require each registered organization to file
44 reports by the registered organization during a particular period. The
45 executive director shall determine the information to be reported and
46 the forms, time, and manner of the reporting.

47 2. The executive director shall, by regulation, require each regis-
48 tered organization to adopt and maintain security, tracking, record
49 keeping, record retention and surveillance systems, relating to all
50 medical cannabis at every stage of acquiring, possession, manufacture,
51 sale, delivery, transporting, distributing, or dispensing by the regis-
52 tered organization, subject to regulations of the executive director.

53 § 37. Evaluation; research programs; report by office. 1. The execu-
54 tive director may provide for the analysis and evaluation of the opera-
55 tion of this article. The executive director may enter into agreements
56 with one or more persons, not-for-profit corporations or other organiza-

1 tions, for the performance of an evaluation of the implementation and
2 effectiveness of this article.

3 2. The office may develop, seek any necessary federal approval for,
4 and carry out research programs relating to medical use of cannabis.
5 Participation in any such research program shall be voluntary on the
6 part of practitioners, patients, and designated caregivers.

7 3. The office shall report every two years, beginning two years after
8 the effective date of this chapter, to the governor and the legislature
9 on the medical use of cannabis under this article and make appropriate
10 recommendations.

11 § 38. Cannabis research license. 1. The executive director shall
12 establish a cannabis research license that permits a licensee to
13 produce, process, purchase and possess cannabis for the following limit-
14 ed research purposes:

15 (a) to test chemical potency and composition levels;

16 (b) to conduct clinical investigations of cannabis-derived drug
17 products;

18 (c) to conduct research on the efficacy and safety of administering
19 cannabis as part of medical treatment; and

20 (d) to conduct genomic or agricultural research.

21 2. As part of the application process for a cannabis research license,
22 an applicant must submit to the office a description of the research
23 that is intended to be conducted as well as the amount of cannabis to be
24 grown or purchased. The office shall review an applicant's research
25 project and determine whether it meets the requirements of subdivision
26 one of this section. In addition, the office shall assess the applica-
27 tion based on the following criteria:

28 (a) project quality, study design, value, and impact;

29 (b) whether the applicant has the appropriate personnel, expertise,
30 facilities and infrastructure, funding, and human, animal, or other
31 approvals in place to successfully conduct the project; and

32 (c) whether the amount of cannabis to be grown or purchased by the
33 applicant is consistent with the project's scope and goals. If the
34 office determines that the research project does not meet the require-
35 ments of subdivision one of this section, the application must be
36 denied.

37 3. A cannabis research licensee may only sell cannabis grown or within
38 its operation to other cannabis research licensees. The office may
39 revoke a cannabis research license for violations of this subsection.

40 4. A cannabis research licensee may contract with the higher education
41 institutions to perform research in conjunction with the university. All
42 research projects, entered into under this section must be approved by
43 the office and meet the requirements of subdivision one of this section.

44 5. In establishing a cannabis research license, the executive director
45 may adopt regulations on the following:

46 (a) application requirements;

47 (b) cannabis research license renewal requirements, including whether
48 additional research projects may be added or considered;

49 (c) conditions for license revocation;

50 (d) security measures to ensure cannabis is not diverted to purposes
51 other than research;

52 (e) amount of plants, useable cannabis, cannabis concentrates, or
53 cannabis-infused products a licensee may have on its premises;

54 (f) licensee reporting requirements;

1 (g) conditions under which cannabis grown by licensed cannabis produc-
2 ers and other product types from licensed cannabis processors may be
3 donated to cannabis research licensees; and

4 (h) any additional requirements deemed necessary by the office.

5 6. A cannabis research license issued pursuant to this section must be
6 issued in the name of the applicant and specify the location at which
7 the cannabis researcher intends to operate, which must be within the
8 state of New York.

9 7. The application fee for a cannabis research license shall be deter-
10 mined by the executive director on an annual basis.

11 8. Each cannabis research licensee shall issue an annual report to the
12 office. The office shall review such report and make a determination as
13 to whether the research project continues to meet the research quali-
14 fications under this section.

15 § 39. Registered organizations and adult-use cannabis. 1. The execu-
16 tive director shall have the authority to grant some or all of the
17 registered organizations registered with the department of health and
18 currently registered and in good standing with the office, the ability
19 to be licensed to cultivate, process, or sell adult-use cannabis and
20 cannabis products, pursuant to any fees, rules or conditions prescribed
21 by the executive director in regulation and subject to the restrictions
22 on licensed adult-use cultivators and processors on having any ownership
23 interest in a licensed adult-use retail dispensary pursuant to this
24 chapter.

25 2. Prior to granting the licenses provided by subdivision one of this
26 section, the office shall assess a registered organization registered
27 prior to the enactment of this chapter with a one-time special licensing
28 fee so that they may become authorized to bypass the restrictions on
29 having any ownership interest in a licensed adult-use retail dispensary,
30 provided that the fees generated from such assessment shall be used to
31 administer incubators and low or zero-interest loans and other assist-
32 ance to qualified social equity applicants. The timing and manner in
33 which registered organizations may be granted such authority shall be
34 determined by the executive director in regulation.

35 § 40. Relation to other laws. 1. The provisions of this article shall
36 apply, except that where a provision of this article conflicts with
37 another provision of this chapter, this article shall apply.

38 2. Medical cannabis shall not be deemed to be a "drug" for purposes of
39 article one hundred thirty-seven of the education law.

40 § 41. Protections for the medical use of cannabis. 1. Certified
41 patients, designated caregivers, designated caregiver facilities, prac-
42 titioners, registered organizations and the employees of registered
43 organizations, and cannabis researchers shall not be subject to arrest,
44 prosecution, or penalty in any manner, or denied any right or privilege,
45 including but not limited to civil penalty or disciplinary action by a
46 business or occupational or professional licensing board or bureau,
47 solely for the certified medical use or manufacture of cannabis, or for
48 any other action or conduct in accordance with this article.

49 2. Being a certified patient shall be deemed to be having a "disabili-
50 ty" under article fifteen of the executive law, section forty-c of the
51 civil rights law, sections 240.00, 485.00, and 485.05 of the penal law,
52 and section 200.50 of the criminal procedure law. This subdivision shall
53 not bar the enforcement of a policy prohibiting an employee from
54 performing his or her employment duties while impaired by a controlled
55 substance. This subdivision shall not require any person or entity to do

1 any act that would put the person or entity in direct violation of
2 federal law or cause it to lose a federal contract or funding.

3 3. The fact that a person is a certified patient and/or acting in
4 accordance with this article, shall not be a consideration in a proceed-
5 ing pursuant to applicable sections of the domestic relations law, the
6 social services law and the family court act.

7 4. (a) Certification applications, certification forms, any certified
8 patient information contained within a database, and copies of registry
9 identification cards shall be deemed exempt from public disclosure under
10 sections eighty-seven and eighty-nine of the public officers law.

11 (b) The name, contact information, and other information relating to
12 practitioners registered with the office under this article shall be
13 public information and shall be maintained by the executive director on
14 the office's website accessible to the public in searchable form. Howev-
15 er, if a practitioner notifies the office in writing that he or she does
16 not want his or her name and other information disclosed, that practi-
17 tioner's name and other information shall thereafter not be public
18 information or maintained on the office's website, unless the practi-
19 tioner cancels the request.

20 § 42. Regulations. The executive director shall promulgate regu-
21 lations in consultation with the cannabis advisory board to implement
22 this article.

23 § 43. Suspend; terminate. Based upon the recommendation of the execu-
24 tive director and/or the superintendent of state police that there is a
25 risk to the public health or safety, the governor may immediately termi-
26 nate all licenses issued to registered organizations.

27 § 44. Pricing. Registered organizations shall submit documentation to
28 the executive director of any change in pricing per dose for any medical
29 cannabis product within fifteen days of such change. Prior approval by
30 the executive director shall not be required for any such change;
31 provided however that the executive director is authorized to modify the
32 price per dose for any medical cannabis product if necessary to maintain
33 public access to appropriate medication.

34 ARTICLE 4

35 ADULT-USE CANNABIS

36 Section 60. Licenses issued.

37 61. License application.

38 62. Information to be requested in applications for licenses.

39 63. Fees.

40 64. Selection criteria.

41 65. Limitations of licensure; duration.

42 66. License renewal.

43 67. Amendments; changes in ownership and organizational struc-
44 ture.

45 68. Adult-use cultivator license.

46 69. Adult-use processor license.

47 70. Adult-use cooperative license.

48 71. Adult-use distributor license.

49 72. Adult-use retail dispensary license.

50 73. Micro business license.

51 74. Notification to municipalities of adult-use retail dispen-
52 sary.

53 75. On-site consumption license; provisions governing on-site
54 consumption licenses.

55 76. Record keeping and tracking.

- 1 77. Inspections and ongoing requirements.
- 2 78. Adult-use cultivators, processors or distributors not to be
- 3 interested in retail dispensaries.
- 4 79. Packaging and labeling of adult-use cannabis products.
- 5 80. Laboratory testing.
- 6 81. Provisions governing the cultivation and processing of
- 7 adult-use cannabis.
- 8 82. Provisions governing the distribution of adult-use cannabis.
- 9 83. Provisions governing adult-use cannabis retail dispensaries.
- 10 84. Adult-use cannabis advertising.
- 11 85. Social and economic equity, minority, women-owned busi-
- 12 nesses, and disadvantaged farmers; incubator program.
- 13 86. Regulations.

14 § 60. Licenses issued. The following kinds of licenses shall be
15 issued by the executive director for the cultivation, processing,
16 distribution and sale of cannabis, cannabis producers, and concentrated
17 cannabis to cannabis consumers:

- 18 1. Adult-use cultivator license;
- 19 2. Adult-use processor license;
- 20 3. Adult-use cooperative license;
- 21 4. Adult-use distributor license;
- 22 5. Adult-use retail dispensary license;
- 23 6. On-site consumption license;
- 24 7. Microbusiness license;
- 25 8. Delivery license;
- 26 9. Nursery license; and
- 27 10. Any other type of license as prescribed by the executive director
- 28 in regulation.

29 § 61. License Application. 1. Any person may apply to the office for
30 a license to cultivate, process, distribute or dispense cannabis within
31 this state for sale. Such application shall be in writing and verified
32 and shall contain such information as the office shall require. Such
33 application shall be accompanied by a check or draft for the amount
34 required by this article for such license. If the office shall approve
35 the application, it shall issue a license in such form as shall be
36 determined by its rules. Such license shall contain a description of the
37 licensed premises and in form and in substance shall be a license to the
38 person therein specifically designated to cultivate, process, distribute
39 or dispense cannabis in the premises therein specifically licensed.

40 2. Except as otherwise provided in this article, a separate license
41 shall be required for each facility at which cultivation, processing,
42 distribution or retail dispensing is conducted.

43 3. An applicant shall not be denied a license under this article based
44 solely on a conviction for a violation of article two hundred twenty or
45 section 240.36 of the penal law, prior to the date article two hundred
46 twenty-two of the penal law took effect, or a conviction for a violation
47 of article two hundred twenty-two of the penal law after the effective
48 date of this chapter.

49 § 62. Information to be requested in applications for licenses. 1.
50 The office shall have the authority to prescribe the manner and form in
51 which an application must be submitted to the office for licensure under
52 this article.

53 2. The executive director is authorized to adopt regulations, includ-
54 ing by emergency rule, establishing information which must be included
55 on an application for licensure under this article. Such information may
56 include, but is not limited to: information about the applicant's iden-

1 tity, including racial and ethnic diversity; ownership and investment
2 information, including the corporate structure; evidence of good moral
3 character, including the submission of fingerprints by the applicant to
4 the division of criminal justice services; information about the prem-
5 ises to be licensed; financial statements; and any other information
6 prescribed by regulation.

7 3. All license applications shall be signed by the applicant (if an
8 individual), by a managing member (if a limited liability company), by
9 an officer (if a corporation), or by all partners (if a partnership).
10 Each person signing such application shall verify it or affirm it as
11 true under the penalties of perjury.

12 4. All license or permit applications shall be accompanied by a check,
13 draft or other forms of payment as the office may require or authorize
14 in the amount required by this article for such license or permit.

15 5. If there be any change, after the filing of the application or the
16 granting of a license, in any of the facts required to be set forth in
17 such application, a supplemental statement giving notice of such change,
18 cost and source of money involved in the change, duly verified, shall be
19 filed with the office within ten days after such change. Failure to do
20 so shall, if willful and deliberate, be cause for denial or revocation
21 of the license.

22 6. In giving any notice, or taking any action in reference to a regis-
23 tered organization or licensee of a licensed premises, the office may
24 rely upon the information furnished in such application and in any
25 supplemental statement connected therewith, and such information may be
26 presumed to be correct, and shall be binding upon a registered organiza-
27 tions, licensee or licensed premises as if correct. All information
28 required to be furnished in such application or supplemental statements
29 shall be deemed material in any prosecution for perjury, any proceeding
30 to revoke, cancel or suspend any license, and in the office's determi-
31 nation to approve or deny the license.

32 § 63. Fees. 1. The office shall have the authority to charge appli-
33 cants for licensure under this article a non-refundable application fee.
34 Such fee may be based on the type of licensure sought, cultivation
35 and/or production volume, or any other factors deemed reasonable and
36 appropriate by the office to achieve the policy and purpose of this
37 chapter.

38 2. The office shall have the authority to charge licensees a biennial
39 license fee. Such fee shall be based on the amount of cannabis to be
40 cultivated, processed, distributed and/or dispensed by the licensee or
41 the gross annual receipts of the licensee for the previous license peri-
42 od, and any other factors deemed reasonable and appropriate by the
43 office.

44 3. The office shall have the authority to waive or reduce fees for
45 social and economic equity applicants.

46 § 64. Selection criteria. 1. The executive director shall develop
47 regulations for determining whether or not an applicant should be grant-
48 ed the privilege of an adult-use cannabis license, based on, but not
49 limited to, the following criteria:

50 (a) the applicant will be able to maintain effective control against
51 the illegal diversion of cannabis;

52 (b) the applicant will be able to comply with all applicable state
53 laws and regulations;

54 (c) the applicant and its officers are ready, willing, and able to
55 properly carry on the activities for which a license is sought;

1 (d) the applicant possesses or has the right to use sufficient land,
2 buildings, and equipment to properly carry on the activity described in
3 the application;

4 (e) the applicant qualifies as a social equity applicant or sets out a
5 plan for benefiting communities and people disproportionately impacted by
6 cannabis law enforcement;

7 (f) it is in the public interest that such license be granted, taking
8 into consideration, but not limited to, the following criteria:

9 (i) that it is a privilege, and not a right, to cultivate, process,
10 distribute, and sell cannabis;

11 (ii) the number, classes, and character of other licenses in proximity
12 to the location and in the particular municipality or subdivision there-
13 of;

14 (iii) evidence that all necessary licenses and permits have been
15 obtained from the state and all other governing bodies;

16 (iv) effect of the grant of the license on pedestrian or vehicular
17 traffic, and parking, in proximity to the location;

18 (v) the existing noise level at the location and any increase in noise
19 level that would be generated by the proposed premises;

20 (vi) the ability to mitigate adverse environmental impacts, including
21 but not limited to energy usage and carbon emissions;

22 (vii) the effect on the production and availability of cannabis and
23 cannabis products; and

24 (viii) any other factors specified by law or regulation that are rele-
25 vant to determine that granting a license would promote public conven-
26 ience and advantage and the public interest of the community;

27 (g) the applicant and its managing officers are of good moral charac-
28 ter and do not have an ownership or controlling interest in more
29 licenses or permits than allowed by this chapter;

30 (h) the applicant has entered into a labor peace agreement with a
31 bona-fide labor organization that is actively engaged in representing or
32 attempting to represent the applicant's employees, and the maintenance
33 of such a labor peace agreement shall be an ongoing material condition
34 of licensure. In evaluating applications from entities with twenty-five
35 or more employees, the office shall give priority to applicants that are
36 a party to a collective bargaining agreement with a bona-fide labor
37 organization in New York or in another state, and uses union labor to
38 construct its licensed facility;

39 (i) the applicant will contribute to communities and people dispropor-
40 tionately harmed by cannabis law enforcement and report these contrib-
41 utions to the office;

42 (j) if the application is for an adult-use cultivator or processor
43 license, the environmental impact of the facility to be licensed; and

44 (k) the applicant satisfies any other conditions as determined by the
45 executive director.

46 2. If the executive director is not satisfied that the applicant
47 should be issued a license, the executive director shall notify the
48 applicant in writing of the specific reason or reasons for denial.

49 3. The executive director shall have the authority to, in consultation
50 with the cannabis advisory board, determine the number of licenses
51 issued pursuant to this article.

52 § 65. Limitations of licensure; duration. 1. No license of any kind
53 may be issued to a person under the age of twenty-one years, nor shall
54 any licensee employ anyone under the age of twenty-one years.

55 2. No licensee shall sell, deliver, or give away or cause or permit or
56 procure to be sold, delivered or given away any cannabis to any person,

1 actually or apparently, under the age of twenty-one years unless the
2 person under twenty-one is also a certified patient and the licensee is
3 appropriately licensed under article three of this chapter.

4 3. The office shall have the authority to limit, by canopy, plant
5 count, square footage or other means, the amount of cannabis allowed to
6 be grown, processed, distributed or sold by a licensee.

7 4. All licenses under this article shall expire two years after the
8 date of issue.

9 § 66. License renewal. 1. Each license, issued pursuant to this arti-
10 cle, may be renewed upon application therefore by the licensee and the
11 payment of the fee for such license as prescribed by this article. In
12 the case of applications for renewals, the office may dispense with the
13 requirements of such statements as it deems unnecessary in view of those
14 contained in the application made for the original license, but in any
15 event the submission of photographs of the licensed premises shall be
16 dispensed with, provided the applicant for such renewal shall file a
17 statement with the office to the effect that there has been no alter-
18 ation of such premises since the original license was issued. The office
19 may make such rules as it deems necessary, not inconsistent with this
20 chapter, regarding applications for renewals of licenses and permits and
21 the time for making the same.

22 2. Each applicant must submit to the office documentation of the
23 racial, ethnic, and gender diversity of the applicant's employees and
24 owners prior to a license being renewed. In addition, the office may
25 create a social responsibility framework agreement and make the adher-
26 ence to such agreement a conditional requirement of license renewal.

27 3. The office shall provide an application for renewal of a license
28 issued under this article not less than ninety days prior to the expira-
29 tion of the current license.

30 4. The office may only issue a renewal license upon receipt of the
31 prescribed renewal application and renewal fee from a licensee if, in
32 addition to the criteria in this section, the licensee's license is not
33 under suspension and has not been revoked.

34 5. Each applicant must maintain a labor peace agreement with a bona-
35 fide labor organization that is actively engaged in representing or
36 attempting to represent the applicant's employees and the maintenance of
37 such a labor peace agreement shall be an ongoing material condition of
38 licensure. Each applicant must provide evidence of the execution of
39 their plan for benefitting communities and people required for initial
40 licensing pursuant to section sixty-four of this article.

41 § 67. Amendments; changes in ownership and organizational structure.

42 1. Licenses issued pursuant to this article shall specify:

- 43 (a) the name and address of the licensee;
44 (b) the activities permitted by the license;
45 (c) the land, buildings and facilities that may be used for the
46 licensed activities of the licensee;
47 (d) a unique license number issued by the office to the licensee; and
48 (e) such other information as the executive director shall deem neces-
49 sary to assure compliance with this chapter.

50 2. Upon application of a licensee to the office, a license may be
51 amended to allow the licensee to relocate within the state, to add or
52 delete licensed activities or facilities, or to amend the ownership or
53 organizational structure of the entity that is the licensee. The execu-
54 tive director shall establish a fee for such amendments.

55 3. A license shall become void by a change in ownership, substantial
56 corporate change or location without prior written approval of the execu-

1 utive director. The executive director may promulgate regulations allow-
2 ing for certain types of changes in ownership without the need for prior
3 written approval.

4 4. For purposes of this section, "substantial corporate change" shall
5 mean:

6 (a) for a corporation, a change of eighty percent or more of the offi-
7 cers and/or directors, or a transfer of eighty percent or more of stock
8 of such corporation, or an existing stockholder obtaining eighty percent
9 or more of the stock of such corporation; or

10 (b) for a limited liability company, a change of eighty percent or
11 more of the managing members of the company, or a transfer of eighty
12 percent or more of ownership interest in said company, or an existing
13 member obtaining a cumulative of eighty percent or more of the ownership
14 interest in said company.

15 § 68. Adult-use cultivator license. 1. An adult-use cultivator's
16 license shall authorize the acquisition, possession, cultivation and
17 sale of cannabis from the licensed premises of the adult-use cultivator
18 by such licensee to duly licensed processors in this state. The execu-
19 tive director may establish regulations allowing licensed adult-use
20 cultivators to perform certain types of minimal processing without the
21 need for an adult-use processor license.

22 2. For purposes of this section, cultivation shall include, but not be
23 limited to, the planting, growing, cloning, harvesting, drying, curing,
24 grading and trimming of cannabis.

25 3. A person holding an adult-use cultivator's license may apply for,
26 and obtain, one processor's license and one distributor's license that
27 may only be used to distribute their own cannabis and cannabis products.

28 4. A person holding an adult-use cultivator's license may not also
29 hold a retail dispensary license pursuant to this article and no adult-
30 use cannabis cultivator shall have a direct or indirect interest,
31 including by stock ownership, interlocking directors, mortgage or lien,
32 personal or real property, or any other means, in any premises licensed
33 as an adult-use cannabis retail dispensary or in any business licensed
34 as an adult-use cannabis retail dispensary pursuant to this article.

35 5. A person holding an adult-use cultivator's license may not hold a
36 license to distribute cannabis under this article unless the licensed
37 cultivator is also licensed as a processor under this article.

38 6. No person may have a direct or indirect financial or controlling
39 interest in more than one adult-use cultivator license issued pursuant
40 to this chapter.

41 § 69. Adult-use processor license. 1. A processor's license shall
42 authorize the acquisition, possession, processing and sale of cannabis
43 from the licensed premises of the adult-use cultivator by such licensee
44 to duly licensed distributors.

45 2. For purposes of this section, processing shall include, but not be
46 limited to, blending, extracting, infusing, packaging, labeling, brand-
47 ing and otherwise making or preparing cannabis products. Processing
48 shall not include the cultivation of cannabis.

49 3. No processor shall be engaged in any other business on the premises
50 to be licensed; except that nothing contained in this chapter shall
51 prevent a cannabis cultivator, cannabis processor, and cannabis distrib-
52 utor from operating on the same premises and from a person holding all
53 three licenses.

54 4. No cannabis processor licensee may hold more than three cannabis
55 processor licenses.

1 5. No adult-use cannabis processor shall have a direct or indirect
2 interest, including by stock ownership, interlocking directors, mortgage
3 or lien, personal or real property, or any other means, in any premises
4 licensed as an adult-use cannabis retail dispensary or in any business
5 licensed as an adult-use cannabis retail dispensary pursuant to this
6 article.

7 § 70. Adult-use cooperative license. 1. A cooperative license shall
8 authorize the acquisition, possession, cultivation, processing and sale
9 from the licensed premises of the adult-use cooperative by such licensee
10 to duly licensed distributors, on-site consumption sites, and/or retail
11 dispensaries; but not directly to cannabis consumers.

12 2. To be licensed as an adult-use cooperative, the cooperative must:

13 (i) be comprised of residents of the state of New York as a limited
14 liability company or limited liability partnership under the laws of the
15 state, or an appropriate business structure as determined by the execu-
16 tive director;

17 (ii) subordinate capital, both as regards control over the cooperative
18 undertaking, and as regards the ownership of the pecuniary benefits
19 arising therefrom;

20 (iii) be democratically controlled by the members themselves on the
21 basis of one vote per member;

22 (iv) vest in and allocate with priority to and among the members of
23 all increases arising from their cooperative endeavor in proportion to
24 the members' active participation in the cooperative endeavor; and

25 (v) the cooperative must operate according to the seven cooperative
26 principles published by the International Cooperative Alliance in nine-
27 teen hundred ninety-five.

28 3. No natural person shall be a member of more than one adult-use
29 cooperative licensed pursuant to this section.

30 4. No natural person or member of an adult-use cooperative license may
31 have a direct or indirect financial or controlling interest in any other
32 adult-use cannabis license issued pursuant to this chapter.

33 5. No adult-use cannabis cooperative shall have a direct or indirect
34 interest, including by stock ownership, interlocking directors, mortgage
35 or lien, personal or real property, or any other means, in any premises
36 licensed as an adult-use cannabis retail dispensary or in any business
37 licensed as an adult-use cannabis retail dispensary pursuant to this
38 chapter.

39 6. The executive director shall promulgate regulations governing coop-
40 erative licenses, including, but not limited to, the establishment of
41 canopy limits on the size and scope of cooperative licensees, and other
42 measures designed to incentivize the use and licensure of cooperatives.

43 § 71. Adult-use distributor license. 1. A distributor's license shall
44 authorize the acquisition, possession, distribution and sale of cannabis
45 from the licensed premises of a licensed adult-use processor, microbusi-
46 ness or registered organization authorized pursuant to this chapter to
47 sell adult-use cannabis, to duly licensed retail dispensaries.

48 2. No distributor shall have a direct or indirect economic interest in
49 any adult-use retail dispensary licensed pursuant to this article, or in
50 any registered organization registered pursuant to article three of this
51 chapter. This restriction shall not prohibit a registered organization
52 authorized pursuant to section thirty-nine of this chapter, from being
53 granted licensure by the office to distribute adult-use cannabis
54 products cultivated and processed by the registered organization only to
55 the registered organization's own licensed adult-use retail dispensar-
56 ies.

1 3. Nothing in subdivision two of this section shall prevent a distrib-
2 utor from charging an appropriate fee for the distribution of cannabis,
3 including based on the volume of cannabis distributed.

4 § 72. Adult-use retail dispensary license. 1. A retail dispensary
5 license shall authorize the acquisition, possession and sale of cannabis
6 from the licensed premises of the retail dispensary by such licensee to
7 cannabis consumers.

8 2. No person may have a direct or indirect financial or controlling
9 interest in more than three retail dispensary licenses issued pursuant
10 to this chapter.

11 3. No person holding a retail dispensary license may also hold an
12 adult-use cultivation, processor, microbusiness, cooperative or distrib-
13 utor license pursuant to this article.

14 4. No retail license shall be granted for any premises, unless the
15 applicant shall be the owner thereof, or shall be able to demonstrate
16 possession of the premises within thirty days of initial approval of the
17 license through a lease, management agreement or other agreement giving
18 the applicant control over the premises, in writing, for a term not less
19 than the license period.

20 5. With the exception of microbusiness licensees, no premises shall be
21 licensed to sell cannabis products, unless said premises shall be
22 located in a store, the principal entrance to which shall be from the
23 street level and located on a public thoroughfare in premises which may
24 be occupied, operated or conducted for business, trade or industry or on
25 an arcade or sub-surface thoroughfare leading to a railroad terminal.

26 6. No cannabis retail license shall be granted for any premises within
27 two hundred feet of a school grounds as such term is defined in the
28 education law.

29 § 73. Microbusiness license. 1. A microbusiness license shall author-
30 ize the limited cultivation, processing, distribution and dispensing of
31 adult use cannabis and cannabis products.

32 2. A microbusiness licensee may not hold interest in any other license
33 and may only distribute its own cannabis and cannabis products to
34 dispensaries.

35 3. The size and scope of a microbusiness shall be determined by regu-
36 lation by the executive director in consultation with the cannabis advi-
37 sory board.

38 § 74. Notification to municipalities of adult-use retail dispensary.
39 1. Not less than thirty days nor more than two hundred seventy days
40 before filing an application for licensure as an adult-use cannabis
41 retail dispensary, an applicant shall notify the municipality in which
42 the premises is located of such applicant's intent to file such an
43 application.

44 2. Such notification shall be made to the clerk of the village, town
45 or city, as the case may be, wherein the premises is located. For
46 purposes of this section:

47 (a) notification need only be given to the clerk of a village when the
48 premises is located within the boundaries of the village; and

49 (b) in the city of New York, the community board established pursuant
50 to section twenty-eight hundred of the New York city charter with juris-
51 diction over the area in which the premises is located shall be consid-
52 ered the appropriate public body to which notification shall be given.

53 3. Such notification shall be made in such form as shall be prescribed
54 by the rules of the office.

55 4. A municipality may express an opinion for or against the granting
56 of such application. Any such opinion shall be deemed part of the record

1 upon which the office makes its determination to grant or deny the
2 application.

3 5. Such notification shall be made by: (a) certified mail, return
4 receipt requested; (b) overnight delivery service with proof of mailing;
5 or (c) personal service upon the offices of the clerk or community
6 board.

7 6. The office shall require such notification to be on a standardized
8 form that can be obtained on the internet or from the office and such
9 notification to include:

10 (a) the trade name or "doing business as" name, if any, of the estab-
11 lishment;

12 (b) the full name of the applicant;

13 (c) the street address of the establishment, including the floor
14 location or room number, if applicable;

15 (d) the mailing address of the establishment, if different than the
16 street address;

17 (e) the name, address and telephone number of the attorney or repre-
18 sentative of the applicant, if any;

19 (f) a statement indicating whether the application is for:

20 (i) a new establishment;

21 (ii) a transfer of an existing licensed business;

22 (iii) a renewal of an existing license; or

23 (iv) an alteration of an existing licensed premises;

24 (g) if the establishment is a transfer or previously licensed prem-
25 ises, the name of the old establishment and such establishment's regis-
26 tration or license number;

27 (h) in the case of a renewal or alteration application, the registra-
28 tion or license number of the applicant; and

29 (i) the type of license.

30 § 75. On-site consumption license; provisions governing on-site
31 consumption licenses. 1. No licensed adult-use cannabis retail dispen-
32 sary shall be granted a cannabis on-site consumption license for any
33 premises, unless the applicant shall be the owner thereof, or shall be
34 in possession of said premises under a lease, in writing, for a term not
35 less than the license period except, however, that such license may
36 thereafter be renewed without the requirement of a lease as provided in
37 this section. This subdivision shall not apply to premises leased from
38 government agencies; provided, however, that the appropriate administra-
39 tor of such government agency provides some form of written documenta-
40 tion regarding the terms of occupancy under which the applicant is leas-
41 ing said premises from the government agency for presentation to the
42 office at the time of the license application. Such documentation shall
43 include the terms of occupancy between the applicant and the government
44 agency, including, but not limited to, any short-term leasing agreements
45 or written occupancy agreements.

46 2. No adult-use cannabis retail dispensary shall be granted a cannabis
47 on-site consumption license for any premises within two hundred feet of
48 school grounds as such term is defined in the education law.

49 3. The office may consider any or all of the following in determining
50 whether public convenience and advantage and the public interest will be
51 promoted by the granting of a license for an on-site cannabis consump-
52 tion at a particular location:

53 (a) that it is a privilege, and not a right, to cultivate, process,
54 distribute, and sell cannabis;

1 (b) the number, classes, and character of other licenses in proximity
2 to the location and in the particular municipality or subdivision there-
3 of;

4 (c) evidence that all necessary licenses and permits have been
5 obtained from the state and all other governing bodies;

6 (d) whether there is a demonstrated need for spaces to consume canna-
7 bis;

8 (e) effect of the grant of the license on pedestrian or vehicular
9 traffic, and parking, in proximity to the location;

10 (f) the existing noise level at the location and any increase in noise
11 level that would be generated by the proposed premises; and

12 (g) any other factors specified by law or regulation that are relevant
13 to determine that granting a license would promote public convenience
14 and advantage and the public interest of the community.

15 4. If the office shall disapprove an application for an on-site
16 consumption license, it shall state and file in its offices the reasons
17 therefor and shall notify the applicant thereof. Such applicant may
18 thereupon apply to the office for a review of such action in a manner to
19 be prescribed by the rules of the office.

20 5. No adult-use cannabis on-site consumption licensee shall keep upon
21 the licensed premises any adult-use cannabis products except those
22 purchased from a licensed distributor, adult-use cooperative, or micro-
23 business authorized to sell adult-use cannabis, and only in containers
24 approved by the office. Such containers shall have affixed thereto such
25 labels as may be required by the rules of the office. No cannabis
26 retail licensee for on-site consumption shall reuse, refill, tamper
27 with, adulterate, dilute or fortify the contents of any container of
28 cannabis products as received from the manufacturer or distributor.

29 6. No cannabis on-site consumption licensee shall sell, deliver or
30 give away, or cause or permit or procure to be sold, delivered or given
31 away any cannabis for consumption on the premises where sold in a
32 container or package containing more than one gram of cannabis flower or
33 one serving of cannabis infused product.

34 7. Except where a permit to do so is obtained pursuant to section
35 405.10 of the penal law, no cannabis on-site consumption licensee shall
36 suffer, permit, or promote an event on its premises wherein any person
37 shall use, explode, or cause to explode, any fireworks or other pyro-
38 technics in a building as defined in paragraph e of subdivision one of
39 section 405.10 of the penal law, that is covered by such license or
40 possess such fireworks or pyrotechnics for such purpose. In addition to
41 any other penalty provided by law, a violation of this subdivision shall
42 constitute an adequate ground for instituting a proceeding to suspend,
43 cancel, or revoke the license of the violator in accordance with the
44 applicable procedures specified in this chapter; provided however, if
45 more than one licensee is participating in a single event, upon approval
46 by the office, only one licensee must obtain such permit.

47 8. No premises licensed to sell adult-use cannabis for on-site
48 consumption under this chapter shall be permitted to have any opening or
49 means of entrance or passageway for persons or things between the
50 licensed premises and any other room or place in the building containing
51 the licensed premises, or any adjoining or abutting premises, unless
52 ingress and egress is restricted by an employee, agent of the licensee,
53 or other method approved by the office of controlling access to the
54 facility.

55 9. Each cannabis on-site consumption licensee shall keep and maintain
56 upon the licensed premises, adequate records of all transactions involv-

1 ing the business transacted by such licensee which shall show the amount
2 of cannabis products, in an applicable metric measurement, purchased by
3 such licensee together with the names, license numbers and places of
4 business of the persons from whom the same were purchased, the amount
5 involved in such purchases, as well as the sales of cannabis products
6 made by such licensee. The office is hereby authorized to promulgate
7 rules and regulations permitting an on-site licensee operating two or
8 more premises separately licensed to sell cannabis products for on-site
9 consumption to inaugurate or retain in this state methods or practices
10 of centralized accounting, bookkeeping, control records, reporting,
11 billing, invoicing or payment respecting purchases, sales or deliveries
12 of cannabis products, or methods and practices of centralized receipt or
13 storage of cannabis products within this state without segregation or
14 earmarking for any such separately licensed premises, wherever such
15 methods and practices assure the availability, at such licensee's
16 central or main office in this state, of data reasonably needed for the
17 enforcement of this chapter. Such records shall be available for
18 inspection by any authorized representative of the office.

