

# STATE OF NEW YORK

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S. 7509--A

A. 9509--A

## SENATE - ASSEMBLY

January 22, 2020

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IN SENATE -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- 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

IN ASSEMBLY -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read once and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend part U of chapter 59 of the laws of 2017, amending the tax law, relating to the financial institution data match system for state tax collection purposes, in relation to making such provisions permanent; and to amend part Q of chapter 59 of the laws of 2013, amending the tax law relating to serving an income execution with respect to individual tax debtors without filing a warrant, in relation to making such provisions permanent (Part A); to amend the tax law, in relation to extending hire a veteran credit for an additional two years (Part B); to amend chapter 540 of the laws of 1992, amending the real property tax law relating to oil and gas charges, in relation to the effectiveness thereof (Part C); to amend the tax law, in relation to reducing the burden on small businesses (Part D); to amend the tax law, in relation to capping the maximum amount of the long-term care insurance credit (Part E); to amend the tax law and the administrative code of the city of New York, in relation to allowing the department of taxation and finance to provide taxpayers with unclaimed tax benefits relating to the earned income credit and deductions (Part F); to amend the tax law, in relation to the definition of a qualifying child for purposes of the empire state child credit (Part G); to amend the tax law, in relation to reforming the tobacco products tax (Part H); to amend the alcoholic beverage control law and the tax law, in relation to the suspension and revocation of certain licenses and certificates issued under such laws (Part I); to amend the tax law, in relation to the tax imposed on alcoholic beverages and the annual reporting requirements imposed on alcoholic beverage producers (Part J); to amend the tax law, in relation to updating the criminal tax fraud statutes and to establish the offenses of crim-

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

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inal tax preparation in the second degree and criminal tax preparation in the first degree (Part K); to amend the economic development law and the tax law, in relation to the excelsior jobs program and certain incentives for green projects within such program (Part L); to amend the tax law, in relation to the empire state film production credit and the empire state film post production credit (Part M); to amend the real property tax law, in relation to converted condominiums (Part N); to amend the tax law, in relation to state support for the local enforcement of past-due property taxes (Part O); to amend the real property tax law, in relation to providing for the appointment of an acting director of real property tax services in the event the position becomes vacant (Part P); to amend the real property law and tax law, in relation to the electronic submission of consolidated real property transfer forms; and to repeal paragraphs vii and viii of subdivision 1-e of section 333 of the real property law relating thereto (Part Q); to amend the public lands law, the real property law, and the real property tax law, in relation to the functions of the state board of real property tax services; and to repeal certain provisions of the real property tax law related thereto (Part R); to repeal certain provisions of the real property tax law and the tax law, in relation to removing references to the former STAR offset program (Part S); to amend the real property tax law, in relation to assessment ceilings for railroads and local public utility mass real property; and to repeal section 3 of chapter 475 of the laws of 2013 amending the real property tax law relating to assessment ceilings for local public utility mass real property (Part T); to amend the real property tax law, in relation to extending the period for enrollment in the STAR income verification program (Part U); to amend the racing, pari-mutuel wagering and breeding law and the tax law, in relation to financing and constructing a new equine drug testing laboratory (Part V); to amend the racing, pari-mutuel wagering and breeding law, in relation to enacting the interstate compact on anti-doping and drug testing standards (Part W); to amend the racing, pari-mutuel wagering and breeding law, in relation to restrictions on sports wagering lounges in casinos (Part X); to amend the tax law, in relation to a keno style lottery game (Part Y); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and to amend chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to extending certain provisions thereof; and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain provisions thereof (Part Z); to amend the real property tax law, in relation to the income limit for the basic STAR exemption (Part AA); and relating to constituting a new 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 vehicle and traffic law, in relation to making technical

changes regarding the definition of cannabis; to amend the penal law, in relation to the qualification of certain offenses involving cannabis and to exempt certain persons from prosecution for the use, consumption, display, production or distribution of cannabis; 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 alcoholic beverage control law, the general obligations law, the social services law, the state finance law, the penal law and the vehicle and traffic law, in relation to making conforming changes; 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 title 5-A of article 33 of the public health law relating to medical use of marihuana; to repeal article 29-A of the agriculture and markets law relating to the regulation of hemp extract; to repeal subdivision 4 of section 220.06 and subdivision 10 of section 220.09 of the penal law relating to criminal possession of a controlled substance; to repeal sections 221.10 and 221.30 of the penal law relating to the criminal possession of marihuana; and to repeal paragraph (f) of subdivision 2 of section 850 of the general business law relating to drug related paraphernalia (Part BB)

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

1 Section 1. This act enacts into law major components of legislation  
2 which are necessary to implement the state fiscal plan for the 2020-2021  
3 state fiscal year. Each component is wholly contained within a Part  
4 identified as Parts A through BB. The effective date for each particular  
5 provision contained within such Part is set forth in the last section of  
6 such Part. Any provision in any section contained within a Part, includ-  
7 ing the effective date of the Part, which makes a reference to a section  
8 "of this act", when used in connection with that particular component,  
9 shall be deemed to mean and refer to the corresponding section of the  
10 Part in which it is found. Section three of this act sets forth the  
11 general effective date of this act.

12 PART A

13 Section 1. Section 2 of part U of chapter 59 of the laws of 2017,  
14 amending the tax law, relating to the financial institution data match  
15 system for state tax collection purposes, is amended to read as follows:

16 § 2. This act shall take effect immediately [~~and shall expire April 1,~~  
17 ~~2020 when upon such date the provisions of this act shall be deemed~~  
18 ~~repealed~~].

19 § 2. Section 2 of part Q of chapter 59 of the laws of 2013, amending  
20 the tax law, relating to serving an income execution with respect to  
21 individual tax debtors without filing a warrant, as amended by section 1  
22 of part X of chapter 59 of the laws of 2017, is amended to read as  
23 follows:

24 § 2. This act shall take effect immediately [~~and shall expire and be~~  
25 ~~deemed repealed on and after April 1, 2020~~].

26 § 3. This act shall take effect immediately.

1

## PART B

2 Section 1. Paragraph (a) and subparagraph 2 of paragraph (b) of subdivi-  
3 sion 29 of section 210-B of the tax law, as amended by section 1 of  
4 part Q of chapter 59 of the laws of 2018, are amended to read as  
5 follows:

6 (a) Allowance of credit. For taxable years beginning on or after Janu-  
7 ary first, two thousand fifteen and before January first, two thousand  
8 [~~twenty-one~~] twenty-three, a taxpayer shall be allowed a credit, to be  
9 computed as provided in this subdivision, against the tax imposed by  
10 this article, for hiring and employing, for not less than one year and  
11 for not less than thirty-five hours each week, a qualified veteran with-  
12 in the state. The taxpayer may claim the credit in the year in which the  
13 qualified veteran completes one year of employment by the taxpayer. If  
14 the taxpayer claims the credit allowed under this subdivision, the  
15 taxpayer may not use the hiring of a qualified veteran that is the basis  
16 for this credit in the basis of any other credit allowed under this  
17 article.

18 (2) who commences employment by the qualified taxpayer on or after  
19 January first, two thousand fourteen, and before January first, two  
20 thousand [~~twenty~~] twenty-two; and

21 § 2. Paragraph 1 and subparagraph (B) of paragraph 2 of subsection  
22 (a-2) of section 606 of the tax law, as amended by section 2 of part Q  
23 of chapter 59 of the laws of 2018, are amended to read as follows:

24 (1) Allowance of credit. For taxable years beginning on or after Janu-  
25 ary first, two thousand fifteen and before January first, two thousand  
26 [~~twenty-one~~] twenty-three, a taxpayer shall be allowed a credit, to be  
27 computed as provided in this subsection, against the tax imposed by this  
28 article, for hiring and employing, for not less than one year and for  
29 not less than thirty-five hours each week, a qualified veteran within  
30 the state. The taxpayer may claim the credit in the year in which the  
31 qualified veteran completes one year of employment by the taxpayer. If  
32 the taxpayer claims the credit allowed under this subsection, the  
33 taxpayer may not use the hiring of a qualified veteran that is the basis  
34 for this credit in the basis of any other credit allowed under this  
35 article.

36 (B) who commences employment by the qualified taxpayer on or after  
37 January first, two thousand fourteen, and before January first, two  
38 thousand [~~twenty~~] twenty-two; and

39 § 3. Paragraph 1 and subparagraph (B) of paragraph 2 of subdivision  
40 (g-1) of section 1511 of the tax law, as amended by section 3 of part Q  
41 of chapter 59 of the laws of 2018, are amended to read as follows:

42 (1) Allowance of credit. For taxable years beginning on or after Janu-  
43 ary first, two thousand fifteen and before January first, two thousand  
44 [~~twenty-one~~] twenty-three, a taxpayer shall be allowed a credit, to be  
45 computed as provided in this subdivision, against the tax imposed by  
46 this article, for hiring and employing, for not less than one year and  
47 for not less than thirty-five hours each week, a qualified veteran with-  
48 in the state. The taxpayer may claim the credit in the year in which  
49 the qualified veteran completes one year of employment by the taxpayer.  
50 If the taxpayer claims the credit allowed under this subdivision, the  
51 taxpayer may not use the hiring of a qualified veteran that is the basis  
52 for this credit in the basis of any other credit allowed under this  
53 article.

1 (B) who commences employment by the qualified taxpayer on or after  
2 January first, two thousand fourteen, and before January first, two  
3 thousand [~~twenty~~] ~~twenty-two~~; and

4 § 4. This act shall take effect immediately.

5

## PART C

6 Section 1. Section 2 of chapter 540 of the laws of 1992, amending the  
7 real property tax law relating to oil and gas charges, as amended by  
8 section 1 of part I of chapter 59 of the laws of 2017, is amended to  
9 read as follows:

10 § 2. This act shall take effect immediately and shall be deemed to  
11 have been in full force and effect on and after April 1, 1992; provided,  
12 however that any charges imposed by section 593 of the real property tax  
13 law as added by section one of this act shall first be due for values  
14 for assessment rolls with tentative completion dates after July 1, 1992,  
15 and provided further, that this act shall remain in full force and  
16 effect until March 31, [~~2021~~] ~~2024~~, at which time section 593 of the  
17 real property tax law as added by section one of this act shall be  
18 repealed.

19 § 2. This act shall take effect immediately.

20

## PART D

21 Section 1. Subparagraph (iv) of paragraph (a) of subdivision 1 of  
22 section 210 of the tax law, as amended by section 12 of part A of chap-  
23 ter 59 of the laws of 2014, is amended to read as follows:

24 (iv) for taxable years beginning before January first, two thousand  
25 sixteen, if the business income base is not more than two hundred ninety  
26 thousand dollars the amount shall be six and one-half percent of the  
27 business income base; if the business income base is more than two  
28 hundred ninety thousand dollars but not over three hundred ninety thou-  
29 sand dollars the amount shall be the sum of (1) eighteen thousand eight  
30 hundred fifty dollars, (2) seven and one-tenth percent of the excess of  
31 the business income base over two hundred ninety thousand dollars but  
32 not over three hundred ninety thousand dollars and (3) four and thirty-  
33 five hundredths percent of the excess of the business income base over  
34 three hundred fifty thousand dollars but not over three hundred ninety  
35 thousand dollars. For taxable years beginning on or after January first,  
36 two thousand twenty-one the amount shall be four percent of the taxpay-  
37 er's business income base;

38 § 2. Paragraph (d) of subdivision 1 of section 210-B of the tax law,  
39 as amended by section 31 of part T of chapter 59 of the laws of 2015, is  
40 amended to read as follows:

41 (d) Except as otherwise provided in this paragraph, the credit allowed  
42 under this subdivision for any taxable year shall not reduce the tax due  
43 for such year to less than the fixed dollar minimum amount prescribed in  
44 paragraph (d) of subdivision one of section two hundred ten of this  
45 article. However, if the amount of credit allowable under this subdivi-  
46 sion for any taxable year reduces the tax to such amount or if the  
47 taxpayer otherwise pays tax based on the fixed dollar minimum amount,  
48 any amount of credit allowed for a taxable year commencing prior to  
49 January first, nineteen hundred eighty-seven and not deductible in such  
50 taxable year may be carried over to the following year or years and may  
51 be deducted from the taxpayer's tax for such year or years but in no  
52 event shall such credit be carried over to taxable years commencing on

1 or after January first, two thousand two, and any amount of credit  
2 allowed for a taxable year commencing on or after January first, nine-  
3 teen hundred eighty-seven and not deductible in such year may be carried  
4 over to the fifteen taxable years next following such taxable year and  
5 may be deducted from the taxpayer's tax for such year or years. In lieu  
6 of such carryover, any such taxpayer which qualifies as a new business  
7 under paragraph (f) of this subdivision or a taxpayer that qualifies as  
8 an eligible farmer for purposes of paragraph (b) of subdivision eleven  
9 of this section may elect to treat the amount of such carryover as an  
10 overpayment of tax to be credited or refunded in accordance with the  
11 provisions of section ten hundred eighty-six of this chapter, provided,  
12 however, the provisions of subsection (c) of section ten hundred eight-  
13 y-eight of this chapter notwithstanding, no interest shall be paid ther-  
14 eon.

15 § 3. Paragraph 5 of subsection (a) of section 606 of the tax law, as  
16 amended by chapter 170 of the laws of 1994, is amended to read as  
17 follows:

18 (5) If the amount of credit allowable under this subsection for any  
19 taxable year shall exceed the taxpayer's tax for such year, the excess  
20 allowed for a taxable year commencing prior to January first, nineteen  
21 hundred eighty-seven may be carried over to the following year or years  
22 and may be deducted from the taxpayer's tax for such year or years, but  
23 in no event shall such credit be carried over to taxable years commenc-  
24 ing on or after January first, nineteen hundred ninety-seven, and any  
25 amount of credit allowed for a taxable year commencing on or after Janu-  
26 ary first, nineteen hundred eighty-seven and not deductible in such year  
27 may be carried over to the ten taxable years next following such taxable  
28 year and may be deducted from the taxpayer's tax for such year or years.  
29 In lieu of carrying over any such excess, a taxpayer who qualifies as an  
30 owner of a new business for purposes of paragraph ten of this subsection  
31 or a taxpayer who qualifies as an eligible farmer for purposes of para-  
32 graph two of subsection (n) of this section may, at his option, receive  
33 such excess as a refund. Any refund paid pursuant to this paragraph  
34 shall be deemed to be a refund of an overpayment of tax as provided in  
35 section six hundred eighty-six of this article, provided, however, that  
36 no interest shall be paid thereon.

37 § 4. Paragraph 39 of subsection (c) of section 612 of the tax law, as  
38 added by section 1 of part Y of chapter 59 of the laws of 2013, is  
39 amended to read as follows:

40 (39) In the case of a taxpayer who is a small business who has busi-  
41 ness income and/or farm income as defined in the laws of the United  
42 States, an amount equal to three percent of the net items of income,  
43 gain, loss and deduction attributable to such business or farm entering  
44 into federal adjusted gross income, but not less than zero, for taxable  
45 years beginning after two thousand thirteen, an amount equal to three  
46 and three-quarters percent of the net items of income, gain, loss and  
47 deduction attributable to such business or farm entering into federal  
48 adjusted gross income, but not less than zero, for taxable years begin-  
49 ning after two thousand fourteen, [~~and~~] an amount equal to five percent  
50 of the net items of income, gain, loss and deduction attributable to  
51 such business or farm entering into federal adjusted gross income, but  
52 not less than zero, for taxable years beginning after two thousand  
53 fifteen, and an amount equal to fifteen percent of the net items of  
54 income, gain, loss and deduction attributable to such business or farm  
55 entering into federal adjusted gross income, but not less than zero, for  
56 taxable years beginning after two thousand twenty. For the purposes of

1 this paragraph, the term small business shall mean a sole proprietor or  
2 a farm business who employs one or more persons during the taxable year  
3 and who has net business income or net farm income of less than two  
4 hundred fifty thousand dollars.

5 § 5. Paragraph 1 of subsection (c) of section 1085 of the tax law, as  
6 amended by section 4 of part KK of chapter 59 of the laws of 2018, is  
7 amended to read as follows:

8 (1) If any taxpayer, except a New York S corporation as defined in  
9 subdivision one-A of section two hundred eight of this chapter, fails to  
10 file a declaration of estimated tax under article nine-A of this chap-  
11 ter, or fails to pay all or any part of an amount which is applied as an  
12 installment against such estimated tax, it shall be deemed to have made  
13 an underpayment of estimated tax. There shall be added to the tax for  
14 the taxable year an amount at the underpayment rate set by the commis-  
15 sioner pursuant to section one thousand ninety-six of this article, or  
16 if no rate is set, at the rate of seven and one-half percent per annum  
17 upon the amount of the underpayment for the period of the underpayment  
18 but not beyond the fifteenth day of the fourth month following the close  
19 of the taxable year. Provided, however, that, for taxable years begin-  
20 ning on or after January first, two thousand seventeen and before Janu-  
21 ary first, two thousand eighteen, no amount shall be added to the tax  
22 with respect to the portion of such tax related to the amount of any  
23 interest deductions directly or indirectly attributable to the amount  
24 included in exempt CFC income pursuant to subparagraph (ii) of paragraph  
25 (b) of subdivision six-a of section two hundred eight of this chapter or  
26 the forty percent reduction of such exempt CFC income in lieu of inter-  
27 est attribution if the election described in paragraph (b) of subdivi-  
28 sion six-a of such section is made. The amount of the underpayment shall  
29 be, with respect to any installment of estimated tax computed on the  
30 basis of either the preceding year's tax or the second preceding year's  
31 tax, the excess of the amount required to be paid over the amount, if  
32 any, paid on or before the last day prescribed for such payment or, with  
33 respect to any other installment of estimated tax, the excess of the  
34 amount of the installment which would be required to be paid if the  
35 estimated tax were equal to ninety-one percent of the tax shown on the  
36 return for the taxable year (or if no return was filed, ninety-one  
37 percent of the tax for such year) over the amount, if any, of the  
38 installment paid on or before the last day prescribed for such payment.  
39 In any case in which there would be no underpayment if "eighty percent"  
40 were substituted for "ninety-one percent" each place it appears in this  
41 subsection, the addition to the tax shall be equal to seventy-five  
42 percent of the amount otherwise determined. No underpayment shall be  
43 deemed to exist with respect to a declaration or installment otherwise  
44 due on or after the termination of existence of the taxpayer.

45 § 6. This act shall take effect immediately; provided however that  
46 sections two and three of this act shall apply to property acquired by  
47 purchase on or after January 1, 2021, and section five of this act shall  
48 apply to taxable years beginning on or after January 1, 2020.

49

## PART E

50 Section 1. Paragraph 1 of subsection (aa) of section 606 of the tax  
51 law, as amended by section 1 of part P of chapter 61 of the laws of  
52 2005, is amended to read as follows:

53 (1) Residents. [~~A taxpayer~~ There shall be allowed a credit against  
54 the tax imposed by this article in an amount equal to twenty percent of

1 the [~~premium~~] premiums paid during the taxable year for long-term care  
2 insurance. The credit amount shall not exceed one thousand five hundred  
3 dollars and shall be allowed only if the amount of New York adjusted  
4 gross income required to be reported on the return is less than two  
5 hundred fifty thousand dollars. In order to qualify for such credit, the  
6 taxpayer's premium payment must be for the purchase of or for continuing  
7 coverage under a long-term care insurance policy that qualifies for such  
8 credit pursuant to section one thousand one hundred seventeen of the  
9 insurance law. If the amount of the credit allowable under this  
10 subsection for any taxable year shall exceed the taxpayer's tax for such  
11 year, the excess may be carried over to the following year or years and  
12 may be deducted from the taxpayer's tax for such year or years.

13 § 2. This act shall take effect immediately and apply to taxable years  
14 beginning on or after January 1, 2020.

15 PART F

16 Section 1. Paragraph 6 of subsection (d) of section 606 of the tax  
17 law, as amended by section 3 of part V of chapter 60 of the laws of  
18 2004, is amended to read as follows:

19 (6) Notification. (A) The commissioner shall periodically, but not  
20 less than every three years, make efforts to alert taxpayers that may be  
21 currently eligible to receive the credit provided under this subsection,  
22 and the credit provided under any local law enacted pursuant to  
23 subsection (f) of section thirteen hundred ten of this chapter, as to  
24 their potential eligibility. In making the determination of whether a  
25 taxpayer may be eligible for such credit, the commissioner shall use  
26 such data as may be appropriate and available, including, but not limit-  
27 ed to, data available from the United States Department of Treasury,  
28 Internal Revenue Service and New York state income tax returns for  
29 preceding tax years.

30 (B) If the department determines that the taxpayer is eligible to  
31 receive the credit provided under this subsection but has not claimed  
32 such credit on his or her return, the department, at its discretion, may  
33 compute the taxpayer's liability and allow the credit, and, if applica-  
34 ble, issue any refund for the allowable credit amount provided under  
35 this subsection. Any refund paid pursuant to this subparagraph shall be  
36 deemed to be a refund of an overpayment of tax as provided in section  
37 six hundred eighty-six of this article, provided, however, that no  
38 interest shall be paid thereon.

39 § 2. Subsection (f) of section 1310 of the tax law is amended by  
40 adding a new paragraph 6 to read as follows:

41 (6) If the department determines that the taxpayer is eligible to  
42 receive the credit provided under this subsection but has not claimed  
43 such credit on his or her return, the department, at its discretion, may  
44 compute and issue any refund for the allowable credit amount provided  
45 under this subsection. Any refund paid pursuant to this paragraph shall  
46 be deemed to be a refund of an overpayment of tax as provided in section  
47 six hundred eighty-six of this chapter, provided, however, that no  
48 interest shall be paid thereon.

49 § 3. Section 613 of the tax law, as added by chapter 563 of the laws  
50 of 1960, is amended to read as follows:

51 § 613. New York deduction of a resident individual. The New York  
52 deduction of a resident individual shall be his New York standard  
53 deduction unless he elects to deduct his New York itemized deduction  
54 under the conditions set forth in section six hundred fifteen of this



1 article. If an individual taxpayer has elected to deduct his New York  
2 itemized deduction computed pursuant to section six hundred fifteen of  
3 this article, but the department determines that the New York standard  
4 deduction allowable pursuant to section six hundred fourteen of this  
5 article is greater, the department may recompute the taxpayer's tax  
6 liability pursuant to section six hundred eleven of this article using  
7 the New York standard deduction provided in section six hundred fourteen  
8 of this article. The department will notify the taxpayer of any adjust-  
9 ment to the election.

10 § 4. Subdivision (d) of section 11-1706 of the administrative code of  
11 the city of New York is amended by adding a new paragraph 5 to read as  
12 follows:

13 (5) If the state commissioner of taxation and finance determines that  
14 the taxpayer is eligible to receive the credit provided under this  
15 subdivision but has not claimed such credit on his or her return, the  
16 state commissioner of taxation and finance, at his or her discretion,  
17 may compute and issue any refund for the allowable credit amount  
18 provided under this subdivision. Any refund paid pursuant to this para-  
19 graph shall be deemed to be a refund of an overpayment of tax as  
20 provided in section 11-1786 of this title, provided, however, that no  
21 interest shall be paid thereon.

22 § 5. This act shall take effect immediately.

23 PART G

24 Section 1. Paragraph 1 of subsection (c-1) of section 606 of the tax  
25 law, as amended by section 1 of part P of chapter 59 of the laws of  
26 2018, is amended to read as follows:

27 (1) A resident taxpayer shall be allowed a credit as provided herein  
28 equal to the greater of one hundred dollars times the number of qualify-  
29 ing children of the taxpayer or the applicable percentage of the child  
30 tax credit allowed the taxpayer under section twenty-four of the inter-  
31 nal revenue code for the same taxable year for each qualifying child.  
32 Provided, however, in the case of a taxpayer whose federal adjusted  
33 gross income exceeds the applicable threshold amount set forth by  
34 section 24(b)(2) of the Internal Revenue Code, the credit shall only be  
35 equal to the applicable percentage of the child tax credit allowed the  
36 taxpayer under section 24 of the Internal Revenue Code for each qualify-  
37 ing child. For the purposes of this subsection, a qualifying child shall  
38 be a child who meets the definition of qualified child under section  
39 24(c) of the internal revenue code and is at least four years of age.  
40 Provided, however, in the case of a resident taxpayer with a New York  
41 state adjusted gross income of fifty thousand dollars or less, a quali-  
42 ifying child shall be a child who meets the definition of a qualifying  
43 child under section 24(c) of the Internal Revenue Code. The applicable  
44 percentage shall be thirty-three percent. For purposes of this  
45 subsection, any reference to section 24 of the Internal Revenue Code  
46 shall be a reference to such section as it existed immediately prior to  
47 the enactment of Public Law 115-97.

48 § 2. This act shall take effect immediately and shall apply to taxable  
49 years beginning on and after January 1, 2021.

50 PART H

51 Section 1. Subdivision 6 of section 470 of the tax law, as added by  
52 chapter 61 of the laws of 1989, is amended to read as follows:

1 6. "Wholesale price." The [~~established~~] price for which a manufacturer  
2 or other person sells tobacco products to a distributor, including the  
3 federal excise taxes paid by the manufacturer or other person, before  
4 the allowance of any discount, trade allowance, rebate or other  
5 reduction.

6 [~~In the absence of such an established price, a manufacturer's~~] The  
7 invoice [price of any] received by a distributor with respect to its  
8 purchase of a tobacco product shall be presumptive evidence of the  
9 wholesale price of such tobacco product[, ~~and in its absence the price~~  
10 ~~at which such tobacco products were purchased shall be presumed to be~~  
11 ~~the wholesale price, unless evidence of a lower wholesale price shall be~~  
12 ~~established or any industry standard of markups relating to the purchase~~  
13 ~~price in relation to the wholesale price shall be established~~].

14 § 2. Subdivision 3 of section 481 of the tax law, as amended by chap-  
15 ter 190 of the laws of 1990, is amended to read as follows:

16 3. (a) For purposes of this chapter, the certificate of the commis-  
17 sioner of taxation and finance to the effect that a tax or fee imposed  
18 by this article has not been paid, that a return required by or under  
19 the provisions of this article has not been filed, or that information  
20 has not been supplied, as required by or under the provisions of this  
21 article, or that a bond or other security required by or pursuant to the  
22 provisions of this article has not been filed, or that books, accounts,  
23 records, memoranda, documents or papers have not been supplied as  
24 required by or pursuant to the authority of this article, or that a  
25 retail dealer or vending machine owner or operator is not currently or  
26 validly registered as required by this article shall be prima facie  
27 evidence that such tax or fee has not been paid, such return not filed,  
28 such information not supplied, such bond or other security not filed,  
29 that such books, accounts, records, memoranda, documents or papers have  
30 not been supplied, or that such retail dealer or vending machine owner  
31 or operator is not currently or validly registered.

32 (b) Any person required to make or maintain records under this article  
33 who fails to maintain or make available such records may be subject to a  
34 penalty not to exceed one thousand dollars for each monthly reporting  
35 period or part thereof for which records are not maintained or provided  
36 by such person. This penalty is in addition to any other penalty  
37 provided for in this article, but will not be imposed and collected more  
38 than once for such failures for the same reporting period or part there-  
39 of. If the commissioner determines that any failure described in this  
40 subdivision for a given reporting period was entirely due to reasonable  
41 cause and not to willful neglect, the commissioner may waive the penalty  
42 imposed for that period. The penalties imposed by this subdivision will  
43 be paid and disposed of in the same manner as other revenues from this  
44 article. These penalties will be determined, assessed, collected, paid  
45 and enforced in the same manner as the tax imposed by this article, and  
46 all the provisions of this article relating to tax will be deemed also  
47 to apply to the penalties imposed by this subdivision.

48 § 3. This act shall take effect on October 1, 2020; provided however,  
49 that section one of this act shall apply to all tobacco products  
50 possessed in this state for sale on or after such date.

51 PART I

52 Section 1. Section 17 of the alcoholic beverage control law is amended  
53 by adding a new subdivision 3-a to read as follows:

1 3-a. To suspend or cancel any license pursuant to and corresponding in  
2 duration with an action of the commissioner of taxation and finance  
3 under subdivision four of section four hundred eighty-a of the tax law.  
4 A suspension or cancellation under this subdivision shall be initiated  
5 upon receipt by the authority of notice from the commissioner of tax-  
6 ation and finance of such action under subdivision four of section four  
7 hundred eighty-a of the tax law and shall be effective upon service of  
8 an order by the authority served at the licensed premises. Such suspen-  
9 sion or cancellation issued by the authority shall be appealable only as  
10 provided for in paragraph (b) of subdivision four of section four  
11 hundred eighty-a of the tax law. The power to issue such suspensions or  
12 cancellations may be delegated to the chairman, or to such other offi-  
13 cers or employees as may be designated by the chairman.

14 § 2. Subdivision 9 of section 470 of the tax law, as amended by chap-  
15 ter 61 of the laws of 1989, is amended to read as follows:

16 9. "Retail dealer." Any person other than a wholesale dealer engaged  
17 in selling cigarettes or tobacco products. For purposes of section four  
18 hundred eighty-a of this article and section eleven hundred thirty-four  
19 of this chapter, such term shall include for each such person engaged in  
20 selling cigarettes or tobacco products all "persons required to collect  
21 tax," as defined in subdivision one of section eleven hundred thirty-one  
22 of this chapter.

23 § 3. Section 470 of the tax law is amended by adding a new subdivision  
24 21 to read as follows:

25 21. "Affiliated person." Persons are affiliated persons with respect  
26 to each other where one of such persons has an ownership interest of  
27 more than five percent, whether direct or indirect, in the other, or  
28 where an ownership interest of more than five percent, whether direct or  
29 indirect, is held in each of such persons by another person, or by a  
30 group of other persons that are affiliated persons with respect to each  
31 other.

32 § 3-a. Subdivision 1 of section 480-A of the tax law is amended by  
33 adding new paragraph (f), to read as follows:

34 (f) In addition to the grounds for refusal of a registration specified  
35 in section eleven hundred thirty-four of this chapter, the commissioner  
36 may refuse to register any person as a retail dealer where any tax under  
37 this chapter, or a tax or fee administered by the commissioner under any  
38 other law, has been finally determined to be due from such person, or  
39 from a person required to collect tax with respect to such person or  
40 another person, and has not been paid.

41 § 3-b. Paragraph (d) of subdivision 2 of section 480-A of the Tax Law,  
42 as amended by chapter 760 of the laws of 1992, is amended to read as  
43 follows:

44 (d) Except as otherwise provided in this section, all the provisions  
45 of article twenty-eight of this chapter relating to the personal liabil-  
46 ity for the tax, administration, collection and determination of tax,  
47 and deposit and disposition of revenue, including section eleven hundred  
48 thirty-eight of this chapter relating to determination of tax and  
49 section eleven hundred forty-five of this chapter (but only paragraphs  
50 one and two of subdivision (a) of such section) relating to penalties  
51 and interest for failure to file a return or pay tax within the time  
52 required, shall apply to the applications for registration and the fees  
53 for filing such applications required by this section and the penalty  
54 imposed pursuant to subdivision three of this section, as if such appli-  
55 cations were returns required under section eleven hundred thirty-six of  
56 this chapter and such filing fees, penalties and interest were taxes

1 required to be paid pursuant to such article twenty-eight, in the same  
2 manner and with the same force and effect as if the language of such  
3 provisions of such article twenty-eight had been incorporated in full  
4 into this article, except to the extent that any such provision is  
5 either inconsistent with a provision of this section or is not relevant  
6 thereto and with such other modifications as may be necessary to adapt  
7 the language of such provisions to the provisions of this section.

8 ~~[Section eleven hundred thirty-four of such article twenty-eight shall  
9 not apply to this section.]~~ Provided, however, that the commissioner of

10 taxation and finance shall refund or credit an application fee paid with  
11 respect to the registration of a vending machine or a retail place of  
12 business in this state through which cigarettes or tobacco products were  
13 to be sold if, prior to the beginning of the calendar year with respect  
14 to which such registration relates, the certificate of registration  
15 described in paragraph (a) of this subdivision is returned to the  
16 department of taxation and finance, or if such certificate has been  
17 destroyed, the retail dealer or vending machine operator satisfactorily  
18 accounts to the commissioner for the missing certificate, but such vend-  
19 ing machine or retail place of business may not be used to sell ciga-  
20 rettes or tobacco products in this state during such calendar year,  
21 unless it is re-registered. The provisions of section eleven hundred  
22 thirty-nine of this chapter shall apply to the refund or credit author-  
23 ized by the preceding sentence and for such purposes, such refund or  
24 credit shall be deemed a refund of tax paid in error provided, however,  
25 no interest shall be allowed or paid on any such refund.

26 § 4. Subdivision 4 of section 480-a of the tax law, as added by chap-  
27 ter 629 of the laws of 1996, paragraph (d) as amended by chapter 262 of  
28 the laws of 2000, is amended to read as follows:

29 4. (a) If a retail dealer possesses or sells unstamped or unlawfully  
30 stamped packages of cigarettes, or if a retail dealer is also licensed  
31 as an agent pursuant to section four hundred seventy-two and it  
32 possesses unlawfully stamped packages of cigarettes or sells unstamped  
33 or unlawfully stamped packages of cigarettes at retail, (i) its regis-  
34 tration shall be ~~[suspended]~~ revoked for a period of ~~[not more than six  
35 months]~~ one year, or (ii) for a second such possession or sale within a  
36 period of five years~~[, its]~~ by a retail dealer or any affiliated person  
37 of such retail dealer, the registration of such retail dealer and the  
38 registration of any retail dealer that is an affiliated person of such  
39 retail dealer shall be ~~[suspended]~~ revoked for a period of ~~[up to thir-  
40 ty-six months]~~ three years, or (iii) for a third such possession or sale  
41 within a period of five years~~[, its]~~ by a retail dealer or any affil-  
42 iated person of such retail dealer, the registration [may] of such  
43 retail dealer and the registration of any retail dealer that is an  
44 affiliated person of such retail dealer shall be revoked for a period of  
45 ~~[up to]~~ five years. A retail dealer registration shall be ~~[suspended or]~~  
46 revoked pursuant to this subdivision immediately upon such dealer's  
47 receipt of written notice of ~~[suspension or]~~ revocation from the commis-  
48 sioner. ~~[If a retail dealer sells cigarettes through more than one place  
49 of business in this state, the retail dealer registration shall not be  
50 suspended or revoked pursuant to this subdivision, but the certificate  
51 of registration issued to the place of business, cart, stand, truck or  
52 other merchandising device where unstamped or unlawfully stamped ciga-  
53 rettes were found shall be suspended or cancelled for possession or sale  
54 of unstamped or unlawfully stamped packages of cigarettes, as if such  
55 certificate of registration were a retail dealer registration. A suspen-  
56 sion or cancellation of a certificate of registration shall be treated~~

1 ~~as if it were a suspension or revocation of a registration.~~ If  
2 unstamped or unlawfully stamped cigarettes are found in a retail deal-  
3 er's warehouse or a warehouse of any affiliated person of such retail  
4 dealer, the [~~suspension or~~] revocation of the retail dealer's registra-  
5 tion pursuant to this subdivision shall be applicable to each retail  
6 place of business in this state through which such retail dealer and any  
7 affiliated person of such retail dealer sells cigarettes.

8 (b) A retail dealer who is notified of a [~~suspension or~~] revocation of  
9 its registration pursuant to this subdivision shall have the right to  
10 have the [~~suspension or~~] revocation reviewed by the commissioner or his  
11 or her designee by contacting the department at a telephone number or an  
12 address to be disclosed in the notice of [~~suspension or~~] revocation  
13 within ten days of such dealer's receipt of such notification. The  
14 retail dealer may present written evidence or argument in support of its  
15 defense to the [~~suspension or~~] revocation, or may appear at a scheduled  
16 conference with the commissioner or his or her designee to present oral  
17 arguments and written and oral evidence in support of such defense. The  
18 commissioner or his or her designee is authorized to delay the effective  
19 date of the [~~suspension or~~] revocation to enable the retail dealer to  
20 present further evidence or arguments in connection with the [~~suspension~~  
21 ~~or~~] revocation. The commissioner or his or her designee shall cancel the  
22 [~~suspension or~~] revocation of registration if the commissioner or his or  
23 her designee is not satisfied by a preponderance of the evidence that  
24 the retail dealer possessed or sold unstamped or unlawfully stamped  
25 packages of cigarettes.

26 (c) An order of [~~suspension or~~] revocation of a retail dealer regis-  
27 tration shall not be reviewable by the division of tax appeals, but may  
28 be reviewed pursuant to article seventy-eight of the civil practice law  
29 and rules by a proceeding commenced in the supreme court within four  
30 months of the [~~suspension or~~] revocation of registration petitioning  
31 that the order of [~~suspension or~~] revocation be enjoined or set aside.  
32 Such proceeding shall be instituted in the county where the commissioner  
33 has his or her principal office. Upon the filing of such petition the  
34 court shall have jurisdiction to set aside such order of [~~suspension or~~]  
35 revocation, in whole or in part, or to dismiss the petition. The juris-  
36 diction of the supreme court shall be exclusive and its order dismissing  
37 the petition or enjoining or setting aside such order, in whole or in  
38 part, shall be final, subject to review by the appellate division of the  
39 supreme court and the court of appeals in the same manner and form and  
40 with the same effect as provided by law for appeals from a judgment in a  
41 special proceeding. All such proceedings shall be heard and determined  
42 by the court and by any appellate court as expeditiously as possible and  
43 with lawful precedence over other civil matters. All such proceedings  
44 for review shall be heard on the petition, transcript and other papers,  
45 and on appeal shall be heard on the record, without requirement of  
46 printing.

47 (d) After review of the [~~suspension or~~] revocation of registration by  
48 the commissioner or his or her designee is complete, or the time within  
49 which a retail dealer may request such review has expired without such a  
50 request having been made, notice of the [~~suspension or~~] revocation of a  
51 retail dealer registration pursuant to this subdivision shall be given  
52 by the commissioner to the head of the division of the lottery for the  
53 purpose of enforcement of section sixteen hundred seven of this chapter  
54 [~~and such division may suspend or revoke any license issued with respect~~  
55 ~~to a lottery agent's specific location pursuant to article thirty four~~  
56 ~~of this chapter if such lottery agent is a retail dealer of cigarettes~~

1 ~~whose registration for such location is suspended or revoked pursuant to~~  
2 ~~this section~~]. In addition, notice of such [~~suspension or~~] revocation  
3 shall also be given to the [~~division of alcoholic beverage control~~]  
4 state liquor authority and such [~~suspension or~~] revocation shall consti-  
5 tute cause[~~, for purposes of section one hundred eighteen of the alco-~~  
6 ~~holic beverage control law,~~] for revocation, cancellation or suspension  
7 of any license or permit issued pursuant to [~~such~~] the alcoholic bever-  
8 age control law to the retail dealer of cigarettes whose registration is  
9 revoked pursuant to this section.

10 § 5. Subparagraph (A) of paragraph 4 of subdivision (a) of section  
11 1134 of the tax law, as amended by section 21-a of part U of chapter 61  
12 of the laws of 2011, is amended to read as follows:

13 (A) Where a person who holds a certificate of authority (i) willfully  
14 fails to file a report or return required by this article, (ii) willful-  
15 ly files, causes to be filed, gives or causes to be given a report,  
16 return, certificate or affidavit required under this article which is  
17 false, (iii) willfully fails to comply with the provisions of paragraph  
18 two or three of subdivision (e) of section eleven hundred thirty-seven  
19 of this article, (iv) willfully fails to prepay, collect, truthfully  
20 account for or pay over any tax imposed under this article or pursuant  
21 to the authority of article twenty-nine of this chapter, (v) fails to  
22 obtain a bond pursuant to paragraph two of subdivision (e) of section  
23 eleven hundred thirty-seven of this part, or fails to comply with a  
24 notice issued by the commissioner pursuant to paragraph three of such  
25 subdivision, [~~or~~] (vi) has been convicted of a crime provided for in  
26 this chapter, or (vii) where such person, or any person affiliated with  
27 such person as such term is defined in subdivision twenty-one of section  
28 four hundred seventy of this chapter, has had a retail dealer registra-  
29 tion issued pursuant to section four hundred eighty-a of this chapter  
30 revoked pursuant to paragraph (a) of subdivision four of such section  
31 four hundred eighty-a, the commissioner may revoke or suspend such  
32 certificate of authority and all duplicates thereof. Provided, however,  
33 that the commissioner may revoke or suspend a certificate of authority  
34 based on the grounds set forth in clause (vi) of this subparagraph only  
35 where the conviction referred to occurred not more than one year prior  
36 to the date of revocation or suspension; and provided further that where  
37 the commissioner revokes or suspends a certificate of authority based on  
38 the grounds set forth in clause (vii) of this subparagraph, such suspen-  
39 sion or revocation shall continue for as long as the revocation of the  
40 retail dealer registration pursuant to section four hundred eighty-a of  
41 this chapter remains in effect.

42 § 6. Subparagraph (A) of paragraph 4 of subdivision (a) of section  
43 1134 of the tax law, as amended by chapter 2 of the laws of 1995, is  
44 amended to read as follows:

45 (A) Where a person who holds a certificate of authority (i) willfully  
46 fails to file a report or return required by this article, (ii) willful-  
47 ly files, causes to be filed, gives or causes to be given a report,  
48 return, certificate or affidavit required under this article which is  
49 false, (iii) willfully fails to comply with the provisions of paragraph  
50 two or three of subdivision (e) of section eleven hundred thirty-seven  
51 of this article, (iv) willfully fails to prepay, collect, truthfully  
52 account for or pay over any tax imposed under this article or pursuant  
53 to the authority of article twenty-nine of this chapter, [~~or~~] (v) has  
54 been convicted of a crime provided for in this chapter, or (vi) where  
55 such person, or any person affiliated with such person as such term is  
56 defined in subdivision twenty-one of section four hundred seventy of

1 this chapter, has had a retail dealer registration issued pursuant to  
2 section four hundred eighty-a of this chapter suspended or revoked  
3 pursuant to paragraph (a) of subdivision four of such section four  
4 hundred eighty-a, the commissioner may revoke or suspend such certifi-  
5 cate of authority and all duplicates thereof. Provided, however, that  
6 the commissioner may revoke or suspend a certificate of authority based  
7 on the grounds set forth in clause (v) of this subparagraph only where  
8 the conviction referred to occurred not more than one year prior to the  
9 date of revocation or suspension; and provided further that where the  
10 commissioner revokes or suspends a certificate of authority based on the  
11 grounds set forth in clause (vi) of this subparagraph, such suspension  
12 or revocation shall continue for as long as the revocation of the retail  
13 dealer registration pursuant to section four hundred eighty-a of this  
14 chapter remains in effect.

15 § 7. Subparagraph (B) of paragraph 4 of subdivision (a) of section  
16 1134 of the tax law, as amended by chapter 2 of the laws of 1995, is  
17 amended to read as follows:

18 (B) Where a person files a certificate of registration for a certifi-  
19 cate of authority under this subdivision and in considering such appli-  
20 cation the commissioner ascertains that (i) any tax imposed under this  
21 chapter or any related statute, as defined in section eighteen hundred  
22 of this chapter, has been finally determined to be due from such person  
23 and has not been paid in full, (ii) a tax due under this article or any  
24 law, ordinance or resolution enacted pursuant to the authority of arti-  
25 cle twenty-nine of this chapter has been finally determined to be due  
26 from an officer, director, partner or employee of such person, and,  
27 where such person is a limited liability company, also a member or  
28 manager of such person, in the officer's, director's, partner's,  
29 member's, manager's or employee's capacity as a person required to  
30 collect tax on behalf of such person or another person and has not been  
31 paid, (iii) such person has been convicted of a crime provided for in  
32 this chapter within one year from the date on which such certificate of  
33 registration is filed, (iv) an officer, director, partner or employee of  
34 such person, and, where such person is a limited liability company, also  
35 a member or manager of such person, which officer, director, partner,  
36 member, manager or employee is a person required to collect tax on  
37 behalf of such person filing a certificate of registration has in the  
38 officer's, director's, partner's, member's, manager's or employee's  
39 capacity as a person required to collect tax on behalf of such person or  
40 of another person been convicted of a crime provided for in this chapter  
41 within one year from the date on which such certificate of registration  
42 is filed, (v) a shareholder owning more than fifty percent of the number  
43 of shares of stock of such person (where such person is a corporation)  
44 entitling the holder thereof to vote for the election of directors or  
45 trustees, who owned more than fifty percent of the number of such shares  
46 of another person (where such other person is a corporation) at the time  
47 any tax imposed under this chapter or any related statute as defined in  
48 section eighteen hundred of this chapter was finally determined to be  
49 due and where such tax has not been paid in full, or at the time such  
50 other person was convicted of a crime provided for in this chapter with-  
51 in one year from the date on which such certificate of registration is  
52 filed, ~~(vi)~~ (vi) a certificate of authority issued to such person has  
53 been revoked or suspended pursuant to subparagraph (A) of this paragraph  
54 within one year from the date on which such certificate of registration  
55 is filed, or (vii) a retail dealer registration issued pursuant to  
56 section four hundred eighty-a of this chapter to such person, or to any

1 person affiliated with such person as such term is defined in subdivi-  
2 sion twenty-one of section four hundred seventy of this chapter, has  
3 been revoked pursuant to paragraph (a) of subdivision four of such  
4 section four hundred eighty-a, where such revocation remains in effect,  
5 the commissioner may refuse to issue a certificate of authority.

6 § 8. Section 1607 of the tax law is amended by adding a new subdivi-  
7 sion i to read as follows:

8 i. A lottery sales agent's license shall be suspended or revoked upon  
9 notification to the division by the commissioner of the revocation of  
10 such agent's retail dealer registration pursuant to subdivision four of  
11 section four hundred eighty-a of this chapter. Such suspension or revo-  
12 cation shall continue for as long as the revocation of such retail deal-  
13 er registration remains in effect. Notwithstanding any other law to the  
14 contrary, lottery sales agents shall have no right to a hearing and  
15 shall have no right to commence a court action or proceeding or to any  
16 other legal recourse against the division with respect to any action  
17 taken pursuant to this subdivision. Nothing in this subdivision shall  
18 affect the right to review the revocation of a retail dealer registra-  
19 tion, or any appeal therefrom, as provided in paragraphs (b) and (c) of  
20 subdivision four of section four hundred eighty-a of this chapter.

21 § 9. This act shall take effect September 1, 2020 and shall apply to  
22 the possession or sale of unstamped or illegally stamped cigarettes  
23 occurring on and after such date; provided, however, that the amendments  
24 to section 17 of the alcoholic beverage control law made by section one  
25 of this act shall survive the expiration and reversion of such section  
26 as provided in section 4 of chapter 118 of the laws of 2012, as amended;  
27 provided, further, that the amendments to subparagraph (A) of paragraph  
28 4 of subdivision (a) of section 1134 of the tax law made by section five  
29 of this act shall not affect the expiration of such subparagraph and  
30 shall expire therewith, when upon such date the provisions of section  
31 six of this act shall take effect.

32 PART J

33 Section 1. Paragraph (e) of subdivision 1 of section 424 of the tax  
34 law, as amended by chapter 190 of the laws of 1990, is amended to read  
35 as follows:

36 (e) Sixty-seven cents per liter upon liquors containing not more than  
37 twenty-four per centum of alcohol by volume except liquors containing  
38 not more than two per centum of alcohol by volume, upon which the tax  
39 shall be [~~one cent per liter~~ zero]; and

40 § 2. Paragraph (g) of subdivision 1 of section 424 of the tax law, as  
41 amended by chapter 433 of the laws of 1978 and the opening paragraph as  
42 amended by chapter 508 of the laws of 1993, is amended to read as  
43 follows:

44 (g) For purposes of this chapter, it is presumed that liquors are  
45 possessed for the purpose of sale in this state if the quantity of  
46 liquors possessed in this state, imported or caused to be imported into  
47 this state or produced, distilled, manufactured, compounded, mixed or  
48 fermented in this state exceeds ninety liters. Such presumption may be  
49 rebutted by the introduction of substantial evidence to the contrary. In  
50 any case where the quantity of alcoholic beverages taxable pursuant to  
51 this article is a fractional part of one liter (or one gallon in the  
52 case of beers) or an amount greater than a whole multiple of liters (or  
53 gallons in the case of beers), the amount of tax levied and imposed on  
54 such fractional part of one liter (or one gallon in the case of beers),



1 or fractional part of a liter (or gallon) in excess of a whole multiple  
2 of liters or gallons shall be such fractional part of the rate imposed  
3 by paragraphs (a) through (f).

4 Notwithstanding any other provision of this article, the [~~tax commis-~~  
5 ~~sion~~] commissioner may permit the purchase of [~~liquors and wines~~] alco-  
6 holic beverages without tax by a person registered as a distributor  
7 under section four hundred twenty-one of this article [~~holder of a~~  
8 ~~distiller's license or a winery license, issued by the state liquor~~  
9 ~~authority~~] from another person so registered [~~holder of a distiller's~~  
10 ~~license or a winery license, issued by such authority~~], in which event  
11 the [~~liquors and wines~~] alcoholic beverage so purchased shall be subject  
12 to the taxes imposed by this article in the hands of the purchaser in  
13 the same manner and to the same extent as if such purchaser had imported  
14 or caused the same to be imported into this state or had produced,  
15 distilled, manufactured, brewed, compounded, mixed or fermented the same  
16 within this state.

17 § 3. Subparagraph (C) of paragraph 1 of subdivision (i) of section  
18 1136 of the tax law, as separately amended by chapters 229 and 485 of  
19 the laws of 2015, is amended, and a new subparagraph (D) is added to  
20 read as follows:

21 (C) Every wholesaler, as defined by section three of the alcoholic  
22 beverage control law, if it has made a sale of an alcoholic beverage, as  
23 defined by section four hundred twenty of this chapter, without collect-  
24 ing sales or use tax during the period covered by the return, except (i)  
25 a sale to a person that has furnished an exempt organization certificate  
26 to the wholesaler for that sale; or (ii) a sale to another wholesaler  
27 whose license under the alcoholic beverage control law does not allow it  
28 to make retail sales of the alcoholic beverage. For each vendor, opera-  
29 tor, or recipient to whom the wholesaler has made a sale without  
30 collecting sales or compensating use tax, the return must include the  
31 total value of those sales made during the period covered by the return  
32 (excepting the sales described in clauses (i) and (ii) of this subpara-  
33 graph) and the vendor's, operator's or recipient's state liquor authori-  
34 ty license number, along with the information required by paragraph two  
35 of this subdivision. [~~A person operating pursuant to a farm winery~~  
36 ~~license as provided in section seventy-six-a of the alcoholic beverage~~  
37 ~~control law, or a person operating pursuant to a winery license as~~  
38 ~~provided in section seventy-six of the alcoholic beverage control law~~  
39 ~~and whose winery manufactures less than one hundred fifty thousand~~  
40 ~~finished gallons of wine annually, or a person operating pursuant to a~~  
41 ~~farm distillery license as provided in subdivision two-c of section~~  
42 ~~sixty-one of such law, or a person operating pursuant to a farm cidery~~  
43 ~~license as provided in section fifty-eight-c of the alcoholic beverage~~  
44 ~~control law, or a person operating pursuant to a farm brewery license as~~  
45 ~~provided in section fifty-one-a of the alcoholic beverage control law,~~  
46 ~~or a person operating pursuant to a brewer's license as provided in~~  
47 ~~section fifty-one of the alcoholic beverage control law who produces~~  
48 ~~less than sixty thousand barrels of beer a year, or a person operating~~  
49 ~~pursuant to any combination of such licenses, shall not be subject to~~  
50 ~~any of the requirements of this subdivision.]~~

51 (D) Notwithstanding the provisions of subparagraph (C) of this para-  
52 graph, a person operating pursuant to any of the following licenses  
53 shall not be subject to any of the requirements of this subdivision: (i)  
54 a farm winery license, as provided in section seventy-six-a of the alco-  
55 holic beverage control law; (ii) a winery license, as provided in  
56 section seventy-six of the alcoholic beverage control law, where the

1 number of gallons of wine, cider and mead produced annually by such  
2 person does not exceed the annual limits on the number of finished  
3 gallons of wine, cider and mead permitted to be produced by a farm  
4 winery under subdivision eight of section seventy-six-a of the alcoholic  
5 beverage control law; (iii) a farm distillery license, as provided in  
6 subdivision two-c of section sixty-one of the alcoholic beverage control  
7 law; (iv) a distiller's license, as provided in section sixty-one of the  
8 alcoholic beverage control law, where the number of gallons of liquor  
9 produced annually by such person does not exceed the annual limits on  
10 the number of gallons of liquor permitted to be produced by a farm  
11 distillery under paragraph (f) of subdivision two-c of section sixty-one  
12 of the alcoholic beverage control law; (v) a farm cidery license, as  
13 provided in section fifty-eight-c of the alcoholic beverage control law;  
14 (vi) a cider producers' license, as provided in section fifty-eight of  
15 the alcoholic beverage control law, where the number of gallons of cider  
16 produced annually by such person does not exceed the annual limits on  
17 the number of gallons of cider permitted to be produced by a farm cidery  
18 under subdivision ten of section fifty-eight-c of the alcoholic beverage  
19 control law; (vii) a farm brewery license, as provided in section  
20 fifty-one-a of the alcoholic beverage control law; (viii) a brewer's  
21 license, as provided in section fifty-one of the alcoholic beverage  
22 control law, where the number of finished barrels of beer, cider and  
23 braggot produced annually by such person does not exceed the annual  
24 number of finished barrels of beer, cider and braggot permitted to be  
25 produced by a farm brewery under subdivision ten of section fifty-one-a  
26 of the alcoholic beverage control law; (ix) a farm meadery license, as  
27 provided in section thirty-one of the alcoholic beverage control law; or  
28 (x) a mead producers' license, as provided in section thirty of the  
29 alcoholic beverage control law, where the number of gallons of mead and  
30 braggot produced annually by such person does not exceed the annual  
31 number of finished barrels of mead and braggot permitted to be produced  
32 by a farm meadery under subdivision ten of section thirty-one of the  
33 alcoholic beverage control law. Nothing in this subparagraph shall  
34 exempt a person operating pursuant to multiple licenses under the alco-  
35 holic beverage control law from the requirements of subparagraph (C) of  
36 this paragraph if such person produces an amount of any alcoholic bever-  
37 age in excess of the amounts permitted to be produced annually by a  
38 person who holds only a farm winery, farm cidery, farm distillery, farm  
39 brewery or farm meadery license for such beverage, nor shall this  
40 section exempt any person holding a wholesalers' license under the alco-  
41 holic beverage control law from the requirements of subparagraph (C) of  
42 this paragraph.

43 § 4. This act shall take effect June 1, 2020.

44 PART K

45 Section 1. Subdivision (c) of section 1800 of the tax law, as amended  
46 by section 13 of subpart I of part V-1 of chapter 57 of the laws of  
47 2009, is amended to read as follows:

48 (c) As used in this article, the term "felony" and the term "misdemea-  
49 nor" shall have the same meaning as they have in the penal law, and the  
50 disposition of such offenses and the sentences imposed therefor shall be  
51 as provided in such law except; (1) notwithstanding the provisions of  
52 paragraph a of subdivision one of section 80.00 and paragraph (a) of  
53 subdivision one of section 80.10 of the penal law relating to the fine  
54 for a felony, the court may impose a fine not to exceed the greater of

1 double the amount of [~~the underpaid tax liability resulting from the~~  
2 ~~commission of the crime~~] tax liability evaded or fraudulent refund  
3 received or applied for as a result of the commission of the crime, or  
4 fifty thousand dollars, or, in the case of a corporation the fine may  
5 not exceed the greater of double the amount of [~~the underpaid tax~~  
6 ~~liability resulting from the commission of the crime~~] tax liability  
7 evaded or fraudulent refund received or applied for as a result of the  
8 commission of the crime, or two hundred fifty thousand dollars and (2)  
9 notwithstanding the provisions of subdivision one of section 80.05 and  
10 paragraph (b) of subdivision one of section 80.10 of the penal law  
11 relating to the fine for a class A misdemeanor, the court may impose a  
12 fine not to exceed ten thousand dollars, except that in the case of a  
13 corporation the fine may not exceed twenty thousand dollars.

14 § 2. Section 1803 of the tax law, as added by section 17 of subpart I  
15 of part V-1 of chapter 57 of the laws of 2009, is amended to read as  
16 follows:

17 § 1803. Criminal tax fraud in the fourth degree. A person commits  
18 criminal tax fraud in the fourth degree when he or she commits a tax  
19 fraud act or acts and[~~, with the intent to evade any tax due under this~~  
20 ~~chapter, or to defraud~~] thereby deprives or defrauds the state or any  
21 political subdivision [~~thereof, the person pays the state and/or a poli-~~  
22 ~~tical subdivision of the state (whether by means of underpayment or~~  
23 ~~receipt of refund or both), in a period of not more than one year in~~  
24 ~~excess~~] of the state in an amount exceeding three thousand dollars [~~less~~  
25 ~~than the tax liability that is due~~]. Criminal tax fraud in the fourth  
26 degree is a class E felony.

27 § 3. Section 1804 of the tax law, as added by section 18 of subpart I  
28 of part V-1 of chapter 57 of the laws of 2009, is amended to read as  
29 follows:

30 § 1804. Criminal tax fraud in the third degree. A person commits crim-  
31 inal tax fraud in the third degree when he or she commits a tax fraud  
32 act or acts and[~~, with the intent to evade any tax due under this chap-~~  
33 ~~ter, or to defraud~~] thereby deprives or defrauds the state or any poli-  
34 tical subdivision of the state[~~, the person pays the state and/or a~~  
35 ~~political subdivision of the state (whether by means of underpayment or~~  
36 ~~receipt of refund or both), in a period of not more than one year in~~  
37 ~~excess of~~] in an amount exceeding ten thousand dollars [~~less than the~~  
38 ~~tax liability that is due~~]. Criminal tax fraud in the third degree is a  
39 class D felony.

40 § 4. Section 1805 of the tax law, as added by section 19 of subpart I  
41 of part V-1 of chapter 57 of the laws of 2009, is amended to read as  
42 follows:

43 § 1805. Criminal tax fraud in the second degree. A person commits  
44 criminal tax fraud in the second degree when he or she commits a tax  
45 fraud act or acts and[~~, with the intent to evade any tax due under this~~  
46 ~~chapter, or to defraud~~] thereby deprives or defrauds the state or any  
47 subdivision of the state[~~, the person pays the state and/or a political~~  
48 ~~subdivision of the state (whether by means of underpayment or receipt of~~  
49 ~~refund or both), in a period of not more than one year in excess of~~] in  
50 an amount exceeding fifty thousand dollars [~~less than the tax liability~~  
51 ~~that is due~~]. Criminal tax fraud in the second degree is a class C felo-  
52 ny.