19 10. All retail licensed premises shall be subject to inspection by any
20 peace officer, acting pursuant to his or her special duties, or police
21 officer and by the duly authorized representatives of the office, during
22 the hours when the said premises are open for the transaction of busi-
23 ness.

24 11. A cannabis on-site consumption licensee shall not provide cannabis
25 products to any person under the age of twenty-one.

26 § 76. Record keeping and tracking. 1. The executive director shall, by
27 regulation, require each licensee pursuant to this article to adopt and
28 maintain security, tracking, record keeping, record retention and
29 surveillance systems, relating to all cannabis at every stage of acquir-
30 ing, possession, manufacture, sale, delivery, transporting, testing or
31 distributing by the licensee, subject to regulations of the executive
32 director.

33 2. Every licensee shall keep and maintain upon the licensed premises
34 adequate books and records of all transactions involving the licensee
35 and sale of its products, which shall include, but is not limited to,
36 all information required by any rules promulgated by the office.

37 3. Each sale shall be recorded separately on a numbered invoice, which
38 shall have printed thereon the number, the name of the licensee, the
39 address of the licensed premises, and the current license number.
40 Licensed producers shall deliver to the licensed distributor a true
41 duplicate invoice stating the name and address of the purchaser, the
42 quantity purchased, description and the price of the product, and a
43 true, accurate and complete statement of the terms and conditions on
44 which such sale is made.

45 4. Such books, records and invoices shall be kept for a period of five
46 years and shall be available for inspection by any authorized represen-
47 tative of the office.

48 5. Each adult-use cannabis retail dispensary, microbusiness, and
49 on-site consumption licensee shall keep and maintain upon the licensed
50 premises, adequate records of all transactions involving the business
51 transacted by such licensee which shall show the amount of cannabis, in
52 weight, purchased by such licensee together with the names, license
53 numbers and places of business of the persons from whom the same were
54 purchased, the amount involved in such purchases, as well as the sales
55 of cannabis made by such licensee.

1 § 77. Inspections and ongoing requirements. All licensed or permitted
2 premises, regardless of the type of premises, shall be subject to
3 inspection by the office, by the duly authorized representatives of the
4 office, by any peace officer acting pursuant to his or her special
5 duties, or by a police officer, during the hours when the said premises
6 are open for the transaction of business. The office shall make reason-
7 able accommodations so that ordinary business is not interrupted and
8 safety and security procedures are not compromised by the inspection. A
9 person who holds a license or permit must make himself or herself, or an
10 agent thereof, available and present for any inspection required by the
11 office. Such inspection may include, but is not limited to, ensuring
12 compliance by the licensee or permittee with all other applicable build-
13 ing codes, fire, health, safety, and governmental regulations, including
14 at the municipal, county, and state level.

15 § 78. Adult-use cultivators, processors or distributors not to be
16 interested in retail dispensaries. 1. It shall be unlawful for a culti-
17 vator, processor, cooperative or distributor licensed under this article
18 to:

19 (a) be interested directly or indirectly in any premises where any
20 cannabis product is sold at retail; or in any business devoted wholly or
21 partially to the sale of any cannabis product at retail by stock owner-
22 ship, interlocking directors, mortgage or lien or any personal or real
23 property, or by any other means.

24 (b) make, or cause to be made, any loan to any person engaged in the
25 manufacture or sale of any cannabis product at wholesale or retail.

26 (c) make any gift or render any service of any kind whatsoever,
27 directly or indirectly, to any person licensed under this chapter which
28 in the judgment of the office may tend to influence such licensee to
29 purchase the product of such cultivator or processor or distributor.

30 (d) enter into any contract with any retail licensee whereby such
31 licensee agrees to confine his sales to cannabis products manufactured
32 or sold by one or more such cultivator or processors or distributors.
33 Any such contract shall be void and subject the licenses of all parties
34 concerned to revocation for cause.

35 2. The provisions of this section shall not prohibit a registered
36 organization authorized pursuant to section thirty-nine of this chapter,
37 from cultivating, processing, or selling adult-use cannabis under this
38 article, at facilities wholly owned and operated by such registered
39 organization, subject to any conditions, limitations or restrictions
40 established by the office and this chapter.

41 3. The office shall have the power to create rules and regulations in
42 regard to this section.

43 § 79. Packaging and labeling of adult-use cannabis products. 1. The
44 office is hereby authorized to promulgate rules and regulations govern-
45 ing the advertising, branding, marketing, packaging and labeling of
46 cannabis products, sold or possessed for sale in New York state, includ-
47 ing rules pertaining to the accuracy of information and rules restrict-
48 ing marketing and advertising to youth.

49 2. Such regulations shall include, but not be limited to, requiring
50 that:

51 (a) packaging meets requirements similar to the federal "poison
52 prevention packaging act of 1970," 15 U.S.C. Sec 1471 et seq.;

53 (b) all cannabis-infused products shall have a separate packaging for
54 each serving;

1 (c) prior to delivery or sale at a retailer, cannabis and cannabis
2 products shall be labeled and placed in a resealable, child-resistant
3 package; and

4 (d) packages and labels shall not be made to be attractive to minors.

5 3. Such regulations shall include requiring labels warning consumers
6 of any potential impact on human health resulting from the consumption
7 of cannabis products that shall be affixed to those products when sold,
8 if such labels are deemed warranted by the office.

9 4. Such rules and regulations shall establish methods and procedures
10 for determining serving sizes for cannabis-infused products and active
11 cannabis concentration per serving size. Such regulations shall also
12 require a nutritional fact panel that incorporates data regarding serv-
13 ing sizes and potency thereof.

14 5. The packaging, sale, marketing, branding, advertising, labeling or
15 possession by any licensee of any cannabis product not labeled or
16 offered in conformity with rules and regulations promulgated in accord-
17 ance with this section shall be grounds for the imposition of a fine,
18 and/or the suspension, revocation or cancellation of a license.

19 § 80. Laboratory testing. 1. Every processor of adult-use cannabis
20 shall contract with an independent laboratory permitted pursuant to
21 section one hundred twenty-nine of this chapter, to test the cannabis
22 products it produces pursuant to rules and regulations prescribed by the
23 office. The executive director may assign an approved testing laborato-
24 ry, which the processor of adult-use cannabis must use.

25 2. Adult-use cannabis processors shall make laboratory test reports
26 available to licensed distributors and retail dispensaries for all
27 cannabis products manufactured by the processor.

28 3. Licensed retail dispensaries shall maintain accurate documentation
29 of laboratory test reports for each cannabis product offered for sale to
30 cannabis consumers. Such documentation shall be made publicly available
31 by the licensed retail dispensary.

32 4. Onsite laboratory testing by licensees is permissible; however,
33 such testing shall not be certified by the office and does not exempt
34 the licensee from the requirements of quality assurance testing at a
35 testing laboratory pursuant to this section.

36 5. An owner of a cannabis laboratory testing permit shall not hold a
37 license in any other category within this article and shall not own or
38 have ownership interest in a registered organization registered pursuant
39 to article three of this chapter.

40 6. The office shall have the authority to require any licensee under
41 this article to submit cannabis or cannabis products to one or more
42 independent laboratories for testing.

43 § 81. Provisions governing the cultivation and processing of adult-use
44 cannabis. 1. Cultivation of cannabis must not be visible from a public
45 place by normal unaided vision.

46 2. No cultivator or processor of adult-use cannabis shall sell, or
47 agree to sell or deliver in the state any cannabis products, as the case
48 may be, except in sealed containers containing quantities in accordance
49 with size standards pursuant to rules adopted by the office. Such
50 containers shall have affixed thereto such labels as may be required by
51 the rules of the office.

52 3. No cultivator or processor of adult-use cannabis shall furnish or
53 cause to be furnished to any licensee, any exterior or interior sign,
54 printed, painted, electric or otherwise, except as authorized by the
55 office. The office may make such rules as it deems necessary to carry
56 out the purpose and intent of this subdivision.

1 4. Cultivators of adult-use cannabis shall comply with plant culti-
2 vation regulations, standards, and guidelines issued by the office, in
3 consultation with the department of environmental conservation. Such
4 regulations, standards, and guidelines shall be guided by sustainable
5 farming principles and practices such as organic, regenerative, and
6 integrated pest management models, and shall restrict whenever possible,
7 the use of pesticides, herbicides, and fungicides to those which are
8 botanical and/or biological.

9 5. No cultivator or processor of adult-use cannabis, including an
10 adult-use cannabis cooperative or microbusiness may offer any incentive,
11 payment or other benefit to a licensed cannabis retail dispensary in
12 return for carrying the cultivator, processor, cooperative or microbusi-
13 ness products, or preferential shelf placement.

14 6. All cannabis products shall be processed in accordance with good
15 manufacturing processes, pursuant to Part 111 of Title 21 of the Code of
16 Federal Regulations, as may be modified by the executive director in
17 regulation.

18 7. No processor of adult-use cannabis shall produce any product which,
19 in the discretion of the office, is designed to appeal to anyone under
20 the age of twenty-one years.

21 8. The use or integration of alcohol or nicotine in cannabis products
22 is strictly prohibited.

23 § 82. Provisions governing the distribution of adult-use cannabis. 1.
24 No distributor shall sell, or agree to sell or deliver any cannabis
25 products, as the case may be, in any container, except in a sealed pack-
26 age. Such containers shall have affixed thereto such labels as may be
27 required by the rules of the office.

28 2. No distributor shall deliver any cannabis products, except in vehi-
29 cles owned and operated by such distributor, or hired and operated by
30 such distributor from a trucking or transportation company registered
31 with the office, and shall only make deliveries at the licensed premises
32 of the purchaser.

33 3. Each distributor shall keep and maintain upon the licensed prem-
34 ises, adequate books and records of all transactions involving the busi-
35 ness transacted by such distributor, which shall show the amount of
36 cannabis products purchased by such distributor together with the names,
37 license numbers and places of business of the persons from whom the same
38 was purchased and the amount involved in such purchases, as well as the
39 amount of cannabis products sold by such distributor together with the
40 names, addresses, and license numbers of such purchasers. Each sale
41 shall be recorded separately on a numbered invoice, which shall have
42 printed thereon the number, the name of the licensee, the address of the
43 licensed premises, and the current license number. Such distributor
44 shall deliver to the purchaser a true duplicate invoice stating the name
45 and address of the purchaser, the quantity of cannabis products,
46 description by brands and the price of such cannabis products, and a
47 true, accurate and complete statement of the terms and conditions on
48 which such sale is made. Such books, records and invoices shall be kept
49 for a period of five years and shall be available for inspection by any
50 authorized representative of the office.

51 4. No distributor shall furnish or cause to be furnished to any licen-
52 see, any exterior or interior sign, printed, painted, electric or other-
53 wise, unless authorized by the office.

54 5. No distributor shall provide any discount, rebate or customer
55 loyalty program to any licensed retailer, except as otherwise allowed by
56 the office.

1 6. The executive director is authorized to promulgate regulations
2 establishing a maximum margin for which a distributor may mark up a
3 cannabis product for sale to a retail dispensary. Any adult-use cannabis
4 product sold by a distributor for more than the maximum markup allowed
5 in regulation, shall be unlawful.

6 7. Each distributor shall keep and maintain upon the licensed prem-
7 ises, adequate books and records to demonstrate the distributor's actual
8 cost of doing business, using accounting standards and methods regularly
9 employed in the determination of costs for the purpose of federal income
10 tax reporting, for the total operation of the licensee. Such books,
11 records and invoices shall be kept for a period of five years and shall
12 be available for inspection by any authorized representative of the
13 office for use in determining the maximum markup allowed in regulation
14 pursuant to subdivision six of this section.

15 § 83. Provisions governing adult-use cannabis retail dispensaries. 1.
16 No cannabis retail licensee shall sell, deliver, or give away or cause
17 or permit or procure to be sold, delivered or given away any cannabis to
18 any person, actually or apparently, under the age of twenty-one years.

19 2. No cannabis retail licensee shall sell alcoholic beverages, nor
20 have or possess a license or permit to sell alcoholic beverages, on the
21 same premises where cannabis products are sold.

22 3. No sign of any kind printed, painted or electric, advertising any
23 brand shall be permitted on the exterior or interior of such premises,
24 except by permission of the office.

25 4. No cannabis retail licensee shall sell or deliver any cannabis
26 products to any person with knowledge of, or with reasonable cause to
27 believe, that the person to whom such cannabis products are being sold,
28 has acquired the same for the purpose of selling or giving them away in
29 violation of the provisions of this chapter or in violation of the rules
30 and regulations of the office.

31 5. All premises licensed under this section shall be subject to
32 inspection by any peace officer described in subdivision four of section
33 2.10 of the criminal procedure law acting pursuant to his or her special
34 duties, or police officer or any duly authorized representative of the
35 office, during the hours when the said premises are open for the trans-
36 action of business.

37 6. No cannabis retail licensee shall be interested, directly or indi-
38 rectly, in any cultivator, processor, distributor or microbusiness oper-
39 ator licensed pursuant to this article, by stock ownership, interlocking
40 directors, mortgage or lien on any personal or real property or by any
41 other means. Any lien, mortgage or other interest or estate, however,
42 now held by such retailer on or in the personal or real property of such
43 manufacturer or distributor, which mortgage, lien, interest or estate
44 was acquired on or before December thirty-first, two thousand eighteen,
45 shall not be included within the provisions of this subdivision;
46 provided, however, the burden of establishing the time of the accrual of
47 the interest comprehended by this subdivision, shall be upon the person
48 who claims to be entitled to the protection and exemption afforded here-
49 by.

50 7. No cannabis retail licensee shall make or cause to be made any loan
51 to any person engaged in the cultivation, processing or distribution of
52 cannabis pursuant to this article.

53 8. Each cannabis retail licensee shall designate the price of each
54 item of cannabis by attaching to or otherwise displaying immediately
55 adjacent to each such item displayed in the interior of the licensed

1 premises where sales are made a price tag, sign or placard setting forth
2 the price at which each such item is offered for sale therein.

3 9. No person licensed to sell cannabis products at retail, shall allow
4 or permit any gambling, or offer any gambling on the licensed premises,
5 or allow or permit illicit drug activity on the licensed premises. The
6 use of the licensed premises or any part thereof for the sale of lottery
7 tickets, when duly authorized and lawfully conducted thereon, shall not
8 constitute gambling within the meaning of this subdivision.

9 10. If an employee of a cannabis retail licensee suspects that a
10 cannabis consumer may be abusing cannabis, such an employee shall
11 encourage such cannabis consumer to seek help from a substance use
12 disorder program or harm reduction services. Cannabis retail licensees
13 shall develop standard operating procedures and written materials for
14 employees to utilize when consulting consumers for purposes of this
15 subdivision.

16 11. The executive director is authorized to promulgate regulations
17 governing licensed adult-use dispensing facilities, including but not
18 limited to, the hours of operation, size and location of the licensed
19 facility, potency and types of products offered and establishing a mini-
20 mum margin for which a retail dispensary must markup a cannabis product
21 or products before selling to a cannabis consumer. Any adult-use canna-
22 bis product sold by a retail dispensary for less than the minimum markup
23 allowed in regulation, shall be unlawful.

24 § 84. Adult-use cannabis advertising. 1. The office is hereby author-
25 ized to promulgate rules and regulations governing the advertising and
26 marketing of licensed cannabis and any cannabis products or services.

27 2. The office shall promulgate explicit rules prohibiting advertising
28 that:

- 29 (a) is false, deceptive, or misleading;
- 30 (b) promotes overconsumption;
- 31 (c) depicts consumption by children or other minors;
- 32 (d) is designed in any way to appeal to children or other minors;
- 33 (e) is within two hundred feet of the perimeter of a school grounds,
34 playground, child care center, public park, or library;
- 35 (f) is within two hundred feet of school grounds as such term is
36 defined in section 220.00 of the penal law;
- 37 (g) is in public transit vehicles and stations;
- 38 (h) is in the form of an unsolicited internet pop-up;
- 39 (i) is on publicly owned or operated property; or
- 40 (j) makes medical claims or promotes adult-use cannabis for a medical
41 or wellness purpose.

42 3. The office shall promulgate explicit rules prohibiting all market-
43 ing strategies and implementation including, but not limited to, brand-
44 ing, packaging, labeling, location of cannabis retailers, and advertise-
45 ments that are designed to:

- 46 (a) appeal to persons less than twenty-one years of age; or
- 47 (b) disseminate false or misleading information to customers.

48 4. The office shall promulgate explicit rules requiring that:

- 49 (a) all advertisements and marketing accurately and legibly identify
50 the licensee or other business responsible for its content; and
- 51 (b) any broadcast, cable, radio, print and digital communications
52 advertisements only be placed where the audience is reasonably expected
53 to be twenty-one years of age or older, as determined by reliable,
54 up-to-date audience composition data.

55 § 85. Social and economic equity, minority and women-owned businesses,
56 and disadvantaged farmers; incubator program. 1. The office shall

1 implement a social and economic equity plan and actively promote appli-
2 cants from communities disproportionately impacted by cannabis prohibi-
3 tion, and promote racial, ethnic, and gender diversity when issuing
4 licenses for adult-use cannabis related activities, including by prior-
5 itizing consideration of applications by applicants who are from commu-
6 nities disproportionately impacted by the enforcement of cannabis prohi-
7 bition or who qualify as a minority or women-owned business, or
8 disadvantaged farmers. Such qualifications shall be determined by the
9 office in regulation.

10 2. The office shall create a social and economic equity plan to
11 promote diversity in ownership and employment, and opportunities for
12 social and economic equity in the adult-use cannabis industry and ensure
13 inclusion of:

14 (a) individuals from communities disproportionately impacted by the
15 enforcement of cannabis prohibition;

16 (b) minority-owned businesses;

17 (c) women-owned businesses;

18 (d) minority and women-owned businesses, as defined in paragraph (d)
19 of subdivision five of this section; and

20 (e) disadvantaged farmers, as defined in subdivision five of this
21 section.

22 3. The social and economic equity plan shall consider additional
23 criteria in its licensing determinations. Under the social and economic
24 equity plan, extra weight shall be given to applications that demon-
25 strate that an applicant:

26 (a) is a member of a community disproportionately impacted by the
27 enforcement of cannabis prohibition;

28 (b) has an income lower than eighty percent of the median income of
29 the county in which the applicant resides; and

30 (c) was convicted of a cannabis-related offense prior to the effective
31 date of this chapter, or had a parent, guardian, child, spouse, or
32 dependent, or was a dependent of an individual who, prior to the effec-
33 tive date of this chapter, was convicted of a cannabis-related offense.

34 4. The office shall also create an incubator program to provide direct
35 support to social and economic equity applicants to achieve and upon
36 having been granted licenses. The program shall provide direct support
37 in the form of counseling services, education, small business coaching,
38 and compliance assistance.

39 5. For the purposes of this section, the following definitions shall
40 apply:

41 (a) "minority-owned business" shall mean a business enterprise,
42 including a sole proprietorship, partnership, limited liability company
43 or corporation that is:

44 (i) at least fifty-one percent owned by one or more minority group
45 members;

46 (ii) an enterprise in which such minority ownership is real, substan-
47 tial and continuing;

48 (iii) an enterprise in which such minority ownership has and exercises
49 the authority to control independently the day-to-day business decisions
50 of the enterprise;

51 (iv) an enterprise authorized to do business in this state and inde-
52 pendently owned and operated; and

53 (v) an enterprise that is a small business.

54 (b) "minority group member" shall mean a United States citizen or
55 permanent resident alien who is and can demonstrate membership in one of
56 the following groups:

- 1 (i) black persons having origins in any of the black African racial
2 groups;
- 3 (ii) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban,
4 Central or South American of either Indian or Hispanic origin, regard-
5 less of race;
- 6 (iii) Native American or Alaskan native persons having origins in any
7 of the original peoples of North America; or
- 8 (iv) Asian and Pacific Islander persons having origins in any of the
9 far east countries, south east Asia, the Indian subcontinent or the
10 Pacific islands.
- 11 (c) "women-owned business" shall mean a business enterprise, including
12 a sole proprietorship, partnership, limited liability company or corpo-
13 ration that is:
- 14 (i) at least fifty-one percent owned by one or more United States
15 citizens or permanent resident aliens who are women;
- 16 (ii) an enterprise in which the ownership interest of such women is
17 real, substantial and continuing;
- 18 (iii) an enterprise in which such women ownership has and exercises
19 the authority to control independently the day-to-day business decisions
20 of the enterprise;
- 21 (iv) an enterprise authorized to do business in this state and inde-
22 pendently owned and operated; and
- 23 (v) an enterprise that is a small business.
- 24 (d) a firm owned by a minority group member who is also a woman may be
25 defined as a minority-owned business, a women-owned business, or both.
- 26 (e) "disadvantaged farmer" shall mean a New York state resident or
27 business enterprise, including a sole proprietorship, partnership,
28 limited liability company or corporation, that has reported at least
29 two-thirds of its federal gross income as income from farming, in at
30 least one of the past five preceding tax years, and who:
- 31 (i) farms in a county that has greater than ten percent rate of pover-
32 ty according to the latest U.S. Census Bureau's American Communities
33 Survey;
- 34 (ii) has been disproportionately impacted by low commodity prices or
35 faces the loss of farmland through development or suburban sprawl; and
- 36 (iii) meets any other qualifications as defined in regulation by the
37 office.
- 38 (f) "communities disproportionately impacted" shall mean, but not be
39 limited to, a history of arrests, convictions, and other law enforcement
40 practices in a certain geographic area, such as, but not limited to,
41 precincts, zip codes, neighborhoods, and political subdivisions,
42 reflecting a disparate enforcement of cannabis prohibition during a
43 certain time period, when compared to the rest of the state. The office
44 shall, in consultation with the cannabis advisory board, issue guide-
45 lines to determine how to assess which communities have been dispropor-
46 tionately impacted and how to assess if someone is a member of a commu-
47 nity disproportionately impacted.
- 48 6. The office shall actively promote applicants that foster racial,
49 ethnic, and gender diversity in their workforce.
- 50 7. Licenses issued under the social and economic equity plan shall not
51 be transferable except to qualified social and economic equity appli-
52 cants and only upon prior written approval of the executive director.
- 53 8. The office shall collect demographic data on owners and employees
54 in the adult-use cannabis industry and shall annually publish such data.

1 § 86. Regulations. The executive director shall promulgate regu-
2 lations in consultation with the cannabis advisory board to implement
3 this article.

4 ARTICLE 5
5 HEMP EXTRACT

6 Section 90. Definitions.

- 7 91. Rulemaking authority.
- 8 92. Cannabinoid related hemp extract licensing.
- 9 93. Cannabinoid grower licenses.
- 10 94. Cannabinoid manufacturer license.
- 11 95. Cannabinoid extractor license.
- 12 96. Cannabinoid license applications.
- 13 97. Information to be requested in applications for licenses.
- 14 98. Fees.
- 15 99. Selection criteria.
- 16 100. Limitations of licensure; duration.
- 17 101. License renewal.
- 18 102. Form of license.
- 19 103. Amendments to license and duty to update information
- 20 submitted for licensing.
- 21 104. Record keeping and tracking.
- 22 105. Inspections and ongoing requirements.
- 23 106. Packaging and labeling of hemp extract.
- 24 107. Provisions governing the growing, manufacturing and
- 25 extracting of hemp extract.
- 26 108. Laboratory testing.
- 27 109. Advertising.
- 28 110. Research.
- 29 111. Regulations.
- 30 112. Cannabinoid permit.
- 31 113. New York hemp product.
- 32 114. Penalties and violations of this article.
- 33 115. Hemp workgroup.
- 34 116. Prohibitions.

35 § 90. Definitions. Wherever used in this article unless otherwise
36 expressly stated or unless the context or subject matter requires a
37 different meaning, the following terms shall have the representative
38 meanings hereinafter set forth or indicated:

39 1. "Applicant" means a for-profit entity or not-for-profit corporation
40 and includes board members who submit an application to become a licen-
41 see.

42 2. "Hemp extract" means any product made or derived from industrial
43 hemp, including the seeds thereof and all derivatives whether growing or
44 not, with a delta-9-tetrahydrocannabinol concentration of not more than
45 an amount of the plant Cannabis sativa L. and any part of such plant,
46 including the seeds thereof and all derivatives, extracts, cannabinoids,
47 isomers, acids, salts, and salts of isomers, whether growing or not,
48 with a delta-9-tetrahydrocannabinol concentration of not more than an
49 amount determined by the office in regulation, used or intended for
50 human or animal consumption or use for its cannabinoid content, as
51 determined by the office in regulation. Hemp extract excludes industrial
52 hemp used or intended exclusively for an industrial purpose and those
53 food and/or food ingredients that are generally recognized as safe by
54 the department of agriculture and markets, and shall not be regulated as
55 hemp extract within the meaning of this article.

1 3. "Cannabinoid grower" means a person licensed by the office, and in
2 compliance with this article to acquire, possess, cultivate, and sell
3 hemp extract for its cannabinoid content.

4 4. "Cannabinoid manufacturer" means a person licensed by the office to
5 acquire, possess, and manufacture hemp extract from licensed cannabinoid
6 growers or cannabinoid extractors for the manufacture and sale of hemp
7 extract products marketed for cannabinoid content and used or intended
8 for human or animal consumption or use.

9 5. "Cannabinoid extractor" means a person licensed by the office to
10 acquire, possess, extract and manufacture hemp extract from licensed
11 cannabinoid growers for the manufacture and sale of hemp extract
12 products marketed for cannabinoid content and used or intended for human
13 or animal consumption or use.

14 6. "License" means a license issued pursuant to this article.

15 7. "Industrial hemp" means the plant *Cannabis sativa* L. and any part
16 of such plant, including the seeds thereof and all derivatives,
17 extracts, cannabinoids, isomers, acids, salts, and salts of isomers,
18 whether growing or not, with a delta-9-tetrahydrocannabinol concen-
19 tration of not more than 0.3 percent on a dry weight basis.

20 § 91. Rulemaking authority. 1. The office shall perform such acts,
21 prescribe such forms and propose such rules, regulations and orders as
22 it may deem necessary or proper to fully effectuate the provisions of
23 this article.

24 2. In consultation with the cannabis advisory board and the hemp work-
25 group, the office shall have the power to promulgate any and all neces-
26 sary rules and regulations governing the production, processing, trans-
27 portation, distribution, and sale of hemp extract, including but not
28 limited to the licensing of cannabinoid growers, manufacturers, extrac-
29 tors and retailers, including, but not limited to:

30 (a) prescribing forms and establishing application, reinstatement, and
31 renewal fees;

32 (b) the qualifications and selection criteria for licensing, or
33 permitting;

34 (c) limitations on the number of licenses to be awarded;

35 (d) the books and records to be created and maintained by licensees,
36 and permittees, including the reports to be made thereon to the office,
37 and inspection of any and all books and records maintained by any licen-
38 see, or permittee, and on the premises of any licensee or permittee;

39 (e) methods of producing, processing, and packaging hemp extract;
40 conditions of sanitation, and standards of ingredients, quality, and
41 identity of hemp extract products cultivated, processed, packaged, or
42 sold by licensees; and

43 (f) hearing procedures and additional causes for cancellation, revoca-
44 tion, and/or civil penalties against any person licensed, or permitted
45 by the office.

46 3. The office, in consultation with the department of environmental
47 conservation and the New York state energy research and development
48 agency, shall promulgate necessary rules and regulations governing the
49 safe production of hemp extract, including environmental and energy
50 standards.

51 § 92. Cannabinoid related hemp extract licensing. 1. Persons growing,
52 processing, extracting, and/or manufacturing hemp extract or producing
53 hemp extract products distributed, sold or marketed for cannabinoid
54 content and used or intended for human or animal consumption or use,
55 shall be required to obtain the following license or licenses from the
56 office, depending upon the operation:

- 1 (a) cannabinoid grower license;
- 2 (b) cannabinoid manufacturer license;
- 3 (c) cannabinoid extractor license.

4 2. Notwithstanding subdivision one of this section, those persons
5 growing, processing or manufacturing food or food ingredients from
6 industrial hemp pursuant to article twenty-nine of the agriculture and
7 markets law which food or food ingredients are generally recognized as
8 safe, shall be subject to regulation and/or licensing by the office.

9 § 93. Cannabinoid grower licenses. 1. A cannabinoid grower's license
10 authorizes the acquisition, possession, cultivation and sale of hemp
11 extract grown or used for its cannabinoid content on the licensed prem-
12 ises of the grower.

13 2. A person holding a cannabinoid grower's license shall not sell hemp
14 extract products marketed, distributed or sold for its cannabinoid
15 content and intended for human consumption or use without also being
16 licensed as a manufacturer or extractor pursuant to this article or
17 otherwise permitted pursuant to section ninety-two of this article.

18 3. Persons growing industrial hemp pursuant to article twenty-nine of
19 the agriculture and markets law are not authorized to and shall not sell
20 hemp extract for human or animal consumption or use, other than as food
21 or a food ingredient that has been generally recognized as safe in
22 accordance with the office and determined by the state to be safe for
23 human consumption as food or a food ingredient without also being
24 licensed as a manufacturer or extractor pursuant to this article or
25 otherwise permitted pursuant to section ninety-two of this article.

26 4. A person authorized under article twenty-nine of the agriculture
27 and markets law as an industrial hemp grower may apply for a cannabinoid
28 grower license provided he or she can demonstrate to the office that its
29 cultivation of industrial hemp meets all the requirements for hemp
30 extract cultivated under a cannabinoid grower license.

31 § 94. Cannabinoid manufacturer license. 1. A cannabinoid manufacturer
32 license authorizes the licensee's acquisition, possession, and manufac-
33 ture of hemp extract from a licensed cannabinoid grower or cannabinoid
34 extractor for the processing of hemp extract or the production of hemp
35 extract products marketed, distributed or sold for cannabinoid content
36 and used or intended for human or animal consumption or use.

37 2. Notwithstanding subdivision one of this section, nothing shall
38 prevent a cannabinoid manufacturer from manufacturing industrial hemp
39 products not used or intended for human or animal consumption or use.

40 § 95. Cannabinoid extractor license. 1. A cannabinoid extractor
41 license authorizes the licensee's acquisition, possession, extraction
42 and manufacture of hemp extract from a licensed cannabinoid grower for
43 the processing of hemp extract or the production of hemp extract
44 products marketed, distributed or sold for cannabinoid content and used
45 or intended for human or animal consumption or use.

46 2. No cannabinoid extractor licensee shall engage in any other busi-
47 ness on the licensed premises; except that nothing contained in this
48 article shall prevent a cannabinoid extractor licensee from also being
49 licensed as a cannabinoid grower on the same premises.

50 3. Notwithstanding subdivisions one and two of this section, nothing
51 shall prevent a cannabinoid extractor from manufacturing industrial hemp
52 products not used or intended for human or animal consumption or use.

53 4. A person authorized under article twenty-nine of the agriculture
54 and markets law as an industrial hemp processor shall qualify for a
55 cannabinoid extractor license provided it can demonstrate to the office

1 that its extraction of industrial hemp meets all the requirements for
2 hemp extract under a cannabinoid extractor license.

3 § 96. Cannabinoid license applications. 1. Persons shall apply for a
4 cannabinoid grower license, cannabinoid manufacturer license and/or a
5 cannabinoid extractor license by submitting an application upon a form
6 supplied by the office, providing all the requested information, veri-
7 fied by the applicant or an authorized representative of the applicant.

8 2. A separate license shall be required for each facility at which
9 growing, manufacturing and/or extracting is conducted.

10 3. Each applicant shall remit with its application the fee for each
11 office requested license.

12 § 97. Information to be requested in applications for licenses. 1. The
13 office shall have the authority to prescribe the manner and form in
14 which an application must be submitted to the office for licensure under
15 this article.

16 2. The executive director is authorized to adopt regulations pursuant
17 to the state administrative procedure act establishing information which
18 must be included on an application for licensure under this article.
19 Such information may include, but is not limited to: information about
20 the applicant's identity, including racial and ethnic diversity; infor-
21 mation about prior use of farmland; ownership and investment informa-
22 tion, including the corporate structure; evidence of good moral charac-
23 ter, including the submission of fingerprints by the applicant to the
24 division of criminal justice services; information about the premises to
25 be licensed; financial statements; and any other information prescribed
26 in regulation.

27 3. All license applications shall be signed by the applicant (if an
28 individual), by a managing partner (if a limited liability corporation),
29 by an officer (if a corporation), or by all partners (if a partnership).
30 Each person signing such application shall verify it as true under the
31 penalties of perjury.

32 4. All license or permit applications shall be accompanied by a check,
33 draft or other forms of payment as the office may require or authorize
34 in the amount required by this article for such license or permit.

35 5. If there be any change, after the filing of the application or the
36 granting of a license, in any of the facts required to be set forth in
37 such application, a supplemental statement giving notice of such change,
38 cost and source of money involved in the change, duly verified, shall be
39 filed with the office within ten days after such change. Failure to do
40 so shall, if willful and deliberate, be cause for revocation of the
41 license.

42 6. In giving any notice, or taking any action in reference to a licen-
43 see of a licensed premises, the office may rely upon the information
44 furnished in such application and in any supplemental statement
45 connected therewith, and such information may be presumed to be correct,
46 and shall be binding upon a licensee or licensed premises as if correct.
47 All information required to be furnished in such application or supple-
48 mental statements shall be deemed material in any prosecution for perju-
49 ry, any proceeding to revoke, cancel or suspend any license, and in the
50 office's determination to approve or deny the license.

51 7. The office may, upon documentation therefor, waive the submission
52 of any category of information described in this section for any catego-
53 ry of license or permit, provided that it shall not be permitted to
54 waive the requirement for submission of any such category of information
55 solely for an individual applicant or applicants.

1 § 98. Fees. The office shall have the authority to charge licensees a
2 biennial license fee. Such fee may be based on the amount of hemp
3 extract to be grown, processed, manufactured or extracted by the licen-
4 see, the gross annual receipts of the licensee for the previous license
5 period, or any other factors deemed appropriate by the office.

6 § 99. Selection criteria. 1. An applicant shall furnish evidence:

7 (a) its ability to effectively maintain a delta-9-tetrahydrocannabinol
8 concentration that does not exceed a percentage of delta-9-tetrahydro-
9 cannabinol cannabis set by the executive director on a dry weight basis
10 of combined leaves and flowers of the plant of the genus cannabis, or
11 per volume or weight of cannabis product;

12 (b) its ability to comply with all applicable state laws and regu-
13 lations;

14 (c) that the applicant is ready, willing and able to properly carry on
15 the activities for which a license is sought; and

16 (d) that the applicant is in possession of or has the right to use
17 land, buildings and equipment sufficient to properly carry on the activ-
18 ity described in the application.

19 2. The office, in considering whether to grant the license applica-
20 tion, shall consider whether:

21 (a) it is in the public interest that such license be granted, taking
22 into consideration whether the number of licenses will be adequate or
23 excessive to reasonably serve demand;

24 (b) the applicant and its managing officers are of good moral charac-
25 ter and do not have an ownership or controlling interest in more
26 licenses or permits than allowed by this chapter;

27 (c) preference shall be given to applicants that are currently farming
28 in the state and are eligible or currently receiving an agricultural
29 assessment pursuant to article twenty-five-AA of the agriculture and
30 markets law; and

31 (d) the applicant satisfies any other conditions as determined by the
32 office.

33 3. If the executive director is not satisfied that the applicant
34 should be issued a license, the executive director shall notify the
35 applicant in writing of the specific reason or reasons for denial.

36 4. The executive director shall have authority and sole discretion to
37 determine the number of licenses issued pursuant to this article.

38 § 100. Limitations of licensure; duration. 1. No license pursuant to
39 this article may be issued to a person under the age of eighteen years.

40 2. The office shall have the authority to limit, by canopy, plant
41 count or other means, the amount of hemp extract allowed to be culti-
42 vated, processed, extracted or sold by a licensee.

43 3. All licenses under this article shall expire two years after the
44 date of issue and be subject to any rules or limitations prescribed by
45 the executive director in regulation.

46 § 101. License renewal. 1. Each license, issued pursuant to this arti-
47 cle, may be renewed upon application therefor by the licensee and the
48 payment of the fee for such license as prescribed by this article.

49 2. In the case of applications for renewals, the office may dispense
50 with the requirements of such statements as it deems unnecessary in view
51 of those contained in the application made for the original license, but
52 in any event the submission of photographs of the licensed premises
53 shall be dispensed with, provided the applicant for such renewal shall
54 file a statement with the office to the effect that there has been no
55 alteration of such premises since the original license was issued.

1 3. The office may make such rules as may be necessary, not inconsis-
2 ent with this chapter, regarding applications for renewals of licenses
3 and permits and the time for making the same.

4 4. The office shall provide an application for renewal of a license
5 issued under this article not less than ninety days prior to the expira-
6 tion of the current license.

7 5. The office may only issue a renewal license upon receipt of the
8 prescribed renewal application and renewal fee from a licensee if, in
9 addition to the criteria in section ninety-seven of this article, the
10 licensee's license is not under suspension and has not been revoked.

11 6. The office shall have the authority to charge applicants for licen-
12 sure under this article a non-refundable application fee. Such fee may
13 be based on the type of licensure sought, cultivation and/or production
14 volume, or any other factors deemed reasonable and appropriate by the
15 office to achieve the policy and purpose of this chapter.

16 § 102. Form of license. Licenses issued pursuant to this article shall
17 specify:

18 1. the name and address of the licensee;

19 2. the activities permitted by the license;

20 3. the land, buildings and facilities that may be used for the
21 licensed activities of the licensee;

22 4. a unique license number issued by the department to the licensee;
23 and

24 5. such other information as the executive director shall deem neces-
25 sary to assure compliance with this chapter.

26 § 103. Amendments to license and duty to update information submitted
27 for licensing. 1. Upon application of a licensee to the office, a
28 license may be amended to allow the licensee to relocate within the
29 state, to add or delete licensed activities or facilities, or to amend
30 the ownership or organizational structure of the entity that is the
31 licensee. The fee for such amendment shall be two hundred fifty dollars.

32 2. In the event that any of the information provided by the applicant
33 changes either while the application is pending or after the license is
34 granted, within ten days of any such change, the applicant or licensee
35 shall submit to the office a verified statement setting forth the change
36 in circumstances of facts set forth in the application. Failure to do so
37 shall, if willful and deliberate, be cause for revocation of the
38 license.

39 3. A license shall become void by a change in ownership, substantial
40 corporate change or location without prior written approval of the exec-
41 utive director. The executive director may promulgate regulations
42 allowing for certain types of changes in ownership without the need for
43 prior written approval.

44 4. For purposes of this section, "substantial corporate change" shall
45 mean:

46 (a) for a corporation, a change of eighty percent or more of the offi-
47 cers and/or directors, or a transfer of eighty percent or more of stock
48 of such corporation, or an existing stockholder obtaining eighty percent
49 or more of the stock of such corporation; and

50 (b) for a limited liability company, a change of eighty percent or
51 more of the managing members of the company, or a transfer of eighty
52 percent or more of ownership interest in said company, or an existing
53 member obtaining a cumulative of eighty percent or more of the ownership
54 interest in said company.

55 § 104. Record keeping and tracking. 1. The executive director shall,
56 by regulation, require each licensee pursuant to this article to adopt

1 and maintain security, tracking, record keeping, record retention and
2 surveillance systems, relating to all hemp extract at every stage of
3 acquiring, possession, manufacture, transport, sale, or delivery, or
4 distribution by the licensee, subject to regulations of the executive
5 director.

6 2. Every licensee shall keep and maintain upon the licensed premises,
7 adequate books and records of all transactions involving the licensee
8 and sale of its products, which shall include all information required
9 by rules promulgated by the office.

10 3. Each sale shall be recorded separately on a numbered invoice, which
11 shall have printed thereon the number, the name of the licensee, the
12 address of the licensed premises, and the current license number.

13 4. Such books, records and invoices shall be kept for a period of five
14 years and shall be available for inspection by any authorized represen-
15 tative of the office.

16 § 105. Inspections and ongoing requirements. All licensees shall be
17 subject to reasonable inspection by the office, in consultation with the
18 department of health, and a person who holds a license must make himself
19 or herself, or an agent thereof, available and present for any
20 inspection required by the office. The office shall make reasonable
21 accommodations so that ordinary business is not interrupted and safety
22 and security procedures are not compromised by the inspection.

23 § 106. Packaging and labeling of hemp extract. 1. The office, in
24 consultation with the department of health, is authorized to promulgate
25 rules and regulations governing the packaging and labeling of hemp
26 extract products, sold or possessed for sale in New York state.

27 2. Such regulations shall include, but not be limited to, requiring
28 labels warning consumers of any potential impact on human health result-
29 ing from the consumption of hemp extract products that shall be affixed
30 to those products when sold, if such labels are deemed warranted by the
31 office. No label may state that hemp extract can treat, cure or prevent
32 any disease without approval pursuant to federal law.

33 3. Such rules and regulations shall establish a QR code which may be
34 used in conjunction with similar technology for labels and establish
35 methods and procedures for determining, among other things, serving
36 sizes for hemp extract products, active cannabinoid concentration per
37 serving size, number of servings per container, and the growing region,
38 state or country of origin if not from the United States. Such regu-
39 lations shall also require a supplement fact panel that incorporates
40 data regarding serving sizes and potency thereof.

41 4. The packaging, sale, or possession by any licensee of any hemp
42 product intended for human or animal consumption or use not labeled or
43 offered in conformity with rules and regulations promulgated in accord-
44 ance with this section shall be grounds for the imposition of a fine,
45 and/or the suspension, revocation or cancellation of a license.

46 § 107. Provisions governing the growing, manufacturing and extracting
47 of hemp extract. 1. No licensed cannabinoid grower, manufacturer or
48 extractor shall sell, or agree to sell or deliver in the state any hemp
49 extract products, as the case may be, except in sealed containers
50 containing quantities in accordance with size standards pursuant to
51 rules adopted by the office. Such containers shall have affixed thereto
52 such labels as may be required by the rules of the office.

53 2. Licensed cannabinoid growers shall be prohibited from using pesti-
54 cides.

55 3. All hemp extract products shall be extracted and manufactured in
56 accordance with good manufacturing processes, pursuant to Part 111 or

1 117 of Title 21 of the Code of Federal Regulations as may be modified
2 and decided upon by the executive director in regulation.

3 4. Within thirty days of the effective date of this article, the
4 office shall approve the manufacture, distribution, and sale of beverage
5 es containing no more than twenty milligrams of cannabidiol per twelve
6 ounce beverage. The hemp extract used in such beverages shall be grown,
7 extracted and manufactured in the state of New York. The office shall
8 issue guidance on the label, warning, point of sale, and advertising for
9 such beverages.

10 5. Terpenes derived from the hemp plant are generally recognized as
11 safe.

12 6. Those persons growing, processing or manufacturing food or food
13 ingredients from hemp extracts, which food or food ingredients are
14 generally recognized as safe, shall be subject to regulation and/or
15 licensing under this article.

16 7. Notwithstanding any other provision of law to the contrary,
17 prepackaged beverages that contain hemp or any part of the hemp plant,
18 including the seeds and all naturally occurring cannabinoids, compounds,
19 concentrates, extracts, isolates, terpenes, resins, isomers, acids,
20 salts, salts of isomers or cannabidiol derivatives, are not considered
21 to be adulterated or misbranded under this article based solely on the
22 inclusion of hemp or any part of the hemp plant as long as the amount of
23 cannabidiol is limited to twenty milligrams per serving. The office
24 shall allow cannabidiol in food products and have the power to alter
25 amounts in beverages on the basis of scientific evidence connected with
26 health effects.

27 8. The nonpharmaceutical or nonmedical production, marketing, sale or
28 distribution of beverages, food or food products within the state that
29 contain hemp or any part of the hemp plant may not be restricted or
30 prohibited within the state based solely on the inclusion of hemp or any
31 part of the hemp plant.

32 9. A beverage and/or food producer may not make any claims that a
33 beverage, food or food product that contains hemp can treat, cure or
34 prevent any disease without approval pursuant to federal law.

35 § 108. Laboratory testing. 1. Every cannabinoid manufacturer and
36 cannabinoid extractor shall contract with an independent laboratory to
37 test the hemp extract products produced by the licensed manufacturer or
38 extractor. The executive director, in consultation with the commissioner
39 of health, shall approve the laboratory and require that the laboratory
40 report testing results in a manner determined by the executive director.
41 The executive director is authorized to issue regulations requiring the
42 laboratory to perform certain tests and services.

43 2. Cannabinoid manufacturers and cannabinoid extractors shall make
44 laboratory test reports available to persons holding a cannabinoid
45 permit pursuant to section one hundred twelve of this article for all
46 cannabis products manufactured by the licensee.

47 3. On-site laboratory testing by licensees is permissible; however,
48 such testing shall not be certified by the office and does not exempt
49 the licensee from the requirements of quality assurance testing at a
50 testing laboratory pursuant to this section.

51 § 109. Advertising. The office shall promulgate rules and regulations
52 governing the advertising of hemp extract and any other related products
53 or services as determined by the executive director.

54 § 110. Research. 1. The office shall promote research and development
55 through public-private partnerships to bring new hemp extract and indus-
56 trial hemp derived products to market within the state.

1 2. The executive director may develop and carry out research programs
2 which may include programs at the New York state college of agriculture
3 and life sciences, pursuant to section fifty-seven hundred twelve of the
4 education law and/or New York state university research institutions
5 relating to industrial hemp and hemp extract.

6 § 111. Regulations. The executive director shall in consultation with
7 the cannabis advisory board and the hemp workgroup promulgate regu-
8 lations pursuant to the state administrative procedure act to implement
9 this article.

10 § 112. Cannabinoid permit. The office is hereby authorized to issue
11 cannabinoid permits to retailers, wholesalers, and distributors author-
12 izing them to sell cannabis products derived from hemp extract. The
13 executive director shall have the authority to set fees for such permit,
14 to establish the period during which such permit is authorized, and to
15 make rules and regulations, including emergency regulations, to imple-
16 ment this section.

17 § 113. New York hemp product. The executive director may establish and
18 adopt official grades and standards for hemp extract and hemp extract
19 products as he or she may deem advisable, which are produced for sale in
20 this state and, from time to time, may amend or modify such grades and
21 standards.

22 § 114. Penalties and violations of this article. Notwithstanding the
23 provision of any law to the contrary, the failure to comply with the
24 requirements of this article, the rules and regulations promulgated
25 thereunder, may be punishable by a fine of not more than one thousand
26 dollars for a first violation; not more than five thousand dollars for a
27 second violation; and not more than ten thousand dollars for a third
28 violation and each subsequent violation thereafter.

29 § 115. Hemp workgroup. The executive director shall appoint a New York
30 state industrial hemp and hemp extract workgroup, composed of research-
31 ers, producers, processors, manufacturers and trade associations, to
32 make recommendations for the industrial hemp and hemp extract programs,
33 state and federal policies and policy initiatives, and opportunities for
34 the promotion and marketing of industrial hemp and hemp extract as
35 consistent with federal and state laws, rules and regulations, which
36 workgroup shall continue for such time as the executive director deems
37 appropriate.

38 § 116. Prohibitions. Except as authorized in this article, the manu-
39 facturing of hemp extract for human or animal consumption and the
40 distribution and/or sale thereof is prohibited in this state unless the
41 manufacturer is licensed under this article. Hemp extract and products
42 derived therefrom for human and animal consumption produced outside the
43 state shall not be distributed or sold in this state unless they meet
44 all standards and requirements established for such product manufactured
45 in the state under this article and its rules and regulations as deter-
46 mined by the office.

47 ARTICLE 6
48 GENERAL PROVISIONS

49 Section 125. General prohibitions and restrictions.

50 126. License to be confined to premises licensed; premises for
51 which no license shall be granted; transporting cannabis.

52 127. Protections for the use of cannabis; unlawful discrimi-
53 nations prohibited.

54 128. Registrations and licenses.

1 129. Laboratory testing permits.
2 130. Special use permits.
3 131. Professional and medical record keeping.
4 132. Local opt-out; municipal control and preemption.
5 133. Personal cultivation.
6 134. Executive director to be necessary party to certain
7 proceedings.
8 135. Penalties for violation of this chapter.
9 136. Revocation of registrations, licenses and permits for
10 cause; procedure for revocation or cancellation.
11 137. Lawful actions pursuant to this chapter.
12 138. Review by courts.
13 139. Illicit cannabis.
14 140. Persons forbidden to traffic cannabis; certain officials
15 not to be interested in manufacture or sale of cannabis
16 products.
17 141. Access to criminal history information through the division
18 of criminal justice services.
19 142. Severability.

20 § 125. General prohibitions and restrictions. 1. No person shall
21 cultivate, process, or distribute for sale or sell at wholesale or
22 retail any cannabis, cannabis product, medical cannabis or hemp extract
23 product within the state without obtaining the appropriate registration,
24 license, or permit therefor required by this chapter.
25 2. No registered organization, licensee, or permittee shall sell, or
26 agree to sell or deliver in this state any cannabis or hemp extract for
27 the purposes of resale to any person who is not duly registered,
28 licensed or permitted pursuant to this chapter to sell such product, at
29 wholesale or retail, as the case may be, at the time of such agreement
30 and sale.
31 3. No registered organization, licensee, or permittee shall employ, or
32 permit to be employed, or shall allow to work, on any premises regis-
33 tered or licensed for retail sale hereunder, any person under the age of
34 twenty-one years in any capacity where the duties of such person require
35 or permit such person to sell, dispense or handle cannabis.
36 4. No registered organization, licensee, or permittee shall sell,
37 deliver or give away, or cause, permit or procure to be sold, delivered
38 or given away any cannabis, cannabis product, or medical cannabis on
39 credit; except that a registered organization, licensee or permittee may
40 accept third party credit cards for the sale of any cannabis, cannabis
41 product, or medical cannabis for which it is registered, licensed or
42 permitted to dispense or sell to patients or cannabis consumers. This
43 includes, but is not limited to, any consignment sale of any kind.
44 5. No registered organization, licensee, or permittee shall cease to
45 be operated as a bona fide or legitimate premises within the contem-
46 plation of the registration, license, or permit issued for such prem-
47 ises, as determined within the judgment of the office.
48 6. No registered organization, licensee, or permittee shall refuse,
49 nor any person holding a registration, license, or permit refuse, nor
50 any officer or director of any corporation or organization holding a
51 registration, license, or permit refuse, to appear and/or testify under
52 oath at an inquiry or hearing held by the office, with respect to any
53 matter bearing upon the registration, license, or permit, the conduct of
54 any people at the licensed premises, or bearing upon the character or
55 fitness of such registrant, licensee, or permittee to continue to hold

1 any registration, license, or permit. Nor shall any of the above offer
2 false testimony under oath at such inquiry or hearing.

3 7. No registered organization, licensee, or permittee shall engage,
4 participate in, or aid or abet any violation or provision of this chap-
5 ter, or the rules or regulations of the office.

6 8. The proper conduct of registered, licensed, or permitted premises
7 is essential to the public interest. Failure of a registered organiza-
8 tion, licensee, or permittee to exercise adequate supervision over the
9 registered, licensed, or permitted location poses a substantial risk not
10 only to the objectives of this chapter but imperils the health, safety,
11 and welfare of the people of this state. It shall be the obligation of
12 each person registered, licensed, or permitted under this chapter to
13 ensure that a high degree of supervision is exercised over any and all
14 conduct at any registered, licensed, or permitted location at any and
15 all times in order to safeguard against abuses of the privilege of being
16 registered, licensed, or permitted, as well as other violations of law,
17 statute, rule, or regulation. Persons registered, licensed, or permitted
18 shall be held strictly accountable for any and all violations that occur
19 upon any registered, licensed, or permitted premises, and for any and
20 all violations committed by or permitted by any manager, agent or
21 employee of such registered, licensed, or permitted person.

22 9. It shall be unlawful for any person, partnership or corporation
23 operating a place for profit or pecuniary gain, with a capacity for the
24 assemblage of twenty or more persons to permit a person or persons to
25 come to the place of assembly for the purpose of cultivating, process-
26 ing, distributing, or retail distribution or sale of cannabis on said
27 premises. This includes, but is not limited, to, cannabis that is either
28 provided by the operator of the place of assembly, his agents, servants
29 or employees, or cannabis that is brought onto said premises by the
30 person or persons assembling at such place, unless an appropriate regis-
31 tration, license, or permit has first been obtained from the office of
32 cannabis management by the operator of said place of assembly.

33 10. As it is a privilege under the law to be registered, licensed, or
34 permitted to cultivate, process, distribute, or sell cannabis, the
35 office may impose any such further restrictions upon any registrant,
36 licensee, or permittee in particular instances as it deems necessary to
37 further state policy and best serve the public interest. A violation or
38 failure of any person registered, licensed, or permitted to comply with
39 any condition, stipulation, or agreement, upon which any registration,
40 license, or permit was issued or renewed by the office shall subject the
41 registrant, licensee, or permittee to suspension, cancellation, revoca-
42 tion, and/or civil penalties as determined by the office.

43 11. No adult-use cannabis or medical cannabis may be imported to, or
44 exported out of, New York state by a registered organization, licensee
45 or person holding a license and/or permit pursuant to this chapter,
46 until such time as it may become legal to do so under federal law.
47 Should it become legal to do so under federal law, the office is granted
48 the power to promulgate such rules and regulations as it deems necessary
49 to protect the public and the policy of the state.

50 12. No registered organization, licensee or any of its agents, serv-
51 ants or employees shall sell any cannabis product, or medical cannabis
52 from house to house by means of a truck or otherwise, where the sale is
53 consummated and delivery made concurrently at the residence or place of
54 business of a cannabis consumer. This subdivision shall not prohibit the
55 delivery by a registered organization to certified patients or their
56 designated caregivers, pursuant to article three of this chapter.

1 13. No licensee shall employ any canvasser or solicitor for the
2 purpose of receiving an order from a certified patient, designated care-
3 giver or cannabis consumer for any cannabis product, or medical cannabis
4 at the residence or place of business of such patient, caregiver or
5 consumer, nor shall any licensee receive or accept any order, for the
6 sale of any cannabis product, or medical cannabis which shall be solici-
7 ted at the residence or place of business of a patient, caregiver or
8 consumer. This subdivision shall not prohibit the solicitation by a
9 distributor of an order from any licensee at the licensed premises of
10 such licensee.

11 § 126. License to be confined to premises licensed; premises for which
12 no license shall be granted; transporting cannabis. 1. A registration,
13 license, or permit issued to any person, pursuant to this chapter, for
14 any registered, licensed, or permitted premises shall not be transfera-
15 ble to any other person, to any other location or premises, or to any
16 other building or part of the building containing the licensed premises
17 except in the discretion of the office. All privileges granted by any
18 registration, license, or permit shall be available only to the person
19 therein specified, and only for the premises licensed and no other
20 except if authorized by the office. Provided, however, that the
21 provisions of this section shall not be deemed to prohibit the amendment
22 of a registration or license as provided for in this chapter. A
23 violation of this section shall subject the registration, license, or
24 permit to revocation for cause.

25 2. Where a registration or license for premises has been revoked, the
26 office in its discretion may refuse to issue a registration, license, or
27 permit under this chapter, for a period of up to five years after such
28 revocation, for such premises or for any part of the building containing
29 such premises and connected therewith.

30 3. In determining whether to issue such a proscription against grant-
31 ing any registration, license, or permit for such five-year period, in
32 addition to any other factors deemed relevant to the office, the office
33 shall, in the case of a license revoked due to the illegal sale of
34 cannabis to a minor, determine whether the proposed subsequent licensee
35 has obtained such premises through an arm's length transaction, and, if
36 such transaction is not found to be an arm's length transaction, the
37 office shall deny the issuance of such license.

38 4. For purposes of this section, "arm's length transaction" shall mean
39 a sale of a fee of all undivided interests in real property, lease,
40 management agreement, or other agreement giving the applicant control
41 over the cannabis at the premises, or any part thereof, in the open
42 market, between an informed and willing buyer and seller where neither
43 is under any compulsion to participate in the transaction, unaffected by
44 any unusual conditions indicating a reasonable possibility that the sale
45 was made for the purpose of permitting the original licensee to avoid
46 the effect of the revocation. The following sales shall be presumed not
47 to be arm's length transactions unless adequate documentation is
48 provided demonstrating that the sale, lease, management agreement, or
49 other agreement giving the applicant control over the cannabis at the
50 premises, was not conducted, in whole or in part, for the purpose of
51 permitting the original licensee to avoid the effect of the revocation:

- 52 (a) a sale between relatives;
53 (b) a sale between related companies or partners in a business; or
54 (c) a sale, lease, management agreement, or other agreement giving the
55 applicant control over the cannabis at the premises, affected by other
56 facts or circumstances that would indicate that the sale, lease, manage-

1 ment agreement, or other agreement giving the applicant control over the
2 cannabis at the premises, is entered into for the primary purpose of
3 permitting the original licensee to avoid the effect of the revocation.

4 5. No registered organization, licensee or permittee shall transport
5 cannabis products or medical cannabis except in vehicles owned and oper-
6 ated by such registered organization, licensee or permittee, or hired
7 and operated by such registered organization, licensee or permittee from
8 a trucking or transportation company permitted and registered with the
9 office.

10 6. No common carrier or person operating a transportation facility in
11 this state, other than the United States government, shall receive for
12 transportation or delivery within the state any cannabis products or
13 medical cannabis unless the shipment is accompanied by copy of a bill of
14 lading, or other document, showing the name and address of the consig-
15 nor, the name and address of the consignee, the date of the shipment,
16 and the quantity and kind of cannabis products or medical cannabis
17 contained therein.

18 § 127. Protections for the use of cannabis; unlawful discriminations
19 prohibited. 1. No person, registered organization, licensee or permit-
20 tee, employees, or their agents shall be subject to arrest, prosecution,
21 or penalty in any manner, or denied any right or privilege, including
22 but not limited to civil liability or disciplinary action by a business
23 or occupational or professional licensing board or office, solely for
24 conduct permitted under this chapter. For the avoidance of doubt, the
25 appellate division of the supreme court of the state of New York, and
26 any disciplinary or character and fitness committees established by them
27 are occupational and professional licensing boards within the meaning of
28 this section. State or local law enforcement agencies shall not cooper-
29 ate with or provide assistance to the government of the United States or
30 any agency thereof in enforcing the federal controlled substances act
31 solely for actions consistent with this chapter, except as pursuant to a
32 valid court order.

33 2. No school or landlord may refuse to enroll or lease to and may not
34 otherwise penalize a person solely for conduct allowed under this chap-
35 ter, except as exempted:

36 (a) if failing to do so would cause the school or landlord to lose a
37 monetary or licensing related benefit under federal law or regulations;

38 (b) if the institution has adopted a code of conduct prohibiting
39 cannabis use on the basis of religious belief; or

40 (c) if a property is registered with the New York smoke-free housing
41 registry, it is not required to permit the smoking of cannabis products
42 on its premises.

43 3. For the purposes of medical care, including organ transplants, a
44 certified patient's authorized use of medical cannabis must be consid-
45 ered the equivalent of the use of any other medication under the direc-
46 tion of a practitioner and does not constitute the use of an illicit
47 substance or otherwise disqualify a registered qualifying patient from
48 medical care.

49 4. It is the public policy of the state of New York to prohibit
50 employers from discriminating against employees for legal activities
51 occurring outside of the workplace. Nothing in this section shall inter-
52 fere with an employer's obligation to provide a safe and healthy work
53 place, free from recognized hazards, as required by state and federal
54 occupation safety and health law or require an employer to commit any
55 act that would cause the employer to be in violation of any other feder-

1 al law, or that would result in the loss of a federal contract or feder-
2 al funding.

3 5. For the purposes of this section, an employer may consider an
4 employee's ability to perform the employee's job responsibilities to be
5 impaired when the employee manifests specific articulable symptoms while
6 working that decrease or lessen the employee's performance of the duties
7 or tasks of the employee's job position.

8 6. Nothing in this section shall restrict an employer's ability to
9 prohibit or take adverse employment action for the possession or use of
10 intoxicating substances during work hours, or require an employer to
11 commit any act that would cause the employer to be in violation of
12 federal law, or that would result in the loss of a federal contract or
13 federal funding.

14 7. As used in this section, "adverse employment action" means refusing
15 to hire or employ, barring or discharging from employment, requiring a
16 person to retire from employment, or discriminating against in compen-
17 sation or in terms, conditions, or privileges of employment.

18 8. A person currently under parole, probation or other state super-
19 vision, or released on bail awaiting trial may not be punished or other-
20 wise penalized for conduct allowed under this chapter.

21 9. No person may be denied custody of or visitation or parenting time
22 with a minor, and there is no presumption of neglect or child endanger-
23 ment for conduct allowed under section 222.05 of the penal law, unless
24 the person's behavior creates an unreasonable danger to the safety of
25 the minor as established by clear and convincing evidence. For the
26 purposes of this section, an "unreasonable danger" determination cannot
27 be based solely on whether, when, and how often a person uses cannabis
28 without separate evidence of harm.

29 § 128. Registrations and licenses. 1. No registration or license
30 shall be transferable or assignable except that notwithstanding any
31 other provision of law, the registration or license of a sole proprietor
32 converting to corporate form, where such proprietor becomes the sole
33 stockholder and only officer and director of such new corporation, may
34 be transferred to the subject corporation if all requirements of this
35 chapter remain the same with respect to such registration or license as
36 transferred and, further, the registered organization or licensee shall
37 transmit to the office, within ten days of the transfer of license
38 allowable under this subdivision, on a form prescribed by the office,
39 notification of the transfer of such license.

40 2. No registration or license shall be pledged or deposited as collat-
41 eral security for any loan or upon any other condition; and any such
42 pledge or deposit, and any contract providing therefor, shall be void.

43 3. Licenses issued under this chapter shall contain, in addition to
44 any further information or material to be prescribed by the rules of the
45 office, the following information:

46 (a) name of the person to whom the license is issued;

47 (b) type of license and what type of cannabis commerce is thereby
48 permitted;

49 (c) description by street and number, or otherwise, of licensed prem-
50 ises; and

51 (d) a statement in substance that such license shall not be deemed a
52 property or vested right, and that it may be revoked at any time pursu-
53 ant to law.

54 § 129. Laboratory testing permits. 1. The executive director shall
55 approve and permit one or more independent cannabis testing laboratories
56 to test medical cannabis, adult-use cannabis and/or hemp extract.

1 2. To be permitted as an independent cannabis laboratory, a laboratory
2 must apply to the office, on a form and in a manner prescribed by the
3 office, and must demonstrate the following to the satisfaction of the
4 executive director:

5 (a) the owners and directors of the laboratory are of good moral char-
6 acter;

7 (b) the laboratory and its staff has the skills, resources and exper-
8 tise needed to accurately and consistently perform all of the testing
9 required for adult-use cannabis, medical cannabis and/or hemp extract;

10 (c) the laboratory has in place and will maintain adequate policies,
11 procedures, and facility security to ensure proper: collection, label-
12 ing, accessioning, preparation, analysis, result reporting, disposal and
13 storage of adult-use cannabis, and/or medical cannabis;

14 (d) the laboratory is physically located in New York state;

15 (e) the laboratory has been approved by the department of health
16 pursuant to Part 55-2 of Title 10 of the New York Codes, Rules and Regu-
17 lations, pertaining to laboratories performing environmental analysis;
18 and

19 (f) the laboratory meets any and all requirements prescribed by this
20 chapter and by the executive director in regulation.

21 3. The owner of a laboratory testing permit under this section shall
22 not hold a registration or license in any category of this chapter and
23 shall not have any direct or indirect ownership interest in such regis-
24 tered organization or licensee. No board member, officer, manager,
25 owner, partner, principal stakeholder or member of a registered organ-
26 ization or licensee under this chapter, or such person's immediate fami-
27 ly member, shall have an interest or voting rights in any laboratory
28 testing permittee.

29 4. The executive director shall require that the permitted laboratory
30 report testing results to the office in a manner, form and timeframe as
31 determined by the executive director.

32 5. The executive director is authorized to promulgate regulations,
33 requiring permitted laboratories to perform certain tests and services.

34 6. A laboratory granted a laboratory testing permit under this chapter
35 shall not be required to be licensed by the federal drug enforcement agen-
36 cy.

37 § 130. Special use permits. The office is hereby authorized to issue
38 the following kinds of permits for carrying on activities consistent
39 with the policy and purpose of this chapter with respect to cannabis.
40 The executive director has the authority to set fees for all permits
41 issued pursuant to this section, to establish the periods during which
42 permits are authorized, and to make rules and regulations, including
43 emergency regulations, to implement this section.

44 1. Industrial cannabis permit - to purchase cannabis from one of the
45 entities licensed by the office for use in the manufacture and sale of
46 any of the following, when such cannabis is not otherwise suitable for
47 consumption purposes, namely: (a) apparel, energy, paper, and tools;
48 (b) scientific, chemical, mechanical and industrial products; or (c) any
49 other industrial use as determined by the executive director in regu-
50 lation.

51 2. Trucking permit - to allow for the trucking or transportation of
52 cannabis products, or medical cannabis by a person other than a regis-
53 tered organization or licensee under this chapter.

54 3. Warehouse permit - to allow for the storage of cannabis, cannabis
55 products, or medical cannabis at a location not otherwise registered or
56 licensed by the office.

1 4. Cannabinoid permit - to sell cannabinoid products for off-premises
2 consumption.

3 5. Temporary retail cannabis permit - to authorize the retail sale of
4 adult-use cannabis to cannabis consumers, for a limited purpose or dura-
5 tion.

6 6. Caterer's permit - to authorize the service of cannabis products at
7 a function, occasion or event in a hotel, restaurant, club, ballroom or
8 other premises, which shall authorize within the hours fixed by the
9 office, during which cannabis may lawfully be sold or served on the
10 premises in which such function, occasion or event is held.

11 7. Packaging permit - to authorize a licensed cannabis distributor to
12 sort, package, label and bundle cannabis products from one or more
13 registered organizations or licensed processors, on the premises of the
14 licensed cannabis distributor or at a warehouse for which a permit has
15 been issued under this section.

16 8. Miscellaneous permits - to purchase, receive or sell cannabis,
17 cannabis products or medical cannabis, or receipts, certificates,
18 contracts or other documents pertaining to cannabis, cannabis products,
19 or medical cannabis, in cases not expressly provided for by this chap-
20 ter, when in the judgment of the office it would be appropriate and
21 consistent with the policy and purpose of this chapter.

22 § 131. Professional and medical record keeping. Any professional
23 providing services in connection with a licensed or potentially licensed
24 business under this chapter, or in connection with other conduct permit-
25 ted under this chapter, and any medical professional providing medical
26 care to a patient, other than a certified patient, may agree with their
27 client or patient to maintain no record, or any reduced level of record
28 keeping that professional and client or patient may agree. In case of
29 such agreement, the professional's only obligation shall be to keep such
30 records as agreed, and to keep a record of the agreement. Such reduced
31 record keeping is conduct permitted under this chapter.

32 § 132. Local opt-out; municipal control and preemption. 1. The
33 provisions of article four of this chapter, authorizing the cultivation,
34 processing, distribution and sale of adult-use cannabis to cannabis
35 consumers, shall not be applicable to a town, city or village which,
36 after a mandatory referendum held pursuant to section twenty-three of
37 the municipal home rule law, adopts a local law to prohibit the estab-
38 lishment or operation of one or more types of licenses contained in
39 article four of this chapter, within the jurisdiction of the town, city
40 or village. Provided, however, that any town law shall apply to the area
41 of the town outside of any village within such town.

42 2. Except as provided for in subdivision one of this section, all
43 county, town, city and village governing bodies are hereby preempted
44 from adopting any rule, ordinance, regulation or prohibition pertaining
45 to the operation or licensure of registered organizations, adult-use
46 cannabis licenses or hemp licenses. However, municipalities may pass
47 local laws and ordinances governing the time, place and manner of
48 licensed adult-use cannabis retail dispensaries, provided such ordinance
49 or regulation does not make the operation of such licensed retail
50 dispensaries unreasonably impracticable as determined by the executive
51 director in consultation with the cannabis advisory board.