53 § 5. Section 1806 of the tax law, as added by section 20 of subpart I  
54 of part V-1 of chapter 57 of the laws of 2009, is amended to read as  
55 follows:

1 § 1806. Criminal tax fraud in the first degree. A person commits crim-  
2 inal tax fraud in the first degree when he or she commits a tax fraud  
3 act or acts and~~[, with the intent to evade any tax due under this chap-~~  
4 ~~ter, or to defraud]~~ thereby deprives or defrauds the state or any subdivi-  
5 sion of the state~~[, the person pays the state and/or a political~~  
6 ~~subdivision of the state (whether by means of underpayment or receipt of~~  
7 ~~refund or both), in a period of not more than one year in excess of]~~ in  
8 an amount exceeding one million dollars ~~[less than the tax liability~~  
9 ~~that is due]~~. Criminal tax fraud in the first degree is a class B felo-  
10 ny.

11 § 6. Section 1807 of the tax law, as amended by section 5 of subpart A  
12 of part S of chapter 57 of the laws of 2010, is amended to read as  
13 follows:

14 § 1807. Aggregation. For purposes of this article, ~~[the payments due~~  
15 ~~and not paid under a single article of this chapter pursuant to a common~~  
16 ~~scheme or plan or due and not paid, within one year, may be charged in a~~  
17 ~~single count, and the amount of underpaid tax liability incurred, within~~  
18 ~~one year,]~~ (a) the amount deprived or defrauded within a three hundred  
19 sixty-five consecutive day period may be aggregated in a single count,  
20 or (b) when a person is shown to be acting pursuant to a common plan or  
21 scheme constituting a systematic ongoing course of conduct, the total  
22 amount deprived or defrauded under such scheme or plan may be charged in  
23 a single count.

24 § 7. The tax law is amended by adding a new section 1810 to read as  
25 follows:

26 § 1810. Criminal tax preparation in the second degree. A person  
27 commits criminal tax preparation in the second degree when he or she  
28 files or causes to be filed ten or more tax returns with the department,  
29 within a period of not more than three hundred sixty-five consecutive  
30 days, knowing that each contains materially false information or omits  
31 material information with the intent to evade or reduce any tax liabil-  
32 ity owed or to effect or inflate a refund. Criminal tax preparation in  
33 the second degree is a class D felony.

34 § 8. The tax law is amended by adding a new section 1810-a to read as  
35 follows:

36 § 1810-a. Criminal tax preparation in the first degree. A person  
37 commits criminal tax preparation in the first degree when he or she  
38 files or causes to be filed fifty or more tax returns with the depart-  
39 ment, within a period of not more than three hundred sixty-five consec-  
40 utive days, knowing that each contains materially false information or  
41 omits material information with the intent to evade or reduce any tax  
42 liability owed or to effect or inflate a refund. Criminal tax prepara-  
43 tion in the first degree is a class C felony.

44 § 9. This act shall take effect immediately and shall apply to  
45 offenses committed on or after such effective date.

46 PART L

47 Section 1. Section 352 of the economic development law is amended by  
48 adding a new subdivision 8-a to read as follows:

49 8-a. "Green project" means a project deemed by the commissioner to  
50 make products or develop technologies that are substantially aimed at  
51 reducing greenhouse gas emissions or supporting the use of clean energy  
52 in accordance with goals described in chapter one hundred six of the  
53 laws of two thousand nineteen, along with the state energy plan and  
54 future updates as described in section 6-104 of the energy law. "Green

1 project" shall include, but not be limited to, the manufacture or devel-  
2 opment of products or technologies or supply chain components primarily  
3 for renewable energy systems as defined in section sixty-six-p of the  
4 public service law, vehicles that use non-hydrocarbon fuels and produce  
5 zero or near zero emissions, heat pumps, energy efficiency, carbon  
6 capture and storage, clean energy storage and other products that  
7 significantly reduce greenhouse gas emissions by minimizing the utiliza-  
8 tion of depletable resources or by improving industrial efficiency.  
9 "Green project" shall not include a project primarily composed of (i)  
10 necessarily local activities such as retail, building construction, or  
11 the installation, deployment or adoption of a clean energy product or  
12 technology at an end user's site, or (ii) the production of products or  
13 development of technologies that would produce only marginal and incre-  
14 mental energy savings or environmental benefits ancillary to the core  
15 function of the product or technology.

16 § 2. Subdivision 1 of section 353 of the economic development law, as  
17 amended by section 2 of part K of chapter 59 of the laws of 2017, is  
18 amended to read as follows:

19 1. To be a participant in the excelsior jobs program, a business enti-  
20 ty shall operate in New York state predominantly:

21 (a) as a financial services data center or a financial services back  
22 office operation;

23 (b) in manufacturing;

24 (c) in software development and new media;

25 (d) in scientific research and development;

26 (e) in agriculture;

27 (f) in the creation or expansion of back office operations in the  
28 state;

29 (g) in a distribution center;

30 (h) in an industry with significant potential for private-sector  
31 economic growth and development in this state as established by the  
32 commissioner in regulations promulgated pursuant to this article. In  
33 promulgating such regulations the commissioner shall include job and  
34 investment criteria;

35 (i) as an entertainment company;

36 (j) in music production; [~~ex~~]

37 (k) as a life sciences company; or

38 (l) as a company operating in one of the industries listed in para-  
39 graphs (b) through (e) of this subdivision and engaging in a green  
40 project as defined in section three hundred fifty-two of this article.

41 § 3. Subdivision 5 of section 354 of the economic development law, as  
42 amended by section 4 of part K of chapter 59 of the laws of 2017, is  
43 amended to read as follows:

44 5. A participant may claim tax benefits commencing in the first taxa-  
45 ble year that the business enterprise receives a certificate of tax  
46 credit or the first taxable year listed on its preliminary schedule of  
47 benefits, whichever is later. A participant may claim such benefits for  
48 the next nine consecutive taxable years, provided that the participant  
49 demonstrates to the department that it continues to satisfy the eligi-  
50 bility criteria specified in section three hundred fifty-three of this  
51 article and subdivision two of this section in each of those taxable  
52 years, and provided that no tax credits may be allowed for taxable years  
53 beginning on or after January first, two thousand [~~thirty~~] fifty. If,  
54 in any given year, a participant who has satisfied the eligibility  
55 criteria specified in section three hundred fifty-three of this article  
56 realizes job creation less than the estimated amount, the credit shall

1 be reduced by the proportion of actual job creation to the estimated  
2 amount, provided the proportion is at least seventy-five percent of the  
3 jobs estimated.

4 § 4. Subdivisions 1, 2 and 3 of section 355 of the economic develop-  
5 ment law, subdivisions 1 and 2 as amended by section 4 of part G of  
6 chapter 61 of the laws of 2011, and subdivision 3 as amended by section  
7 1 of part YY of chapter 59 of the laws of 2017, are amended to read as  
8 follows:

9 1. Excelsior jobs tax credit component. A participant in the excelsior  
10 jobs program shall be eligible to claim a credit for each net new job it  
11 creates in New York state. [~~The~~] In a project that is not a green  
12 project, the amount of such credit per job shall be equal to the product  
13 of the gross wages paid and up to 6.85 percent. In a green project, the  
14 amount of such credit per job shall be equal to the product of the gross  
15 wages paid and up to 7.5 percent.

16 2. Excelsior investment tax credit component. A participant in the  
17 excelsior jobs program shall be eligible to claim a credit on qualified  
18 investments. [~~The~~] In a project that is not a green project, the credit  
19 shall be equal to two percent of the cost or other basis for federal  
20 income tax purposes of the qualified investment. In a green project,  
21 the credit shall be equal to five percent of the cost or other basis for  
22 federal income tax purposes of the qualified investment. A participant  
23 may not claim both the excelsior investment tax credit component and the  
24 investment tax credit set forth in subdivision [~~twelve~~] one of section  
25 two hundred [~~ten~~] ten-B, subsection (a) of section six hundred six, the  
26 former subsection (i) of section fourteen hundred fifty-six, or subdivi-  
27 sion (q) of section fifteen hundred eleven of the tax law for the same  
28 property in any taxable year, except that a participant may claim both  
29 the excelsior investment tax credit component and the investment tax  
30 credit for research and development property. In addition, a taxpayer  
31 who or which is qualified to claim the excelsior investment tax credit  
32 component and is also qualified to claim the brownfield tangible proper-  
33 ty credit component under section twenty-one of the tax law may claim  
34 either the excelsior investment tax credit component or such tangible  
35 property credit component, but not both with regard to a particular  
36 piece of property. A credit may not be claimed until a business enter-  
37 prise has received a certificate of tax credit, provided that qualified  
38 investments made on or after the issuance of the certificate of eligi-  
39 bility but before the issuance of the certificate of tax credit to the  
40 business enterprise, may be claimed in the first taxable year for which  
41 the business enterprise is allowed to claim the credit. Expenses  
42 incurred prior to the date the certificate of eligibility is issued are  
43 not eligible to be included in the calculation of the credit.

44 3. Excelsior research and development tax credit component. A partic-  
45 ipant in the excelsior jobs program shall be eligible to claim a credit  
46 equal to fifty percent of the portion of the participant's federal  
47 research and development tax credit that relates to the participant's  
48 research and development expenditures in New York state during the taxa-  
49 ble year; provided however, if not a green project, the excelsior  
50 research and development tax credit shall not exceed six percent of the  
51 qualified research and development expenditures attributable to activi-  
52 ties conducted in New York state, or, if a green project, the excelsior  
53 research and development tax credit shall not exceed eight percent of  
54 the research and development expenditures attributable to activities  
55 conducted in New York state. If the federal research and development  
56 credit has expired, then the research and development expenditures

1 relating to the federal research and development credit shall be calcu-  
2 lated as if the federal research and development credit structure and  
3 definition in effect in two thousand nine were still in effect.  
4 Notwithstanding any other provision of this chapter to the contrary,  
5 research and development expenditures in this state, including salary or  
6 wage expenses for jobs related to research and development activities in  
7 this state, may be used as the basis for the excelsior research and  
8 development tax credit component and the qualified emerging technology  
9 company facilities, operations and training credit under the tax law.

10 § 5. Section 359 of the economic development law, as amended by  
11 section 5 of part K of chapter 59 of the laws of 2017, is amended to  
12 read as follows:

13 § 359. Cap on tax credit. [~~The total amount of tax credits listed on  
14 certificates of tax credit issued by the commissioner for any taxable  
15 year may not exceed the limitations set forth in this section.~~] One-half  
16 of any amount of tax credits not awarded for a particular taxable year  
17 [~~in years two thousand eleven through two thousand twenty four~~] may be  
18 used by the commissioner to award tax credits in another taxable year.

19 Credit components in the aggregate  
20 shall not exceed:

With respect to taxable  
years beginning in:

21	\$ 50 million	2011
22	\$ 100 million	2012
23	\$ 150 million	2013
24	\$ 200 million	2014
25	\$ 250 million	2015
26	\$ 183 million	2016
27	\$ 183 million	2017
28	\$ 183 million	2018
29	\$ 183 million	2019
30	\$ 183 million	2020
31	\$ 183 million	2021
32	\$ 133 million	2022
33	\$ 83 million	2023
34	\$ 36 million	2024
35	<u>\$ 200 million</u>	<u>2025</u>
36	<u>\$ 200 million</u>	<u>2026</u>
37	<u>\$ 200 million</u>	<u>2027</u>
38	<u>\$ 200 million</u>	<u>2028</u>
39	<u>\$ 200 million</u>	<u>2029</u>
40	<u>\$ 200 million</u>	<u>2030</u>
41	<u>\$ 200 million</u>	<u>2031</u>
42	<u>\$ 200 million</u>	<u>2032</u>
43	<u>\$ 200 million</u>	<u>2033</u>
44	<u>\$ 200 million</u>	<u>2034</u>
45	<u>\$ 200 million</u>	<u>2035</u>
46	<u>\$ 200 million</u>	<u>2036</u>
47	<u>\$ 200 million</u>	<u>2037</u>
48	<u>\$ 200 million</u>	<u>2038</u>
49	<u>\$ 200 million</u>	<u>2039</u>

50 Twenty-five percent of tax credits shall be allocated to businesses  
51 accepted into the program under subdivision four of section three  
52 hundred fifty-three of this article and seventy-five percent of tax

1 credits shall be allocated to businesses accepted into the program under  
2 subdivision three of section three hundred fifty-three of this article.

3 Provided, however, if by September thirtieth of a calendar year, the  
4 department has not allocated the full amount of credits available in  
5 that year to either: (i) businesses accepted into the program under  
6 subdivision four of section three hundred fifty-three of this article or  
7 (ii) businesses accepted into the program under subdivision three of  
8 section three hundred fifty-three of this article, the commissioner may  
9 allocate any remaining tax credits to businesses referenced in this  
10 paragraph as needed; provided, however, that under no circumstances may  
11 the aggregate statutory cap for all program years be exceeded. One  
12 hundred percent of the unawarded amounts remaining at the end of two  
13 thousand [~~twenty-four~~] thirty-nine may be allocated in subsequent years,  
14 notwithstanding the fifty percent limitation on any amounts of tax cred-  
15 its not awarded in taxable years two thousand eleven through two thou-  
16 sand [~~twenty-four~~] thirty-nine. Provided, however, no tax credits may  
17 be allowed for taxable years beginning on or after January first, two  
18 thousand [~~thirty~~] fifty.

19 § 6. Subdivision (b) of section 31 of the tax law, as amended by  
20 section 6 of part K of chapter 59 of the laws of 2017, is amended to  
21 read as follows:

22 (b) To be eligible for the excelsior jobs program credit, the taxpayer  
23 shall have been issued a "certificate of tax credit" by the department  
24 of economic development pursuant to subdivision four of section three  
25 hundred fifty-four of the economic development law, which certificate  
26 shall set forth the amount of each credit component that may be claimed  
27 for the taxable year. A taxpayer may claim such credit for ten consec-  
28 utive taxable years commencing in the first taxable year that the  
29 taxpayer receives a certificate of tax credit or the first taxable year  
30 listed on its preliminary schedule of benefits, whichever is later,  
31 provided that no tax credits may be allowed for taxable years beginning  
32 on or after January first, two thousand [~~thirty~~] fifty. The taxpayer  
33 shall be allowed to claim only the amount listed on the certificate of  
34 tax credit for that taxable year. Such certificate must be attached to  
35 the taxpayer's return. No cost or expense paid or incurred by the  
36 taxpayer shall be the basis for more than one component of this credit  
37 or any other tax credit, except as provided in section three hundred  
38 fifty-five of the economic development law.

39 § 7. This act shall take effect immediately.

40 PART M

41 Section 1. Paragraph 2 of subdivision (a) of section 24 of the tax  
42 law, as amended by section 4 of part Q of chapter 57 of the laws of  
43 2010, is amended to read as follows:

44 (2) The amount of the credit shall be the product (or pro rata share  
45 of the product, in the case of a member of a partnership) of [~~thirty~~]  
46 twenty-five percent and the qualified production costs paid or incurred  
47 in the production of a qualified film, provided that: (i) the qualified  
48 production costs (excluding post production costs) paid or incurred  
49 which are attributable to the use of tangible property or the perform-  
50 ance of services at a qualified film production facility in the  
51 production of such qualified film equal or exceed seventy-five percent  
52 of the production costs (excluding post production costs) paid or  
53 incurred which are attributable to the use of tangible property or the  
54 performance of services at any film production facility within and with-



1 out the state in the production of such qualified film, and (ii) except  
2 with respect to a qualified independent film production company or  
3 pilot, at least ten percent of the total principal photography shooting  
4 days spent in the production of such qualified film must be spent at a  
5 qualified film production facility. However, if the qualified production  
6 costs (excluding post production costs) which are attributable to the  
7 use of tangible property or the performance of services at a qualified  
8 film production facility in the production of such qualified film is  
9 less than three million dollars, then the portion of the qualified  
10 production costs attributable to the use of tangible property or the  
11 performance of services in the production of such qualified film outside  
12 of a qualified film production facility shall be allowed only if the  
13 shooting days spent in New York outside of a film production facility in  
14 the production of such qualified film equal or exceed seventy-five  
15 percent of the total shooting days spent within and without New York  
16 outside of a film production facility in the production of such quali-  
17 fied film. The credit shall be allowed for the taxable year in which the  
18 production of such qualified film is completed. However, in the case of  
19 a qualified film that receives funds from additional pool 2, no credit  
20 shall be claimed before the later of (1) the taxable year the production  
21 of the qualified film is complete, or (2) the taxable year immediately  
22 following the allocation year for which the film has been allocated  
23 credit by the governor's office for motion picture and television devel-  
24 opment. If the amount of the credit is at least one million dollars but  
25 less than five million dollars, the credit shall be claimed over a two  
26 year period beginning in the first taxable year in which the credit may  
27 be claimed and in the next succeeding taxable year, with one-half of the  
28 amount of credit allowed being claimed in each year. If the amount of  
29 the credit is at least five million dollars, the credit shall be claimed  
30 over a three year period beginning in the first taxable year in which  
31 the credit may be claimed and in the next two succeeding taxable years,  
32 with one-third of the amount of the credit allowed being claimed in each  
33 year.

34 § 2. Paragraph 2 of subdivision (a) of section 24 of the tax law, as  
35 amended by section 4 of part Q of chapter 57 of the laws of 2010, is  
36 amended to read as follows:

37 (2) The amount of the credit shall be the product (or pro rata share  
38 of the product, in the case of a member of a partnership) of thirty  
39 percent and the qualified production costs paid or incurred in the  
40 production of a qualified film, provided that: (i) the qualified  
41 production costs (excluding post production costs) paid or incurred  
42 which are attributable to the use of tangible property or the perform-  
43 ance of services at a qualified film production facility in the  
44 production of such qualified film equal or exceed seventy-five percent  
45 of the production costs (excluding post production costs) paid or  
46 incurred which are attributable to the use of tangible property or the  
47 performance of services at any film production facility within and with-  
48 out the state in the production of such qualified film, and (ii) except  
49 with respect to a qualified independent film production company or  
50 pilot, at least ten percent of the total principal photography shooting  
51 days spent in the production of such qualified film must be spent at a  
52 qualified film production facility. However, if the qualified production  
53 costs (excluding post production costs) which are attributable to the  
54 use of tangible property or the performance of services at a qualified  
55 film production facility in the production of such qualified film is  
56 less than three million dollars, then the portion of the qualified

1 production costs attributable to the use of tangible property or the  
2 performance of services in the production of such qualified film outside  
3 of a qualified film production facility shall be allowed only if the  
4 shooting days spent in New York outside of a film production facility in  
5 the production of such qualified film equal or exceed seventy-five  
6 percent of the total shooting days spent within and without New York  
7 outside of a film production facility in the production of such quali-  
8 fied film. The credit shall be allowed for the taxable year in which the  
9 production of such qualified film is completed. However, in the case of  
10 a qualified film that receives funds from additional pool 2, no credit  
11 shall be claimed before the later of (1) the taxable year the production  
12 of the qualified film is complete, or (2) the first taxable year begin-  
13 ning immediately [~~following~~] after the allocation year for which the  
14 film has been allocated credit by the governor's office for motion  
15 picture and television development. If the amount of the credit is at  
16 least one million dollars but less than five million dollars, the credit  
17 shall be claimed over a two year period beginning in the first taxable  
18 year in which the credit may be claimed and in the next succeeding taxa-  
19 ble year, with one-half of the amount of credit allowed being claimed in  
20 each year. If the amount of the credit is at least five million dollars,  
21 the credit shall be claimed over a three year period beginning in the  
22 first taxable year in which the credit may be claimed and in the next  
23 two succeeding taxable years, with one-third of the amount of the credit  
24 allowed being claimed in each year.

25 § 3. Paragraph 3 of subdivision (b) of section 24 of the tax law, as  
26 amended by section 1 of part B of chapter 59 of the laws of 2013, is  
27 amended to read as follows:

28 (3) "Qualified film" means a feature-length film, television film,  
29 relocated television production, television pilot [~~and/or each episode~~  
30 ~~of a~~] or television series, regardless of the medium by means of which  
31 the film, pilot or [~~episode~~] series is created or conveyed. For the  
32 purposes of the credit provided by this section only, a "qualified film"  
33 with the exception of a television pilot, whose majority of principal  
34 photography shooting days in the production of the qualified film are  
35 shot in Westchester, Rockland, Nassau, or Suffolk county or any of the  
36 five New York City boroughs shall have a minimum budget of one million  
37 dollars. A "qualified film", with the exception of a television pilot,  
38 whose majority of principal photography shooting days in the production  
39 of the qualified film are shot in any other county of the state than  
40 those listed in the preceding sentence shall have a minimum budget of  
41 two hundred fifty thousand dollars. "Qualified film" shall not include:  
42 (i) a documentary film, news or current affairs program, interview or  
43 talk program, "how-to" (i.e., instructional) film or program, film or  
44 program consisting primarily of stock footage, sporting event or sport-  
45 ing program, game show, award ceremony, film or program intended prima-  
46 rily for industrial, corporate or institutional end-users, fundraising  
47 film or program, daytime drama (i.e., daytime "soap opera"), commer-  
48 cials, music videos or "reality" program, or (ii) a production for which  
49 records are required under section 2257 of title 18, United States code,  
50 to be maintained with respect to any performer in such production  
51 (reporting of books, films, etc. with respect to sexually explicit  
52 conduct).

53 § 4. Paragraph 3 of subdivision (b) of section 24 of the tax law, as  
54 amended by section 1 of part B of chapter 59 of the laws of 2013, is  
55 amended to read as follows:

1 (3) "Qualified film" means a feature-length film, television film,  
2 relocated television production, television pilot and/or each episode of  
3 a television series, regardless of the medium by means of which the  
4 film, pilot or episode is created or conveyed. "Qualified film" shall  
5 not include: (i) a documentary film, news or current affairs program,  
6 interview or talk program, "how-to" (i.e., instructional) film or  
7 program, film or program consisting primarily of stock footage, sporting  
8 event or sporting program, game show, award ceremony, film or program  
9 intended primarily for industrial, corporate or institutional end-users,  
10 fundraising film or program, daytime drama (i.e., daytime "soap opera"),  
11 commercials, music videos or "reality" program~~[, or]~~; (ii) a production  
12 for which records are required under section 2257 of title 18, United  
13 States code, to be maintained with respect to any performer in such  
14 production (reporting of books, films, etc. with respect to sexually  
15 explicit conduct); or (iii) other than a relocated television  
16 production, a television series commonly known as variety entertainment,  
17 variety sketch and variety talk, i.e., a program with components of  
18 improvisational or scripted content (monologues, sketches, interviews),  
19 either exclusively or in combination with other entertainment elements  
20 such as musical performances, dancing, cooking, crafts, pranks, stunts,  
21 and games and which may be further defined in regulations of the commis-  
22 sioner of economic development. However, a qualified film shall include  
23 a television series as described in subparagraph (iii) of this paragraph  
24 only if an application for such series has been deemed conditionally  
25 eligible for the tax credit under this section prior to April first, two  
26 thousand twenty, such series remains in continuous production for each  
27 season, and an annual application for each season of such series is  
28 continually submitted for such series after April first, two thousand  
29 twenty.

30 § 5. Paragraph 2 of subdivision (a) of section 31 of the tax law, as  
31 amended by chapter 268 of the laws of 2012, is amended to read as  
32 follows:

33 (2) The amount of the credit shall be the product (or pro rata share  
34 of the product, in the case of a member of a partnership) of [~~thirty~~  
35 twenty-five] percent and the qualified post production costs paid in the  
36 production of a qualified film at a qualified post production facility  
37 located within the metropolitan commuter transportation district as  
38 defined in section twelve hundred sixty-two of the public authorities  
39 law or [~~thirty-five~~] thirty percent and the qualified post production  
40 costs paid in the production of a qualified film at a qualified post  
41 production facility located elsewhere in the state.

42 § 5-a. Paragraph 5 of subdivision (a) of section 24 of the tax law, as  
43 amended by section 1 of part SSS of chapter 59 of the laws of 2019, is  
44 amended to read as follows:

45 (5) For the period two thousand fifteen through two thousand [~~twenty-~~  
46 ~~four~~] twenty-five, in addition to the amount of credit established in  
47 paragraph two of this subdivision, a taxpayer shall be allowed a credit  
48 equal to the product (or pro rata share of the product, in the case of a  
49 member of a partnership) of ten percent and the amount of wages or sala-  
50 ries paid to individuals directly employed (excluding those employed as  
51 writers, directors, music directors, producers and performers, including  
52 background actors with no scripted lines) by a qualified film production  
53 company or a qualified independent film production company for services  
54 performed by those individuals in one of the counties specified in this  
55 paragraph in connection with a qualified film with a minimum budget of  
56 five hundred thousand dollars. For purposes of this additional credit,

1 the services must be performed in one or more of the following counties:  
2 Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung,  
3 Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex,  
4 Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis,  
5 Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga,  
6 Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga,  
7 Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sulli-  
8 van, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or  
9 Yates. The aggregate amount of tax credits allowed pursuant to the  
10 authority of this paragraph shall be five million dollars each year  
11 during the period two thousand fifteen through two thousand [~~twenty-~~  
12 ~~four~~] twenty-five of the annual allocation made available to the program  
13 pursuant to paragraph four of subdivision (e) of this section. Such  
14 aggregate amount of credits shall be allocated by the governor's office  
15 for motion picture and television development among taxpayers in order  
16 of priority based upon the date of filing an application for allocation  
17 of film production credit with such office. If the total amount of  
18 allocated credits applied for under this paragraph in any year exceeds  
19 the aggregate amount of tax credits allowed for such year under this  
20 paragraph, such excess shall be treated as having been applied for on  
21 the first day of the next year. If the total amount of allocated tax  
22 credits applied for under this paragraph at the conclusion of any year  
23 is less than five million dollars, the remainder shall be treated as  
24 part of the annual allocation made available to the program pursuant to  
25 paragraph four of subdivision (e) of this section. However, in no event  
26 may the total of the credits allocated under this paragraph and the  
27 credits allocated under paragraph five of subdivision (a) of section  
28 thirty-one of this article exceed five million dollars in any year  
29 during the period two thousand fifteen through two thousand [~~twenty-~~  
30 ~~four~~] twenty-five.

31 § 5-b. Paragraph 4 of subdivision (e) of section 24 of the tax law, as  
32 amended by chapter 683 of the laws of 2019, is amended to read as  
33 follows:

34 (4) Additional pool 2 - The aggregate amount of tax credits allowed in  
35 subdivision (a) of this section shall be increased by an additional four  
36 hundred twenty million dollars in each year starting in two thousand ten  
37 through two thousand [~~twenty-four~~] twenty-five provided however, seven  
38 million dollars of the annual allocation shall be available for the  
39 empire state film post production credit pursuant to section thirty-one  
40 of this article in two thousand thirteen and two thousand fourteen,  
41 twenty-five million dollars of the annual allocation shall be available  
42 for the empire state film post production credit pursuant to section  
43 thirty-one of this article in each year starting in two thousand fifteen  
44 through two thousand [~~twenty-four~~] twenty-five and five million dollars  
45 of the annual allocation shall be made available for the television  
46 writers' and directors' fees and salaries credit pursuant to section  
47 twenty-four-b of this article in each year starting in two thousand  
48 twenty through two thousand [~~twenty-four~~] twenty-five. This amount shall  
49 be allocated by the governor's office for motion picture and television  
50 development among taxpayers in accordance with subdivision (a) of this  
51 section. If the commissioner of economic development determines that the  
52 aggregate amount of tax credits available from additional pool 2 for the  
53 empire state film production tax credit have been previously allocated,  
54 and determines that the pending applications from eligible applicants  
55 for the empire state film post production tax credit pursuant to section  
56 thirty-one of this article is insufficient to utilize the balance of

1 unallocated empire state film post production tax credits from such  
2 pool, the remainder, after such pending applications are considered,  
3 shall be made available for allocation in the empire state film tax  
4 credit pursuant to this section, subdivision twenty of section two  
5 hundred ten-B and subsection (gg) of section six hundred six of this  
6 chapter. Also, if the commissioner of economic development determines  
7 that the aggregate amount of tax credits available from additional pool  
8 2 for the empire state film post production tax credit have been previ-  
9 ously allocated, and determines that the pending applications from  
10 eligible applicants for the empire state film production tax credit  
11 pursuant to this section is insufficient to utilize the balance of unal-  
12 located film production tax credits from such pool, then all or part of  
13 the remainder, after such pending applications are considered, shall be  
14 made available for allocation for the empire state film post production  
15 credit pursuant to this section, subdivision thirty-two of section two  
16 hundred ten-B and subsection (qq) of section six hundred six of this  
17 chapter. The governor's office for motion picture and television devel-  
18 opment must notify taxpayers of their allocation year and include the  
19 allocation year on the certificate of tax credit. Taxpayers eligible to  
20 claim a credit must report the allocation year directly on their empire  
21 state film production credit tax form for each year a credit is claimed  
22 and include a copy of the certificate with their tax return. In the case  
23 of a qualified film that receives funds from additional pool 2, no  
24 empire state film production credit shall be claimed before the later of  
25 the taxable year the production of the qualified film is complete, or  
26 the taxable year immediately following the allocation year for which the  
27 film has been allocated credit by the governor's office for motion  
28 picture and television development.

29 § 5-c. Paragraph 6 of subdivision (a) of section 31 of the tax law, as  
30 amended by section 3 of part SSS of chapter 59 of the laws of 2019, is  
31 amended to read as follows:

32 (6) For the period two thousand fifteen through two thousand [~~twenty-~~  
33 ~~four~~] twenty-five, in addition to the amount of credit established in  
34 paragraph two of this subdivision, a taxpayer shall be allowed a credit  
35 equal to the product (or pro rata share of the product, in the case of a  
36 member of a partnership) of ten percent and the amount of wages or sala-  
37 ries paid to individuals directly employed (excluding those employed as  
38 writers, directors, music directors, producers and performers, including  
39 background actors with no scripted lines) for services performed by  
40 those individuals in one of the counties specified in this paragraph in  
41 connection with the post production work on a qualified film with a  
42 minimum budget of five hundred thousand dollars at a qualified post  
43 production facility in one of the counties listed in this paragraph. For  
44 purposes of this additional credit, the services must be performed in  
45 one or more of the following counties: Albany, Allegany, Broome, Catta-  
46 raugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Cortland, Dela-  
47 ware, Erie, Essex, Franklin, Fulton, Genesee, Hamilton, Herkimer,  
48 Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara,  
49 Oneida, Onondaga, Ontario, Orleans, Oswego, Otsego, Schenectady, Scho-  
50 harie, Schuyler, Seneca, St. Lawrence, Steuben, Tioga, Tompkins, Wayne,  
51 Wyoming, or Yates. The aggregate amount of tax credits allowed pursuant  
52 to the authority of this paragraph shall be five million dollars each  
53 year during the period two thousand fifteen through two thousand [~~twen-~~  
54 ~~ty-four~~] twenty-five of the annual allocation made available to the  
55 empire state film post production credit pursuant to paragraph four of  
56 subdivision (e) of section twenty-four of this article. Such aggregate

1 amount of credits shall be allocated by the governor's office for motion  
2 picture and television development among taxpayers in order of priority  
3 based upon the date of filing an application for allocation of post  
4 production credit with such office. If the total amount of allocated  
5 credits applied for under this paragraph in any year exceeds the aggregate  
6 amount of tax credits allowed for such year under this paragraph,  
7 such excess shall be treated as having been applied for on the first day  
8 of the next year. If the total amount of allocated tax credits applied  
9 for under this paragraph at the conclusion of any year is less than five  
10 million dollars, the remainder shall be treated as part of the annual  
11 allocation for two thousand seventeen made available to the empire state  
12 film post production credit pursuant to paragraph four of subdivision  
13 (e) of section twenty-four of this article. However, in no event may the  
14 total of the credits allocated under this paragraph and the credits  
15 allocated under paragraph five of subdivision (a) of section twenty-four  
16 of this article exceed five million dollars in any year during the period  
17 two thousand fifteen through two thousand [~~twenty-four~~] twenty-five.

18 § 6. This act shall take effect immediately; provided, however, that  
19 the amendments made by sections one, three and five of this act shall  
20 apply to applications that are filed with the governor's office for  
21 motion picture and television development on or after April 1, 2020.

22

## PART N

23 Section 1. Subdivision 13 of section 1901 of the real property tax law  
24 is amended by adding a new paragraph (c) to read as follows:

25 (c) Notwithstanding any provision of law to the contrary, the governing  
26 body of a municipal corporation that has adopted the provisions of  
27 paragraph (c) of subdivision one of section five hundred eighty-one of  
28 this chapter relating to converted condominium units is authorized to  
29 adopt a local law or, in the case of a school district, a resolution,  
30 providing that such converted condominium units shall be classified in  
31 the homestead class for purposes of taxes levied by such municipal  
32 corporation.

33 § 2. This act shall take effect immediately.

34

## PART O

35 Section 1. The tax law is amended by adding a new section 171-w to  
36 read as follows:

37 § 171-w. State support for the local enforcement of past-due property  
38 taxes. 1. Legislative findings. The legislature finds that local govern-  
39 ments have limited means to enforce the collection of past-due property  
40 taxes. The legislature further finds that it is appropriate for the  
41 state to support the local enforcement of past-due property taxes by  
42 authorizing the commissioner to administer a program to disallow STAR  
43 credits and exemptions to delinquent property owners based on informa-  
44 tion reported to him or her by municipal officials.

45 2. Definitions. For the purposes of this section:

46 (a) "Delinquent property owner" means a STAR recipient whose primary  
47 residence is subject to past-due property taxes.

48 (b) "Past-due property taxes" means property taxes that have been  
49 levied upon a property owner's primary residence that remain unpaid one  
50 year after the last date on which they could have been paid without  
51 interest, or where such taxes are payable in installments, those taxes

1 that remain unpaid one year after the last date on which the final  
2 installment could have been paid without interest.

3 (c) "STAR credit" means the personal income tax credit authorized by  
4 subsection (eee) of section six hundred six of this chapter.

5 (d) "STAR exemption" means the exemption from real property taxation  
6 authorized by section four hundred twenty-five of the real property tax  
7 law.

8 (e) "STAR recipient" means a property owner who is registered to  
9 receive the STAR credit in relation to his or her primary residence, or  
10 whose primary residence is receiving the STAR exemption.

11 3. STAR tax payment requirement; generally. Notwithstanding any  
12 provision of law to the contrary, a property owner whose primary resi-  
13 dence is subject to past-due property taxes shall not be allowed to  
14 receive a STAR credit or STAR exemption unless the past-due property  
15 taxes are paid in full on or before a date specified by the commis-  
16 er.

17 4. Commissioner's authority. The commissioner is hereby authorized to  
18 develop a program to support the local enforcement of past-due property  
19 taxes by disallowing STAR credits and STAR exemptions to delinquent  
20 property owners. The commissioner shall establish procedures for the  
21 administration of this program, which shall include the following  
22 provisions:

23 (a) The procedures by which municipal officials shall report past-due  
24 property taxes and property tax payments to the department.

25 (b) The procedures by which the department shall notify delinquent  
26 property owners of the impending disallowance of their STAR credits or  
27 exemptions due to past-due property taxes.

28 (c) The date by which delinquent property owners must pay their past-  
29 due property taxes in full in order to avoid disallowance of their STAR  
30 credits or exemptions.

31 (d) The procedures by which the commissioner shall disallow STAR cred-  
32 its and notify assessors of the disallowance of STAR exemptions if past-  
33 due property taxes are not paid in full by the specified date.

34 (e) Such other procedures as the commissioner shall deem necessary to  
35 carry out the provisions of this section.

36 5. Municipal reports. The commissioner's procedures regarding municip-  
37 al reporting shall be subject to the following provisions:

38 (a) The commissioner may request and shall be entitled to receive from  
39 any municipal corporation of the state, or any agency or official there-  
40 of, such data as the commissioner deems necessary to effectuate the  
41 purposes of this section. Such information shall be submitted to the  
42 department at such time and in such manner as the commissioner may  
43 direct.

44 (b) In lieu of requiring municipal officials to submit their reports  
45 directly to the department, the commissioner may, in his or her  
46 discretion, require that such reports be submitted to the county direc-  
47 tor of real property tax services, who shall integrate the reports into  
48 a single file and submit it to the department at such time and in such  
49 manner as the commissioner may direct. Provided, that where the commis-  
50 sioner institutes such a procedure, he or she may exclude cities with  
51 one hundred twenty-five thousand inhabitants or more, so that informa-  
52 tion about past-due property taxes and property tax payments in such a  
53 city shall be reported directly to the department by a designated city  
54 official at such time and in such manner as the commissioner may direct.

1 (c) Reports and other records prepared pursuant to this section shall  
2 not be subject to the provisions of article six of the public officers  
3 law.

4 6. Notification of delinquent property owners. The commissioner's  
5 procedures regarding the notification of delinquent property owners  
6 shall be subject to the following provisions:

7 (a) The department shall notify a delinquent property owner by regular  
8 mail at least thirty days prior to the date by which his or her past-due  
9 property taxes must be paid in full in order to avoid disallowance of  
10 his or her STAR credit or exemption.

11 (b) Such notice shall include a statement that the property owner's  
12 STAR credit or exemption will be disallowed unless his or her past-due  
13 property taxes are paid in full by the date specified in the notice.

14 (c) To the extent practicable, such notice shall provide contact  
15 information for the local official or officials to whom the past-due  
16 property taxes may be paid.

17 (d) Such notice shall further state that the property owner's right to  
18 protest the disallowance of the STAR credit or exemption is limited to  
19 raising issues that constitute a "mistake of fact" as defined in subdi-  
20 vision nine of this section.

21 (e) Such notice may include such other information as the commissioner  
22 may deem necessary.

23 7. Timely payment of past-due property taxes. If a delinquent property  
24 owner pays his or her past-due property taxes in full on or before the  
25 date specified in such notice, the official receiving such payment shall  
26 so notify the department at such time and in such manner as prescribed  
27 by the commissioner. The property owner shall then be permitted to  
28 receive the STAR credit or exemption that would have been disallowed if  
29 timely payment had not been made. However, if the department does not  
30 learn of the payment until after it has already directed an assessor to  
31 deny a STAR exemption to a delinquent property owner, then in lieu of  
32 directing the exemption to be restored, the department may remit to the  
33 property owner payment in an amount that will reimburse the property  
34 owner for the increase in his or her school tax bill that is directly  
35 attributable to the lost STAR exemption.

36 8. Failure to make timely payment. (a) If the past-due taxes are not  
37 paid on or before the date specified in the notice that had been sent to  
38 the delinquent property owner, his or her STAR credit or STAR exemption  
39 shall be disallowed in accordance with the procedures established by the  
40 commissioner.

41 (b) The delinquent property owner shall be permanently ineligible for  
42 any STAR credit or exemption that has been disallowed, even if the past-  
43 due property taxes are subsequently paid in full. The property owner  
44 shall not be eligible to participate in the STAR program again as long  
45 as the property is subject to past-due property taxes.

46 (c) Upon payment of the past-due property taxes in full, the official  
47 receiving such payment shall notify the department at such time and in  
48 such manner as may be prescribed by the commissioner. The commissioner  
49 shall then proceed as follows:

50 (i) If the property owner had previously been receiving the STAR cred-  
51 it, the commissioner shall allow the property owner to resume his or her  
52 participation in the STAR credit program on a prospective basis, if  
53 otherwise eligible, effective with the first taxable year commencing  
54 after such payment.

55 (ii) If the property owner had previously been receiving the STAR  
56 exemption, the commissioner shall allow the property owner to partic-



1 ipate in the STAR credit program on a prospective basis, if otherwise  
2 eligible, effective with the first taxable year commencing after such  
3 payment. The property owner shall not be allowed back into the STAR  
4 exemption program.

5 9. Mistake of fact. Notwithstanding any other provision of law, a  
6 disallowance of a STAR credit or STAR exemption pursuant to this section  
7 may only be challenged before the department on the grounds of a mistake  
8 of fact as defined in this subdivision. The taxpayer will have no right  
9 to commence a court action, administrative proceeding or any other form  
10 of legal recourse against an assessor, county director of real property  
11 tax services or other local official regarding such disallowance. For  
12 the purposes of this subdivision, "mistake of fact" is limited to claims  
13 that: (i) the individual notified is not the taxpayer at issue; or (ii)  
14 the past-due property taxes were satisfied before the date specified in  
15 the notice described in subdivision six of this section. However, nothing  
16 in this subdivision is intended to limit a taxpayer from seeking  
17 relief from joint and several liability pursuant to section six hundred  
18 fifty-four of this chapter to the extent that he or she is eligible  
19 pursuant to that subdivision or establishing to the department that the  
20 enforcement of the underlying property taxes has been stayed by the  
21 filing of a petition pursuant to the Bankruptcy Code of 1978 (Title  
22 Eleven of the United States Code).

23 10. Assessors. (a) Notwithstanding any provision of law to the contra-  
24 ry, the department may disclose to assessors such information as the  
25 commissioner deems necessary to ensure that the STAR exemptions of  
26 delinquent property owners are disallowed as required by this section.

27 (b) Notwithstanding any provision of law to the contrary, an assessor  
28 shall be authorized and directed to deny a STAR exemption to a delin-  
29 quent property owner upon being directed by the department to do so. If  
30 an assessor should receive such a directive after the applicable assess-  
31 ment roll has been filed, the assessor or other official having custody  
32 and control of that roll shall be authorized and directed to remove such  
33 exemption from such roll prior to the levy of school taxes, without  
34 regard to the provisions of title three of article five of the real  
35 property tax law or any comparable laws governing the correction of  
36 administrative errors on assessment rolls and tax rolls.

37 11. Recovery of STAR benefits in certain cases. The commissioner may  
38 establish procedures to be followed in cases where a STAR credit or  
39 exemption was inadvertently or erroneously provided to a delinquent  
40 property owner who was sent the notice required by subdivision six of  
41 this section, and whose past-due property taxes were not paid in full by  
42 the date specified in the notice. Such procedures shall include, but not  
43 be limited to, (a) applying the improperly received STAR credit or  
44 exemption as an offset against future STAR credits or against other  
45 personal income tax credits or personal income tax refunds to which the  
46 delinquent property owner would otherwise be entitled, and (b) pursuing  
47 any of the other remedies that are available to enforce a personal  
48 income tax debt under article twenty-two of this chapter.

49 § 2. This act shall take effect immediately.

50

#### PART P

51 Section 1. Section 1530 of the real property tax law is amended by  
52 adding a new subdivision 1-a to read as follows:

53 1-a. In the event that a director of real property tax services,  
54 appointed pursuant to the provisions of this section, is unable to

1 perform the duties of the office of director of real property tax  
2 services or the office becomes vacant, the appointing authority may by  
3 resolution designate or appoint an acting director of real property tax  
4 services. Where an acting director of real property tax services is  
5 designated or appointed pursuant to this section, the appointing author-  
6 ity shall notify the commissioner within fifteen days of making such  
7 designation or appointment. The acting director of real property tax  
8 services shall function as director of real property tax services until  
9 such time as the director of real property tax services is able to  
10 resume the position or until a replacement is appointed. In the event an  
11 acting director of real property tax services functions as director of  
12 real property tax services for more than six months, then such acting  
13 director of real property tax services shall be required to meet the  
14 minimum qualification standards required by this title for persons  
15 appointed to the office of director of real property tax services.

16 § 2. This act shall take effect immediately.

17 PART Q

18 Section 1. Paragraph i of subdivision 1-e of section 333 of the real  
19 property law, as amended by section 5 of part X of chapter 56 of the  
20 laws of 2010 and as further amended by subdivision (d) of section 1 of  
21 part W of chapter 56 of the laws of 2010, is amended to read as follows:

22 i. A recording officer shall not record or accept for record any  
23 conveyance of real property affecting land in New York state unless  
24 accompanied by either (A) a transfer report form prescribed by the  
25 commissioner of taxation and finance [~~or in lieu thereof, confirmation~~  
26 ~~from the commissioner that the required data has been reported to it~~  
27 ~~pursuant to paragraph vii of this subdivision,~~] and the fee prescribed  
28 pursuant to subdivision three of this section, or (B) a receipt issued  
29 by the commissioner of taxation and finance pursuant to section fourteen  
30 hundred twenty-three of the tax law that confirms the electronic  
31 submission of a consolidated real property transfer form and payment of  
32 the associated taxes and fees.

33 § 2. Paragraph v of subdivision 1-e of section 333 of the real proper-  
34 ty law, as amended by section 5 of part X of chapter 56 of the laws of  
35 2010 and as further amended by section 1 of part W of chapter 56 of the  
36 laws of 2010, is amended to read as follows:

37 v. (1) The provisions of this subdivision shall not operate to invali-  
38 date any conveyance of real property where one or more of the items  
39 designated as subparagraphs one through eight of paragraph ii of this  
40 subdivision, have not been reported or which has been erroneously  
41 reported, nor affect the record contrary to the provisions of this  
42 subdivision, nor impair any title founded on such conveyance or record.  
43 [~~Such~~]

44 (2) Subject to the provisions of section fourteen hundred twenty-three  
45 of the tax law, such form shall contain an affirmation as to the accura-  
46 cy of the contents made both by the transferor or transferors and by the  
47 transferee or transferees. Provided, however, that if the conveyance of  
48 real property occurs as a result of a taking by eminent domain, tax  
49 foreclosure, or other involuntary proceeding such affirmation may be  
50 made only by either the condemnor, tax district, or other party to whom  
51 the property has been conveyed, or by that party's attorney. The affir-  
52 mations required by this paragraph shall be made in the form and manner  
53 prescribed by the commissioner, provided that notwithstanding any

1 provision of law to the contrary, affirmants may be allowed, but shall  
2 not be required, to sign such affirmations electronically.

3 § 3. Paragraphs vii and viii of subdivision 1-e of section 333 of the  
4 real property law are REPEALED.

5 § 4. Subdivision 3 of section 333 of the real property law, as amended  
6 by section 2 of part JJ of chapter 56 of the laws of 2009 and as further  
7 amended by section 1 of part W of chapter 56 of the laws of 2010, is  
8 amended to read as follows:

9 3. The recording officer of every county and the city of New York  
10 shall impose a fee of two hundred fifty dollars, or in the case of a  
11 transfer involving qualifying residential or farm property as defined by  
12 paragraph iv of subdivision one-e of this section, a fee of one hundred  
13 twenty-five dollars, for every real property transfer reporting form  
14 submitted for recording as required under subdivision one-e of this  
15 section. In the city of New York, the recording officer shall impose a  
16 fee of one hundred dollars for each real property transfer tax form  
17 filed in accordance with chapter twenty-one of title eleven of the  
18 administrative code of the city of New York, except where a real proper-  
19 ty transfer reporting form is also submitted for recording for the  
20 transfer as required under subdivision one-e of this section. The  
21 recording officer shall deduct nine dollars from such fee and remit the  
22 remainder of the revenue collected to the commissioner of taxation and  
23 finance every month for deposit into the general fund. The amount duly  
24 deducted by the recording officer shall be retained by the county or by  
25 the city of New York. Provided, however, that the recording officer  
26 shall not impose such a fee where the conveyance is accompanied by a  
27 receipt issued by the commissioner of taxation and finance pursuant to  
28 section fourteen hundred twenty-three of the tax law that confirms the  
29 electronic submission of a consolidated real property transfer form and  
30 payment of the associated taxes and fees.

31 § 5. Subdivision (c) of section 1407 of the tax law, as amended by  
32 chapter 61 of the laws of 1989, is amended to read as follows:

33 (c) Every recording officer designated to act as such agent shall  
34 retain, from the real estate transfer tax which he or she collects, the  
35 sum of one dollar for each of the first five thousand conveyances  
36 accepted for recording and for which he or she has issued a documentary  
37 stamp or metering machine stamp or upon which instrument effecting the  
38 conveyance he or she has noted payment of the tax or that no tax is due,  
39 pursuant to any other method for payment of the tax provided for in the  
40 regulations of the commissioner of taxation and finance, during each  
41 annual period commencing on the first day of August and ending on the  
42 next succeeding thirty-first day of July and seventy-five cents for each  
43 conveyance in excess of five thousand accepted for recording and for  
44 which he or she has issued such a stamp or upon which instrument effect-  
45 ing the conveyance he or she has noted payment of the tax or that no tax  
46 is due, pursuant to such other method, during such annual period. Such  
47 fee shall be payable even though the stamp issued or such notation shows  
48 that no tax is due. Such a fee paid to the register of the city of New  
49 York shall belong to the city of New York and such a fee paid to a  
50 recording officer of a county outside such city shall belong to such  
51 officer's county. With respect to any other agents designated to act  
52 pursuant to subdivision (a) of this section, the commissioner of taxa-  
53 tion and finance shall have the power to provide, at his or her  
54 discretion, for payment of a fee to such agent, in such manner and  
55 amount and subject to such limitations as he or she may determine, but  
56 any such fee for any annual period shall not be greater than the sum of

1 one dollar for each of the first five thousand conveyances for which  
2 such agent has issued a documentary stamp or metering machine stamp or  
3 upon which instrument effecting the conveyance he or she has noted  
4 payment of the tax or that no tax is due, pursuant to any other method  
5 for payment of the tax provided for in the regulations of the commis-  
6 sioner of taxation and finance, during such annual period and seventy-  
7 five cents for each conveyance in excess of five thousand for which such  
8 agent has issued such a stamp or upon which instrument effecting the  
9 conveyance such agent has noted payment of the tax or that no tax is  
10 due, pursuant to such other method, during such annual period. Provided,  
11 however, that where the recording officer is provided with a receipt  
12 issued by the commissioner pursuant to section fourteen hundred twenty-  
13 three of this article that confirms the electronic submission of a  
14 consolidated real property transfer form and payment of the associated  
15 taxes and fees, the recording officer shall neither collect such tax nor  
16 impose such fee.

17 § 6. Subdivision (b) of section 1409 of the tax law, as added by chap-  
18 ter 61 of the laws of 1989, is amended to read as follows:

19 (b) [The] Subject to the provisions of section fourteen hundred twen-  
20 ty-three of article, the return shall be signed by both the grantor and  
21 the grantee. Where a conveyance has more than one grantor or more than  
22 one grantee, the return shall be signed by all of such grantors and  
23 grantees. Where any or all of the grantors or any or all of the grantees  
24 have failed to sign a return, it shall be accepted as a return if signed  
25 by any one of the grantors or by any one of the grantees. Provided,  
26 however, those not signing the return shall not be relieved of any  
27 liability for the tax imposed by this article and the period of limita-  
28 tions for assessment of tax or of additional tax shall not apply to any  
29 such party.

30 § 7. Subdivision (b) of section 1410 of the tax law, as added by chap-  
31 ter 61 of the laws of 1989, is amended to read as follows:

32 (b) A recording officer shall not record an instrument effecting a  
33 conveyance unless either (i) the return required by section fourteen  
34 hundred nine of this article has been filed and the real estate transfer  
35 tax due, if any, shall have been paid as provided in this section, or  
36 (ii) the instrument is accompanied by a receipt issued by the commis-  
37 sioner pursuant to section fourteen hundred twenty-three of this article  
38 that confirms the electronic submission of a consolidated real property  
39 transfer form and payment of the associated taxes and fees.

40 § 8. The tax law is amended by adding a new section 1423 to read as  
41 follows:

42 § 1423. Modernization of real property transfer reporting. (a)  
43 Notwithstanding any provision of law to the contrary, the commissioner  
44 is hereby authorized to implement a system for the electronic collection  
45 of data relating to transfers of real property. In connection therewith,  
46 the commissioner may combine the two forms referred to in paragraph (i)  
47 of this subdivision into a consolidated real property transfer form to  
48 be filed with him or her electronically; provided:

49 (i) The two forms that may be so combined are the real estate transfer  
50 tax return required by section fourteen hundred nine of this article,  
51 and the real property transfer report required by subdivision one-e of  
52 section three hundred thirty-three of the real property law. However,  
53 the commissioner shall continue to maintain both such return and such  
54 report as separate forms, so that a party who prefers not to file a  
55 consolidated real property transfer form with the commissioner electron-  
56 ically shall have the option of filing both such return and such report

1 with the recording officer, as otherwise provided by law. Under no  
2 circumstances shall a consolidated real property transfer form be filed  
3 with, or accepted by, the recording officer.

4 (ii) Notwithstanding the provisions of section fourteen hundred eigh-  
5 teen of this article, any information appearing on a consolidated real  
6 property transfer form that is required to be included on the real prop-  
7 erty transfer report required by subdivision one-e of section three  
8 hundred thirty-three of the real property law shall be subject to public  
9 disclosure.

10 (iii) When a consolidated real property transfer form is electron-  
11 ically submitted to the department by either the grantor or grantee, the  
12 act of submitting such form shall be deemed to be the signing of the  
13 return as required by paragraph (v) of subdivision one-e of the real  
14 property law or subdivision (b) of section fourteen hundred nine of this  
15 article, and the requirement that all the grantors and grantees shall  
16 sign the return shall not apply. However, the fact that a grantor or  
17 grantee has not electronically submitted the form shall not relieve that  
18 grantor or grantee of any liability for the tax imposed by this article.

19 (b) When a consolidated real property transfer form is filed with the  
20 commissioner electronically pursuant to this section, the real estate  
21 transfer tax imposed under this article, and the fee that would other-  
22 wise be retained by the recording officer pursuant to subdivision three  
23 of section three hundred thirty-three of the real property law, shall be  
24 paid to the commissioner therewith. The commissioner shall retain on  
25 behalf of the recording officer the portion of such tax that would  
26 otherwise have been retained by the recording officer pursuant to subdi-  
27 vision (c) of section fourteen hundred seven of this article, and the  
28 portion of such fee that would otherwise have been retained by the  
29 recording officer pursuant to subdivision three of section three hundred  
30 thirty-three of the real property law. The moneys so retained by the  
31 commissioner on behalf of the recording officer, hereinafter referred to  
32 as the recording officer's fees, shall be deposited daily with such  
33 responsible banks, banking houses, or trust companies as may be desig-  
34 nated by the state comptroller. Of the recording officer's fees so  
35 deposited, the comptroller shall retain in the comptroller's hands such  
36 amount as the commissioner may determine to be necessary for refunds or  
37 reimbursements of such fees collected or received pursuant to this  
38 section, out of which the comptroller shall pay any refunds or  
39 reimbursements of such fees to which persons shall be entitled under the  
40 provisions of this section. The comptroller, after reserving such refund  
41 and reimbursement fund shall, on or before the twelfth day of each  
42 month, pay to the appropriate recording officers an amount equal to the  
43 recording officer's fees reserved on their behalf. Provided, however,  
44 that the commissioner is authorized to request that the comptroller  
45 refrain from making such a payment of such fees to a recording officer  
46 until the commissioner has certified to the comptroller that the record-  
47 ing officer has supplied the commissioner with the liber and page  
48 numbers of the recorded instruments that gave rise to such fees.

49 (c) The system for the electronic submission of consolidated real  
50 property transfer forms shall be designed so that upon the successful  
51 electronic filing of such a form and the payment of the associated taxes  
52 and fees, the party submitting the same shall be provided with an elec-  
53 tronic receipt in a form prescribed by the commissioner that confirms  
54 such filing and payment. Such party may file a printed copy of such  
55 receipt with the recording officer when offering the associated instru-  
56 ment for recording, in lieu of submitting to the recording officer the

1 return, report, tax and fee that would otherwise have been required  
2 under this article and subdivisions one-e and three of section three  
3 hundred thirty-three of the real property law. The recording officer  
4 shall retain such receipt for a minimum of three years, unless otherwise  
5 directed by the commissioner, and shall provide a copy thereof to the  
6 commissioner for inspection upon his or her request.

7 (d) Upon recording the instrument to which the consolidated real prop-  
8 erty transfer form pertains, the recording officer shall provide the  
9 commissioner with the liber and page thereof at such time and in such  
10 manner as the commissioner shall prescribe.

11 (e) The provisions of this section shall not be applicable within a  
12 city or county that has implemented its own electronic system for the  
13 recording of deeds, the filing of the real estate transfer tax returns  
14 and the real property transfer reports prescribed by the commissioner,  
15 and the payment of the associated taxes and fees, unless such city or  
16 county should agree to allow the system implemented by the commissioner  
17 pursuant to this section to be used therein.

18 § 9. This act shall take effect immediately.

19 PART R

20 Section 1. Section 19 of the public lands law, as amended by chapter  
21 449 of the laws of 2016, is amended to read as follows:

22 § 19. Taxes and assessments for local improvements on state lands. A  
23 person, body or board authorized to assess lands for local improvements  
24 or purposes, shall submit to the comptroller of the state an invoice of  
25 assessment on state lands, showing the purpose for which the assessment  
26 is made, the state lands assessed and the amounts for which they are  
27 assessed, and referring to the law authorizing the assessment. No fee,  
28 interest, penalty or expense shall be added to or accrue on any assess-  
29 ment against state lands, nor shall such lands be sold therefor; but  
30 such assessments shall, if confirmed and uncontested, be paid and  
31 discharged out of any moneys appropriated therefor. All sales of state  
32 lands for unpaid taxes or assessments for local improvements or purposes  
33 are void. All taxes and assessments legally made on state lands, and all  
34 legal rents or charges thereon, shall be audited by the comptroller and  
35 paid out of the treasury. On or before January fifteenth the comp-  
36 troller, in consultation with the [~~board of real property tax services~~  
37 department of taxation and finance and other agencies as may be appro-  
38 priate, shall submit to the governor and the legislature an annual  
39 accounting of taxes and assessments paid pursuant to this section during  
40 the preceding and current fiscal years. Such accounting shall include,  
41 but not be limited to the number, type and amount of such payments, as  
42 well as an estimate of payments to be made during the remainder of the  
43 current fiscal year and during the following fiscal year. If any  
44 provision of this section conflict with any provision of any other  
45 general, special or local law, this section shall prevail; and no other  
46 general, special or local law shall be deemed to repeal, alter or  
47 abridge any provision of this section, unless this section or this arti-  
48 cle or this chapter be expressly and specifically referred to therein.  
49 This section shall extend, in its operation and effect, so as to include  
50 all actions and proceedings, whether judicial or administrative, hereto-  
51 fore commenced under any general, special or local law and now pending.

52 § 2. Subdivision 3 of section 19-b of the public lands law, as amended  
53 by chapter 385 of the laws of 1994, is amended to read as follows:

1 3. Such state aid shall be payable upon application to the state comp-  
2 troller by the chief fiscal officer of the taxing authority which quali-  
3 fies for aid pursuant to this section. The application shall be made on  
4 a form prescribed by such comptroller and shall contain such information  
5 as such comptroller shall require. On or before January fifteenth the  
6 comptroller, in consultation with the [~~board of real property services~~]  
7 department of taxation and finance and other agencies as may be appro-  
8 priate, shall submit to the governor and the legislature an annual  
9 accounting of state aid paid pursuant to this section during the preced-  
10 ing and current fiscal years. Such accounting shall include, but not be  
11 limited to the number, type and amount of such payments, as well as an  
12 estimate of payments to be made during the remainder of the current  
13 fiscal year and during the following fiscal year.