52 § 133. Personal cultivation. 1. Notwithstanding any provision of law
53 to the contrary, a person over the age of twenty-one shall be able to
54 plant, cultivate, harvest, dry or process cannabis for personal use
55 subject to the following restrictions:

1 (a) all cultivation and processing shall be done in accordance with
2 local ordinances; and

3 (b) the living plants and any cannabis produced by the plants in
4 excess of three ounces must be kept within the person's private resi-
5 dence, or upon the grounds of that private residence (e.g., in an
6 outdoor garden area), in a locked space, and not visible by normal
7 unaided vision from a public place; and

8 (c) not more than six living plants may be planted, cultivated,
9 harvested, dried or processed within a single private residence, or upon
10 the grounds of that private residence, at one time.

11 2. A town, city or village may enact and enforce regulations to
12 reasonably regulate the actions and conduct under this section. Regu-
13 lations may not completely prohibit persons engaging in conduct made
14 lawful under subdivision one of this section.

15 3. A violation of subdivision one of this section is a misdemeanor,
16 punishable under section 222.10 of the penal law and subject to a local
17 fine of not more than one hundred dollars.

18 § 134. Executive director to be necessary party to certain
19 proceedings. The executive director shall be made a party to all
20 actions and proceedings affecting in any manner the ability of a regis-
21 tered organization or licensee to operate within a municipality, or the
22 result of any vote thereupon; to all actions and proceedings relative to
23 issuance or revocation of registrations, licenses or permits; to all
24 injunction proceedings, and to all other civil actions or proceedings
25 which in any manner affect the enjoyment of the privileges or the opera-
26 tion of the restrictions provided for in this chapter.

27 § 135. Penalties for violation of this chapter. 1. Any person who
28 cultivates for sale or sells cannabis, cannabis products, or medical
29 cannabis without having an appropriate registration, license or permit
30 therefor, or whose registration, license, or permit has been revoked,
31 surrendered or cancelled, shall be subject to conviction as provided by
32 article two hundred twenty-two of the penal law.

33 2. Any registered organization or licensee, whose registration or
34 license has been suspended pursuant to the provisions of this chapter,
35 who sells cannabis, cannabis products, medical cannabis or hemp extract
36 during the suspension period, shall be subject to conviction as provided
37 by article two hundred twenty-two of the penal law, and upon conviction
38 thereof shall be punished by a fine of not more than five thousand
39 dollars per instance.

40 3. Any person who shall make any false statement in the application
41 for a registration, license or a permit under this chapter shall be
42 subject to a fine of not more than five thousand dollars.

43 4. Any violation by any person of any provision of this chapter for
44 which no punishment or penalty is otherwise provided shall be a misde-
45 meanor.

46 5. Any person under the age of twenty-one found to be in possession of
47 cannabis or cannabis products that is not a patient registered pursuant
48 to article three of this chapter shall be in violation of this chapter
49 and shall be subject to the following penalty:

50 (a) (i) The person shall be subject to a fine of not more than twen-
51 ty-five dollars. The fine shall be payable to the office of cannabis
52 management.

53 (ii) Any identifying information provided by the enforcement agency
54 for the purpose of facilitating payment of the fine shall not be shared
55 or disclosed under any circumstances with any other agency or law
56 enforcement division.

1 (b) The person shall, upon payment of the required fine, be provided
2 with information related to the dangers of underage use of cannabis and
3 information related to cannabis use disorder by the office of cannabis
4 management.

5 (c) The issuance and subsequent payment of such fine shall in no way
6 qualify as a criminal accusation, admission of guilt, or a criminal
7 conviction and shall in no way operate as a disqualification of any such
8 person from holding public office, attaining public employment, or as a
9 forfeiture of any right or privilege.

10 6. Cannabis recovered from individuals who are found to be in
11 violation of this chapter shall be considered a nuisance and shall be
12 disposed of or destroyed.

13 § 136. Revocation of registrations, licenses and permits for cause;
14 procedure for revocation or cancellation. 1. Any registration, license
15 or permit issued pursuant to this chapter may be revoked, cancelled,
16 suspended and/or subjected to the imposition of a civil penalty for
17 cause, and must be revoked for the following causes:

18 (a) conviction of the registered organization, licensee, permittee or
19 his or her agent or employee for selling any illegal cannabis on the
20 premises registered, licensed or permitted; or

21 (b) for transferring, assigning or hypothecating a registration,
22 license or permit without prior written approval of the office.

23 2. Notwithstanding the issuance of a registration, license or permit
24 by way of renewal, the office may revoke, cancel or suspend such regis-
25 tration, license or permit and/or may impose a civil penalty against any
26 holder of such registration, license or permit, as prescribed by this
27 section, for causes or violations occurring during the license period
28 immediately preceding the issuance of such registration, license or
29 permit.

30 3. (a) As used in this section, the term "for cause" shall also
31 include the existence of a sustained and continuing pattern of miscon-
32 duct, failure to adequately prevent diversion or disorder on or about
33 the registered, licensed or permitted premises, or in the area in front
34 of or adjacent to the registered or licensed premises, or in any parking
35 lot provided by the registered organization or licensee for use by
36 registered organization or licensee's patrons, which, in the judgment of
37 the office, adversely affects or tends to affect the protection, health,
38 welfare, safety, or repose of the inhabitants of the area in which the
39 registered or licensed premises is located, or results in the licensed
40 premises becoming a focal point for police attention, or is offensive to
41 public decency.

42 (b) (i) As used in this section, the term "for cause" shall also
43 include deliberately misleading the authority:

44 (A) as to the nature and character of the business to be operated by
45 the registered organization, licensee or permittee; or

46 (B) by substantially altering the nature or character of such business
47 during the registration or licensing period without seeking appropriate
48 approvals from the office.

49 (ii) As used in this subdivision, the term "substantially altering the
50 nature or character" of such business shall mean any significant alter-
51 ation in the scope of business activities conducted by a registered
52 organization, licensee or permittee that would require obtaining an
53 alternate form of registration, license or permit.

54 4. As used in this chapter, the existence of a sustained and continu-
55 ing pattern of misconduct, failure to adequately prevent diversion or
56 disorder on or about the premises may be presumed upon the sixth inci-

1 dent reported to the office by a law enforcement agency, or discovered
2 by the office during the course of any investigation, of misconduct,
3 diversion or disorder on or about the premises or related to the opera-
4 tion of the premises, absent clear and convincing evidence of either
5 fraudulent intent on the part of any complainant or a factual error with
6 respect to the content of any report concerning such complaint relied
7 upon by the office.

8 5. Notwithstanding any other provision of this chapter to the contra-
9 ry, a suspension imposed under this section against the holder of a
10 registration issued pursuant to article three of this chapter, shall
11 only suspend the licensed activities related to the type of cannabis,
12 medical cannabis or adult-use cannabis involved in the violation result-
13 ing in the suspension.

14 6. Any registration, license or permit issued by the office pursuant
15 to this chapter may be revoked, cancelled or suspended and/or be
16 subjected to the imposition of a monetary penalty in the manner
17 prescribed by this section and by the executive director in regulation.

18 7. The office may on its own initiative, or on complaint of any
19 person, institute proceedings to revoke, cancel or suspend any adult-use
20 cannabis retail dispensary license or adult-use cannabis on-site
21 consumption license and may impose a civil penalty against the licensee
22 after a hearing at which the licensee shall be given an opportunity to
23 be heard. Such hearing shall be held in such manner and upon such notice
24 as may be prescribed in regulation by the executive director.

25 8. All other registrations, licenses or permits issued under this
26 chapter may be revoked, cancelled, suspended and/or made subject to the
27 imposition of a civil penalty by the office after a hearing to be held
28 in such manner and upon such notice as may be prescribed in regulation
29 by the executive director.

30 9. Where a licensee or permittee is convicted of two or more qualify-
31 ing offenses within a five-year period, the office, upon receipt of
32 notification of such second or subsequent conviction, shall, in addition
33 to any other sanction or civil or criminal penalty imposed pursuant to
34 this chapter, impose on such licensee a civil penalty not to exceed ten
35 thousand dollars. For purposes of this subdivision, a qualifying
36 offense shall mean the unlawful sale of cannabis to a person under the
37 age of twenty-one. For purposes of this subdivision, a conviction of a
38 licensee or an employee or agent of such licensee shall constitute a
39 conviction of such licensee.

40 § 137. Lawful actions pursuant to this chapter. 1. Contracts related
41 to the operation of registered organizations, licenses and permits under
42 this chapter shall be lawful and shall not be deemed unenforceable on
43 the basis that the actions permitted pursuant to the registration,
44 license or permit are prohibited by federal law.

45 2. The following actions are not unlawful as provided under this chap-
46 ter, shall not be an offense under any state or local law, and shall not
47 result in any civil fine, seizure, or forfeiture of assets, or be the
48 basis for detention or search against any person acting in accordance
49 with this chapter:

50 (a) Actions of a registered organization, licensee, or permittee, or
51 the employees or agents of such registered organization, licensee or
52 permittee, as permitted by this chapter and consistent with rules and
53 regulations of the office, pursuant to a valid registration, license or
54 permit issued by the office.

55 (b) Actions of those who allow property to be used by a registered
56 organization, licensee, or permittee, or the employees or agents of such

1 registered organization, licensee or permittee, as permitted by this
2 chapter and consistent with rules and regulations of the office, pursu-
3 ant to a valid registration, license or permit issued by the office.

4 (c) Actions of any person or entity, their employees, or their agents
5 providing a service to a registered organization, licensee, permittee or
6 a potential registered organization, licensee, or permittee, as permit-
7 ted by this chapter and consistent with rules and regulations of the
8 office, relating to the formation of a business.

9 (d) The purchase, possession, or consumption of cannabis, and medical
10 cannabis, as permitted by law, and consistent with rules and regulations
11 of the office.

12 § 138. Review by courts. 1. The following actions by the office, and
13 only the following actions by the office, shall be subject to review by
14 the supreme court in the manner provided in article seventy-eight of the
15 civil practice law and rules:

16 (a) Refusal by the office to issue a registration, license, or a
17 permit.

18 (b) The revocation, cancellation or suspension of a registration,
19 license, or permit by the office.

20 (c) The failure or refusal by the office to render a decision upon any
21 application or hearing submitted to or held by the office within sixty
22 days after such submission or hearing.

23 (d) The transfer by the office of a registration, license, or permit
24 to any other entity or premises, or the failure or refusal by the office
25 to approve such a transfer.

26 (e) Refusal to approve alteration of premises.

27 (f) Refusal to approve a corporate change in stockholders, stockhold-
28 ings, officers or directors.

29 2. No stay shall be granted pending the determination of such matter
30 except on notice to the office and only for a period of less than thirty
31 days. In no instance shall a stay be granted where the office has issued
32 a summary suspension of a registration, license, or permit for the
33 protection of the public health, safety, and welfare.

34 § 139. Illicit cannabis. 1. "Illicit cannabis" means and includes any
35 cannabis product, or medical cannabis owned, cultivated, distributed,
36 bought, sold, packaged, rectified, blended, treated, fortified, mixed,
37 processed, warehoused, possessed or transported, or on which any tax
38 required to have been paid under any applicable state law has not been
39 paid.

40 2. Any person who shall knowingly possess or have under his or her
41 control any cannabis known by the person to be illicit cannabis is guilt-
42 ty of a misdemeanor.

43 3. Any person who shall knowingly barter or exchange with, or sell,
44 give or offer to sell or to give another any cannabis known by the
45 person to be illicit cannabis is guilty of a misdemeanor.

46 4. Any person who shall possess or have under his or her control or
47 transport any cannabis known by the person to be illicit cannabis with
48 intent to barter or exchange with, or to sell or give to another the
49 same or any part thereof is guilty of a misdemeanor. Such intent is
50 presumptively established by proof that the person knowingly possessed
51 or had under his or her control one or more ounces of illicit cannabis.
52 This presumption may be rebutted.

53 5. Any person who, being the owner, lessee, or occupant of any room,
54 shed, tenement, booth or building, float or vessel, or part thereof,
55 knowingly permits the same to be used for the cultivation, processing,

1 distribution, purchase, sale, warehousing, transportation, or storage of
2 any illicit cannabis, is guilty of a misdemeanor.

3 § 140. Persons forbidden to traffic cannabis; certain officials not to
4 be interested in manufacture or sale of cannabis products. 1. The
5 following are forbidden to traffic in cannabis:

6 (a) An individual who has been convicted of an offense related to the
7 functions or duties of owning and operating a business within three
8 years of the application date, except that if the office determines that
9 the owner or licensee is otherwise suitable to be issued a license, and
10 granting the license would not compromise public safety, the office
11 shall conduct a thorough review of the nature of the crime, conviction,
12 circumstances and evidence of rehabilitation of the owner, and shall
13 evaluate the suitability of the owner or licensee to be issued a license
14 based on the evidence found through the review. In determining which
15 offenses are substantially related to the functions or duties of owning
16 and operating a business, the office shall include, but not be limited
17 to, the following:

18 (i) a felony conviction involving fraud, money laundering, forgery and
19 other unlawful conduct related to owning and operating a business; and

20 (ii) a felony conviction for hiring, employing, or using a minor in
21 transporting, carrying, selling, giving away, preparing for sale, or
22 peddling, any controlled substance to a minor; or selling, offering to
23 sell, furnishing, offering to furnish, administering, or giving any
24 controlled substance to a minor.

25 (b) A person under the age of twenty-one years;

26 (c) A person who is not a citizen of the United States or an alien
27 lawfully admitted for permanent residence in the United States;

28 (d) A partnership or a corporation, unless each member of the partner-
29 ship, or each of the principal officers and directors of the corpo-
30 ration, is a citizen of the United States or an alien lawfully admitted
31 for permanent residence in the United States, not less than twenty-one
32 years of age; provided however that a corporation which otherwise
33 conforms to the requirements of this section and chapter may be licensed
34 if each of its principal officers and more than one-half of its direc-
35 tors are citizens of the United States or aliens lawfully admitted for
36 permanent residence in the United States; and provided further that a
37 corporation organized under the not-for-profit corporation law or the
38 education law which otherwise conforms to the requirements of this
39 section and chapter may be licensed if each of its principal officers
40 and directors are not less than twenty-one years of age; and provided,
41 further, that a corporation organized under the not-for-profit corpo-
42 ration law or the education law and located on the premises of a college
43 as defined by section two of the education law which otherwise conforms
44 to the requirements of this section and chapter may be licensed if each
45 of its principal officers and each of its directors are not less than
46 twenty-one years of age;

47 (e) A person who shall have had any registration or license issued
48 under this chapter revoked for cause, until the expiration of two years
49 from the date of such revocation;

50 (f) A person not registered or licensed under the provisions of this
51 chapter, who has been convicted of a violation of this chapter, until
52 the expiration of two years from the date of such conviction; or

53 (g) A corporation or partnership, if any officer and director or any
54 partner, while not licensed under the provisions of this chapter, has
55 been convicted of a violation of this chapter, or has had a registration

1 or license issued under this chapter revoked for cause, until the expi-
2 ration of two years from the date of such conviction or revocation.

3 2. Except as may otherwise be provided for in regulation, it shall be
4 unlawful for any police commissioner, police inspector, captain,
5 sergeant, roundsman, patrolman or other police official or subordinate
6 of any police department in the state, to be either directly or indi-
7 rectly interested in the cultivation, processing, distribution, or sale
8 of cannabis products or to offer for sale, or recommend to any regis-
9 tered organization or licensee any cannabis products. A person may not
10 be denied any registration or license granted under the provisions of
11 this chapter solely on the grounds of being the spouse of a public serv-
12 ant described in this section. The solicitation or recommendation made
13 to any registered organization or licensee, to purchase any cannabis
14 products by any police official or subordinate as hereinabove described,
15 shall be presumptive evidence of the interest of such official or subor-
16 dinate in the cultivation, processing, distribution, or sale of cannabis
17 products.

18 3. No elective village officer shall be subject to the limitations set
19 forth in subdivision two of this section unless such elective village
20 officer shall be assigned duties directly relating to the operation or
21 management of the police department.

22 § 141. Access to criminal history information through the division of
23 criminal justice services. In connection with the administration of
24 this chapter, the executive director is authorized to request, receive
25 and review criminal history information through the division of criminal
26 justice services with respect to any person seeking a registration,
27 license, permit or authorization to cultivate, process, distribute or
28 sell medical cannabis, adult use cannabis or hemp extract. At the execu-
29 tive director's request, each person, member, principal and/or officer
30 of the applicant shall submit to the office his or her fingerprints in
31 such form and in such manner as specified by the division, for the
32 purpose of conducting a criminal history search and returning a report
33 thereon in accordance with the procedures and requirements established
34 by the division pursuant to the provisions of article thirty-five of the
35 executive law, which shall include the payment of the prescribed proc-
36 essing fees for the cost of the division's full search and retain proce-
37 dures and a national criminal history record check. The executive direc-
38 tor, or his or her designee, shall submit such fingerprints and the
39 processing fee to the division. The division shall forward to the execu-
40 tive director a report with respect to the applicant's previous criminal
41 history, if any, or a statement that the applicant has no previous crim-
42 inal history according to its files. Fingerprints submitted to the divi-
43 sion pursuant to this subdivision may also be submitted to the federal
44 bureau of investigation for a national criminal history record check. If
45 additional copies of fingerprints are required, the applicant shall
46 furnish them upon request.

47 § 142. Severability. If any provision of this chapter or application
48 thereof to any person or circumstances is held invalid, such invalidity
49 shall not affect other provisions or applications of this chapter that
50 can be given effect without the invalid provision or application, and to
51 this end the provisions of this chapter are declared severable.

52 § 3. Section 3302 of the public health law, as added by chapter 878 of
53 the laws of 1972, subdivisions 1, 14, 16, 17 and 27 as amended and
54 subdivisions 4, 5, 6, 7, 8, 11, 12, 13, 15, 18, 19, 20, 21, 22, 23, 24,
55 25, 26, 28, 29 and 30 as renumbered by chapter 537 of the laws of 1998,
56 subdivisions 9 and 10 as amended and subdivisions 34, 35, 36, 37, 38, 39

1 and 40 as added by chapter 178 of the laws of 2010, paragraph (a) of
2 subdivision 20, the opening paragraph of subdivision 22 and subdivision
3 29 as amended by chapter 163 of the laws of 1973, subdivision 31 as
4 amended by section 4 of part A of chapter 58 of the laws of 2004, subdi-
5 vision 41 as added by section 6 of part A of chapter 447 of the laws of
6 2012, and subdivisions 42 and 43 as added by section 13 of part D of
7 chapter 60 of the laws of 2014, is amended to read as follows:

8 § 3302. Definitions of terms of general use in this article. Except
9 where different meanings are expressly specified in subsequent
10 provisions of this article, the following terms have the following mean-
11 ings:

12 1. "Addict" means a person who habitually uses a controlled substance
13 for a non-legitimate or unlawful use, and who by reason of such use is
14 dependent thereon.

15 2. "Administer" means the direct application of a controlled
16 substance, whether by injection, inhalation, ingestion, or any other
17 means, to the body of a patient or research subject.

18 3. "Agent" means an authorized person who acts on behalf of or at the
19 direction of a manufacturer, distributor, or dispenser. No person may be
20 authorized to so act if under title VIII of the education law such
21 person would not be permitted to engage in such conduct. It does not
22 include a common or contract carrier, public warehouseman, or employee
23 of the carrier or warehouseman when acting in the usual and lawful
24 course of the carrier's or warehouseman's business.

25 4. [~~"Concentrated Cannabis" means~~
26 ~~(a) the separated resin, whether crude or purified, obtained from a~~
27 ~~plant of the genus Cannabis; or~~
28 ~~(b) a material, preparation, mixture, compound or other substance~~
29 ~~which contains more than two and one-half percent by weight of delta-9~~
30 ~~tetrahydrocannabinol, or its isomer, delta-8 dibenzopyran numbering~~
31 ~~system, or delta-1 tetrahydrocannabinol or its isomer, delta 1-(6) mono-~~
32 ~~terpene numbering system.~~

33 5.] "Controlled substance" means a substance or substances listed in
34 section thirty-three hundred six of this [~~chapter~~] title.

35 [~~6-~~] 5. "Commissioner" means commissioner of health of the state of
36 New York.

37 [~~7-~~] 6. "Deliver" or "delivery" means the actual, constructive or
38 attempted transfer from one person to another of a controlled substance,
39 whether or not there is an agency relationship.

40 [~~8-~~] 7. "Department" means the department of health of the state of
41 New York.

42 [~~9-~~] 8. "Dispense" means to deliver a controlled substance to an ulti-
43 mate user or research subject by lawful means, including by means of the
44 internet, and includes the packaging, labeling, or compounding necessary
45 to prepare the substance for such delivery.

46 [~~10-~~] 9. "Distribute" means to deliver a controlled substance, includ-
47 ing by means of the internet, other than by administering or dispensing.

48 [~~11-~~] 10. "Distributor" means a person who distributes a controlled
49 substance.

50 [~~12-~~] 11. "Diversion" means manufacture, possession, delivery or use
51 of a controlled substance by a person or in a manner not specifically
52 authorized by law.

53 [~~13-~~] 12. "Drug" means

54 (a) substances recognized as drugs in the official United States Phar-
55 macopoeia, official Homeopathic Pharmacopoeia of the United States, or
56 official National Formulary, or any supplement to any of them;

1 (b) substances intended for use in the diagnosis, cure, mitigation,
2 treatment, or prevention of disease in man or animals; and

3 (c) substances (other than food) intended to affect the structure or a
4 function of the body of man or animal. It does not include devices or
5 their components, parts, or accessories.

6 [~~14.~~] 13. "Federal agency" means the Drug Enforcement Administration,
7 United States Department of Justice, or its successor agency.

8 [~~15.~~] 14. "Federal controlled substances act" means the Comprehensive
9 Drug Abuse Prevention and Control Act of 1970, Public Law 91-513, and
10 any act or acts amendatory or supplemental thereto or regulations
11 promulgated thereunder.

12 [~~16.~~] 15. "Federal registration number" means such number assigned by
13 the Federal agency to any person authorized to manufacture, distribute,
14 sell, dispense or administer controlled substances.

15 [~~17.~~] 16. "Habitual user" means any person who is, or by reason of
16 repeated use of any controlled substance for non-legitimate or unlawful
17 use is in danger of becoming, dependent upon such substance.

18 [~~18.~~] 17. "Institutional dispenser" means a hospital, veterinary
19 hospital, clinic, dispensary, maternity home, nursing home, mental
20 hospital or similar facility approved and certified by the department as
21 authorized to obtain controlled substances by distribution and to
22 dispense and administer such substances pursuant to the order of a prac-
23 titioner.

24 [~~19.~~] 18. "License" means a written authorization issued by the
25 department or the New York state department of education permitting
26 persons to engage in a specified activity with respect to controlled
27 substances.

28 [~~20.~~] 19. "Manufacture" means the production, preparation, propa-
29 gation, compounding, cultivation, conversion or processing of a
30 controlled substance, either directly or indirectly or by extraction
31 from substances of natural origin, or independently by means of chemical
32 synthesis, or by a combination of extraction and chemical synthesis, and
33 includes any packaging or repackaging of the substance or labeling or
34 relabeling of its container, except that this term does not include the
35 preparation, compounding, packaging or labeling of a controlled
36 substance:

37 (a) by a practitioner as an incident to his administering or dispens-
38 ing of a controlled substance in the course of his professional prac-
39 tice; or

40 (b) by a practitioner, or by his authorized agent under his super-
41 vision, for the purpose of, or as an incident to, research, teaching, or
42 chemical analysis and not for sale; or

43 (c) by a pharmacist as an incident to his dispensing of a controlled
44 substance in the course of his professional practice.

45 [~~21. "Marihuana" means all parts of the plant of the genus Cannabis,
46 whether growing or not, the seeds thereof, the resin extracted from any
47 part of the plant, and every compound, manufacture, salt, derivative,
48 mixture, or preparation of the plant, its seeds or resin. It does not
49 include the mature stalks of the plant, fiber produced from the stalks,
50 oil or cake made from the seeds of the plant, any other compound, manu-
51 facture, salt, derivative, mixture, or preparation of the mature stalks
52 (except the resin extracted therefrom), fiber, oil, or cake, or the
53 sterilized seed of the plant which is incapable of germination.~~

54 ~~22.]~~ 20. "Narcotic drug" means any of the following, whether produced
55 directly or indirectly by extraction from substances of vegetable

1 origin, or independently by means of chemical synthesis, or by a combi-
2 nation of extraction and chemical synthesis:

3 (a) opium and opiate, and any salt, compound, derivative, or prepara-
4 tion of opium or opiate;

5 (b) any salt, compound, isomer, derivative, or preparation thereof
6 which is chemically equivalent or identical with any of the substances
7 referred to in [~~subdivision~~] paragraph (a) of this subdivision, but not
8 including the isoquinoline alkaloids of opium;

9 (c) opium poppy and poppy straw.

10 [~~23-~~] 21. "Opiate" means any substance having an addiction-forming or
11 addiction-sustaining liability similar to morphine or being capable of
12 conversion into a drug having addiction-forming or addiction-sustaining
13 liability. It does not include, unless specifically designated as
14 controlled under section [~~3306~~] thirty-three hundred six of this [~~arti-~~
15 ~~cle~~] title, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and
16 its salts (dextromethorphan). It does include its racemic and levorota-
17 tory forms.

18 [~~24-~~] 22. "Opium poppy" means the plant of the species *Papaver*
19 *somniferum* L., except its seeds.

20 [~~25-~~] 23. "Person" means individual, institution, corporation, govern-
21 ment or governmental subdivision or agency, business trust, estate,
22 trust, partnership or association, or any other legal entity.

23 [~~26-~~] 24. "Pharmacist" means any person licensed by the state depart-
24 ment of education to practice pharmacy.

25 [~~27-~~] 25. "Pharmacy" means any place registered as such by the New
26 York state board of pharmacy and registered with the Federal agency
27 pursuant to the federal controlled substances act.

28 [~~28-~~] 26. "Poppy straw" means all parts, except the seeds, of the
29 opium poppy, after mowing.

30 [~~29-~~] 27. "Practitioner" means:

31 A physician, dentist, podiatrist, veterinarian, scientific investi-
32 gator, or other person licensed, or otherwise permitted to dispense,
33 administer or conduct research with respect to a controlled substance in
34 the course of a licensed professional practice or research licensed
35 pursuant to this article. Such person shall be deemed a "practitioner"
36 only as to such substances, or conduct relating to such substances, as
37 is permitted by his license, permit or otherwise permitted by law.

38 [~~30-~~] 28. "Prescribe" means a direction or authorization, by
39 prescription, permitting an ultimate user lawfully to obtain controlled
40 substances from any person authorized by law to dispense such
41 substances.

42 [~~31-~~] 29. "Prescription" shall mean an official New York state
43 prescription, an electronic prescription, an oral prescription[~~7~~] or
44 out-of-state prescription[~~7~~, ~~or any one~~].

45 [~~32-~~] 30. "Sell" means to sell, exchange, give or dispose of to anoth-
46 er, or offer or agree to do the same.

47 [~~33-~~] 31. "Ultimate user" means a person who lawfully obtains and
48 possesses a controlled substance for his own use or the use by a member
49 of his household or for an animal owned by him or in his custody. It
50 shall also mean and include a person designated, by a practitioner on a
51 prescription, to obtain such substance on behalf of the patient for whom
52 such substance is intended.

53 [~~34-~~] 32. "Internet" means collectively computer and telecommuni-
54 cations facilities which comprise the worldwide network of networks that
55 employ a set of industry standards and protocols, or any predecessor or
56 successor protocol to such protocol, to exchange information of all

1 kinds. "Internet," as used in this article, also includes other
2 networks, whether private or public, used to transmit information by
3 electronic means.

4 [~~35-~~] 33. "By means of the internet" means any sale, delivery,
5 distribution, or dispensing of a controlled substance that uses the
6 internet, is initiated by use of the internet or causes the internet to
7 be used.

8 [~~36-~~] 34. "Online dispenser" means a practitioner, pharmacy, or person
9 in the United States that sells, delivers or dispenses, or offers to
10 sell, deliver, or dispense, a controlled substance by means of the
11 internet.

12 [~~37-~~] 35. "Electronic prescription" means a prescription issued with
13 an electronic signature and transmitted by electronic means in accord-
14 ance with regulations of the commissioner and the commissioner of educa-
15 tion and consistent with federal requirements. A prescription generated
16 on an electronic system that is printed out or transmitted via facsimile
17 is not considered an electronic prescription and must be manually
18 signed.

19 [~~38-~~] 36. "Electronic" means of or relating to technology having elec-
20 trical, digital, magnetic, wireless, optical, electromagnetic or similar
21 capabilities. "Electronic" shall not include facsimile.

22 [~~39-~~] 37. "Electronic record" means a paperless record that is
23 created, generated, transmitted, communicated, received or stored by
24 means of electronic equipment and includes the preservation, retrieval,
25 use and disposition in accordance with regulations of the commissioner
26 and the commissioner of education and in compliance with federal law and
27 regulations.

28 [~~40-~~] 38. "Electronic signature" means an electronic sound, symbol, or
29 process, attached to or logically associated with an electronic record
30 and executed or adopted by a person with the intent to sign the record,
31 in accordance with regulations of the commissioner and the commissioner
32 of education.

33 [~~41-~~] 39. "Registry" or "prescription monitoring program registry"
34 means the prescription monitoring program registry established pursuant
35 to section thirty-three hundred forty-three-a of this article.

36 [~~42-~~] 40. "Compounding" means the combining, admixing, mixing, dilut-
37 ing, pooling, reconstituting, or otherwise altering of a drug or bulk
38 drug substance to create a drug with respect to an outsourcing facility
39 under section 503B of the federal Food, Drug and Cosmetic Act and
40 further defined in this section.

41 [~~43-~~] 41. "Outsourcing facility" means a facility that:

42 (a) is engaged in the compounding of sterile drugs as defined in
43 section sixty-eight hundred two of the education law;

44 (b) is currently registered as an outsourcing facility pursuant to
45 article one hundred thirty-seven of the education law; and

46 (c) complies with all applicable requirements of federal and state
47 law, including the Federal Food, Drug and Cosmetic Act.

48 Notwithstanding any other provision of law to the contrary, when an
49 outsourcing facility distributes or dispenses any drug to any person
50 pursuant to a prescription, such outsourcing facility shall be deemed to
51 be providing pharmacy services and shall be subject to all laws, rules
52 and regulations governing pharmacies and pharmacy services.

53 § 4. Paragraphs 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25,
54 26, 27, 28, 29, 30, 31 and 32 of subdivision (d) of schedule I of
55 section 3306 of the public health law, paragraphs 13, 14, 15, 16, 17,
56 18, 19, 20, 21, 22, 23 and 24 as added by chapter 664 of the laws of

1 1985, paragraphs 25, 26, 27, 28, 29 and 30 as added by chapter 589 of
2 the laws of 1996 and paragraphs 31 and 32 as added by chapter 457 of the
3 laws of 2006, are amended to read as follows:

4 (13) [~~Marihuana-~~

5 ~~(14)] Mescaline.~~

6 [~~(15)] (14) Parahexyl. Some trade or other names: 3-Hexyl-1-hydroxy-
7 7,8,9,10-tetra hydro-6,6,9-trimethyl-6H-dibenfo{b,d} pyran.~~

8 [~~(16)] (15) Peyote. Meaning all parts of the plant presently classi-
9 fied botanically as Lophophora williamsii Lemaire, whether growing or
10 not, the seeds thereof, any extract from any part of such plant, and
11 every compound, manufacture, salts, derivative, mixture, or preparation
12 of such plant, its seeds or extracts.~~

13 [~~(17)] (16) N-ethyl-3-piperidyl benzilate.~~

14 [~~(18)] (17) N-methyl-3-piperidyl benzilate.~~

15 [~~(19)] (18) Psilocybin.~~

16 [~~(20)] (19) Psilocyn.~~

17 [~~(21)] (20) Tetrahydrocannabinols. Synthetic tetrahydrocannabinols not
18 derived from the cannabis plant that are equivalents of the substances
19 contained in the plant, or in the resinous extractives of cannabis, sp.
20 and/or synthetic substances, derivatives, and their isomers with similar
21 chemical structure and pharmacological activity such as the following:~~

22 [~~Δ] delta 1 cis or trans tetrahydrocannabinol, and their optical
23 isomers~~

24 [~~Δ] delta 6 cis or trans tetrahydrocannabinol, and their optical
25 isomers~~

26 [~~Δ] delta 3, 4 cis or trans tetrahydrocannabinol, and its optical
27 isomers (since nomenclature of these substances is not internationally
28 standardized, compounds of these structures, regardless of numerical
29 designation of atomic positions covered).~~

30 [~~(22)] (21) Ethylamine analog of phencyclidine. Some trade or other
31 names: N-ethyl-1-phenylcyclohexylamine, (1-phenylcyclohexyl) ethyla-
32 mine, N-(1-phenylcyclohexyl) ethylamine cyclohexamine, PCE.~~

33 [~~(23)] (22) Pyrrolidine analog of phencyclidine. Some trade or other
34 names 1-(1-phenylcyclohexyl)-pyrrolidine; PCPy, PHP.~~

35 [~~(24)] (23) Thiophene analog of phencyclidine. Some trade or other
36 names: 1-{1-(2-thienyl)-cyclohexyl}-piperidine, 2-thienylanalog of
37 phencyclidine, TPCP, TCP.~~

38 [~~(25)] (24) 3,4-methylenedioxyamphetamine (MDMA).~~

39 [~~(26)] (25) 3,4-methylenedioxy-N-ethylamphetamine (also known as
40 N-ethyl-alpha-methyl-3,4 (methylenedioxy) phenethylamine, N-ethyl MDA,
41 MDE, MDEA.~~

42 [~~(27)] (26) N-hydroxy-3,4-methylenedioxyamphetamine (also known as
43 N-hydroxy-alpha-methyl-3,4 (methylenedioxy) phenethylamine, and
44 N-hydroxy MDA.~~

45 [~~(28)] (27) 1-{1-(2-thienyl) cyclohexyl} pyrrolidine. Some other
46 names: TCPY.~~

47 [~~(29)] (28) Alpha-ethyltryptamine. Some trade or other names:
48 etryptamine; Monase; Alpha-ethyl-1H-indole-3-ethanamine;
49 3-(2-aminobutyl) indole; Alpha-ET or AET.~~

50 [~~(30)] (29) 2,5-dimethoxy-4-ethylamphetamine. Some trade or other
51 names: DOET.~~

52 [~~(31)] (30) 4-Bromo-2,5-dimethoxyphenethylamine. Some trade or other
53 names: 2-(4-bromo-2,5-dimethoxyphenyl)-1-aminoethane; alpha-desmethyl
54 DOB; 2C-B, Nexus.~~

55 [~~(32)] (31) 2,5-dimethoxy-4-(n)-propylthiophenethylamine (2C-T-7), its
56 optical isomers, salts and salts of isomers.~~

1 § 5. Section 3382 of the public health law is REPEALED.