14 § 3. Subdivision 6 of section 291-i of the real property law, as added  
15 by chapter 549 of the laws of 2011, is amended to read as follows:

16 6. Nothing contained in this section shall be construed to authorize a  
17 recording officer to furnish digitized paper documents of the reports  
18 required by section five hundred seventy-four of the real property tax  
19 law. Such reports shall be furnished as paper documents with the requi-  
20 site notations thereon, except where the [~~state board of real property~~  
21 ~~services~~] department of taxation and finance has agreed to accept data  
22 submissions in lieu thereof or has provided for the electronic trans-  
23 mission of such data pursuant to law.

24 § 4. Subdivision 18 of section 102 of the real property tax law is  
25 REPEALED.

26 § 5. The article heading of article 2 of the real property tax law is  
27 amended to read as follows:

28 [~~STATE BOARD~~] COMMISSIONER OF TAXATION AND FINANCE

29 § 6. Sections 200 and 200-A of the real property tax law are REPEALED.

30 § 7. Subdivisions 1 and 7 of section 201 of the real property tax law,  
31 as added by section 5 of part W of chapter 56 of the laws of 2010, are  
32 amended to read as follows:

33 1. On and after the effective date of this section, the functions,  
34 powers and duties of the state board of real property services as  
35 formerly established by this chapter shall be considered functions,  
36 powers and duties of the commissioner of taxation and finance[~~, except~~  
37 ~~to the extent provided by section two hundred-a of this article~~].

38 7. (a) All rules, regulations, acts, orders, determinations, and deci-  
39 sions of the state board of real property services or the office of real  
40 property services, in force at the time of such transfer and assumption,  
41 shall continue in full force and effect as rules, regulations, acts,  
42 orders, determinations and decisions of the department until duly modi-  
43 fied or abrogated by the commissioner or the department.

44 (b) All acts, orders, determinations, and decisions of the state board  
45 of real property services pertaining to the functions and powers  
46 provided in former section two hundred-a of this article shall continue  
47 in full force and effect as acts, orders, determinations and decisions  
48 of the [~~state board of real property tax services~~] commissioner.

49 § 8. Section 203 of the real property tax law, as amended by section 7  
50 of part W of chapter 56 of the laws of 2010, is amended to read as  
51 follows:

52 § 203. Office of real property tax services. There is hereby created  
53 within the department of taxation and finance an office of real property  
54 tax services. The head of the office shall be a deputy commissioner for  
55 real property tax services[~~, who shall also be the executive officer for~~  
56 ~~and secretary of the state board of real property tax services~~]. The

1 deputy commissioner for real property tax services shall be appointed by  
2 the governor. He or she shall exercise such powers and duties in  
3 relation to real property tax administration as may be delegated to him  
4 or her by the commissioner, shall report directly to the commissioner on  
5 the activities of the office, and shall hold office at the pleasure of  
6 the commissioner. The commissioner may appoint such officers, employees,  
7 agents, consultants and special committees as he or she may deem neces-  
8 sary to carry out the provisions of this chapter, and shall prescribe  
9 their duties.

10 § 9. Sections 204, 206 and 208 of the real property tax law are  
11 REPEALED.

12 § 10. Clause (D) of subparagraph (iv) of paragraph (b) of subdivision  
13 4 of section 425 of the real property tax law, as amended by section 1  
14 of part PP of chapter 59 of the laws of 2019, is amended to read as  
15 follows:

16 (D) Notwithstanding any provision of law to the contrary, neither an  
17 assessor nor a board of assessment review has the authority to consider  
18 an objection to the replacement or removal or denial of an exemption  
19 pursuant to this subdivision, nor may such an action be reviewed in a  
20 proceeding to review an assessment pursuant to title one or one-A of  
21 article seven of this chapter. Such an action may only be challenged  
22 before the department. If a taxpayer is dissatisfied with the depart-  
23 ment's final determination, the ~~[taxpayer may appeal that determination~~  
24 ~~to the state board of real property tax services in a form and manner to~~  
25 ~~be prescribed by the commissioner. Such appeal shall be filed within~~  
26 ~~forty five days from the issuance of the department's final determi-~~  
27 ~~nation. If dissatisfied with the state board's determination, the]~~  
28 taxpayer may seek judicial review thereof pursuant to article seventy-  
29 eight of the civil practice law and rules. The taxpayer shall otherwise  
30 have no right to challenge such final determination in a court action,  
31 administrative proceeding or any other form of legal recourse against  
32 the commissioner, the department, ~~[the state board of real property tax~~  
33 ~~services,]~~ the assessor or other person having custody or control of the  
34 assessment roll or tax roll regarding such action.

35 § 11. Paragraph (d) of subdivision 14 of section 425 of the real prop-  
36 erty tax law, as added by section 1 of part J of chapter 57 of the laws  
37 of 2013, is amended to read as follows:

38 (d) Notwithstanding the provisions of paragraph (b) of subdivision six  
39 of this section, neither an assessor nor a board of assessment review  
40 has the authority to consider an objection to the removal or denial of  
41 an exemption pursuant to this subdivision, nor may such an action be  
42 reviewed in a proceeding to review an assessment pursuant to title one  
43 or one-A of article seven of this chapter. Such an action may only be  
44 challenged before the department of taxation and finance. If a taxpayer  
45 is dissatisfied with the department's final determination, ~~[the taxpayer~~  
46 ~~may appeal that determination to the state board of real property tax~~  
47 ~~services in a form and manner to be prescribed by the commissioner. Such~~  
48 ~~appeal shall be filed within forty five days from the issuance of the~~  
49 ~~department's final determination. If dissatisfied with the state board's~~  
50 ~~determination,]~~ the taxpayer may seek judicial review thereof pursuant  
51 to article seventy-eight of the civil practice law and rules. The  
52 taxpayer shall otherwise have no right to challenge such final determi-  
53 nation in a court action, administrative proceeding or any other form of  
54 legal recourse against the commissioner, the department of taxation and  
55 finance, ~~[the state board of real property tax services,]~~ the assessor



1 or other person having custody or control of the assessment roll or tax  
2 roll regarding such action.

3 § 12. Subparagraph (iii) of paragraph (b) of subdivision 15 of section  
4 425 of the real property tax law, as amended by section 1 of part JJ of  
5 chapter 60 of the laws of 2016, is amended to read as follows:

6 (iii) notwithstanding the provisions of paragraph (b) of subdivision  
7 six of this section, neither an assessor nor a board of assessment  
8 review has the authority to consider an objection to the recoupment of  
9 an exemption pursuant to this subdivision, nor may such an action be  
10 reviewed in a proceeding to review an assessment pursuant to title one  
11 or one-A of article seven of this chapter. Such an action may only be  
12 challenged before the department. If an owner is dissatisfied with the  
13 department's final determination, [~~the owner may appeal that determi-  
14 nation to the board in a form and manner to be prescribed by the commis-  
15 sioner. Such appeal shall be filed within forty five days from the issu-  
16 ance of the department's final determination. If dissatisfied with the  
17 board's determination,~~] the owner may seek judicial review thereof  
18 pursuant to article seventy-eight of the civil practice law and rules.  
19 The owner shall otherwise have no right to challenge such final determi-  
20 nation in a court action, administrative proceeding, including but not  
21 limited to an administrative proceeding pursuant to article forty of the  
22 tax law, or any other form of legal recourse against the commissioner,  
23 the department, [~~the board,~~] the assessor, or any other person, state  
24 agency, or local government.

25 § 13. Section 489-o of the real property tax law, as amended by  
26 section 13 of part W of chapter 56 of the laws of 2010, is amended to  
27 read as follows:

28 § 489-o. Final determination of railroad ceiling; certificate. 1.  
29 After the hearing provided for in section four hundred eighty-nine-n of  
30 this title, the [~~state board of real property tax services~~] commissioner  
31 shall finally determine the railroad ceiling for the railroad real prop-  
32 erty of each railroad company situated in each assessing unit. Whenever  
33 upon complaint the [~~state board~~] commissioner shall revise the local  
34 reproduction cost of a railroad company in an assessing unit, [~~it~~] he or  
35 she shall revise the railroad ceiling therefor to reflect such revision,  
36 but [~~it~~] he or she shall not, on account of such revision, modify any  
37 other determination with respect to the railroad ceilings for such rail-  
38 road company for such year. Notwithstanding the fact that no complaint  
39 shall have been filed with respect to a tentative determination of a  
40 railroad ceiling, the [~~state board~~] commissioner shall give effect to  
41 any special equalization rate established, pursuant to subdivision two  
42 of section four hundred eighty-nine-1 of this title prior to the final  
43 determination of the railroad ceiling.

44 2. Not later than ten days before the last date prescribed by law for  
45 the levy of taxes, the [~~state board~~] commissioner shall file a certif-  
46 icate setting forth each railroad ceiling as finally determined with the  
47 assessor of the appropriate assessing unit or the town or county asses-  
48 sor who prepares a copy of the applicable part of the town or county  
49 assessment roll for village tax purposes as provided in subdivision  
50 three of section fourteen hundred two of this chapter, and at the same  
51 time shall transmit to each railroad company for which such ceiling has  
52 been determined a duplicate copy of such certificate.

53 3. Any final determination of a railroad ceiling by the [~~state board~~]  
54 commissioner pursuant to subdivision one of this section shall be  
55 subject to judicial review in a proceeding under article seventy-eight  
56 of the civil practice law and rules.

1 § 14. Section 489-11 of the real property tax law, as added by chapter  
2 920 of the laws of 1977, subdivision 1 as amended by section 14 of part  
3 W of chapter 56 of the laws of 2010, subdivision 2 as amended by chapter  
4 735 of the laws of 1983, and subdivision 3 as added by chapter 841 of  
5 the laws of 1986, is amended to read as follows:

6 § 489-11. Final determination of railroad ceiling; certificate. 1.  
7 After the hearing provided for in section four hundred eighty-nine-kk of  
8 this title, the [~~state board of real property tax services~~] commissioner  
9 shall finally determine the railroad ceiling for the railroad real prop-  
10 erty of each railroad company situated in each assessing unit. Whenever  
11 upon complaint the [~~state board~~] commissioner shall revise the local  
12 reproduction cost of a railroad company in an assessing unit, [~~it~~] he or  
13 she shall revise the appropriate railroad ceiling to reflect such  
14 revision, but [~~it~~] he or she shall not, on account of such revision,  
15 modify any other determination with respect to the railroad ceilings for  
16 such railroad company for such year. Notwithstanding the fact that no  
17 complaint shall have been filed with respect to a tentative determi-  
18 nation of a railroad ceiling, the [~~state board~~] commissioner shall give  
19 effect to any special equalization rate established pursuant to subdivi-  
20 sion two of section four hundred eighty-nine-jj of this title prior to  
21 the final determination of the railroad ceiling.

22 2. Not later than ten days before the last date prescribed by law for  
23 the levy of taxes, the [~~state board~~] commissioner shall file a certif-  
24 icate setting forth each railroad ceiling as finally determined with the  
25 assessor of the appropriate assessing unit or the town or county asses-  
26 sor who prepares a copy of the applicable part of the town or county  
27 assessment roll for village tax purposes as provided in subdivision  
28 three of section fourteen hundred two of this chapter, and at the same  
29 time shall transmit to each railroad company for which such ceiling has  
30 been determined a duplicate copy of such certificate.

31 3. Any final determination of a railroad ceiling by the [~~state board~~]  
32 commissioner pursuant to subdivision one of this section shall be  
33 subject to judicial review in a proceeding under article seventy-eight  
34 of the civil practice law and rules.

35 § 15. Section 547 of the real property tax law, as amended by chapter  
36 385 of the laws of 1994, is amended to read as follows:

37 § 547. Annual report. On or before January fifteenth the comptroller,  
38 in consultation with the [~~board of real property services~~] commissioner  
39 and other agencies as may be appropriate, shall submit to the governor  
40 and the legislature an annual accounting of state aid, taxes and assess-  
41 ments paid by the state pursuant to this article during the preceding  
42 and current fiscal years. Such accounting shall include, but not be  
43 limited to, the number, type and amount of claims so paid, as well as an  
44 estimate of claims to be paid during the remainder of the current fiscal  
45 year and during the following fiscal year.

46 § 16. Section 614 of the real property tax law, as amended by section  
47 15 of part W of chapter 56 of the laws of 2010, is amended to read as  
48 follows:

49 § 614. Determination of final assessment of special franchises. After  
50 receiving the [~~commissioner's~~] hearing officer's report regarding any  
51 complaint filed pursuant to section six hundred twelve of this article,  
52 the [~~state board of real property tax services~~] commissioner shall  
53 determine the final assessment of each special franchise.

54 § 17. Section 816 of the real property tax law, as amended by chapter  
55 36 of the laws of 1980 and as further amended by subdivision (b) of

1 section 1 of part W of chapter 56 of the laws of 2010, is amended to  
2 read as follows:

3 § 816. Review by [~~state board of real property tax services~~] commis-  
4 sioner. The [~~state board of real property tax services~~] commissioner  
5 shall have power on complaint to review the equalization made by any  
6 county equalization agency. Such review shall be brought by filing the  
7 complaint with the [~~state board of real property tax services~~] commis-  
8 sioner at any time within thirty days from the date on which notice was  
9 given pursuant to section eight hundred four of this article. Notice of  
10 the hearing on such review shall be given by the [~~state board of real~~  
11 ~~property tax services~~] commissioner to the clerk of the county legisla-  
12 tive body, whose duty it shall be to transmit a copy of such notice to  
13 each member of the county legislative body and to the chief executive  
14 officer of each city and town in the county.

15 § 18. Section 818 of the real property tax law, as amended by chapter  
16 615 of the laws of 1972, subdivision 3 as added by chapter 556 of the  
17 laws of 2002, and subdivisions 1 and 3 as further amended by subdivision  
18 (b) of section 1 of part W of chapter 56 of the laws of 2010, is amended  
19 to read as follows:

20 § 818. Determination on review. 1. On review of the equalization made  
21 by the county equalization agency, the [~~state board of real property tax~~  
22 ~~services~~] commissioner shall review such equalization and shall deter-  
23 mine whether such equalization is fair and equitable and if not, what  
24 corrections should be made. The [~~state board of real property tax~~  
25 ~~services~~] commissioner shall certify its determination in writing to the  
26 county legislative body and to the chief executive officer of each city  
27 or town complaining, if any.

28 2. Such determination shall have the same force and effect as an  
29 original equalization made by the county equalization agency within the  
30 time prescribed by law.

31 3. If the [~~state board of real property tax services~~] commissioner  
32 determines that the equalization made by a county equalization agency in  
33 a county containing a designated large property, as that term is  
34 described in section eight hundred forty-seven of this article, is not  
35 fair and equitable, [~~it~~] he or she shall issue an order directing  
36 correction of such equalization, which may include the apportionment and  
37 levy of taxes in the manner provided in section eight hundred five of  
38 this title.

39 § 19. Section 1210 of the real property tax law, as amended by section  
40 17 of part W of chapter 56 of the laws of 2010, is amended to read as  
41 follows:

42 § 1210. Establishment of final state equalization rates, class ratios  
43 and class equalization rates. After receiving the [~~commissioner's~~] hear-  
44 ing officer's report regarding any complaint filed pursuant to section  
45 twelve hundred eight of this title, the [~~state board of real property~~  
46 ~~tax services~~] commissioner shall establish the final state equalization  
47 rate, class ratios, and class equalization rates, if required, for each  
48 city, town, village, special assessing unit, or approved assessing unit  
49 or eligible non-assessing unit village which has adopted the provisions  
50 of section nineteen hundred three of this chapter.

51 § 20. Section 1218 of the real property tax law, as amended by section  
52 18 of part W of chapter 56 of the laws of 2010, is amended to read as  
53 follows:

54 § 1218. Review of final determinations of [~~state board of real proper-~~  
55 ~~ty tax services~~] the commissioner relating to state equalization rates.  
56 A final determination of the [~~state board of real property tax services~~]

1 commissioner relating to state equalization rates may be reviewed by  
2 commencing an action in the appellate division of the supreme court in  
3 the manner provided by article seventy-eight of the civil practice law  
4 and rules upon application of the county, city, town or village for  
5 which the rate or rates were established. The standard of review in such  
6 a proceeding shall be as specified in subdivision four of section seven-  
7 ty-eight hundred three of the civil practice law and rules. Whenever a  
8 final order is issued in such a proceeding directing a revised state  
9 equalization rate, any county, village or school district that used the  
10 former rate in the apportionment of taxes must, upon receipt of such  
11 final order, recalculate the levy that used such former rate and credit  
12 or debit as appropriate its constituent municipalities in its next levy.  
13 Any special franchise assessments that were established using the former  
14 rate must, upon receipt of such final order, be revised by the [~~state~~  
15 ~~board~~] commissioner in accordance with the new rate, and, if taxes have  
16 already been levied upon such assessments, the affected special fran-  
17 chise owners shall either automatically receive a refund if there is a  
18 decrease or be taxed on an increase in the next levy in the manner  
19 provided for omitted parcels in title three of article five of this  
20 chapter.

21 § 21. Section 1263 of the real property tax law, as added by chapter  
22 280 of the laws of 1978 and as further amended by subdivision (b) of  
23 section 1 of part W of chapter 56 of the laws of 2010, is amended to  
24 read as follows:

25 § 1263. Notice of determination of tentative ratios and opportunity to  
26 be heard. Not later than ninety days prior to the ensuing fiscal year of  
27 the city school district, the [~~state board of real property tax~~  
28 ~~services~~] commissioner shall provide written notice of the determination  
29 of tentative ratios pursuant to this article to the board of education  
30 of each city school district. The notice shall set forth the tentative  
31 ratios, identify the assessment rolls for which the ratios were deter-  
32 mined and shall specify the time and place where the [~~state board of~~  
33 ~~real property tax services~~] commissioner or a duly authorized represen-  
34 tative thereof will meet to hear objections presented by the appropriate  
35 board of education concerning such ratios. The notice must be served at  
36 least ten days before the date specified for the hearing. After hearing  
37 any objections, the [~~state board of real property tax services~~] commis-  
38 sioner shall determine final ratios for the appropriate assessment rolls  
39 in accordance with the provisions of this article. The board of educa-  
40 tion is hereby authorized and empowered to waive the hearing with  
41 respect to such tentative ratios.

42 § 22. This act shall take effect October 1, 2020.

43 PART S

44 Section 1. Paragraph (f) of subdivision 3 of section 425 of the real  
45 property tax law is REPEALED.

46 § 2. Section 171-y of the tax law is REPEALED.

47 § 3. This act shall take effect immediately.

48 PART T

49 Section 1. Subdivision 3 of section 489-c of the real property tax  
50 law, as amended by chapter 733 of the laws of 2004, is amended to read  
51 as follows:

1 3. Railroad real property shall be assessed according to its condition  
2 and ownership as of the [~~first~~] thirty-first day of [~~July~~] December of  
3 the year preceding the year in which the assessment roll on which such  
4 assessment will be entered is filed in the office of the city or town  
5 clerk, except that it shall be assessed according to its condition and  
6 ownership as of the [~~first~~] thirty-first day of [~~July~~] December of the  
7 second year preceding the date required by law for the filing of the  
8 final assessment roll for purposes of all village assessment rolls.

9 § 2. Subdivision 3 of section 489-cc of the real property tax law, as  
10 amended by chapter 733 of the laws of 2004, is amended to read as  
11 follows:

12 3. Railroad real property shall be assessed according to its condition  
13 and ownership as of the [~~first~~] thirty-first day of [~~July~~] December of  
14 the year preceding the year in which the assessment roll on which such  
15 assessment will be entered is filed in the office of the city or town  
16 clerk, except that it shall be assessed according to its condition and  
17 ownership as of the [~~first~~] thirty-first day of [~~July~~] December of the  
18 second year preceding the date required by law for the filing of the  
19 final assessment roll for purposes of all village assessment rolls.

20 § 3. Section 499-nnnn of the real property tax law, as added by chap-  
21 ter 475 of the laws of 2013, is amended to read as follows:

22 § 499-nnnn. Equalization rate. In determining assessment ceilings, the  
23 commissioner shall apply the final state equalization rate [~~for the~~  
24 ~~assessment roll of the local assessing jurisdiction for which the ceil-~~  
25 ~~ing is established. If that final rate is not available, the commis-~~  
26 ~~ioner shall apply the most recent final state equalization rate for the~~  
27 ~~local assessing jurisdiction, except that if a special equalization rate~~  
28 ~~has been established as provided in title two of article twelve of this~~  
29 ~~chapter, such rate shall be applied. In the case of a special assessing~~  
30 ~~unit as defined in section eighteen hundred one of this chapter, the~~  
31 ~~equalization rate to be applied shall be the applicable class equaliza-~~  
32 ~~tion rate] used for the local assessing jurisdiction on the assessment  
33 roll for the year immediately preceding the year in which the assessment  
34 ceiling is being established, except that (1) if a special equalization  
35 rate was used on such assessment roll, such rate shall be applied, and  
36 (2) in the case of a special assessing unit as defined in section eigh-  
37 teen hundred one of this chapter, the equalization rate to be applied  
38 shall be the applicable class equalization rate used on such assessment  
39 roll.~~

40 § 4. Subdivision 2 of section 499-pppp of the real property tax law,  
41 as added by chapter 475 of the laws of 2013, is amended to read as  
42 follows:

43 2. Notwithstanding that a complaint may not have been filed with  
44 respect to a tentative determination of an assessment ceiling, the  
45 commissioner shall give effect to any special equalization rate estab-  
46 lished pursuant to section twelve hundred twenty-four of this chapter  
47 [~~or the final state equalization rate for the assessment roll for which~~  
48 ~~the ceiling is established as provided in section four hundred ninety-~~  
49 ~~nine-nnnn of this title] prior to the date for the final determination  
50 of the assessment ceiling.~~

51 § 5. Section 3 of chapter 475 of the laws of 2013 amending the real  
52 property tax law relating to assessment ceilings for local public utili-  
53 ty mass real property is REPEALED.

54 § 6. This act shall take effect immediately; provided, however, that  
55 the amendments to title 5 of article 4 of the real property tax law made

1 by sections three and four of this act shall not affect the repeal of  
2 such title and shall be deemed to be repealed therewith.

3 PART U

4 Section 1. Clause (A) of subparagraph (iv) of paragraph (b) of subdivi-  
5 sion 4 of section 425 of the real property tax law, as amended by  
6 section 1 of part PP of chapter 59 of the laws of 2019, is amended to  
7 read as follows:

8 (A) Effective with applications for the enhanced exemption on final  
9 assessment rolls to be completed in two thousand nineteen, the applica-  
10 tion form shall indicate that all owners of the property and any owners'  
11 spouses residing on the premises must have their income eligibility  
12 verified annually by the department and must furnish their taxpayer  
13 identification numbers in order to facilitate matching with records of  
14 the department. The income eligibility of such persons shall be verified  
15 annually by the department, and the assessor shall not request income  
16 documentation from them. All applicants for the enhanced exemption and  
17 all assessing units shall be required to participate in this program,  
18 which shall be known as the STAR income verification program. The  
19 commissioner may, in his or her discretion, extend the enrollment period  
20 of the STAR income verification program for property owners whose prop-  
21 erty received the enhanced exemption on the final assessment roll  
22 completed in two thousand eighteen but who failed to enroll in suffi-  
23 cient time to have the exemption continued on the final assessment roll  
24 completed in two thousand nineteen. Where appropriate, the commissioner  
25 is further authorized to remit directly to such a property owner a  
26 payment in an amount equal to the difference between the school tax bill  
27 that the property owner actually received and the school tax bill that  
28 the property owner would have received had he or she enrolled in a time-  
29 ly manner.

30 § 2. This act shall take effect immediately.

31 PART V

32 Section 1. Section 902 of the racing, pari-mutuel wagering and breed-  
33 ing law is amended by adding a new subdivision 7 to read as follows:

34 7. A franchised racing corporation may, in its discretion and at its  
35 expense, fund for the exclusive use or utilization of the commission,  
36 the construction and initial equipping of an equine drug testing and  
37 research laboratory located within this state to be used for such  
38 purposes specified in subdivision one of this section. Such corporation  
39 shall consult with the commission regarding the proper scope and equip-  
40 ping of a laboratory. The siting and use of such laboratory shall be  
41 pursuant to a long-term lease between the corporation and the commis-  
42 sion. The commission shall operate or contract for the operation of such  
43 laboratory.

44 § 2. Paragraph 3 of subdivision f of section 1612 of the tax law, as  
45 amended by chapter 174 of the laws of 2013, is amended to read as  
46 follows:

47 3. Four percent of the total revenue wagered after payout of prizes to  
48 be deposited into an account of the franchised corporation established  
49 pursuant to section two hundred six of the racing, pari-mutuel wagering  
50 and breeding law to be used for capital expenditures in maintaining and  
51 upgrading Aqueduct racetrack, Belmont Park racetrack and Saratoga race  
52 course. Capital expenditures may include funding the construction of and

1 initially equipping a state-based equine drug testing and research labo-  
2 ratory to be used pursuant to subdivision seven of section nine hundred  
3 two of the racing, pari-mutuel wagering and breeding law.

4 § 3. This act shall take effect immediately.

5 PART W

6 Section 1. The racing, pari-mutuel wagering and breeding law is  
7 amended by adding a new article XI-A to read as follows:

8 ARTICLE XI-A

9 INTERSTATE COMPACT ON ANTI-DOPING

10 AND DRUG TESTING STANDARDS

11 Section 1113. Purposes.

12 1114. Definitions.

13 1115. Composition and meetings of compact commission.

14 1116. Operation of compact commission.

15 1117. General powers and duties.

16 1118. Other powers and duties.

17 1119. Compact rule making.

18 1120. Status and relationship to member states.

19 1121. Rights and responsibilities of member states.

20 1122. Enforcement of compact.

21 1123. Legal actions against compact.

22 1124. Restrictions on authority.

23 1125. Construction, savings and severability.

24 § 1113. Purposes. The purposes of the compact are:

25 a. To enable member states to act jointly and cooperatively to create  
26 more uniform, effective, and efficient breed specific rules and regu-  
27 lations relating to the permitted and prohibited use of drugs and medi-  
28 cations for the health and welfare of the horse and the integrity of  
29 racing, and testing for such substances, in or affecting a member state;  
30 and

31 b. To authorize the New York state gaming commission to participate in  
32 the compact.

33 § 1114. Definitions. For the purposes of this article, the following  
34 terms shall have the following meanings:

35 a. "Compact commission" means the organization of delegates from the  
36 member states that is authorized and empowered by the compact to carry  
37 out the purposes of the compact;

38 b. "Compact rule" means a rule or regulation adopted by a member state  
39 regulating the permitted and prohibited use of drugs and medications for  
40 the health and welfare of the horse and the integrity of racing, and  
41 testing for such substances, in live pari-mutuel horse racing that  
42 occurs in or affects such states;

43 c. "Delegate" means the chairperson of the member state racing commis-  
44 sion or similar regulatory body in a state, or such person's designee,  
45 who represents the member state, as a voting member of the compact  
46 commission and anyone who is serving as such person's alternate;

47 d. "Equine drug rule" means a rule or regulation that relates to the  
48 administration of drugs, medications, or other substances to a horse  
49 that may participate in live horse racing with pari-mutuel wagering  
50 including, but not limited to, the regulation of the permissible use of  
51 such substances to ensure the integrity of racing and the health, safety  
52 and welfare of race horses, appropriate sanctions for rule violations,  
53 and quality laboratory testing programs to detect such substances in the  
54 bodily system of a race horse;

1 e. "Live racing" means live horse racing with pari-mutuel wagering;

2 f. "Member state" means each state that has enacted the compact;

3 g. "National industry stakeholder" means a non-governmental organiza-  
4 tion that from a national perspective significantly represents one or  
5 more categories of participants in live racing and pari-mutuel wagering;

6 h. "Participants in live racing" means all persons who participate in,  
7 operate, provide industry services for, or are involved with live racing  
8 with pari-mutuel wagering;

9 i. "State" means each of the several states of the United States, the  
10 District of Columbia, the Commonwealth of Puerto Rico, and each territo-  
11 ry or possession of the United States; and

12 j. "State racing commission" means the state racing commission, or its  
13 equivalent, in each member state. Where a member state has more than  
14 one, it shall mean all such racing commissions, or their equivalents.

15 § 1115. Composition and meetings of compact commission. The member  
16 states shall create and participate in a compact commission as follows:

17 a. The compact shall come into force when enacted by any two eligible  
18 states, and shall thereafter become effective as to any other member  
19 state that enacts the compact. Any state that has adopted or authorized  
20 pari-mutuel wagering or live horse racing shall be eligible to become a  
21 party to the compact. A compact rule shall not become effective in a new  
22 member state based merely upon it entering the compact.

23 b. The member states hereby create the interstate anti-doping and drug  
24 testing standards compact commission, a body corporate and an interstate  
25 governmental entity of the member states, to coordinate the rule making  
26 actions of each member state racing commission through a compact commis-  
27 sion.

28 c. The compact commission shall consist of one delegate, the chair-  
29 person of the state racing commission or such person's designee, from  
30 each member state. When a delegate is not present to perform any duty in  
31 the compact commission, a designated alternate may serve. The person who  
32 represents a member state in the compact commission shall serve and  
33 perform such duties without compensation or remuneration; provided, that  
34 subject to the availability of budgeted funds, each may be reimbursed  
35 for ordinary and necessary costs and expenses. The designation of a  
36 delegate, including the alternate, shall be effective when written  
37 notice has been provided to the compact commission. The delegate,  
38 including the alternate, must be a member or employee of the state  
39 racing commission.

40 d. The compact delegate from each state shall participate as an agent  
41 of the state racing commission. Each delegate shall have the assistance  
42 of the state racing commission in regard to all decision making and  
43 actions of the state in and through the compact commission.

44 e. Each member state, by its delegate, shall be entitled to one vote  
45 in the compact commission. A majority vote of the total number of deleg-  
46 ates shall be required to propose a compact rule, receive and distribute  
47 any funds, and to adopt, amend, or rescind the by-laws. A compact rule  
48 shall take effect in and for each member state when adopted by a super  
49 majority vote of eighty percent of the total number of member states.  
50 Other compact actions shall require a majority vote of the delegates who  
51 are meeting.

52 f. Meetings and votes of the compact commission may be conducted in  
53 person or by telephone or other electronic communication. Meetings may  
54 be called by the chairperson of the compact commission or by any two  
55 delegates. Reasonable notice of each meeting shall be provided to all  
56 delegates serving in the compact commission.



1 g. No action may be taken at a compact commission meeting unless there  
2 is a quorum, which is either a majority of the delegates in the compact  
3 commission, or where applicable, all the delegates from any member  
4 states who propose or are voting affirmatively to adopt a compact rule.

5 h. Once effective, the compact shall continue in force and remain  
6 binding according to its terms upon each member state; provided that, a  
7 member state may withdraw from the compact by repealing the statute that  
8 enacted the compact into law. The racing commission of a withdrawing  
9 state shall give written notice of such withdrawal to the compact chair-  
10 person, who shall notify the member state racing commissions. A with-  
11 drawing state shall remain responsible for any unfulfilled obligations  
12 and liabilities. The effective date of withdrawal from the compact shall  
13 be the effective date of the repeal.

14 § 1116. Operation of compact commission. The compact commission is  
15 hereby granted, so that it may be an effective means to pursue and  
16 achieve the purposes of each member state in the compact, the power and  
17 duty:

18 a. to adopt, amend, and rescind by-laws to govern its conduct, as may  
19 be necessary or appropriate to carry out the purposes of the compact; to  
20 publish them in a convenient form; and to file a copy of them with the  
21 state racing commission of each member state;

22 b. to elect annually from among the delegates, including alternates, a  
23 chairperson, vice-chairperson, and treasurer with such authority and  
24 duties as may be specified in the by-laws;

25 c. to establish and appoint committees which it deems necessary for  
26 the carrying out of its functions, including advisory committees which  
27 shall be comprised of national industry stakeholders and organizations  
28 and such other persons as may be designated in accordance with the  
29 by-laws, to obtain their timely and meaningful input into the compact  
30 rule making processes;

31 d. to establish an executive committee, with membership established in  
32 the by-laws, which shall oversee the day-to-day activities of compact  
33 administration and management by the executive director and staff; hire  
34 and fire as may be necessary after consultation with the compact commis-  
35 sion; administer and enforce compliance with the provisions, by-laws,  
36 and rules of the compact; and perform such other duties as the by-laws  
37 may establish;

38 e. to create, appoint, and abolish all those offices, employments, and  
39 positions, including an executive director, useful to fulfill its  
40 purposes;

41 f. to delegate day-to-day management and administration of its duties,  
42 as needed, to an executive director and support staff; and

43 g. to adopt an annual budget sufficient to provide for the payment of  
44 the reasonable expenses of its establishment, organization, and ongoing  
45 activities; provided, that the budget shall be funded by only voluntary  
46 contributions.

47 § 1117. General powers and duties. To allow each member state, as and  
48 when it chooses, to achieve the purpose of the compact through joint and  
49 cooperative action, the member states are hereby granted the power and  
50 duty, by and through the compact commission:

51 a. to act jointly and cooperatively to create a more equitable and  
52 uniform pari-mutuel racing and wagering interstate regulatory framework  
53 by the adoption of standardized rules for the permitted and prohibited  
54 use of drugs and medications for the health, and welfare of the horse  
55 and the integrity of racing, including rules governing the use of drugs  
56 and medications and drug testing;

1 b. to collaborate with national industry stakeholders and industry  
2 organizations in the design and implementation of compact rules in a  
3 manner that serves the best interests of racing; and

4 c. to propose and adopt breed specific compact equine drugs and medi-  
5 cations rules for the health, and welfare of the horse, including rules  
6 governing the permitted and prohibited use of drugs and medications and  
7 drug testing, which shall have the force and effect of state rules or  
8 regulations in the member states, to govern live pari-mutuel horse  
9 racing.

10 § 1118. Other powers and duties. The compact commission may exercise  
11 such incidental powers and duties as may be necessary and proper for it  
12 to function in a useful manner, including but not limited to the power  
13 and duty:

14 a. to enter into contracts and agreements with governmental agencies  
15 and other persons, including officers and employees of a member state,  
16 to provide personal services for its activities and such other services  
17 as may be necessary;

18 b. to borrow, accept, and contract for the services of personnel from  
19 any state, federal, or other governmental agency, or from any other  
20 person or entity;

21 c. to receive information from and to provide information to each  
22 member state racing commission, including its officers and staff, on  
23 such terms and conditions as may be established in the by-laws;

24 d. to acquire, hold, and dispose of any real or personal property by  
25 gift, grant, purchase, lease, license, and similar means and to receive  
26 additional funds through gifts, grants, and appropriations;

27 e. when authorized by a compact rule, to conduct hearings and render  
28 reports and advisory decisions and orders; and

29 f. to establish in the by-laws the requirements that shall describe  
30 and govern its duties to conduct open or public meetings and to provide  
31 public access to compact records and information.

32 § 1119. Compact rule making. In the exercise of its rule making  
33 authority, the compact commission shall:

34 a. engage in formal rule making pursuant to a process that substan-  
35 tially conforms to the Model State Administrative Procedure Act of 1981  
36 as amended, as may be appropriate to the actions and operations of the  
37 compact commission;

38 b. gather information and engage in discussions with advisory commit-  
39 tees, national industry stakeholders, and others, including an opportu-  
40 nity for industry organizations to submit input to member state racing  
41 commissions on the state level, to foster, promote and conduct a colla-  
42 borative approach in the design and advancement of compact rules in a  
43 manner that serves the best interests of racing and as established in  
44 the by-laws;

45 c. direct the publication in each member state of each equine drug  
46 rule proposed by the compact commission, conduct a review of public  
47 comments received by each member state racing commission and the compact  
48 commission in response to the publication of its rule making proposals,  
49 consult with national industry stakeholders and participants in live  
50 racing with regard to such process and any revisions to the compact rule  
51 proposal, and meet upon the completion of the public comment period to  
52 conduct a vote on the adoption of the proposed compact rule as a state  
53 rule in the member states; and

54 d. have a standing committee that reviews at least quarterly the  
55 participation in and value of compact rules and, when it determines that  
56 a revision is appropriate or when requested to by any member state,

1 submits a revising proposed compact rule. To the extent a revision would  
2 only add or remove a member state or states from where a compact rule  
3 has been adopted, the vote required by this section shall be required of  
4 only such state or states. The standing committee shall gather informa-  
5 tion and engage in discussions with national industry stakeholders, who  
6 may also directly recommend a compact rule proposal or revision to the  
7 compact committee.

8 § 1120. Status and relationship to member states. a. The compact  
9 commission, as an interstate governmental entity, shall be exempt from  
10 all taxation in and by the member states.

11 b. The compact commission shall not pledge the credit of any member  
12 state except by and with the appropriate legal authority of that state.

13 c. Each member state shall reimburse or otherwise pay the expenses of  
14 its delegate, including any alternate, in the compact commission.

15 d. No member state, except as provided in section eleven hundred twenty-  
16 three of this article, shall be held liable for the debts or other  
17 financial obligations incurred by the compact commission.

18 e. No member state shall have, while it participates in the compact  
19 commission, any claim to or ownership of any property held by or vested  
20 in the compact commission or to any compact commission funds held pursu-  
21 ant to the compact except for state license or other fees or moneys  
22 collected by the compact commission as its agent.

23 f. The compact dissolves upon the date of the withdrawal of the member  
24 state that reduces membership in the compact to one state. Upon dissol-  
25 ution, the compact becomes null and void and shall be of no further  
26 force or effect, although equine drug rules adopted through the compact  
27 shall remain state rules in each member state that had adopted them, and  
28 the business and affairs of the compact shall be concluded and any  
29 surplus funds shall be distributed to the former member states in  
30 accordance with the by-laws.

31 § 1121. Rights and responsibilities of member states. a. Each member  
32 state in the compact shall accept the decisions, duly applicable to it,  
33 of the compact commission in regard to compact rules and rule making.

34 b. The compact shall not be construed to diminish or limit the powers  
35 and responsibilities of the member state racing commission or similar  
36 regulatory body, or to invalidate any action it has previously taken,  
37 except to the extent it has, by its compact delegate, expressed its  
38 consent to a specific rule or other action of the compact commission.  
39 The compact delegate from each state shall serve as the agent of the  
40 state racing commission and shall possess substantial knowledge and  
41 experience as a regulator or participant in the horse racing industry.

42 § 1122. Enforcement of compact. a. The compact commission shall have  
43 standing to intervene in any legal action that pertains to the subject  
44 matter of the compact and might affect its powers, duties, or actions.

45 b. The courts and executive in each member state shall enforce the  
46 compact and take all actions necessary and appropriate to effectuate its  
47 purposes and intent. Compact provisions, by-laws, and rules shall be  
48 received by all judges, departments, agencies, bodies, and officers of  
49 each member state and its political subdivisions as evidence of them.

50 § 1123. Legal actions against compact. a. Any person may commence a  
51 claim, action, or proceeding against the compact commission in state  
52 court for damages. The compact commission shall have the benefit of the  
53 same limits of liability, defenses, rights to indemnity and defense by  
54 the state, and other legal rights and defenses for non-compact matters  
55 of the state racing commission in the state. All legal rights and

1 defenses that arise from the compact shall also be available to the  
2 compact commission.

3 b. A compact delegate, alternate, or other member or employee of a  
4 state racing commission who undertakes compact activities or duties does  
5 so in the course of business of their state racing commission, and shall  
6 have the benefit of the same limits of liability, defenses, rights to  
7 indemnity and defense by the state, and other legal rights and defenses  
8 for non-compact matters of state employees in their state. The executive  
9 director and other employees of the compact commission shall have the  
10 benefit of these same legal rights and defenses of state employees in  
11 the member state in which they are primarily employed. All legal rights  
12 and defenses that arise from the compact shall also be available to  
13 them.

14 c. Each member state shall be liable for and pay judgments filed  
15 against the compact commission to the extent related to its partic-  
16 ipation in the compact. Where liability arises from action undertaken  
17 jointly with other member states, the liability shall be divided equally  
18 among the states for whom the applicable action or omission of the exec-  
19 utive director or other employees of the compact commission was under-  
20 taken; and no member state shall contribute to or pay, or be jointly or  
21 severally or otherwise liable for, any part of any judgment beyond its  
22 share as determined in accordance with this section.

23 § 1124. Restrictions on authority. a. New York substantive state laws  
24 applicable to pari-mutuel horse racing and wagering shall remain in full  
25 force and effect.

26 b. Compact rules shall not preclude subsequent rulemaking in New York  
27 state on the same or related matter. The most recently adopted rule  
28 shall thereby become the governing law.

29 c. New York state shall not participate in or apply this interstate  
30 compact to any aspect of standardbred racing.

31 § 1125. Construction, savings and severability. a. The compact shall  
32 be liberally construed so as to effectuate its purposes. The provisions  
33 of the compact shall be severable and if any phrase, clause, sentence,  
34 or provision of the compact is declared to be contrary to the constitu-  
35 tion of the United States or of any member state, or the applicability  
36 of the compact to any government, agency, person, or circumstance is  
37 held invalid, the validity of the remainder of the compact and its  
38 applicability to any government, agency, person, or circumstance shall  
39 not be affected. If all or some portion of the compact is held to be  
40 contrary to the constitution of any member state, the compact shall  
41 remain in full force and effect as to the remaining member states and in  
42 full force and effect as to the state affected as to all severable  
43 matters.

44 b. In the event of any allegation, finding, or ruling against the  
45 compact or its procedures or actions, provided that a member state has  
46 followed the compact's stated procedures, any rule it purported to adopt  
47 using the procedures of this statute shall constitute a duly adopted and  
48 valid state rule.

49 § 2. This act shall take effect immediately.

50 PART X

51 Section 1. Paragraph (b) of subdivision 3 of section 1367 of the  
52 racing, pari-mutuel wagering and breeding law, as added by chapter 174  
53 of the laws of 2013, is amended to read as follows:

1 (b) A sports pool shall be primarily operated in a sports wagering  
2 lounge located at a casino. The lounge shall conform to all requirements  
3 concerning square footage, design, equipment, security measures and  
4 related matters which the commission shall by regulation prescribe. The  
5 commission may also approve additional locations for a sports pool with-  
6 in the casino, in areas that have been approved by the commission for  
7 the conduct of other gaming, to be operated in a manner and methodology  
8 as regulation shall prescribe.

9 § 2. This act shall take effect immediately.

10

## PART Y

11 Section 1. Paragraph 1 of subdivision a of section 1612 of the tax  
12 law, as amended by chapter 174 of the laws of 2013, is amended to read  
13 as follows:

14 (1) sixty percent of the total amount for which tickets have been sold  
15 for [~~a lawful lottery~~] the Quick Draw game [~~introduced on or after the~~  
16 ~~effective date of this paragraph,~~] subject to [~~the following provisions:~~

17 ~~(A) such game shall be available only on premises occupied by licensed~~  
18 ~~lottery sales agents, subject to the following provisions:~~

19 ~~(i) if the licensee does not hold a license issued pursuant to the~~  
20 ~~alcoholic beverage control law to sell alcoholic beverages for consump-~~  
21 ~~tion on the premises, then the premises must have a minimum square~~  
22 ~~footage greater than two thousand five hundred square feet;~~

23 ~~(ii) notwithstanding the foregoing provisions, television equipment~~  
24 ~~that automatically displays the results of such drawings may be~~  
25 ~~installed and used without regard to the square footage if such premises~~  
26 ~~are used as:~~

27 ~~(I) a commercial bowling establishment, or~~

28 ~~(II) a facility authorized under the racing, pari-mutuel wagering and~~  
29 ~~breeding law to accept pari-mutuel wagers;~~

30 ~~(B) the~~] rules for the operation of such game [~~shall be~~] as prescribed  
31 by regulations promulgated and adopted by the division, provided howev-  
32 er, that such rules shall provide that no person under the age of twen-  
33 ty-one may participate in such games on the premises of a licensee who  
34 holds a license issued pursuant to the alcoholic beverage control law to  
35 sell alcoholic beverages for consumption on the premises; and, provided,  
36 further, that such regulations may be revised on an emergency basis not  
37 later than ninety days after the enactment of this paragraph in order to  
38 conform such regulations to the requirements of this paragraph; or

39 § 2. This act shall take effect immediately.

40

## PART Z

41 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the  
42 racing, pari-mutuel wagering and breeding law, as amended by section 1  
43 of part HH of chapter 59 of the laws of 2019, is amended to read as  
44 follows:

45 (a) Any racing association or corporation or regional off-track  
46 betting corporation, authorized to conduct pari-mutuel wagering under  
47 this chapter, desiring to display the simulcast of horse races on which  
48 pari-mutuel betting shall be permitted in the manner and subject to the  
49 conditions provided for in this article may apply to the commission for  
50 a license so to do. Applications for licenses shall be in such form as  
51 may be prescribed by the commission and shall contain such information  
52 or other material or evidence as the commission may require. No license

1 shall be issued by the commission authorizing the simulcast transmission  
2 of thoroughbred races from a track located in Suffolk county. The fee  
3 for such licenses shall be five hundred dollars per simulcast facility  
4 and for account wagering licensees that do not operate either a simul-  
5 cast facility that is open to the public within the state of New York or  
6 a licensed racetrack within the state, twenty thousand dollars per year  
7 payable by the licensee to the commission for deposit into the general  
8 fund. Except as provided in this section, the commission shall not  
9 approve any application to conduct simulcasting into individual or group  
10 residences, homes or other areas for the purposes of or in connection  
11 with pari-mutuel wagering. The commission may approve simulcasting into  
12 residences, homes or other areas to be conducted jointly by one or more  
13 regional off-track betting corporations and one or more of the follow-  
14 ing: a franchised corporation, thoroughbred racing corporation or a  
15 harness racing corporation or association; provided (i) the simulcasting  
16 consists only of those races on which pari-mutuel betting is authorized  
17 by this chapter at one or more simulcast facilities for each of the  
18 contracting off-track betting corporations which shall include wagers  
19 made in accordance with section one thousand fifteen, one thousand  
20 sixteen and one thousand seventeen of this article; provided further  
21 that the contract provisions or other simulcast arrangements for such  
22 simulcast facility shall be no less favorable than those in effect on  
23 January first, two thousand five; (ii) that each off-track betting  
24 corporation having within its geographic boundaries such residences,  
25 homes or other areas technically capable of receiving the simulcast  
26 signal shall be a contracting party; (iii) the distribution of revenues  
27 shall be subject to contractual agreement of the parties except that  
28 statutory payments to non-contracting parties, if any, may not be  
29 reduced; provided, however, that nothing herein to the contrary shall  
30 prevent a track from televising its races on an irregular basis primari-  
31 ly for promotional or marketing purposes as found by the commission. For  
32 purposes of this paragraph, the provisions of section one thousand thir-  
33 teen of this article shall not apply. Any agreement authorizing an  
34 in-home simulcasting experiment commencing prior to May fifteenth, nine-  
35 teen hundred ninety-five, may, and all its terms, be extended until June  
36 thirtieth, two thousand [~~twenty~~] twenty-one; provided, however, that any  
37 party to such agreement may elect to terminate such agreement upon  
38 conveying written notice to all other parties of such agreement at least  
39 forty-five days prior to the effective date of the termination, via  
40 registered mail. Any party to an agreement receiving such notice of an  
41 intent to terminate, may request the commission to mediate between the  
42 parties new terms and conditions in a replacement agreement between the  
43 parties as will permit continuation of an in-home experiment until June  
44 thirtieth, two thousand [~~twenty~~] twenty-one; and (iv) no in-home simul-  
45 casting in the thoroughbred special betting district shall occur without  
46 the approval of the regional thoroughbred track.

47 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section  
48 1007 of the racing, pari-mutuel wagering and breeding law, as amended by  
49 section 2 of part HH of chapter 59 of the laws of 2019, is amended to  
50 read as follows:

51 (iii) Of the sums retained by a receiving track located in Westchester  
52 county on races received from a franchised corporation, for the period  
53 commencing January first, two thousand eight and continuing through June  
54 thirtieth, two thousand [~~twenty~~] twenty-one, the amount used exclusively  
55 for purses to be awarded at races conducted by such receiving track  
56 shall be computed as follows: of the sums so retained, two and one-half

1 percent of the total pools. Such amount shall be increased or decreased  
2 in the amount of fifty percent of the difference in total commissions  
3 determined by comparing the total commissions available after July twen-  
4 ty-first, nineteen hundred ninety-five to the total commissions that  
5 would have been available to such track prior to July twenty-first,  
6 nineteen hundred ninety-five.

7 § 3. The opening paragraph of subdivision 1 of section 1014 of the  
8 racing, pari-mutuel wagering and breeding law, as amended by section 3  
9 of part HH of chapter 59 of the laws of 2019, is amended to read as  
10 follows:

11 The provisions of this section shall govern the simulcasting of races  
12 conducted at thoroughbred tracks located in another state or country on  
13 any day during which a franchised corporation is conducting a race meet-  
14 ing in Saratoga county at Saratoga thoroughbred racetrack until June  
15 thirtieth, two thousand [~~twenty~~] twenty-one and on any day regardless of  
16 whether or not a franchised corporation is conducting a race meeting in  
17 Saratoga county at Saratoga thoroughbred racetrack after June thirtieth,  
18 two thousand [~~twenty~~] twenty-one. On any day on which a franchised  
19 corporation has not scheduled a racing program but a thoroughbred racing  
20 corporation located within the state is conducting racing, every off-  
21 track betting corporation branch office and every simulcasting facility  
22 licensed in accordance with section one thousand seven (that has entered  
23 into a written agreement with such facility's representative horsemen's  
24 organization, as approved by the commission), one thousand eight, or one  
25 thousand nine of this article shall be authorized to accept wagers and  
26 display the live simulcast signal from thoroughbred tracks located in  
27 another state or foreign country subject to the following provisions:

28 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering  
29 and breeding law, as amended by section 4 of part HH of chapter 59 of  
30 the laws of 2019, is amended to read as follows:

31 1. The provisions of this section shall govern the simulcasting of  
32 races conducted at harness tracks located in another state or country  
33 during the period July first, nineteen hundred ninety-four through June  
34 thirtieth, two thousand [~~twenty~~] twenty-one. This section shall super-  
35 sede all inconsistent provisions of this chapter.

36 § 5. The opening paragraph of subdivision 1 of section 1016 of the  
37 racing, pari-mutuel wagering and breeding law, as amended by section 5  
38 of part HH of chapter 59 of the laws of 2019, is amended to read as  
39 follows:

40 The provisions of this section shall govern the simulcasting of races  
41 conducted at thoroughbred tracks located in another state or country on  
42 any day during which a franchised corporation is not conducting a race  
43 meeting in Saratoga county at Saratoga thoroughbred racetrack until June  
44 thirtieth, two thousand [~~twenty~~] twenty-one. Every off-track betting  
45 corporation branch office and every simulcasting facility licensed in  
46 accordance with section one thousand seven that have entered into a  
47 written agreement with such facility's representative horsemen's organ-  
48 ization as approved by the commission, one thousand eight or one thou-  
49 sand nine of this article shall be authorized to accept wagers and  
50 display the live full-card simulcast signal of thoroughbred tracks  
51 (which may include quarter horse or mixed meetings provided that all  
52 such wagering on such races shall be construed to be thoroughbred races)  
53 located in another state or foreign country, subject to the following  
54 provisions; provided, however, no such written agreement shall be  
55 required of a franchised corporation licensed in accordance with section  
56 one thousand seven of this article:

1 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel  
2 wagering and breeding law, as amended by section 6 of part HH of chapter  
3 59 of the laws of 2019, is amended to read as follows:

4 Notwithstanding any other provision of this chapter, for the period  
5 July twenty-fifth, two thousand one through September eighth, two thou-  
6 sand [~~nineteen~~] twenty, when a franchised corporation is conducting a  
7 race meeting within the state at Saratoga Race Course, every off-track  
8 betting corporation branch office and every simulcasting facility  
9 licensed in accordance with section one thousand seven (that has entered  
10 into a written agreement with such facility's representative horsemen's  
11 organization as approved by the commission), one thousand eight or one  
12 thousand nine of this article shall be authorized to accept wagers and  
13 display the live simulcast signal from thoroughbred tracks located in  
14 another state, provided that such facility shall accept wagers on races  
15 run at all in-state thoroughbred tracks which are conducting racing  
16 programs subject to the following provisions; provided, however, no such  
17 written agreement shall be required of a franchised corporation licensed  
18 in accordance with section one thousand seven of this article.

19 § 7. Section 32 of chapter 281 of the laws of 1994, amending the  
20 racing, pari-mutuel wagering and breeding law and other laws relating to  
21 simulcasting, as amended by section 7 of part HH of chapter 59 of the  
22 laws of 2019, is amended to read as follows:

23 § 32. This act shall take effect immediately and the pari-mutuel tax  
24 reductions in section six of this act shall expire and be deemed  
25 repealed on July 1, [~~2020~~] 2021; provided, however, that nothing  
26 contained herein shall be deemed to affect the application, qualifica-  
27 tion, expiration, or repeal of any provision of law amended by any  
28 section of this act, and such provisions shall be applied or qualified  
29 or shall expire or be deemed repealed in the same manner, to the same  
30 extent and on the same date as the case may be as otherwise provided by  
31 law; provided further, however, that sections twenty-three and twenty-  
32 five of this act shall remain in full force and effect only until May 1,  
33 1997 and at such time shall be deemed to be repealed.

34 § 8. Section 54 of chapter 346 of the laws of 1990, amending the  
35 racing, pari-mutuel wagering and breeding law and other laws relating to  
36 simulcasting and the imposition of certain taxes, as amended by section  
37 8 of part HH of chapter 59 of the laws of 2019, is amended to read as  
38 follows:

39 § 54. This act shall take effect immediately; provided, however,  
40 sections three through twelve of this act shall take effect on January  
41 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-  
42 ing law, as added by section thirty-eight of this act, shall expire and  
43 be deemed repealed on July 1, [~~2020~~] 2021; and section eighteen of this  
44 act shall take effect on July 1, 2008 and sections fifty-one and fifty-  
45 two of this act shall take effect as of the same date as chapter 772 of  
46 the laws of 1989 took effect.

47 § 9. Paragraph (a) of subdivision 1 of section 238 of the racing,  
48 pari-mutuel wagering and breeding law, as amended by section 9 of part  
49 HH of chapter 59 of the laws of 2019, is amended to read as follows:

50 (a) The franchised corporation authorized under this chapter to  
51 conduct pari-mutuel betting at a race meeting or races run thereat shall  
52 distribute all sums deposited in any pari-mutuel pool to the holders of  
53 winning tickets therein, provided such tickets be presented for payment  
54 before April first of the year following the year of their purchase,  
55 less an amount which shall be established and retained by such fran-  
56 chised corporation of between twelve to seventeen per centum of the



1 total deposits in pools resulting from on-track regular bets, and four-  
2 teen to twenty-one per centum of the total deposits in pools resulting  
3 from on-track multiple bets and fifteen to twenty-five per centum of the  
4 total deposits in pools resulting from on-track exotic bets and fifteen  
5 to thirty-six per centum of the total deposits in pools resulting from  
6 on-track super exotic bets, plus the breaks. The retention rate to be  
7 established is subject to the prior approval of the gaming commission.

8 Such rate may not be changed more than once per calendar quarter to be  
9 effective on the first day of the calendar quarter. "Exotic bets" and  
10 "multiple bets" shall have the meanings set forth in section five  
11 hundred nineteen of this chapter. "Super exotic bets" shall have the  
12 meaning set forth in section three hundred one of this chapter. For  
13 purposes of this section, a "pick six bet" shall mean a single bet or  
14 wager on the outcomes of six races. The breaks are hereby defined as the  
15 odd cents over any multiple of five for payoffs greater than one dollar  
16 five cents but less than five dollars, over any multiple of ten for  
17 payoffs greater than five dollars but less than twenty-five dollars,  
18 over any multiple of twenty-five for payoffs greater than twenty-five  
19 dollars but less than two hundred fifty dollars, or over any multiple of  
20 fifty for payoffs over two hundred fifty dollars. Out of the amount so  
21 retained there shall be paid by such franchised corporation to the  
22 commissioner of taxation and finance, as a reasonable tax by the state  
23 for the privilege of conducting pari-mutuel betting on the races run at  
24 the race meetings held by such franchised corporation, the following  
25 percentages of the total pool for regular and multiple bets five per  
26 centum of regular bets and four per centum of multiple bets plus twenty  
27 per centum of the breaks; for exotic wagers seven and one-half per  
28 centum plus twenty per centum of the breaks, and for super exotic bets  
29 seven and one-half per centum plus fifty per centum of the breaks.

30 For the period June first, nineteen hundred ninety-five through  
31 September ninth, nineteen hundred ninety-nine, such tax on regular  
32 wagers shall be three per centum and such tax on multiple wagers shall  
33 be two and one-half per centum, plus twenty per centum of the breaks.  
34 For the period September tenth, nineteen hundred ninety-nine through  
35 March thirty-first, two thousand one, such tax on all wagers shall be  
36 two and six-tenths per centum and for the period April first, two thou-  
37 sand one through December thirty-first, two thousand [~~twenty~~]  
38 twenty-one, such tax on all wagers shall be one and six-tenths per  
39 centum, plus, in each such period, twenty per centum of the breaks.  
40 Payment to the New York state thoroughbred breeding and development fund  
41 by such franchised corporation shall be one-half of one per centum of  
42 total daily on-track pari-mutuel pools resulting from regular, multiple  
43 and exotic bets and three per centum of super exotic bets provided,  
44 however, that for the period September tenth, nineteen hundred ninety-  
45 nine through March thirty-first, two thousand one, such payment shall be  
46 six-tenths of one per centum of regular, multiple and exotic pools and  
47 for the period April first, two thousand one through December thirty-  
48 first, two thousand [~~twenty~~] twenty-one, such payment shall be seven-  
49 tenths of one per centum of such pools.

50 § 10. This act shall take effect immediately.

51

#### PART AA

52 Section 1. Paragraph (b-1) of subdivision 3 of section 425 of the real  
53 property tax law, as amended by section 1 of part RR of chapter 59 of  
54 the laws of 2019, is amended to read as follows:

1 (b-1) Income. For final assessment rolls to be used for the levy of  
 2 taxes for the two thousand eleven-two thousand twelve through two thou-  
 3 sand eighteen-two thousand nineteen school years, the parcel's affil-  
 4 iated income may be no greater than five hundred thousand dollars, as  
 5 determined by the commissioner pursuant to subdivision fourteen of this  
 6 section or section one hundred seventy-one-u of the tax law, in order to  
 7 be eligible for the basic exemption authorized by this section. [~~Begin-~~  
 8 ~~ning with~~] For the two thousand nineteen-two thousand twenty school  
 9 year, for purposes of the exemption authorized by this section, the  
 10 parcel's affiliated income may be no greater than two hundred fifty  
 11 thousand dollars, as so determined. Beginning with the two thousand  
 12 twenty--two thousand twenty-one school year, for purposes of the  
 13 exemption authorized by this section, the parcel's affiliated income may  
 14 be no greater than two hundred thousand dollars, as so determined. As  
 15 used herein, the term "affiliated income" shall mean the combined income  
 16 of all of the owners of the parcel who resided primarily thereon on the  
 17 applicable taxable status date, and of any owners' spouses residing  
 18 primarily thereon. For exemptions on final assessment rolls to be used  
 19 for the levy of taxes for the two thousand eleven-two thousand twelve  
 20 school year, affiliated income shall be determined based upon the  
 21 parties' incomes for the income tax year ending in two thousand nine. In  
 22 each subsequent school year, the applicable income tax year shall be  
 23 advanced by one year. The term "income" as used herein shall have the  
 24 same meaning as in subdivision four of this section.  
 25 § 2. This act shall take effect immediately.

PART BB

26  
 27 Section 1. This act shall be known and may be cited as the "Cannabis  
 28 Regulation and Taxation Act".  
 29 § 2. A new chapter 7-A of the consolidated laws is added to read as  
 30 follows:

31 CHAPTER 7-A OF THE CONSOLIDATED LAWS  
 32 CANNABIS LAW  
 33 ARTICLE 1  
 34 SHORT TITLE; POLICY OF STATE AND PURPOSE OF CHAPTER;  
 35 DEFINITIONS

36 Section 1. Short title.  
 37 2. Policy of state and purpose of chapter.  
 38 3. Definitions.  
 39 § 1. Short title. This chapter shall be known and may be cited and  
 40 referred to as the "cannabis law".  
 41 § 2. Policy of state and purpose of chapter. It is hereby declared as  
 42 policy of the state of New York that it is necessary to properly regu-  
 43 late, restrict, and control the cultivation, processing, manufacture,  
 44 wholesale, and retail production, distribution, transportation, adver-  
 45 tising, marketing, and sale of cannabis, cannabis products, medical  
 46 cannabis, and cannabinoid hemp within the state of New York, for the  
 47 purposes of fostering and promoting temperance in their consumption, to  
 48 properly protect the public health, safety, and welfare, to displace the  
 49 illicit cannabis market, to provide safe and affordable access to  
 50 medical cannabis for patients, and to promote social and economic equal-  
 51 ity. It is hereby declared that such policy will best be carried out by  
 52 empowering the state office of cannabis management and its executive  
 53 director, to determine whether public health, safety, convenience and

1 advantage will be promoted by the issuance of registrations, licenses  
2 and/or permits granting the privilege to produce, distribute, transport,  
3 sell, or traffic in cannabis, medical cannabis, or cannabinoid hemp, to  
4 increase or decrease in the number thereof, scope of activities, and the  
5 location of premises registered, licensed, or permitted thereby, subject  
6 only to the right of judicial review hereinafter provided for. It is the  
7 purpose of this chapter to carry out that policy in the public interest.  
8 The restrictions, regulations, and provisions contained in this chapter  
9 are enacted by the legislature for the protection of the health, safety,  
10 and welfare of the people of the state.

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

15 1. "Applicant" means a person or for-profit entity or not-for-profit  
16 corporation and includes: board members, officers, managers, owners,  
17 partners, principal stakeholders, financiers, and members who submit an  
18 application to become a registered organization, licensee or permittee,  
19 and may include any other individual or entity with a material or opera-  
20 tional interest in the license or its operations as determined by its  
21 executive director in regulation.

22 2. "Bona fide cannabis retailer association" shall mean an association  
23 of retailers holding licenses under this chapter, organized under the  
24 non-profit or not-for-profit laws of this state.

25 3. "Cannabis" means all parts of the plant of the genus cannabis,  
26 whether growing or not; the seeds thereof; the resin extracted from any  
27 part of the plant; and every compound, manufacture, salt, derivative,  
28 mixture, or preparation of the plant, its seeds or resin.

29 4. "Concentrated cannabis" means: (a) the separated resin, whether  
30 crude or purified, obtained from a plant of the genus cannabis; or (b) a  
31 material, preparation, mixture, compound or other substance which  
32 contains more than three-tenths of one percent by weight or by volume of  
33 delta-9 tetrahydrocannabinol, or its isomer, delta-8 dibenzopyran  
34 numbering system, or delta-1 tetrahydrocannabinol or its isomer, delta 1  
35 (6) monoterpene numbering system or which exceeds an amount of delta-9  
36 tetrahydrocannabinol or its isomer, delta-8 dibenzopyran numbering  
37 system, or delta-1 tetrahydrocannabinol or its isomer, delta 1 (6) mono-  
38 terpene numbering system per serving or per product determined by the  
39 executive director in regulation.

40 5. "Adult-use cannabis consumer" means a person, twenty-one years of  
41 age or older, who purchases approved adult-use cannabis or adult-use  
42 cannabis products for personal use, but not for resale to others.

43 6. "Adult-use cannabis processor" means a person licensed by the  
44 office who may purchase adult-use cannabis from adult-use cannabis  
45 cultivators, and who may process adult-use cannabis, and adult-use  
46 cannabis products, package and label adult-use cannabis, and adult-use  
47 cannabis products for sale in adult-use cannabis retail outlets, and who  
48 may sell adult-use cannabis and cannabis-infused products at wholesale  
49 to licensed adult-use cannabis distributors, in accordance with regu-  
50 lations determined by the executive director.

51 7. "Adult-use cannabis product" or "adult-use cannabis" means any  
52 approved adult-use cannabis, concentrated cannabis, or adult-use canna-  
53 bis-infused or extracted products, or products which otherwise contain  
54 or are derived from adult-use cannabis, and which have been authorized  
55 for distribution to and for use by an adult-use cannabis consumer as  
56 determined by the executive director in regulation.

1 8. "Adult-use cannabis retail dispenser" means a person or entity  
2 licensed by the executive director who may purchase adult-use cannabis  
3 products, from adult-use cannabis cultivators, processors or distribu-  
4 tors, and who may sell approved adult-use cannabis products, in a retail  
5 outlet, in accordance with regulations determined by the executive  
6 director.

7 9. "Certified medical use" means the acquisition, possession, use, or  
8 transportation of medical cannabis by a certified patient, or the acqui-  
9 sition, possession, delivery, transportation or administration of  
10 medical cannabis by a designated caregiver or designated caregiver  
11 facility, for use as part of the treatment of the patient's serious  
12 condition, as authorized in a certification under this chapter including  
13 enabling the patient to tolerate treatment for the serious condition.

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

17 11. "Certified patient" means a patient who is a resident of New York  
18 state or receiving care and treatment in New York state as determined by  
19 the executive director in regulation, and is certified under section  
20 thirty of this chapter.

21 12. "Certification" means a certification, made under this chapter.

22 13. "Adult-use cultivation" shall include, the planting, growing,  
23 cloning, harvesting, drying, curing, grading and trimming of adult-use  
24 cannabis, or such other cultivation related processes as determined by  
25 the executive director in regulation.

26 14. "Executive director" means the executive director of the office of  
27 cannabis management.

28 15. "Convicted" and "conviction" include and mean a finding of guilt  
29 resulting from a plea of guilty, the decision of a court or magistrate  
30 or the verdict of a jury, irrespective of the pronouncement of judgment  
31 or the suspension thereof.

32 16. "Designated caregiver" means an individual designated by a certi-  
33 fied patient in a registry application. A certified patient may desig-  
34 nate up to two designated caregivers.

35 17. "Designated caregiver facility" means a general hospital or resi-  
36 dential health care facility operating pursuant to article twenty-eight  
37 of the public health law; an adult care facility operating pursuant to  
38 title two of article seven of the social services law; a community  
39 mental health residence established pursuant to section 41.44 of the  
40 mental hygiene law; a hospital operating pursuant to section 7.17 of the  
41 mental hygiene law; a mental hygiene facility operating pursuant to  
42 article thirty-one of the mental hygiene law; an inpatient or residen-  
43 tial treatment program certified pursuant to article thirty-two of the  
44 mental hygiene law; a residential facility for the care and treatment of  
45 persons with developmental disabilities operating pursuant to article  
46 sixteen of the mental hygiene law; a residential treatment facility for  
47 children and youth operating pursuant to article thirty-one of the  
48 mental hygiene law; a private or public school; research institution  
49 with an internal review board; or any other facility as determined by  
50 the executive director in regulation; that registers with the office of  
51 cannabis management to assist one or more certified patients with the  
52 acquisition, possession, delivery, transportation or administration of  
53 medical cannabis.

54 18. "Felony" means any criminal offense classified as a felony under  
55 the laws of this state or any criminal offense committed in any other  
56 state, district, or territory of the United States and classified as a

1 felony therein which if committed within this state, would constitute a  
2 felony in this state.

3 19. "Form of medical cannabis" means characteristics of the medical  
4 cannabis recommended or limited for a particular certified patient,  
5 including the method of consumption and any particular strain, variety,  
6 and quantity or percentage of cannabis or particular active ingredient.

7 20. "Government agency" means any office, division, board, bureau,  
8 commission, office, agency, authority or public corporation of the state  
9 or federal government or a county, city, town or village government  
10 within the state.

11 21. "Hemp" means the plant *Cannabis sativa* L. and any part of such  
12 plant, including the seeds thereof and all derivatives, extracts, canna-  
13 binoids, isomers, acids, salts, and salts of isomers, whether growing or  
14 not, with a delta-9 tetrahydrocannabinol concentration of not more than  
15 three-tenths of one percent on a dry weight or per volume basis.

16 22. "Cannabinoid hemp" means any hemp and any product processed or  
17 derived from hemp, that is used for human consumption provided that when  
18 such product is packaged or offered for retail sale to a consumer, it  
19 shall not have a concentration of more than three-tenths of one percent  
20 of delta-9 tetrahydrocannabinol or more than an amount of delta-9  
21 tetrahydrocannabinol per quantity of cannabinoid hemp product as deter-  
22 mined by the executive director in regulation.

23 23. "Cannabinoid hemp processor license" means a license granted by  
24 the office to process, extract, pack or manufacture cannabinoid hemp or  
25 hemp extract into products, whether in intermediate or final form, used  
26 for human consumption.

27 24. "Cannabinoid hemp retailer license" means a license granted by the  
28 office to sell cannabinoid hemp, in final approved form, to consumers  
29 within the state.

30 25. "Individual dose" means a single measure of adult-use cannabis,  
31 medical cannabis or cannabinoid hemp product, as determined by the exec-  
32 utive director in regulation. Individual doses may be established  
33 through a measure of raw material, a measure of an individual cannabi-  
34 noid or compound, or an equivalency thereof.

35 26. "Labor peace agreement" means an agreement between an entity and a  
36 labor organization that, at a minimum, protects the state's proprietary  
37 interests by prohibiting labor organizations and members from engaging  
38 in picketing, work stoppages, boycotts, and any other economic interfer-  
39 ence with the registered organization or licensee's business.

40 27. "License" means a license issued pursuant to this chapter.

41 28. "Medical cannabis" means cannabis as defined in subdivision three  
42 of this section, intended and approved for a certified medical use, as  
43 determined by the executive director in consultation with the commis-  
44 sioner of health.

45 30. "Office" or "office of cannabis management" means the New York  
46 state office of cannabis management.

47 31. "Permit" means a permit issued pursuant to this chapter.

48 32. "Permittee" means any person to whom a permit has been issued  
49 pursuant to this chapter.

50 33. "Person" means individual, institution, corporation, government or  
51 governmental subdivision or agency, business trust, estate, trust, part-  
52 nership or association, or any other legal entity.

53 34. "Practitioner" means a practitioner who: (i) is authorized to  
54 prescribe controlled substances within the state, (ii) by training or  
55 experience is qualified to treat a serious condition as defined in  
56 subdivision forty-three of this section; and (iii) completes, at a mini-

1 mum, a two-hour course as determined by the executive director in regu-  
2 lation; provided however, the executive director may revoke a practi-  
3 tioner's ability to certify patients for cause.

4 35. "Processing" includes, blending, extracting, infusing, packaging,  
5 labeling, branding and otherwise making or preparing adult-use cannabis,  
6 medical cannabis and cannabinoid hemp, or such other related processes  
7 as determined by the executive director in regulation. Processing shall  
8 not include the cultivation of cannabis.

9 36. "Registered organization" means an organization registered under  
10 article three of this chapter.

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

14 38. "Registry identification card" means a document that identifies a  
15 certified patient or designated caregiver, as provided under section  
16 thirty-two of this chapter.

17 39. "Retail sale" or "sale at retail" means a sale to a consumer or to  
18 any person for any purpose other than for resale.

19 40. "Retailer" means any licensed person who sells at retail any  
20 approved adult-use cannabis product.

21 41. "Sale" means any transfer, exchange or barter in any manner or by  
22 any means whatsoever, and includes and means all sales made by any  
23 person, whether principal, proprietor, agent, servant or employee of any  
24 cannabis product.

25 42. "To sell" includes to solicit or receive an order for, to keep or  
26 expose for sale, and to keep with intent to sell and shall include the  
27 transportation or delivery of any cannabis product in the state.

28 43. "Serious condition" means having one of the following severe  
29 debilitating or life-threatening conditions: cancer, positive status for  
30 human immunodeficiency virus or acquired immune deficiency syndrome,  
31 amyotrophic lateral sclerosis, Parkinson's disease, multiple sclerosis,  
32 damage to the nervous tissue of the spinal cord with objective neurolog-  
33 ical indication of intractable spasticity, epilepsy, inflammatory bowel  
34 disease, neuropathies, Huntington's disease, post-traumatic stress  
35 disorder, pain that degrades health and functional capability where the  
36 use of medical cannabis is an alternative to opioid use, substance use  
37 disorder, Alzheimer's, muscular dystrophy, dystonia, rheumatoid arthri-  
38 tis, autism, any condition authorized as part of a cannabis research  
39 license, or any other condition as added by the executive director.

40 44. "Traffic in" includes to cultivate, process, manufacture, distrib-  
41 ute or sell any cannabis, adult-use cannabis product or medical cannabis  
42 at wholesale or retail.

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

46 46. "Wholesale sale" or "sale at wholesale" means a sale to any person  
47 for purposes of resale.

48 47. "Distributor" means any person who sells at wholesale any adult-  
49 use cannabis product, except medical cannabis, the sale of which a  
50 license is required under the provisions of this chapter.

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

53 ARTICLE 2

54 NEW YORK STATE OFFICE OF CANNABIS MANAGEMENT

55 Section 7. Establishment of an office of cannabis management.

- 1 8. Establishment of the cannabis control board.
- 2 9. Functions, powers and duties of the cannabis control board.
- 3 10. Executive director.
- 4 11. Functions, powers and duties of the office and executive
- 5 director.
- 6 12. Rulemaking authority.
- 7 13. Deputies; employees.
- 8 14. Disposition of moneys received for license fees.
- 9 15. Violations of cannabis laws or regulations; penalties and
- 10 injunctions.
- 11 16. Formal hearings; notice and procedure.
- 12 17. Ethics, transparency and accountability.
- 13 18. Public health campaign.
- 14 19. Traffic safety oral fluid or other roadside detection method
- 15 pilot program.
- 16 20. Establish uniform policies and best practices.

17 § 7. Establishment of an office of cannabis management. There is here-  
18 by established, within the division of alcoholic beverage control, an  
19 independent office of cannabis management, which shall have exclusive  
20 jurisdiction to exercise the powers and duties provided by this chapter.  
21 The office shall exercise its authority by and through a cannabis  
22 control board and an executive director.

23 § 8. Establishment of the cannabis control board. 1. The cannabis  
24 control board or "board" is created and shall consist of a chairperson  
25 with one vote, and four other voting board members, all of whom shall be  
26 citizens and residents of this state.

27 2. The governor shall appoint all members of the board, and shall  
28 designate one member to serve as chairperson. All members of the board  
29 shall serve for a term of three years and shall continue to serve in  
30 office until the expiration of their terms and until their successors  
31 are appointed and have qualified. The members, other than the chair-  
32 person, shall be compensated at a rate of two hundred sixty dollars per  
33 day when performing the work of the board, together with an allowance  
34 for actual and necessary expenses incurred in the discharge of their  
35 duties. No person shall be appointed to or employed by the board if,  
36 during the period commencing three years prior to appointment or employ-  
37 ment, such person held any direct or indirect interest in, or employment  
38 by, any corporation, association or person engaged in regulated activity  
39 within the state.

40 3. Prior to appointment or employment, each member, officer or employ-  
41 ee of the board shall swear or affirm that he or she possesses no inter-  
42 est in any corporation or association holding a license, registration,  
43 certificate or permit issued by the board. Thereafter, no member or  
44 officer of the board shall hold any direct interest in or be employed by  
45 any applicant for or by any corporation, association or person holding a  
46 license, registration, certificate or permit issued by the board for a  
47 period of four years commencing on the date his or her membership with  
48 the board terminates. Further, no employee of the board may acquire any  
49 direct or indirect interest in, or accept employment with, any applicant  
50 for or any person holding a license, registration, certificate or permit  
51 issued by the board for a period of two years commencing at the termi-  
52 nation of employment with the board. The board may, by resolution  
53 adopted by unanimous vote at a properly noticed public meeting, waive  
54 for good cause the pre-employment restrictions enumerated in this subdi-  
55 vision for a prospective employee whose duties and responsibilities are  
56 not policy-making. Such adopted resolution shall state the reasons for

1 waiving the pre-employment conditions for the prospective employee,  
2 including a finding that there were no other qualified candidates with  
3 the desired experience for the specified position.

4 4. Any member of the board may be removed by the governor for cause  
5 after notice and an opportunity to be heard.

6 5. In the event of a vacancy caused by the death, resignation, removal  
7 or disability of any board member, the vacancy shall be filled in the  
8 same manner as the original appointment; provided that in such instance  
9 the governor may appoint a member of the board to serve as chairperson  
10 for the remainder of their term.

11 6. A majority of the board members of the authority shall constitute a  
12 quorum for the purpose of conducting business, and a majority vote of  
13 those present shall be required for action.

14 7. The board shall meet as frequently as its business may require, and  
15 at least four times in each year. The board may enact and from time to  
16 time amend by-laws in relation to its meetings and the transactions of  
17 its business.

18 § 9. Functions, powers and duties of the cannabis control board. The  
19 cannabis control board shall have such powers and duties as are set  
20 forth in this chapter and shall:

21 1. approve the office's social and economic equity plan pursuant to  
22 section eighty-four of this chapter;

23 2. approve the type and number of available licenses issued by the  
24 office;

25 3. approve the opening of new license application periods and when new  
26 or additional licenses are made available;

27 4. approve the creation of any new type of license;

28 5. approve any price quotas or price controls set by the executive  
29 director as provided by this chapter;

30 6. at the request of the executive director, appoint advisory groups  
31 or committees necessary to provide assistance to the office to carry out  
32 the policy of the state and purpose of this chapter;

33 7. when an administrative decision is appealed by an applicant, regis-  
34 tered organization, licensee or permittee, issue a final determination  
35 of the office; and

36 8. promulgate any rules and regulations necessary to effectuate this  
37 chapter.

38 § 10. Executive director. The office shall exercise its authority,  
39 through an executive director. The executive director shall receive an  
40 annual salary within the amounts appropriated therefor.

41 § 11. Functions, powers and duties of the executive director. The  
42 office of cannabis management, by and through its executive director,  
43 shall have the following powers and duties:

44 1. To issue or refuse to issue any registration, license or permit  
45 provided for in this chapter.

46 2. To limit the number, scope, and/or availability of registrations,  
47 licenses and permits of each class to be issued within the state or any  
48 political subdivision thereof, and in connection therewith to prohibit  
49 the acceptance of applications for such classes which have been so  
50 limited.

51 3. To revoke, cancel or suspend for cause any registration, license,  
52 or permit issued under this chapter and/or to impose a civil penalty for  
53 cause against any holder of a registration, license, or permit issued  
54 pursuant to this chapter or any person engaged in activities without a  
55 license or permit for which a license or permit is required by this  
56 chapter. Any civil penalty so imposed shall be in addition to and sepa-



1 rate and apart from the terms and provisions of the bond required pursu-  
2 ant to section thirty-five of this chapter.

3 4. To fix by rule the standards and requirements for the cultivation,  
4 processing, packaging, marketing, and sale of medical cannabis, adult-  
5 use cannabis and cannabinoid hemp, including but not limited to, the  
6 ability to regulate potency, excipients, and the types and forms of  
7 products which may be manufactured and/or processed, in order to ensure  
8 the health and safety of the public and the use of proper ingredients  
9 and methods in the manufacture of all cannabis and cannabinoid hemp to  
10 be sold or consumed in the state and to ensure that products are not  
11 packaged, marketed, or otherwise trafficked in a way which targets  
12 minors or promotes increased use or cannabis use disorders.

13 5. To limit or prohibit, at any time of public emergency and without  
14 previous notice or advertisement, the cultivation, processing, distrib-  
15 ution or sale of any or all adult-use cannabis products, medical canna-  
16 bis or cannabinoid hemp, for and during the period of such emergency.

17 6. To inspect or provide for the inspection at any time of any prem-  
18 ises where adult-use cannabis, medical cannabis or cannabinoid hemp is  
19 cultivated, processed, stored, distributed or sold including but not  
20 limited to compelling the production and review of all relevant business  
21 records and financial statements and corporate documents.

22 7. To prescribe forms of applications, criteria of review and method  
23 of selection or issuance for registrations, licenses and permits under  
24 this chapter and of all reports deemed necessary by the office.

25 8. Intentionally omitted.

26 9. To exercise the powers and perform the duties in relation to the  
27 administration of the office as are necessary but not specifically vest-  
28 ed by this chapter, including but not limited to budgetary and fiscal  
29 matters.

30 10. To develop and establish minimum criteria for certifying employees  
31 to work in the cannabis industry, which may include the establishment of  
32 a cannabis workers certification program.

33 11. To enter into contracts, memoranda of understanding, and agree-  
34 ments as deemed appropriate by the executive director to effectuate the  
35 policy and purpose of this chapter.

36 12. To establish and implement a social and economic equity plan,  
37 subject to approval of the board, to ensure access to, and participation  
38 in, the cannabis industry by social equity and economic empowerment  
39 applicants as prescribed in section eighty-four of this chapter.

40 13. If the executive director finds that public health, safety, or  
41 welfare imperatively requires emergency action, and incorporates a find-  
42 ing to that effect in an order, summary suspension of a license or  
43 administrative hold of products and a product recall may be ordered,  
44 effective on the date specified in such order or upon service of a  
45 certified copy of such order on the licensee, whichever shall be later,  
46 pending proceedings for revocation or other action. These proceedings  
47 shall be promptly instituted and determined. In addition, the executive  
48 director may order the administrative seizure of product, issue a stop  
49 order, or take any other action necessary to effectuate and enforce the  
50 policy and purpose of this chapter.

51 14. To issue guidance and industry advisories.

52 15. To recommend that the state enter into tribal-state compacts with  
53 the New York state Indian nations and tribes, as defined by section two  
54 of the Indian law, authorizing such Indian nations or tribes to acquire,  
55 possess, manufacture, sell, deliver, transport, distribute or dispense  
56 adult-use cannabis and/or medical cannabis.

1 16. To coordinate across state agencies and departments in order to  
2 research and study any changes in cannabis use and the impact that  
3 cannabis use and the regulated cannabis industry may have on access to  
4 cannabis products, public health, and public safety.

5 § 12. Rulemaking authority. 1. The board shall perform such acts,  
6 prescribe such forms and promulgate such rules, regulations and orders  
7 as it may deem necessary or proper to fully effectuate the provisions of  
8 this chapter, in accordance with the state administrative procedure act.

9 2. The board shall promulgate any and all necessary rules and regu-  
10 lations governing the production, processing, transportation, distrib-  
11 ution, marketing, advertising and sale of medical cannabis, adult-use  
12 cannabis and cannabinoid hemp, the registration of organizations author-  
13 ized to traffic in medical cannabis, the licensing and/or permitting of  
14 adult-use cannabis cultivators, processors, cooperatives, distributors,  
15 and retail dispensaries, and the licensing of cannabinoid hemp process-  
16 ors and retailers, including but not limited to:

17 (a) prescribing forms and establishing application, registration,  
18 reinstatement, and renewal fees;

19 (b) the qualifications and selection criteria for registration,  
20 licensing, or permitting;

21 (c) the books and records to be created and maintained by registered  
22 organizations, licensees, and permittees, including the reports to be  
23 made thereon to the office, and inspection of any and all books and  
24 records maintained by any registered organization, licensee, or permit-  
25 tee and on the premise of any registered organization, licensee, or  
26 permittee;

27 (d) methods of producing, processing, and packaging adult-use canna-  
28 bis, medical cannabis, cannabis-infused products, and cannabinoid hemp;  
29 conditions of sanitation, standards of ingredients, quality, and identi-  
30 ty of adult-use cannabis and medical cannabis products cultivated, proc-  
31 essed, packaged, or sold by registered organizations and licensees, and  
32 standards for the devices used to consume adult-use cannabis, medical  
33 cannabis and cannabinoid hemp;

34 (e) security requirements for adult-use cannabis retail dispensaries  
35 and premises where cannabis products or medical cannabis are cultivated,  
36 produced, processed, or stored, and safety protocols for registered  
37 organizations, licensees and their employees;

38 (f) hearing procedures and additional causes for cancellation, revoca-  
39 tion, and/or civil penalties against any person registered, licensed, or  
40 permitted by the authority; and

41 (g) the circumstances under and manner and process by which an appli-  
42 cant, registered organization, licensee, or permittee, may apply to  
43 change or alter its previously submitted or approved owners, managers,  
44 members, directors, financiers, or interest holders.

45 3. The board shall promulgate rules and regulations to:

46 (a) prevent the distribution of adult-use cannabis to persons under  
47 twenty-one years of age including the marketing, packaging and branding  
48 of adult-use cannabis;

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

51 (c) prevent the diversion of adult-use cannabis and medical cannabis  
52 from this state to other states;

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

1 (e) prevent violence and the use of firearms in the cultivation and  
2 distribution of cannabis;

3 (f) prevent drugged driving and the exacerbation of other adverse  
4 public health consequences associated with the use of cannabis;

5 (g) prevent the growing of cannabis on public lands and the attendant  
6 public safety and environmental dangers posed by cannabis production on  
7 public lands;

8 (h) prevent the possession and use of adult-use cannabis and medical  
9 cannabis on federal property;

10 (i) regulate and restrict the use of cannabis and prohibit the traf-  
11 ficking of dangerous cannabis products in order to reduce the rate of  
12 cannabis abuse, cannabis dependency, cannabis use disorders, and other  
13 adverse public health and safety consequences of cannabis use;

14 (j) educate the public and at-risk populations about responsible  
15 cannabis use and the potential dangers of cannabis use;

16 (k) prevent predatory marketing and advertising practices targeted  
17 toward at-risk populations such as minors, pregnant or breastfeeding  
18 women, and demographics which disproportionately engage in higher rates  
19 of cannabis use and display higher rates of cannabis use disorders;

20 (l) notwithstanding subdivision two of this section, revoke or refuse  
21 to issue any class or type of license, permit, or registration if he or  
22 she determines that failing to do so would conflict with any federal law  
23 or guidance pertaining to regulatory, enforcement and other systems that  
24 states, businesses, or other institutions may implement to mitigate the  
25 potential for federal intervention or enforcement against legalized  
26 adult-use cannabis and medical cannabis programs or businesses;

27 (m) notwithstanding any other section of state law, adopt rules and  
28 regulations based on federal guidance provided those rules and regu-  
29 lations are designed to comply with federal guidance and mitigate feder-  
30 al enforcement against the registrations, licenses, or permits issued  
31 under this chapter, or the cannabis industry as a whole. This may  
32 include regulations which permit the sharing of licensee, registrant, or  
33 permit-holder information with designated banking or financial insti-  
34 tutions; and

35 (n) establish application, licensing, and permitting processes which  
36 ensure all material owners and interest holders are disclosed and that  
37 officials or other individuals with control over the approval of an  
38 application, permit, or license do not themselves have any interest in  
39 an application, license, or permit.

40 4. The board, in consultation with the department of agriculture and  
41 markets and the department of environmental conservation, shall promul-  
42 gate necessary rules and regulations governing the safe production of  
43 adult-use cannabis and medical cannabis, including but not limited to  
44 environmental and energy standards and restrictions on the use of pesti-  
45 cides.

46 § 13. Deputies; employees. 1. The executive director shall appoint a  
47 deputy director for health and safety who shall be a duly licensed  
48 physician within the state and who shall oversee the medical cannabis  
49 program and all clinical aspects of the office. The executive director  
50 shall also appoint a deputy director for social and economic equity who  
51 shall oversee the social and economic equity plan. The executive direc-  
52 tor may appoint such other deputies as he or she deems necessary to  
53 fulfill the responsibilities of the office.

54 2. The executive director may appoint and remove from time to time, in  
55 accordance with law and any applicable rules of the state civil service  
56 commission, such additional employees, under such titles as the execu-

1 tive director may assign, as the executive director may deem necessary  
2 for the efficient administration of the office. They shall perform such  
3 duties as the executive director shall assign to them. The compensation  
4 of such employees shall be within the amounts appropriated therefor.

5 3. Investigators employed by the office shall be deemed to be peace  
6 officers for the purpose of enforcing the provisions of this chapter or  
7 judgments or orders obtained for violation thereof, with all the powers  
8 set forth in section 2.20 of the criminal procedure law.

9 § 14. Disposition of moneys received for license fees. The office  
10 shall establish a schedule of application, licensing, and renewal fees,  
11 based upon the cost of enforcing this chapter which may vary based on  
12 the nature, size, class, or scope of the cannabis business being  
13 licensed or the classification of the applicant, as follows:

14 1. The office shall charge each registered organization, licensee and  
15 permittee a registration, licensure or permit fee, and renewal fee, as  
16 applicable. The fees may vary depending upon the nature, size, class or  
17 scope of the different registration, licensure and permit activities, or  
18 the classification of the applicant.

19 2. The total fees assessed pursuant to this chapter may be set at an  
20 amount that will generate sufficient total revenue to fully cover the  
21 total costs of administering this chapter.

22 3. The office shall deposit all fees collected in the New York state  
23 cannabis revenue fund established pursuant to section ninety-nine-hh of  
24 the state finance law.

25 § 15. Violations of cannabis laws or regulations; penalties and  
26 injunctions. 1. A person who willfully violates any provision of this  
27 chapter, or any regulation lawfully made or established by any public  
28 officer under authority of this chapter, the punishment for violating  
29 which is not otherwise prescribed by this chapter or any other law, is  
30 punishable by a fine not exceeding five thousand dollars per violation,  
31 per day.

32 2. Any person who violates, disobeys or disregards any term or  
33 provision of this chapter or of any lawful notice, order or regulation  
34 pursuant thereto for which a civil penalty is not otherwise expressly  
35 prescribed by law, shall be liable to the people of the state for a  
36 civil penalty of not to exceed five thousand dollars per violation, per  
37 day.

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

41 4. Nothing in this section shall be construed to alter or repeal any  
42 existing provision of law declaring such violations to be misdemeanors  
43 or felonies or prescribing the penalty therefor.

44 5. Such civil penalty may be released or compromised by the executive  
45 director before the matter has been referred to the attorney general,  
46 and where such matter has been referred to the attorney general, any  
47 such penalty may be released or compromised and any action commenced to  
48 recover the same may be settled and discontinued by the attorney general  
49 with the consent of the executive director.

50 6. It shall be the duty of the attorney general upon the request of  
51 the executive director to bring an action for an injunction against any  
52 person who violates, disobeys or disregards any term or provision of  
53 this chapter or of any lawful notice, order or regulation pursuant ther-  
54 eto; provided, however, that the executive director shall furnish the  
55 attorney general with such material, evidentiary matter or proof as may

1 be requested by the attorney general for the prosecution of such an  
2 action.

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

9 § 16. Formal hearings; notice and procedure. 1. The board, or any  
10 person designated by the board for this purpose, may issue subpoenas and  
11 administer oaths in connection with any hearing or investigation under  
12 or pursuant to this chapter, and it shall be the duty of the board and  
13 any persons designated by the board for such purpose to issue subpoenas  
14 at the request of and upon behalf of the respondent.

15 2. The board and those designated by the board shall not be bound by  
16 the laws of evidence in the conduct of hearing proceedings, but the  
17 determination shall be founded upon substantial evidence to sustain it.

18 3. Notice of hearing shall be served at least fifteen days prior to  
19 the date of the hearing, provided that, whenever because of danger to  
20 the public health, safety or welfare it appears prejudicial to the  
21 interests of the people of the state to delay action for fifteen days,  
22 the executive director may serve the respondent with an order requiring  
23 certain action or the cessation of certain activities immediately or  
24 within a specified period of less than fifteen days.

25 4. Service of notice of hearing or order shall be made by personal  
26 service or by registered or certified mail. Where service, whether by  
27 personal service or by registered or certified mail, is made upon an  
28 incompetent, partnership, or corporation, it shall be made upon the  
29 person or persons designated to receive personal service by article  
30 three of the civil practice law and rules.

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

34 6. Following a hearing, the board or its designee may make appropriate  
35 determinations and issue a final order in accordance therewith.

36 7. The board may adopt, amend and repeal administrative rules and  
37 regulations governing the procedures to be followed with respect to  
38 hearings, such rules to be consistent with the policy and purpose of  
39 this chapter and the effective and fair enforcement of its provisions.

40 8. The provisions of this section shall be applicable to all hearings  
41 held pursuant to this chapter, except where other provisions of this  
42 chapter applicable thereto are inconsistent therewith, in which event  
43 such other provisions shall apply.

44 § 17. Ethics, transparency and accountability. No member of the  
45 office or any officer, deputy, assistant, inspector or employee thereof  
46 shall have any interest, direct or indirect, either proprietary or by  
47 means of any loan, mortgage or lien, or in any other manner, in or on  
48 any premises where cannabis, medical cannabis or hemp is cultivated,  
49 processed, distributed or sold; nor shall he or she have any interest,  
50 direct or indirect, in any business wholly or partially devoted to the  
51 cultivation, processing, distribution, sale, transportation, marketing,  
52 or storage of adult-use cannabis, medical cannabis or cannabinoid hemp,  
53 or own any stock in any corporation which has any interest, proprietary  
54 or otherwise, direct or indirect, in any premises where adult-use canna-  
55 bis, medical cannabis or cannabinoid hemp is cultivated, processed,  
56 distributed or sold, or in any business wholly or partially devoted to

1 the cultivation, processing, distribution, sale, transportation or stor-  
2 age of adult-use cannabis, medical cannabis or cannabinoid hemp, or  
3 receive any commission or profit whatsoever, direct or indirect, from  
4 any person applying for, receiving, managing or operating any license or  
5 permit provided for in this chapter, or hold any other elected or  
6 appointed public office in the state or in any political subdivision to  
7 which a registered organization, licensee, permittee or applicant would  
8 appear. Anyone who violates any of the provisions of this section shall  
9 be removed or shall divest him or herself of such direct or indirect  
10 interests.

11 § 18. Public health campaign. The office, in consultation with the  
12 commissioners of the department of health, office of alcoholism and  
13 substance abuse services and office of mental health, shall develop and  
14 implement a comprehensive public health monitoring, surveillance and  
15 education campaign regarding the legalization of adult-use cannabis and  
16 the impact of cannabis use on public health and safety.

17 § 19. Traffic safety oral fluid or other roadside detection method  
18 pilot program. The office, in consultation with the commissioner of the  
19 department of motor vehicles and the superintendent of the state police,  
20 shall develop and implement a workgroup together with other states to  
21 outline goals and standard operating procedures for a statewide or  
22 regional oral fluid or other roadside detection pilot program. The work-  
23 group may include, but not be limited to, representatives from district  
24 attorney offices, local and county police departments, and other rele-  
25 vant public safety experts.

26 § 20. Establish uniform policies and best practices. To engage in  
27 activities with other states, territories, or jurisdictions in order to  
28 coordinate and establish, uniform policies and best practices in canna-  
29 bis regulation. These activities shall prioritize coordination with  
30 neighboring and regional states, and may include, but not be limited to  
31 establish working groups related to laboratory testing, products safety,  
32 taxation, road safety, and any other issues identified by the executive  
33 director. The executive director may enter into any contracts, or memo-  
34 randa of understanding necessary to effectuate this provision.

### ARTICLE 3

#### MEDICAL CANNABIS

35 Section 30. Certification of patients.

- 36  
37  
38 31. Lawful medical use.  
39 32. Registry identification cards.  
40 33. Registration as a designated caregiver facility.  
41 34. Registered organizations.  
42 35. Registering of registered organizations.  
43 36. Intentionally omitted.  
44 37. Reports of registered organizations.  
45 38. Evaluation; research programs; report by office.  
46 39. Cannabis research license.  
47 40. Registered organizations and adult-use cannabis.  
48 41. Home cultivation of medical cannabis.  
49 42. Relation to other laws.  
50 43. Protections for the medical use of cannabis.  
51 44. Regulations.  
52 45. Suspend; terminate.  
53 46. Pricing.  
54 47. Severability.

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

3 (a) the patient has a serious condition, which shall be specified in  
4 the patient's health care record;

5 (b) the practitioner by training or experience is qualified to treat  
6 the serious condition;

7 (c) the patient is under the practitioner's continuing care for the  
8 serious condition; and

9 (d) in the practitioner's professional opinion and review of past  
10 treatments, the patient is likely to receive therapeutic or palliative  
11 benefit from the primary or adjunctive treatment with medical use of  
12 cannabis for the serious condition.

13 2. The certification shall include: (a) the name, date of birth and  
14 address of the patient; (b) a statement that the patient has a serious  
15 condition and the patient is under the practitioner's care for the seri-  
16 ous condition; (c) a statement attesting that all requirements of subdi-  
17 vision one of this section have been satisfied; (d) the date; and (e)  
18 the name, address, telephone number, and the signature of the certifying  
19 practitioner. The executive director may require by regulation that the  
20 certification shall be on a form provided by the office. The practition-  
21 er may state in the certification that, in the practitioner's profes-  
22 sional opinion, the patient would benefit from medical cannabis only  
23 until a specified date. The practitioner may state in the certification  
24 that, in the practitioner's professional opinion, the patient is termi-  
25 nally ill and that the certification shall not expire until the patient  
26 dies.

27 3. In making a certification, the practitioner may consider any  
28 approved form of medical cannabis the patient should consume, including  
29 the method of consumption and any particular strain, variety, and quan-  
30 tity or percentage of cannabis or particular active ingredient, and  
31 appropriate dosage. The practitioner may state in the certification any  
32 recommendation or limitation the practitioner makes, in his or her  
33 professional opinion, concerning the appropriate form or forms of  
34 medical cannabis and dosage.

35 4. Every practitioner shall consult the prescription monitoring  
36 program registry prior to making or issuing a certification, for the  
37 purpose of reviewing a patient's controlled substance history. For  
38 purposes of this section, a practitioner may authorize a designee to  
39 consult the prescription monitoring program registry on his or her  
40 behalf, provided that such designation is in accordance with section  
41 thirty-three hundred forty-three-a of the public health law.

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

44 6. No practitioner shall issue a certification under this section for  
45 himself or herself.

46 7. A registry identification card based on a certification shall  
47 expire one year after the date the certification is signed by the prac-  
48 titioner.

49 8. (a) If the practitioner states in the certification that, in the  
50 practitioner's professional opinion, the patient would benefit from  
51 medical cannabis only until a specified earlier date, then the registry  
52 identification card shall expire on that date; (b) if the practitioner  
53 states in the certification that in the practitioner's professional  
54 opinion the patient is terminally ill and that the certification shall  
55 not expire until the patient dies, then the registry identification card  
56 shall state that the patient is terminally ill and that the registration

1 card shall not expire until the patient dies; (c) if the practitioner  
2 re-issues the certification to terminate the certification on an earlier  
3 date, then the registry identification card shall expire on that date  
4 and shall be promptly destroyed by the certified patient; (d) if the  
5 certification so provides, the registry identification card shall state  
6 any recommendation or limitation by the practitioner as to the form or  
7 forms of medical cannabis or dosage for the certified patient; and (e)  
8 the executive director shall make regulations to implement this subdivi-  
9 sion.

10 9. A practitioner who offers patient certification shall not have any  
11 business relationship with, or own any stock in any corporation which  
12 has any interest, proprietary or otherwise, direct or indirect, in any  
13 registered organization, or other business or premises where medical  
14 cannabis is cultivated, processed, distributed or sold. This provision  
15 shall not be construed to prohibit a practitioner who offers patient  
16 certification from providing their medical expertise to, or engaging in  
17 medical cannabis research with, a registered organization or a licensee  
18 that traffics in medical cannabis provided that the practitioner is not  
19 compensated for or offered any consideration for these educational or  
20 research activities.

21 § 31. Lawful medical use. The possession, acquisition, use, delivery,  
22 transfer, transportation, or administration of medical cannabis by a  
23 certified patient, designated caregiver or designated caregiver facili-  
24 ty, for certified medical use, shall be lawful under this article  
25 provided that:

26 (a) the cannabis that may be possessed by a certified patient shall  
27 not exceed quantities determined by the executive director in regu-  
28 lation;

29 (b) the cannabis that may be possessed by designated caregivers does  
30 not exceed the quantities determined by the executive director under  
31 paragraph (a) of this subdivision for any certified patient for whom the  
32 caregiver is issued a valid registry identification card;

33 (c) the cannabis that may be possessed by designated caregiver facili-  
34 ties does not exceed the quantities determined by the executive director  
35 under paragraph (a) of this subdivision for each certified patient under  
36 the care or treatment of the facility;

37 (d) the form or forms of medical cannabis that may be possessed by the  
38 certified patient, designated caregiver or designated caregiver facility  
39 pursuant to a certification shall be in compliance with any recommenda-  
40 tion or limitation by the practitioner as to the form or forms of  
41 medical cannabis or dosage for the certified patient in the certif-  
42 ication and consistent with any guidance, limitation, and regulation  
43 issued by the executive director; and

44 (e) the medical cannabis shall be kept in the original package in  
45 which it was dispensed under this article, except for the portion  
46 removed for immediate consumption for certified medical use by the  
47 certified patient.

48 § 32. Registry identification cards. 1. Upon approval of the certif-  
49 ication, the office shall issue registry identification cards for certi-  
50 fied patients and designated caregivers. A registry identification card  
51 shall expire as provided in this article or as otherwise provided in  
52 this section. The office shall begin issuing registry identification  
53 cards as soon as practicable after the certifications required by this  
54 chapter are granted. The office may specify a form for a registry appli-  
55 cation, in which case the office shall provide the form on request,



1 reproductions of the form may be used, and the form shall be available  
2 for downloading from the office's website.

3 2. To obtain, amend or renew a registry identification card, a certi-  
4 fied patient or designated caregiver shall file a registry application  
5 with the office, unless otherwise exempted by the executive director in  
6 regulation. The registry application or renewal application shall  
7 include such information as prescribed by the office which shall include  
8 but not be limited to:

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

10 (i) the patient's certification, a new written certification shall be  
11 provided with a renewal application if required by the office;

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

13 (iii) the date of the certification;

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

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

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

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

23 (viii) if the certified patient applies to designate a designated  
24 caregiver, the name, address, and date of birth of the designated care-  
25 giver, and other individual identifying information required by the  
26 office; and

27 (ix) other individual identifying information required by the office;

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

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

30 (ii) if the designated caregiver has a registry identification card,  
31 the registry identification number and expiration date of that registry  
32 identification card; and

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

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

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

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

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

41 (a) The application for a registry identification card shall be made  
42 by an appropriate person over eighteen years of age. The application  
43 shall state facts demonstrating that the person is appropriate.

44 (b) The designated caregiver shall be: (i) a parent or legal guardian  
45 of the certified patient; (ii) a person designated by a parent or legal  
46 guardian; (iii) a designated caregiver facility; or (iv) an appropriate  
47 person approved by the office upon a sufficient showing that no parent  
48 or legal guardian is appropriate or available.

49 4. No person may be a designated caregiver if the person is under  
50 twenty-one years of age unless a sufficient showing is made to the  
51 office that the person should be permitted to serve as a designated  
52 caregiver. The requirements for such a showing shall be determined by  
53 the executive director.

54 5. No person may be a designated caregiver for more than one certified  
55 patient at one time, unless approved by the office. The office may allow  
56 a designated caregiver to serve more than one patient in cases where

1 additional designating patients are immediate family members, in the  
2 immediate and continuous care of the caregiver, or satisfy other eligi-  
3 bility requirements determined by the executive director in regulation.

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

10 7. If the certification so provides, the registry identification card  
11 shall contain any recommendation or limitation by the practitioner as to  
12 the form or forms of medical cannabis or dosage for the certified  
13 patient.

14 8. The office shall issue separate registry identification cards for  
15 certified patients and designated caregivers as soon as reasonably prac-  
16 ticable after receiving and approving a complete application under this  
17 section, unless it determines that the application is incomplete, factu-  
18 ally inaccurate, or fails to satisfy any applicable regulation, in which  
19 case it shall promptly notify the applicant.

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

24 10. A registry identification card shall:

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

27 (b) contain the date of issuance and expiration date, as applicable,  
28 of the registry identification card;

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

32 (d) contain a photograph of the individual to whom the registry iden-  
33 tification card is being issued, which shall be obtained by the office  
34 in a manner specified by the executive director in regulations;  
35 provided, however, that if the office requires certified patients to  
36 submit photographs for this purpose, there shall be a reasonable accom-  
37 modation of certified patients who are confined to their homes due to  
38 their medical conditions and may therefore have difficulty procuring  
39 photographs;

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

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

44 (g) contain any other requirements determined by the executive direc-  
45 tor.

46 11. A certified patient or designated caregiver who has been issued a  
47 registry identification card shall notify the office of any change in  
48 his or her name or address or, with respect to the patient, if he or she  
49 ceases to have the serious condition noted on the certification within  
50 ten days of such change. The certified patient's or designated  
51 caregiver's registry identification card shall be deemed invalid and  
52 shall be promptly destroyed.

53 12. If a certified patient or designated caregiver loses his or her  
54 registry identification card, he or she shall notify the office within  
55 ten days of losing the card. The office shall issue a new registry iden-  
56 tification card as soon as practicable, which may contain a new registry

1 identification number, to the certified patient or designated caregiver,  
2 as the case may be.

3 13. The office shall maintain a confidential list of the persons to  
4 whom it has issued registry identification cards. Individual identifying  
5 information obtained by the office under this article shall be confiden-  
6 tial and exempt from disclosure under article six of the public officers  
7 law. Notwithstanding this subdivision, the office may notify any appro-  
8 priate law enforcement agency of information relating to any violation  
9 or suspected violation of this article.

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

12 15. If a certified patient or designated caregiver willfully violates  
13 any provision of this article or regulations promulgated hereunder as  
14 determined by the executive director, his or her certification and  
15 registry identification card may be suspended or revoked. This is in  
16 addition to any other penalty that may apply.

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

- 21 (a) the facility's full name and address;
- 22 (b) operating certificate or license number where appropriate;
- 23 (c) name, title, and signature of an authorized facility represen-  
24 tative;
- 25 (d) a statement that the facility agrees to secure and ensure proper  
26 handling of all medical cannabis products;
- 27 (e) an acknowledgement that a false statement in the application is  
28 punishable under section 210.45 of the penal law; and
- 29 (f) any other information that may be required by the executive direc-  
30 tor.

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

36 3. The office shall approve, deny or reject an initial or renewal  
37 application. If the application is approved within the 30-day period,  
38 the office shall issue a registration as soon as is reasonably practica-  
39 ble.

40 4. Registrations issued under this section shall remain valid for two  
41 years from the date of issuance.

42 § 34. Registered organizations. 1. A registered organization shall be  
43 a for-profit business entity or not-for-profit corporation organized for  
44 the purpose of acquiring, possessing, manufacturing, selling, deliver-  
45 ing, transporting, distributing or dispensing cannabis for certified  
46 medical use, in accordance with minimum operating and recordkeeping  
47 requirements determined by the executive director in regulation.

48 2. The acquiring, possession, manufacture, testing, sale, delivery,  
49 transporting, distributing or dispensing of medical cannabis by a regis-  
50 tered organization under this article in accordance with its registra-  
51 tion under this article or a renewal thereof shall be lawful under this  
52 chapter.

53 3. Each registered organization shall contract with an independent  
54 laboratory permitted by the office to test the medical cannabis produced  
55 by the registered organization. The executive director, in consultation  
56 with the commissioner of health, shall approve the laboratory used by

1 the registered organization, including but not limited to sampling and  
2 testing protocols and standards used by the laboratory, and may require  
3 that the registered organization use a particular testing laboratory.

4 4. (a) A registered organization may lawfully, in good faith, sell,  
5 deliver, distribute or dispense medical cannabis to a certified patient  
6 or designated caregiver upon presentation to the registered organization  
7 of valid identification for that certified patient or designated care-  
8 giver. When presented with the registry identification card, the regis-  
9 tered organization shall provide to the certified patient or designated  
10 caregiver a receipt, which shall state: the name, address, and registry  
11 identification number of the registered organization; the name and  
12 registry identification number of the certified patient and the desig-  
13 nated caregiver, if any; the date the cannabis was sold; any recommenda-  
14 tion or limitation by the practitioner as to the form or forms of  
15 medical cannabis or dosage for the certified patient; and the form and  
16 the quantity of medical cannabis sold. The registered organization shall  
17 retain a copy of the registry identification card and the receipt for  
18 six years, and shall make such records available to the office upon  
19 demand.

20 (b) The proprietor of a registered organization shall file or cause to  
21 be filed any receipt and certification information with the office by  
22 electronic means on a real-time basis as the executive director may  
23 require. When filing receipt and certification information electron-  
24 ically pursuant to this paragraph, the proprietor of the registered  
25 organization shall dispose of any electronically recorded prescription  
26 information in such manner as the executive director shall by regulation  
27 require.

28 5. (a) No registered organization may sell, deliver, distribute or  
29 dispense to any certified patient or designated caregiver a quantity of  
30 medical cannabis larger than that individual would be allowed to possess  
31 as set out in regulation by the executive director.

32 (b) When dispensing medical cannabis to a certified patient or desig-  
33 nated caregiver, the registered organization: (i) shall not dispense an  
34 amount greater than an amount established by the executive director in  
35 regulation; and (ii) shall verify the information in subparagraph (i) of  
36 this paragraph by consulting the prescription monitoring program regis-  
37 try under this article.

38 (c) Medical cannabis dispensed to a certified patient or designated  
39 caregiver by a registered organization shall conform to any recommenda-  
40 tion or limitation by the practitioner as to the form or forms of  
41 medical cannabis or dosage for the certified patient, and any medical  
42 cannabis product or form limitations or restrictions determined by the  
43 executive director in regulation.

44 6. When a registered organization sells, delivers, distributes or  
45 dispenses medical cannabis to a certified patient or designated caregiv-  
46 er, it shall provide to that individual a safety insert, which may be  
47 developed by the registered organization and shall include, but not be  
48 limited to, information on:

49 (a) methods for administering medical cannabis in individual doses,  
50 (b) any potential dangers stemming from the use of medical cannabis,  
51 (c) how to recognize what may be problematic usage of medical cannabis  
52 and obtain appropriate services or treatment for problematic usage, and  
53 (d) other information as determined by the executive director.

54 7. Registered organizations shall not be managed by or employ anyone  
55 who has been convicted of any felony other than for the sale or  
56 possession of drugs, narcotics, or controlled substances, and provided

1 that this subdivision only applies to (a) managers or employees who come  
2 into contact with or handle medical cannabis, and (b) a conviction less  
3 than ten years, not counting time spent in incarceration, prior to being  
4 employed, for which the person has not received a certificate of relief  
5 from disabilities, a certificate of good conduct under article twenty-  
6 three of the correction law, or an executive pardon.

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

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

16 10. A registered organization shall determine the quality, safety, and  
17 clinical strength of medical cannabis manufactured or dispensed by the  
18 registered organization, and shall provide documentation of that quali-  
19 ty, safety and clinical strength to the office and to any person or  
20 entity to which the medical cannabis is sold or dispensed.

21 11. A registered organization shall be deemed to be a "health care  
22 provider" for the purposes of article two-D of article two of the public  
23 health law.

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

39 13. The board is authorized to make rules and regulations restricting  
40 the advertising and marketing of medical cannabis.

41 14. The board is authorized to make rules and regulations regulating  
42 the packaging, labeling, form and method of administration or ingestion,  
43 branding and marketing of medical cannabis products to prohibit acci-  
44 dental or overconsumption.

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

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

52 (ii) that the applicant:

53 (A) is of good moral character;

54 (B) possesses or has the right to use sufficient land, buildings, and  
55 other premises, which shall be specified in the application, and equip-

1 ment to properly carry on the activity described in the application, or  
2 in the alternative posts a bond of not less than two million dollars;

3 (C) is able to maintain effective security and control to prevent  
4 diversion, abuse, and other illegal conduct relating to the cannabis;  
5 and

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

9 (iii) that the applicant has entered into a labor peace agreement with  
10 a bona fide labor organization that is actively engaged in representing  
11 or attempting to represent the applicant's employees and the maintenance  
12 of such a labor peace agreement shall be an ongoing material condition  
13 of certification;

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

16 (v) the application shall include the name, residence address and  
17 title of each of the officers and directors and the name and residence  
18 address of any person or entity that is a member of the applicant  
19 including those of the applicant's parent companies, subsidiaries or  
20 affiliates. Each such person, if an individual, or lawful represen-  
21 tative if a legal entity, shall submit an affidavit with the application  
22 setting forth:

23 (A) any position of management, interest, or ownership during the  
24 preceding ten years of a ten per centum or greater interest in any other  
25 cannabis business or applicant, located in or outside of this state,  
26 manufacturing or distributing drugs, including indirect interest manage-  
27 ment or ownership of parent companies, subsidiaries, or affiliates;

28 (B) whether such person or any such business has had a cannabis busi-  
29 ness application denied or withdrawn or been convicted of a felony or  
30 had a registration or license subject to administrative action, includ-  
31 ing but not limited to violations, penalties, or consent agreements, or  
32 had any registration or license suspended or revoked in any administra-  
33 tive or judicial proceeding; and

34 (C) such other information as the executive director may reasonably  
35 require to enforce the licensing restrictions of this chapter.

36 2. The applicant shall be under a continuing duty to seek approval  
37 from the office prior to any material changes in ownership, management,  
38 or financial or managerial interest, or prior to substantive operational  
39 changes, and to disclose any change in facts or circumstances reflected  
40 in the application or any newly discovered or occurring fact or circum-  
41 stance which is required to be included in the application.

42 3. (a) The board may grant a registration or approve a requested  
43 amendment to a registration under this section if he or she is satisfied  
44 that:

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

47 (ii) the applicant will be able to comply with all applicable state  
48 laws and regulations;

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

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

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

1 (A) whether the number of registered organizations in an area will be  
2 adequate or excessive to reasonably serve the area's patient need and  
3 demand;

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

6 (C) whether the registered organization provides education and  
7 outreach to practitioners;

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

10 (E) the affordability medical cannabis products offered by the regis-  
11 tered organization;

12 (vi) the applicant and its managing officers and interest holders are  
13 of good moral character and have demonstrated a record and history of  
14 compliance with cannabis laws and regulations in the jurisdictions where  
15 they operate or have operated cannabis licenses and/or registrations;

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

21 (viii) the applicant satisfies any other conditions as determined by  
22 the executive director.

23 (b) If the executive director is not satisfied that the applicant  
24 should be issued a registration or granted approval to amend an existing  
25 registration, he or she shall notify the applicant in writing of those  
26 factors upon which the denial is based. Within thirty days of the  
27 receipt of such notification, the applicant may submit a written request  
28 to the executive director to appeal the decision.

29 (c) The fee for a registration under this section shall be an amount  
30 determined by the office in regulations.

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

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

34 (ii) which activities of a registered organization are permitted by  
35 the registration;

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

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

40 (e) Upon application of a registered organization, a registration may  
41 be amended to allow the registered organization to relocate within the  
42 state or to add or delete permitted registered organization activities  
43 or facilities. The fee for such amendment request shall be determined by  
44 the executive director.

45 4. A registration issued under this section shall be valid for two  
46 years from the date of issue.

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

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

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

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

6 (A) each incident or alleged incident involving the theft, loss, or  
7 possible diversion of cannabis manufactured or distributed by the appli-  
8 cant; and

9 (B) compliance by the applicant with the laws of any state or territo-  
10 ry with respect to any substance listed in section thirty-three hundred  
11 six of the public health law.

12 (c) An applicant for renewal shall be under a continuing duty to  
13 report to the office any change in facts or circumstances reflected in  
14 the application or any newly discovered or occurring fact or circum-  
15 stance which is required to be included in the application, and to seek  
16 approval prior to any material change in ownership interest, management  
17 or operations.

18 (d) If the executive director is not satisfied that the registered  
19 organization applicant is entitled to a renewal of the registration, he  
20 or she shall within a reasonably practicable time as determined by the  
21 executive director, serve upon the registered organization or its attor-  
22 ney of record in person or by registered or certified mail an order  
23 directing the registered organization to show cause why its application  
24 for renewal should not be denied. The order shall specify in detail the  
25 respects in which the applicant has not satisfied the executive director  
26 that the registration should be renewed.

27 6. (a) The executive director shall recommend the board renew a regis-  
28 tration unless he or she determines and finds that:

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

31 (ii) the applicant is unlikely to comply with all state laws and regu-  
32 lations applicable to the registration application and activities in  
33 which it may engage under the registration;

34 (iii) it is not in the public interest to renew the registration  
35 because the number of registered organizations in an area is excessive  
36 to reasonably serve the area and patient need;

37 (iv) the applicant has either violated or terminated its labor peace  
38 agreement; or

39 (v) the applicant has substantively violated this chapter, regulations  
40 promulgated thereunder, or the laws of another jurisdiction in which  
41 they operate or have operated a cannabis license or registration.

42 (b) For purposes of this section, proof that a registered organiza-  
43 tion, during the period of its registration, has failed to maintain  
44 effective control against diversion, violated any provision of this  
45 article, or has knowingly or negligently failed to comply with applica-  
46 ble state laws relating to the activities in which it engages under the  
47 registration, may constitute grounds for suspension, revocation or limi-  
48 tation of the registered organization's registration or as determined by  
49 the executive director. The registered organization shall also be under  
50 a continuing duty to report to the office and seek prior approval for  
51 any material change or fact or circumstance to the information provided  
52 in the registered organization's application.