2 § 6. Title 5-A of article 33 of the public health law is REPEALED.

3 § 7. Paragraph (d) of subdivision 3, subdivision 3-a and paragraphs
4 (a) and (b) of subdivision 11 of section 1311 of the civil practice law
5 and rules, paragraph (d) of subdivision 3 and subdivision 3-a as added
6 by chapter 655 of the laws of 1990 and paragraphs (a) and (b) of subdivi-
7 sion 11 as amended by section 47 of part A1 of chapter 56 of the laws
8 of 2010, are amended to read as follows:

9 (d) In a forfeiture action commenced by a claiming authority against a
10 defendant, the following rebuttable presumption shall apply: all curren-
11 cy or negotiable instruments payable to the bearer shall be presumed to
12 be the proceeds of a pre-conviction forfeiture crime when such currency
13 or negotiable instruments are (i) found in close proximity to a
14 controlled substance unlawfully possessed by the defendant in an amount
15 sufficient to constitute a violation of section 220.18 or 220.21 of the
16 penal law, or (ii) found in close proximity to any quantity of a
17 controlled substance [~~or marijuana~~] unlawfully possessed by such defend-
18 ant in a room, other than a public place, under circumstances evincing
19 an intent to unlawfully mix, compound, distribute, package or otherwise
20 prepare for sale such controlled substance [~~or marijuana~~].

21 3-a. Conviction of a person in a criminal action upon an accusatory
22 instrument which includes one or more of the felonies specified in
23 subdivision four-b of section thirteen hundred ten of this article, of
24 any felony other than such felonies, shall not preclude a defendant, in
25 any subsequent proceeding under this article where that conviction is at
26 issue, from adducing evidence that the conduct underlying the conviction
27 would not establish the elements of any of the felonies specified in
28 such subdivision other than the one to which the criminal defendant pled
29 guilty. If the defendant does adduce such evidence, the burden shall be
30 upon the claiming authority to prove, by clear and convincing evidence,
31 that the conduct underlying the criminal conviction would establish the
32 elements of the felony specified in such subdivision. Nothing contained
33 in this subdivision shall affect the validity of a settlement of any
34 forfeiture action negotiated between the claiming authority and a crimi-
35 nal defendant contemporaneously with the taking of a plea of guilty in a
36 criminal action to any felony defined in article two hundred twenty [~~or~~
37 ~~section 221.30 or 221.55~~] of the penal law, or to a felony conspiracy to
38 commit the same.

39 (a) Any stipulation or settlement agreement between the parties to a
40 forfeiture action shall be filed with the clerk of the court in which
41 the forfeiture action is pending. No stipulation or settlement agreement
42 shall be accepted for filing unless it is accompanied by an affidavit
43 from the claiming authority that written notice of the stipulation or
44 settlement agreement, including the terms of such, has been given to the
45 office of victim services, the state division of criminal justice
46 services[~~, and in the case of a forfeiture based on a felony defined in~~
47 ~~article two hundred twenty or section 221.30 or 221.55 of the penal law,~~
48 ~~to the state division of substance abuse services~~].

49 (b) No judgment or order of forfeiture shall be accepted for filing
50 unless it is accompanied by an affidavit from the claiming authority
51 that written notice of judgment or order, including the terms of such,
52 has been given to the office of victim services, the state division of
53 criminal justice services[~~, and in the case of a forfeiture based on a~~
54 ~~felony defined in article two hundred twenty or section 221.30 or 221.55~~
55 ~~of the penal law, to the state division of substance abuse services~~].

1 § 8. Subdivision 1 of section 3397-b of the public health law, as
2 added by chapter 810 of the laws of 1980, is amended to read as follows:

3 1. [~~"Marijuana"~~] "Cannabis" means [~~marijuana~~] cannabis as defined in
4 [~~section thirty-three hundred two of this chapter~~] subdivision six of
5 section 220.00 of the penal law and shall also include tetrahydrocanna-
6 binols or a chemical derivative of tetrahydrocannabinol.

7 § 9. Section 114-a of the vehicle and traffic law, as added by chapter
8 163 of the laws of 1973, is amended to read as follows:

9 § 114-a. Drug. The term "drug" when used in this chapter, means and
10 includes any substance listed in section thirty-three hundred six of the
11 public health law and any substance or combination of substances that
12 impair physical and mental abilities.

13 § 10. Subdivisions 5, 6 and 9 of section 220.00 of the penal law,
14 subdivision 5 as amended by chapter 537 of the laws of 1998, subdivision
15 6 as amended by chapter 1051 of the laws of 1973 and subdivision 9 as
16 amended by chapter 664 of the laws of 1985, are amended and two new
17 subdivisions 21 and 22 are added to read as follows:

18 5. "Controlled substance" means any substance listed in schedule I,
19 II, III, IV or V of section thirty-three hundred six of the public
20 health law other than [~~marihuana~~] cannabis, but including concentrated
21 cannabis as defined in [~~paragraph (a) of subdivision four of section~~
22 ~~thirty-three hundred two of such law~~] subdivision twenty-one of this
23 section.

24 6. [~~"Marihuana"~~] "Cannabis" means [~~"marihuana" or "concentrated canna-~~
25 ~~bis" as those terms are defined in section thirty-three hundred two of~~
26 ~~the public health law~~] all parts of the plant of the genus Cannabis,
27 whether growing or not; the seeds thereof; the resin extracted from any
28 part of the plant; and every compound, manufacture, salt, derivative,
29 mixture, or preparation of the plant, its seeds or resin. It does not
30 include the mature stalks of the plant, fiber produced from the stalks,
31 oil or cake made from the seeds of the plant, any other compound, manu-
32 facture, salt, derivative, mixture, or preparation of the mature stalks
33 (except the resin extracted therefrom), fiber, oil, or cake, or the
34 sterilized seed of the plant which is incapable of germination. It does
35 not include all parts of the plant Cannabis sativa L., whether growing
36 or not, having no more than three-tenths of one percent tetrahydrocanna-
37 binol (THC).

38 9. "Hallucinogen" means any controlled substance listed in [~~schedule~~
39 ~~I(d)~~] paragraphs (5), [~~(18), (19), (20), (21) and (22)~~] (17), (18),
40 (19), (20) and (21) of subdivision (d) of schedule I of section thirty-
41 three hundred six of the public health law.

42 21. "Concentrated cannabis" means:

43 (a) the separated resin, whether crude or purified, obtained from a
44 plant of the genus Cannabis; or

45 (b) a material, preparation, mixture, compound or other substance
46 which contains more than three percent by weight of delta-9 tetrahydro-
47 cannabinol, or its isomer, delta-8 dibenzopyran numbering system, or
48 delta-1 tetrahydrocannabinol or its isomer, delta 1 (6) monoterpene
49 numbering system.

50 22. "Cannabis products" means cannabis, concentrated cannabis, and
51 cannabis-infused products containing concentrated cannabis and other
52 ingredients.

53 § 11. Subdivision 4 of section 220.06 of the penal law, as amended by
54 chapter 537 of the laws of 1998, is amended to read as follows:

55 4. one or more preparations, compounds, mixtures or substances
56 containing concentrated cannabis as defined in [~~paragraph (a) of subdi-~~

~~vision four of section thirty-three hundred two of the public health law]~~ subdivision twenty-one of section 220.00 of this article and said preparations, compounds, mixtures or substances are of an aggregate weight of one-fourth ounce or more; or

§ 12. Subdivision 10 of section 220.09 of the penal law, as amended by chapter 537 of the laws of 1998, is amended to read as follows:

10. one or more preparations, compounds, mixtures or substances containing concentrated cannabis as defined in [~~paragraph (a) of subdivision four of section thirty-three hundred two of the public health law]~~ subdivision twenty-one of section 220.00 of this article and said preparations, compounds, mixtures or substances are of an aggregate weight of one ounce or more; or

§ 13. Subdivision 3 of section 220.34 of the penal law, as amended by chapter 537 of the laws of 1998, is amended to read as follows:

3. concentrated cannabis as defined in [~~paragraph (a) of subdivision four of section thirty-three hundred two of the public health law]~~ subdivision twenty-one of section 220.00 of this article; or

§ 14. Section 220.50 of the penal law, as amended by chapter 627 of the laws of 1990, is amended to read as follows:

§ 220.50 Criminally using drug paraphernalia in the second degree.

A person is guilty of criminally using drug paraphernalia in the second degree when he knowingly possesses or sells:

1. Diluents, dilutants or adulterants, including but not limited to, any of the following: quinine hydrochloride, mannitol, mannite, lactose or dextrose, adapted for the dilution of narcotic drugs or stimulants under circumstances evincing an intent to use, or under circumstances evincing knowledge that some person intends to use, the same for purposes of unlawfully mixing, compounding, or otherwise preparing any narcotic drug or stimulant, other than cannabis or concentrated cannabis; or

2. Gelatine capsules, glassine envelopes, vials, capsules or any other material suitable for the packaging of individual quantities of narcotic drugs or stimulants under circumstances evincing an intent to use, or under circumstances evincing knowledge that some person intends to use, the same for the purpose of unlawfully manufacturing, packaging or dispensing of any narcotic drug or stimulant, other than cannabis or concentrated cannabis; or

3. Scales and balances used or designed for the purpose of weighing or measuring controlled substances, under circumstances evincing an intent to use, or under circumstances evincing knowledge that some person intends to use, the same for purpose of unlawfully manufacturing, packaging or dispensing of any narcotic drug or stimulant, other than cannabis or concentrated cannabis.

Criminally using drug paraphernalia in the second degree is a class A misdemeanor.

§ 15. Article 221 of the penal law is REPEALED.

§ 16. The penal law is amended by adding a new article 222 to read as follows:

ARTICLE 222

CANNABIS

Section 222.00 Cannabis; definitions.

222.05 Personal use of cannabis.

222.10 Unlawful cultivation of cannabis.

222.15 Licensing of cannabis production and distribution.

222.20 Unlawful possession of cannabis.

222.25 Unlicensed sale of cannabis in the second degree.

1 222.30 Unlicensed sale of cannabis in the first degree.

2 222.35 Sale of cannabis to a person less than twenty-one years
3 of age in the second degree.

4 222.40 Sale of cannabis to a person less than twenty-one years
5 of age in the first degree.

6 § 222.00 Cannabis; definitions.

7 1. "Cannabis" means all parts of the plant of the genus Cannabis,
8 whether growing or not; the seeds thereof; the resin extracted from any
9 part of the plant; and every compound, manufacture, salt, derivative,
10 mixture, or preparation of the plant, its seeds or resin. It does not
11 include the mature stalks of the plant, fiber produced from the stalks,
12 oil or cake made from the seeds of the plant, any other compound, manu-
13 facture, salt, derivative, mixture, or preparation of the mature stalks
14 (except the resin extracted therefrom), fiber, oil, or cake, or the
15 sterilized seed of the plant which is incapable of germination. It does
16 not include all parts of the plant Cannabis sativa L., whether growing
17 or not, having no more than three-tenths of one percent tetrahydrocanna-
18 binol (THC).

19 2. "Concentrated cannabis" means:

20 (a) the separated resin, whether crude or purified, obtained from a
21 plant of the genus Cannabis; or

22 (b) a material, preparation, mixture, compound or other substance
23 which contains more than three percent by weight of delta-9 tetrahydro-
24 cannabinol, or its isomer, delta-8 dibenzopyran numbering system, or
25 delta-1 tetrahydrocannabinol or its isomer, delta 1 (6) monoterpene
26 numbering system.

27 3. "Cannabis-infused products" means products that have been manufac-
28 tured and contain either cannabis or concentrated cannabis and other
29 ingredients that are intended for use or consumption.

30 4. "Mature cannabis plant" means a cannabis plant with observable
31 flowers or buds.

32 5. For the purposes of this article, "sale" shall mean to sell,
33 exchange or dispose of for compensation. "Sale" shall not include the
34 transfer of cannabis, concentrated cannabis or cannabis-infused product
35 between persons twenty-one years of age or older without compensation in
36 the quantities authorized in paragraph (b) of subdivision one of section
37 222.05 of this article.

38 § 222.05 Personal use of cannabis.

39 Notwithstanding any other provision of law to the contrary:

40 1. The following acts are lawful for persons twenty-one years of age
41 or older: (a) possessing, displaying, purchasing, obtaining, or trans-
42 porting up to three ounces of cannabis and up to twenty-four grams of
43 concentrated cannabis, or equivalent amount of cannabis-infused
44 products;

45 (b) transferring, without compensation, to a person twenty-one years
46 of age or older, up to three ounces of cannabis and up to twenty-four
47 grams of concentrated cannabis, or equivalent amount of cannabis-infused
48 products;

49 (c) using, smoking, ingesting, or consuming cannabis, concentrated
50 cannabis or cannabis-infused products unless otherwise prohibited by
51 state law or regulation;

52 (d) possessing, using, displaying, purchasing, obtaining, manufactur-
53 ing, transporting or giving to any person twenty-one years of age or
54 older cannabis paraphernalia or concentrated cannabis paraphernalia; and

1 (e) assisting another person who is twenty-one years of age or older,
2 or allowing property to be used, in any of the acts described in para-
3 graphs (a) through (d) of this subdivision.

4 2. Cannabis, concentrated cannabis, cannabis-infused products, canna-
5 bis paraphernalia or concentrated cannabis paraphernalia involved in any
6 way with conduct deemed lawful by this section are not contraband nor
7 subject to seizure or forfeiture of assets under article four hundred
8 eighty of this chapter, section thirteen hundred eleven of the civil
9 practice law and rules, or other applicable law, and no conduct deemed
10 lawful by this section shall constitute the basis for approach, search,
11 seizure, arrest or detention.

12 3. Except as provided in subdivision four of this section, none of the
13 following shall, individually or in combination with each other, consti-
14 tute reasonable suspicion of a crime or be used as evidence of probable
15 cause in any criminal proceeding against a defendant twenty-one years of
16 age or older:

17 (a) the odor of cannabis or of burnt cannabis;

18 (b) the possession of or the suspicion of possession of cannabis,
19 concentrated cannabis or cannabis-infused products in the amounts
20 authorized in this section;

21 (c) the possession of multiple containers of cannabis without evidence
22 of possession of more than three ounces of cannabis, twenty-four grams
23 of concentrated cannabis or the equivalent amount of cannabis-infused
24 products; or

25 (d) the presence of cash or currency in proximity to cannabis, concen-
26 trated cannabis or cannabis-infused products.

27 4. Subdivision three of this section shall not apply when a law
28 enforcement officer is investigating: (a) an alleged offense pursuant to
29 section 222.20, 222.25, 222.30, 222.35 or 222.40 of this article; or (b)
30 whether a person is operating or in physical control of a vehicle or
31 watercraft while intoxicated, under the influence of, or impaired by
32 alcohol or a drug or any combination thereof in violation of article
33 thirty-one of the vehicle and traffic law.

34 5. (a) Nothing in this section shall be construed to permit any person
35 to:

36 (i) smoke cannabis in public;

37 (ii) smoke cannabis products in a location where smoking tobacco is
38 prohibited pursuant to section thirteen hundred ninety-nine-o of the
39 public health law;

40 (iii) possess, smoke or ingest cannabis products in or upon the
41 grounds of any school property used for school purposes which is owned
42 by or leased to any elementary or secondary school or school board while
43 children are present; or

44 (iv) smoke or ingest cannabis products while driving, operating a
45 motor vehicle, boat, vessel, aircraft, or other vehicle used for trans-
46 portation.

47 (b) For purposes of this section:

48 (i) "Smoke" means to inhale, exhale, burn, or carry any lighted or
49 heated device or pipe, or any other lighted or heated cannabis or
50 concentrated cannabis product intended for inhalation, whether natural
51 or synthetic, in any manner or in any form.

52 (ii) "Smoke" does not include the use of an electronic smoking device
53 that creates an aerosol or vapor, unless local or state statutes extend
54 prohibitions on smoking to electronic smoking devices.

1 (c) Violations of the restrictions under this subdivision are subject
2 to a fine not exceeding twenty-five dollars or an appropriate amount of
3 community service not to exceed twenty hours.

4 § 222.10 Unlawful cultivation of cannabis.

5 A person is guilty of unlawful cultivation of cannabis when he or she
6 knowingly and unlawfully plants, cultivates, harvests, dries, or proc-
7 esses cannabis on public lands or otherwise in violation of article six
8 of the cannabis law.

9 Unlawful cultivation of cannabis is a class B misdemeanor.

10 § 222.15 Licensing of cannabis production and distribution.

11 The criminal penalties pursuant to the provisions of this article for
12 possessing, manufacturing, transporting, distributing, selling or trans-
13 ferring cannabis, concentrated cannabis or cannabis-infused products
14 shall not apply to any person engaged in such activity in compliance
15 with the cannabis law.

16 § 222.20 Unlawful possession of cannabis.

17 A person is guilty of unlawful possession of cannabis when he or she
18 knowingly and unlawfully possesses:

- 19 1. cannabis and such cannabis weighs more than three ounces; or
- 20 2. concentrated cannabis and such concentrated cannabis weighs more
21 than twenty-four grams; or
- 22 3. equivalent amount of cannabis-infused products.

23 Unlawful possession of cannabis is a violation punishable by a fine of
24 not more than one hundred twenty-five dollars.

25 § 222.25 Unlicensed sale of cannabis in the second degree.

26 1. A person is guilty of unlicensed sale of cannabis in the second
27 degree when he or she knowingly and unlawfully sells up to three ounces
28 of cannabis, or twenty-four grams of concentrated cannabis or equivalent
29 amount of cannabis-infused products.

30 2. A violation of this section is subject to the following penalties,
31 as applicable:

32 (a) violation punishable by a fine of not more than one hundred twen-
33 ty-five dollars;

34 (b) if, within the previous five years, the defendant was convicted of
35 the crime of unlicensed sale of cannabis in the first degree, sale of
36 cannabis to a person less than twenty-one years of age in the second
37 degree, sale of cannabis to a person less than twenty-one years of age
38 in the first degree or this section, then a violation punishable by a
39 fine of not more than two hundred fifty dollars for a second such
40 offense; or

41 (c) if, within the previous five years, the defendant was convicted of
42 the crime of unlicensed sale of cannabis in the first degree, sale of
43 cannabis to a person less than twenty-one years of age in the second
44 degree, sale of cannabis to a person less than twenty-one years of age
45 in the first degree or this section, then a class B misdemeanor for such
46 third or subsequent offense.

47 § 222.30 Unlicensed sale of cannabis in the first degree.

48 1. A person is guilty of unlicensed sale of cannabis in the first
49 degree when he or she knowingly and unlawfully sells more than three
50 ounces of cannabis, more than twenty-four grams of concentrated cannabis
51 or the equivalent amount of cannabis-infused products.

52 2. A violation of this section is subject to the following penalties,
53 as applicable:

54 (a) a violation punishable by a fine of not more than two hundred
55 fifty dollars;

1 (b) if, within the previous five years, the defendant was convicted of
 2 the crime of unlicensed sale of cannabis in the second degree, sale of
 3 cannabis to a person less than twenty-one years of age in the second
 4 degree, sale of cannabis to a person less than twenty-one years of age
 5 in the first degree or this section, then a violation punishable by a
 6 fine of not more than five hundred dollars for such second offense; or

7 (c) if, within the previous five years, the defendant was convicted of
 8 the crime of unlicensed sale of cannabis in the second degree, sale of
 9 cannabis to a person less than twenty-one years of age in the second
 10 degree, sale of cannabis to a person less than twenty-one years of age
 11 in the first degree or this section, then a class A misdemeanor for such
 12 third or subsequent offense.

13 § 222.35 Sale of cannabis to a person less than twenty-one years of age
 14 in the second degree.

15 A person twenty-one years of age or older is guilty of the sale of
 16 cannabis to a person less than twenty-one years of age in the second
 17 degree when, being twenty-one years of age or older, he or she knowingly
 18 and unlawfully sells cannabis, concentrated cannabis or cannabis-infused
 19 products to a person less than twenty-one years of age.

20 Sale of cannabis to a person under twenty-one years of age in the
 21 second degree is a class A misdemeanor.

22 § 222.40 Sale of cannabis to a person less than twenty-one years of age
 23 in the first degree.

24 A person twenty-one years of age and older is guilty of the sale of
 25 cannabis to a person under twenty-one years of age in the first degree
 26 when, being twenty-one years of age or older, he or she knowingly and
 27 unlawfully sells more than three ounces of cannabis, more than twenty-
 28 four grams of concentrated cannabis or the equivalent amount of canna-
 29 bis-infused products.

30 Sale of cannabis to a person less than twenty-one years of age in the
 31 first degree is a class E felony.

32 § 17. Subdivision 8 of section 1399-n of the public health law, as
 33 amended by chapter 13 of the laws of 2003, is amended to read as
 34 follows:

35 8. "Smoking" means the burning of a lighted cigar, cigarette, pipe or
 36 any other matter or substance which contains tobacco or cannabis;
 37 provided that it does not include the use of an electronic smoking
 38 device that creates an aerosol or vapor, unless local or state statutes
 39 extend prohibitions on smoking to electronic smoking devices.

40 § 18. Section 1.20 of the criminal procedure law is amended by adding
 41 a new subdivision 45 to read as follows:

42 45. "Expunge" means, where an arrest and any enforcement activity
 43 connected with that arrest, including prosecution and any disposition in
 44 any New York state court, is deemed a nullity and the accused is
 45 restored, in contemplation of the law, to the status such individual
 46 occupied before the arrest and/or prosecution; that records of such
 47 arrest, prosecution and/or disposition shall be marked as expunged or
 48 shall be destroyed as set forth in section 160.50 of this chapter.
 49 Neither the arrest nor prosecution and/or disposition, if any, of a
 50 matter deemed a nullity shall operate as a disqualification of any
 51 person so accused to pursue or engage in any lawful activity, occupa-
 52 tion, profession or calling. Except where specifically required or
 53 permitted by statute or upon specific authorization of a superior court,
 54 no such person shall be required to divulge information pertaining to
 55 the arrest, prosecution and/or disposition of such a matter.

1 § 19. Subdivision 1 of section 160.50 of the criminal procedure law,
2 as amended by chapter 169 of the laws of 1994, paragraph (d) as amended
3 by chapter 449 of the laws of 2015, is amended and a new subdivision 1-a
4 is added to read as follows:

5 1. Upon the termination of a criminal action or proceeding against a
6 person in favor of such person, as defined in subdivision three of this
7 section, unless the district attorney upon motion with not less than
8 five days notice to such person or his or her attorney demonstrates to
9 the satisfaction of the court that the interests of justice require
10 otherwise, or the court on its own motion with not less than five days
11 notice to such person or his or her attorney determines that the inter-
12 ests of justice require otherwise and states the reasons for such deter-
13 mination on the record, [~~the record of such action or proceeding shall~~
14 ~~be sealed and the clerk of the court wherein such criminal action or~~
15 ~~proceeding was terminated shall immediately notify the commissioner of~~
16 ~~the division of criminal justice services and the heads of all appropri-~~
17 ~~ate police departments and other law enforcement agencies that the~~
18 ~~action has been terminated in favor of the accused, and unless the court~~
19 ~~has directed otherwise, that the record of such action or proceeding~~
20 ~~shall be sealed. Upon receipt of notification of such termination and~~
21 ~~sealing] such action or proceeding shall be deemed a nullity and records
22 of such action or proceeding expunged, and the clerk of the court where-
23 in such criminal action or proceeding was terminated shall immediately
24 notify the commissioner of the division of criminal justice services and
25 the heads of all appropriate police departments and other law enforce-
26 ment agencies that the action has been terminated in favor of the
27 accused and deemed a nullity, and unless the court has directed other-
28 wise, that the record of or relating to such action or proceeding shall
29 be immediately expunged as follows:~~

30 (a) every photograph of such person and photographic plate or proof,
31 and all palmprints and fingerprints, retina scans or DNA material taken
32 or made of such person pursuant to the provisions of this article in
33 regard to the action or proceeding terminated, [~~except a dismissal~~
34 ~~pursuant to section 170.56 or 210.46 of this chapter,~~] and all dupli-
35 cates and copies thereof, except a digital fingerprint image where
36 authorized pursuant to paragraph (e) of this subdivision, shall forth-
37 with be[, ~~at the discretion of the recipient agency, either~~] destroyed
38 [~~or returned to such person, or to the attorney who represented such~~
39 ~~person] at the time of the termination of the action or proceeding[, ~~at~~
40 ~~the address given by such person or attorney during the action or~~
41 ~~proceeding,~~] by the division of criminal justice services and by any
42 police department or law enforcement agency having any such photograph,
43 photographic plate or proof, palmprint [~~or~~], fingerprints, retina scans
44 or DNA material in its possession or under its control;~~

45 (b) any police department or law enforcement agency, including the
46 division of criminal justice services, which transmitted or otherwise
47 forwarded to any agency of the United States or of any other state or of
48 any other jurisdiction outside the state of New York copies of any such
49 photographs, photographic plates or proofs, palmprints [~~and~~], finger-
50 prints, retina scans or DNA material, including those relating to
51 actions or proceedings which were dismissed pursuant to section 170.56
52 or 210.46 of this [~~chapter~~] part, shall forthwith formally [~~request in~~
53 inform them in] writing that [~~all such copies be destroyed or returned to~~
54 ~~the police department or law enforcement agency which transmitted or~~
55 ~~forwarded them, and, if returned, such department or agency shall, at~~
56 ~~its discretion, either destroy or return them as provided herein, except~~

1 ~~that those relating to dismissals pursuant to section 170.56 or 210.46~~
2 ~~of this chapter shall not be destroyed or returned by such department or~~
3 ~~agency] the matter has been expunged and request in writing that all~~
4 ~~such copies be destroyed;~~

5 (c) all official records and papers, including judgments and orders of
6 a court but not including published court decisions or opinions or
7 records and briefs on appeal, relating to the arrest or prosecution,
8 including all duplicates and copies thereof, on file with the division
9 of criminal justice services, any court, police agency, or prosecutor's
10 office shall be [~~sealed and not made available to any person or public~~
11 ~~or private agency] marked as expunged by conspicuously indicating on the~~
12 ~~face of the record or at the beginning of the digitized file of the~~
13 ~~record that the record has been designated as expunged. Such records and~~
14 ~~papers shall be sealed and not be made available to any person, except~~
15 ~~the individual whose case has been deemed a nullity or their designated~~
16 ~~agent as set forth in paragraph (d) of this subdivision, or to any~~
17 ~~public or private agency;~~

18 (d) [~~such~~] records set forth in paragraph (c) of this subdivision
19 shall be made available to the person accused or to such person's desig-
20 nated agent, and shall be made available to (i) a prosecutor in any
21 proceeding in which the accused has moved for an order pursuant to
22 section 170.56 or 210.46 of this [~~chapter~~] part, or (ii) a law enforce-
23 ment agency upon ex parte motion in any superior court, or in any
24 district court, city court or the criminal court of the city of New York
25 provided that such court originally sealed or expunged the record, if
26 such agency demonstrates to the satisfaction of the court that justice
27 requires that such records be made available to it, or (iii) any state
28 or local officer or agency with responsibility for the issuance of
29 licenses to possess guns, when the accused has made application for such
30 a license, or (iv) the New York state department of corrections and
31 community supervision when the accused is on parole supervision as a
32 result of conditional release or a parole release granted by the New
33 York state board of parole, and the arrest which is the subject of the
34 inquiry is one which occurred while the accused was under such super-
35 vision, or (v) any prospective employer of a police officer or peace
36 officer as those terms are defined in subdivisions thirty-three and
37 thirty-four of section 1.20 of this chapter, in relation to an applica-
38 tion for employment as a police officer or peace officer; provided,
39 however, that every person who is an applicant for the position of
40 police officer or peace officer shall be furnished with a copy of all
41 records obtained under this paragraph and afforded an opportunity to
42 make an explanation thereto, or (vi) the probation department responsi-
43 ble for supervision of the accused when the arrest which is the subject
44 of the inquiry is one which occurred while the accused was under such
45 supervision; and

46 (e) where fingerprints subject to the provisions of this section have
47 been received by the division of criminal justice services and have been
48 filed by the division as digital images, such images may be retained,
49 provided that a fingerprint card of the individual is on file with the
50 division which was not [~~sealed~~] destroyed pursuant to this section or
51 section 160.55 of this article.

52 (1-a) Cases previously sealed pursuant to this section shall be deemed
53 expunged, and digital records shall be so marked.

54 § 20. Paragraphs (i), (j) and (k) of subdivision 3 of section 160.50
55 of the criminal procedure law, paragraphs (i) and (j) as added by chap-
56 ter 905 of the laws of 1977, paragraph (k) as added by chapter 835 of

1 the laws of 1977 and as relettered by chapter 192 of the laws of 1980
2 and such subdivision as renumbered by chapter 142 of the laws of 1991,
3 are amended to read as follows:

4 (i) prior to the filing of an accusatory instrument in a local criminal
5 court against such person, the prosecutor elects not to prosecute
6 such person. In such event, the prosecutor shall serve a certification
7 of such disposition upon the division of criminal justice services and
8 upon the appropriate police department or law enforcement agency which,
9 upon receipt thereof, shall comply with the provisions of paragraphs
10 (a), (b), (c) and (d) of subdivision one of this section in the same
11 manner as is required thereunder with respect to an order of a court
12 entered pursuant to said subdivision one~~[-]~~; or

13 (j) following the arrest of such person, the arresting police agency,
14 prior to the filing of an accusatory instrument in a local criminal
15 court but subsequent to the forwarding of a copy of the fingerprints of
16 such person to the division of criminal justice services, elects not to
17 proceed further. In such event, the head of the arresting police agency
18 shall serve a certification of such disposition upon the division of
19 criminal justice services which, upon receipt thereof, shall comply with
20 the provisions of paragraphs (a), (b), (c) and (d) of subdivision one of
21 this section in the same manner as is required thereunder with respect
22 to an order of a court entered pursuant to said subdivision one~~[-]~~; or

23 (k) (i) The accusatory instrument alleged a violation of article two
24 hundred twenty or section 240.36 of the penal law, prior to the taking
25 effect of article two hundred twenty-one of the penal law, or by the
26 conviction of such person of a violation of [~~article two hundred twen-~~
27 ~~ty-one~~] section 221.45 of the penal law on or after the effective date
28 of the chapter of the laws of two thousand nineteen that amended this
29 paragraph or a violation of section 221.05, 221.10, 221.15, 221.20,
30 221.25, 221.30, 221.35 or 221.40 of the penal law prior to the effective
31 date of the chapter of the laws of two thousand nineteen that amended
32 this paragraph; and (ii) the sole controlled substance involved is
33 [~~marijuana; (iii) the conviction was only for a violation or violations;~~
34 ~~and (iv) at least three years have passed since the offense occurred~~]
35 marihuana. No defendant shall be required or permitted to waive eligi-
36 bility for sealing pursuant to this paragraph as part of a plea of guilt-
37 ty, sentence or any agreement related to a conviction for a violation of
38 section 221.45 of the penal law. Any such waiver shall be deemed void
39 and wholly unenforceable.

40 § 21. Subdivision 4 of section 160.50 of the criminal procedure law is
41 REPEALED, and three new subdivisions 4, 5, and 6 are added to read as
42 follows:

43 4. Where a criminal action or proceeding was terminated, as defined in
44 paragraph (k) of subdivision three of this section, prior to the effec-
45 tive date of this subdivision, such criminal action or proceeding shall
46 be automatically vacated and dismissed, and all records of such action
47 or proceeding expunged as set forth in subdivision one of this section,
48 and the matter terminated in favor of the accused and deemed a nullity,
49 because the prior conviction is now legally invalid. OCA shall automat-
50 ically notify the commissioner of the division of criminal justice
51 services and the heads of all appropriate police departments and other
52 law enforcement agencies that the prior conviction is now legally inval-
53 id and that the action has been vacated, dismissed and expunged and thus
54 terminated in favor of the accused. Upon receipt of notification of such
55 vacatur, termination and expungement, all records relating to the crimi-

1 nal action shall be expunged as described in subdivision one of this
2 section.

3 5. In situations where automatic vacatur, dismissal, expungement and
4 record destruction is required by subdivision four of this section but
5 has not taken place, or where supporting court records cannot be located
6 or have been destroyed, and an individual or their attorney presents to
7 OCA fingerprint records from the New York state division of criminal
8 justice services or a court disposition which indicate that a criminal
9 action or proceeding against the applicant was terminated by a
10 conviction for section 221.05, 221.10 221.15, 221.20, 221.25, 221.30,
11 221.35, or 221.40 of the penal law in effect prior to the effective date
12 of this subdivision, within thirty days of notice to OCA, the action
13 shall forthwith be vacated, dismissed, and expunged as set forth in
14 subdivision one of this section.

15 6. Vacatur, dismissal and expungement as set forth in subdivision four
16 or subdivision five of this section is without prejudice to an individ-
17 ual or their attorney seeking further relief pursuant to section 440.10
18 of this part. Nothing in this section is intended to diminish or abro-
19 gate any rights or remedies otherwise available to the individual.