53 7. The office may suspend or revoke the registration of a registered  
54 organization, on grounds and using procedures under this article relat-  
55 ing to a license, to the extent consistent with this article. The  
56 office shall suspend or revoke the registration in the event that a



1 registered organization violates or terminates the applicable labor  
2 peace agreement. Conduct in compliance with this article which may  
3 violate conflicting federal law, shall not in and of itself be grounds  
4 to suspend or terminate a registration.

5 8. The office shall begin issuing registrations for registered organ-  
6 izations as soon as practicable after the certifications required by  
7 this article are given.

8 9. The office shall register at least ten registered organizations  
9 that manufacture medical cannabis with no more than four dispensing  
10 sites wholly owned and operated by such registered organization. The  
11 executive director shall ensure that such registered organization,  
12 dispensing sites or approved delivery activities are geographically  
13 distributed across the state to satisfy patient and program need. The  
14 executive director may register additional registered organizations.

15 § 36. Intentionally omitted.

16 § 37. Reports of registered organizations. 1. The executive director  
17 shall require each registered organization to file reports by the regis-  
18 tered organization during a particular period. The executive director  
19 shall determine the information to be reported and the forms, time, and  
20 manner of the reporting.

21 2. The executive director shall require each registered organization  
22 to adopt and maintain security, tracking, record keeping, record  
23 retention and surveillance systems, relating to all medical cannabis at  
24 every stage of acquiring, possession, manufacture, sale, delivery,  
25 transporting, distributing, or dispensing by the registered organiza-  
26 tion, subject to regulations of the executive director.

27 § 38. Evaluation; research programs; report by office. 1. The execu-  
28 tive director may provide for the analysis and evaluation of the opera-  
29 tion of this title. The executive director may enter into agreements  
30 with one or more persons, not-for-profit corporations or other organiza-  
31 tions, for the performance of an evaluation of, or to aid in, the imple-  
32 mentation and effectiveness of this title.

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

37 3. The office shall report every two years, beginning two years after  
38 the effective date of this chapter, to the governor and the legislature  
39 on the medical use of cannabis under this title and make appropriate  
40 recommendations.

41 § 39. Cannabis research license. 1. The board shall establish a  
42 cannabis research license that permits a licensee to produce, process,  
43 purchase and possess cannabis for the following limited research  
44 purposes:

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

46 (b) to conduct clinical investigations of cannabis-derived drug  
47 products;

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

50 (d) to conduct genomic or agricultural research.

51 2. As part of the application process for a cannabis research license,  
52 an applicant shall submit to the office a description of the research  
53 that is intended to be conducted as well as the amount of cannabis to be  
54 grown or purchased. The office shall review an applicant's research  
55 project and determine whether it meets the requirements of subdivision

1 one of this section. In addition, the office shall assess the applica-  
2 tion based on the following criteria:

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

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

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

12 3. A cannabis research licensee may only sell cannabis grown or within  
13 its operation to other cannabis research licensees. The office may  
14 revoke a cannabis research license for violations of this subdivision.

15 4. A cannabis research licensee may contract with the higher education  
16 institutions to perform research in conjunction with the university. All  
17 research projects, entered into under this section shall be approved by  
18 the office and meet the requirements of subsection one of this section.

19 5. In establishing a cannabis research license, the board may adopt  
20 regulations on the following:

21 (a) application requirements;

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

24 (c) conditions for license revocation;

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

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

29 (f) licensee reporting requirements;

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

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

34 6. A cannabis research license issued pursuant to this section shall  
35 be issued in the name of the applicant, specify the location at which  
36 the cannabis researcher intends to operate, which shall be within the  
37 state of New York, and the holder thereof may not allow any other person  
38 to use the license.

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

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

45 § 40. Registered organizations and adult-use cannabis. 1. The execu-  
46 tive director shall have the authority to grant some or all of the  
47 registered organizations previously registered with the department of  
48 health and currently registered and in good standing with the office,  
49 the ability to be licensed to cultivate, process, distribute and/or sell  
50 adult-use cannabis and cannabis products, pursuant to any fees, rules or  
51 conditions prescribed by the board in regulation, but exempt from the  
52 restrictions on licensed adult-use cultivators, processors, and distrib-  
53 utors from having any ownership interest in a licensed adult-use retail  
54 dispensary wholly owned and controlled by the registered organization  
55 pursuant to article four of this chapter.

1 2. The office shall have the authority to hold a competitive bidding  
2 process, including an auction, to determine the registered  
3 organization(s) authorized to be licensed to cultivate, process,  
4 distribute and/or sell adult-use cannabis and to collect the fees gener-  
5 ated from such auction to administer the office's social and economic  
6 equity plan and other duties prescribed by this chapter.

7 3. Alternatively, registered organizations may apply for licensure as  
8 an adult-use cannabis cultivator, adult-use cannabis processor, and  
9 adult-use cannabis distributor, or apply for licensure as an adult-use  
10 cannabis retail dispensary, subject to all of the restrictions and limi-  
11 tations set forth in article four of this chapter.

12 4. Any registered organization which is licensed to cultivate, proc-  
13 ess, distribute and sell adult-use cannabis and cannabis products pursu-  
14 ant to this section and article four of this chapter, shall be required  
15 to maintain sufficient supply and distribution of medical cannabis  
16 products for certified patients pursuant to regulations promulgated by  
17 the executive director.

18 § 41. Home cultivation of medical cannabis. 1. Eligible certified  
19 patients or one of their designated caregivers twenty-one years of age  
20 or older may apply for registration with the office to grow and possess  
21 no more than four cannabis plants, as defined by the executive director  
22 in regulation, per household.

23 2. All medical cannabis cultivated at home must be grown and stored in  
24 a single location in an enclosed, locked space, not open or viewable to  
25 the public. Such homegrown medical cannabis must only be for use by the  
26 certified patient and may not be distributed, sold, or gifted.

27 3. The board shall develop rules and regulations governing this  
28 section which shall include, but not be limited to:

29 (a) the registration of medical cannabis cultivated at home users and  
30 tracking of individual plants and the cannabis they produce;

31 (b) the inspection of medical cannabis cultivated at home to ensure  
32 compliance with possession limits and any building code, fire code, or  
33 other applicable state or local laws;

34 (c) restrictions and prohibitions on the unlicensed manufacturing and  
35 processing of medical cannabis products;

36 (d) application and eligibility requirements for a patient or one of  
37 their designated caregivers to qualify and be approved to grow medical  
38 cannabis;

39 (e) odor mitigation systems and plans that must be utilized for the  
40 home growing of medical cannabis;

41 (f) systems and processes that shall be used to confirm grow and  
42 possession limits compliance with law enforcement officials;

43 (g) possession limit equivalencies and restrictions on how much  
44 harvested and unused cannabis may be possessed by patients and caregiv-  
45 ers who grow at home;

46 (h) the requirement that any patient or caregiver who cultivates  
47 medical cannabis at home provides proof of ownership of the grow  
48 location or written permission from the owner, landlord or governing  
49 board;

50 (i) enforcement of non-compliant cultivation at home including but not  
51 limited to the revocation of any registration or registry identification  
52 card associated with the patient and the seizure and destruction of  
53 non-compliant cannabis plants and products and the acquisition and  
54 transfer of cannabis plants;

55 (j) cultivation of medical cannabis at home location requirements; and

1 (k) any other regulations related to cultivation of medical cannabis  
2 at home, the growing infrastructure used, those with access to the site,  
3 or the cannabis material produced.

4 4. An eligible designated caregiver approved by the office may only  
5 grow for one patient.

6 5. A designated caregiver may not accept any money, fees, consider-  
7 ation, services, or any exchange of value in return for their growing  
8 services.

9 6. Any person in violation of state law or regulations related to  
10 cultivation of medical cannabis at home shall have any cannabis registry  
11 identification card, license, registration, or permit immediately  
12 revoked and shall be subject to administrative fines and penalties  
13 imposed by the office, as determined in regulation, and shall be subject  
14 to any applicable criminal penalties.

15 § 42. Relation to other laws. 1. The provisions of this article shall  
16 apply, except that where a provision of this article conflicts with  
17 another provision of this chapter, this article shall apply.

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

20 § 43. Protections for the medical use of cannabis. 1. Certified  
21 patients, designated caregivers, designated caregiver facilities, prac-  
22 titioners, registered organizations and the employees of registered  
23 organizations, and cannabis researchers shall not be subject to arrest,  
24 prosecution, or penalty in any manner, or denied any right or privilege,  
25 including but not limited to civil penalty or disciplinary action by a  
26 business or occupational or professional licensing board or bureau,  
27 solely for the certified medical use or manufacture of cannabis, or for  
28 any other action or conduct, in accordance with this article.

29 2. Being a certified patient shall be deemed to be having a "disabili-  
30 ty" under article fifteen of the executive law, section forty-c of the  
31 civil rights law, sections 240.00, 485.00, and 485.05 of the penal law,  
32 and section 200.50 of the criminal procedure law. This subdivision shall  
33 not bar the enforcement of a policy prohibiting an employee from  
34 performing his or her employment duties while impaired by or under the  
35 influence of a controlled substance. This subdivision shall not require  
36 any person or entity to do any act that would put the person or entity  
37 in direct violation of federal law or cause it to lose a federal  
38 contract or funding.

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

43 4. (a) Certification applications, certification forms, any certified  
44 patient information contained within a database, and copies of registry  
45 identification cards shall be deemed exempt from public disclosure under  
46 sections eighty-seven and eighty-nine of the public officers law. Upon  
47 specific request by a certified patient to the office, the office may  
48 verify the requesting patient's status as a valid certified patient to  
49 the patient's school or employer, to ensure compliance with the  
50 protections afforded by this section.

51 (b) The name, contact information, and other information relating to  
52 practitioners registered with the office under this article shall be  
53 public information and shall be maintained by the executive director on  
54 the office's website accessible to the public in searchable form. Howev-  
55 er, if a practitioner notifies the office in writing that he or she does  
56 not want his or her name and other information disclosed, that practi-

1 tioner's name and other information shall thereafter not be public  
2 information or maintained on the office's website, unless the practi-  
3 tioner cancels the request.

4 § 44. Regulations. The board shall make regulations to implement this  
5 article.

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

10 § 46. Pricing. 1. Every sale of medical cannabis shall be at or below  
11 the price approved by the executive director. Every charge made or  
12 demanded for medical cannabis not in accordance with the price approved  
13 by the executive director, is prohibited.

14 2. The executive director is hereby authorized to set the per dose  
15 price of each form of medical cannabis sold by any registered organiza-  
16 tion. In reviewing the per dose price of each form of medical cannabis,  
17 the executive director may consider the fixed and variable costs of  
18 producing the form of cannabis and any other factor the executive direc-  
19 tor, in his or her discretion, deems relevant in reviewing the per dose  
20 price of each form of medical cannabis.

21 § 47. Severability. If any clause, sentence, paragraph, section or  
22 part of this article shall be adjudged by any court of competent juris-  
23 diction to be invalid, the judgment shall not affect, impair, or invali-  
24 date the remainder thereof, but shall be confined in its operation to  
25 the clause, sentence, paragraph, section or part thereof directly  
26 involved in the controversy in which the judgment shall have been  
27 rendered.

28 ARTICLE 4  
29 ADULT-USE CANNABIS

30 Section 60. Licenses issued.

31 61. License application.

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

33 63. Fees.

34 64. Approval and selection criteria.

35 65. Limitations of licensure.

36 66. License renewal.

37 67. Amendments; changes in ownership and organizational struc-  
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39 68. Adult-use cultivator license.

40 69. Adult-use processor license.

41 70. Adult-use cooperative license.

42 71. Adult-use distributor license.

43 72. Adult-use retail dispensary license.

44 73. Notification to municipalities of adult-use on-site consump-  
45 tion license.

46 74. On-site consumption license; provisions governing on-site  
47 consumption licenses.

48 75. Record keeping and tracking.

49 76. Inspections and ongoing requirements.

50 77. Adult-use cultivators, processors or distributors not to be  
51 interested in retail dispensaries.

52 78. Packaging, labeling, form and administration of adult-use  
53 cannabis products.

54 79. Laboratory testing.

1 80. Provisions governing the cultivation and processing of  
2 adult-use cannabis.

3 81. Provisions governing the distribution of adult-use cannabis.

4 82. Provisions governing adult-use cannabis retail dispensaries.

5 83. Adult-use cannabis advertising and marketing.

6 84. Minority, women-owned businesses and disadvantaged farmers;  
7 social and economic equity plan.

8 85. Regulations.

9 § 60. Licenses issued. The following kinds of licenses shall be  
10 issued by the executive director for the cultivation, processing,  
11 distribution and sale of cannabis to cannabis consumers:

12 1. Adult-use cultivator license;

13 2. Adult-use processor license;

14 3. Adult-use cooperative license;

15 4. Adult-use distributor license;

16 5. Adult-use retail dispensary license;

17 6. On-site consumption license; and

18 7. Any other type of license as prescribed by the board in regulation.

19 § 61. License Application. 1. Any eligible person may apply to the  
20 office for a license to cultivate, process, distribute or dispense  
21 cannabis within this state for sale during an open application period  
22 and pursuant to regulations promulgated by the office. Such application  
23 shall be in writing and verified and shall contain such information as  
24 the office shall require. Such application shall be accompanied by a  
25 check, draft or other forms of payment as the office may require for the  
26 amount required by this article for such license. If the office approves  
27 the application, it may issue a license in such form and through such  
28 process prescribed by the office. Such license shall contain a  
29 description of the licensed premises and in form and in substance shall  
30 be a license to the person therein specifically designated to cultivate,  
31 process, distribute or dispense cannabis in the premises therein specif-  
32 ically licensed or to engage in any other licensed, registered or  
33 permitted activity within the state, and the address, location, and/or  
34 scope specified by the office.

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

38 3. An applicant shall not be denied a license under this article based  
39 solely on a conviction for a violation of article two hundred twenty or  
40 section 240.36 of the penal law, prior to the date article two hundred  
41 twenty-one of the penal law took effect, or a conviction for a violation  
42 of article two hundred twenty-one of the penal law after the effective  
43 date of this chapter.

44 § 62. Information to be requested in applications for licenses. 1. The  
45 office shall have the authority to prescribe the manner and form in  
46 which an application must be submitted to the office for licensure under  
47 this article. Such information may include, but is not limited to:  
48 information about the applicant's identity, including racial and ethnic  
49 background; ownership and investment information, including the corpo-  
50 rate structure; evidence of good moral character, including the  
51 submission of fingerprints by the applicant to the division of criminal  
52 justice services; information about the premises to be licensed; finan-  
53 cial statements; and any other information prescribed by in regulation.

54 2. All license applications shall be signed by the applicant (if an  
55 individual), by a managing partner (if a limited liability corporation),  
56 by an officer (if a corporation), or by all partners (if a partnership).

1 Each person signing such application shall verify it or affirm it as  
2 true under the penalties of perjury.

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

6 4. If there be any proposed change, after the filing of the applica-  
7 tion or the granting of a license, in any of the facts required to be  
8 set forth in such application, a supplemental statement requesting  
9 approval of such change, cost and source of money involved in the  
10 change, duly verified, shall be submitted to the office prior to such  
11 proposed change. Failure to do so shall, if willful and deliberate, be  
12 cause for revocation of the license.

13 5. In giving any notice, or taking any action in reference to a regis-  
14 tered organization or licensee of a licensed premises, the office may  
15 rely upon the information furnished in such application and in any  
16 supplemental statement or request connected therewith, and such informa-  
17 tion may be presumed to be correct, and shall be binding upon a regis-  
18 tered organization, licensee or licensed premises as if correct. All  
19 information required to be furnished in such application, requests or  
20 supplemental statements shall be deemed material in any prosecution for  
21 perjury, any proceeding to revoke or suspend any license, or impose a  
22 fine and in the office's determination to approve or deny the license.

23 6. The office may, in its discretion, waive the submission of any  
24 category of information described in this section for any category of  
25 license or permit, provided that it shall not be permitted to waive the  
26 requirement for submission of any such category of information solely  
27 for an individual applicant or applicants.

28 7. The office may, in its discretion, wholly prohibit and/or prescribe  
29 specific criteria under which it will consider and allow limited trans-  
30 fers or changes of ownership, interest, or control during the registra-  
31 tion or license application period and/or up to two years after an  
32 approved applicant commences licensed activities.

33 § 63. Fees. 1. The office shall have the authority to charge appli-  
34 cants for licensure under this article a non-refundable application fee  
35 and/or to create a competitive process determined by the office to be  
36 qualified for such licensure based on the selection criteria in section  
37 sixty-four of this article. Such fee may be based on the type of licen-  
38 sure sought, cultivation and/or production volume, sequence or priority  
39 of issuance, or any other factors deemed necessary, reasonable and  
40 appropriate by the office to achieve the policy and purpose of this  
41 chapter.

42 2. The office shall have the authority to charge licensees a biennial  
43 or annual license fee which shall be non-refundable. Such fee may be  
44 based on the amount of cannabis to be cultivated, processed, distributed  
45 and/or dispensed by the licensee or the gross annual receipts of the  
46 licensee for the previous license period, or any other factors deemed  
47 reasonable and appropriate by the office.

48 3. The office shall have the authority to waive or reduce fees pursu-  
49 ant to this section for social and economic equity applicants.

50 § 64. Approval and selection criteria. 1. The board shall develop  
51 regulations for use by the office in determining whether or not an  
52 applicant should be approved for and subsequently granted the privilege  
53 of holding an adult-use cannabis license. The criteria for such approval  
54 or subsequent issuance shall be based on, but not limited to, the  
55 following criteria:

1 (a) the applicant will be able to maintain effective control against  
2 the illegal diversion or inversion of cannabis;

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

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

7 (d) where appropriate and applicable, the applicant possesses or has  
8 the right to use, or opportunity to acquire, sufficient land, buildings,  
9 and equipment to properly carry on the activity described in the appli-  
10 cation;

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

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

15 (ii) the number, classes, scope and character of other licenses or  
16 approved applicants in proximity to the location or in the state, county  
17 or particular municipality or subdivision thereof as appropriate;

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

20 (iv) the history of cannabis or other relevant regulatory violations  
21 at the proposed location or by the applicant in any relevant jurisdic-  
22 tion, as well as any pattern of violations under this chapter, and  
23 reported criminal activity at the proposed premises;

24 (v) the effect on the production, price and availability of cannabis  
25 and cannabis products; and

26 (vi) any other factors specified by law or regulation that are rele-  
27 vant to determine that granting a license would promote public health  
28 and safety and the public interest of the state, county or community;

29 (f) the applicant and its managing officers do not have an ownership  
30 or controlling interest in more licenses, permits, or the scope of  
31 activity allowed by this chapter, or any regulations promulgated here-  
32 under;

33 (g) the applicant has entered into a labor peace agreement with a  
34 bona-fide labor organization that is actively engaged in representing or  
35 attempting to represent the applicant's employees, and the maintenance  
36 of such a labor peace agreement shall be an ongoing material condition  
37 of licensure;

38 (h) the applicant will contribute to communities, the workforce and  
39 people disproportionately harmed by cannabis law enforcement through  
40 participation in the social and economic equity plan implemented by the  
41 office or other suitable means;

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

44 (j) 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 is  
47 eligible to be approved, or subsequently should be issued a license, the  
48 executive director shall notify the applicant in writing of the specific  
49 reason or reasons for denial.

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

53 2. No person shall sell, deliver, or give away or cause or permit or  
54 procure to be sold, delivered or given away any cannabis to any person,  
55 actually or apparently, under the age of twenty-one years, or any visi-  
56 bly intoxicated person.



1 3. No person shall knowingly sell, deliver, or give away or cause or  
2 permit or procure to be sold, delivered or given away to a lawful canna-  
3 bis consumer any amount of cannabis which would cause the lawful canna-  
4 bis consumer to be in violation of the possession limits established by  
5 this chapter, or their equivalent as determined by the executive direc-  
6 tor in regulation.

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

10 5. All licenses under this article shall expire two years after the  
11 date of issue.

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

25 2. The office shall create a social responsibility framework agreement  
26 and make the adherence to and fulfillment of such agreement a condi-  
27 tional requirement of license renewal.

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

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

35 5. Each applicant must maintain a labor peace agreement with a bona-  
36 fide labor organization that is actively engaged in representing or  
37 attempting to represent the applicant's employees and the maintenance of  
38 such a labor peace agreement shall be an ongoing material condition of  
39 licensure.

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

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

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

49 2. Upon application to the office, an application or license may be  
50 amended to allow the applicant or licensee to relocate within the state,  
51 to add or delete licensed activities or facilities, or to amend the  
52 ownership or organizational structure of the entity that is the appli-  
53 cant or licensee, upon approval by the executive director. The fee for  
54 such amendment shall be determined by the executive director in regu-  
55 lation.

1 3. A license shall become void by a change in ownership, management,  
2 interest, substantial corporate change, location, or material changes in  
3 operations without prior written approval of the executive director. The  
4 executive director may promulgate regulations specifying the process for  
5 amendment requests and allowing for certain types of changes in owner-  
6 ship without the need for prior written approval.

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

9 (a) for a corporation, a change of five percent or more of the offi-  
10 cers and/or directors, or a transfer of five percent or more of stock of  
11 such corporation, or an existing stockholder obtaining five percent or  
12 more of the stock of such corporation; or

13 (b) for a limited liability company, a change of five percent or more  
14 of the managing members of the company, or a transfer of five percent or  
15 more of ownership interest in said company, or an existing member  
16 obtaining a cumulative of five percent or more of the ownership interest  
17 in said company.

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

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

28 3. A person holding an adult-use cultivator's license may apply for,  
29 and obtain, one processor's license and one distributor's license.

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

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

41 6. No person may have a direct or indirect financial or controlling  
42 interest in more than one adult-use cultivator license issued pursuant  
43 to this chapter, provided that one adult-use cultivator license may  
44 authorize adult-use cultivation in more than one location.

45 7. The executive director shall have the authority to issue microbusi-  
46 ness cultivator licenses, allowing microbusiness licensees to cultivate,  
47 process, and distribute adult-use cannabis direct to licensed cannabis  
48 retailers, under a single license. The board may establish through  
49 regulation microbusiness license eligibility criteria and production  
50 limits of total cannabis cultivated, processed and/or distributed annu-  
51 ally for microbusiness cultivator licenses.

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

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

5 3. No processor shall be engaged in any other business on the premises  
6 to be licensed; except that nothing contained in this chapter shall  
7 prevent an adult-use cannabis cultivator, processor, and distributor  
8 from operating on the same premises and from a person holding all three  
9 licenses.

10 4. No cannabis processor licensee may hold more than one cannabis  
11 processor license, provided a single license may authorize processor  
12 activities at multiple locations.

13 5. No adult-use cannabis processor shall have a direct or indirect  
14 interest, including by stock ownership, interlocking directors, mortgage  
15 or lien, personal or real property, management agreement, or through  
16 parent organizations or affiliate entities, or any other means, in any  
17 premises licensed as an adult-use cannabis retail dispensary or in any  
18 business licensed as an adult-use cannabis retail dispensary pursuant to  
19 this article.

20 § 70. Adult-use cooperative license. 1. A cooperative license shall  
21 authorize the acquisition, possession, cultivation, processing and sale  
22 from the licensed premises of the adult-use cooperative by such licensee  
23 to duly licensed distributors and/or retail dispensaries; but not  
24 directly to cannabis consumers.

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

26 (a) be comprised of residents of the state of New York as a limited  
27 liability company or limited liability partnership under the laws of the  
28 state, or an appropriate business structure as determined by the execu-  
29 tive director; and

30 (b) the cooperative must operate according to the seven cooperative  
31 principles published by the International Cooperative Alliance in nine-  
32 teen hundred ninety-five.

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

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

38 5. No adult-use cannabis cooperative shall have a direct or indirect  
39 interest, including by stock ownership, interlocking directors, mortgage  
40 or lien, personal or real property, or any other means, in any premises  
41 licensed as an adult-use cannabis retail dispensary or in any business  
42 licensed as an adult-use cannabis retail dispensary pursuant to this  
43 article.

44 6. The board shall promulgate regulations governing cooperative  
45 licenses, including, but not limited to, the establishment of canopy  
46 limits and other restrictions on the size and scope of cooperative  
47 licensees.

48 § 71. Adult-use distributor license. 1. A distributor's license shall  
49 authorize the acquisition, possession, distribution and sale of cannabis  
50 from the licensed premises of a licensed adult-use processor, microbusi-  
51 ness cultivator, adult-use cooperative, or registered organization  
52 authorized to sell adult-use cannabis, to duly licensed retail dispen-  
53 saries.

54 2. No distributor shall have a direct or indirect economic interest in  
55 any adult-use retail dispensary licensed pursuant to this article, or in  
56 any registered organization registered pursuant to article three of this

1 chapter. This restriction shall not prohibit a registered organization  
2 authorized pursuant to section forty of this chapter, from being granted  
3 licensure by the office to distribute adult-use cannabis products culti-  
4 vated and processed by the registered organization to the registered  
5 organization's own licensed adult-use retail dispensaries.

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

9 4. Adult-use distributor licensees are subject to minimum operating  
10 requirements as determined by regulation.

11 § 72. Adult-use retail dispensary license. 1. A retail dispensary  
12 license shall authorize the acquisition, possession and sale of cannabis  
13 from the licensed premises of the retail dispensary by such licensee to  
14 cannabis consumers.

15 2. No person may have a direct or indirect financial or controlling  
16 interest in more than three retail dispensary licenses issued pursuant  
17 to this chapter. This restriction shall not prohibit a registered organ-  
18 ization, authorized pursuant to section forty of this chapter, from  
19 being granted licensure by the office to sell adult-use cannabis at  
20 locations previously registered by the department of health; subject to  
21 any conditions, limitations or restrictions established by the office.

22 3. No person holding a retail dispensary license may also hold or have  
23 any interest in an adult-use cultivation, processor, microbusiness  
24 cultivator, cooperative or distributor license pursuant to this article.

25 4. No retail license shall be granted for any premises, unless the  
26 applicant shall be the owner thereof, or shall be in possession of said  
27 premises under a lease, management agreement or other agreement giving  
28 the applicant control over the premises, in writing, for a term not less  
29 than the license period.

30 5. No cannabis retail license shall be granted for any premises within  
31 five hundred feet of a building occupied exclusively as a school, or two  
32 hundred feet of a church, synagogue or other place of worship.

33 § 73. Notification to municipalities of adult-use on-site consumption  
34 license. 1. Adult-use on-site consumption applicants must notify the  
35 municipality in which the proposed premises is located within ten busi-  
36 ness days of identifying the proposed premises and/or executing a lease,  
37 letter of intent to occupy the premises, or execution of a purchase and  
38 sale agreement.

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

42 (a) notification need only be given to the clerk of a village when the  
43 proposed or secured premises is located within the boundaries of such  
44 village; and

45 (b) in the city of New York, the community board established pursuant  
46 to section twenty-eight hundred of the New York city charter with juris-  
47 diction over the area in which the proposed or secured premises is  
48 located shall be considered the appropriate public body to which notifi-  
49 cation shall be given.

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

52 4. Such notification shall be made in such manner as outlined by the  
53 office in regulation.

54 5. The office shall require such notification to be on a standardized  
55 form that can be obtained on the internet or from the office and such

1 notification shall include applicant, licensee and proposed or secured  
2 premises information as determined by the office in regulation.

3 § 74. On-site consumption license; provisions governing on-site  
4 consumption licenses. 1. No licensed adult-use cannabis retail dispens-  
5 ary may be granted a cannabis on-site consumption license for any prem-  
6 ises, unless the applicant shall be the owner thereof, or shall be in  
7 possession of said premises under a lease, in writing, for a term not  
8 less than the license period except, however, that such license may  
9 thereafter be renewed without the requirement of a lease as provided in  
10 this section. This subdivision shall not apply to premises leased from  
11 government agencies, as defined under subdivision twenty of section  
12 three of this chapter; provided, however, that the appropriate adminis-  
13 trator of such government agency provides some form of written documen-  
14 tation regarding the terms of occupancy under which the applicant is  
15 leasing said premises from the government agency for presentation to the  
16 office at the time of the license application. Such documentation shall  
17 include the terms of occupancy between the applicant and the government  
18 agency, including, but not limited to, any short-term leasing agreements  
19 or written occupancy agreements.

20 2. No adult-use cannabis retail dispensary shall be granted a cannabis  
21 on-site consumption license for any premises within five hundred feet of  
22 a building occupied exclusively as a school, or two hundred feet of a  
23 church, synagogue or other place of worship.

24 3. The office may consider any or all of the following in determining  
25 whether public health, safety, and convenience and the public interest  
26 will be promoted by approving an application or the granting of a  
27 license for an on-site cannabis consumption at a particular location:

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

30 (b) the number, classes, scope and character of other licenses in  
31 proximity to the location and in the particular municipality or subdivi-  
32 sion thereof;

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

35 (d) the history of violations under this chapter, or cannabis laws and  
36 regulations of another jurisdiction, and reported criminal activity at  
37 the proposed premises or associated with the applicant; and

38 (e) any other factors that, in the judgment of the office, are rele-  
39 vant to determine that granting a license would promote public health,  
40 safety and convenience and the public interest of the community;

41 4. If the office shall deny an application for an on-site consumption  
42 license, it shall state and file in its offices the reasons therefor and  
43 shall notify the applicant thereof. Such applicant may thereupon apply  
44 to the office for a review of such action in a manner to be prescribed  
45 by the rules of the office.

46 5. All retail licensed premises shall be subject to inspection by any  
47 peace officer, acting pursuant to his or her special duties, or police  
48 officer and by the duly authorized representatives of the office, during  
49 the hours when the said premises are open for the transaction of busi-  
50 ness.

51 6. A cannabis on-site consumption licensee shall not provide cannabis  
52 products to any person under the age of twenty-one or to anyone visibly  
53 intoxicated.

54 7. The office, in its discretion, shall have the ability to prior-  
55 itize, or postpone accepting applications for, and the issuance of,  
56 on-site consumption licenses, and/or prioritize or limit the acceptance

1 and review of applications from applicant pools such as social and  
2 economic equity applicants, consistent with the intent of this chapter.

3 8. The office shall promulgate rules and regulations governing the  
4 minimum operating requirements for on-site consumption licensees.

5 § 75. Record keeping and tracking. The board shall, by regulation,  
6 require each licensee pursuant to this article to adopt and maintain  
7 security, tracking, record keeping, record retention and surveillance  
8 systems, relating to all cannabis at every stage of acquiring,  
9 possession, manufacture, sale, delivery, transporting, or distributing  
10 by the licensee.

11 § 76. Inspections and ongoing requirements. All licensed or permitted  
12 premises, regardless of the type of premises, and records including  
13 financial statements and corporate documents, shall be subject to  
14 inspection by the office, by the duly authorized representatives of the  
15 office, by any peace officer acting pursuant to his or her special  
16 duties, or by a police officer. The office shall make reasonable accom-  
17 modations so that ordinary business is not interrupted and safety and  
18 security procedures are not compromised by the inspection. A person who  
19 holds a license or permit must make himself or herself, or an agent  
20 thereof, available and present for any inspection required by the  
21 office. Such inspection may include, but is not limited to, ensuring  
22 compliance by the licensee or permittee with all of the requirements of  
23 this article, the regulations promulgated pursuant thereto, and other  
24 applicable building codes, fire, health, safety, and governmental regu-  
25 lations, including at the municipal, county, and state level and include  
26 any inspector or official of relevant jurisdiction.

27 § 77. Adult-use cultivators, processors or distributors not to be  
28 interested in retail dispensaries. 1. It shall be unlawful for a culti-  
29 vator, processor, cooperative or distributor licensed under this article  
30 to:

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

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

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

42 (d) enter into any contract or agreement with any retail licensee  
43 whereby such licensee agrees to confine his sales to cannabis products  
44 manufactured or sold by one or more such cultivator or processors or  
45 distributors. Any such contract shall be void and subject the licenses  
46 of all parties concerned to revocation for cause and any applicable  
47 administrative enforcement and penalties.

48 2. The provisions of this section shall not prohibit a registered  
49 organization authorized pursuant to section forty of this chapter, from  
50 cultivating, processing, distributing and selling adult-use cannabis  
51 under this article, at facilities wholly owned and operated by such  
52 registered organization, subject to any conditions, limitations or  
53 restrictions established by the office.

54 3. The board shall have the authority to create rules and regulations  
55 in regard to this section.

1 § 78. Packaging, labeling, form and administration of adult-use canna-  
2 bis products. 1. The board is hereby authorized to promulgate rules and  
3 regulations governing the packaging, labeling, form and method of admin-  
4 istration or ingestion, branding and marketing of cannabis products,  
5 sold or possessed for sale in New York state.

6 2. Such regulations shall include, but not be limited to, requiring  
7 that:

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

10 (b) prior to delivery or sale at a retailer, cannabis and cannabis  
11 products shall be labeled according to regulations and placed in a  
12 resealable, child-resistant package; and

13 (c) packages, labels, forms and products shall not be made to be  
14 attractive to or target persons under the age of twenty-one.

15 3. Such regulations shall include requiring labels warning consumers  
16 of any potential impact on human health resulting from the consumption  
17 of cannabis products that shall be affixed to those products when sold,  
18 if such labels are deemed warranted by the office and may establish  
19 standardized and/or uniform packaging requirements for adult-use  
20 products.

21 4. Such rules and regulations shall determine serving sizes for canna-  
22 bis-infused products, active cannabis concentration per serving size,  
23 and number of servings per container. Such regulations shall also  
24 require a nutritional fact panel that incorporates data regarding serv-  
25 ing sizes and potency thereof.

26 5. Such rules and regulations shall establish approved product types  
27 and forms and establish an application and review process to determine  
28 the suitability of new product types and forms, taking into consider-  
29 ation the consumer and public health and safety implications of differ-  
30 ent product varieties, manufacturing processes, product types and forms,  
31 the means and methods of ingestion associated with specific product  
32 types, and any other criteria identified by the board for consideration  
33 to protect public health and safety.

34 6. The packaging, sale, labeling, marketing, branding, advertising or  
35 possession by any licensee of any cannabis product not labeled or  
36 offered in conformity with rules and regulations promulgated in accord-  
37 ance with this section shall be grounds for the imposition of a fine,  
38 and/or the suspension, revocation or cancellation of a license. Fines  
39 may be imposed on a per violation, per day basis.

40 § 79. Laboratory testing. 1. Every processor of adult-use cannabis  
41 shall contract with an independent laboratory permitted pursuant to  
42 section one hundred twenty-nine of this chapter, to test the cannabis  
43 products it produces pursuant to rules and regulations prescribed by the  
44 office. The board may assign an approved testing laboratory, which the  
45 processor of adult-use cannabis must use, and may establish consortia  
46 with neighboring states, to inform best practices, and share data.

47 2. Adult-use cannabis processors, cooperatives and microbusinesses  
48 shall make laboratory test reports available to licensed distributors  
49 and retail dispensaries for all cannabis products manufactured by the  
50 processor or licensee.

51 3. Licensed retail dispensaries shall maintain accurate documentation  
52 of laboratory test reports for each cannabis product offered for sale to  
53 cannabis consumers. Such documentation shall be made publicly available  
54 by the licensed retail dispensary.

55 4. Onsite laboratory testing by licensees is permissible subject to  
56 regulation; however, such testing shall not be certified by the office

1 and does not exempt the licensee from the requirements of quality assurance testing at a testing laboratory pursuant to this section.

2  
3 5. An owner of a cannabis laboratory testing permit shall not hold a license, or interest in a license, in any other category within this article and shall not own or have ownership interest in a registered organization registered pursuant to article three of this chapter.

7 6. The office shall have the authority to require any licensee under this article to submit cannabis or cannabis products to one or more independent laboratories for testing and the board may promulgate regulations related to all aspects of third-party testing and quality assurance including but not limited to:

12 (a) minimum testing and sampling requirements;

13 (b) testing and sampling methodologies;

14 (c) testing reporting requirements;

15 (d) retesting; and

16 (e) product quarantine, hold, recall, and remediation.

17 § 80. Provisions governing the cultivation and processing of adult-use cannabis. 1. Cultivation of cannabis shall comply with regulations promulgated by the board governing minimum requirements.

20 2. No cultivator or processor of adult-use cannabis shall sell, or agree to sell or deliver in the state any cannabis products, as the case may be, except in sealed containers containing quantities in accordance with size standards pursuant to rules adopted by the office. Such containers shall have affixed thereto such labels or other means of tracking and identification as may be required by the rules of the executive director.

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

32 4. The board, in conjunction with the department of environmental conservation, shall promulgate all necessary rules and regulations, as well as a process for approval, governing the safe production of cannabis including, but not limited to, environmental and energy standards and restrictions on the use of pesticides.

37 5. No cultivator or processor of adult-use cannabis shall deliver any cannabis products, except in vehicles owned and operated by such cultivator, processor, or hired and operated by such cultivator or processor from a trucking or transportation company registered with the office, and shall only make deliveries at the licensed premises of the purchaser.

43 6. No cultivator or processor of adult-use cannabis, including an adult-use cannabis cooperative or microbusiness cultivator, may offer any incentive, payment or other benefit to a licensed cannabis retail dispensary in return for carrying the cultivator, processor, cooperative or microbusiness cultivator's products, or preferential shelf placement.

48 7. All cannabis products shall be processed in accordance with good manufacturing processes for the product category, pursuant to either Part 111 or Part 117 of Title 21 of the Code of Federal Regulations, as may be defined and modified by the board in regulation, which shall to the extent practicable and possible, align with neighboring state requirements.

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



1 9. The use or integration of wine, beer, liquor or nicotine or any  
2 other substance identified in regulation in cannabis products is prohib-  
3 ited.

4 10. The board shall promulgate regulations governing the minimum  
5 requirements for the secure transport of adult-use cannabis.

6 § 81. Provisions governing the distribution of adult-use cannabis. 1.  
7 No distributor shall sell, or agree to sell or deliver any cannabis  
8 products, as the case may be, in any container, except in a sealed pack-  
9 age. Such containers shall have affixed thereto such labels as may be  
10 required by the rules of the office.

11 2. No distributor shall deliver any cannabis products, except in vehi-  
12 cles owned and operated by such distributor, or hired and operated by  
13 such distributor from a trucking or transportation company registered  
14 with the office, and shall only make deliveries at the licensed premises  
15 of the purchaser.

16 3. Each distributor shall keep and maintain upon the licensed prem-  
17 ises, adequate books and records of all transactions involving the busi-  
18 ness transacted by such distributor, which shall show the amount of  
19 cannabis products purchased by such distributor together with the names,  
20 license numbers and places of business of the persons from whom the same  
21 was purchased and the amount involved in such purchases, as well as the  
22 amount of cannabis products sold by such distributor together with the  
23 names, addresses, and license numbers of such purchasers and any other  
24 information required in regulation. Each sale shall be recorded sepa-  
25 rately on a numbered invoice, which shall have printed thereon the  
26 number, the name of the licensee, the address of the licensed premises,  
27 and the current license number and any other information required in  
28 regulation. Such distributor shall deliver to the purchaser a true  
29 duplicate invoice stating the name and address of the purchaser, the  
30 quantity of cannabis products, description by brands and the price of  
31 such cannabis products, and a true, accurate and complete statement of  
32 the terms and conditions on which such sale is made. Such books, records  
33 and invoices shall be kept for a period of six years and shall be avail-  
34 able for inspection by any authorized representative of the office.

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

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

41 6. The board is authorized to promulgate regulations establishing a  
42 minimum margin for which a distributor may mark up a cannabis product  
43 for sale to a retail dispensary. Any adult-use cannabis product sold by  
44 a distributor in violation of the established markup allowed in regu-  
45 lation, shall be unlawful.

46 7. Each distributor shall keep and maintain upon the licensed prem-  
47 ises, adequate books and records to demonstrate the distributor's actual  
48 cost of doing business, using accounting standards and methods regularly  
49 employed in the determination of costs for the purpose of federal income  
50 tax reporting, for the total operation of the licensee. Such books,  
51 records, financial statements, contracts, corporate documents, and  
52 invoices shall be kept for a period of six years and shall be available  
53 for inspection by any authorized representative of the office, includ-  
54 ing, for use in determining the minimum markup allowed in regulation  
55 pursuant to subdivision six of this section.

1 § 82. Provisions governing adult-use cannabis retail dispensaries. 1.  
2 No cannabis retail licensee shall sell or give away or cause or permit  
3 or procure to be sold, delivered or given away any cannabis to any  
4 person, actually or apparently, under the age of twenty-one years or any  
5 visibly intoxicated person.

6 2. No cannabis retail licensee shall sell more than one ounce of  
7 adult-use cannabis, or its equivalent amount as determined in regu-  
8 lation, per cannabis consumer per day; nor more than five grams of  
9 cannabis concentrate per cannabis consumer per day.

10 3. No cannabis retail licensee shall sell alcoholic beverages, nor  
11 have or possess a license or permit to sell alcoholic beverages, on the  
12 same premises where cannabis products are sold.

13 4. No sign of any kind printed, painted or electric, advertising any  
14 brand shall be permitted on the exterior or interior of such premises,  
15 except as permitted by the office.

16 5. No cannabis retail licensee shall sell any cannabis products to any  
17 person with knowledge of, or with reasonable cause to believe, that the  
18 person to whom such cannabis products are being sold, has acquired the  
19 same for the purpose of peddling them from place to place, or of selling  
20 or giving them away in violation of the provisions of this chapter or in  
21 violation of the rules and regulations of the board.

22 6. All premises licensed under this section shall be subject to  
23 reasonable inspection by any peace officer described in subdivision four  
24 of section 2.10 of the criminal procedure law acting pursuant to his or  
25 her special duties, or police officer or any duly authorized represen-  
26 tative of the office.

27 7. No cannabis retail licensee shall be interested, directly or indi-  
28 rectly, in any cultivator, processor or distributor licensed pursuant to  
29 this article, by stock ownership, interlocking directors, mortgage or  
30 lien on any personal or real property or by any other means.

31 8. No cannabis retail licensee shall make or cause to be made any loan  
32 to any person engaged in the cultivation, processing or distribution of  
33 cannabis pursuant to this article.

34 9. Each cannabis retail licensee shall designate the price of each  
35 item of cannabis by attaching to or otherwise displaying immediately  
36 adjacent to each such item displayed in the interior of the licensed  
37 premises where sales are made a price tag, sign or placard setting forth  
38 the price at which each such item is offered for sale therein.

39 10. No person licensed to sell cannabis products at retail, shall  
40 allow or permit any gambling, or offer any gambling on the licensed  
41 premises, or allow or permit illicit drug activity on the licensed prem-  
42 ises. The use of the licensed premises or any part thereof for the sale  
43 of lottery tickets, when duly authorized and lawfully conducted thereon,  
44 shall not constitute gambling within the meaning of this subdivision.

45 11. If an employee of a cannabis retail licensee suspects that a  
46 cannabis consumer may be abusing cannabis, such employee shall encourage  
47 such cannabis consumer to seek the help of a state licensed facility or  
48 program for the treatment of cannabis use disorder. Cannabis retail  
49 licensees shall develop standard operating procedures and written mate-  
50 rials for employees to utilize when consulting consumers for purposes of  
51 this subdivision.

52 12. The board is authorized to promulgate regulations governing  
53 licensed adult-use dispensing facilities, including but not limited to,  
54 minimum general operating requirements, the hours of operation, size and  
55 location of the licensed facility, potency and types of products offered  
56 and establishing a minimum margin for which a retail dispensary must

1 markup a cannabis product(s) before selling to a cannabis consumer. Any  
2 adult-use cannabis product sold by a retail dispensary for less than the  
3 minimum markup allowed in regulation, shall be unlawful.

4 13. No adult-use retail dispensary may engage in the home delivery or  
5 retail delivery of adult-use cannabis products unless they are specif-  
6 ically approved and licensed to do so, or have contracted with a third-  
7 party home delivery licensee. All home delivery operations must be sepa-  
8 rately approved and licensed by the office and must comply with minimum  
9 application, licensing and operation requirements required by the office  
10 in regulation.

11 § 83. Adult-use cannabis advertising and marketing. 1. The board is  
12 hereby authorized to promulgate rules and regulations governing,  
13 restricting, and prohibiting various forms and content of the advertis-  
14 ing and marketing of licensed adult-use cannabis cultivators, process-  
15 ors, cooperatives, distributors, retailers, and any cannabis products or  
16 services.

17 2. The office shall promulgate guidelines for appropriate content,  
18 warnings, and means of advertising and marketing, including but not  
19 limited to prohibiting advertising that:

- 20 (a) is false, deceptive, or misleading;
- 21 (b) promotes overconsumption;
- 22 (c) depicts consumption;
- 23 (d) is designed in any way to appeal to children or other minors;
- 24 (e) is within or is readily observed within five hundred feet of the  
25 perimeter of a school grounds, playground, child care center, public  
26 park, or library;
- 27 (f) is in public transit vehicles and stations;
- 28 (g) is in the form of an unsolicited internet pop-up;
- 29 (h) is on publicly owned or operated property;
- 30 (i) makes medical claims or promotes adult-use cannabis for a medical  
31 or wellness purpose;
- 32 (j) promotes or implements discounts, coupons, or other means of sell-  
33 ing adult-use cannabis products below market value or whose discount  
34 would subvert local and state tax collections;
- 35 (k) the content and primary purpose of which is not to alert and  
36 educate lawful cannabis consumers about the availability of regulated  
37 adult-use cannabis and displace the illicit market but to solely promote  
38 cannabis use; or
- 39 (l) fails to satisfy any other advertising or marketing rule or regu-  
40 lations promulgated by the office related to marketing or advertising.

41 3. The office shall promulgate guidelines prohibiting all marketing  
42 strategies and implementation including, but not limited to, branding,  
43 packaging, labeling, location of cannabis retailers, and advertisements  
44 that are designed to:

- 45 (a) appeal to persons under twenty-one years of age and/or at-risk  
46 populations; or
- 47 (b) disseminate false or misleading information to customers.

48 4. The office shall promulgate guidelines requiring that:

- 49 (a) all advertisements and marketing accurately and legibly identify  
50 the licensee responsible for its content and contain recognizable and  
51 legible warnings associated with cannabis use; and
- 52 (b) any broadcast, cable, radio, print and digital communication  
53 advertisements only be placed where the audience is reasonably expected  
54 to be twenty-one years of age or older, as determined by reliable,  
55 up-to-date audience composition data. The burden of proving this

1 requirement lies with the party that has paid for or facilitated the  
2 advertisement.

3 5. The office shall establish procedures to review and enforce all  
4 advertising and marketing requirements.

5 § 84. Minority, women-owned businesses and disadvantaged farmers;  
6 social and economic equity plan. 1. The office shall implement a social  
7 and economic equity plan that actively promotes racial, ethnic, and  
8 gender diversity in the adult-use cannabis industry and prioritizes  
9 applicants who qualify as a minority and women-owned business, social  
10 equity applicant, or disadvantaged farmer and which positively impacts  
11 areas that have been harmed through disproportionate enforcement of the  
12 war on drugs.

13 2. The office shall create a social and economic equity plan which  
14 promotes diversity in ownership and employment in the adult-use cannabis  
15 industry and the inclusion of:

16 (a) minority-owned businesses;

17 (b) women-owned businesses;

18 (c) social equity applicants as defined in subdivision four of this  
19 section;

20 (d) minority and women-owned businesses, as defined in subdivision  
21 four of this section; and

22 (e) disadvantaged farmers, as defined in subdivision four of this  
23 section.

24 3. (a) The social and economic equity plan implemented by the office  
25 shall promote participation and hiring of qualified social and economic  
26 equity applicants. These applicants shall be deemed qualified by the  
27 office through criteria determined in this section and by regulation  
28 promulgated hereunder. Once qualified, a social and economic equity  
29 applicant shall be eligible to access all or some of this available  
30 social and economic equity plan programs based on their qualification  
31 criteria, which may include but not be limited to:

32 (i) priority and expedited application submission and review for  
33 adult-use cannabis licenses;

34 (ii) priority or exclusive access to specific classes or categories of  
35 adult-use cannabis licenses and licensed activities;

36 (iii) reduced or deferred fees for adult-use cannabis applications  
37 and/or licenses;

38 (iv) priority access to the adult-use cannabis market by being the  
39 first licensees allowed to commence licensed activities;

40 (v) priority access to the adult-use cannabis market through first or  
41 exclusive access to license locations and geographic areas of operation;

42 (vi) access to low or zero interest small business loans for entry  
43 into the adult-use cannabis market;

44 (vii) access to incubator programs pairing qualified and eligible  
45 social and economic equity applicants with support in the form of coun-  
46 seling services, education, small business development, and compliance  
47 assistance;

48 (viii) access to cannabis workforce development and hiring initiatives  
49 which incentivize hiring of qualified social and economic equity staff  
50 members; and

51 (ix) any other available program or initiative developed under the  
52 office's social and economic equity plan.

53 (b) The executive director shall have the ability to alter or amend  
54 the social and economic equity plan, and its programs, to meet the needs  
55 of qualified social and economic equity applicants and areas as the  
56 industry grows and evolves.

1 (c) Under the social and economic equity plan, the board shall also  
2 have the authority to create and distribute local social and economic  
3 equity impact grants to community-based organizations which are located  
4 or operate in areas of disproportionate enforcement from the war on  
5 drugs. The application for, and administration of social and economic  
6 equity impact grants shall be determined by the office through regu-  
7 lations, provided sufficient funds are available.

8 4. For the purposes of this section, the following definitions shall  
9 apply:

10 (a) "Minority-owned business" shall mean a business enterprise,  
11 including a sole proprietorship, partnership, limited liability company  
12 or corporation that is:

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

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

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

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

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

23 (b) "Minority group member" shall mean a United States citizen or  
24 permanent resident alien who is and can demonstrate membership in one of  
25 the following groups:

26 (i) black persons having origins in any of the black African racial  
27 groups;

28 (ii) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban,  
29 Central or South American of either Indian or Hispanic origin, regard-  
30 less of race;

31 (iii) Native American or Alaskan native persons having origins in any  
32 of the original peoples of North America; or

33 (iv) Asian and Pacific Islander persons having origins in any of the  
34 far east countries, south east Asia, the Indian subcontinent or the  
35 Pacific islands.

36 (c) "Women-owned business" shall mean a business enterprise, including  
37 a sole proprietorship, partnership, limited liability company or corpo-  
38 ration that is:

39 (i) at least fifty-one percent owned by one or more United States  
40 citizens or permanent resident aliens who are women; and

41 (ii) an enterprise in which the ownership interest of such women is  
42 real, substantial and continuing.

43 (d) A firm owned by a minority group member who is also a woman may be  
44 defined as a minority-owned business, a women-owned business, or both.

45 (e) "Disadvantaged farmer" shall mean a New York state resident or  
46 business enterprise, including a sole proprietorship, partnership,  
47 limited liability company or corporation, that has reported at least  
48 two-thirds of its federal gross income as income from farming, in at  
49 least one of the five preceding tax years, and who:

50 (i) farms in a county that has greater than ten percent rate of pover-  
51 ty according to the latest U.S. census bureau's american communities  
52 survey;

53 (ii) has been disproportionately impacted by low commodity prices or  
54 faces the loss of farmland through development or suburban sprawl; and

55 (iii) meets any other qualifications as defined in regulation by the  
56 office.

1 (f) "Social equity applicants" shall mean an applicant for licensure  
2 or employment that:

3 (i) is or has been a member of a community group or resident of an  
4 area that has been disproportionately impacted by the enforcement of  
5 cannabis prohibition, as determined by the office in regulation;

6 (ii) has an income lower than eighty percent of the median income of  
7 the county in which the applicant resides; and

8 (iii) was convicted of a marihuana-related offense prior to the effec-  
9 tive date of this chapter or had a parent, guardian, child, or spouse  
10 who, prior to the effective date of this chapter, was convicted of a  
11 marihuana-related offense.

12 5. Licenses issued to minority and women-owned businesses or under the  
13 social and economic equity plan shall not be transferable for a period  
14 of two years except to qualified minority and women-owned businesses or  
15 social and economic equity applicants and only upon prior written  
16 approval of the executive director.

17 § 85. Regulations. The board shall make regulations to implement this  
18 article.

19 ARTICLE 5

20 CANNABINOID HEMP AND HEMP EXTRACT

21 Section 90. Definitions.

22 91. Rulemaking authority.

23 92. Cannabinoid hemp processor license.

24 93. Cannabinoid hemp retailer license.

25 94. Cannabinoid license applications.

26 95. Information to be requested in applications for licenses.

27 96. Fees.

28 97. Selection criteria.

29 98. License renewal.

30 99. Form of license.

31 100. Transferability; amendment to license; change in ownership  
32 or control.

33 101. Granting, suspending or revoking licenses.

34 102. Record keeping and tracking.

35 103. Packaging and labeling of cannabinoid hemp and hemp  
36 extract.

37 104. Processing of cannabinoid hemp and hemp extract.

38 105. Laboratory testing.

39 106. New York hemp product.

40 107. Penalties.

41 108. Hemp workgroup.

42 109. Prohibitions.

43 110. Special use permits.

44 111. Severability.

45 § 90. Definitions. As used in this article, the following terms shall  
46 have the following meanings, unless the context clearly requires other-  
47 wise:

48 1. "Cannabinoid" means the phytocannabinoids found in hemp and does  
49 not include synthetic cannabinoids as that term is defined in subdivi-  
50 sion (g) of schedule I of section thirty-three hundred six of the public  
51 health law.

52 2. "Cannabinoid hemp" means any hemp and any product processed or  
53 derived from hemp, that is used for human consumption provided that when  
54 such product is packaged or offered for retail sale to a consumer, it  
55 shall not have a concentration of more than three-tenths of one percent

1 delta-9 tetrahydrocannabinol or a final delta-9 tetrahydrocannabinol  
2 concentration which exceeds an amount determined by the office in regu-  
3 lation.

4 3. "Used for human consumption" means intended by the manufacturer or  
5 distributor to be: (a) used for human consumption for its cannabinoid  
6 content; or (b) used in, on or by the human body for its cannabinoid  
7 content.

8 4. "Hemp" means the plant *Cannabis sativa* L. and any part of such  
9 plant, including the seeds thereof and all derivatives, extracts, canna-  
10 binoids, isomers, acids, salts, and salts of isomers, whether growing or  
11 not, with a delta-9 tetrahydrocannabinol concentration (THC) of not more  
12 than three-tenths of one percent on a dry weight basis. It shall not  
13 include "medical cannabis" as defined in subdivision twenty-eight of  
14 section three of this chapter.

15 5. "Hemp extract" means all derivatives, extracts, cannabinoids, isom-  
16 ers, acids, salts, and salts of isomers derived from hemp, used or  
17 intended for human consumption, for its cannabinoid content, with a  
18 delta-9 tetrahydrocannabinol concentration of not more than an amount  
19 determined by the office in regulation. For the purpose of this article,  
20 hemp extract excludes (a) any food, food ingredient or food additive  
21 that is generally recognized as safe pursuant to federal law; or (b) any  
22 hemp extract that is not used for human consumption. Such excluded  
23 substances shall not be regulated pursuant to the provisions of this  
24 article but are subject to other provisions of applicable state law,  
25 rules and regulations.

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

27 7. "Cannabinoid hemp processor license" means a license granted by the  
28 office to process, extract, pack or manufacture cannabinoid hemp or hemp  
29 extract into products, whether in intermediate or final form, used for  
30 human consumption.

31 8. "Processing" means extracting, preparing, treating, modifying,  
32 compounding, manufacturing or otherwise manipulating cannabinoid hemp to  
33 concentrate or extract its cannabinoids, or creating product, whether in  
34 intermediate or final form, used for human consumption. For purposes of  
35 this article, processing does not include: (a) growing, cultivation,  
36 cloning, harvesting, drying, curing, grinding or trimming when author-  
37 ized pursuant to article twenty-nine of the agriculture and markets law;  
38 or

39 (b) mere transportation, such as by common carrier or another entity  
40 or individual.

41 § 91. Rulemaking authority. The board may make regulations pursuant to  
42 this article for the processing, distribution, marketing, transportation  
43 and sale of cannabinoid hemp and hemp extracts used for human consump-  
44 tion, which may include, but not be limited to:

45 1. Specifying forms, establishing application, reasonable adminis-  
46 tration and renewal fees, or license duration;

47 2. Establishing the qualifications and criteria for licensing, as  
48 authorized by law;

49 3. The books and records to be created and maintained by licensees and  
50 lawful procedures for their inspection;

51 4. Any reporting requirements;

52 5. Methods and standards of processing, labeling, packaging and  
53 marketing of cannabinoid hemp, hemp extract and products derived there-  
54 from;

1 6. Procedures for how cannabinoid hemp, hemp extract or ingredients,  
2 additives, or products derived therefrom can be deemed as acceptable for  
3 sale in the state;

4 7. Provisions governing the modes and forms of administration, includ-  
5 ing inhalation;

6 8. Procedures for determining whether cannabinoid hemp, hemp extract  
7 or ingredients, additives, or products derived therefrom produced  
8 outside the state or within the state meet the standards and require-  
9 ments of this article and can therefore be sold within the state;

10 9. Procedures for the granting, cancellation, revocation or suspension  
11 of licenses, consistent with the state administrative procedures act;

12 10. Restrictions governing the advertising and marketing of cannabi-  
13 noid hemp, hemp extract and products derived therefrom; and

14 11. Any other regulations necessary to implement this article.

15 § 92. Cannabinoid hemp processor license. 1. Persons processing canna-  
16 binoid hemp or hemp extract used for human consumption, whether in  
17 intermediate or final form, shall be required to obtain a cannabinoid  
18 hemp processor license from the department.

19 2. A cannabinoid hemp processor license authorizes one or more specif-  
20 ic activities related to the processing of cannabinoid hemp into  
21 products used for human consumption, whether in intermediate or final  
22 form, and the distribution or sale thereof by the licensee. Nothing  
23 herein shall prevent a cannabinoid hemp processor from processing,  
24 extracting and processing hemp products not to be used for human  
25 consumption.

26 3. Persons authorized to grow hemp pursuant to article twenty-nine of  
27 the agriculture and markets law are not authorized to engage in process-  
28 ing of cannabinoid hemp or hemp extract without first being licensed as  
29 a cannabinoid hemp processor under this article.

30 4. This article shall not apply to hemp, cannabinoid hemp, hemp  
31 extracts or products derived therefrom that are not used for human  
32 consumption. This article also shall not apply to hemp, cannabinoid  
33 hemp, hemp extracts or products derived therefrom that have been deemed  
34 generally recognized as safe pursuant to federal law.

35 5. The executive director shall have the authority to set reasonable  
36 fees for such license, to limit the activities permitted by such  
37 license, to establish the period during which such license is author-  
38 ized, which shall be two years or more, and to make rules and regu-  
39 lations necessary to implement this section.

40 6. Any person holding an active research partnership agreement with  
41 the department of agriculture and markets, authorizing that person to  
42 process cannabinoid hemp, shall be awarded licensure under this section,  
43 provided that the research partner is actively performing research  
44 pursuant to such agreement and is able to demonstrate compliance with  
45 this article, as determined by the office, after notice and an opportu-  
46 nity to be heard.