20 § 22. Subdivision 1 of section 170.56 of the criminal procedure law,
21 as amended by chapter 360 of the laws of 1977, is amended to read as
22 follows:

23 1. Upon or after arraignment in a local criminal court upon an infor-
24 mation, a prosecutor's information or a misdemeanor complaint, where the
25 sole remaining count or counts charge a violation or violations of
26 section [~~221.05, 221.10, 221.15, 221.35 or 221.40~~] 221.45 of the penal
27 law, or upon summons for a nuisance offense under section sixty-five-c
28 of the alcoholic beverage control law and before the entry of a plea of
29 guilty thereto or commencement of a trial thereof, the court, upon
30 motion of a defendant, may order that all proceedings be suspended and
31 the action adjourned in contemplation of dismissal, or upon a finding
32 that adjournment would not be necessary or appropriate and the setting
33 forth in the record of the reasons for such findings, may dismiss in
34 furtherance of justice the accusatory instrument; provided, however,
35 that the court may not order such adjournment in contemplation of
36 dismissal or dismiss the accusatory instrument if: (a) the defendant has
37 previously been granted such adjournment in contemplation of dismissal,
38 or (b) the defendant has previously been granted a dismissal under this
39 section, or (c) the defendant has previously been convicted of any
40 offense involving controlled substances, or (d) the defendant has previ-
41 ously been convicted of a crime and the district attorney does not
42 consent or (e) the defendant has previously been adjudicated a youthful
43 offender on the basis of any act or acts involving controlled substances
44 and the district attorney does not consent. Notwithstanding the limita-
45 tions set forth in this subdivision, the court may order that all
46 proceedings be suspended and the action adjourned in contemplation of
47 dismissal based upon a finding of exceptional circumstances. For
48 purposes of this subdivision, exceptional circumstances exist when,
49 regardless of the ultimate disposition of the case, the entry of a plea
50 of guilty is likely to result in severe or ongoing consequences, includ-
51 ing, but not limited to, potential or actual immigration consequences.

52 § 23. Paragraph (j) of subdivision 1 of section 440.10 of the criminal
53 procedure law, as amended by section 2 of part MMM of chapter 59 of the
54 laws of 2019, is amended and a new paragraph (k) is added to read as
55 follows:

1 (j) The judgment is a conviction for a class A or unclassified misde-
2 meanor entered prior to the effective date of this paragraph and satis-
3 fies the ground prescribed in paragraph (h) of this subdivision. There
4 shall be a rebuttable presumption that a conviction by plea to such an
5 offense was not knowing, voluntary and intelligent, based on ongoing
6 collateral consequences, including potential or actual immigration
7 consequences, and there shall be a rebuttable presumption that a
8 conviction by verdict constitutes cruel and unusual punishment under
9 section five of article one of the state constitution based on such
10 consequences[~~+~~]; or

11 (k) if pertinent, such relief is available notwithstanding that the
12 judgment was for a violation of section 221.05, 221.10, 221.15, 221.20,
13 221.25, 221.30, 221.35, or 221.40 of the penal law in effect prior to
14 the effective date of this paragraph and that the underlying action or
15 proceeding has already been vacated, dismissed and expunged pursuant to
16 subdivision four or subdivision five of section 160.50 of this chapter
17 in which case the court shall presume that a conviction by plea for a
18 violation of the aforementioned sections of the then penal law was not
19 knowing, voluntary and intelligent, if it has ongoing consequences,
20 including but not limited to, potential or actual immigration conse-
21 quences, and shall presume that a conviction by verdict of the aforemen-
22 tioned sections of the then penal law constitutes cruel and unusual
23 punishment under the state constitution, based on those consequences.
24 The prosecution may rebut these presumptions.

25 § 24. The criminal procedure law is amended by adding a new section
26 440.46-a to read as follows:

27 § 440.46-a Motion for resentence; persons convicted of certain marihuana
28 offenses.

29 1. Where a person is currently serving a sentence for a conviction,
30 whether by verdict or by open or negotiated plea, who would not have
31 been guilty of an offense after the effective date of this section had
32 this section been in effect at the time of their conviction, the office
33 of court administration shall automatically vacate, dismiss and expunge
34 such conviction pursuant to subdivision four of section 160.50 of this
35 part and immediately notify the New York state department of corrections
36 and community supervision and local jails, which entities shall imme-
37 diately effectuate the appropriate relief. The office of court adminis-
38 tration shall likewise automatically notify the division of criminal
39 justice services and any police department and law enforcement agency,
40 which division, department or agency must immediately destroy appurten-
41 ant records as set forth in subdivision four of section 160.50 of this
42 part.

43 2. (a) A person currently serving a sentence for a conviction, whether
44 by verdict or by open or negotiated plea, who would have been guilty of
45 a lesser offense after the effective date of this section had this
46 section been in effect at the time of their conviction may petition for
47 a recall of sentence before the trial court that entered the judgment of
48 conviction in their case to request resentencing in accordance with
49 article two hundred twenty-two of the penal law.

50 (b) Upon receiving a motion under paragraph (a) of this subdivision,
51 the court shall presume the movant satisfies the criteria in such para-
52 graph (a) unless the party opposing the motion proves by clear and
53 convincing evidence that the movant does not satisfy the criteria. If
54 the movant satisfies the criteria in paragraph (a) of this subdivision,
55 the court shall grant the motion to resentence.

1 3. Under no circumstances may resentencing under this section result
2 in the imposition of a term longer than the original sentence, or the
3 reinstatement of charges dismissed pursuant to a negotiated plea agree-
4 ment.

5 4. (a) A person who has completed his or her sentence for a conviction
6 under the former article two hundred twenty-one of the penal law, wheth-
7 er by trial or open or negotiated plea, who would have been guilty of a
8 lesser offense on and after the effective date of this section had this
9 section been in effect at the time of his or her conviction, may file an
10 application before the trial court that entered the judgment of
11 conviction in his or her case to have the conviction redesignated (or
12 "reclassified"), in accordance with article two hundred twenty-two of
13 the penal law.

14 (b) Upon receiving a motion under paragraph (a) of this subdivision,
15 the court shall presume the movant satisfies the criteria in paragraph
16 (a) of this subdivision unless the party opposing the motion proves by
17 clear and convincing evidence that the movant does not satisfy the
18 criteria. If the movant satisfies the criteria in paragraph (a) of this
19 subdivision, the court shall grant the motion to redesignate (or
20 "reclassify") the conviction.

21 5. (a) If the court that originally sentenced the movant is not avail-
22 able, the presiding judge shall designate another judge to rule on the
23 petition or application.

24 (b) Unless requested by the movant, no hearing is necessary to grant
25 an application filed under subdivision two or four of this section.

26 (c) Any felony conviction that is vacated and resentenced under subdi-
27 vision two of this section or designated as a misdemeanor or violation
28 under subdivision four of this section shall be considered a misdemeanor
29 or violation for all purposes. Any misdemeanor conviction that is
30 vacated and resentenced under subdivision two of this section or desig-
31 nated as a violation under subdivision four of this section shall be
32 considered a violation for all purposes.

33 (d) Nothing in this section is intended to diminish or abrogate any
34 rights or remedies otherwise available to the petitioner or applicant.

35 (e) Nothing in this and related sections is intended to diminish or
36 abrogate the finality of judgments in any case not falling within the
37 purview of this section.

38 (f) The provisions of this section shall apply equally to juvenile
39 delinquency adjudications and dispositions under section five hundred
40 one-e of the executive law if the juvenile would not have been guilty of
41 an offense or would have been guilty of a lesser offense under this
42 section had this section been in effect at the time of his or her
43 conviction.

44 (g) The office of court administration shall promulgate and make
45 available all necessary forms to enable the filing of the petitions and
46 applications provided in this section no later than sixty days following
47 the effective date of this section.

48 § 25. Paragraph (c) of subdivision 8 of section 700.05 of the criminal
49 procedure law, as amended by chapter 37 of the laws of 2014, is amended
50 to read as follows:

51 (c) Criminal possession of a controlled substance in the seventh
52 degree as defined in section 220.03 of the penal law, criminal
53 possession of a controlled substance in the fifth degree as defined in
54 section 220.06 of the penal law, criminal possession of a controlled
55 substance in the fourth degree as defined in section 220.09 of the penal
56 law, criminal possession of a controlled substance in the third degree

1 as defined in section 220.16 of the penal law, criminal possession of a
2 controlled substance in the second degree as defined in section 220.18
3 of the penal law, criminal possession of a controlled substance in the
4 first degree as defined in section 220.21 of the penal law, criminal
5 sale of a controlled substance in the fifth degree as defined in section
6 220.31 of the penal law, criminal sale of a controlled substance in the
7 fourth degree as defined in section 220.34 of the penal law, criminal
8 sale of a controlled substance in the third degree as defined in section
9 220.39 of the penal law, criminal sale of a controlled substance in the
10 second degree as defined in section 220.41 of the penal law, criminal
11 sale of a controlled substance in the first degree as defined in section
12 220.43 of the penal law, criminally possessing a hypodermic instrument
13 as defined in section 220.45 of the penal law, criminal sale of a
14 prescription for a controlled substance or a controlled substance by a
15 practitioner or pharmacist as defined in section 220.65 of the penal
16 law, criminal possession of methamphetamine manufacturing material in
17 the second degree as defined in section 220.70 of the penal law, crimi-
18 nal possession of methamphetamine manufacturing material in the first
19 degree as defined in section 220.71 of the penal law, criminal
20 possession of precursors of methamphetamine as defined in section 220.72
21 of the penal law, unlawful manufacture of methamphetamine in the third
22 degree as defined in section 220.73 of the penal law, unlawful manufac-
23 ture of methamphetamine in the second degree as defined in section
24 220.74 of the penal law, unlawful manufacture of methamphetamine in the
25 first degree as defined in section 220.75 of the penal law, unlawful
26 disposal of methamphetamine laboratory material as defined in section
27 220.76 of the penal law, operating as a major trafficker as defined in
28 section 220.77 of the penal law, [~~criminal possession of marihuana in~~
29 ~~the first degree as defined in section 221.30 of the penal law, criminal~~
30 ~~sale of marihuana in the first degree as defined in section 221.55 of~~
31 ~~the penal law,~~] promoting gambling in the second degree as defined in
32 section 225.05 of the penal law, promoting gambling in the first degree
33 as defined in section 225.10 of the penal law, possession of gambling
34 records in the second degree as defined in section 225.15 of the penal
35 law, possession of gambling records in the first degree as defined in
36 section 225.20 of the penal law, and possession of a gambling device as
37 defined in section 225.30 of the penal law;

38 § 26. Paragraphs (b) and (c) of subdivision 4-b and subdivisions 6 and
39 9 of section 1310 of the civil practice law and rules, paragraphs (b)
40 and (c) of subdivision 4-b as added by chapter 655 of the laws of 1990
41 and subdivisions 6 and 9 as added by chapter 669 of the laws of 1984,
42 are amended to read as follows:

43 (b) on three or more occasions, engaging in conduct constituting a
44 violation of any of the felonies defined in section 220.09, 220.16,
45 220.18, 220.21, 220.31, 220.34, 220.39, 220.41[~~7~~] or 220.43 [~~or 221.55~~]
46 of the penal law, which violations do not constitute a single criminal
47 offense as defined in subdivision one of section 40.10 of the criminal
48 procedure law, or a single criminal transaction, as defined in paragraph
49 (a) of subdivision two of section 40.10 of the criminal procedure law,
50 and at least one of which resulted in a conviction of such offense, or
51 where the accusatory instrument charges one or more of such felonies,
52 conviction upon a plea of guilty to a felony for which such plea is
53 otherwise authorized by law; or

54 (c) a conviction of a person for a violation of section 220.09,
55 220.16, 220.34 or 220.39 of the penal law, [~~or a conviction of a crimi-~~
56 ~~nal defendant for a violation of section 221.30 of the penal law,~~] or

1 where the accusatory instrument charges any such felony, conviction upon
2 a plea of guilty to a felony for which the plea is otherwise authorized
3 by law, together with evidence which: (i) provides substantial indicia
4 that the defendant used the real property to engage in a continual,
5 ongoing course of conduct involving the unlawful mixing, compounding,
6 manufacturing, warehousing, or packaging of controlled substances [~~or~~
7 ~~where the conviction is for a violation of section 221.30 of the penal~~
8 ~~law, marijuana,~~] as part of an illegal trade or business for gain; and
9 (ii) establishes, where the conviction is for possession of a controlled
10 substance [~~or where the conviction is for a violation of section 221.30~~
11 ~~of the penal law, marijuana,~~] that such possession was with the intent
12 to sell it.

13 [~~6. "Pre conviction forfeiture crime" means only a felony defined in~~
14 ~~article two hundred twenty or section 221.30 or 221.55 of the penal~~
15 ~~law.~~]

16 9. "Criminal defendant" means a person who has criminal liability for
17 a crime defined in [~~subdivisions~~] subdivision five [~~and six hereof~~] of
18 this section. For purposes of this article, a person has criminal
19 liability when [~~(a)~~] he has been convicted of a post-conviction forfei-
20 ture crime[, ~~or (b) the claiming authority proves by clear and convin-~~
21 ~~ing evidence that such person has committed an act in violation of arti-~~
22 ~~cle two hundred twenty or section 221.30 or 221.55 of the penal law~~].

23 § 27. Subdivision 13 of section 89-f of the general business law, as
24 added by chapter 336 of the laws of 1992, is amended to read as follows:

25 13. "Serious offense" shall mean any felony involving the offenses
26 enumerated in the closing paragraph of this subdivision; a criminal
27 solicitation of or a conspiracy to commit or an attempt to commit or a
28 criminal facilitation of a felony involving the offenses enumerated in
29 the closing paragraph of this subdivision, which criminal solicitation,
30 conspiracy, attempt or criminal facilitation itself constitutes a felony
31 or any offense in any other jurisdiction which if committed in this
32 state would constitute a felony; any offense in any other jurisdiction
33 which if committed in this state would constitute a felony provided that
34 for the purposes of this article, none of the following shall be consid-
35 ered criminal convictions or reported as such: (i) a conviction for
36 which an executive pardon has been issued pursuant to the executive law;
37 (ii) a conviction which has been vacated and replaced by a youthful
38 offender finding pursuant to article seven hundred twenty of the crimi-
39 nal procedure law, or the applicable provisions of law of any other
40 jurisdiction; or (iii) a conviction the records of which have been
41 sealed pursuant to the applicable provisions of the laws of this state
42 or of any other jurisdiction; and (iv) a conviction for which other
43 evidence of successful rehabilitation to remove the disability has been
44 issued.

45 Felonies involving: assault, aggravated assault and reckless endanger-
46 ment pursuant to article one hundred twenty; vehicular manslaughter,
47 manslaughter and murder pursuant to article one hundred twenty-five; sex
48 offenses pursuant to article one hundred thirty; unlawful imprisonment,
49 kidnapping or coercion pursuant to article one hundred thirty-five;
50 criminal trespass and burglary pursuant to article one hundred forty;
51 criminal mischief, criminal tampering and tampering with a consumer
52 product pursuant to article one hundred forty-five; arson pursuant to
53 article one hundred fifty; larceny and offenses involving theft pursuant
54 to article one hundred fifty-five; offenses involving computers pursuant
55 to article one hundred fifty-six; robbery pursuant to article one
56 hundred sixty; criminal possession of stolen property pursuant to arti-

1 cle one hundred sixty-five; forgery and related offenses pursuant to
2 article one hundred seventy; involving false written statements pursuant
3 to article one hundred seventy-five; commercial bribing and commercial
4 bribe receiving pursuant to article one hundred eighty; criminal imper-
5 sonation and scheme to defraud pursuant to article one hundred ninety;
6 bribery involving public servants and related offenses pursuant to arti-
7 cle two hundred; perjury and related offenses pursuant to article two
8 hundred ten; tampering with a witness, intimidating a victim or witness
9 and tampering with physical evidence pursuant to article two hundred
10 fifteen; criminal possession of a controlled substance pursuant to
11 sections 220.06, 220.09, 220.16, 220.18 and 220.21; criminal sale of a
12 controlled substance pursuant to sections 220.31, 220.34, 220.39,
13 220.41, 220.43 and 220.44; [~~criminal~~] unlicensed sale of [~~marijuana~~]
14 cannabis in the first degree pursuant to [~~sections 221.45, 221.50 and~~
15 ~~221.55~~] section 222.30; riot in the first degree, aggravated harassment
16 in the first degree, criminal nuisance in the first degree and falsely
17 reporting an incident in the second or first degree pursuant to article
18 two hundred forty; and crimes against public safety pursuant to article
19 two hundred sixty-five of the penal law.

20 § 28. Paragraph (f) of subdivision 2 of section 850 of the general
21 business law is REPEALED.

22 § 29. Paragraph (h) of subdivision 2 of section 850 of the general
23 business law, as amended by chapter 812 of the laws of 1980, is amended
24 to read as follows:

25 (h) Objects, used or designed for the purpose of ingesting, inhaling,
26 or otherwise introducing [~~marihuana,~~] cocaine[~~, hashish, or hashish oil~~]
27 into the human body.

28 § 30. Subdivision 7 of section 995 of the executive law, as amended by
29 chapter 19 of the laws of 2012, is amended to read as follows:

30 7. "Designated offender" means a person convicted of any felony
31 defined in any chapter of the laws of the state or any misdemeanor
32 defined in the penal law [~~except that where the person is convicted~~
33 ~~under section 221.10 of the penal law, only a person convicted under~~
34 ~~subdivision two of such section, or a person convicted under subdivision~~
35 ~~one of such section who stands previously convicted of any crime as~~
36 ~~defined in subdivision six of section 10.00 of the penal law].~~

37 § 31. Paragraphs (b) and (c) of subdivision 7 of section 480.00 of the
38 penal law, paragraph (b) as amended by section 31 of part AAA of chapter
39 56 of the laws of 2009 and paragraph (c) as added by chapter 655 of the
40 laws of 1990, are amended to read as follows:

41 (b) three or more violations of any of the felonies defined in section
42 220.09, 220.16, 220.18, 220.21, 220.31, 220.34, 220.39, 220.41,
43 220.43[~~7~~] or 220.77[~~7~~~~-or-221.55~~] of this chapter, which violations do
44 not constitute a single criminal offense as defined in subdivision one
45 of section 40.10 of the criminal procedure law, or a single criminal
46 transaction, as defined in paragraph (a) of subdivision two of section
47 40.10 of the criminal procedure law, and at least one of which resulted
48 in a conviction of such offense, or where the accusatory instrument
49 charges one or more of such felonies, conviction upon a plea of guilty
50 to a felony for which such plea is otherwise authorized by law; or

51 (c) a conviction of a person for a violation of section 220.09,
52 220.16, 220.34[~~7~~] or 220.39[~~7~~~~-or-221.30~~] of this chapter, or where the
53 accusatory instrument charges any such felony, conviction upon a plea of
54 guilty to a felony for which the plea is otherwise authorized by law,
55 together with evidence which: (i) provides substantial indicia that the
56 defendant used the real property to engage in a continual, ongoing

1 course of conduct involving the unlawful mixing, compounding, manufac-
2 turing, warehousing, or packaging of controlled substances [~~or where the~~
3 ~~conviction is for a violation of section 221.30 of this chapter, mari-~~
4 ~~juana~~] as part of an illegal trade or business for gain; and (ii) estab-
5 lishes, where the conviction is for possession of a controlled substance
6 [~~or where the conviction is for a violation of section 221.30 of this~~
7 ~~chapter, marijuana~~], that such possession was with the intent to sell
8 it.

9 § 32. Paragraph (c) of subdivision 4 of section 509-cc of the vehicle
10 and traffic law, as amended by chapter 368 of the laws of 2015, is
11 amended to read as follows:

12 (c) The offenses referred to in subparagraph (i) of paragraph (b) of
13 subdivision one and subparagraph (i) of paragraph (c) of subdivision two
14 of this section that result in disqualification for a period of five
15 years shall include a conviction under sections 100.10, 105.13, 115.05,
16 120.03, 120.04, 120.04-a, 120.05, 120.10, 120.25, 121.12, 121.13,
17 125.40, 125.45, 130.20, 130.25, 130.52, 130.55, 135.10, 135.55, 140.17,
18 140.25, 140.30, 145.12, 150.10, 150.15, 160.05, 160.10, 220.06, 220.09,
19 220.16, 220.31, 220.34, 220.60, 220.65, [~~221.30, 221.50, 221.55,~~
20 230.00, 230.05, 230.06, 230.11, 230.12, 230.13, 230.19, 230.20, 235.05,
21 235.06, 235.07, 235.21, 240.06, 245.00, 260.10, subdivision two of
22 section 260.20 and sections 260.25, 265.02, 265.03, 265.08, 265.09,
23 265.10, 265.12, 265.35 of the penal law or an attempt to commit any of
24 the aforesaid offenses under section 110.00 of the penal law, or any
25 similar offenses committed under a former section of the penal law, or
26 any offenses committed under a former section of the penal law which
27 would constitute violations of the aforesaid sections of the penal law,
28 or any offenses committed outside this state which would constitute
29 violations of the aforesaid sections of the penal law.

30 § 33. The opening paragraph of paragraph (a) of subdivision 2 of
31 section 1194 of the vehicle and traffic law, as amended by chapter 196
32 of the laws of 1996, is amended to read as follows:

33 When authorized. Any person who operates a motor vehicle in this state
34 shall be deemed to have given consent to a chemical test of one or more
35 of the following: breath, blood[,] or urine[,] ~~or saliva,~~ for the
36 purpose of determining the alcoholic and/or drug content, other than
37 cannabis content including but not limited to tetrahydrocannabinol
38 content, of the blood provided that such test is administered by or at
39 the direction of a police officer with respect to a chemical test of
40 breath, urine [~~or saliva~~] or, with respect to a chemical test of blood,
41 at the direction of a police officer:

42 § 34. The article heading of article 20-B of the tax law, as added by
43 chapter 90 of the laws of 2014, is amended to read as follows:

44 ARTICLE 20-B

45 EXCISE TAX ON MEDICAL [~~MARIHUANA~~] CANNABIS

46 § 35. Subdivision 1 of section 171-a of the tax law, as amended by
47 section 3 of part XX of chapter 59 of the laws of 2019, is amended to
48 read as follows:

49 1. All taxes, interest, penalties and fees collected or received by
50 the commissioner or the commissioner's duly authorized agent under arti-
51 cles nine (except section one hundred eighty-two-a thereof and except as
52 otherwise provided in section two hundred five thereof), nine-A,
53 twelve-A (except as otherwise provided in section two hundred eighty-
54 four-d thereof), thirteen, thirteen-A (except as otherwise provided in
55 section three hundred twelve thereof), eighteen, nineteen, twenty
56 (except as otherwise provided in section four hundred eighty-two there-

1 of), twenty-B, ~~twenty-C~~, twenty-D, twenty-one, twenty-two, twenty-four,
2 twenty-six, twenty-eight (except as otherwise provided in section eleven
3 hundred two or eleven hundred three thereof), twenty-eight-A, twenty-
4 nine-B, thirty-one (except as otherwise provided in section fourteen
5 hundred twenty-one thereof), thirty-three and thirty-three-A of this
6 chapter shall be deposited daily in one account with such responsible
7 banks, banking houses or trust companies as may be designated by the
8 comptroller, to the credit of the comptroller. Such an account may be
9 established in one or more of such depositories. Such deposits shall be
10 kept separate and apart from all other money in the possession of the
11 comptroller. The comptroller shall require adequate security from all
12 such depositories. Of the total revenue collected or received under such
13 articles of this chapter, the comptroller shall retain in the comp-
14 troller's hands such amount as the commissioner may determine to be
15 necessary for refunds or reimbursements under such articles of this
16 chapter out of which amount the comptroller shall pay any refunds or
17 reimbursements to which taxpayers shall be entitled under the provisions
18 of such articles of this chapter. The commissioner and the comptroller
19 shall maintain a system of accounts showing the amount of revenue
20 collected or received from each of the taxes imposed by such articles.
21 The comptroller, after reserving the amount to pay such refunds or
22 reimbursements, shall, on or before the tenth day of each month, pay
23 into the state treasury to the credit of the general fund all revenue
24 deposited under this section during the preceding calendar month and
25 remaining to the comptroller's credit on the last day of such preceding
26 month, (i) except that the comptroller shall pay to the state department
27 of social services that amount of overpayments of tax imposed by article
28 twenty-two of this chapter and the interest on such amount which is
29 certified to the comptroller by the commissioner as the amount to be
30 credited against past-due support pursuant to subdivision six of section
31 one hundred seventy-one-c of this article, (ii) and except that the
32 comptroller shall pay to the New York state higher education services
33 corporation and the state university of New York or the city university
34 of New York respectively that amount of overpayments of tax imposed by
35 article twenty-two of this chapter and the interest on such amount which
36 is certified to the comptroller by the commissioner as the amount to be
37 credited against the amount of defaults in repayment of guaranteed
38 student loans and state university loans or city university loans pursu-
39 ant to subdivision five of section one hundred seventy-one-d and subdivi-
40 sion six of section one hundred seventy-one-e of this article, (iii)
41 and except further that, notwithstanding any law, the comptroller shall
42 credit to the revenue arrearage account, pursuant to section
43 ninety-one-a of the state finance law, that amount of overpayment of tax
44 imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B
45 or thirty-three of this chapter, and any interest thereon, which is
46 certified to the comptroller by the commissioner as the amount to be
47 credited against a past-due legally enforceable debt owed to a state
48 agency pursuant to paragraph (a) of subdivision six of section one
49 hundred seventy-one-f of this article, provided, however, he shall cred-
50 it to the special offset fiduciary account, pursuant to section ninety-
51 one-c of the state finance law, any such amount creditable as a liabil-
52 ity as set forth in paragraph (b) of subdivision six of section one
53 hundred seventy-one-f of this article, (iv) and except further that the
54 comptroller shall pay to the city of New York that amount of overpayment
55 of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A,
56 thirty-B or thirty-three of this chapter and any interest thereon that

1 is certified to the comptroller by the commissioner as the amount to be
2 credited against city of New York tax warrant judgment debt pursuant to
3 section one hundred seventy-one-l of this article, (v) and except
4 further that the comptroller shall pay to a non-obligated spouse that
5 amount of overpayment of tax imposed by article twenty-two of this chap-
6 ter and the interest on such amount which has been credited pursuant to
7 section one hundred seventy-one-c, one hundred seventy-one-d, one
8 hundred seventy-one-e, one hundred seventy-one-f or one hundred seven-
9 ty-one-l of this article and which is certified to the comptroller by
10 the commissioner as the amount due such non-obligated spouse pursuant to
11 paragraph six of subsection (b) of section six hundred fifty-one of this
12 chapter; and (vi) the comptroller shall deduct a like amount which the
13 comptroller shall pay into the treasury to the credit of the general
14 fund from amounts subsequently payable to the department of social
15 services, the state university of New York, the city university of New
16 York, or the higher education services corporation, or the revenue
17 arrearage account or special offset fiduciary account pursuant to
18 section ninety-one-a or ninety-one-c of the state finance law, as the
19 case may be, whichever had been credited the amount originally withheld
20 from such overpayment, and (vii) with respect to amounts originally
21 withheld from such overpayment pursuant to section one hundred seventy-
22 one-l of this article and paid to the city of New York, the comptroller
23 shall collect a like amount from the city of New York.

24 § 36. Subdivision 1 of section 171-a of the tax law, as amended by
25 section 4 of part XX of chapter 59 of the laws of 2019, is amended to
26 read as follows:

27 1. All taxes, interest, penalties and fees collected or received by
28 the commissioner or the commissioner's duly authorized agent under arti-
29 cles nine (except section one hundred eighty-two-a thereof and except as
30 otherwise provided in section two hundred five thereof), nine-A,
31 twelve-A (except as otherwise provided in section two hundred eighty-
32 four-d thereof), thirteen, thirteen-A (except as otherwise provided in
33 section three hundred twelve thereof), eighteen, nineteen, twenty
34 (except as otherwise provided in section four hundred eighty-two there-
35 of), twenty-C, twenty-D, twenty-one, twenty-two, twenty-four, twenty-
36 six, twenty-eight (except as otherwise provided in section eleven
37 hundred two or eleven hundred three thereof), twenty-eight-A, twenty-
38 nine-B, thirty-one (except as otherwise provided in section fourteen
39 hundred twenty-one thereof), thirty-three and thirty-three-A of this
40 chapter shall be deposited daily in one account with such responsible
41 banks, banking houses or trust companies as may be designated by the
42 comptroller, to the credit of the comptroller. Such an account may be
43 established in one or more of such depositories. Such deposits shall be
44 kept separate and apart from all other money in the possession of the
45 comptroller. The comptroller shall require adequate security from all
46 such depositories. Of the total revenue collected or received under such
47 articles of this chapter, the comptroller shall retain in the comp-
48 troller's hands such amount as the commissioner may determine to be
49 necessary for refunds or reimbursements under such articles of this
50 chapter out of which amount the comptroller shall pay any refunds or
51 reimbursements to which taxpayers shall be entitled under the provisions
52 of such articles of this chapter. The commissioner and the comptroller
53 shall maintain a system of accounts showing the amount of revenue
54 collected or received from each of the taxes imposed by such articles.
55 The comptroller, after reserving the amount to pay such refunds or
56 reimbursements, shall, on or before the tenth day of each month, pay

1 into the state treasury to the credit of the general fund all revenue
2 deposited under this section during the preceding calendar month and
3 remaining to the comptroller's credit on the last day of such preceding
4 month, (i) except that the comptroller shall pay to the state department
5 of social services that amount of overpayments of tax imposed by article
6 twenty-two of this chapter and the interest on such amount which is
7 certified to the comptroller by the commissioner as the amount to be
8 credited against past-due support pursuant to subdivision six of section
9 one hundred seventy-one-c of this article, (ii) and except that the
10 comptroller shall pay to the New York state higher education services
11 corporation and the state university of New York or the city university
12 of New York respectively that amount of overpayments of tax imposed by
13 article twenty-two of this chapter and the interest on such amount which
14 is certified to the comptroller by the commissioner as the amount to be
15 credited against the amount of defaults in repayment of guaranteed
16 student loans and state university loans or city university loans pursu-
17 ant to subdivision five of section one hundred seventy-one-d and subdivi-
18 sion six of section one hundred seventy-one-e of this article, (iii)
19 and except further that, notwithstanding any law, the comptroller shall
20 credit to the revenue arrearage account, pursuant to section
21 ninety-one-a of the state finance law, that amount of overpayment of tax
22 imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B
23 or thirty-three of this chapter, and any interest thereon, which is
24 certified to the comptroller by the commissioner as the amount to be
25 credited against a past-due legally enforceable debt owed to a state
26 agency pursuant to paragraph (a) of subdivision six of section one
27 hundred seventy-one-f of this article, provided, however, he shall cred-
28 it to the special offset fiduciary account, pursuant to section ninety-
29 one-c of the state finance law, any such amount creditable as a liabil-
30 ity as set forth in paragraph (b) of subdivision six of section one
31 hundred seventy-one-f of this article, (iv) and except further that the
32 comptroller shall pay to the city of New York that amount of overpayment
33 of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A,
34 thirty-B or thirty-three of this chapter and any interest thereon that
35 is certified to the comptroller by the commissioner as the amount to be
36 credited against city of New York tax warrant judgment debt pursuant to
37 section one hundred seventy-one-l of this article, (v) and except
38 further that the comptroller shall pay to a non-obligated spouse that
39 amount of overpayment of tax imposed by article twenty-two of this chap-
40 ter and the interest on such amount which has been credited pursuant to
41 section one hundred seventy-one-c, one hundred seventy-one-d, one
42 hundred seventy-one-e, one hundred seventy-one-f or one hundred seven-
43 ty-one-l of this article and which is certified to the comptroller by
44 the commissioner as the amount due such non-obligated spouse pursuant to
45 paragraph six of subsection (b) of section six hundred fifty-one of this
46 chapter; and (vi) the comptroller shall deduct a like amount which the
47 comptroller shall pay into the treasury to the credit of the general
48 fund from amounts subsequently payable to the department of social
49 services, the state university of New York, the city university of New
50 York, or the higher education services corporation, or the revenue
51 arrearage account or special offset fiduciary account pursuant to
52 section ninety-one-a or ninety-one-c of the state finance law, as the
53 case may be, whichever had been credited the amount originally withheld
54 from such overpayment, and (vii) with respect to amounts originally
55 withheld from such overpayment pursuant to section one hundred seventy-

1 one-1 of this article and paid to the city of New York, the comptroller
2 shall collect a like amount from the city of New York.

3 § 37. Section 490 of the tax law, as added by chapter 90 of the laws
4 of 2014, is amended to read as follows:

5 § 490. [~~Definitions~~] Excise tax on medical cannabis. 1. (a) [~~All~~
6 ~~definitions of terms applicable to title five-A of article thirty-three~~
7 ~~of the public health law shall apply to this article.~~] For purposes of
8 this article, the terms "medical cannabis," "registered organization,"
9 "certified patient," and "designated caregiver" shall have the same
10 definitions as in section three of the cannabis law.

11 (b) As used in this section, where not otherwise specifically defined
12 and unless a different meaning is clearly required "gross receipt" means
13 the amount received in or by reason of any sale, conditional or other-
14 wise, of medical [~~marihuana~~] cannabis or in or by reason of the furnish-
15 ing of medical [~~marihuana~~] cannabis from the sale of medical [~~marihuana~~]
16 cannabis provided by a registered organization to a certified patient or
17 designated caregiver. Gross receipt is expressed in money, whether paid
18 in cash, credit or property of any kind or nature, and shall be deter-
19 mined without any deduction therefrom on account of the cost of the
20 service sold or the cost of materials, labor or services used or other
21 costs, interest or discount paid, or any other expenses whatsoever.
22 "Amount received" for the purpose of the definition of gross receipt, as
23 the term gross receipt is used throughout this article, means the amount
24 charged for the provision of medical [~~marihuana~~] cannabis.

25 2. There is hereby imposed an excise tax on the gross receipts from
26 the sale of medical [~~marihuana~~] cannabis by a registered organization to
27 a certified patient or designated caregiver, to be paid by the regis-
28 tered organization, at the rate of seven percent. The tax imposed by
29 this article shall be charged against and be paid by the registered
30 organization and shall not be added as a separate charge or line item on
31 any sales slip, invoice, receipt or other statement or memorandum of the
32 price given to the retail customer.

33 3. The commissioner may make, adopt and amend rules, regulations,
34 procedures and forms necessary for the proper administration of this
35 article.

36 4. Every registered organization that makes sales of medical [~~marihua-~~
37 ~~na~~] cannabis subject to the tax imposed by this article shall, on or
38 before the twentieth date of each month, file with the commissioner a
39 return on forms to be prescribed by the commissioner, showing its
40 receipts from the retail sale of medical [~~marihuana~~] cannabis during the
41 preceding calendar month and the amount of tax due thereon. Such returns
42 shall contain such further information as the commissioner may require.
43 Every registered organization required to file a return under this
44 section shall, at the time of filing such return, pay to the commission-
45 er the total amount of tax due on its retail sales of medical [~~marihua-~~
46 ~~na~~] cannabis for the period covered by such return. If a return is not
47 filed when due, the tax shall be due on the day on which the return is
48 required to be filed.