47 § 93. Cannabinoid hemp retailer license. 1. Retailers selling cannabi-  
48 noid hemp, in final form to consumers within the state, shall be  
49 required to obtain a cannabinoid hemp retailer license from the office.

50 2. The executive director shall have the authority to set reasonable  
51 fees for such license, to establish the period during which such license  
52 is authorized, which shall be one year or more, and to make rules and  
53 regulations necessary to implement this section.

54 § 94. Cannabinoid license applications. 1. Persons shall apply for a  
55 license under this article by submitting an application upon a form  
56 supplied by the office, providing all the relevant requested informa-



1 tion, verified by the applicant or an authorized representative of the  
2 applicant.

3 2. A separate license shall be required for each facility at which  
4 processing or retail sales are conducted; however, an applicant may  
5 submit one application for separate licensure at multiple locations.

6 3. Each applicant shall remit with its application the fee for each  
7 requested license, which shall be a reasonable fee.

8 § 95. Information to be requested in applications for licenses. 1. The  
9 executive director may specify the manner and form in which an applica-  
10 tion shall be submitted to the office for licensure under this article.

11 2. The executive director shall prescribe what relevant information  
12 shall be included on an application for licensure under this article.  
13 Such information may include, but is not limited to: information about  
14 the applicant's identity; ownership and investment information, includ-  
15 ing the corporate structure; evidence of good moral character; financial  
16 statements; information about the premises to be licensed; information  
17 about the activities to be licensed; and any other relevant information  
18 prescribed by the executive director.

19 3. All license applications shall be signed by the applicant if an  
20 individual, by a managing partner if a limited liability company, by an  
21 officer if a corporation, or by all partners if a partnership. Each  
22 person signing such application shall verify it as true under the penal-  
23 ties of perjury.

24 4. All license applications shall be accompanied by a check, draft or  
25 other forms of payment as the office may require or authorize in the  
26 reasonable amount required by this article for such license.

27 5. If there be any change, after the filing of the application or the  
28 granting, modification or renewal of a license, in any of the material  
29 facts required to be set forth in such application, a supplemental  
30 statement giving notice of such change, duly verified, shall be filed  
31 with the office within ten days after such change. Failure to do so, if  
32 willful and deliberate, may be grounds for revocation of the license.

33 § 96. Fees. The office may charge licensees a reasonable license fee.  
34 Such fee may be based on the activities permitted by the license, the  
35 amount of cannabinoid hemp or hemp extract to be processed or extracted  
36 by the licensee, the gross annual receipts of the licensee for the  
37 previous license period, or any other factors reasonably deemed appro-  
38 priate by the office.

39 § 97. Selection criteria. 1. The applicant, if an individual or indi-  
40 viduals, shall furnish evidence of the individual's good moral charac-  
41 ter, and if an entity, the applicant shall furnish evidence of the good  
42 moral character of the individuals who have or will have substantial  
43 responsibility for the licensed or authorized activity and those in  
44 control of the entity, including principals, officers, or others with  
45 such control.

46 2. The applicant shall furnish evidence of the applicant's experience  
47 and competency, and that the applicant has or will have adequate facili-  
48 ties, equipment, process controls, and security to undertake those  
49 activities for which licensure is sought.

50 3. The applicant shall furnish evidence of his, her or its ability to  
51 comply with all applicable state and local laws, rules and regulations.

52 4. If the executive director is not satisfied that the applicant  
53 should be issued a license, the executive director shall notify the  
54 applicant in writing of the specific reason or reasons for denial.

55 5. No license pursuant to this article may be issued to an individual  
56 under the age of eighteen years.

1 § 98. License renewal. 1. Each license, issued pursuant to this arti-  
2 cle, may be renewed upon application therefor by the licensee and the  
3 payment of the reasonable fee for such license as specified by this  
4 article.

5 2. In the case of applications for renewals, the office may dispense  
6 with the requirements of such statements as it deems unnecessary in view  
7 of those contained in the application made for the original license.

8 3. The office shall provide an application for renewal of any license  
9 issued under this article not less than ninety days prior to the expira-  
10 tion of the current license.

11 4. The office may only issue a renewal license upon receipt of the  
12 specified renewal application and renewal fee from a licensee if, in  
13 addition to the selection criteria set out in this article, the  
14 licensee's license is not under suspension and has not been revoked.

15 § 99. Form of license. Licenses issued pursuant to this article shall  
16 specify:

17 1. The name and address of the licensee;

18 2. The activities permitted by the license;

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

21 4. A unique license number issued by the office to the licensee; and

22 5. Such other information as the office shall deem necessary to assure  
23 compliance with this chapter.

24 § 100. Transferability; amendment to license; change in ownership or  
25 control. 1. Licenses issued under this article are not transferable,  
26 absent written consent of the office.

27 2. Upon application of a licensee, a license may be amended to add or  
28 delete permitted activities.

29 3. A license shall become void by a change in ownership, substantial  
30 corporate change or change of location without prior written approval of  
31 the office. The board may make regulations allowing for certain types of  
32 changes in ownership without the need for prior written approval.

33 § 101. Granting, suspending or revoking licenses. After due notice and  
34 an opportunity to be heard, which process shall be established by rules  
35 and regulations, the office may decline to grant a new license, impose  
36 conditions or limits with respect to the grant of a license, modify an  
37 existing license or decline to renew a license, and may suspend or  
38 revoke a license already granted after due notice and an opportunity to  
39 be heard, as established by rules and regulations, whenever the execu-  
40 tive director finds that:

41 1. A material statement contained in an application is or was false or  
42 misleading;

43 2. The applicant or licensee, or a person in a position of management  
44 and control thereof or of the licensed activity, does not have good  
45 moral character, necessary experience or competency, adequate facili-  
46 ties, equipment, process controls, or security to process, distribute,  
47 transport or sell cannabinoid hemp, hemp extract or products derived  
48 therefrom;

49 3. After appropriate notice and opportunity, the applicant or licensee  
50 has failed or refused to produce any records or provide any information  
51 required by this article or the regulations promulgated pursuant there-  
52 to;

53 4. The licensee has conducted activities outside of those activities  
54 permitted on its license; or

55 5. The applicant or licensee, or any officer, director, partner, or  
56 any other person exercising any position of management or control there-

1 of or of the licensed activity has willfully failed to comply with any  
2 of the provisions of this article or regulations under it and other laws  
3 of this state applicable to the licensed activity.

4 § 102. Record keeping and tracking. Every licensee shall keep, in such  
5 form as the executive director may direct, such relevant records as may  
6 be required pursuant to regulations under this article.

7 § 103. Packaging and labeling of cannabinoid hemp and hemp extract. 1.  
8 Cannabinoid hemp processors shall be required to provide appropriate  
9 label warning to consumers, and restricted from making unapproved label  
10 claims, as determined by the office, concerning the potential impact on  
11 or benefit to human health resulting from the use of cannabinoid hemp,  
12 hemp extract and products derived therefrom for human consumption, which  
13 labels shall be affixed to those products when sold, pursuant to rules  
14 and regulations that the office may adopt.

15 2. The office may, by rules and regulations, require processors to  
16 establish a code, including, but not limited to QR code, for labels and  
17 establish methods and procedures for determining, among other things,  
18 serving sizes or dosages for cannabinoid hemp, hemp extract and products  
19 derived therefrom, active cannabinoid concentration per serving size,  
20 number of servings per container, and the growing region, state or coun-  
21 try of origin if not from the United States. Such rules and regulations  
22 may require an appropriate fact panel that incorporates data regarding  
23 serving sizes and potency thereof.

24 3. The packaging, sale, or possession of products derived from canna-  
25 binoid hemp or hemp extract used for human consumption not labeled or  
26 offered in conformity with regulations under this section shall be  
27 grounds for the seizure or quarantine of the product, the imposition of  
28 a civil penalty against a processor or retailer, and the suspension,  
29 revocation or suspension of a license, in accordance with this article.

30 § 104. Processing of cannabinoid hemp and hemp extract. 1. No process-  
31 or shall sell or agree to sell or deliver in the state any cannabinoid  
32 hemp, hemp extract or product derived therefrom, used for human consump-  
33 tion, except in sealed containers containing quantities in accordance  
34 with size standards pursuant to rules adopted by the office. Such  
35 containers shall have affixed thereto such labels as may be required by  
36 the rules of the office.

37 2. Processors shall take such steps necessary to ensure that the  
38 cannabinoid hemp or hemp extract used in their processing operation has  
39 only been grown with pesticides that are registered by the department of  
40 environmental conservation or that specifically meet the United States  
41 environmental protection agency registration exemption criteria for  
42 minimum risk, used in compliance with rules, regulations, standards and  
43 guidelines issued by the department of environmental conservation for  
44 pesticides.

45 3. All cannabinoid hemp, hemp extract and products derived therefrom  
46 used for human consumption shall be extracted and processed in accord-  
47 ance with good manufacturing processes for the product category pursuant  
48 to Part 117 or Part 111 of title 21 of the code of federal regulations,  
49 as may be defined, modified and decided upon by the office, provided  
50 that such rules shall be in conformity to the extent practicable with  
51 neighboring states.

52 4. As necessary to protect human health, the office shall have the  
53 authority to: (a) regulate and prohibit specific ingredients, excipients  
54 or methods used in processing cannabinoid hemp, hemp extract and  
55 products derived therefrom; and (b) prohibit, or expressly allow,

1 certain products or product classes derived from cannabinoid hemp or  
2 hemp extract, to be processed.

3 § 105. Laboratory testing. Every cannabinoid hemp processor shall  
4 contract with an independent commercial laboratory to test the hemp  
5 extract and products produced by the licensed processor. The executive  
6 director, in consultation with the commissioner of the department of  
7 health, shall establish the necessary qualifications or certifications  
8 required for such laboratories used by licensees. The board is author-  
9 ized to issue rules and regulations consistent with this article estab-  
10 lishing the testing required, the reporting of testing results and the  
11 form for reporting such laboratory testing results. The office has  
12 authority to require licensees to submit any cannabinoid hemp, hemp  
13 extract or product derived therefrom, processed or offered for sale  
14 within the state, for testing. This section shall not obligate the  
15 office, in any way, to perform any testing on hemp, cannabinoid hemp,  
16 hemp extract or product derived therefrom. The office shall be author-  
17 ized to establish consortia or cooperative agreements with neighboring  
18 states to effectuate this section.

19 § 106. New York hemp product. The office may establish and adopt offi-  
20 cial grades and standards for cannabinoid hemp, hemp extract and  
21 products derived therefrom, as he or she may deem advisable, which are  
22 produced for sale in this state and, from time to time, may amend or  
23 modify such grades and standards.

24 § 107. Penalties. Notwithstanding the provision of any law to the  
25 contrary, the failure to comply with a requirement of this article, or a  
26 regulation thereunder, may be punishable by a civil penalty of not more  
27 than one thousand dollars for a first violation; not more than five  
28 thousand dollars for a second violation within three years; and not more  
29 than ten thousand dollars for a third violation and each subsequent  
30 violation thereafter, within three years.

31 § 108. Hemp workgroup. The executive director, in consultation with  
32 the commissioner of the department of agriculture and markets and the  
33 commissioner of health, may appoint a New York state hemp and hemp  
34 extract workgroup, composed of growers, researchers, producers, process-  
35 ors, manufacturers and trade associations, to make recommendations for  
36 the industrial hemp and cannabinoid hemp programs, state, regional, and  
37 federal policies and policy initiatives, and opportunities for the  
38 promotion and marketing of cannabinoid hemp and hemp extract as consist-  
39 ent with federal and state laws, rules and regulations.

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

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

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

50 § 110. Special use permits. The office shall have the authority to  
51 issue temporary permits for carrying on any activity related to cannabi-  
52 noid hemp, hemp extract and products derived therefrom, licensed under  
53 this article. The executive director may set reasonable fees for such  
54 permits, to establish the periods during which such permits are valid,  
55 and to make rules and regulations to implement this section.

1 § 111. Severability. If any provision of this article or the applica-  
2 tion thereof to any person or circumstances is held invalid, such inva-  
3 lidity shall not affect other provisions or applications of this article  
4 which can be given effect without the invalid provision or application,  
5 and to this end the provisions of this article are declared to be sever-  
6 able.

7 ARTICLE 6

8 GENERAL PROVISIONS

9 Section 125. General prohibitions and restrictions.

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

12 127. Protections for the use of cannabis; unlawful discrimi-  
13 nations prohibited.

14 128. Registrations and licenses.

15 129. Laboratory testing permit.

16 130. Special use permits.

17 132. Municipal control and preemption.

18 133. Office to be necessary party to certain proceedings.

19 134. Penalties for violation of this chapter.

20 135. Revocation of registrations, licenses and permits for  
21 cause; procedure for revocation or cancellation.

22 136. Lawful actions pursuant to this chapter.

23 137. Review by courts.

24 138. Illicit cannabis.

25 139. Injunction for unlawful manufacture, sale, distribution, or  
26 consumption of cannabis.

27 140. Persons forbidden to traffic cannabis; certain officials  
28 not to be interested in manufacture or sale of cannabis  
29 products.

30 141. Access to criminal history information through the division  
31 of criminal justice services.

32 § 125. General prohibitions and restrictions. 1. No person shall  
33 cultivate, process, or distribute for sale or sell at wholesale or  
34 retail any cannabis, adult-use cannabis product, medical cannabis or  
35 cannabinoid hemp within the state without obtaining the appropriate  
36 registration, license, or permit therefor required by this chapter.

37 2. No registered organization, licensee, or permittee shall sell, or  
38 agree to sell or deliver in this state any cannabis or cannabinoid hemp  
39 for the purposes of resale to any person who is not duly registered,  
40 licensed or permitted pursuant to this chapter to sell such product, at  
41 wholesale or retail, as the case may be, at the time of such agreement  
42 and sale.

43 3. No registered organization, licensee, or permittee shall employ, or  
44 permit to be employed, or shall allow to work, on any premises regis-  
45 tered or licensed for retail sale hereunder, any person under the age of  
46 eighteen years in any capacity where the duties of such person require  
47 or permit such person to sell, dispense or handle cannabis.

48 4. No registered organization, licensee, or permittee shall sell,  
49 deliver or give away, or cause, permit or procure to be sold, delivered  
50 or given away any adult-use cannabis, cannabis product, medical cannabis  
51 or cannabinoid hemp on credit unless authorized by the executive direc-  
52 tor; except that a registered organization, licensee or permittee may  
53 accept third party credit cards for the sale of any cannabis, cannabis  
54 product, medical cannabis or cannabinoid hemp for which it is regis-  
55 tered, licensed or permitted to dispense or sell to patients or cannabis

1 consumers. This includes, but is not limited to, any consignment sale of  
2 any kind.

3 5. No registered organization, licensee, or permittee shall cease to  
4 be operated as a bona fide or legitimate premises within the contem-  
5 plation of the registration, license, or permit issued for such prem-  
6 ises, as determined within the judgment of the office.

7 6. No registered organization, licensee, or permittee shall refuse,  
8 nor any person holding a registration, license, or permit refuse, nor  
9 any officer or director of any corporation or organization holding a  
10 registration, license, or permit refuse, to appear and/or testify under  
11 oath at an inquiry or hearing held by the office, with respect to any  
12 matter bearing upon the registration, license, or permit, the conduct of  
13 any people at the licensed premises, or bearing upon the character or  
14 fitness of such registrant, licensee, or permittee to continue to hold  
15 any registration, license, or permit. Nor shall any of the above offer  
16 false testimony under oath at such inquiry or hearing.

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

20 8. The proper conduct of registered, licensed, or permitted premises  
21 is essential to the public interest. Failure of a registered organiza-  
22 tion, licensee, or permittee to exercise adequate supervision over the  
23 registered, licensed, or permitted location poses a substantial risk not  
24 only to the objectives of this chapter but imperils the health, safety,  
25 and welfare of the people of this state. It shall be the obligation of  
26 each person registered, licensed, or permitted under this chapter to  
27 ensure that a high degree of supervision is exercised over any and all  
28 conduct at any registered, licensed, or permitted location at any and  
29 all times in order to safeguard against abuses of the privilege of being  
30 registered, licensed, or permitted, as well as other violations of law,  
31 statute, rule, or regulation. Persons registered, licensed, or permitted  
32 shall be held strictly accountable for any and all violations that occur  
33 upon any registered, licensed, or permitted premises, and for any and  
34 all violations committed by or permitted by any manager, agent or  
35 employee of such registered, licensed, or permitted person.

36 9. It shall be unlawful for any person, partnership or corporation  
37 operating a place for profit or pecuniary gain, with a capacity for the  
38 assemblage of twenty or more persons to permit a person or persons to  
39 come to the place of assembly for the purpose of cultivating, process-  
40 ing, distributing, or retail distribution or sale of cannabis on said  
41 premises. This includes, but is not limited, to, cannabis that is either  
42 provided by the operator of the place of assembly, his agents, servants  
43 or employees, or cannabis that is brought onto said premises by the  
44 person or persons assembling at such place, unless an appropriate regis-  
45 tration, license, or permit has first been obtained from the office of  
46 cannabis management by the operator of said place of assembly.

47 10. As it is a privilege under the law to be registered, licensed, or  
48 permitted to cultivate, process, distribute, traffic, or sell cannabis,  
49 the office may impose any such further restrictions upon any registrant,  
50 licensee, or permittee in particular instances as it deems necessary to  
51 further state policy and best serve the public interest. A violation or  
52 failure of any person registered, licensed, or permitted to comply with  
53 any condition, stipulation, or agreement, upon which any registration,  
54 license, or permit was issued or renewed by the office shall subject the  
55 registrant, licensee, or permittee to suspension, cancellation, revoca-  
56 tion, and/or civil penalties as determined by the office.

1 11. No adult-use cannabis or medical cannabis may be imported to, or  
2 exported out of, New York state by a registered organization, licensee  
3 or person holding a license and/or permit pursuant to this chapter,  
4 until such time as it may become legal to do so under federal law.  
5 Should it become legal to do so under federal law, the board is granted  
6 the power to promulgate such rules and regulations as it deems necessary  
7 to protect the public and the policy of the state.

8 12. No registered organization, licensee or any of its agents, serv-  
9 ants or employees shall peddle any cannabis product, medical cannabis or  
10 cannabinoid hemp from house to house by means of a truck or otherwise,  
11 where the sale is consummated and delivery made concurrently at the  
12 residence or place of business of a cannabis consumer. This subdivision  
13 shall not prohibit the delivery by a registered organization to certi-  
14 fied patients or their designated caregivers, pursuant to article three  
15 of this chapter.

16 13. No licensee shall employ any canvasser or solicitor for the  
17 purpose of receiving an order from a certified patient, designated care-  
18 giver or cannabis consumer for any cannabis product, medical cannabis or  
19 cannabinoid hemp at the residence or place of business of such patient,  
20 caregiver or consumer, nor shall any licensee receive or accept any  
21 order, for the sale of any cannabis product, medical cannabis or canna-  
22 binoid hemp which shall be solicited at the residence or place of busi-  
23 ness of a patient, caregiver or consumer. This subdivision shall not  
24 prohibit the solicitation by a distributor of an order from any licensee  
25 at the licensed premises of such licensee.

26 14. No premises registered, licensed, or permitted by the office  
27 shall:

- 28 (a) permit or allow any gambling on the premises;
- 29 (b) permit or allow the premises to become disorderly;
- 30 (c) permit or allow the use, by any person, of any fireworks or other  
31 pyrotechnics on the premises; or
- 32 (d) permit or allow to appear as an entertainer, on any part of the  
33 premises registered, licensed, or permitted, any person under the age of  
34 eighteen years.

35 § 126. License to be confined to premises licensed; premises for which  
36 no license shall be granted; transporting cannabis. 1. A registration,  
37 license, or permit issued to any person, pursuant to this chapter, for  
38 any registered, licensed, or permitted premises shall not be transfera-  
39 ble to any other person, to any other location or premises, or to any  
40 other building or part of the building containing the licensed premises  
41 except in the discretion of the office. All privileges granted by any  
42 registration, license, or permit shall be available only to the person  
43 therein specified, and only for the premises licensed and no other  
44 except if authorized by the office. Provided, however, that the  
45 provisions of this section shall not be deemed to prohibit an applica-  
46 tion or request for approval for a registration or license as provided  
47 for in this chapter. A violation of this section shall subject the  
48 registration, license, or permit to revocation for cause.

49 2. Where a registration or license for premises has been revoked, the  
50 office in its discretion may refuse to accept an application from, or  
51 issue a registration, license, or permit under this chapter to, any  
52 individual, business, or entity connected to the revoked registration or  
53 license, or for such premises or for any part of the building containing  
54 such premises and connected therewith.

55 3. In determining whether to issue such a proscription against grant-  
56 ing any registration, license, or permit for such five-year period, in

1 addition to any other factors deemed relevant to the office, the office  
2 shall, in the case of a license revoked due to the illegal sale of  
3 cannabis to a minor, determine whether the proposed subsequent licensee  
4 has obtained such premises through an arm's length transaction, and, if  
5 such transaction is not found to be an arm's length transaction, the  
6 office shall deny the issuance of such license.

7 4. For purposes of this section, "arm's length transaction" shall mean  
8 a sale of a fee of all undivided interests in real property, lease,  
9 management agreement, or other agreement giving the applicant control  
10 over the cannabis at the premises, or any part thereof, in the open  
11 market, between an informed and willing buyer and seller where neither  
12 is under any compulsion to participate in the transaction, unaffected by  
13 any unusual conditions indicating a reasonable possibility that the sale  
14 was made for the purpose of permitting the original licensee to avoid  
15 the effect of the revocation. The following sales shall be presumed not  
16 to be arm's length transactions unless adequate documentation is  
17 provided demonstrating that the sale, lease, management agreement, or  
18 other agreement giving the applicant control over the cannabis at the  
19 premises, was not conducted, in whole or in part, for the purpose of  
20 permitting the original licensee to avoid the effect of the revocation:

21 (a) a sale between relatives;

22 (b) a sale between related companies or partners in a business; or

23 (c) a sale, lease, management agreement, or other agreement giving the  
24 applicant control over the cannabis at the premises, affected by other  
25 facts or circumstances that would indicate that the sale, lease, manage-  
26 ment agreement, or other agreement giving the applicant control over the  
27 cannabis at the premises, is entered into for the primary purpose of  
28 permitting the original licensee to avoid the effect of the revocation.

29 5. No registered organization, licensee or permittee shall transport  
30 cannabis products or medical cannabis except in vehicles owned and oper-  
31 ated by such registered organization, licensee or permittee, or hired  
32 and operated by such registered organization, licensee or permittee from  
33 a trucking or transportation company permitted and registered with the  
34 office.

35 6. No common carrier or person operating a transportation facility in  
36 this state, other than the United States government, shall receive for  
37 transportation or delivery within the state any cannabis products or  
38 medical cannabis unless the shipment is accompanied by copy of a bill of  
39 lading, or other document, showing the name and address of the consig-  
40 nor, the name and address of the consignee, the date of the shipment,  
41 and the quantity and kind of cannabis products or medical cannabis  
42 contained therein.

43 § 127. Protections for the use of cannabis; unlawful discriminations  
44 prohibited. 1. No person, registered organization, licensee or permit-  
45 tee, or agent or contractor of a registered organization, licensee or  
46 permittee shall be subject to arrest, prosecution, or penalty in any  
47 manner, or denied any right or privilege, including but not limited to  
48 civil liability or disciplinary action by a business or occupational or  
49 professional licensing board or office, solely for conduct permitted  
50 under this chapter. For the avoidance of doubt, the appellate division  
51 of the supreme court of the state of New York, and any disciplinary or  
52 character and fitness committees established by them are occupational  
53 and professional licensing boards within the meaning of this section.  
54 State or local law enforcement agencies shall not cooperate with or  
55 provide assistance to the government of the United States or any agency  
56 thereof in enforcing the federal controlled substances act, 21 U.S.C. et



1 seq., solely for actions consistent with this chapter, except pursuant  
2 to an order of a court of competent jurisdiction.

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

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

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

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

13 3. For the purposes of medical care, including organ transplants, a  
14 certified patient's authorized use of medical cannabis must be consid-  
15 ered the equivalent of the use of any other medication under the direc-  
16 tion of a practitioner and does not constitute the use of an illicit  
17 substance or otherwise disqualify a registered qualifying patient from  
18 medical care.

19 4. An employer may implement policies prohibiting the use or  
20 possession of cannabis in accordance with section two hundred one-d of  
21 the labor law, provided such policies are in writing as part of an  
22 established workplace policy, uniformly applied to all employees, and  
23 the employer gives prior written notice of such policies to employees.

24 5. An employer may take disciplinary or adverse employment action  
25 against an employee, including termination of employment, for violating  
26 an established workplace policy adopted under subdivision four of this  
27 section, or if the results of a drug test administered in accordance  
28 with applicable state and local law demonstrate that the employee was  
29 impaired by or under the influence of cannabis while in the workplace or  
30 during the performance of work. For the purposes of this subdivision, a  
31 drug test that solely yields a positive result for cannabis metabolites  
32 shall not be construed as proof that an employee is under the influence  
33 of or impaired by cannabis unless the test yields a positive result for  
34 active tetrahydrocannabinol, delta-9-tetrahydrocannabinol, delta-8-tet-  
35 rahydrocannabinol, or other active cannabinoid found in cannabis which  
36 causes impairment.

37 6. Nothing in this chapter permits any person to undertake any task  
38 under the influence of cannabis when doing so would constitute negli-  
39 gence or professional malpractice, jeopardize workplace safety, or to  
40 operate, navigate or be in actual physical control of any motor vehicle  
41 or other transport vehicle, aircraft, motorboat, machinery or equipment,  
42 or firearms under the influence of cannabis.

43 7. A person currently under parole, probation or other state super-  
44 vision, or released on bail awaiting trial may not be punished or other-  
45 wise penalized for conduct allowed under this chapter.

46 § 128. Registrations and licenses. 1. No registration or license  
47 shall be transferable or assignable except that notwithstanding any  
48 other provision of law, the registration or license of a sole proprietor  
49 converting to corporate form, where such proprietor becomes the sole  
50 stockholder and only officer and director of such new corporation, may  
51 be transferred to the subject corporation if all requirements of this  
52 chapter remain the same with respect to such registration or license as  
53 transferred and, further, the registered organization or licensee shall  
54 transmit to the office, within ten days of the transfer of license  
55 allowable under this subdivision, on a form prescribed by the office,  
56 notification of the transfer of such license.

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

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

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

8 (b) kind of license and what kind of traffic in cannabis is thereby  
9 permitted;

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

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

15 § 129. Laboratory testing permit. 1. The executive director, in  
16 consultation with the commissioner of health, shall approve and permit  
17 one or more independent cannabis testing laboratories to test medical  
18 cannabis, adult-use cannabis and/or cannabinoid hemp.

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

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

25 (b) the laboratory and its staff has the skills, resources and exper-  
26 tise needed to accurately and consistently perform testing required for  
27 adult-use cannabis, medical cannabis and/or cannabinoid hemp;

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

32 (d) the laboratory is physically located in New York state except for  
33 laboratories only testing cannabinoid hemp or as authorized in regu-  
34 lation; and

35 (e) the laboratory meets the requirements prescribed by this chapter  
36 and by regulation.

37 3. The owner of a laboratory testing permit under this section shall  
38 not hold a registration or license in any category of this chapter and  
39 shall not have any direct or indirect ownership interest in such regis-  
40 tered organization or licensee. No board member, officer, manager,  
41 owner, partner, principal stakeholder or member of a registered organ-  
42 ization or licensee under this chapter, or such person's immediate fami-  
43 ly member, shall have an interest or voting rights in any laboratory  
44 testing permittee.

45 4. The office shall require that the permitted laboratory report test-  
46 ing results to the office in a manner, form and timeframe as determined  
47 by the executive director.

48 5. The board is authorized to promulgate regulations, requiring  
49 permitted laboratories to perform certain tests and services.

50 6. The executive director is authorized to enter into contracts or  
51 memoranda of understanding with any other state for the purposes of  
52 aligning laboratory testing requirements or establishing best practices  
53 in testing of cannabis.

54 § 130. Special use permits. The office is hereby authorized to issue  
55 the following kinds of permits for carrying on activities consistent  
56 with the policy and purpose of this chapter with respect to cannabis.

1 The executive director has the authority to set fees for all permits  
2 issued pursuant to this section, to establish the periods during which  
3 permits are authorized.

4 1. Industrial cannabis permit - to purchase cannabis for use in the  
5 manufacture and sale of any of the following, when such cannabis is not  
6 otherwise suitable for consumption purposes, namely: (a) apparel, ener-  
7 gy, paper, and tools; (b) scientific, chemical, mechanical and indus-  
8 trial products; or (c) any other industrial use as determined by the  
9 executive director in regulation.

10 2. Nursery permit - to produce clones, immature plants, seeds, and  
11 other agricultural products used specifically for the planting, propa-  
12 gation, and cultivation of cannabis, and to sell such to licensed  
13 adult-use cultivators, registered organizations, and certified patients  
14 or their designated caregivers.

15 3. Solicitor's permit - to offer for sale or to solicit orders for the  
16 sale of any cannabis products and/or medical cannabis, as a represen-  
17 tative of a registered organization or licensee under this chapter.

18 4. Broker's permit - to act as a broker in the purchase and sale of  
19 cannabis products and/or medical cannabis for a fee or commission, for  
20 or on behalf of a person authorized to cultivate, process, distribute or  
21 dispense cannabis products, medical cannabis or hemp cannabis within the  
22 state.

23 5. Trucking permit - to allow for the trucking or transportation of  
24 cannabis products and/or medical cannabis by a person other than a  
25 registered organization or licensee under this chapter.

26 6. Warehouse permit - to allow for the storage of cannabis, cannabis  
27 products, or medical cannabis at a location not otherwise registered or  
28 licensed by the office.

29 7. Delivery permit - to authorize licensed adult-use cannabis dispen-  
30 saries or third-parties to deliver adult-use cannabis and cannabis  
31 products directly to cannabis consumers.

32 8. Temporary retail cannabis permit - to authorize the retail sale of  
33 adult-use cannabis to cannabis consumers, for a limited purpose or dura-  
34 tion.

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

40 10. Packaging permit - to authorize a licensed cannabis distributor to  
41 sort, package, label and bundle cannabis products from one or more  
42 registered organizations or licensed processors, on the premises of the  
43 licensed cannabis distributor or at a warehouse for which a permit has  
44 been issued under this section.

45 11. Miscellaneous permits - to purchase, receive or sell cannabis,  
46 cannabis products or medical cannabis, or receipts, certificates,  
47 contracts or other documents pertaining to cannabis, cannabis products,  
48 or medical cannabis, or to provide specialized or certified ancillary  
49 services to support the implementation and purpose of this chapter, in  
50 cases not expressly provided for by this chapter, when in the judgment  
51 of the office it would be appropriate and consistent with the policy and  
52 purpose of this chapter.

53 § 132. Municipal control and preemption. 1. The provisions of article  
54 four of this chapter, authorizing the cultivation, processing, distrib-  
55 ution and sale of adult-use cannabis to cannabis consumers, shall not be  
56 applicable to a county, or city having a population of one hundred thou-

1 sand or more residents, which adopts a local law, ordinance or resolu-  
2 tion by a majority vote of its governing body, to completely prohibit  
3 the establishment or operation of one or more types of licenses  
4 contained in article four of this chapter, within the jurisdiction of  
5 such county or city.

6 2. Except as provided for in subdivision one of this section, all  
7 counties, towns, cities and villages are hereby preempted from adopting  
8 any rule, ordinance, regulation or prohibition pertaining to the opera-  
9 tion or licensure of registered organizations, adult-use cannabis  
10 licenses or cannabinoid hemp licenses. However, counties, cities, towns  
11 and villages, as applicable, may pass ordinances or regulations govern-  
12 ing the hours of operation and location of licensed adult-use cannabis  
13 retail dispensaries, provided such ordinances or regulations do not make  
14 the operation of such licensed retail dispensaries unreasonably imprac-  
15 ticable.

16 3. Local rules, ordinances, regulations or prohibitions enacted by a  
17 county, city, town, or village shall not require an adult-use cannabis  
18 applicant or licensee to enter into a community host agreement or pay  
19 any consideration to the municipality other than reasonable zoning and  
20 permitting fees.

21 4. Notwithstanding subdivision one of this section, adult-use canna-  
22 bis, medical cannabis and cannabinoid hemp farming and farm operations,  
23 on land located within an agricultural district, shall be deemed an  
24 approved activity under the relevant county, city, town, or village land  
25 use or zoning ordinances, rules, or regulations, inclusive of all neces-  
26 sary ancillary farm operations as permitted by license pursuant to this  
27 chapter.

28 § 133. Office to be necessary party to certain proceedings. The  
29 office shall be made a party to all actions and proceedings affecting in  
30 any manner the possession, ownership or transfer of a registration,  
31 license or permit to operate within a municipality; to all injunction  
32 proceedings; and to all other civil actions or proceedings which in any  
33 manner affect the enjoyment of the privileges or the operation of the  
34 restrictions provided for in this chapter.

35 § 134. Penalties for violation of this chapter. 1. Any person who  
36 cultivates for sale or sells cannabis, cannabis products, medical canna-  
37 bis or cannabinoid hemp without having an appropriate registration,  
38 license or permit therefor, or whose registration, license, or permit  
39 has been revoked, surrendered or cancelled, upon first conviction there-  
40 of shall be guilty of a misdemeanor, punishable by a fine not more than  
41 five thousand dollars per violation, per day, and upon second conviction  
42 thereof shall be guilty of a class A misdemeanor punishable by a fine  
43 not more than ten thousand dollars per violation, per day, or a sentence  
44 of imprisonment not to exceed thirty days and upon all subsequent  
45 convictions thereof shall be an E felony punishable by a fine not more  
46 than twenty-five thousand dollars per violation, per day or a sentence  
47 of imprisonment not to exceed one year.

48 2. Any registered organization or licensee, whose registration or  
49 license has been suspended pursuant to the provisions of this chapter,  
50 who sells cannabis, cannabis products, medical cannabis or cannabinoid  
51 hemp during the suspension period, upon conviction thereof shall be  
52 guilty of an A misdemeanor, punishable by a fine of not more  
53 than five thousand dollars per violation, per day.

54 3. Any person who shall make any false statement in the application  
55 for or renewal of a registration, license or a permit under this chapter

1 shall be guilty of a misdemeanor, and upon conviction thereof shall be  
2 punishable by a fine of not more than five thousand dollars.

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

6 5. Nothing in this section shall prohibit the office from suspending,  
7 revoking, or denying a license, permit, registration, or application in  
8 addition to the penalties prescribed herein.

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

14 (a) the registered organization, licensee, permittee or his or her  
15 agent or employee has sold any illegal cannabis on the premises regis-  
16 tered, licensed or permitted;

17 (b) for transferring, assigning or hypothecating a registration,  
18 license or permit without prior written approval of the office;

19 (c) for failing to follow testing requirements prescribed under this  
20 chapter or falsifying testing results;

21 (d) for knowingly distributing cannabis products to persons under  
22 twenty-one years of age;

23 (e) for diverting, inverting or trafficking in cannabis to or from an  
24 illegal and unlicensed, registered, or permitted source in violation of  
25 this chapter; or

26 (f) for any other violation established in regulation which poses an  
27 imminent and substantial threat to public health, public safety, or the  
28 integrity of the state's cannabis regulatory structure.

29 2. Notwithstanding the issuance of a registration, license or permit  
30 by way of renewal, the office may revoke, cancel or suspend such regis-  
31 tration, license or permit and/or may impose a civil penalty against any  
32 holder of such registration, license or permit, as prescribed by this  
33 section, for causes or violations occurring during a license period  
34 which occurred prior to the issuance of such registration, license or  
35 permit.

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

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

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

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

55 (ii) As used in this subdivision, the term "substantially altering the  
56 nature or character" of such business shall mean any significant alter-

1 ation in the scope of business activities conducted by a registered  
2 organization, licensee or permittee that would require obtaining an  
3 alternate form of registration, license or permit.

4 4. As used in this chapter, the existence of a sustained and continu-  
5 ing pattern of misconduct, failure to adequately prevent diversion or  
6 disorder on or about the premises may be presumed upon the third inci-  
7 dent reported to the office by a law enforcement agency, or discovered  
8 by the office during the course of any investigation, of misconduct,  
9 diversion or disorder on or about the premises or related to the opera-  
10 tion of the premises.

11 5. The denial, revocation, or suspension of any application, license,  
12 permit, or registration issued to or submitted by a person, business, or  
13 entity may also be grounds for the denial, suspension, or revocation of  
14 any and all other licenses, permits, or registrations applied for by, or  
15 issued to said person, business, or entity if the executive director  
16 determines it necessary to protect public health and safety or that the  
17 person, business, and/or entities involved no longer possess the good  
18 moral character required to participate in the cannabis industry.

19 6. Any registration, license or permit issued by the office pursuant  
20 to this chapter may be revoked, cancelled or suspended and/or be  
21 subjected to the imposition of a monetary penalty in the manner  
22 prescribed by this section.

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

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

35 9. Notwithstanding any other provision of this chapter, the office  
36 may: (a) revoke or refuse to issue any class or type of license, permit,  
37 or registration if it determines that failing to do so would conflict  
38 with any federal law or guidance pertaining to regulatory, enforcement  
39 and other systems that states, businesses, or other institutions may  
40 implement to mitigate the potential for federal intervention or enforce-  
41 ment. This provision shall not be construed to prohibit the overall  
42 implementation and administration of this chapter on account of the  
43 federal classification of marijuana or cannabis as a schedule I  
44 substance or any other federal prohibitions or restrictions; and

45 (b) the board may adopt rules and regulations based on federal guid-  
46 ance, provided those rules and regulations are designed to comply with  
47 federal guidance and mitigate federal enforcement against the registra-  
48 tions, licenses, or permits issued under this chapter, or the cannabis  
49 industry as a whole. This may include regulations which permit the shar-  
50 ing of licensee, registrant, or permit holder information with desig-  
51 nated banking or financial institutions, provided these regulations are  
52 designed to aid cannabis industry participants' access to banking and  
53 financial services.

54 § 136. Lawful actions pursuant to this chapter. 1. Contracts related  
55 to the operation of registered organizations, licenses and permits under  
56 this chapter shall be lawful and shall not be deemed unenforceable on

1 the basis that the actions permitted pursuant to the registration,  
2 license or permit are prohibited by federal law.

3 2. The following actions are not unlawful as provided under this chap-  
4 ter, shall not be an offense under any state or local law, and shall not  
5 result in any civil fine, seizure, or forfeiture of assets against any  
6 person acting in accordance with this chapter:

7 (a) Actions of a registered organization, licensee, or permittee, or  
8 the employees or agents of such registered organization, licensee or  
9 permittee, as permitted by this chapter and consistent with rules and  
10 regulations of the office, pursuant to a valid registration, license or  
11 permit issued by the office.

12 (b) Actions of those who allow property to be used by a registered  
13 organization, licensee, or permittee, or the employees or agents of such  
14 registered organization, licensee or permittee, as permitted by this  
15 chapter and consistent with rules and regulations of the office, pursu-  
16 ant to a valid registration, license or permit issued by the office.

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

22 (d) The purchase, possession, or consumption of cannabis, medical  
23 cannabis and cannabinoïd hemp, as permitted by this chapter and consist-  
24 ent with rules and regulations of the office, obtained from a validly  
25 registered, licensed or permitted retailer.

26 § 137. Review by courts. 1. The following actions by the office shall  
27 be subject to review by the supreme court in the manner provided in  
28 article seventy-eight of the civil practice law and rules:

29 (a) refusal by the office to issue a registration, license, or a  
30 permit;

31 (b) the revocation, cancellation or suspension of a registration,  
32 license, or permit by the office;

33 (c) the failure or refusal by the office to render a decision upon any  
34 completed application for a license, registration or permit, or hearing  
35 submitted to or held by the office within sixty days after such  
36 submission of a completed application or hearing;

37 (d) the transfer by the office of a registration, license, or permit  
38 to any other entity or premises, or refusal by the office to approve  
39 such a transfer; and

40 (e) refusal to approve a corporate change in stockholders, stockhold-  
41 ings, officers or directors.

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

47 § 138. Illicit cannabis. 1. "Illicit cannabis" means and includes any  
48 cannabis product or medical cannabis owned, cultivated, distributed,  
49 bought, sold, packaged, rectified, blended, treated, fortified, mixed,  
50 processed, warehoused, possessed or transported, on which any tax  
51 required to have been paid under any applicable state law has not been  
52 paid; or any adult-use cannabis or medical cannabis product the form,  
53 packaging, or content of which is not permitted by the office, as appli-  
54 cable.

55 2. Any person who shall knowingly possess or have under his or her  
56 control any illicit cannabis is guilty of a misdemeanor.

1 3. Any person who shall knowingly barter or exchange with, or sell,  
2 give or offer to sell or to give another any illicit cannabis is guilty  
3 of a class A misdemeanor.

4 4. Any person who shall possess or have under his or her control or  
5 transport any illicit cannabis with intent to barter or exchange with,  
6 or to sell or give to another the same or any part thereof is guilty of  
7 a class A misdemeanor. Such intent is presumptively established by proof  
8 that the person knowingly possessed or had under his or her control one  
9 or more ounces, or an equivalent amount as determined by the executive  
10 director in regulation, of illicit cannabis. This presumption may be  
11 rebutted.

12 5. Any person who, being the owner, lessee, or occupant of any room,  
13 shed, tenement, booth or building, float or vessel, or part thereof,  
14 knowingly permits the same to be used for the cultivation, processing,  
15 distribution, purchase, sale, warehousing, transportation, or storage of  
16 any illicit cannabis, is guilty of a misdemeanor.

17 § 139. Injunction for unlawful manufacturing, sale, distribution, or  
18 consumption of cannabis. 1. If any person shall engage or participate  
19 or be about to engage or participate in the cultivation, production,  
20 distribution, traffic, or sale of cannabis products, medical cannabis or  
21 cannabinoid hemp in this state without obtaining the appropriate regis-  
22 tration, license, or permit therefor, or shall traffic in cannabis  
23 products, medical cannabis or cannabinoid hemp contrary to any provision  
24 of this chapter, or otherwise unlawfully, or shall traffic in illicit  
25 cannabis or, operating either a place for profit or pecuniary gain, or a  
26 not-for-profit basis, with a capacity for the assemblage of twenty or  
27 more persons, shall permit a person or persons to come to such place of  
28 assembly for the purpose of consuming cannabis products without having  
29 the appropriate license or permit therefor, the office may present a  
30 verified petition or complaint to a justice of the supreme court at a  
31 special term of the supreme court of the judicial district in which such  
32 city, village or town is situated, for an order enjoining such person  
33 engaging or participating in such activity or from carrying on such  
34 business. Such petition or complaint shall state the facts upon which  
35 such application is based. Upon the presentation of the petition or  
36 complaint, the justice or court may grant an order temporarily restrain-  
37 ing any person from continuing to engage in conduct as specified in the  
38 petition or complaint, and shall grant an order requiring such person to  
39 appear before such justice or court at or before a special term of the  
40 supreme court in such judicial district on the day specified therein,  
41 not more than ten days after the granting thereof, to show cause why  
42 such person should not be permanently enjoined from engaging or partic-  
43 ipating in such activity or from carrying on such business, or why such  
44 person should not be enjoined from carrying on such business contrary to  
45 the provisions of this chapter. A copy of such petition or complaint and  
46 order shall be served upon the person, in the manner directed by such  
47 order, not less than three days before the return day thereof. On the  
48 day specified in such order, the justice or court before whom the same  
49 is returnable shall hear the proofs of the parties and may, if deemed  
50 necessary or proper, take testimony in relation to the allegations of  
51 the petition or complaint. If the justice or court is satisfied that  
52 such person is about to engage or participate in the unlawful traffic in  
53 cannabis, medical cannabis or cannabinoid hemp or has unlawfully culti-  
54 vated, processed, or sold cannabis products, medical cannabis or canna-  
55 binoid hemp without having obtained a registration or license or contra-  
56 ry to the provisions of this chapter, or has trafficked in illicit



1 cannabis, or, is operating or is about to operate such place for profit  
2 or pecuniary gain, with such capacity, and has permitted or is about to  
3 permit a person or persons to come to such place of assembly for the  
4 purpose of consuming cannabis products without having such appropriate  
5 license, an order shall be granted enjoining such person from thereafter  
6 engaging or participating in or carrying on such activity or business,  
7 and allowing for the seizure of such illicit cannabis without limit. If,  
8 after the entry of such an order in the county clerk's office of the  
9 county in which the principal place of business of the corporation or  
10 partnership is located, or in which the individual so enjoined resides  
11 or conducts such business, and the service of a copy thereof upon such  
12 person, or such substituted service as the court may direct, such  
13 person, partnership or corporation shall, in violation of such order,  
14 cultivate, process, distribute or sell cannabis products, medical canna-  
15 bis or cannabinoid hemp, or illicit cannabis, or permit a person or  
16 persons to come to such place of assembly for the purpose of consuming  
17 cannabis products, such activity shall be deemed a contempt of court and  
18 be punishable in the manner provided by the judiciary law, and, in addi-  
19 tion to any such punishment, the justice or court before whom or which  
20 the petition or complaint is heard, may, in his or its discretion, order  
21 the seizure and forfeiture of any cannabis products and any fixtures,  
22 equipment and supplies used in the operation or promotion of such ille-  
23 gal activity and such property shall be subject to forfeiture pursuant  
24 to law. Costs upon the application for such injunction may be awarded in  
25 favor of and against the parties thereto in such sums as in the  
26 discretion of the justice or court before whom or which the petition or  
27 complaint is heard may seem proper.

28 2. The owner, lessor and lessee of a building, erection or place where  
29 cannabis products, medical cannabis or cannabinoid hemp is unlawfully  
30 cultivated, processed, distributed, sold, consumed or permitted to be  
31 unlawfully cultivated, processed, distributed, sold or consumed may be  
32 made a respondent or defendant in the proceeding or action.

33 3. The gift or transfer of cannabis in conjunction with the transfer  
34 of any money, consideration or value, or another item or any other  
35 services in an effort to evade laws, licensing, permitting, and regis-  
36 tration requirements governing the sale of cannabis shall be considered  
37 an unlawful activity under this chapter.

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

41 (a) Except as provided in subdivision one-a of this section, a person  
42 who has been convicted of a felony, unless subsequent to such conviction  
43 such person shall have received an executive pardon therefor removing  
44 this disability, a certificate of good conduct granted by the department  
45 of corrections and community supervision, or a certificate of relief  
46 from disabilities granted by the department of corrections and community  
47 supervision or a court of this state pursuant to the provisions of arti-  
48 cle twenty-three of the correction law to remove the disability under  
49 this section because of such conviction;

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

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

53 (d) A partnership or a corporation, unless each member of the partner-  
54 ship, or each of the principal officers and directors of the corpo-  
55 ration, is a citizen of the United States or an alien lawfully admitted  
56 for permanent residence in the United States, not less than twenty-one

1 years of age, and has not been convicted of any felony, or if so  
2 convicted has received, subsequent to such conviction, an executive  
3 pardon therefor removing this disability a certificate of good conduct  
4 granted by the department of corrections and community supervision, or a  
5 certificate of relief from disabilities granted by the department of  
6 corrections and community supervision or a court of this state pursuant  
7 to the provisions of article twenty-three of the correction law to  
8 remove the disability under this section because of such conviction;  
9 provided however that a corporation which otherwise conforms to the  
10 requirements of this section and chapter may be licensed if each of its  
11 principal officers and more than one-half of its directors are citizens  
12 of the United States or aliens lawfully admitted for permanent residence  
13 in the United States; and provided further that a corporation organized  
14 under the not-for-profit corporation law or the education law which  
15 otherwise conforms to the requirements of this section and chapter may  
16 be licensed if each of its principal officers and more than one-half of  
17 its directors are not less than twenty-one years of age and none of its  
18 directors are less than eighteen years of age; and provided further that  
19 a corporation organized under the not-for-profit corporation law or the  
20 education law and located on the premises of a college as defined by  
21 section two of the education law which otherwise conforms to the  
22 requirements of this section and chapter may be licensed if each of its  
23 principal officers and each of its directors are not less than twenty-  
24 one years of age;

25 (e) A person who shall have had any registration or license issued  
26 under this chapter revoked for cause, until no less than two years from  
27 the date of such revocation;

28 (f) A person not registered or licensed under the provisions of this  
29 chapter, who has been convicted of a violation of this chapter, until no  
30 less than two years from the date of such conviction; or

31 (g) A corporation or partnership, if any officer and director or any  
32 partner, while not licensed under the provisions of this chapter, has  
33 been convicted of a violation of this chapter, or has had a registration  
34 or license issued under this chapter revoked for cause, until no less  
35 than two years from the date of such conviction or revocation.

36 1-a. Notwithstanding the provision of subdivision one of this section,  
37 a corporation holding a registration or license to traffic cannabis  
38 products or medical cannabis may, upon conviction of a felony be auto-  
39 matically forbidden to traffic in cannabis products or medical cannabis,  
40 and the application for a registered organization or license by such a  
41 corporation may be subject to denial, and the registration or license of  
42 such a corporation may be subject to revocation or suspension by the  
43 office pursuant, consistent with the provisions of article  
44 twenty-three-A of the correction law. For any felony conviction by a  
45 court other than a court of this state, the office may request the  
46 department of corrections and community supervision to investigate and  
47 review the facts and circumstances concerning such a conviction, and  
48 such department shall, if so requested, submit its findings to the  
49 office as to whether the corporation has conducted itself in a manner  
50 such that discretionary review by the office would not be inconsistent  
51 with the public interest. The department of corrections and community  
52 supervision may charge the registered organization, licensee or appli-  
53 cant a fee equivalent to the expenses of an appropriate investigation  
54 under this subdivision. For any conviction rendered by a court of this  
55 state, the office may request the corporation, if the corporation is  
56 eligible for a certificate of relief from disabilities, to seek such a

1 certificate from the court which rendered the conviction and to submit  
2 such a certificate as part of the office's discretionary review process.

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 or have direct authority over any  
22 applicable local licensing requirements or approvals.

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

47 § 3. Intentionally omitted.

48 § 4. Section 3302 of the public health law, as added by chapter 878 of  
49 the laws of 1972, subdivisions 1, 14, 16, 17 and 27 as amended and  
50 subdivisions 4, 5, 6, 7, 8, 11, 12, 13, 15, 18, 19, 20, 21, 22, 23, 24,  
51 25, 26, 28, 29 and 30 as renumbered by chapter 537 of the laws of 1998,  
52 subdivisions 9 and 10 as amended and subdivisions 34, 35, 36, 37, 38, 39  
53 and 40 as added by chapter 178 of the laws of 2010, paragraph (a) of  
54 subdivision 20, the opening paragraph of subdivision 22 and subdivision  
55 29 as amended by chapter 163 of the laws of 1973, subdivision 31 as  
56 amended by section 4 of part A of chapter 58 of the laws of 2004, subdi-

1 vision 41 as added by section 6 of part A of chapter 447 of the laws of  
2 2012, and subdivisions 42 and 43 as added by section 13 of part D of  
3 chapter 60 of the laws of 2014, is amended to read as follows:

4 § 3302. Definitions of terms of general use in this article. Except  
5 where different meanings are expressly specified in subsequent  
6 provisions of this article, the following terms have the following mean-  
7 ings:

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

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

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

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

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

31 ~~[6.]~~ 5. "Commissioner" means commissioner of health of the state of  
32 New York.

33 ~~[7.]~~ 6. "Deliver" or "delivery" means the actual, constructive or  
34 attempted transfer from one person to another of a controlled substance,  
35 whether or not there is an agency relationship.

36 ~~[8.]~~ 7. "Department" means the department of health of the state of  
37 New York.

38 ~~[9.]~~ 8. "Dispense" means to deliver a controlled substance to an ulti-  
39 mate user or research subject by lawful means, including by means of the  
40 internet, and includes the packaging, labeling, or compounding necessary  
41 to prepare the substance for such delivery.

42 ~~[10.]~~ 9. "Distribute" means to deliver a controlled substance, includ-  
43 ing by means of the internet, other than by administering or dispensing.

44 ~~[11.]~~ 10. "Distributor" means a person who distributes a controlled  
45 substance.

46 ~~[12.]~~ 11. "Diversion" means manufacture, possession, delivery or use  
47 of a controlled substance by a person or in a manner not specifically  
48 authorized by law.

49 ~~[13.]~~ 12. "Drug" means

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

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

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

4 [~~14.~~] 13. "Federal agency" means the Drug Enforcement Administration,  
5 United States Department of Justice, or its successor agency.

6 [~~15.~~] 14. "Federal controlled substances act" means the Comprehensive  
7 Drug Abuse Prevention and Control Act of 1970, Public Law 91-513, and  
8 any act or acts amendatory or supplemental thereto or regulations  
9 promulgated thereunder.

10 [~~16.~~] 15. "Federal registration number" means such number assigned by  
11 the Federal agency to any person authorized to manufacture, distribute,  
12 sell, dispense or administer controlled substances.

13 [~~17.~~] 16. "Habitual user" means any person who is, or by reason of  
14 repeated use of any controlled substance for non-legitimate or unlawful  
15 use is in danger of becoming, dependent upon such substance.

16 [~~18.~~] 17. "Institutional dispenser" means a hospital, veterinary  
17 hospital, clinic, dispensary, maternity home, nursing home, mental  
18 hospital or similar facility approved and certified by the department as  
19 authorized to obtain controlled substances by distribution and to  
20 dispense and administer such substances pursuant to the order of a prac-  
21 titioner.

22 [~~19.~~] 18. "License" means a written authorization issued by the  
23 department or the New York state department of education permitting  
24 persons to engage in a specified activity with respect to controlled  
25 substances.

26 [~~20.~~] 19. "Manufacture" means the production, preparation, propa-  
27 gation, compounding, cultivation, conversion or processing of a  
28 controlled substance, either directly or indirectly or by extraction  
29 from substances of natural origin, or independently by means of chemical  
30 synthesis, or by a combination of extraction and chemical synthesis, and  
31 includes any packaging or repackaging of the substance or labeling or  
32 relabeling of its container, except that this term does not include the  
33 preparation, compounding, packaging or labeling of a controlled  
34 substance:

35 (a) by a practitioner as an incident to his or her administering or  
36 dispensing of a controlled substance in the course of his professional  
37 practice; or

38 (b) by a practitioner, or by his or her authorized agent under his or  
39 her supervision, for the purpose of, or as an incident to, research,  
40 teaching, or chemical analysis and not for sale; or

41 (c) by a pharmacist as an incident to his or her dispensing of a  
42 controlled substance in the course of his or her professional practice.

43 [~~21. "Marihuana" means all parts of the plant of the genus Cannabis,~~  
44 ~~whether growing or not; the seeds thereof; the resin extracted from any~~  
45 ~~part of the plant; and every compound, manufacture, salt, derivative,~~  
46 ~~mixture, or preparation of the plant, its seeds or resin. It does not~~  
47 ~~include the mature stalks of the plant, fiber produced from the stalks,~~  
48 ~~oil or cake made from the seeds of the plant, any other compound, manu-~~  
49 ~~facture, salt, derivative, mixture, or preparation of the mature stalks~~  
50 ~~(except the resin extracted therefrom), fiber, oil, or cake, or the~~  
51 ~~sterilized seed of the plant which is incapable of germination.~~

52 [~~22.~~] 20. "Narcotic drug" means any of the following, whether produced  
53 directly or indirectly by extraction from substances of vegetable  
54 origin, or independently by means of chemical synthesis, or by a combi-  
55 nation of extraction and chemical synthesis:

1 (a) opium and opiate, and any salt, compound, derivative, or prepara-  
2 tion of opium or opiate;

3 (b) any salt, compound, isomer, derivative, or preparation thereof  
4 which is chemically equivalent or identical with any of the substances  
5 referred to in ~~[subdivision]~~ paragraph (a) of this subdivision, but not  
6 including the isoquinoline alkaloids of opium;

7 (c) opium poppy and poppy straw.

8 ~~[23-]~~ 21. "Opiate" means any substance having an addiction-forming or  
9 addiction-sustaining liability similar to morphine or being capable of  
10 conversion into a drug having addiction-forming or addiction-sustaining  
11 liability. It does not include, unless specifically designated as  
12 controlled under section ~~[3306]~~ thirty-three hundred six of this ~~[arti-~~  
13 ~~cle]~~ title, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and  
14 its salts (dextromethorphan). It does include its racemic and levorota-  
15 tory forms.

16 ~~[24-]~~ 22. "Opium poppy" means the plant of the species *Papaver*  
17 *somniferum* L., except its seeds.

18 ~~[25-]~~ 23. "Person" means individual, institution, corporation, govern-  
19 ment or governmental subdivision or agency, business trust, estate,  
20 trust, partnership or association, or any other legal entity.

21 ~~[26-]~~ 24. "Pharmacist" means any person licensed by the state depart-  
22 ment of education to practice pharmacy.

23 ~~[27-]~~ 25. "Pharmacy" means any place registered as such by the New  
24 York state board of pharmacy and registered with the Federal agency  
25 pursuant to the federal controlled substances act.

26 ~~[28-]~~ 26. "Poppy straw" means all parts, except the seeds, of the  
27 opium poppy, after mowing.

28 ~~[29-]~~ 27. "Practitioner" means:

29 A physician, dentist, podiatrist, veterinarian, scientific investi-  
30 gator, or other person licensed, or otherwise permitted to dispense,  
31 administer or conduct research with respect to a controlled substance in  
32 the course of a licensed professional practice or research licensed  
33 pursuant to this article. Such person shall be deemed a "practitioner"  
34 only as to such substances, or conduct relating to such substances, as  
35 is permitted by his license, permit or otherwise permitted by law.

36 ~~[30-]~~ 28. "Prescribe" means a direction or authorization, by  
37 prescription, permitting an ultimate user lawfully to obtain controlled  
38 substances from any person authorized by law to dispense such  
39 substances.

40 ~~[31-]~~ 29. "Prescription" shall mean an official New York state  
41 prescription, an electronic prescription, an oral prescription~~[7]~~ or  
42 out-of-state prescription~~[7]~~ or any one.

43 ~~[32-]~~ 30. "Sell" means to sell, exchange, give or dispose of to anothe-  
44 er, or offer or agree to do the same.

45 ~~[33-]~~ 31. "Ultimate user" means a person who lawfully obtains and  
46 possesses a controlled substance for his own use or the use by a member  
47 of his household or for an animal owned by him or in his custody. It  
48 shall also mean and include a person designated, by a practitioner on a  
49 prescription, to obtain such substance on behalf of the patient for whom  
50 such substance is intended.

51 ~~[34-]~~ 32. "Internet" means collectively computer and telecommuni-  
52 cations facilities which comprise the worldwide network of networks that  
53 employ a set of industry standards and protocols, or any predecessor or  
54 successor protocol to such protocol, to exchange information of all  
55 kinds. "Internet," as used in this article, also includes other

1 networks, whether private or public, used to transmit information by  
2 electronic means.

3 [~~35-~~] 33. "By means of the internet" means any sale, delivery,  
4 distribution, or dispensing of a controlled substance that uses the  
5 internet, is initiated by use of the internet or causes the internet to  
6 be used.

7 [~~36-~~] 34. "Online dispenser" means a practitioner, pharmacy, or person  
8 in the United States that sells, delivers or dispenses, or offers to  
9 sell, deliver, or dispense, a controlled substance by means of the  
10 internet.

11 [~~37-~~] 35. "Electronic prescription" means a prescription issued with  
12 an electronic signature and transmitted by electronic means in accord-  
13 ance with regulations of the commissioner and the commissioner of educa-  
14 tion and consistent with federal requirements. A prescription generated  
15 on an electronic system that is printed out or transmitted via facsimile  
16 is not considered an electronic prescription and must be manually  
17 signed.

18 [~~38-~~] 36. "Electronic" means of or relating to technology having elec-  
19 trical, digital, magnetic, wireless, optical, electromagnetic or similar  
20 capabilities. "Electronic" shall not include facsimile.

21 [~~39-~~] 37. "Electronic record" means a paperless record that is  
22 created, generated, transmitted, communicated, received or stored by  
23 means of electronic equipment and includes the preservation, retrieval,  
24 use and disposition in accordance with regulations of the commissioner  
25 and the commissioner of education and in compliance with federal law and  
26 regulations.

27 [~~40-~~] 38. "Electronic signature" means an electronic sound, symbol, or  
28 process, attached to or logically associated with an electronic record  
29 and executed or adopted by a person with the intent to sign the record,  
30 in accordance with regulations of the commissioner and the commissioner  
31 of education.

32 [~~41-~~] 39. "Registry" or "prescription monitoring program registry"  
33 means the prescription monitoring program registry established pursuant  
34 to section thirty-three hundred forty-three-a of this article.

35 [~~42-~~] 40. "Compounding" means the combining, admixing, mixing, dilut-  
36 ing, pooling, reconstituting, or otherwise altering of a drug or bulk  
37 drug substance to create a drug with respect to an outsourcing facility  
38 under section 503B of the federal Food, Drug and Cosmetic Act and  
39 further defined in this section.

40 [~~43-~~] 41. "Outsourcing facility" means a facility that:

41 (a) is engaged in the compounding of sterile drugs as defined in  
42 section sixty-eight hundred two of the education law;

43 (b) is currently registered as an outsourcing facility pursuant to  
44 article one hundred thirty-seven of the education law; and

45 (c) complies with all applicable requirements of federal and state  
46 law, including the Federal Food, Drug and Cosmetic Act.

47 Notwithstanding any other provision of law to the contrary, when an  
48 outsourcing facility distributes or dispenses any drug to any person  
49 pursuant to a prescription, such outsourcing facility shall be deemed to  
50 be providing pharmacy services and shall be subject to all laws, rules  
51 and regulations governing pharmacies and pharmacy services.

52 § 5. Paragraphs 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25,  
53 26, 27, 28, 29, 30, 31 and 32 of subdivision (d) of schedule I of  
54 section 3306 of the public health law, paragraphs 13, 14, 15, 16, 17,  
55 18, 19, 20, 21, 22, 23 and 24 as added by chapter 664 of the laws of  
56 1985, paragraphs 25, 26, 27, 28, 29 and 30 as added by chapter 589 of

1 the laws of 1996 and paragraphs 31 and 32 as added by chapter 457 of the  
2 laws of 2006, are amended to read as follows:

3 (~~13~~) [~~Marihuana-~~

4 ~~(14)~~] Mescaline.

5 [~~(15)~~] (14) Parahexyl. Some trade or other names: 3-Hexyl-1-hydroxy-  
6 7,8,9,10-tetra hydro-6,6,9-trimethyl-6H-dibenfo{b,d} pyran.

7 [~~(16)~~] (15) Peyote. Meaning all parts of the plant presently classi-  
8 fied botanically as *Lophophora williamsii* Lemaire, whether growing or  
9 not, the seeds thereof, any extract from any part of such plant, and  
10 every compound, manufacture, salts, derivative, mixture, or preparation  
11 of such plant, its seeds or extracts.

12 [~~(17)~~] (16) N-ethyl-3-piperidyl benzilate.

13 [~~(18)~~] (17) N-methyl-3-piperidyl benzilate.

14 [~~(19)~~] (18) Psilocybin.

15 [~~(20)~~] (19) Psilocyn.

16 [~~(21)~~] (20) Synthetic Tetrahydrocannabinols. [~~Synthetic~~] tetrahydro-  
17 cannabinols not derived from the cannabis plant, or tetrahydrocannabi-  
18 nols manufactured or created from the cannabis plant but which were not  
19 produced by the cannabis plant during its cultivation or present at the  
20 time of harvest that are equivalents of the substances contained in the  
21 plant, or in the resinous extractives of cannabis, sp. and/or synthetic  
22 substances, derivatives, and their isomers with similar chemical struc-  
23 ture and pharmacological activity such as the following:

24 [~~(\)] delta 1 cis or trans tetrahydrocannabinol, and their optical  
25 isomers~~

26 [~~(\)] delta 6 cis or trans tetrahydrocannabinol, and their optical  
27 isomers~~

28 [~~(\)] delta 3, 4 cis or trans tetrahydrocannabinol, and its optical  
29 isomers (since nomenclature of these substances is not internationally  
30 standardized, compounds of these structures, regardless of numerical  
31 designation of atomic positions covered).~~

32 Tetrahydrocannabinol created or produced by decarboxylation of tetrah-  
33 ydrocannabinolic acid produced from the cannabis plant through culti-  
34 vation or present at the time of harvest and/or any U.S. Food and Drug  
35 Administration approved product containing tetrahydrocannabinol shall  
36 not be considered a synthetic tetrahydrocannabinol.

37 [~~(22)~~] (21) Ethylamine analog of phencyclidine. Some trade or other  
38 names: N-ethyl-1-phenylcyclohexylamine, (1-phenylcyclohexyl) ethyla-  
39 mine, N-(1-phenylcyclohexyl) ethylamine cyclohexamine, PCE.

40 [~~(23)~~] (22) Pyrrolidine analog of phencyclidine. Some trade or other  
41 names 1-(1-phenylcyclohexyl)-pyrrolidine; PCPy, PHP.

42 [~~(24)~~] (23) Thiophene analog of phencyclidine. Some trade or other  
43 names: 1-{1-(2-thienyl)-cyclohexyl}-piperidine, 2-thienylanalog of  
44 phencyclidine, TPCP, TCP.

45 [~~(25)~~] (24) 3,4-methylenedioxyamphetamine (MDMA).

46 [~~(26)~~] (25) 3,4-methylenedioxy-N-ethylamphetamine (also known as  
47 N-ethyl-alpha-methyl-3,4 (methylenedioxy) phenethylamine, N-ethyl MDA,  
48 MDE, MDEA.

49 [~~(27)~~] (26) N-hydroxy-3,4-methylenedioxyamphetamine (also known as  
50 N-hydroxy-alpha-methyl-3,4 (methylenedioxy) phenethylamine, and  
51 N-hydroxy MDA.

52 [~~(28)~~] (27) 1-{1-(2-thienyl) cyclohexyl} pyrrolidine. Some other  
53 names: TCPY.

54 [~~(29)~~] (28) Alpha-ethyltryptamine. Some trade or other names:  
55 etryptamine; Monase; Alpha-ethyl-1H-indole-3-ethanamine;

56 3-(2-aminobutyl) indole; Alpha-ET or AET.



1 [~~(30)~~] (29) 2,5-dimethoxy-4-ethylamphetamine. Some trade or other  
2 names: DOET.

3 [~~(31)~~] (30) 4-Bromo-2,5-dimethoxyphenethylamine. Some trade or other  
4 names: 2-(4-bromo-2,5-dimethoxyphenyl)-1-aminoethane; alpha-desmethyl  
5 DOB; 2C-B, Nexus.

6 [~~(32)~~] (31) 2,5-dimethoxy-4-(n)-propylthiophenethylamine (2C-T-7), its  
7 optical isomers, salts and salts of isomers.

8 § 6. Title 5-A of article 33 of the public health law is REPEALED.

9 § 6-a. Article 29-A of the agriculture and markets law is REPEALED.

10 § 7. Section 3382 of the public health law, as added by chapter 878 of  
11 the laws of 1972, is amended to read as follows:

12 § 3382. Growing of the plant known as Cannabis by unlicensed persons.  
13 A person who, without being licensed so to do under this article or  
14 articles three, four or five of the cannabis law, grows the plant of the  
15 genus Cannabis or knowingly allows it to grow on his land without  
16 destroying the same, shall be guilty of a class A misdemeanor.

17 § 8. Subdivision 1 of section 3397-b of the public health law, as  
18 added by chapter 810 of the laws of 1980, is amended to read as follows:

19 1. [~~"Marijuana"~~] "Cannabis" means [~~marijuana~~] cannabis as defined in  
20 [~~section thirty-three hundred two of this chapter~~] subdivision three of  
21 section three of the cannabis law and shall also include tetrahydrocan-  
22 nabinols or a chemical derivative of tetrahydrocannabinol.

23 § 9. Subdivisions 5, 6 and 9 of section 220.00 of the penal law,  
24 subdivision 5 as amended by chapter 537 of the laws of 1998, subdivision  
25 6 as amended by chapter 1051 of the laws of 1973 and subdivision 9 as  
26 amended by chapter 664 of the laws of 1985, are amended and a new subdi-  
27 vision 21 is added to read as follows:

28 5. "Controlled substance" means any substance listed in schedule I,  
29 II, III, IV or V of section thirty-three hundred six of the public  
30 health law other than [~~marihuana~~] cannabis as defined in subdivision six  
31 of this section, but including concentrated cannabis as defined in  
32 [~~paragraph (a) of subdivision four of section thirty-three hundred two~~  
33 ~~of such law~~] subdivision twenty-one of this section.

34 6. [~~"Marihuana"~~] "Cannabis" means [~~"marihuana" or "concentrated canna-~~  
35 ~~bis" as those terms are defined in section thirty-three hundred two of~~  
36 ~~the public health law~~] all parts of the plant of the genus cannabis,  
37 whether growing or not; the seeds thereof; and every compound, manufac-  
38 ture, salt, derivative, mixture, or preparation of the plant, or its  
39 seeds. It does not include the mature stalks of the plant, fiber  
40 produced from the stalks, oil or cake made from the seeds of the plant,  
41 any other compound, manufacture, salt, derivative, mixture, or prepara-  
42 tion of the mature stalks, fiber, oil, or cake, or the sterilized seed  
43 of the plant which is incapable of germination. It does not include all  
44 parts of the plant cannabis sativa L., whether growing or not, having no  
45 more than three-tenths of one percent tetrahydrocannabinol (THC).

46 9. "Hallucinogen" means any controlled substance listed in schedule  
47 I(d) (5), [~~(18), (19), (20), (21) and (22)~~] (17), (18), (19), (20) and  
48 (21).

49 21. "Concentrated cannabis" means: (a) the separated resin, whether  
50 crude or purified, obtained from a plant of the genus cannabis; or (b) a  
51 material, preparation, mixture, compound or other substance which  
52 contains more than three percent by weight of delta-9 tetrahydrocannabi-  
53 nol, or its isomer, delta-8 dibenzopyran numbering system, or delta-1  
54 tetrahydrocannabinol or its isomer, delta 1 (6) monoterpene numbering  
55 system.

56 § 10. Subdivision 4 of section 220.06 of the penal law is REPEALED.

1 § 11. Subdivision 10 of section 220.09 of the penal law is REPEALED.

2 § 12. Subdivision 3 of section 220.34 of the penal law, as amended by  
3 chapter 537 of the laws of 1998, is amended to read as follows:

4 3. concentrated cannabis as defined in [~~paragraph (a) of subdivision~~  
5 ~~four of section thirty three hundred two of the public health law~~]  
6 subdivision twenty-one of section 220.00 of this article; or

7 § 13. Intentionally omitted.

8 § 14. Section 221.00 of the penal law, as amended by chapter 90 of the  
9 laws of 2014, is amended to read as follows:

10 § 221.00 [~~Marihuana~~] Cannabis; definitions.

11 Unless the context in which they are used clearly otherwise requires,  
12 the terms occurring in this article shall have the same meaning ascribed  
13 to them in article two hundred twenty of this chapter. Any act that is  
14 lawful under [~~title five-A of article thirty three of the public health~~]  
15 articles three, four or five, of the cannabis law is not a violation of  
16 this article.

17 § 15. Section 221.00 of the penal law, as added by chapter 360 of the  
18 laws of 1977, is amended to read as follows:

19 § 221.00 [~~Marihuana~~] Cannabis; definitions.

20 Unless the context in which they are used clearly otherwise requires,  
21 the terms occurring in this article shall have the same meaning ascribed  
22 to them in article two hundred twenty of this chapter.

23 § 16. Section 221.05 of the penal law, as amended by chapter 131 of  
24 the laws of 2019, is amended to read as follows:

25 § 221.05 Unlawful possession of [~~marihuana~~] cannabis in the second  
26 degree.

27 A person is guilty of unlawful possession of [~~marihuana~~] cannabis in  
28 the second degree when he knowingly and unlawfully possesses [~~marihua-~~  
29 ~~na-~~];

30 1. cannabis and is less than twenty-one years of age; or  
31 2. cannabis in a public place, as defined in section 240.00 of this  
32 part, and such cannabis is burning.

33 Unlawful possession of [~~marihuana~~] cannabis in the second degree is a  
34 violation punishable only by a fine of not more than fifty dollars when  
35 such possession is by a person less than twenty-one years of age and of  
36 an aggregate weight of less than one-half of one ounce of cannabis or  
37 less than two and one-half grams of concentrated cannabis or a fine of  
38 not more than one hundred dollars when such possession is by a person  
39 less than twenty-one years of age and of an aggregate weight more than  
40 one-half of one ounce of cannabis but not more than one ounce of canna-  
41 bis, or more than two and one-half grams of concentrated cannabis but  
42 not more than five grams of concentrated cannabis. Unlawful possession  
43 of cannabis in the second degree is punishable by a fine of not more  
44 than one hundred twenty-five dollars when such possession is in a public  
45 place and such cannabis is burning. The term "burning" shall mean and  
46 include smoking and vaping as such terms are defined in section thirteen  
47 hundred ninety-nine-n of the public health law.

48 § 16-a. Subdivision 8 of section 1399-n of the public health law, as  
49 amended by chapter 131 of the laws of 2019, is amended to read as  
50 follows:

51 8. "Smoking" means the burning of a lighted cigar, cigarette, pipe or  
52 any other matter or substance which contains tobacco or [~~marihuana~~]  
53 cannabis as defined in section [~~thirty-three hundred two of this chap-~~  
54 ~~ter~~] 220.00 of the penal law.

1 § 17. Section 221.15 of the penal law, as amended by chapter 265 of  
2 the laws of 1979, the opening paragraph as amended by chapter 75 of the  
3 laws of 1995, is amended to read as follows:

4 § 221.15 [~~Criminal~~] Unlawful possession of [~~marihuana~~] cannabis in the  
5 [~~fourth~~] first degree.

6 A person is guilty of [~~criminal~~] unlawful possession of [~~marihuana~~]  
7 cannabis in the [~~fourth~~] first degree when he or she knowingly and  
8 unlawfully possesses [~~one or more preparations, compounds, mixtures or~~  
9 ~~substances containing marihuana and the preparations, compounds,~~  
10 ~~mixtures or substances are of~~] an aggregate weight of more than [~~two~~  
11 ~~ounces~~] one ounce of cannabis or more than five grams of concentrated  
12 cannabis.

13 [~~Criminal~~] Unlawful possession of [~~marihuana~~] cannabis in the [~~fourth~~]  
14 first degree is a [~~class A misdemeanor~~] violation punishable by a fine  
15 of not more than one hundred twenty-five dollars. The provisions of this  
16 section shall not apply to certified patients or designated caregivers  
17 as lawfully registered under article three of the cannabis law.

18 § 18. Section 221.20 of the penal law, as amended by chapter 265 of  
19 the laws of 1979, the opening paragraph as amended by chapter 75 of the  
20 laws of 1995, is amended to read as follows:

21 § 221.20 Criminal possession of [~~marihuana~~] cannabis in the [~~third~~]  
22 second degree.

23 A person is guilty of criminal possession of [~~marihuana~~] cannabis in  
24 the [~~third~~] second degree when he or she knowingly and unlawfully  
25 possesses [~~one or more preparations, compounds, mixtures or substances~~  
26 ~~containing marihuana and the preparations, compounds, mixtures or~~  
27 ~~substances are of~~] an aggregate weight of more than [~~eight~~] two ounces  
28 of cannabis or more than ten grams of concentrated cannabis.

29 Criminal possession of [~~marihuana~~] cannabis in the [~~third~~] second  
30 degree is a class [~~E-felony~~] A misdemeanor punishable by a fine not more  
31 than one hundred twenty-five dollars per ounce possessed in excess of  
32 two ounces of cannabis or ten grams of concentrated cannabis. However,  
33 where the defendant has previously been convicted of an offense defined  
34 in this article or article two hundred twenty of this title, committed  
35 within the three years immediately preceding such violation, it shall be  
36 punishable (a) only by a fine of not more than two hundred dollars per  
37 ounce possessed in excess of two ounces, if the defendant was previously  
38 convicted of one such offense committed during such period, and (b) by a  
39 fine of not more than two hundred fifty dollars per ounce possessed in  
40 excess of two ounces or a term of imprisonment not in excess of fifteen  
41 days or both, if the defendant was previously convicted of two such  
42 offenses committed during such period. The provisions of this section  
43 shall not apply to certified patients or designated caregivers as  
44 lawfully registered under article three of the cannabis law.

45 § 19. Section 221.25 of the penal law, as amended by chapter 265 of  
46 the laws of 1979, the opening paragraph as amended by chapter 75 of the  
47 laws of 1995, is amended to read as follows:

48 § 221.25 Criminal possession of [~~marihuana~~] cannabis in the [~~second~~]  
49 first degree.

50 A person is guilty of criminal possession of [~~marihuana~~] cannabis in  
51 the [~~second~~] first degree when he or she knowingly and unlawfully  
52 possesses [~~one or more preparations, compounds, mixtures or substances~~  
53 ~~containing marihuana and the preparations, compounds, mixtures or~~  
54 ~~substances are of~~] an aggregate weight of more than [~~sixteen~~] sixty-four  
55 ounces of cannabis or more than eighty grams of concentrated cannabis.

1 Criminal possession of [~~marihuana~~] cannabis in the [~~second~~] first  
2 degree is a class [~~D~~] E felony.

3 § 20. Sections 221.10 and 221.30 of the penal law are REPEALED.

4 § 20-a. Paragraph (c) of subdivision 8 of section 700.05 of the crimi-  
5 nal procedure law, as amended by chapter 37 of the laws of 2014, is  
6 amended to read as follows:

7 (c) Criminal possession of a controlled substance in the seventh  
8 degree as defined in section 220.03 of the penal law, criminal  
9 possession of a controlled substance in the fifth degree as defined in  
10 section 220.06 of the penal law, criminal possession of a controlled  
11 substance in the fourth degree as defined in section 220.09 of the penal  
12 law, criminal possession of a controlled substance in the third degree  
13 as defined in section 220.16 of the penal law, criminal possession of a  
14 controlled substance in the second degree as defined in section 220.18  
15 of the penal law, criminal possession of a controlled substance in the  
16 first degree as defined in section 220.21 of the penal law, criminal  
17 sale of a controlled substance in the fifth degree as defined in section  
18 220.31 of the penal law, criminal sale of a controlled substance in the  
19 fourth degree as defined in section 220.34 of the penal law, criminal  
20 sale of a controlled substance in the third degree as defined in section  
21 220.39 of the penal law, criminal sale of a controlled substance in the  
22 second degree as defined in section 220.41 of the penal law, criminal  
23 sale of a controlled substance in the first degree as defined in section  
24 220.43 of the penal law, criminally possessing a hypodermic instrument  
25 as defined in section 220.45 of the penal law, criminal sale of a  
26 prescription for a controlled substance or a controlled substance by a  
27 practitioner or pharmacist as defined in section 220.65 of the penal  
28 law, criminal possession of methamphetamine manufacturing material in  
29 the second degree as defined in section 220.70 of the penal law, crimi-  
30 nal possession of methamphetamine manufacturing material in the first  
31 degree as defined in section 220.71 of the penal law, criminal  
32 possession of precursors of methamphetamine as defined in section 220.72  
33 of the penal law, unlawful manufacture of methamphetamine in the third  
34 degree as defined in section 220.73 of the penal law, unlawful manufac-  
35 ture of methamphetamine in the second degree as defined in section  
36 220.74 of the penal law, unlawful manufacture of methamphetamine in the  
37 first degree as defined in section 220.75 of the penal law, unlawful  
38 disposal of methamphetamine laboratory material as defined in section  
39 220.76 of the penal law, operating as a major trafficker as defined in  
40 section 220.77 of the penal law, [~~criminal possession of marihuana in  
41 the first degree as defined in section 221.30 of the penal law, criminal  
42 sale of marihuana in the first degree as defined in section 221.55 of  
43 the penal law,~~] promoting gambling in the second degree as defined in  
44 section 225.05 of the penal law, promoting gambling in the first degree  
45 as defined in section 225.10 of the penal law, possession of gambling  
46 records in the second degree as defined in section 225.15 of the penal  
47 law, possession of gambling records in the first degree as defined in  
48 section 225.20 of the penal law, and possession of a gambling device as  
49 defined in section 225.30 of the penal law;

50 § 20-b. Paragraph (c) of subdivision 4-b and subdivisions 6 and 9 of  
51 section 1310 of the civil practice law and rules, paragraph (b) of  
52 subdivision 4-b as added by chapter 655 of the laws of 1990 and subdivi-  
53 sions 6 and 9 as added by chapter 669 of the laws of 1984, are amended  
54 to read as follows:

55 (c) a conviction of a person for a violation of section 220.09,  
56 220.16, 220.34 or 220.39 of the penal law, [~~or a conviction of a crimi-~~

1 ~~nal defendant for a violation of section 221.30 of the penal law,~~ or  
2 where the accusatory instrument charges any such felony, conviction upon  
3 a plea of guilty to a felony for which the plea is otherwise authorized  
4 by law, together with evidence which: (i) provides substantial indicia  
5 that the defendant used the real property to engage in a continual,  
6 ongoing course of conduct involving the unlawful mixing, compounding,  
7 manufacturing, warehousing, or packaging of controlled substances [~~or~~  
8 ~~where the conviction is for a violation of section 221.30 of the penal~~  
9 ~~law, marijuana,~~] as part of an illegal trade or business for gain; and  
10 (ii) establishes, where the conviction is for possession of a controlled  
11 substance [~~or where the conviction is for a violation of section 221.30~~  
12 ~~of the penal law, marijuana,~~] that such possession was with the intent  
13 to sell it.

14 6. "Pre-conviction forfeiture crime" means only a felony defined in  
15 article two hundred twenty or section [~~221.30 or~~] 221.55 of the penal  
16 law.

17 9. "Criminal defendant" means a person who has criminal liability for  
18 a crime defined in subdivisions five and six [~~hereof~~] of this section.  
19 For purposes of this article, a person has criminal liability when (a)  
20 he has been convicted of a post-conviction forfeiture crime, or (b) the  
21 claiming authority proves by clear and convincing evidence that such  
22 person has committed an act in violation of article two hundred twenty  
23 or section [~~221.30 or~~] 221.55 of the penal law.

24 § 20-c. Paragraph (c) of subdivision 7 of section 480.00 of the penal  
25 law, as added by chapter 655 of the laws of 1990, is amended to read as  
26 follows:

27 (c) a conviction of a person for a violation of section 220.09,  
28 220.16, 220.34[,], or 220.39[,], ~~or 221.30~~ of this chapter, or where the  
29 accusatory instrument charges any such felony, conviction upon a plea of  
30 guilty to a felony for which the plea is otherwise authorized by law,  
31 together with evidence which: (i) provides substantial indicia that the  
32 defendant used the real property to engage in a continual, ongoing  
33 course of conduct involving the unlawful mixing, compounding, manufac-  
34 turing, warehousing, or packaging of controlled substances [~~or where the~~  
35 ~~conviction is for a violation of section 221.30 of this chapter, mari-~~  
36 ~~juana~~] as part of an illegal trade or business for gain; and (ii) estab-  
37 lishes, where the conviction is for possession of a controlled substance  
38 [~~or where the conviction is for a violation of section 221.30 of this~~  
39 ~~chapter, marijuana,~~] that such possession was with the intent to sell  
40 it.

41 § 20-d. Paragraph (c) of subdivision 4 of section 509-cc of the vehi-  
42 cle and traffic law, as amended by chapter 368 of the laws of 2015, is  
43 amended to read as follows:

44 (c) The offenses referred to in subparagraph (i) of paragraph (b) of  
45 subdivision one and subparagraph (i) of paragraph (c) of subdivision two  
46 of this section that result in disqualification for a period of five  
47 years shall include a conviction under sections 100.10, 105.13, 115.05,  
48 120.03, 120.04, 120.04-a, 120.05, 120.10, 120.25, 121.12, 121.13,  
49 125.40, 125.45, 130.20, 130.25, 130.52, 130.55, 135.10, 135.55, 140.17,  
50 140.25, 140.30, 145.12, 150.10, 150.15, 160.05, 160.10, 220.06, 220.09,  
51 220.16, 220.31, 220.34, 220.60, 220.65, [~~221.30,~~] 221.50, 221.55,  
52 230.00, 230.05, 230.06, 230.11, 230.12, 230.13, 230.19, 230.20, 235.05,  
53 235.06, 235.07, 235.21, 240.06, 245.00, 260.10, subdivision two of  
54 section 260.20 and sections 260.25, 265.02, 265.03, 265.08, 265.09,  
55 265.10, 265.12, 265.35 of the penal law or an attempt to commit any of  
56 the aforesaid offenses under section 110.00 of the penal law, or any

1 similar offenses committed under a former section of the penal law, or  
2 any offenses committed under a former section of the penal law which  
3 would constitute violations of the aforesaid sections of the penal law,  
4 or any offenses committed outside this state which would constitute  
5 violations of the aforesaid sections of the penal law.

6 § 20-e. Subdivision 1 of section 170.56 of the criminal procedure law,  
7 as amended by chapter 360 of the laws of 1977, is amended to read as  
8 follows:

9 1. Upon or after arraignment in a local criminal court upon an infor-  
10 mation, a prosecutor's information or a misdemeanor complaint, where the  
11 sole remaining count or counts charge a violation or violations of  
12 section 221.05, [~~221.10,~~] 221.15, 221.35 or 221.40 of the penal law and  
13 before the entry of a plea of guilty thereto or commencement of a trial  
14 thereof, the court, upon motion of a defendant, may order that all  
15 proceedings be suspended and the action adjourned in contemplation of  
16 dismissal, or upon a finding that adjournment would not be necessary or  
17 appropriate and the setting forth in the record of the reasons for such  
18 findings, may dismiss in furtherance of justice the accusatory instru-  
19 ment; provided, however, that the court may not order such adjournment  
20 in contemplation of dismissal or dismiss the accusatory instrument if:  
21 (a) the defendant has previously been granted such adjournment in  
22 contemplation of dismissal, or (b) the defendant has previously been  
23 granted a dismissal under this section, or (c) the defendant has previ-  
24 ously been convicted of any offense involving controlled substances, or  
25 (d) the defendant has previously been convicted of a crime and the  
26 district attorney does not consent or (e) the defendant has previously  
27 been adjudicated a youthful offender on the basis of any act or acts  
28 involving controlled substances and the district attorney does not  
29 consent.

30 § 21. Section 221.35 of the penal law, as amended by chapter 265 of  
31 the laws of 1979, the opening paragraph as amended by chapter 75 of the  
32 laws of 1995, is amended to read as follows:

33 § 221.35 Criminal sale of [~~marihuana~~] cannabis in the fifth degree.

34 A person is guilty of criminal sale of [~~marihuana~~] cannabis in the  
35 fifth degree when he or she knowingly and unlawfully sells, [~~without~~]  
36 for consideration[~~, one or more preparations, compounds, mixtures or~~  
37 ~~substances containing marihuana and the preparations, compounds,~~  
38 ~~mixtures or substances are~~] cannabis or cannabis concentrate of [~~an~~  
39 ~~aggregate weight of two grams or less, or one cigarette containing mari-~~  
40 ~~huana~~] any weight.

41 Criminal sale of [~~marihuana~~] cannabis in the fifth degree is a [~~class~~  
42 ~~B-misdemeanor~~] violation punishable by a fine not more than the greater  
43 of two-hundred and fifty dollars or two times the value of the sale.

44 § 22. Section 221.40 of the penal law, as added by chapter 360 of the  
45 laws of 1977, is amended to read as follows:

46 § 221.40 Criminal sale of [~~marihuana~~] cannabis in the fourth degree.

47 A person is guilty of criminal sale of [~~marihuana~~] cannabis in the  
48 fourth degree when he or she knowingly and unlawfully sells [~~marihuana~~  
49 ~~except as provided in section 221.35 of this article~~] cannabis of an  
50 aggregate weight of more than one ounce or more than five grams of  
51 cannabis concentrate.

52 Criminal sale of [~~marihuana~~] cannabis in the fourth degree is a [~~class~~  
53 ~~A~~] misdemeanor punishable by a fine of not more than the greater of five  
54 hundred dollars or two times the value of the sale or a maximum of three  
55 months imprisonment, or both.

1 § 23. Section 221.45 of the penal law, as amended by chapter 265 of  
2 the laws of 1979, the opening paragraph as amended by chapter 75 of the  
3 laws of 1995, is amended to read as follows:

4 § 221.45 Criminal sale of [~~marihuana~~] cannabis in the third degree.

5 A person is guilty of criminal sale of [~~marihuana~~] cannabis in the  
6 third degree when he or she knowingly and unlawfully sells [~~one or more~~  
7 ~~preparations, compounds, mixtures or substances containing marihuana and~~  
8 ~~the preparations, compounds, mixtures or substances are of an aggregate~~  
9 ~~weight of more than twenty-five grams~~] or an aggregate weight of more  
10 than four ounces of cannabis or more than twenty grams of concentrated  
11 cannabis.

12 Criminal sale of [~~marihuana~~] cannabis in the third degree is a [~~class~~  
13 ~~E felony~~] misdemeanor punishable by a fine of not more than the greater  
14 of one thousand dollars or two times the value of the sale or a maximum  
15 of one year imprisonment or both.

16 § 24. Section 221.50 of the penal law, as amended by chapter 265 of  
17 the laws of 1979, the opening paragraph as amended by chapter 75 of the  
18 laws of 1995, is amended to read as follows:

19 § 221.50 Criminal sale of [~~marihuana~~] cannabis in the second degree.

20 A person is guilty of criminal sale of [~~marihuana~~] cannabis in the  
21 second degree when he knowingly and unlawfully sells [~~one or more prepa-~~  
22 ~~rations, compounds, mixtures or substances containing marihuana and the~~  
23 ~~preparations, compounds, mixtures or substances are of~~] an aggregate  
24 weight of more than [~~four ounces, or knowingly and unlawfully sells one~~  
25 ~~or more preparations, compounds, mixtures or substances containing mari-~~  
26 ~~huana to a person less than eighteen years of age~~] sixteen ounces of  
27 cannabis or more than eighty grams of concentrated cannabis or any  
28 amount of cannabis or concentrated cannabis to any person under twenty-  
29 one years of age. In any prosecution for unlawful sale of cannabis or  
30 concentrated cannabis to someone under twenty-one years of age pursuant  
31 to this section, it is an affirmative defense that: (a) the defendant  
32 had reasonable cause to believe that the person under twenty-one years  
33 of age involved was twenty-one years old or more; and (b) such person  
34 under twenty-one years of age exhibited to the defendant a draft card,  
35 driver's license or identification card, birth certificate or other  
36 official or apparently official document purporting to establish that  
37 such person was twenty-one years old or more.

38 Criminal sale of [~~marihuana~~] cannabis in the second degree is a class  
39 D felony.

40 § 25. Section 221.55 of the penal law, as amended by chapter 265 of  
41 the laws of 1979, the opening paragraph as amended by chapter 75 of the  
42 laws of 1995, is amended to read as follows:

43 § 221.55 Criminal sale of [~~marihuana~~] cannabis in the first degree.

44 A person is guilty of criminal sale of [~~marihuana~~] cannabis in the  
45 first degree when he knowingly and unlawfully sells [~~one or more prepa-~~  
46 ~~rations, compounds, mixtures or substances containing marihuana and the~~  
47 ~~preparations, compounds, mixtures or substances are of an aggregate~~  
48 ~~weight of~~] more than [~~sixteen~~] sixty-four ounces of cannabis or three  
49 hundred and twenty grams of cannabis concentrate.

50 Criminal sale of [~~marihuana~~] cannabis in the first degree is a class C  
51 felony.

52 § 26. The penal law is amended by adding a new section 221.60 to read  
53 as follows:

54 § 221.60 Licensing of cannabis production and distribution.

55 The provisions of this article and of article two hundred twenty of  
56 this title shall not apply to any person exempted from criminal penal-

1 ties pursuant to the provisions of this chapter or possessing, manufac-  
2 turing, transporting, distributing, selling or transferring cannabis or  
3 concentrated cannabis, or engaged in any other action that is in compli-  
4 ance with article three, four or five of the cannabis law.

5 § 27. Intentionally omitted.

6 § 28. Paragraph (f) of subdivision 2 of section 850 of the general  
7 business law is REPEALED.

8 § 29. Paragraph (h) of subdivision 2 of section 850 of the general  
9 business law, as amended by chapter 812 of the laws of 1980, is amended  
10 to read as follows:

11 (h) Objects, used or designed for the purpose of ingesting, inhaling,  
12 or otherwise introducing [~~marihuana~~] cocaine, hashish, or hashish oil  
13 into the human body.

14 § 30. Section 114-a of the vehicle and traffic law, as added by chap-  
15 ter 163 of the laws of 1973, is amended to read as follows:

16 § 114-a. Drug. The term "drug" when used in this chapter, means and  
17 includes any substance listed in section thirty-three hundred six of the  
18 public health law and any substance or combination of substances that  
19 impair, to any extent, physical or mental abilities.

20 § 31. The article heading of article 20-B of the tax law, as added by  
21 chapter 90 of the laws of 2014, is amended to read as follows:

22 EXCISE TAX ON MEDICAL [~~MARIHUANA~~] CANNABIS

23 § 32. The paragraph heading and subparagraph (i) of paragraph (b) of  
24 subdivision 1 of section 1193 of the vehicle and traffic law, as amended  
25 by chapter 169 of the laws of 2013, are amended to read as follows:

26 Driving while intoxicated or while ability impaired by drugs or while  
27 ability impaired by the combined influence of drugs or of alcohol and  
28 any drug or drugs; aggravated driving while intoxicated; misdemeanor  
29 offenses. (i) A violation of subdivision two, three, or four [~~or four-a~~]  
30 of section eleven hundred ninety-two of this article shall be a misde-  
31 meanor and shall be punishable by a fine of not less than five hundred  
32 dollars nor more than one thousand dollars, or by imprisonment in a  
33 penitentiary or county jail for not more than one year, or by both such  
34 fine and imprisonment. A violation of paragraph (a) of subdivision two-a  
35 of section eleven hundred ninety-two of this article shall be a misde-  
36 meanor and shall be punishable by a fine of not less than one thousand  
37 dollars nor more than two thousand five hundred dollars or by imprison-  
38 ment in a penitentiary or county jail for not more than one year, or by  
39 both such fine and imprisonment.

40 § 33. Paragraph (c) of subdivision 1 of section 1193 of the vehicle  
41 and traffic law, as amended by chapter 169 of the laws of 2013, is  
42 amended by adding a new subparagraph (i-a) to read as follows:

43 (i-a) A violation of subdivision four-a of section eleven hundred  
44 ninety-two of this article shall be a class E felony, and shall be  
45 punishable by a fine of not less than one thousand dollars nor more than  
46 five thousand dollars or by a period of imprisonment as provided in the  
47 penal law, or by both such fine and imprisonment.

48 § 33-a. Subdivisions 1, 2 and 3 of section 1194 of the vehicle and  
49 traffic law, as added by chapter 47 of the laws of 1988, paragraph (a)  
50 of subdivision 2 as amended by chapter 196 of the laws of 1996, para-  
51 graphs (b) and (c) of subdivision 2 as amended by chapter 489 of the  
52 laws of 2017, clause (A) of subparagraph 1, subparagraphs 2 and 3 of  
53 paragraph (b), subparagraphs 1, 2 and 3 of paragraph (c) of subdivision  
54 2 as amended by chapter 27 of the laws of 2018, subparagraphs 1 and 2 of  
55 paragraph (d) of subdivision 2 as amended by chapter 732 of the laws of  
56 2006, and item (iii) of clause c of subparagraph 1 of paragraph (d) of



1 subdivision 2 as amended by section 37 of part LL of chapter 56 of the  
2 laws of 2010, are amended to read as follows:

3 1. Arrest and field testing. (a) Arrest. Notwithstanding the  
4 provisions of section 140.10 of the criminal procedure law, a police  
5 officer may, without a warrant, arrest a person, in case of a violation  
6 of subdivision one of section eleven hundred ninety-two of this article,  
7 if such violation is coupled with an accident or collision in which such  
8 person is involved, which in fact has been committed, though not in the  
9 police officer's presence, when the officer has reasonable cause to  
10 believe that the violation was committed by such person.

11 (b) Field testing. Every person operating a motor vehicle which has  
12 been involved in an accident or which is operated in violation of any of  
13 the provisions of this chapter shall, at the request of a police offi-  
14 cer, submit to a breath test and/or oral/bodily fluid to be administered  
15 by the police officer, and/or to an evaluation by a drug recognition  
16 expert or advance roadside impairment detection enforcement certified  
17 officer. If such test indicates that such operator has consumed alcohol  
18 or drug or drugs, the police officer may request such operator to submit  
19 to a chemical test or an evaluation conducted by a drug recognition  
20 expert or advance roadside impairment detection enforcement certified  
21 officer in the manner set forth in subdivision two of this section.

22 2. Chemical and drug recognition tests. (a) When authorized. Any  
23 person who operates a motor vehicle in this state shall be deemed to  
24 have given consent to an evaluation conducted by a drug recognition  
25 expert or advance roadside impairment detection enforcement certified  
26 officer or any portion thereof and/or a chemical test of one or more of  
27 the following: breath, blood, urine, or saliva, for the purpose of  
28 determining the alcoholic and/or drug content of the blood provided that  
29 such test is administered by or at the direction of a police officer  
30 with respect to a chemical test of breath, urine or saliva or, with  
31 respect to a chemical test of blood, at the direction of a police offi-  
32 cer:

33 (1) having reasonable grounds to believe such person to have been  
34 operating in violation of any subdivision of section eleven hundred  
35 ninety-two of this article and within two hours after such person has  
36 been placed under arrest for any such violation; or having reasonable  
37 grounds to believe such person to have been operating in violation of  
38 section eleven hundred ninety-two-a of this article and within two hours  
39 after the stop of such person for any such violation,

40 (2) within two hours after a breath test and/or oral/bodily fluid, or  
41 an evaluation conducted by a drug recognition expert or advance roadside  
42 impairment detection enforcement certified officer, as provided in para-  
43 graph (b) of subdivision one of this section, indicates that alcohol  
44 and/or drug or drugs, has been consumed by such person and in accordance  
45 with the rules and regulations established by the police force of which  
46 the officer is a member;

47 (3) for the purposes of this paragraph, "reasonable grounds" to  
48 believe that a person has been operating a motor vehicle after having  
49 consumed alcohol in violation of section eleven hundred ninety-two-a, or  
50 alcohol and/or drug or drugs in violation of any other section of eleven  
51 hundred ninety-two, of this article shall be determined by viewing the  
52 totality of circumstances surrounding the incident which, when taken  
53 together, indicate that the operator was driving in violation of such  
54 subdivision. Such circumstances may include any visible or behavioral  
55 indication of alcohol and/or drug or drugs consumption by the operator,  
56 the existence of an open container containing or having contained an

1 alcoholic beverage and/or drug or drugs in or around the vehicle driven  
2 by the operator, the odor of cannabis or burnt cannabis, or any other  
3 evidence surrounding the circumstances of the incident which indicates  
4 that the operator has been operating a motor vehicle after having  
5 consumed alcohol and/or drug or drugs at the time of the incident; or

6 (4) notwithstanding any other provision of law to the contrary, no  
7 person under the age of twenty-one shall be arrested for an alleged  
8 violation of section eleven hundred ninety-two-a of this article.  
9 However, a person under the age of twenty-one for whom a chemical test  
10 or an evaluation conducted by a drug recognition expert or advance road-  
11 side impairment detection enforcement certified officer is authorized  
12 pursuant to this paragraph may be temporarily detained by the police  
13 solely for the purpose of requesting or administering such chemical test  
14 whenever arrest without a warrant for a petty offense would be author-  
15 ized in accordance with the provisions of section 140.10 of the criminal  
16 procedure law or paragraph (a) of subdivision one of this section.

17 (b) Report of refusal. (1) If: (A) such person having been placed  
18 under arrest; or (B) after a breath test indicates the presence of alco-  
19 hol and/or drug or drugs in the person's system; or (C) with regard to a  
20 person under the age of twenty-one, there are reasonable grounds to  
21 believe that such person has been operating a motor vehicle after having  
22 consumed alcohol in violation of section eleven hundred ninety-two-a of  
23 this article; and having thereafter been requested to submit to such  
24 chemical test or an evaluation conducted by a drug recognition expert or  
25 advance roadside impairment detection enforcement certified officer and  
26 having been informed that the person's license or permit to drive and  
27 any non-resident operating privilege shall be immediately suspended and  
28 subsequently revoked, or, for operators under the age of twenty-one for  
29 whom there are reasonable grounds to believe that such operator has been  
30 operating a motor vehicle after having consumed alcohol in violation of  
31 section eleven hundred ninety-two-a of this article, shall be revoked  
32 for refusal to submit to such chemical test or any portion thereof, or  
33 an evaluation conducted by a drug recognition expert or advance roadside  
34 impairment detection enforcement certified officer or any portion there-  
35 of, whether or not the person is found guilty of the charge for which  
36 such person is arrested or detained, refuses to submit to such chemical  
37 test or any portion thereof, or an evaluation conducted by a drug recog-  
38 nitition expert or advance roadside impairment detection enforcement  
39 certified officer or any portion thereof, unless a court order has been  
40 granted pursuant to subdivision three of this section, the test shall  
41 not be given and a written report of such refusal shall be immediately  
42 made by the police officer before whom such refusal was made. Such  
43 report may be verified by having the report sworn to, or by affixing to  
44 such report a form notice that false statements made therein are punish-  
45 able as a class A misdemeanor pursuant to section 210.45 of the penal  
46 law and such form notice together with the subscription of the deponent  
47 shall constitute a verification of the report.

48 (2) The report of the police officer shall set forth reasonable  
49 grounds to believe such arrested person or such detained person under  
50 the age of twenty-one had been driving in violation of any subdivision  
51 of section eleven hundred ninety-two or eleven hundred ninety-two-a of  
52 this article, that said person had refused to submit to such chemical  
53 test, or an evaluation conducted by a drug recognition expert or advance  
54 roadside impairment detection enforcement certified officer or any  
55 portion thereof, and that no chemical test or evaluation conducted by a  
56 drug recognition expert or advance roadside impairment detection

1 enforcement certified officer was administered pursuant to the require-  
2 ments of subdivision three of this section. The report shall be  
3 presented to the court upon arraignment of an arrested person, provided,  
4 however, in the case of a person under the age of twenty-one, for whom a  
5 test was authorized pursuant to the provisions of subparagraph two or  
6 three of paragraph (a) of this subdivision, and who has not been placed  
7 under arrest for a violation of any of the provisions of section eleven  
8 hundred ninety-two of this article, such report shall be forwarded to  
9 the commissioner within forty-eight hours in a manner to be prescribed  
10 by the commissioner, and all subsequent proceedings with regard to  
11 refusal to submit to such chemical test by such person shall be as set  
12 forth in subdivision three of section eleven hundred ninety-four-a of  
13 this article.

14 (3) For persons placed under arrest for a violation of any subdivision  
15 of section eleven hundred ninety-two of this article, the license or  
16 permit to drive and any non-resident operating privilege shall, upon the  
17 basis of such written report, be temporarily suspended by the court  
18 without notice pending the determination of a hearing as provided in  
19 paragraph (c) of this subdivision. Copies of such report must be trans-  
20 mitted by the court to the commissioner and such transmittal may not be  
21 waived even with the consent of all the parties. Such report shall be  
22 forwarded to the commissioner within forty-eight hours of such arraign-  
23 ment.

24 (4) The court or the police officer, in the case of a person under the  
25 age of twenty-one alleged to be driving after having consumed alcohol,  
26 shall provide such person with a scheduled hearing date, a waiver form,  
27 and such other information as may be required by the commissioner. If a  
28 hearing, as provided for in paragraph (c) of this subdivision, or subdi-  
29 vision three of section eleven hundred ninety-four-a of this article, is  
30 waived by such person, the commissioner shall immediately revoke the  
31 license, permit, or non-resident operating privilege, as of the date of  
32 receipt of such waiver in accordance with the provisions of paragraph  
33 (d) of this subdivision.

34 (c) Hearings. Any person whose license or permit to drive or any non-  
35 resident driving privilege has been suspended pursuant to paragraph (b)  
36 of this subdivision is entitled to a hearing in accordance with a hear-  
37 ing schedule to be promulgated by the commissioner. If the department  
38 fails to provide for such hearing fifteen days after the date of the  
39 arraignment of the arrested person, the license, permit to drive or  
40 non-resident operating privilege of such person shall be reinstated  
41 pending a hearing pursuant to this section. The hearing shall be limited  
42 to the following issues: (1) did the police officer have reasonable  
43 grounds to believe that such person had been driving in violation of any  
44 subdivision of section eleven hundred ninety-two of this article; (2)  
45 did the police officer make a lawful arrest of such person; (3) was such  
46 person given sufficient warning, in clear or unequivocal language, prior  
47 to such refusal that such refusal to submit to such chemical test or any  
48 portion thereof or an evaluation conducted by a drug recognition expert  
49 or advance roadside impairment detection enforcement certified officer  
50 or any portion thereof, would result in the immediate suspension and  
51 subsequent revocation of such person's license or operating privilege  
52 whether or not such person is found guilty of the charge for which the  
53 arrest was made; and (4) did such person refuse to submit to such chemi-  
54 cal test or any portion thereof or an evaluation conducted by a drug  
55 recognition expert or advance roadside impairment detection enforcement  
56 certified officer or any portion thereof. If, after such hearing, the

1 hearing officer, acting on behalf of the commissioner, finds on any one  
2 of said issues in the negative, the hearing officer shall immediately  
3 terminate any suspension arising from such refusal. If, after such hear-  
4 ing, the hearing officer, acting on behalf of the commissioner finds all  
5 of the issues in the affirmative, such officer shall immediately revoke  
6 the license or permit to drive or any non-resident operating privilege  
7 in accordance with the provisions of paragraph (d) of this subdivision.  
8 A person who has had a license or permit to drive or non-resident oper-  
9 ating privilege suspended or revoked pursuant to this subdivision may  
10 appeal the findings of the hearing officer in accordance with the  
11 provisions of article three-A of this chapter. Any person may waive the  
12 right to a hearing under this section. Failure by such person to appear  
13 for the scheduled hearing shall constitute a waiver of such hearing,  
14 provided, however, that such person may petition the commissioner for a  
15 new hearing which shall be held as soon as practicable.

16 (d) Sanctions. (1) Revocations. a. Any license which has been revoked  
17 pursuant to paragraph (c) of this subdivision shall not be restored for  
18 at least one year after such revocation, nor thereafter, except in the  
19 discretion of the commissioner. However, no such license shall be  
20 restored for at least eighteen months after such revocation, nor there-  
21 after except in the discretion of the commissioner, in any case where  
22 the person has had a prior revocation resulting from refusal to submit  
23 to a chemical test or an evaluation conducted by a drug recognition  
24 expert or advance roadside impairment detection enforcement certified  
25 officer or any portion thereof, or has been convicted of or found to be  
26 in violation of any subdivision of section eleven hundred ninety-two or  
27 section eleven hundred ninety-two-a of this article not arising out of  
28 the same incident, within the five years immediately preceding the date  
29 of such revocation; provided, however, a prior finding that a person  
30 under the age of twenty-one has refused to submit to a chemical test  
31 pursuant to subdivision three of section eleven hundred ninety-four-a of  
32 this article shall have the same effect as a prior finding of a refusal  
33 pursuant to this subdivision solely for the purpose of determining the  
34 length of any license suspension or revocation required to be imposed  
35 under any provision of this article, provided that the subsequent  
36 offense or refusal is committed or occurred prior to the expiration of  
37 the retention period for such prior refusal as set forth in paragraph  
38 (k) of subdivision one of section two hundred one of this chapter.

39 b. Any license which has been revoked pursuant to paragraph (c) of  
40 this subdivision or pursuant to subdivision three of section eleven  
41 hundred ninety-four-a of this article, where the holder was under the  
42 age of twenty-one years at the time of such refusal, shall not be  
43 restored for at least one year, nor thereafter, except in the discretion  
44 of the commissioner. Where such person under the age of twenty-one years  
45 has a prior finding, conviction or youthful offender adjudication  
46 resulting from a violation of section eleven hundred ninety-two or  
47 section eleven hundred ninety-two-a of this article, not arising from  
48 the same incident, such license shall not be restored for at least one  
49 year or until such person reaches the age of twenty-one years, whichever  
50 is the greater period of time, nor thereafter, except in the discretion  
51 of the commissioner.

52 c. Any commercial driver's license which has been revoked pursuant to  
53 paragraph (c) of this subdivision based upon a finding of refusal to  
54 submit to a chemical test or an evaluation conducted by a drug recogni-  
55 tion expert or advance roadside impairment detection enforcement certi-  
56 fied officer or any portion thereof, where such finding occurs within or

1 outside of this state, shall not be restored for at least eighteen  
2 months after such revocation, nor thereafter, except in the discretion  
3 of the commissioner, but shall not be restored for at least three years  
4 after such revocation, nor thereafter, except in the discretion of the  
5 commissioner, if the holder of such license was operating a commercial  
6 motor vehicle transporting hazardous materials at the time of such  
7 refusal. However, such person shall be permanently disqualified from  
8 operating a commercial motor vehicle in any case where the holder has a  
9 prior finding of refusal to submit to a chemical test or an evaluation  
10 conducted by a drug recognition expert or advance roadside impairment  
11 detection enforcement certified officer or any portion thereof pursuant  
12 to this section or has a prior conviction of any of the following  
13 offenses: any violation of section eleven hundred ninety-two of this  
14 article; any violation of subdivision one or two of section six hundred  
15 of this chapter; or has a prior conviction of any felony involving the  
16 use of a motor vehicle pursuant to paragraph (a) of subdivision one of  
17 section five hundred ten-a of this chapter. Provided that the commis-  
18 sioner may waive such permanent revocation after a period of ten years  
19 has expired from such revocation provided:

20 (i) that during such ten year period such person has not been found to  
21 have refused a chemical test or an evaluation conducted by a drug recog-  
22 niton expert or advance roadside impairment detection enforcement  
23 certified officer; or any portion thereof pursuant to this section and  
24 has not been convicted of any one of the following offenses: any  
25 violation of section eleven hundred ninety-two of this article; refusal  
26 to submit to a chemical test or an evaluation conducted by a drug recog-  
27 niton expert or advance roadside impairment detection enforcement  
28 certified officer or any portion thereof pursuant to this section; any  
29 violation of subdivision one or two of section six hundred of this chap-  
30 ter; or has a prior conviction of any felony involving the use of a  
31 motor vehicle pursuant to paragraph (a) of subdivision one of section  
32 five hundred ten-a of this chapter;

33 (ii) that such person provides acceptable documentation to the commis-  
34 sioner that such person is not in need of alcohol or drug treatment or  
35 has satisfactorily completed a prescribed course of such treatment; and

36 (iii) after such documentation is accepted, that such person is grant-  
37 ed a certificate of relief from disabilities or a certificate of good  
38 conduct pursuant to article twenty-three of the correction law by the  
39 court in which such person was last penalized.

40 d. Upon a third finding of refusal and/or conviction of any of the  
41 offenses which require a permanent commercial driver's license revoca-  
42 tion, such permanent revocation may not be waived by the commissioner  
43 under any circumstances.

44 (2) Civil penalties. Except as otherwise provided, any person whose  
45 license, permit to drive, or any non-resident operating privilege is  
46 revoked pursuant to the provisions of this section shall also be liable  
47 for a civil penalty in the amount of five hundred dollars except that if  
48 such revocation is a second or subsequent revocation pursuant to this  
49 section issued within a five year period, or such person has been  
50 convicted of a violation of any subdivision of section eleven hundred  
51 ninety-two of this article within the past five years not arising out of  
52 the same incident, the civil penalty shall be in the amount of seven  
53 hundred fifty dollars. Any person whose license is revoked pursuant to  
54 the provisions of this section based upon a finding of refusal to submit  
55 to a chemical test while operating a commercial motor vehicle shall also  
56 be liable for a civil penalty of five hundred fifty dollars except that

1 if such person has previously been found to have refused a chemical test  
2 or an evaluation conducted by a drug recognition expert or advance road-  
3 side impairment detection enforcement certified officer or any portion  
4 thereof pursuant to this section while operating a commercial motor  
5 vehicle or has a prior conviction of any of the following offenses while  
6 operating a commercial motor vehicle: any violation of section eleven  
7 hundred ninety-two of this article; any violation of subdivision two of  
8 section six hundred of this chapter; or has a prior conviction of any  
9 felony involving the use of a commercial motor vehicle pursuant to para-  
10 graph (a) of subdivision one of section five hundred ten-a of this chap-  
11 ter, then the civil penalty shall be seven hundred fifty dollars. No new  
12 driver's license or permit shall be issued, or non-resident operating  
13 privilege restored to such person unless such penalty has been paid. All  
14 penalties collected by the department pursuant to the provisions of this  
15 section shall be the property of the state and shall be paid into the  
16 general fund of the state treasury.

17 (3) Effect of rehabilitation program. No period of revocation arising  
18 out of this section may be set aside by the commissioner for the reason  
19 that such person was a participant in the alcohol and drug rehabili-  
20 tation program set forth in section eleven hundred ninety-six of this  
21 article.

22 (e) Regulations. The commissioner shall promulgate such rules and  
23 regulations as may be necessary to effectuate the provisions of subdivi-  
24 sions one and two of this section.

25 (f) Evidence. Evidence of a refusal to submit to such chemical test or  
26 any portion thereof or an evaluation conducted by a drug recognition  
27 expert or advance roadside impairment detection enforcement certified  
28 officer shall be admissible in any trial, proceeding or hearing based  
29 upon a violation of the provisions of section eleven hundred ninety-two  
30 of this article but only upon a showing that the person was given suffi-  
31 cient warning, in clear and unequivocal language, of the effect of such  
32 refusal and that the person persisted in the refusal.

33 (g) Results. Upon the request of the person who was tested, the  
34 results of such test shall be made available to such person.

35 3. Compulsory chemical tests. (a) Court ordered chemical tests.  
36 Notwithstanding the provisions of subdivision two of this section, no  
37 person who operates a motor vehicle in this state may refuse to submit  
38 to a chemical test of one or more of the following: breath, blood, urine  
39 or saliva, for the purpose of determining the alcoholic and/or drug  
40 content of the blood when a court order for such chemical test has been  
41 issued in accordance with the provisions of this subdivision.

42 (b) When authorized. Upon refusal by any person to submit to a chemi-  
43 cal test or any portion thereof as described above, the test shall not  
44 be given unless a police officer or a district attorney, as defined in  
45 subdivision thirty-two of section 1.20 of the criminal procedure law,  
46 requests and obtains a court order to compel a person to submit to a  
47 chemical test to determine the alcoholic or drug content of the person's  
48 blood upon a finding of reasonable cause to believe that:

49 (1) such person was the operator of a motor vehicle [~~and in the course~~  
50 ~~of such operation a person other than the operator was killed or~~  
51 ~~suffered serious physical injury as defined in section 10.00 of the~~  
52 ~~penal law~~]; and

53 (2) a. either such person operated the vehicle in violation of any  
54 subdivision of section eleven hundred ninety-two of this article, or b.  
55 a breath and/or oral/bodily fluid test administered by a police officer

1 in accordance with paragraph (b) of subdivision one of this section  
2 indicates that alcohol has been consumed by such person; and

3 (3) such person has been placed under lawful arrest; and

4 (4) such person has refused to submit to a chemical test or any  
5 portion thereof, requested in accordance with the provisions of para-  
6 graph (a) of subdivision two of this section or is unable to give  
7 consent to such a test.

8 (c) Reasonable cause; definition. For the purpose of this subdivision  
9 "reasonable cause" shall be determined by viewing the totality of  
10 circumstances surrounding the incident which, when taken together, indi-  
11 cate that the operator was driving in violation of section eleven  
12 hundred ninety-two of this article. Such circumstances may include, but  
13 are not limited to: evidence that the operator was operating a motor  
14 vehicle in violation of any provision of this article or any other  
15 moving violation at the time of the incident; any visible indication of  
16 alcohol or drug consumption or impairment by the operator; the existence  
17 of an open container containing an alcoholic beverage and/or drug or  
18 drugs in or around the vehicle driven by the operator; the odor of  
19 cannabis or burnt cannabis; any other evidence surrounding the circum-  
20 stances of the incident which indicates that the operator has been oper-  
21 ating a motor vehicle while impaired by the consumption of alcohol or  
22 drugs or intoxicated at the time of the incident.

23 (d) Court order; procedure. (1) An application for a court order to  
24 compel submission to a chemical test or any portion thereof, may be made  
25 to any supreme court justice, county court judge or district court judge  
26 in the judicial district in which the incident occurred, or if the inci-  
27 dent occurred in the city of New York before any supreme court justice  
28 or judge of the criminal court of the city of New York. Such application  
29 may be communicated by telephone, radio or other means of electronic  
30 communication, or in person.