49 5. Whenever the commissioner shall determine that any moneys received
50 under the provisions of this article were paid in error, he may cause
51 the same to be refunded, with interest, in accordance with such rules
52 and regulations as he may prescribe, except that no interest shall be
53 allowed or paid if the amount thereof would be less than one dollar.
54 Such interest shall be at the overpayment rate set by the commissioner
55 pursuant to subdivision twenty-sixth of section one hundred seventy-one
56 of this chapter, or if no rate is set, at the rate of six percent per

1 annum, from the date when the tax, penalty or interest to be refunded
2 was paid to a date preceding the date of the refund check by not more
3 than thirty days. Provided, however, that for the purposes of this
4 subdivision, any tax paid before the last day prescribed for its payment
5 shall be deemed to have been paid on such last day. Such moneys received
6 under the provisions of this article which the commissioner shall deter-
7 mine were paid in error, may be refunded out of funds in the custody of
8 the comptroller to the credit of such taxes provided an application
9 therefor is filed with the commissioner within two years from the time
10 the erroneous payment was made.

11 6. The provisions of article twenty-seven of this chapter shall apply
12 to the tax imposed by this article in the same manner and with the same
13 force and effect as if the language of such article had been incorpo-
14 rated in full into this section and had expressly referred to the tax
15 imposed by this article, except to the extent that any provision of such
16 article is either inconsistent with a provision of this article or is
17 not relevant to this article.

18 7. All taxes, interest and penalties collected or received by the
19 commissioner under this article shall be deposited and disposed of
20 pursuant to the provisions of section one hundred seventy-one-a of this
21 chapter, provided that an amount equal to one hundred percent collected
22 under this article less any amount determined by the commissioner to be
23 reserved by the comptroller for refunds or reimbursements shall be paid
24 by the comptroller to the credit of the medical [~~marihuana~~] cannabis
25 trust fund established by section eighty-nine-h of the state finance
26 law.

27 8. A registered organization that dispenses medical [~~marihuana~~] canna-
28 bis shall provide to the department information on where the medical
29 [~~marihuana~~] cannabis was dispensed and where the medical [~~marihuana~~]
30 cannabis was manufactured. A registered organization that obtains [~~mari-~~
31 huana] cannabis from another registered organization shall obtain from
32 such registered organization information on where the medical [~~marihua-~~
33 na] cannabis was manufactured.

34 § 38. Section 491 of the tax law, as added by chapter 90 of the laws
35 of 2014, subdivision 1 as amended by section 1 of part II of chapter 60
36 of the laws of 2016, is amended to read as follows:

37 § 491. Returns to be secret. 1. Except in accordance with proper judi-
38 cial order or as in this section or otherwise provided by law, it shall
39 be unlawful for the commissioner, any officer or employee of the depart-
40 ment, or any officer or person who, pursuant to this section, is permit-
41 ted to inspect any return or report or to whom a copy, an abstract or a
42 portion of any return or report is furnished, or to whom any information
43 contained in any return or report is furnished, or any person engaged or
44 retained by such department on an independent contract basis or any
45 person who in any manner may acquire knowledge of the contents of a
46 return or report filed pursuant to this article to divulge or make known
47 in any manner the contents or any other information relating to the
48 business of a distributor, owner or other person contained in any return
49 or report required under this article. The officers charged with the
50 custody of such returns or reports shall not be required to produce any
51 of them or evidence of anything contained in them in any action or
52 proceeding in any court, except on behalf of the state, [~~the state~~
53 department of health] office of cannabis management, or the commissioner
54 in an action or proceeding under the provisions of this chapter or on
55 behalf of the state or the commissioner in any other action or proceed-
56 ing involving the collection of a tax due under this chapter to which

1 the state or the commissioner is a party or a claimant or on behalf of
2 any party to any action or proceeding under the provisions of this arti-
3 cle, when the returns or the reports or the facts shown thereby are
4 directly involved in such action or proceeding, or in an action or
5 proceeding relating to the regulation or taxation of medical [~~marihuana~~
6 cannabis] on behalf of officers to whom information shall have been
7 supplied as provided in subdivision two of this section, in any of which
8 events the court may require the production of, and may admit in
9 evidence so much of said returns or reports or of the facts shown there-
10 by as are pertinent to the action or proceeding and no more. Nothing
11 herein shall be construed to prohibit the commissioner, in his or her
12 discretion, from allowing the inspection or delivery of a certified copy
13 of any return or report filed under this article or of any information
14 contained in any such return or report by or to a duly authorized offi-
15 cer or employee of the [~~state department of health~~] office of cannabis
16 management; or by or to the attorney general or other legal represen-
17 tatives of the state when an action shall have been recommended or
18 commenced pursuant to this chapter in which such returns or reports or
19 the facts shown thereby are directly involved; or the inspection of the
20 returns or reports required under this article by the comptroller or
21 duly designated officer or employee of the state department of audit and
22 control, for purposes of the audit of a refund of any tax paid by a
23 registered organization or other person under this article; nor to
24 prohibit the delivery to a registered organization, or a duly authorized
25 representative of such registered organization, a certified copy of any
26 return or report filed by such registered organization pursuant to this
27 article, nor to prohibit the publication of statistics so classified as
28 to prevent the identification of particular returns or reports and the
29 items thereof. This section shall also not be construed to prohibit the
30 disclosure, for tax administration purposes, to the division of the
31 budget and the office of the state comptroller, of information aggre-
32 gated from the returns filed by all the registered organizations making
33 sales of, or manufacturing, medical [~~marihuana~~] cannabis in a specified
34 county, whether the number of such registered organizations is one or
35 more. Provided further that, notwithstanding the provisions of this
36 subdivision, the commissioner may, in his or her discretion, permit the
37 proper officer of any county entitled to receive an allocation, follow-
38 ing appropriation by the legislature, pursuant to this article and
39 section eighty-nine-h of the state finance law, or the authorized repre-
40 sentative of such officer, to inspect any return filed under this arti-
41 cle, or may furnish to such officer or the officer's authorized repre-
42 sentative an abstract of any such return or supply such officer or such
43 representative with information concerning an item contained in any such
44 return, or disclosed by any investigation of tax liability under this
45 article.

46 2. The commissioner, in his or her discretion and pursuant to such
47 rules and regulations as he or she may adopt, may permit [~~the commis-~~
48 ~~sioner of internal revenue of the United States, or~~] the appropriate
49 officers of any other state which regulates or taxes medical [~~marihuana~~
50 cannabis], or the duly authorized representatives of such [~~commissioner~~
51 ~~or of any such~~] officers, to inspect returns or reports made pursuant to
52 this article, or may furnish to such [~~commissioner or~~] other officers,
53 or duly authorized representatives, a copy of any such return or report
54 or an abstract of the information therein contained, or any portion
55 thereof, or may supply [~~such commissioner or~~] any such officers or such
56 representatives with information relating to the business of a regis-

1 tered organization making returns or reports hereunder. The commissioner
 2 may refuse to supply information pursuant to this subdivision [~~to the~~
 3 ~~commissioner of internal revenue of the United States or~~] to the offi-
 4 cers of any other state if the statutes [~~of the United States, or~~] of
 5 the state represented by such officers, do not grant substantially simi-
 6 lar privileges to the commissioner, but such refusal shall not be manda-
 7 tory. Information shall not be supplied to [~~the commissioner of internal~~
 8 ~~revenue of the United States or~~] the appropriate officers of any other
 9 state which regulates or taxes medical [~~marihuana~~] cannabis, or the duly
 10 authorized representatives [~~of such commissioner or~~] of any of such
 11 officers, unless such [~~commissioner,~~] officer or other representatives
 12 shall agree not to divulge or make known in any manner the information
 13 so supplied, but such officers may transmit such information to their
 14 employees or legal representatives when necessary, who in turn shall be
 15 subject to the same restrictions as those hereby imposed upon such
 16 [~~commissioner,~~] officer or other representatives.

17 3. (a) Any officer or employee of the state who willfully violates the
 18 provisions of subdivision one or two of this section shall be dismissed
 19 from office and be incapable of holding any public office in this state
 20 for a period of five years thereafter.

21 (b) Cross-reference: For criminal penalties, see article thirty-seven
 22 of this chapter.

23 § 39. The tax law is amended by adding a new article 20-C to read as
 24 follows:

25 ARTICLE 20-C

26 TAX ON ADULT-USE CANNABIS PRODUCTS

27 Section 492. Definitions.

28 493. Tax on cannabis.

29 494. Registration and renewal.

30 495. Returns and payment of tax.

31 496. Returns to be kept secret.

32 § 492. Definitions. For purposes of this article, the following defi-
 33 nitions shall apply:

34 (a) "Cannabis" means all parts of a plant of the genus cannabis,
 35 whether growing or not; the seeds thereof; the resin extracted from any
 36 part of the plant; and every compound, manufacture, salt, derivative,
 37 mixture, or preparation of the plant, its seeds or resin. For purposes
 38 of this article, cannabis does not include medical cannabis or hemp
 39 extract as defined in section three of the cannabis law.

40 (b) "Cannabis flower" means the flower of a plant of the genus canna-
 41 bis that has been harvested, dried, and cured, and prior to any process-
 42 ing whereby the plant material is transformed into a concentrate,
 43 including, but not limited to, concentrated cannabis, or an edible or
 44 topical product containing cannabis or concentrated cannabis and other
 45 ingredients. Cannabis flower excludes leaves and stem.

46 (c) "Cannabis trim" means all parts of a plant of the genus cannabis
 47 other than cannabis flowers that have been harvested, dried, and cured,
 48 and prior to any processing whereby the plant material is transformed
 49 into a concentrate, including, but not limited to, concentrated canna-
 50 bis, or an edible or topical product containing cannabis and other
 51 ingredients.

52 (d) "Cannabis product" or "adult use cannabis" means a cannabis prod-
 53 uct as defined in section three of the cannabis law. For purposes of
 54 this article, under no circumstances shall adult-use cannabis product

1 include medical cannabis or hemp extract as defined in section three of
2 the cannabis law.

3 (e) "Person" means every individual, partnership, limited liability
4 company, society, association, joint stock company, corporation, estate,
5 receiver, trustee, assignee, referee, and any other person acting in a
6 fiduciary or representative capacity, whether appointed by a court or
7 otherwise, and any combination of the foregoing.

8 (f) "Wholesaler" means any person that sells or transfers adult-use
9 cannabis products to a retail dispensary licensed pursuant to section
10 seventy-two of the cannabis law. Where the cultivator or processor is
11 also the retail dispensary, the retail dispensary shall be the whole-
12 saler for purposes of this article.

13 (g) "Cultivation" has the same meaning as described in subdivision two
14 of section sixty-eight of the cannabis law.

15 (h) "Retail dispensary" means a dispensary licensed to sell adult-use
16 cannabis products pursuant to section seventy-two of the cannabis law.

17 (i) "Transfer" means to grant, convey, hand over, assign, sell,
18 exchange or barter, in any manner or by any means, with or without
19 consideration.

20 (j) "Sale" means any transfer of title, possession or both, exchange
21 or barter, rental, lease or license to use or consume, conditional or
22 otherwise, in any manner or by any means whatsoever for a consideration
23 or any agreement therefor.

24 (k) "Processor" has the same meaning as described in subdivision two
25 of section sixty-nine of the cannabis law.

26 § 493. Tax on cannabis. (a) There is hereby imposed and shall be paid
27 a tax on the cultivation of cannabis flower and cannabis trim at the
28 rate of one dollar per dry-weight gram of cannabis flower and twenty-
29 five cents per dry-weight gram of cannabis trim. Where the wholesaler is
30 not the cultivator, such tax shall be collected from the cultivator by
31 the wholesaler at the time such flower or trim is transferred to the
32 wholesaler. Where the wholesaler is the cultivator, such tax shall be
33 paid by the wholesaler and shall accrue at the time of sale or transfer
34 to a retail dispensary. Where the cultivator is also the retail dispen-
35 sary, such tax shall accrue at the time of the sale to the retail
36 customer.

37 (b) In addition to the tax imposed by subdivision (a) of this section,
38 there is hereby imposed a tax on the sale or transfer by a wholesaler to
39 a retail dispensary of adult-use cannabis products, to be paid by such
40 wholesaler. Where the wholesaler is not the retail dispensary, such tax
41 shall be at the rate of eighteen percent of the invoice price charged by
42 the wholesaler to a retail dispensary, and shall accrue at the time of
43 such sale. Where the wholesaler is the retail dispensary, such tax shall
44 be at the rate of eighteen percent of the price charged to the retail
45 customer and shall accrue at the time of such sale.

46 (c) In addition to the taxes imposed by subdivisions (a) and (b) of
47 this section, there is hereby imposed a tax on the sale or transfer by a
48 wholesaler to a retail dispensary of adult-use cannabis products, in
49 trust for and on account of the county in which the retail dispensary is
50 located. Such tax shall be paid by the wholesaler and shall accrue at
51 the time of such sale. Where the wholesaler is not the retail dispen-
52 sary, such tax shall be at the rate of four percent of the invoice price
53 charged by the wholesaler to a retail dispensary. Where the wholesaler
54 is the retail dispensary, such tax shall be at the rate of four percent
55 of the price charged to the retail customer.

1 (d) Notwithstanding any other provision of law to the contrary, the
2 taxes imposed by article twenty of this chapter shall not apply to any
3 product subject to tax under this article.

4 § 494. Registration and renewal. (a) Every wholesaler must file with
5 the commissioner a properly completed application for a certificate of
6 registration before engaging in business. In order to apply for such
7 certificate of registration, such person must first be in possession of
8 a valid license from the office of cannabis management. An application
9 for a certificate of registration must be submitted electronically, on a
10 form prescribed by the commissioner, and must be accompanied by a non-
11 refundable application fee of six hundred dollars. A certificate of
12 registration shall not be assignable or transferable and shall be
13 destroyed immediately upon such person ceasing to do business as speci-
14 fied in such certificate, or in the event that such business never
15 commenced.

16 (b) The commissioner shall refuse to issue a certificate of registra-
17 tion to any applicant and shall revoke the certificate of registration
18 of any such person who does not possess a valid license from the office
19 of cannabis management. The commissioner may refuse to issue a certifi-
20 cate of registration to any applicant where such applicant: (1) has a
21 past-due liability as that term is defined in section one hundred seven-
22 ty-one-v of this chapter; (2) has had a certificate of registration
23 under this article, a license from the office of cannabis management, or
24 any license or registration provided for in this chapter revoked within
25 one year from the date on which such application was filed; (3) has been
26 convicted of a crime provided for in this chapter within one year from
27 the date on which such application was filed of the certificate's issu-
28 ance; (4) willfully fails to file a report or return required by this
29 article; (5) willfully files, causes to be filed, gives or causes to be
30 given a report, return, certificate or affidavit required by this arti-
31 cle which is false; or (6) willfully fails to collect or truthfully
32 account for or pay over any tax imposed by this article.

33 (c) A certificate of registration shall be valid for the period speci-
34 fied thereon, unless earlier suspended or revoked. Upon the expiration
35 of the term stated on a certificate of registration, such certificate
36 shall be null and void.

37 (d) Every holder of a certificate of registration must notify the
38 commissioner of changes to any of the information stated on the certifi-
39 cate, or of changes to any information contained in the application for
40 the certificate of registration. Such notification must be made on or
41 before the last day of the month in which a change occurs and must be
42 made electronically on a form prescribed by the commissioner.

43 (e) Every holder of a certificate of registration under this article
44 shall be required to reapply prior to such certificate's expiration,
45 during a reapplication period established by the commissioner. Such
46 reapplication period shall not occur more frequently than every two
47 years. Such reapplication shall be subject to the same requirements and
48 conditions, including grounds for refusal, as an initial application,
49 including the payment of the application fee.

50 (f) Penalties. A person to whom adult-use cannabis products have been
51 transferred or who sells adult-use cannabis products without a valid
52 certificate of registration pursuant to subdivision (a) of this section
53 shall be subject to a penalty of five hundred dollars for each month or
54 part thereof during which such person continues to possess adult-use
55 cannabis products that have been transferred to such person or who sells
56 such products after the expiration of the first month after which such

1 person operates without a valid certificate of registration, not to
2 exceed ten thousand dollars in the aggregate.

3 § 495. Returns and payment of tax. (a) 1. Every wholesaler shall, on
4 or before the twentieth day of the month, file with the commissioner a
5 return on forms to be prescribed by the commissioner, showing the total
6 weight of cannabis flower and cannabis trim subject to tax pursuant to
7 subdivision (a) of section four hundred ninety-three of this article and
8 the total amount of tax due thereon in the preceding calendar month, and
9 the total amount of tax due under subdivisions (b) and (c) of such
10 section on its sales to a retail dispensary during the preceding calen-
11 dar month, along with such other information as the commissioner may
12 require. Every person required to file a return under this section
13 shall, at the time of filing such return, pay to the commissioner the
14 total amount of tax due for the period covered by such return. If a
15 return is not filed when due, the tax shall be due on the day on which
16 the return is required to be filed.

17 2. The wholesaler shall maintain such records in such form as the
18 commissioner may require regarding such items as: where the wholesaler
19 is not the cultivator, the weight of the cannabis flower and cannabis
20 trim transferred to it by a cultivator or, where the wholesaler is the
21 cultivator, the weight of such flower and trim produced by it; the
22 geographic location of every retail dispensary to which it sold adult-
23 use cannabis products; and any other record or information required by
24 the commissioner. This information must be kept by such person for a
25 period of three years after the return was filed.

26 (b) The provisions of article twenty-seven of this chapter shall apply
27 to the tax imposed by this article in the same manner and with the same
28 force and effect as if the language of such article had been incorpo-
29 rated in full into this section and had expressly referred to the tax
30 imposed by this article, except to the extent that any provision of such
31 article is either inconsistent with a provision of this article or is
32 not relevant to this article.

33 (c) 1. All taxes, interest, and penalties collected or received by the
34 commissioner under this article shall be deposited and disposed of
35 pursuant to the provisions of section one hundred seventy-one-a of this
36 chapter, provided that an amount equal to one hundred percent collected
37 under this article less any amount determined by the commissioner to be
38 reserved by the comptroller for refunds or reimbursements shall be paid
39 by the comptroller to the credit of the cannabis revenue fund estab-
40 lished by section ninety-nine-hh of the state finance law. Of the total
41 revenue collected or received under this article, the comptroller shall
42 retain such amount as the commissioner may determine to be necessary for
43 refunds. The commissioner is authorized and directed to deduct from the
44 registration fees under subdivision (a) of section four hundred ninety-
45 four of this article, before deposit into the cannabis revenue fund
46 designated by the comptroller, a reasonable amount necessary to effectu-
47 ate refunds of appropriations of the department to reimburse the depart-
48 ment for the costs incurred to administer, collect, and distribute the
49 taxes imposed by this article.

50 2. Notwithstanding the foregoing, the commissioner shall certify to
51 the comptroller the total amount of tax, penalty and interest received
52 by him or her on account of the tax imposed by subdivision (c) of
53 section four hundred ninety-three of this article in trust for and on
54 account of each county in which a retail dispensary is located. On or
55 before the twelfth day of each month, the comptroller, after reserving
56 such refund fund, shall pay to the appropriate fiscal officer of each

1 such county the taxes, penalties and interest received and certified by
2 the commissioner for the preceding calendar month.

3 § 496. Returns to be kept secret. (a) Except in accordance with proper
4 judicial order or as in this section or otherwise provided by law, it
5 shall be unlawful for the commissioner, any officer or employee of the
6 department, or any officer or person who, pursuant to this section, is
7 permitted to inspect any return or report or to whom a copy, an abstract
8 or a portion of any return or report is furnished, or to whom any infor-
9 mation contained in any return or report is furnished, or any person who
10 in any manner may acquire knowledge of the contents of a return or
11 report filed pursuant to this article to divulge or make known in any
12 manner the content or any other information related to the business of
13 the wholesaler contained in any return or report required under this
14 article. The officers charged with the custody of such returns or
15 reports shall not be required to produce any of them or evidence of
16 anything contained in them in any action or proceeding in any court,
17 except on behalf of the state, the office of cannabis management, or the
18 commissioner in an action or proceeding involving the collection of tax
19 due under this chapter to which the state or the commissioner is a party
20 or a claimant or on behalf of any party to any action or proceeding
21 under the provisions of this article, when the returns or the reports or
22 the facts shown thereby are directly involved in such action or proceed-
23 ing, or in an action or proceeding related to the regulation or taxation
24 of adult-use cannabis products on behalf of officers to whom information
25 shall have been supplied as provided in this section, in any of which
26 events the courts may require the production of, and may admit in
27 evidence so much of said returns or reports or of the facts shown there-
28 by as are pertinent to the action or proceeding and no more. Nothing
29 herein shall be construed to prohibit the commissioner, in his or her
30 discretion, from allowing the inspection or delivery of a certified copy
31 of any return or report filed under this article or of any information
32 contained in any such return or report by or to a duly authorized offi-
33 cer or employee of the office of cannabis management or by or to the
34 attorney general or other legal representatives of the state when an
35 action shall have been recommended or commenced pursuant to this chapter
36 in which such returns or reports or the facts shown thereby are directly
37 involved; or the inspection of the returns or reports required under
38 this article by the comptroller or duly designated officer or employee
39 of the state department of audit and control, for purposes of the audit
40 of a refund of any tax paid by the wholesaler under this article; nor to
41 prohibit the delivery to such person or a duly authorized representative
42 of such person, a certified copy of any return or report filed by such
43 person pursuant to this article, nor to prohibit the publication of
44 statistics so classified as to prevent the identification of particular
45 returns or reports and the items thereof. This section shall also not be
46 construed to prohibit the disclosure, for tax administration purposes,
47 to the division of the budget and the office of the state comptroller,
48 of information aggregated from the returns filed by all wholesalers
49 purchasing and selling such products in the state, whether the number of
50 such persons is one or more. Provided further that, notwithstanding the
51 provisions of this subdivision, the commissioner may in his or her
52 discretion, permit the proper officer of any county entitled to receive
53 any distribution of the monies received on account of the tax imposed by
54 subdivision (c) of section four hundred ninety-three of this article, or
55 the authorized representative of such officer, to inspect any return
56 filed under this article, or may furnish to such officer or the offi-

1 cer's authorized representative an abstract of any such return or supply
2 such officer or representative with information concerning an item
3 contained in any such return, or disclosed by any investigation of tax
4 liability under this article.

5 (b) The commissioner, in his or her discretion, may permit the appro-
6 prate officers of any other state that regulates or taxes cannabis or
7 the duly authorized representatives of such commissioner or of any such
8 officers, to inspect returns or reports made pursuant to this article,
9 or may furnish to the commissioner or other officer, or duly authorized
10 representatives, a copy of any such return or report or an abstract of
11 the information therein contained, or any portion thereof, or may supply
12 such commissioner or any such officers or such representatives with
13 information relating to the business of a wholesaler making returns or
14 reports hereunder solely for purposes of tax administration. The commis-
15 sioner may refuse to supply information pursuant to this subdivision to
16 the officers of any other state if the statutes of the state represented
17 by such officers do not grant substantially similar privileges to the
18 commissioner, but such refusal shall not be mandatory. Information shall
19 not be supplied to the appropriate officers of any state that regulates
20 or taxes cannabis, or the duly authorized representatives of such
21 commissioner or of any such officers, unless such commissioner, officer,
22 or other representatives shall agree not to divulge or make known in any
23 manner the information so supplied, but such officers may transmit such
24 information to their employees or legal representatives when necessary,
25 who in turn shall be subject to the same restrictions as those hereby
26 imposed upon such commissioner, officer or other representatives.

27 (c) 1. Any officer or employee of the state who willfully violates the
28 provisions of subdivision (a) or (b) of this section shall be dismissed
29 from office and be incapable of holding any public office in the state
30 for a period of five years thereafter.

31 2. For criminal penalties, see article thirty-seven of this chapter.

32 § 40. Subdivision (a) of section 1115 of the tax law is amended by
33 adding a new paragraph 3-b to read as follows:

34 (3-b) Adult-use cannabis products as defined by article twenty-C of
35 this chapter.

36 § 41. Section 12 of chapter 90 of the laws of 2014 amending the public
37 health law, the tax law, the state finance law, the general business
38 law, the penal law and the criminal procedure law relating to medical
39 use of marihuana, is amended to read as follows:

40 § 12. This act shall take effect immediately ~~and~~; provided, however
41 that sections one, three, five, six, seven-a, eight, nine, ten and elev-
42 en of this act shall expire and be deemed repealed seven years after
43 such date; provided that the amendments to section 171-a of the tax law
44 made by section seven of this act shall take effect on the same date and
45 in the same manner as section 54 of part A of chapter 59 of the laws of
46 2014 takes effect and shall not expire and be deemed repealed; and
47 provided, further, that the amendments to subdivision 5 of section
48 410.91 of the criminal procedure law made by section eleven of this act
49 shall not affect the expiration and repeal of such section and shall
50 expire and be deemed repealed therewith.

51 § 42. The office of cannabis management, in consultation with the
52 division of the budget, the department of taxation and finance, the
53 department of health, office of alcoholism and substance abuse services,
54 office of mental health, New York state police and the division of crim-
55 inal justice services, shall conduct a study of the effectiveness of
56 this act. Such study shall examine all aspects of this act, including

1 economic and fiscal impacts, the impact on the public health and safety
2 of New York residents and the progress made in achieving social justice
3 goals and toward eliminating the illegal market for cannabis products in
4 New York. The office shall make recommendations regarding the appropri-
5 ate level of taxation of adult-use cannabis, as well as changes, if any,
6 necessary to improve and protect the public health and safety of New
7 Yorkers. Such study shall be conducted two years after the effective
8 date of this act and shall be presented to the governor, the majority
9 leader of the senate and the speaker of the assembly, no later than
10 October 1, 2022.

11 § 43. Section 102 of the alcoholic beverage control law is amended by
12 adding a new subdivision 8 to read as follows:

13 8. No alcoholic beverage retail licensee shall sell cannabis, nor have
14 or possess a license or permit to sell cannabis, on the same premises
15 where alcoholic beverages are sold.

16 § 44. Subdivisions 1, 4, 5, 6, 7 and 13 of section 12-102 of the
17 general obligations law, as added by chapter 406 of the laws of 2000,
18 are amended to read as follows:

19 1. "Illegal drug" means any controlled substance [~~or marijuana~~] the
20 possession of which is an offense under the public health law or the
21 penal law.

22 4. "Grade one violation" means possession of one-quarter ounce or
23 more, but less than four ounces, or distribution of less than one ounce
24 of an illegal drug [~~other than marijuana, or possession of one pound or~~
25 ~~twenty-five plants or more, but less than four pounds or fifty plants,~~
26 ~~or distribution of less than one pound of marijuana~~].

27 5. "Grade two violation" means possession of four ounces or more, but
28 less than eight ounces, or distribution of one ounce or more, but less
29 than two ounces, of an illegal drug [~~other than marijuana, or possession~~
30 ~~of four pounds or more or fifty plants or distribution of more than one~~
31 ~~pound but less than ten pounds of marijuana~~].

32 6. "Grade three violation" means possession of eight ounces or more,
33 but less than sixteen ounces, or distribution of two ounces or more, but
34 less than four ounces, of a specified illegal drug [~~or possession of~~
35 ~~eight pounds or more or seventy-five plants or more, but less than~~
36 ~~sixteen pounds or one hundred plants, or distribution of more than five~~
37 ~~pounds but less than ten pounds of marijuana~~].

38 7. "Grade four violation" means possession of sixteen ounces or more
39 or distribution of four ounces or more of a specified illegal drug [~~or~~
40 ~~possession of sixteen pounds or more or one hundred plants or more or~~
41 ~~distribution of ten pounds or more of marijuana~~].

42 13. "Drug trafficker" means a person convicted of a class A or class B
43 felony controlled substance [~~or marijuana offense~~] who, in connection
44 with the criminal conduct for which he or she stands convicted,
45 possessed, distributed, sold or conspired to sell a controlled substance
46 [~~or marijuana~~] which, by virtue of its quantity, the person's prominent
47 role in the enterprise responsible for the sale or distribution of such
48 controlled substance and other circumstances related to such criminal
49 conduct indicate that such person's criminal possession, sale or
50 conspiracy to sell such substance was not an isolated occurrence and was
51 part of an ongoing pattern of criminal activity from which such person
52 derived substantial income or resources and in which such person played
53 a leadership role.

54 § 45. Paragraph (g) of subdivision 1 of section 488 of the social
55 services law, as added by section 1 of part B of chapter 501 of the laws
56 of 2012, is amended to read as follows:

1 (g) "Unlawful use or administration of a controlled substance," which
2 shall mean any administration by a custodian to a service recipient of:
3 a controlled substance as defined by article thirty-three of the public
4 health law, without a prescription; or other medication not approved for
5 any use by the federal food and drug administration, except for the
6 administration of medical cannabis when such administration is in
7 accordance with article three of the cannabis law and any regulations
8 promulgated thereunder as well as the rules, regulations, policies, or
9 procedures of the state oversight agency or agencies governing such
10 custodians. It also shall include a custodian unlawfully using or
11 distributing a controlled substance as defined by article thirty-three
12 of the public health law, at the workplace or while on duty.

13 § 46. Paragraphs (e) and (f) of subdivision 1 of section 490 of the
14 social services law, as added by section 1 of part B of chapter 501 of
15 the laws of 2012, are amended and a new paragraph (g) is added to read
16 as follows:

17 (e) information regarding individual reportable incidents, incident
18 patterns and trends, and patterns and trends in the reporting and
19 response to reportable incidents is shared, consistent with applicable
20 law, with the justice center, in the form and manner required by the
21 justice center and, for facilities or provider agencies that are not
22 state operated, with the applicable state oversight agency which shall
23 provide such information to the justice center; ~~and~~

24 (f) incident review committees are established; provided, however,
25 that the regulations may authorize an exemption from this requirement,
26 when appropriate, based on the size of the facility or provider agency
27 or other relevant factors. Such committees shall be composed of members
28 of the governing body of the facility or provider agency and other
29 persons identified by the director of the facility or provider agency,
30 including some members of the following: direct support staff, licensed
31 health care practitioners, service recipients and representatives of
32 family, consumer and other advocacy organizations, but not the director
33 of the facility or provider agency. Such committee shall meet regularly
34 to: (i) review the timeliness, thoroughness and appropriateness of the
35 facility or provider agency's responses to reportable incidents; (ii)
36 recommend additional opportunities for improvement to the director of
37 the facility or provider agency, if appropriate; (iii) review incident
38 trends and patterns concerning reportable incidents; and (iv) make
39 recommendations to the director of the facility or provider agency to
40 assist in reducing reportable incidents. Members of the committee shall
41 be trained in confidentiality laws and regulations, and shall comply
42 with section seventy-four of the public officers law[-]; and

43 (g) safe storage, administration, and diversion prevention policies
44 regarding controlled substances and medical cannabis.

45 § 47. Subdivision 1 of section 505 of the agriculture and markets law,
46 as added by chapter 524 of the laws of 2014, is amended to read as
47 follows:

48 1. "Industrial hemp" means the plant *Cannabis sativa* L. and any part
49 of such plant, including the seeds thereof and all derivatives,
50 extracts, cannabinoids, isomers, acids, salts, and salts of isomers,
51 whether growing or not, with a delta-9 tetrahydrocannabinol concen-
52 tration of not more than 0.3 percent on a dry weight basis.

53 § 48. Section 506 of the agriculture and markets law, as amended by
54 section 1 of part 00 of chapter 58 of the laws of 2017, is amended to
55 read as follows:

1 § 506. Growth, sale, distribution, transportation and processing of
2 industrial hemp and products derived from such hemp permitted.

3 ~~[Notwithstanding any provision of law to the contrary, industrial]~~ 1.
4 Industrial hemp and products derived from such hemp are agricultural
5 products which may be grown, produced [~~and~~], possessed [~~in the state,~~
6 ~~and~~], sold, distributed, transported [~~or~~] and/or processed [~~either~~] in
7 [~~or out of~~] state [~~as part of agricultural pilot programs pursuant to~~
8 ~~authorization under federal law and the provisions of this article~~
9 ~~pursuant to authorization under federal law and/or the provisions of~~
10 ~~this article.~~

11 ~~[Notwithstanding any provision of law to the contrary restricting the~~
12 ~~growing or cultivating, sale, distribution, transportation or processing~~
13 ~~of industrial hemp and products derived from such hemp, and subject to~~
14 ~~authorization under federal law, the]~~

15 2. The commissioner may authorize the growing or cultivating of indus-
16 trial hemp as part of agricultural pilot programs conducted by the
17 department and/or an institution of higher education to study the growth
18 and cultivation, sale, distribution, transportation and processing of
19 such hemp and products derived from such hemp provided that the sites
20 and programs used for growing or cultivating industrial hemp are certi-
21 fied by, and registered with, the department.

22 3. The industrial hemp used for research pursuant to this section
23 shall be sourced from authorized New York state industrial hemp produc-
24 ers. The research partner may obtain an exemption for only grain or
25 fiber from this requirement upon a satisfactory showing to the depart-
26 ment that a suitable variety of industrial hemp for the research project
27 is not grown in New York and/or the use of New York sourced hemp is not
28 practicable for the project. Hemp for extracts can only be sourced from
29 authorized New York state industrial hemp producers.

30 4. Nothing in this section shall limit the jurisdiction of the depart-
31 ment under any other article of this chapter.

32 § 49. Section 507 of the agriculture and markets law is REPEALED and a
33 new section 507 is added to read as follows:

34 § 507. Licensing; fees. 1. No person shall grow, process, produce,
35 distribute and/or sell industrial hemp or products derived from indus-
36 trial hemp in the state unless (a) licensed biennially by the commis-
37 sioner or (b) authorized by the commissioner as part of an agricultural
38 research pilot program established under this article.

39 2. Application for a license to grow industrial hemp shall be made
40 upon a form prescribed by the commissioner, accompanied by a per-acre
41 license fee and a non-refundable application fee of five hundred
42 dollars.

43 3. The applicant shall furnish evidence of his or her good character,
44 experience and competency, that the applicant has adequate facilities,
45 equipment, process controls, testing capability and security to grow
46 hemp.

47 4. Growers who intend to cultivate hemp for cannabinoids shall be
48 required to obtain licensure from the department pursuant to article
49 twenty-nine-A of this chapter.

50 5. A renewal application shall be submitted to the commissioner at
51 least sixty days prior to the commencement of the next license period.

52 § 50. Section 508 of the agriculture and markets law is REPEALED and a
53 new section 508 is added to read as follows:

54 § 508. Compliance action plan. If the commissioner determines, after
55 notice and an opportunity for hearing, that a licensee has negligently
56 violated a provision of and/or a regulation promulgated pursuant to this

1 article, that licensee shall be required to comply with a corrective
2 action plan established by the commissioner to correct the violation by
3 a reasonable date and to periodically report to the commissioner with
4 respect to the licensee's compliance with this article for a period of
5 no less than the next two calendar years following the commencement date
6 of the compliance action plan. The provisions of this section shall not
7 be applicable to research partners conducting hemp research pursuant to
8 a research partner agreement, the terms of which shall control.

9 § 51. Section 509 of the agriculture and markets law is REPEALED and a
10 new section 509 is added to read as follows:

11 § 509. Granting, suspending or revoking licenses. The commissioner
12 may decline to grant a new license, may decline to renew a license, may
13 suspend or revoke a license already granted after due notice and oppor-
14 tunity for hearing whenever he or she finds that:

15 1. any statement contained in an application for an applicant or
16 licensee is or was false or misleading;

17 2. the applicant or licensee does not have good character, the
18 required experience and/or competency, adequate facilities, equipment,
19 process controls, testing capability and/or security to produce hemp or
20 products derived from hemp;

21 3. the applicant or licensee has failed or refused to produce any
22 records or provide any information demanded by the commissioner reason-
23 ably related to the administration and enforcement of this article; or

24 4. the applicant or licensee, or any officer, director, partner, hold-
25 er of ten percent of the voting stock, or any other person exercising
26 any position of management or control has failed to comply with any of
27 the provisions of this article or rules and regulations promulgated
28 pursuant thereto.

29 § 52. Section 510 of the agriculture and markets law is REPEALED and a
30 new section 510 is added to read as follows:

31 § 510. Regulations. The commissioner may develop regulations consist-
32 ent with the provisions of this article for the growing and cultivation,
33 sale, distribution, and transportation of industrial hemp grown in the
34 state, including:

35 1. the authorization or licensing of any person who may: acquire or
36 possess industrial hemp plants or seeds; grow or cultivate industrial
37 hemp plants; and/or sell, purchase, distribute, or transport such indus-
38 trial hemp plants, plant parts, or seeds;

39 2. maintaining relevant information regarding land on which industrial
40 hemp is produced within the state, including the legal description of
41 the land, for a period of not less than three calendar years;

42 3. the procedure for testing of industrial hemp produced in the state
43 for delta-9-tetrahydrocannabinol levels, using a representative non-de-
44 carboxylated sample of flowers and leaves from the whole plant or other
45 similarly reliable methods;

46 4. the procedure for effective disposal of industrial hemp plants or
47 products derived from hemp that are produced in violation of this arti-
48 cle;

49 5. a procedure for conducting at least a random sample of industrial
50 hemp producers to verify that hemp is not produced in violation of this
51 article;

52 6. any required security measures; and

53 7. such other and further regulation as the commissioner deems appro-
54 priate or necessary.

55 § 53. Section 511 of the agriculture and markets law is REPEALED and a
56 new section 511 is added to read as follows:

1 § 511. Prohibitions. Except as authorized by state law, and regu-
2 lations promulgated thereunder, the growth, cultivation, processing,
3 sale, and/or distribution of industrial hemp is prohibited.

4 § 54. Section 512 of the agriculture and markets law is REPEALED and a
5 new section 512 is added to read as follows:

6 § 512. Industrial hemp data collection and best farming practices.
7 The commissioner shall have the power to collect and publish data and
8 research concerning, among other things, the growth, cultivation,
9 production and processing methods of industrial hemp and products
10 derived from industrial hemp and work with the New York state college of
11 agriculture and life science at Cornell pursuant to section fifty-seven
12 hundred twelve of the education law and the Cornell cooperative exten-
13 sion pursuant to section two hundred twenty-four of the county law to
14 promote best farming practices for industrial hemp which are compatible
15 with state water quality and other environmental objectives.

16 § 55. Sections 513 and 514 of the agriculture and markets law are
17 REPEALED and two new sections 513 and 514 are added to read as follows:

18 § 513. Access to criminal history information through the division of
19 criminal justice services. In connection with the administration of
20 this article, the commissioner is authorized to request, receive and
21 review criminal history information through the division of criminal
22 justice services (division) with respect to any person seeking a license
23 or authorization to undertake a hemp pilot project. At the commission-
24 er's request, each researcher, principal and/or officer of the applicant
25 shall submit to the department his or her fingerprints in such form and
26 in such manner as specified by the division, for the purpose of conduct-
27 ing a criminal history search and returning a report thereon in accord-
28 ance with the procedures and requirements established by the division
29 pursuant to the provisions of article thirty-five of the executive law,
30 which shall include the payment of the prescribed processing fees for
31 the cost of the division's full search and retain procedures and a
32 national criminal history record check. The commissioner, or his or her
33 designee, shall submit such fingerprints and the processing fee to the
34 division. The division shall forward to the commissioner a report with
35 respect to the applicant's previous criminal history, if any, or a
36 statement that the applicant has no previous criminal history according
37 to its files. Fingerprints submitted to the division of criminal justice
38 services pursuant to this section may also be submitted to the federal
39 bureau of investigation for a national criminal history record check. If
40 additional copies of fingerprints are required, the applicant shall
41 furnish them upon request.

42 § 514. Aids to enforcement. 1. The commissioner shall have full access
43 to all premises, buildings, factories, farms, vehicles, cars, boats,
44 airplanes, vessels, containers, packages, barrels, boxes, and/or cans
45 for the purpose of enforcing the provisions of this article. The commis-
46 sioner may, at such locations, examine industrial hemp and hemp products
47 and may open any package and/or container reasonably believed to contain
48 industrial hemp or hemp products, to determine whether such industrial
49 hemp or hemp products follow applicable law or regulation.

50 2. A search warrant shall be issued by any court to which application
51 is made therefor, whenever it shall be made to appear to such court that
52 a licensee has: refused to permit any industrial hemp to be inspected or
53 samples taken therefrom; refused to permit access to any premises, or
54 place where licensed activities are conducted; and/or refused or
55 prevented access thereto by any inspector of the department and that
56 such inspector has reasonable grounds to believe that such person has

1 any industrial hemp in his or her possession, or under his or her
2 control and/or is in violation of the provisions or regulations of this
3 article. In such a case, a warrant shall be issued in the name of the
4 people, directed to a police officer, commanding him or her to: (a)
5 search any place of business, factory, building, premises, or farm where
6 licensed activities have occurred and any vehicle, boat, vessel,
7 container, package, barrel, box, tub or can, containing, or believed to
8 contain industrial hemp in the possession or under the control of any
9 person who shall refuse to allow access to such hemp for inspection or
10 sampling, (b) permit the inspection and sampling of any industrial hemp
11 found in the execution of the warrant, as the officer applying for the
12 search warrant shall designate when the same is found, by an inspector
13 or a department official authorized by the commissioner or by this chap-
14 ter, and/or (c) permit access to any place where access is refused or
15 prevented, and to allow and enable a department inspector or other
16 department official to conduct an inspection of the place. The
17 provisions of article six hundred ninety of the criminal procedure law
18 shall apply to such warrant as far as applicable thereto. The officer to
19 whom the warrant is delivered shall make a return in writing of his or
20 her proceedings thereunto to the court which issued the same.

21 3. The commissioner may quarantine industrial hemp when he or she has
22 reason to believe that such commodity does not meet the definition ther-
23 eof, set forth in subdivision one of section five hundred five of this
24 article, or is otherwise in violation of or does not meet a standard set
25 forth in, applicable law or regulation. The quarantine may by the issu-
26 ance of an order directing the owner or custodian of industrial hemp not
27 to distribute, dispose of, or move that commodity without the written
28 permission of the commissioner. The commissioner may also quarantine a
29 product by placing a tag or other appropriate marking thereon or adja-
30 cent thereto that provides and requires that such product must not be
31 distributed, disposed of, or moved without his or her written permis-
32 sion, or may quarantine a product by otherwise informing the owner or
33 custodian thereof that such condition must be complied with.

34 4. The commissioner may seize industrial hemp by taking physical
35 possession of industrial hemp when he or she has substantial evidence to
36 believe that such commodity does not meet the definition thereof, set
37 forth in subdivision one of section five hundred five of this article,
38 or is otherwise in violation of, or does not meet a standard set forth
39 in, applicable law or regulation.

40 5. Subsequent to quarantining or seizing industrial hemp, as author-
41 ized in subdivisions three and four of this section, the commissioner
42 shall promptly give the owner or custodian thereof an opportunity to be
43 heard to show cause why such industrial hemp should not be ordered
44 destroyed. The commissioner shall, thereafter, consider all the relevant
45 evidence and information presented and shall make a determination wheth-
46 er such industrial hemp should be ordered to be destroyed; that determi-
47 nation may be reviewed as provided for in article seventy-eight of the
48 civil practice law and rules.

49 § 56. Sections 179.00, 179.05, 179.10, 179.11 and 179.15 of the penal
50 law, as added by chapter 90 of the laws of 2014, are amended to read as
51 follows:

52 § 179.00 Criminal diversion of medical [~~marihuana~~] cannabis; defi-
53 nitions.

54 The following definitions are applicable to this article:

1 1. "Medical [~~marihuana~~] cannabis" means medical [~~marihuana~~] cannabis
2 as defined in [~~subdivision eight of section thirty-three hundred sixty~~
3 ~~of the public health law~~] section three of the cannabis law.

4 2. "Certification" means a certification, made under section [~~thirty-~~
5 ~~three hundred sixty one of the public health law~~] thirty of the cannabis
6 law.

7 § 179.05 Criminal diversion of medical [~~marihuana~~] cannabis; limita-
8 tions.

9 The provisions of this article shall not apply to:

10 1. a practitioner authorized to issue a certification who acted in
11 good faith in the lawful course of his or her profession; or

12 2. a registered organization as that term is defined in [~~subdivision~~
13 ~~nine of section thirty-three hundred sixty of the public health law~~]
14 section thirty-four of the cannabis law who acted in good faith in the
15 lawful course of the practice of pharmacy; or

16 3. a person who acted in good faith seeking treatment for a medical
17 condition or assisting another person to obtain treatment for a medical
18 condition.

19 § 179.10 Criminal diversion of medical [~~marihuana~~] cannabis in the first
20 degree.

21 A person is guilty of criminal diversion of medical [~~marihuana~~] canna-
22 bis in the first degree when he or she is a practitioner, as that term
23 is defined in [~~subdivision twelve of section thirty-three hundred sixty~~
24 ~~of the public health law~~] section three of the cannabis law, who issues
25 a certification with knowledge of reasonable grounds to know that (i)
26 the recipient has no medical need for it, or (ii) it is for a purpose
27 other than to treat a [~~serious~~] condition as defined in [~~subdivision~~
28 ~~seven of section thirty-three hundred sixty of the public health law~~]
29 section three of the cannabis law.

30 Criminal diversion of medical [~~marihuana~~] cannabis in the first degree
31 is a class E felony.

32 § 179.11 Criminal diversion of medical [~~marihuana~~] cannabis in the
33 second degree.

34 A person is guilty of criminal diversion of medical [~~marihuana~~] canna-
35 bis in the second degree when he or she sells, trades, delivers, or
36 otherwise provides medical [~~marihuana~~] cannabis to another with know-
37 ledge or reasonable grounds to know that the recipient is not registered
38 under [~~title five A of article thirty-three of the public health law~~]
39 article three of the cannabis law.

40 Criminal diversion of medical [~~marihuana~~] cannabis in the second
41 degree is a class B misdemeanor.

42 § 179.15 Criminal retention of medical [~~marihuana~~] cannabis.

43 A person is guilty of criminal retention of medical [~~marihuana~~] canna-
44 bis when, being a certified patient or designated caregiver, as those
45 terms are defined in [~~subdivisions three and five of section thirty-~~
46 ~~three hundred sixty of the public health law, respectively~~] section
47 three of the cannabis law, he or she knowingly obtains, possesses,
48 stores or maintains an amount of [~~marihuana~~] cannabis in excess of the
49 amount he or she is authorized to possess under the provisions of [~~title~~
50 ~~five A of article thirty-three of the public health law~~] article three
51 of the cannabis law.

52 Criminal retention of medical [~~marihuana~~] cannabis is a class A misde-
53 meanor.

54 § 57. Section 220.78 of the penal law, as added by chapter 154 of the
55 laws of 2011, is amended to read as follows:

56 § 220.78 Witness or victim of drug or alcohol overdose.

1 1. A person who, in good faith, seeks health care for someone who is
2 experiencing a drug or alcohol overdose or other life threatening
3 medical emergency shall not be charged or prosecuted for a controlled
4 substance offense under this article [~~two hundred twenty~~] or a [~~marihua-~~
5 ~~na~~] cannabis offense under article two hundred [~~twenty-one~~] twenty-two
6 of this title, other than an offense involving sale for consideration or
7 other benefit or gain, or charged or prosecuted for possession of alco-
8 hol by a person under age twenty-one years under section sixty-five-c of
9 the alcoholic beverage control law, or for possession of drug parapher-
10 nalia under article thirty-nine of the general business law, with
11 respect to any controlled substance, [~~marihuana~~] cannabis, alcohol or
12 paraphernalia that was obtained as a result of such seeking or receiving
13 of health care.

14 2. A person who is experiencing a drug or alcohol overdose or other
15 life threatening medical emergency and, in good faith, seeks health care
16 for himself or herself or is the subject of such a good faith request
17 for health care, shall not be charged or prosecuted for a controlled
18 substance offense under this article or a [~~marihuana~~] cannabis offense
19 under article two hundred [~~twenty-one~~] twenty-two of this title, other
20 than an offense involving sale for consideration or other benefit or
21 gain, or charged or prosecuted for possession of alcohol by a person
22 under age twenty-one years under section sixty-five-c of the alcoholic
23 beverage control law, or for possession of drug paraphernalia under
24 article thirty-nine of the general business law, with respect to any
25 substance, [~~marihuana~~] cannabis, alcohol or paraphernalia that was
26 obtained as a result of such seeking or receiving of health care.

27 3. Definitions. As used in this section the following terms shall have
28 the following meanings:

29 (a) "Drug or alcohol overdose" or "overdose" means an acute condition
30 including, but not limited to, physical illness, coma, mania, hysteria
31 or death, which is the result of consumption or use of a controlled
32 substance or alcohol and relates to an adverse reaction to or the quan-
33 tity of the controlled substance or alcohol or a substance with which
34 the controlled substance or alcohol was combined; provided that a
35 patient's condition shall be deemed to be a drug or alcohol overdose if
36 a prudent layperson, possessing an average knowledge of medicine and
37 health, could reasonably believe that the condition is in fact a drug or
38 alcohol overdose and (except as to death) requires health care.

39 (b) "Health care" means the professional services provided to a person
40 experiencing a drug or alcohol overdose by a health care professional
41 licensed, registered or certified under title eight of the education law
42 or article thirty of the public health law who, acting within his or her
43 lawful scope of practice, may provide diagnosis, treatment or emergency
44 services for a person experiencing a drug or alcohol overdose.

45 4. It shall be an affirmative defense to a criminal sale controlled
46 substance offense under this article or a criminal sale of [~~marihuana~~]
47 cannabis offense under article two hundred [~~twenty-one~~] twenty-two of
48 this title, not covered by subdivision one or two of this section, with
49 respect to any controlled substance or [~~marihuana~~] cannabis which was
50 obtained as a result of such seeking or receiving of health care, that:

51 (a) the defendant, in good faith, seeks health care for someone or for
52 him or herself who is experiencing a drug or alcohol overdose or other
53 life threatening medical emergency; and

54 (b) the defendant has no prior conviction for the commission or
55 attempted commission of a class A-I, A-II or B felony under this arti-
56 cle.

1 5. Nothing in this section shall be construed to bar the admissibility
2 of any evidence in connection with the investigation and prosecution of
3 a crime with regard to another defendant who does not independently
4 qualify for the bar to prosecution or for the affirmative defense; nor
5 with regard to other crimes committed by a person who otherwise quali-
6 fies under this section; nor shall anything in this section be construed
7 to bar any seizure pursuant to law, including but not limited to pursu-
8 ant to section thirty-three hundred eighty-seven of the public health
9 law.

10 6. The bar to prosecution described in subdivisions one and two of
11 this section shall not apply to the prosecution of a class A-I felony
12 under this article, and the affirmative defense described in subdivision
13 four of this section shall not apply to the prosecution of a class A-I
14 or A-II felony under this article.

15 § 58. Subdivision 1 of section 260.20 of the penal law, as amended by
16 chapter 362 of the laws of 1992, is amended as follows:

17 1. He knowingly permits a child less than eighteen years old to enter
18 or remain in or upon a place, premises or establishment where sexual
19 activity as defined by article one hundred thirty, two hundred thirty or
20 two hundred sixty-three of this [~~chapter~~] part or activity involving
21 controlled substances as defined by article two hundred twenty of this
22 [~~chapter or involving marihuana as defined by article two hundred twen-~~
23 ~~ty one of this chapter~~] part is maintained or conducted, and he knows or
24 has reason to know that such activity is being maintained or conducted;
25 or

26 § 59. Section 89-h of the state finance law, as added by chapter 90 of
27 the laws of 2014, is amended to read as follows:

28 § 89-h. Medical [~~marihuana~~] cannabis trust fund. 1. There is hereby
29 established in the joint custody of the state comptroller and the
30 commissioner of taxation and finance a special fund to be known as the
31 "medical [~~marihuana~~] cannabis trust fund."

32 2. The medical [~~marihuana~~] cannabis trust fund shall consist of all
33 moneys required to be deposited in the medical [~~marihuana~~] cannabis
34 trust fund pursuant to the provisions of section four hundred ninety of
35 the tax law.

36 3. The moneys in the medical [~~marihuana~~] cannabis trust fund shall be
37 kept separate and shall not be commingled with any other moneys in the
38 custody of the commissioner of taxation and finance and the state comp-
39 troller.

40 4. The moneys of the medical [~~marihuana~~] cannabis trust fund, follow-
41 ing appropriation by the legislature, shall be allocated upon a certif-
42 icate of approval of availability by the director of the budget as
43 follows: (a) Twenty-two and five-tenths percent of the monies shall be
44 transferred to the counties in New York state in which the medical
45 [~~marihuana~~] cannabis was manufactured and allocated in proportion to the
46 gross sales originating from medical [~~marihuana~~] cannabis manufactured
47 in each such county; (b) twenty-two and five-tenths percent of the
48 moneys shall be transferred to the counties in New York state in which
49 the medical [~~marihuana~~] cannabis was dispensed and allocated in propor-
50 tion to the gross sales occurring in each such county; (c) five percent
51 of the monies shall be transferred to the office of alcoholism and
52 substance abuse services, which shall use that revenue for additional
53 drug abuse prevention, counseling and treatment services; and (d) five
54 percent of the revenue received by the department shall be transferred
55 to the division of criminal justice services, which shall use that
56 revenue for a program of discretionary grants to state and local law

1 enforcement agencies that demonstrate a need relating to [~~title five-A~~
2 ~~of article thirty-three of the public health law~~] article three of the
3 cannabis law; said grants could be used for personnel costs of state and
4 local law enforcement agencies. For purposes of this subdivision, the
5 city of New York shall be deemed to be a county.

6 § 60. The state finance law is amended by adding three new sections
7 99-hh, 99-ii and 99-jj to read as follows:

8 § 99-hh. New York state cannabis revenue fund. 1. There is hereby
9 established in the joint custody of the state comptroller and the
10 commissioner of taxation and finance a special fund to be known as the
11 "New York state cannabis revenue fund".

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

19 3. The moneys in such fund shall be expended for the following
20 purposes:

21 (a) Reasonable costs incurred by the department of taxation and
22 finance for administering and collecting the taxes imposed by this part;
23 provided, however, such costs shall not exceed four percent of tax
24 revenues received.

25 (b) Reasonable costs incurred by the office of cannabis management for
26 implementing, administering, and enforcing the marihuana regulation and
27 taxation act to the extent those costs are not reimbursed pursuant to
28 the cannabis law. This paragraph shall remain operative through the two
29 thousand twenty-four--two thousand twenty-five fiscal year.

30 (c) Beginning with the two thousand twenty-one--two thousand twenty-
31 two fiscal year and continuing through the two thousand thirty--two
32 thousand thirty-one fiscal year, the commissioner of taxation and
33 finance shall annually disburse the following sums for the purposes of
34 data collection and reporting:

35 (i) Seven hundred fifty thousand dollars to the office of cannabis
36 management policy to track and report data related to the licensing of
37 cannabis businesses, including the geographic location, structure, and
38 function of licensed cannabis businesses, and demographic data, includ-
39 ing race, ethnicity, and gender, of license holders. The office of
40 cannabis management shall publish reports on its findings annually and
41 shall make the reports available to the public.

42 (ii) Seven hundred fifty thousand dollars to the department of crimi-
43 nal justice services to track and report data related to any infrac-
44 tions, violations, or criminal convictions that occur under any of the
45 remaining cannabis statutes. The department of criminal justice
46 services shall publish reports on its findings annually and shall make
47 the reports available to the public.

48 (iii) One million dollars to the state university of New York to
49 research and evaluate the implementation and effect of the marihuana
50 regulation and taxation act. No more than four percent of these monies
51 may be used for expenses related to administrative costs of conducting
52 such research, and to, if appropriate, make recommendations to the
53 legislature and governor regarding possible amendments to the marihuana
54 regulation and taxation act. The recipients of these funds shall publish
55 reports on their findings at a minimum of every two years and shall make

1 the reports available to the public. The research funded pursuant to
2 this subdivision shall include but not necessarily be limited to:

3 (A) the impact on public health, including health costs associated
4 with cannabis use, as well as whether cannabis use is associated with an
5 increase or decrease in use of alcohol or other drugs;

6 (B) the impact of treatment for cannabis use disorder and the effec-
7 tiveness of different treatment programs;

8 (C) public safety issues related to cannabis use, including studying
9 the effectiveness of the packaging and labeling requirements and adver-
10 tising and marketing restrictions contained in the act at preventing
11 underage access to and use of cannabis and cannabis products, and study-
12 ing the health-related effects among users of varying potency levels of
13 cannabis and cannabis products;

14 (D) cannabis use rates, maladaptive use rates for adults and youth,
15 and diagnosis rates of cannabis-related substance use disorders;

16 (E) cannabis market prices, illicit market prices, tax structures and
17 rates, including an evaluation of how to best tax cannabis based on
18 potency, and the structure and function of licensed cannabis businesses;

19 (F) whether additional protections are needed to prevent unlawful
20 monopolies or anti-competitive behavior from occurring in the cannabis
21 industry and, if so, recommendations as to the most effective measures
22 for preventing such behavior;

23 (G) the economic impacts in the private and public sectors, including
24 but not necessarily limited to, job creation, workplace safety, reven-
25 ues, taxes generated for state and local budgets, and criminal justice
26 impacts, including, but not necessarily limited to, impacts on law
27 enforcement and public resources, short and long term consequences of
28 involvement in the criminal justice system, and state and local govern-
29 ment agency administrative costs and revenue;

30 (H) whether the regulatory agencies tasked with implementing and
31 enforcing the marijuana regulation and taxation act are doing so
32 consistent with the purposes of the act, and whether different agencies
33 might do so more effectively; and

34 (I) any environmental issues related to cannabis production and the
35 criminal prohibition of cannabis production.

36 (d) One million dollars annually, for a period of three years after
37 the effective date of this section, to the state police to expand and
38 enhance the drug recognition expert training program and technologies
39 utilized in the process of maintaining road safety.

40 (i) The state police, in association with the office of cannabis
41 management, are authorized to establish a pilot program for the testing
42 and development of new technologies to detect drivers who are driving
43 under the influence of cannabis.

44 (ii) Pursuant to such pilot program, a law enforcement officer, who
45 upon reasonable suspicion and belief, identifies an individual who
46 appears to be driving under the influence of a drug as defined by
47 section one hundred fourteen-a of the vehicle and traffic law, may, with
48 the knowing and intelligent permission of the driver, utilize developing
49 technologies for the purpose of identifying said drug within the system
50 of the driver.

51 (iii) The objection to, compliance with, or results of the adminis-
52 tration of said developing technologies may not be used against any
53 driver for the purpose of advancing a criminal action. Additionally,
54 saliva, or other biological material obtained from the driver shall not
55 be admissible against the driver in any criminal proceeding, or retained
56 for any reason.

1 (iv) The driver shall be notified of the results of any administration
2 of said developing technologies and provided with documentation of said
3 results.

4 (v) The pilot program established by subparagraph (i) of this para-
5 graph shall be in effect for one year after the effective date of this
6 section.

7 4. After the dispersal of moneys pursuant to subdivision three of this
8 section, the remaining moneys in the fund deposited during the prior
9 fiscal year shall be disbursed into the state lottery fund and two addi-
10 tional sub-funds created within the cannabis revenue fund known as the
11 drug treatment and public education fund and the community grants rein-
12 vestment fund, as follows:

13 (a) twenty-five percent shall be deposited in the state lottery fund
14 established by section ninety-two-c of this article; provided that such
15 moneys shall be distributed to the department of education in accordance
16 with subdivisions two and four of section ninety-two-c of this article
17 and shall not be utilized for the purposes of subdivision three of such
18 section. Monies allocated by this article may enhance, but shall not
19 supplant, existing dedicated funds to the department of education;

20 (b) twenty-five percent shall be deposited in the drug treatment and
21 public education fund established by section ninety-nine-ii of this
22 article; and

23 (c) fifty percent shall be deposited in the community grants reinvest-
24 ment fund established by section ninety-nine-jj of this article.

25 5. On or before the first day of February each year, the commissioner
26 of taxation and finance shall provide a written report to the temporary
27 president of the senate, speaker of the assembly, chair of the senate
28 finance committee, chair of the assembly ways and means committee, the
29 state comptroller and the public. Such report shall detail how the
30 moneys of the fund were utilized during the preceding calendar year, and
31 shall include:

32 (a) the amount of money dispersed from the fund and the process used
33 for such disbursements;

34 (b) recipients of awards from the fund;

35 (c) the amount awarded to each recipient of an award from the fund;

36 (d) the purposes for which such awards were granted; and

37 (e) a summary financial plan for such monies which shall include esti-
38 mates of all receipts and all disbursements for the current and succeed-
39 ing fiscal years, along with the actual results from the prior fiscal
40 year.

41 6. Moneys shall be payable directly from the cannabis revenue fund to
42 the department of education.

43 § 99-ii. New York state drug treatment and public education fund. 1.
44 There is hereby established in the joint custody of the state comp-
45 troller and the commissioner of taxation and finance a special fund to
46 be known as the "New York state drug treatment public education fund".

47 2. Such fund shall consist of revenues received pursuant to the
48 provisions of section ninety-nine-hh of this article and all other
49 moneys appropriated thereto from any other fund or source pursuant to
50 law. Nothing contained in this section shall prevent the state from
51 receiving grants, gifts or bequests for the purposes of the fund as
52 defined in this section and depositing them into the fund according to
53 law.

54 3. The moneys in such fund shall be expended to the commissioner of
55 the office of alcoholism and substance abuse and disbursed in consulta-
56 tion with the commissioner of health for the following purposes:

1 (a) To develop and implement a youth-focused public health education
2 and prevention campaign, including school-based prevention, early inter-
3 vention, and health care services and programs to reduce the risk of
4 cannabis and other substance use by school-aged children;

5 (b) To develop and implement a statewide public health campaign
6 focused on the health effects of cannabis and legal use, including an
7 ongoing education and prevention campaign that educates the general
8 public, including parents, consumers and retailers, on the legal use of
9 cannabis, the importance of preventing youth access, the importance of
10 safe storage and preventing secondhand cannabis smoke exposure, informa-
11 tion for pregnant or breastfeeding women, and the overconsumption of
12 edibles;

13 (c) To provide substance use disorder treatment programs for youth and
14 adults, with an emphasis on programs that are culturally and gender
15 competent, trauma-informed, evidence-based and provide a continuum of
16 care that includes screening and assessment (substance use disorder as
17 well as mental health), early intervention, active treatment, family
18 involvement, case management, overdose prevention, prevention of commu-
19 nicable diseases related to substance use, relapse management for
20 substance use and other co-occurring behavioral health disorders, voca-
21 tional services, literacy services, parenting classes, family therapy
22 and counseling services, medication-assisted treatments, psychiatric
23 medication and psychotherapy; and

24 (d) To evaluate the programs being funded to determine their effec-
25 tiveness.

26 4. On or before the first day of February each year, the commissioner
27 of the office of alcoholism and substance abuse services shall provide a
28 written report to the temporary president of the senate, speaker of the
29 assembly, chair of the senate finance committee, chair of the assembly
30 ways and means committee, chair of the senate committee on alcoholism
31 and drug abuse, chair of the assembly alcoholism and drug abuse commit-
32 tee, the state comptroller and the public. Such report shall detail how
33 the moneys of the fund were utilized during the preceding calendar year,
34 and shall include:

35 (a) the amount of money dispersed from the fund and the award process
36 used for such disbursements;

37 (b) recipients of awards from the fund;

38 (c) the amount awarded to each recipient of an award from the fund;

39 (d) the purposes for which such awards were granted; and

40 (e) a summary financial plan for such monies which shall include esti-
41 mates of all receipts and all disbursements for the current and succeed-
42 ing fiscal years, along with the actual results from the prior fiscal
43 year.

44 5. Moneys shall be payable from the fund on the audit and warrant of
45 the comptroller on vouchers approved and certified by the commissioner
46 of education.

47 § 99-jj. New York state community grants reinvestment fund. 1. There
48 is hereby established in the joint custody of the state comptroller and
49 the commissioner of taxation and finance a special fund to be known as
50 the "New York state community grants reinvestment fund".

51 2. Such fund shall consist of all revenues received pursuant to the
52 provisions of section ninety-nine-hh of this article and all other
53 moneys appropriated thereto from any other fund or source pursuant to
54 law. Nothing contained in this section shall prevent the state from
55 receiving grants, gifts or bequests for the purposes of the fund as

1 defined in this section and depositing them into the fund according to
2 law.

3 3. The fund shall be governed and administered by an executive steer-
4 ing committee of thirteen members, including a representative from the
5 office of children and family services, the labor department, and the
6 health department appointed by the governor, and a representative of the
7 education department appointed by the board of regents. In addition, the
8 majority and minority leaders of the senate and assembly shall each
9 appoint one member to the executive steering committee, the comptroller
10 shall appoint three additional members, and the attorney general shall
11 appoint two additional members from relevant local government entities
12 and community-based organizations. Every effort shall be made to ensure
13 a balanced and diverse committee representing the regions and demograph-
14 ics of the state, which shall have expertise in job placement, homeless-
15 ness and housing, behavioral health and substance use disorder treat-
16 ment, and effective rehabilitative treatment for adults and juveniles,
17 and shall include representatives of organizations serving communities
18 impacted by past federal and state drug policies.

19 4. The moneys in such fund shall be expended by the executive steering
20 committee to qualified community-based nonprofit organizations and
21 approved local government entities for the purpose of reinvesting in
22 communities disproportionately affected by past federal and state drug
23 policies. The grants from this program shall be used, including but not
24 limited to, to support job placement, job skills services, adult educa-
25 tion, mental health treatment, substance use disorder treatment, hous-
26 ing, community banking, nutrition services, afterschool and child care
27 services, system navigation services, legal services to address barriers
28 to reentry, and linkages to medical care, women's health services and
29 other community-based supportive services. The grants from this program
30 may also be used to further support the social and economic equity
31 program created by article four of the cannabis law and distributed
32 through the office of cannabis management.

33 5. On or before the first day of February each year, the commissioner
34 of the office of children and family services shall provide a written
35 report to the temporary president of the senate, speaker of the assem-
36 bly, chair of the senate finance committee, chair of the assembly ways
37 and means committee, chair of the senate committee on children and fami-
38 lies, chair of the assembly children and families committee, chair of
39 the senate committee on labor, chair of the assembly labor committee,
40 chair of the senate committee on health, chair of the assembly health
41 committee, chair of the senate committee on education, chair of the
42 assembly education committee, the state comptroller and the public. Such
43 report shall detail how the monies of the fund were utilized during the
44 preceding calendar year, and shall include:

45 (a) the amount of money dispersed from the fund and the award process
46 used for such disbursements;

47 (b) recipients of awards from the fund;

48 (c) the amount awarded to each recipient of an award from the fund;

49 (d) the purposes for which such awards were granted; and

50 (e) a summary financial plan for such monies which shall include esti-
51 mates of all receipts and all disbursements for the current and succeed-
52 ing fiscal years, along with the actual results from the prior fiscal
53 year.

54 6. Moneys shall be payable from the fund on the audit and warrant of
55 the comptroller on vouchers approved and certified by the executive
56 steering committee.

1 § 61. Severability. If any provision or term of this act is for any
2 reason declared unconstitutional or invalid or ineffective by any compe-
3 tent jurisdiction, such decision shall not affect the validity of the
4 effectiveness of the remaining portions of this act or any part thereof.

5 § 62. This act shall take effect immediately; provided, however that
6 if section 3 of part XX of chapter 59 of the laws of 2019 shall not have
7 taken effect on or before such date then section thirty-five of this act
8 shall take effect on the same date and in the same manner as such chap-
9 ter of the laws of 2019 takes effect; provided, further, that sections
10 thirty-nine and forty of this act shall take effect April 1, 2020, and
11 shall apply on and after such date: (a) to the cultivation of cannabis
12 flower and cannabis trim transferred by a cultivator who is not a whole-
13 saler; (b) to the cultivation of cannabis flower and cannabis trim sold
14 or transferred to a retail dispensary by a cultivator who is a whole-
15 saler; and (c) to the sale or transfer of adult use cannabis products to
16 a retail dispensary; provided, further, that the amendments to article
17 179 of the penal law made by section fifty-six of this act shall not
18 affect the repeal of such article and shall be deemed to be repealed
19 therewith; provided, further, that the amendments to section 89-h of the
20 state finance law made by section fifty-nine of this act shall not
21 affect the repeal of such section and shall be deemed repealed there-
22 with; and provided, further, that the amendments to subdivision 1 of
23 section 171-a of the tax law made by section thirty-five of this act
24 shall not affect the expiration of such subdivision and shall expire
25 therewith, when upon such date the provisions of section thirty-six of
26 this act shall take effect.