31 (2) The applicant must provide identification by name and title and  
32 must state the purpose of the communication. Upon being advised that an  
33 application for a court order to compel submission to a chemical test is  
34 being made, the court shall place under oath the applicant and any other  
35 person providing information in support of the application as provided  
36 in subparagraph three of this paragraph. After being sworn the applicant  
37 must state that the person from whom the chemical test was requested was  
38 the operator of a motor vehicle and in the course of such operation a  
39 person, other than the operator, has been killed or seriously injured  
40 and, based upon the totality of circumstances, there is reasonable cause  
41 to believe that such person was operating a motor vehicle in violation  
42 of any subdivision of section eleven hundred ninety-two of this article  
43 and, after being placed under lawful arrest such person refused to  
44 submit to a chemical test or any portion thereof, in accordance with the  
45 provisions of this section or is unable to give consent to such a test  
46 or any portion thereof. The applicant must make specific allegations of  
47 fact to support such statement. Any other person properly identified,  
48 may present sworn allegations of fact in support of the applicant's  
49 statement.

50 (3) Upon being advised that an oral application for a court order to  
51 compel a person to submit to a chemical test is being made, a judge or  
52 justice shall place under oath the applicant and any other person  
53 providing information in support of the application. Such oath or oaths  
54 and all of the remaining communication must be recorded, either by means  
55 of a voice recording device or verbatim stenographic or verbatim long-  
56 hand notes. If a voice recording device is used or a stenographic record

1 made, the judge must have the record transcribed, certify to the accuracy of the transcription and file the original record and transcription with the court within seventy-two hours of the issuance of the court order. If the longhand notes are taken, the judge shall subscribe a copy and file it with the court within twenty-four hours of the issuance of the order.

7 (4) If the court is satisfied that the requirements for the issuance of a court order pursuant to the provisions of paragraph (b) of this subdivision have been met, it may grant the application and issue an order requiring the accused to submit to a chemical test to determine the alcoholic and/or drug content of his blood and ordering the withdrawal of a blood sample in accordance with the provisions of paragraph (a) of subdivision four of this section. When a judge or justice determines to issue an order to compel submission to a chemical test based on an oral application, the applicant therefor shall prepare the order in accordance with the instructions of the judge or justice. In all cases the order shall include the name of the issuing judge or justice, the name of the applicant, and the date and time it was issued. It must be signed by the judge or justice if issued in person, or by the applicant if issued orally.

21 (5) Any false statement by an applicant or any other person in support of an application for a court order shall subject such person to the offenses for perjury set forth in article two hundred ten of the penal law.

25 (6) The chief administrator of the courts shall establish a schedule to provide that a sufficient number of judges or justices will be available in each judicial district to hear oral applications for court orders as permitted by this section.

29 (e) Administration of compulsory chemical test. An order issued pursuant to the provisions of this subdivision shall require that a chemical test to determine the alcoholic and/or drug content of the operator's blood must be administered. The provisions of paragraphs (a), (b) and (c) of subdivision four of this section shall be applicable to any chemical test administered pursuant to this section.

35 § 33-b. Subdivision 1 of section 1227 of the vehicle and traffic law, as amended by section 3 of part F of chapter 60 of the laws of 2005, is amended to read as follows:

38 1. The drinking of alcoholic beverages or consumption of cannabis, or the possession of an open container containing an alcoholic beverage or cannabis, in a motor vehicle located upon the public highways or right-of-way public highway is prohibited. Any operator or passenger violating this section shall be guilty of a traffic infraction.

43 The provisions of this section shall not be deemed to prohibit the drinking of alcoholic beverages the consumption of cannabis, or the possession of an open container containing an alcoholic beverage or cannabis by passengers in passenger vehicles operated pursuant to a certificate or permit issued by the department of transportation or the United States department of transportation. Furthermore, the provisions of this section shall not be deemed to prohibit the possession of wine which is: (a) resealed in accordance with the provisions of subdivision four of section eighty-one of the alcoholic beverage control law; and (b) is transported in the vehicle's trunk or is transported behind the last upright seat or in an area not normally occupied by the driver or passenger in a motor vehicle that is not equipped with a trunk.



1 § 34. Subdivision 1 of section 171-a of the tax law, as amended by  
2 section 3 of part XX of chapter 59 of the laws of 2019, is amended to  
3 read as follows:

4 1. All taxes, interest, penalties and fees collected or received by  
5 the commissioner or the commissioner's duly authorized agent under arti-  
6 cles nine (except section one hundred eighty-two-a thereof and except as  
7 otherwise provided in section two hundred five thereof), nine-A,  
8 twelve-A (except as otherwise provided in section two hundred eighty-  
9 four-d thereof), thirteen, thirteen-A (except as otherwise provided in  
10 section three hundred twelve thereof), eighteen, nineteen, twenty  
11 (except as otherwise provided in section four hundred eighty-two there-  
12 of), twenty-B, twenty-C, twenty-D, twenty-one, twenty-two, twenty-four,  
13 twenty-six, twenty-eight (except as otherwise provided in section eleven  
14 hundred two or eleven hundred three thereof), twenty-eight-A, twenty-  
15 nine-B, thirty-one (except as otherwise provided in section fourteen  
16 hundred twenty-one thereof), thirty-three and thirty-three-A of this  
17 chapter shall be deposited daily in one account with such responsible  
18 banks, banking houses or trust companies as may be designated by the  
19 comptroller, to the credit of the comptroller. Such an account may be  
20 established in one or more of such depositories. Such deposits shall be  
21 kept separate and apart from all other money in the possession of the  
22 comptroller. The comptroller shall require adequate security from all  
23 such depositories. Of the total revenue collected or received under such  
24 articles of this chapter, the comptroller shall retain in the comp-  
25 troller's hands such amount as the commissioner may determine to be  
26 necessary for refunds or reimbursements under such articles of this  
27 chapter out of which amount the comptroller shall pay any refunds or  
28 reimbursements to which taxpayers shall be entitled under the provisions  
29 of such articles of this chapter. The commissioner and the comptroller  
30 shall maintain a system of accounts showing the amount of revenue  
31 collected or received from each of the taxes imposed by such articles.  
32 The comptroller, after reserving the amount to pay such refunds or  
33 reimbursements, shall, on or before the tenth day of each month, pay  
34 into the state treasury to the credit of the general fund all revenue  
35 deposited under this section during the preceding calendar month and  
36 remaining to the comptroller's credit on the last day of such preceding  
37 month, (i) except that the comptroller shall pay to the state department  
38 of social services that amount of overpayments of tax imposed by article  
39 twenty-two of this chapter and the interest on such amount which is  
40 certified to the comptroller by the commissioner as the amount to be  
41 credited against past-due support pursuant to subdivision six of section  
42 one hundred seventy-one-c of this article, (ii) and except that the  
43 comptroller shall pay to the New York state higher education services  
44 corporation and the state university of New York or the city university  
45 of New York respectively that amount of overpayments of tax imposed by  
46 article twenty-two of this chapter and the interest on such amount which  
47 is certified to the comptroller by the commissioner as the amount to be  
48 credited against the amount of defaults in repayment of guaranteed  
49 student loans and state university loans or city university loans pursu-  
50 ant to subdivision five of section one hundred seventy-one-d and subdi-  
51 vision six of section one hundred seventy-one-e of this article, (iii)  
52 and except further that, notwithstanding any law, the comptroller shall  
53 credit to the revenue arrearage account, pursuant to section  
54 ninety-one-a of the state finance law, that amount of overpayment of tax  
55 imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B  
56 or thirty-three of this chapter, and any interest thereon, which is

1 certified to the comptroller by the commissioner as the amount to be  
2 credited against a past-due legally enforceable debt owed to a state  
3 agency pursuant to paragraph (a) of subdivision six of section one  
4 hundred seventy-one-f of this article, provided, however, he shall cred-  
5 it to the special offset fiduciary account, pursuant to section ninety-  
6 one-c of the state finance law, any such amount creditable as a liabil-  
7 ity as set forth in paragraph (b) of subdivision six of section one  
8 hundred seventy-one-f of this article, (iv) and except further that the  
9 comptroller shall pay to the city of New York that amount of overpayment  
10 of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A,  
11 thirty-B or thirty-three of this chapter and any interest thereon that  
12 is certified to the comptroller by the commissioner as the amount to be  
13 credited against city of New York tax warrant judgment debt pursuant to  
14 section one hundred seventy-one-l of this article, (v) and except  
15 further that the comptroller shall pay to a non-obligated spouse that  
16 amount of overpayment of tax imposed by article twenty-two of this chap-  
17 ter and the interest on such amount which has been credited pursuant to  
18 section one hundred seventy-one-c, one hundred seventy-one-d, one  
19 hundred seventy-one-e, one hundred seventy-one-f or one hundred seven-  
20 ty-one-l of this article and which is certified to the comptroller by  
21 the commissioner as the amount due such non-obligated spouse pursuant to  
22 paragraph six of subsection (b) of section six hundred fifty-one of this  
23 chapter; and (vi) the comptroller shall deduct a like amount which the  
24 comptroller shall pay into the treasury to the credit of the general  
25 fund from amounts subsequently payable to the department of social  
26 services, the state university of New York, the city university of New  
27 York, or the higher education services corporation, or the revenue  
28 arrearage account or special offset fiduciary account pursuant to  
29 section ninety-one-a or ninety-one-c of the state finance law, as the  
30 case may be, whichever had been credited the amount originally withheld  
31 from such overpayment, and (vii) with respect to amounts originally  
32 withheld from such overpayment pursuant to section one hundred seventy-  
33 one-l of this article and paid to the city of New York, the comptroller  
34 shall collect a like amount from the city of New York.

35 § 34-a. Subdivision 1 of section 171-a of the tax law, as amended by  
36 section 4 of part XX of chapter 59 of the laws of 2019, is amended to  
37 read as follows:

38 1. All taxes, interest, penalties and fees collected or received by  
39 the commissioner or the commissioner's duly authorized agent under arti-  
40 cles nine (except section one hundred eighty-two-a thereof and except as  
41 otherwise provided in section two hundred five thereof), nine-A,  
42 twelve-A (except as otherwise provided in section two hundred eighty-  
43 four-d thereof), thirteen, thirteen-A (except as otherwise provided in  
44 section three hundred twelve thereof), eighteen, nineteen, twenty  
45 (except as otherwise provided in section four hundred eighty-two there-  
46 of), twenty-C, twenty-D, twenty-one, twenty-two, twenty-four, twenty-  
47 six, twenty-eight (except as otherwise provided in section eleven  
48 hundred two or eleven hundred three thereof), twenty-eight-A, twenty-  
49 nine-B, thirty-one (except as otherwise provided in section fourteen  
50 hundred twenty-one thereof), thirty-three and thirty-three-A of this  
51 chapter shall be deposited daily in one account with such responsible  
52 banks, banking houses or trust companies as may be designated by the  
53 comptroller, to the credit of the comptroller. Such an account may be  
54 established in one or more of such depositories. Such deposits shall be  
55 kept separate and apart from all other money in the possession of the  
56 comptroller. The comptroller shall require adequate security from all

1 such depositories. Of the total revenue collected or received under such  
2 articles of this chapter, the comptroller shall retain in the comp-  
3 troller's hands such amount as the commissioner may determine to be  
4 necessary for refunds or reimbursements under such articles of this  
5 chapter out of which amount the comptroller shall pay any refunds or  
6 reimbursements to which taxpayers shall be entitled under the provisions  
7 of such articles of this chapter. The commissioner and the comptroller  
8 shall maintain a system of accounts showing the amount of revenue  
9 collected or received from each of the taxes imposed by such articles.  
10 The comptroller, after reserving the amount to pay such refunds or  
11 reimbursements, shall, on or before the tenth day of each month, pay  
12 into the state treasury to the credit of the general fund all revenue  
13 deposited under this section during the preceding calendar month and  
14 remaining to the comptroller's credit on the last day of such preceding  
15 month, (i) except that the comptroller shall pay to the state department  
16 of social services that amount of overpayments of tax imposed by article  
17 twenty-two of this chapter and the interest on such amount which is  
18 certified to the comptroller by the commissioner as the amount to be  
19 credited against past-due support pursuant to subdivision six of section  
20 one hundred seventy-one-c of this article, (ii) and except that the  
21 comptroller shall pay to the New York state higher education services  
22 corporation and the state university of New York or the city university  
23 of New York respectively that amount of overpayments of tax imposed by  
24 article twenty-two of this chapter and the interest on such amount which  
25 is certified to the comptroller by the commissioner as the amount to be  
26 credited against the amount of defaults in repayment of guaranteed  
27 student loans and state university loans or city university loans pursu-  
28 ant to subdivision five of section one hundred seventy-one-d and subdivi-  
29 sion six of section one hundred seventy-one-e of this article, (iii)  
30 and except further that, notwithstanding any law, the comptroller shall  
31 credit to the revenue arrearage account, pursuant to section  
32 ninety-one-a of the state finance law, that amount of overpayment of tax  
33 imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B  
34 or thirty-three of this chapter, and any interest thereon, which is  
35 certified to the comptroller by the commissioner as the amount to be  
36 credited against a past-due legally enforceable debt owed to a state  
37 agency pursuant to paragraph (a) of subdivision six of section one  
38 hundred seventy-one-f of this article, provided, however, he shall cred-  
39 it to the special offset fiduciary account, pursuant to section ninety-  
40 one-c of the state finance law, any such amount creditable as a liabil-  
41 ity as set forth in paragraph (b) of subdivision six of section one  
42 hundred seventy-one-f of this article, (iv) and except further that the  
43 comptroller shall pay to the city of New York that amount of overpayment  
44 of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A,  
45 thirty-B or thirty-three of this chapter and any interest thereon that  
46 is certified to the comptroller by the commissioner as the amount to be  
47 credited against city of New York tax warrant judgment debt pursuant to  
48 section one hundred seventy-one-l of this article, (v) and except  
49 further that the comptroller shall pay to a non-obligated spouse that  
50 amount of overpayment of tax imposed by article twenty-two of this chap-  
51 ter and the interest on such amount which has been credited pursuant to  
52 section one hundred seventy-one-c, one hundred seventy-one-d, one  
53 hundred seventy-one-e, one hundred seventy-one-f or one hundred seven-  
54 ty-one-l of this article and which is certified to the comptroller by  
55 the commissioner as the amount due such non-obligated spouse pursuant to  
56 paragraph six of subsection (b) of section six hundred fifty-one of this

1 chapter; and (vi) the comptroller shall deduct a like amount which the  
2 comptroller shall pay into the treasury to the credit of the general  
3 fund from amounts subsequently payable to the department of social  
4 services, the state university of New York, the city university of New  
5 York, or the higher education services corporation, or the revenue  
6 arrearage account or special offset fiduciary account pursuant to  
7 section ninety-one-a or ninety-one-c of the state finance law, as the  
8 case may be, whichever had been credited the amount originally withheld  
9 from such overpayment, and (vii) with respect to amounts originally  
10 withheld from such overpayment pursuant to section one hundred seventy-  
11 one-1 of this article and paid to the city of New York, the comptroller  
12 shall collect a like amount from the city of New York.

13 § 35. Section 490 of the tax law, as added by chapter 90 of the laws  
14 of 2014, is amended to read as follows:

15 § 490. [~~Definitions~~] Excise tax on medical cannabis. 1. (a) [~~All~~  
16 ~~definitions of terms applicable to title five-A of article thirty-three~~  
17 ~~of the public health law shall apply to this article.~~] For purposes of  
18 this article, the terms "medical cannabis," "registered organization,"  
19 "certified patient," and "designated caregiver" shall have the same  
20 definitions as in section three of the cannabis law.

21 (b) As used in this section, where not otherwise specifically defined  
22 and unless a different meaning is clearly required "gross receipt" means  
23 the amount received in or by reason of any sale, conditional or other-  
24 wise, of medical [~~marihuana~~] cannabis or in or by reason of the furnish-  
25 ing of medical [~~marihuana~~] cannabis from the sale of medical [~~marihuana~~]  
26 cannabis provided by a registered organization to a certified patient or  
27 designated caregiver. Gross receipt is expressed in money, whether paid  
28 in cash, credit or property of any kind or nature, and shall be deter-  
29 mined without any deduction therefrom on account of the cost of the  
30 service sold or the cost of materials, labor or services used or other  
31 costs, interest or discount paid, or any other expenses whatsoever.  
32 "Amount received" for the purpose of the definition of gross receipt, as  
33 the term gross receipt is used throughout this article, means the amount  
34 charged for the provision of medical [~~marihuana~~] cannabis.

35 2. There is hereby imposed an excise tax on the gross receipts from  
36 the sale of medical [~~marihuana~~] cannabis by a registered organization to  
37 a certified patient or designated caregiver, to be paid by the regis-  
38 tered organization, at the rate of seven percent. The tax imposed by  
39 this article shall be charged against and be paid by the registered  
40 organization and shall not be added as a separate charge or line item on  
41 any sales slip, invoice, receipt or other statement or memorandum of the  
42 price given to the retail customer.

43 3. The commissioner may make, adopt and amend rules, regulations,  
44 procedures and forms necessary for the proper administration of this  
45 article.

46 4. Every registered organization that makes sales of medical [~~marihua-~~  
47 ~~na~~] cannabis subject to the tax imposed by this article shall, on or  
48 before the twentieth date of each month, file with the commissioner a  
49 return on forms to be prescribed by the commissioner, showing its  
50 receipts from the retail sale of medical [~~marihuana~~] cannabis during the  
51 preceding calendar month and the amount of tax due thereon. Such returns  
52 shall contain such further information as the commissioner may require.  
53 Every registered organization required to file a return under this  
54 section shall, at the time of filing such return, pay to the commission-  
55 er the total amount of tax due on its retail sales of medical [~~marihua-~~  
56 ~~na~~] cannabis for the period covered by such return. If a return is not

1 filed when due, the tax shall be due on the day on which the return is  
2 required to be filed.

3 5. Whenever the commissioner shall determine that any moneys received  
4 under the provisions of this article were paid in error, he may cause  
5 the same to be refunded, with interest, in accordance with such rules  
6 and regulations as he may prescribe, except that no interest shall be  
7 allowed or paid if the amount thereof would be less than one dollar.  
8 Such interest shall be at the overpayment rate set by the commissioner  
9 pursuant to subdivision twenty-sixth of section one hundred seventy-one  
10 of this chapter, or if no rate is set, at the rate of six percent per  
11 annum, from the date when the tax, penalty or interest to be refunded  
12 was paid to a date preceding the date of the refund check by not more  
13 than thirty days. Provided, however, that for the purposes of this  
14 subdivision, any tax paid before the last day prescribed for its payment  
15 shall be deemed to have been paid on such last day. Such moneys received  
16 under the provisions of this article which the commissioner shall deter-  
17 mine were paid in error, may be refunded out of funds in the custody of  
18 the comptroller to the credit of such taxes provided an application  
19 therefor is filed with the commissioner within two years from the time  
20 the erroneous payment was made.

21 6. The provisions of article twenty-seven of this chapter shall apply  
22 to the tax imposed by this article in the same manner and with the same  
23 force and effect as if the language of such article had been incorpo-  
24 rated in full into this section and had expressly referred to the tax  
25 imposed by this article, except to the extent that any provision of such  
26 article is either inconsistent with a provision of this article or is  
27 not relevant to this article.

28 7. All taxes, interest and penalties collected or received by the  
29 commissioner under this article shall be deposited and disposed of  
30 pursuant to the provisions of section one hundred seventy-one-a of this  
31 chapter, provided that an amount equal to one hundred percent collected  
32 under this article less any amount determined by the commissioner to be  
33 reserved by the comptroller for refunds or reimbursements shall be paid  
34 by the comptroller to the credit of the medical [~~marihuana~~] cannabis  
35 trust fund established by section eighty-nine-h of the state finance  
36 law.

37 8. A registered organization that dispenses medical [~~marihuana~~] canna-  
38 bis shall provide to the department information on where the medical  
39 [~~marihuana~~] cannabis was dispensed and where the medical [~~marihuana~~]  
40 cannabis was manufactured. A registered organization that obtains [~~mari-~~  
41 ~~huana~~] cannabis from another registered organization shall obtain from  
42 such registered organization information on where the medical [~~marihua-~~  
43 ~~na~~] cannabis was manufactured.

44 § 36. Section 491 of the tax law, as added by chapter 90 of the laws  
45 of 2014, subdivision 1 as amended by section 1 of part II of chapter 60  
46 of the laws of 2016, is amended to read as follows:

47 § 491. Returns to be secret. 1. Except in accordance with proper judi-  
48 cial order or as in this section or otherwise provided by law, it shall  
49 be unlawful for the commissioner, any officer or employee of the depart-  
50 ment, or any officer or person who, pursuant to this section, is permit-  
51 ted to inspect any return or report or to whom a copy, an abstract or a  
52 portion of any return or report is furnished, or to whom any information  
53 contained in any return or report is furnished, or any person engaged or  
54 retained by such department on an independent contract basis or any  
55 person who in any manner may acquire knowledge of the contents of a  
56 return or report filed pursuant to this article to divulge or make known

1 in any manner the contents or any other information relating to the  
2 business of a distributor, owner or other person contained in any return  
3 or report required under this article. The officers charged with the  
4 custody of such returns or reports shall not be required to produce any  
5 of them or evidence of anything contained in them in any action or  
6 proceeding in any court, except on behalf of the state, [~~the state~~  
7 ~~department of health~~] office of cannabis management, or the commissioner  
8 in an action or proceeding under the provisions of this chapter or on  
9 behalf of the state or the commissioner in any other action or proceed-  
10 ing involving the collection of a tax due under this chapter to which  
11 the state or the commissioner is a party or a claimant or on behalf of  
12 any party to any action or proceeding under the provisions of this arti-  
13 cle, when the returns or the reports or the facts shown thereby are  
14 directly involved in such action or proceeding, or in an action or  
15 proceeding relating to the regulation or taxation of medical [~~marihuana~~  
16 cannabis] on behalf of officers to whom information shall have been  
17 supplied as provided in subdivision two of this section, in any of which  
18 events the court may require the production of, and may admit in  
19 evidence so much of said returns or reports or of the facts shown there-  
20 by as are pertinent to the action or proceeding and no more. Nothing  
21 herein shall be construed to prohibit the commissioner, in his or her  
22 discretion, from allowing the inspection or delivery of a certified copy  
23 of any return or report filed under this article or of any information  
24 contained in any such return or report by or to a duly authorized offi-  
25 cer or employee of the [~~state department of health~~] office of cannabis  
26 management; or by or to the attorney general or other legal represen-  
27 tatives of the state when an action shall have been recommended or  
28 commenced pursuant to this chapter in which such returns or reports or  
29 the facts shown thereby are directly involved; or the inspection of the  
30 returns or reports required under this article by the comptroller or  
31 duly designated officer or employee of the state department of audit and  
32 control, for purposes of the audit of a refund of any tax paid by a  
33 registered organization or other person under this article; nor to  
34 prohibit the delivery to a registered organization, or a duly authorized  
35 representative of such registered organization, a certified copy of any  
36 return or report filed by such registered organization pursuant to this  
37 article, nor to prohibit the publication of statistics so classified as  
38 to prevent the identification of particular returns or reports and the  
39 items thereof. This section shall also not be construed to prohibit the  
40 disclosure, for tax administration purposes, to the division of the  
41 budget and the office of the state comptroller, of information aggre-  
42 gated from the returns filed by all the registered organizations making  
43 sales of, or manufacturing, medical [~~marihuana~~] cannabis in a specified  
44 county, whether the number of such registered organizations is one or  
45 more. Provided further that, notwithstanding the provisions of this  
46 subdivision, the commissioner may, in his or her discretion, permit the  
47 proper officer of any county entitled to receive an allocation, follow-  
48 ing appropriation by the legislature, pursuant to this article and  
49 section eighty-nine-h of the state finance law, or the authorized repre-  
50 sentative of such officer, to inspect any return filed under this arti-  
51 cle, or may furnish to such officer or the officer's authorized repre-  
52 sentative an abstract of any such return or supply such officer or such  
53 representative with information concerning an item contained in any such  
54 return, or disclosed by any investigation of tax liability under this  
55 article.

1 2. The commissioner, in his or her discretion and pursuant to such  
2 rules and regulations as he or she may adopt, may permit [~~the commis-~~  
3 ~~sioner of internal revenue of the United States, or~~] the appropriate  
4 officers of any other state which regulates or taxes medical [~~marihuana~~  
5 ~~cannabis~~, or the duly authorized representatives of such [~~commissioner~~  
6 ~~or of any such~~] officers, to inspect returns or reports made pursuant to  
7 this article, or may furnish to such [~~commissioner or~~] other officers,  
8 or duly authorized representatives, a copy of any such return or report  
9 or an abstract of the information therein contained, or any portion  
10 thereof, or may supply [~~such commissioner or~~] any such officers or such  
11 representatives with information relating to the business of a regis-  
12 tered organization making returns or reports hereunder. The commissioner  
13 may refuse to supply information pursuant to this subdivision [~~to the~~  
14 ~~commissioner of internal revenue of the United States or~~] to the offi-  
15 cers of any other state if the statutes [~~of the United States, or~~] of  
16 the state represented by such officers, do not grant substantially simi-  
17 lar privileges to the commissioner, but such refusal shall not be manda-  
18 tory. Information shall not be supplied to [~~the commissioner of internal~~  
19 ~~revenue of the United States or~~] the appropriate officers of any other  
20 state which regulates or taxes medical [~~marihuana~~ ~~cannabis~~, or the duly  
21 authorized representatives [~~of such commissioner or~~] of any of such  
22 officers, unless such [~~commissioner,~~] officer or other representatives  
23 shall agree not to divulge or make known in any manner the information  
24 so supplied, but such officers may transmit such information to their  
25 employees or legal representatives when necessary, who in turn shall be  
26 subject to the same restrictions as those hereby imposed upon such  
27 [~~commissioner,~~] officer or other representatives.

28 3. (a) Any officer or employee of the state who willfully violates the  
29 provisions of subdivision one or two of this section shall be dismissed  
30 from office and be incapable of holding any public office in this state  
31 for a period of five years thereafter.

32 (b) Cross-reference: For criminal penalties, see article thirty-seven  
33 of this chapter.

34 § 37. The tax law is amended by adding a new article 20-C to read as  
35 follows:

#### 36 ARTICLE 20-C

#### 37 TAX ON ADULT-USE CANNABIS PRODUCTS

#### 38 Section 492. Definitions.

#### 39 493. Imposition of tax.

#### 40 494. Registration and renewal.

#### 41 495. Returns and payment of tax.

#### 42 496. Records to be kept; penalties.

#### 43 496-a. Returns to be secret.

#### 44 496-b. Administrative provisions.

#### 45 496-c. Illicit cannabis penalty.

46 § 492. Definitions. For purposes of this article, the following defi-  
47 initions shall apply:

48 (a) "Adult-use cannabis product" means cannabis, concentrated canna-  
49 bis, and cannabis infused products. For purposes of this article, under  
50 no circumstances shall adult-use cannabis product include medical canna-  
51 bis or hemp as defined in section three of the cannabis law.

52 (b) "Cannabis" means all parts of a plant of the genus cannabis,  
53 whether growing or not; the seeds thereof; the resin extracted from any  
54 part of the plant; and every compound, manufacture, salt, derivative,  
55 mixture, or preparation of the plant, its seeds or resin. For purposes

1 of this article, cannabis does not include medical cannabis or hemp as  
2 defined in section three of the cannabis law.

3 (c) "Cannabis flower" means the flower of a plant of the genus canna-  
4 bis that has been harvested, dried, and cured, and prior to any process-  
5 ing whereby the plant material is transformed into a concentrate,  
6 including, but not limited to, concentrated cannabis, or an edible or  
7 topical product containing cannabis or concentrated cannabis and other  
8 ingredients. Cannabis flower excludes leaves and stem.

9 (d) "Cannabis trim" means all parts of a plant of the genus cannabis  
10 other than cannabis flowers that have been harvested, dried, and cured,  
11 and prior to any processing whereby the plant material is transformed  
12 into a concentrate, including, but not limited to, concentrated canna-  
13 bis, or an edible or topical product containing cannabis and other  
14 ingredients.

15 (e) "Cultivation" has the same meaning as described in subdivision two  
16 of section sixty-eight of the cannabis law.

17 (f) "Cultivator" has the same meaning as described in subdivisions one  
18 and two of section sixty-eight of the cannabis law.

19 (g) "Illicit cannabis" means and includes any adult-use cannabis prod-  
20 uct or medical cannabis on which any tax required to have been paid  
21 under this chapter has not been paid; or any adult-use cannabis or  
22 medical cannabis product, the form, packaging, or content of which is  
23 not permitted by the office of cannabis management, as applicable.

24 (h) "Person" means every individual, partnership, limited liability  
25 company, society, association, joint stock company, corporation, estate,  
26 receiver, trustee, assignee, referee, and any other person acting in a  
27 fiduciary or representative capacity, whether appointed by a court or  
28 otherwise, and any combination of the foregoing.

29 (i) "Processor" has the same meaning as described in subdivisions one  
30 and two of section sixty-nine of the cannabis law.

31 (j) "Retail dispensary" means a dispensary licensed to sell adult-use  
32 cannabis products pursuant to section seventy-two of the cannabis law.

33 (k) "Sale" means any transfer of title, possession or both, exchange  
34 or barter, rental, lease or license to use or consume, conditional or  
35 otherwise, in any manner or by any means whatsoever for a consideration  
36 or any agreement therefor.

37 (l) "Transfer" means to grant, convey, hand over, assign, sell,  
38 exchange or barter, in any manner or by any means, with or without  
39 consideration.

40 (m) "Wet cannabis" means a whole plant of the genus cannabis that has  
41 been harvested and weighed within two hours of harvesting and has not  
42 undergone any processing, including, but not limited to drying, curing,  
43 trimming or increasing the ambient temperature in the room in which such  
44 plant is held.

45 § 493. Imposition of tax. (a) There is hereby imposed and shall be  
46 paid a tax on the cultivation of the following: (1) cannabis flower at  
47 the rate of one dollar per dry weight gram; (2) cannabis trim at the  
48 rate of twenty-five cents per dry-weight gram; and (3) wet cannabis at  
49 the rate of fourteen cents per gram. This tax shall be paid by the  
50 person to whom such flower, trim, or wet cannabis has been sold or  
51 transferred and shall accrue at the time of such sale or transfer. Where  
52 a person who processes or distributes cannabis flower, cannabis trim, or  
53 wet cannabis is licensed under the cannabis law as a microbusiness,  
54 cooperative or registered organization, such person shall be liable for  
55 the tax imposed by this subdivision.



1 (b) In addition to the tax imposed by subdivision (a) of this section,  
2 there is hereby imposed a tax on the sale or transfer of adult-use  
3 cannabis products by any person to a retail dispensary at the rate of  
4 twenty percent of the amount charged by such person for such adult-use  
5 cannabis products, which shall accrue at the time of such sale or trans-  
6 fer. Where the retail dispensary is operated by a person licensed under  
7 the cannabis law as a registered organization, such tax shall be paid by  
8 the retail dispensary at the rate of twenty percent of the price charged  
9 to the retail customer and shall accrue at the time of such sale.

10 (c) In addition to the taxes imposed by subdivisions (a) and (b) of  
11 this section, there is hereby imposed a tax on the sale or transfer of  
12 adult-use cannabis products by any person to a retail dispensary at the  
13 rate of two percent of the amount charged by such person for such  
14 adult-use cannabis products, which shall accrue at the time of such sale  
15 or transfer. The tax imposed by this subdivision shall be in trust for  
16 and on account of a city having a population of one million or more, or  
17 a county, other than a county wholly within such a city, in which the  
18 retail dispensary is located. Where the retail dispensary is operated  
19 by a person licensed under the cannabis law as a registered organiza-  
20 tion, such tax shall be paid by the retail dispensary at the rate of two  
21 percent of the price charged to the retail customer.

22 (d) It shall be presumed that all adult-use cannabis products within  
23 the state are subject to tax until the contrary is established, and the  
24 burden of proof that the taxes imposed by subdivisions (a), (b), and (c)  
25 of this section have been paid shall be upon the person in possession  
26 thereof where such person holds any license under the cannabis law.  
27 Every person holding a license under the cannabis law who possesses  
28 adult-use cannabis products upon which such taxes have not been paid  
29 shall be liable for the payment of such taxes, and the failure of such  
30 person to produce to the commissioner or his or her authorized represen-  
31 tative upon demand an invoice for any adult-use cannabis products in his  
32 or her possession shall be presumptive evidence that the tax thereon has  
33 not been paid and that such person is liable for the tax thereon, unless  
34 evidence of such invoice or payment is later produced.

35 (e) Notwithstanding any other provision of law to the contrary, the  
36 taxes imposed by article twenty of this chapter shall not apply to any  
37 product subject to tax under this article.

38 § 494. Registration and renewal. (a) Every person to whom cannabis  
39 flower, cannabis trim or wet cannabis is sold or transferred, and every  
40 person licensed as a microbusiness, cooperative or registered organiza-  
41 tion under the cannabis law must file with the commissioner a properly  
42 completed application for a certificate of registration before engaging  
43 in business. In order to apply for such certificate of registration,  
44 such person must first be in possession of a valid license from the  
45 office of cannabis management. An application for a certificate of  
46 registration must be submitted electronically, on a form prescribed by  
47 the commissioner, and must be accompanied by a non-refundable applica-  
48 tion fee of six hundred dollars. A certificate of registration shall not  
49 be assignable or transferable and shall be destroyed immediately upon  
50 such person ceasing to do business as specified in such certificate, or  
51 in the event that such business never commenced.

52 (b) The commissioner shall refuse to issue a certificate of registra-  
53 tion to any applicant and shall revoke the certificate of registration  
54 of any such person who does not possess a valid license from the office  
55 of cannabis management. The commissioner may refuse to issue a certif-  
56 icate of registration to any applicant where such applicant: (1) has a

1 past-due liability as that term is defined in section one hundred seven-  
2 ty-one-v of this chapter; (2) has had a certificate of registration  
3 under this article, a license from the office of cannabis management, or  
4 any license or registration provided for in this chapter revoked within  
5 one year from the date on which such application was filed; (3) has had  
6 a certificate of registration under this article, a license from the  
7 office of cannabis management, or any license or registration provided  
8 for in this chapter suspended where the suspension is in effect on the  
9 date the application is filed or ended less than one year from such  
10 date; (4) has been convicted of a crime provided for in this chapter  
11 within one year from the date on which such application was filed or the  
12 certificate was issued as applicable; (5) willfully fails to file a  
13 report or return required by this article; (6) willfully files, causes  
14 to be filed, gives or causes to be given a report, return, certificate  
15 or affidavit required by this article which is false; or (7) willfully  
16 fails to collect or truthfully account for or pay over any tax imposed  
17 by this article.

18 (c) A certificate of registration shall be valid for the period speci-  
19 fied thereon, unless earlier suspended or revoked. Upon the expiration  
20 of the term stated on a certificate of registration, such certificate  
21 shall be null and void.

22 (d) Every holder of a certificate of registration must notify the  
23 commissioner of changes to any of the information stated on the certif-  
24 icate, or of changes to any information contained in the application for  
25 the certificate of registration. Such notification must be made on or  
26 before the last day of the month in which a change occurs and must be  
27 made electronically on a form prescribed by the commissioner.

28 (e) Every holder of a certificate of registration under this article  
29 shall be required to reapply prior to such certificate's expiration,  
30 during a reapplication period established by the commissioner. Such  
31 reapplication period shall not occur more frequently than every two  
32 years. Such reapplication shall be subject to the same requirements and  
33 conditions as an initial application, including grounds for refusal and  
34 the payment of the application fee.

35 (f) Any person who is required to obtain a certificate of registration  
36 under subdivision (a) of this section who possesses adult-use cannabis  
37 products without such certificate shall be subject to a penalty of five  
38 hundred dollars for each month or part thereof during which adult-use  
39 cannabis products are possessed without such certificate, not to exceed  
40 ten thousand dollars in the aggregate.

41 § 495. Returns and payment of tax. Every person to whom cannabis  
42 flower, cannabis trim or wet cannabis is sold or transferred, and every  
43 person licensed as a microbusiness, cooperative or registered organiza-  
44 tion under the cannabis law shall, on or before the twentieth day of the  
45 month, file with the commissioner a return on forms to be prescribed by  
46 the commissioner, showing the total weight of cannabis flower, cannabis  
47 trim, and wet cannabis subject to tax pursuant to subdivision (a) of  
48 section four hundred ninety-three of this article and the total amount  
49 of tax due thereon in the preceding calendar month, and the total amount  
50 of tax due under subdivisions (b) and (c) of such section on its sales  
51 or transfers to, or sales by, a retail dispensary during the preceding  
52 calendar month, along with such other information as the commissioner  
53 may require. Every person required to file a return under this section  
54 shall, at the time of filing such return, pay to the commissioner the  
55 total amount of tax due for the period covered by such return. If a

1 return is not filed when due, the tax shall be due on the day on which  
2 the return is required to be filed.

3 § 496. Records to be kept; penalties. (a) Records to be kept. Every  
4 person to whom cannabis flower, cannabis trim or wet cannabis is sold or  
5 transferred, and every person licensed as a microbusiness, cooperative  
6 or registered organization under the cannabis law shall maintain  
7 complete and accurate records in such form as the commissioner may  
8 require including, but not limited to, such items as the weight of the  
9 cannabis flower, cannabis trim, and wet cannabis sold or transferred to  
10 or produced by such person; the geographic location of every retail  
11 dispensary to which such person sold or transferred adult-use cannabis  
12 products; and any other record or information required by the commis-  
13 sioner. Such records must be preserved for a period of three years after  
14 the filing of the return to which such records relate and must be  
15 provided to the commissioner upon request.

16 (b) Penalties. In addition to any other penalty provided in this arti-  
17 cle or otherwise imposed by law: every person to whom cannabis flower,  
18 cannabis trim or wet cannabis is sold or transferred, and every person  
19 licensed as a microbusiness, cooperative or registered organization  
20 under the cannabis law who fails to maintain or make available to the  
21 commissioner the records required by this section is subject to a penal-  
22 ty not to exceed five hundred dollars for the first month or part there-  
23 of for which the failure occurs. This penalty may not be imposed more  
24 than once for failures for the same monthly period or part thereof. If  
25 the commissioner determines that a failure to maintain or make available  
26 records in any month was entirely due to reasonable cause and not to  
27 willful neglect, the commissioner must remit the penalty for that month.

28 § 496-a. Returns to be secret. (a) Except in accordance with proper  
29 judicial order or as in this section or otherwise provided by law, it  
30 shall be unlawful for the commissioner, any officer or employee of the  
31 department, or any officer or person who, pursuant to this section, is  
32 permitted to inspect any return or report or to whom a copy, an abstract  
33 or a portion of any return or report is furnished, or to whom any infor-  
34 mation contained in any return or report is furnished, or any person who  
35 in any manner may acquire knowledge of the contents of a return or  
36 report filed pursuant to this article to divulge or make known in any  
37 manner the content or any other information contained in any return or  
38 report required under this article. The officers charged with the custo-  
39 dy of such returns or reports shall not be required to produce any of  
40 them or evidence of anything contained in them in any action or proceed-  
41 ing in any court, except on behalf of the state, the office of cannabis  
42 management, or the commissioner in an action or proceeding involving the  
43 collection of tax due under this chapter to which the state or the  
44 commissioner is a party or a claimant or on behalf of any party to any  
45 action or proceeding under the provisions of this article, when the  
46 returns or the reports or the facts shown thereby are directly involved  
47 in such action or proceeding, or in an action or proceeding related to  
48 the regulation or taxation of adult-use cannabis products on behalf of  
49 officers to whom information shall have been supplied as provided in  
50 this section, in any of which events the courts may require the  
51 production of, and may admit in evidence so much of said returns or  
52 reports or of the facts shown thereby as are pertinent to the action or  
53 proceeding and no more. Nothing herein shall be construed to prohibit  
54 the commissioner, in his or her discretion, from allowing the inspection  
55 or delivery of a certified copy of any return or report filed under this  
56 article or of any information contained in any such return or report by

1 or to a duly authorized officer or employee of the office of cannabis  
2 management or by or to the attorney general or other legal represen-  
3 tatives of the state when an action shall have been recommended or  
4 commenced pursuant to this chapter in which such returns or reports or  
5 the facts shown thereby are directly involved; or the inspection of the  
6 returns or reports required under this article by the comptroller or  
7 duly designated officer or employee of the state department of audit and  
8 control, for purposes of the audit of a refund of any tax paid by the  
9 wholesaler under this article; nor to prohibit the delivery to such  
10 person or a duly authorized representative of such person, a certified  
11 copy of any return or report filed by such person pursuant to this arti-  
12 cle, nor to prohibit the publication of statistics so classified as to  
13 prevent the identification of particular returns or reports and the  
14 items thereof. This section shall also not be construed to prohibit the  
15 disclosure, for tax administration purposes, to the division of the  
16 budget and the office of the state comptroller, of information aggre-  
17 gated from the returns filed by all persons subject to the taxes imposed  
18 by this article, whether the number of such persons is one or more.  
19 Provided further that, notwithstanding the provisions of this subdivi-  
20 sion, the commissioner may, in his or her discretion, permit the proper  
21 officer of any city having a population of one million or more and a  
22 county, other than a county wholly within such a city, entitled to  
23 receive any distribution of the monies received on account of the tax  
24 imposed by subdivision (c) of section four hundred ninety-three of this  
25 article, or the authorized representative of such officer, to inspect  
26 any return filed under this article, or may furnish to such officer or  
27 the officer's authorized representative an abstract of any such return  
28 or supply such officer or representative with information concerning an  
29 item contained in any such return, or disclosed by any investigation of  
30 tax liability under this article.

31 (b) The commissioner, in his or her discretion, may permit the appro-  
32 priate officers of any other state that regulates or taxes cannabis or  
33 the duly authorized representatives of any such officers, to inspect  
34 returns or reports made pursuant to this article, or may furnish to such  
35 other officers, or their duly authorized representatives, a copy of any  
36 such return or report or an abstract of the information therein  
37 contained, or any portion thereof, or may supply any such officers or  
38 such representatives with information relating to the business of a  
39 person making returns or reports hereunder solely for purposes of tax  
40 administration. The commissioner may refuse to supply information pursu-  
41 ant to this subdivision to the officers of any other state if the stat-  
42 utes of the state represented by such officers do not grant substantial-  
43 ly similar privileges to the commissioner, but such refusal shall not be  
44 mandatory. Information shall not be supplied to the officers of any  
45 state that regulates or taxes cannabis, or the duly authorized represen-  
46 tatives of any such officers, unless such officers or other represen-  
47 tatives shall agree not to divulge or make known in any manner the  
48 information so supplied, but such officers may transmit such information  
49 to their employees or legal representatives when necessary, who in turn  
50 shall be subject to the same restrictions as those hereby imposed upon  
51 such officers or other representatives.

52 (c) Any officer or employee of the state who willfully violates the  
53 provisions of subdivision (a) or (b) of this section shall be dismissed  
54 from office and be incapable of holding any public office in this state  
55 for a period of five years thereafter, and subject to criminal penalties  
56 pursuant to article thirty-seven of this chapter.

1 § 496-b. Administrative provisions. (a) The provisions of article  
2 twenty-seven of this chapter shall apply to the tax imposed by this  
3 article in the same manner and with the same force and effect as if the  
4 language of such article had been incorporated in full into this section  
5 and had expressly referred to the tax imposed by this article, except to  
6 the extent that any provision of such article is either inconsistent  
7 with a provision of this article or is not relevant to this article.

8 (b)(1) All taxes, interest, and penalties collected or received by the  
9 commissioner under this article shall be deposited and disposed of  
10 pursuant to the provisions of section one hundred seventy-one-a of this  
11 chapter, provided that an amount equal to one hundred percent collected  
12 under this article less any amount determined by the commissioner to be  
13 reserved by the comptroller for refunds or reimbursements shall be paid  
14 by the comptroller to the credit of the cannabis revenue fund estab-  
15 lished by section ninety-nine-hh of the state finance law. Of the total  
16 revenue collected or received under this article, the comptroller shall  
17 retain such amount as the commissioner may determine to be necessary for  
18 refunds. The commissioner is authorized and directed to deduct from the  
19 registration fees under subdivision (a) of section four hundred ninety-  
20 four of this article, before deposit into the cannabis revenue fund  
21 designated by the comptroller, a reasonable amount necessary to effectuate  
22 refunds of appropriations of the department to reimburse the depart-  
23 ment for the costs incurred to administer, collect, and distribute the  
24 taxes imposed by this article.

25 (2) Notwithstanding the foregoing, the commissioner shall certify to  
26 the comptroller the total amount of tax, penalty and interest received  
27 by him or her on account of the tax imposed by subdivision (c) of  
28 section four hundred ninety-three of this article in trust for and on  
29 account of a city having a population of one million or more and a coun-  
30 ty, other than a county wholly within such a city, in which a retail  
31 dispensary is located. On or before the twelfth day of each month, the  
32 comptroller, after reserving such refund fund, shall pay to the appro-  
33 priate fiscal officer of each such city having a population of one  
34 million or more and a county, other than a county wholly within such a  
35 city, the taxes, penalties and interest received and certified by the  
36 commissioner for the preceding calendar month.

37 § 496-c. Illicit cannabis penalty. (a) In addition to any other civil  
38 or criminal penalties that may apply, any person in possession of or  
39 having control over illicit cannabis, as defined in section four hundred  
40 ninety-two of this article, after notice and an opportunity for a hear-  
41 ing, shall be liable for a civil penalty of not less than four hundred  
42 dollars per ounce of illicit cannabis plant material, ten dollars per  
43 milligram of tetrahydrocannabinol contained in illicit cannabis infused  
44 products, one hundred dollars per gram of illicit cannabis concentrate  
45 or extract, two hundred fifty dollars per immature illicit cannabis  
46 plant, and one thousand dollars per mature cannabis plant, but not to  
47 exceed eight hundred dollars per ounce of illicit cannabis plant materi-  
48 al, twenty dollars per milligram of tetrahydrocannabinol contained in  
49 illicit cannabis infused products, two hundred dollars per gram of  
50 illicit cannabis concentrate or extract, five hundred dollars per imma-  
51 ture illicit cannabis plant, and two thousand dollars per mature canna-  
52 bis plant for a first violation, and for a second or subsequent  
53 violation within three years following a prior violation shall be liable  
54 for a civil penalty of not less than eight hundred dollars per ounce of  
55 illicit cannabis plant material, twenty dollars per milligram of tetra-  
56 hydrocannabinol contained in illicit cannabis infused products, two

1 hundred dollars per gram of illicit cannabis concentrate or extract,  
2 five hundred dollars per immature illicit cannabis plant, and two thou-  
3 sand dollars per mature cannabis plant but not to exceed one thousand  
4 dollars per ounce of illicit cannabis plant material, forty dollars per  
5 milligram of tetrahydrocannabinol contained in illicit cannabis infused  
6 products, four hundred dollars per gram of illicit cannabis concentrate  
7 or extract, one thousand dollars per immature illicit cannabis plant,  
8 and four thousand dollars per mature cannabis plant.

9 (b) No enforcement action taken under this section shall be construed  
10 to limit any other criminal or civil liability of anyone in possession  
11 of illicit cannabis.

12 § 38. Subdivision (a) of section 1115 of the tax law is amended by  
13 adding a new paragraph 3-b to read as follows:

14 (3-b) Adult-use cannabis products as defined by article twenty-C of  
15 this chapter.

16 § 39. Intentionally omitted.

17 § 40. Section 12 of chapter 90 of the laws of 2014 amending the public  
18 health law, the tax law, the state finance law, the general business  
19 law, the penal law and the criminal procedure law relating to medical  
20 use of marihuana, is amended to read as follows:

21 § 12. This act shall take effect immediately [~~and~~]; provided, however  
22 that sections one, three, five, seven-a, eight, nine, ten and eleven of  
23 this act shall expire and be deemed repealed seven years after such  
24 date; provided that the amendments to section 171-a of the tax law made  
25 by section seven of this act shall take effect on the same date and in  
26 the same manner as section 54 of part A of chapter 59 of the laws of  
27 2014 takes effect and shall not expire and be deemed repealed; and  
28 provided, further, that the amendments to subdivision 5 of section  
29 410.91 of the criminal procedure law made by section eleven of this act  
30 shall not affect the expiration and repeal of such section and shall  
31 expire and be deemed repealed therewith.

32 § 41. The office of cannabis management, in consultation with the  
33 division of the budget, the department of taxation and finance and the  
34 department of health shall conduct a study of the effectiveness of this  
35 act. Such study shall examine all aspects of the program, including the  
36 economic and fiscal aspects of the program, the impact of the program on  
37 the public health and safety of New York residents and the progress made  
38 in achieving social justice goals and toward eliminating the illegal  
39 market for cannabis products in New York. The office shall make recom-  
40 mendations regarding the appropriate level of taxation as well as any  
41 recommended changes to the taxation and regulatory structure of the  
42 program. In addition, the office shall also recommend changes, if any,  
43 necessary to improve and protect the public health and safety of New  
44 Yorkers. Such study shall be conducted two years after the effective  
45 date of this act and shall be presented to the governor, the temporary  
46 president of the senate and the speaker of the assembly, no later than  
47 October 1, 2023.

48 § 42. Section 102 of the alcoholic beverage control law is amended by  
49 adding a new subdivision 8 to read as follows:

50 8. No alcoholic beverage retail licensee shall sell cannabis, nor have  
51 or possess a license or permit to sell cannabis, on the same premises  
52 where alcoholic beverages are sold.

53 § 43. Subdivisions 1, 4, 5, 6, 7 and 13 of section 12-102 of the  
54 general obligations law, as added by chapter 406 of the laws of 2000,  
55 are amended to read as follows:

1 1. "Illegal drug" means any controlled substance [~~or marijuana~~] the  
2 possession of which is an offense under the public health law or the  
3 penal law.

4 4. "Grade one violation" means possession of one-quarter ounce or  
5 more, but less than four ounces, or distribution of less than one ounce  
6 of an illegal drug [~~other than marijuana, or possession of one pound or  
7 twenty-five plants or more, but less than four pounds or fifty plants,  
8 or distribution of less than one pound of marijuana~~].

9 5. "Grade two violation" means possession of four ounces or more, but  
10 less than eight ounces, or distribution of one ounce or more, but less  
11 than two ounces, of an illegal drug [~~other than marijuana, or possession  
12 of four pounds or more or fifty plants or distribution of more than one  
13 pound but less than ten pounds of marijuana~~].

14 6. "Grade three violation" means possession of eight ounces or more,  
15 but less than sixteen ounces, or distribution of two ounces or more, but  
16 less than four ounces, of a specified illegal drug [~~or possession of  
17 eight pounds or more or seventy-five plants or more, but less than  
18 sixteen pounds or one hundred plants, or distribution of more than five  
19 pounds but less than ten pounds of marijuana~~].

20 7. "Grade four violation" means possession of sixteen ounces or more  
21 or distribution of four ounces or more of a specified illegal drug [~~or  
22 possession of sixteen pounds or more or one hundred plants or more or  
23 distribution of ten pounds or more of marijuana~~].

24 13. "Drug trafficker" means a person convicted of a class A or class B  
25 felony controlled substance [~~or marijuana offense~~] who, in connection  
26 with the criminal conduct for which he or she stands convicted,  
27 possessed, distributed, sold or conspired to sell a controlled substance  
28 [~~or marijuana~~] which, by virtue of its quantity, the person's prominent  
29 role in the enterprise responsible for the sale or distribution of such  
30 controlled substance and other circumstances related to such criminal  
31 conduct indicate that such person's criminal possession, sale or  
32 conspiracy to sell such substance was not an isolated occurrence and was  
33 part of an ongoing pattern of criminal activity from which such person  
34 derived substantial income or resources and in which such person played  
35 a leadership role.

36 § 44. Paragraph (g) of subdivision 1 of section 488 of the social  
37 services law, as added by section 1 of part B of chapter 501 of the laws  
38 of 2012, is amended to read as follows:

39 (g) "Unlawful use or administration of a controlled substance," which  
40 shall mean any administration by a custodian to a service recipient of:  
41 a controlled substance as defined by article thirty-three of the public  
42 health law, without a prescription; or other medication not approved for  
43 any use by the federal food and drug administration, except for the  
44 administration of medical cannabis when such administration is in  
45 accordance with article three of the cannabis law and any regulations  
46 promulgated thereunder as well as the rules, regulations, policies, or  
47 procedures of the state oversight agency or agencies governing such  
48 custodians. It also shall include a custodian unlawfully using or  
49 distributing a controlled substance as defined by article thirty-three  
50 of the public health law, at the workplace or while on duty.

51 § 44-a. Subdivision 1 of section 151 of the social services law, as  
52 amended by section 2 of part F of chapter 58 of the laws of 2014, is  
53 amended to read as follows:

54 1. Unauthorized transactions. Except as otherwise provided in subdivi-  
55 sion two of this section, no person, firm, establishment, entity, or  
56 corporation (a) licensed under the provisions of the alcoholic beverage

1 control law to sell liquor and/or wine at retail for off-premises  
2 consumption; (b) licensed to sell beer at wholesale and also authorized  
3 to sell beer at retail for off-premises consumption; (c) licensed or  
4 authorized to conduct pari-mutuel wagering activity under the racing,  
5 pari-mutuel wagering and breeding law; (d) licensed to participate in  
6 charitable gaming under article fourteen-H of the general municipal law;  
7 (e) licensed to participate in the operation of a video lottery facility  
8 under section one thousand six hundred seventeen-a of the tax law; (f)  
9 licensed to operate a gaming facility under section one thousand three  
10 hundred eleven of the racing, pari-mutuel wagering and breeding law;  
11 [~~ex~~] (g) licensed to operate an adult-use cannabis retail dispensary  
12 pursuant to the cannabis law: or (h) providing adult-oriented enter-  
13 tainment in which performers disrobe or perform in an unclothed state  
14 for entertainment, or making available the venue in which performers  
15 disrobe or perform in an unclothed state for entertainment, shall cash  
16 or accept any public assistance check or electronic benefit transfer  
17 device issued by a public welfare official or department, or agent ther-  
18 eof, as and for public assistance.

19 § 44-b. Subdivision 3 of section 151 of the social services law is  
20 amended by adding a new paragraph (d) to read as follows:

21 (d) A violation of the provisions of subdivision one of this section  
22 taking place at the licensed premises by a person, firm, establishment,  
23 entity or corporation licensed pursuant to the cannabis law to operate  
24 an adult-use cannabis retail dispensary shall subject such person, firm,  
25 establishment, entity or corporation to penalties and injunctions pursu-  
26 ant to section sixteen of article two of the cannabis law.

27 § 45. Paragraphs (e) and (f) of subdivision 1 of section 490 of the  
28 social services law, as added by section 1 of part B of chapter 501 of  
29 the laws of 2012, are amended and a new paragraph (g) is added to read  
30 as follows:

31 (e) information regarding individual reportable incidents, incident  
32 patterns and trends, and patterns and trends in the reporting and  
33 response to reportable incidents is shared, consistent with applicable  
34 law, with the justice center, in the form and manner required by the  
35 justice center and, for facilities or provider agencies that are not  
36 state operated, with the applicable state oversight agency which shall  
37 provide such information to the justice center; [~~and~~]

38 (f) incident review committees are established; provided, however,  
39 that the regulations may authorize an exemption from this requirement,  
40 when appropriate, based on the size of the facility or provider agency  
41 or other relevant factors. Such committees shall be composed of members  
42 of the governing body of the facility or provider agency and other  
43 persons identified by the director of the facility or provider agency,  
44 including some members of the following: direct support staff, licensed  
45 health care practitioners, service recipients and representatives of  
46 family, consumer and other advocacy organizations, but not the director  
47 of the facility or provider agency. Such committee shall meet regularly  
48 to: (i) review the timeliness, thoroughness and appropriateness of the  
49 facility or provider agency's responses to reportable incidents; (ii)  
50 recommend additional opportunities for improvement to the director of  
51 the facility or provider agency, if appropriate; (iii) review incident  
52 trends and patterns concerning reportable incidents; and (iv) make  
53 recommendations to the director of the facility or provider agency to  
54 assist in reducing reportable incidents. Members of the committee shall  
55 be trained in confidentiality laws and regulations, and shall comply  
56 with section seventy-four of the public officers law[~~-~~]; and



1 (g) safe storage, administration, and diversion prevention policies  
2 regarding controlled substances and medical cannabis.

3 § 46. Sections 179.00, 179.05, 179.10, 179.11 and 179.15 of the penal  
4 law, as added by chapter 90 of the laws of 2014, are amended to read as  
5 follows:

6 § 179.00 Criminal diversion of medical [~~marihuana~~] cannabis; defi-  
7 nitions.

8 The following definitions are applicable to this article:

9 1. "Medical [~~marihuana~~] cannabis" means medical [~~marihuana~~] cannabis  
10 as defined in [~~subdivision eight of section thirty three hundred sixty~~  
11 ~~of the public health law~~] section three of the cannabis law.

12 2. "Certification" means a certification, made under section [~~thirty-~~  
13 ~~three hundred sixty-one of the public health law~~] thirty of the cannabis  
14 law.

15 § 179.05 Criminal diversion of medical [~~marihuana~~] cannabis; limita-  
16 tions.

17 The provisions of this article shall not apply to:

18 1. a practitioner authorized to issue a certification who acted in  
19 good faith in the lawful course of his or her profession; or

20 2. a registered organization as that term is defined in [~~subdivision~~  
21 ~~nine of section thirty three hundred sixty of the public health law~~]  
22 section thirty-four of the cannabis law who acted in good faith in the  
23 lawful course of the practice of pharmacy; or

24 3. a person who acted in good faith seeking treatment for a medical  
25 condition or assisting another person to obtain treatment for a medical  
26 condition.

27 § 179.10 Criminal diversion of medical [~~marihuana~~] cannabis in the first  
28 degree.

29 A person is guilty of criminal diversion of medical [~~marihuana~~] canna-  
30 bis in the first degree when he or she is a practitioner, as that term  
31 is defined in [~~subdivision twelve of section thirty three hundred sixty~~  
32 ~~of the public health law~~] section three of the cannabis law, who issues  
33 a certification with knowledge of reasonable grounds to know that (i)  
34 the recipient has no medical need for it, or (ii) it is for a purpose  
35 other than to treat a serious condition as defined in [~~subdivision seven~~  
36 ~~of section thirty three hundred sixty of the public health law~~] section  
37 three of the cannabis law.

38 Criminal diversion of medical [~~marihuana~~] cannabis in the first degree  
39 is a class E felony.

40 § 179.11 Criminal diversion of medical [~~marihuana~~] cannabis in the  
41 second degree.

42 A person is guilty of criminal diversion of medical [~~marihuana~~] canna-  
43 bis in the second degree when he or she sells, trades, delivers, or  
44 otherwise provides medical [~~marihuana~~] cannabis to another with know-  
45 ledge or reasonable grounds to know that the recipient is not registered  
46 under [~~title five A of article thirty three of the public health law~~]  
47 article three of the cannabis law.

48 Criminal diversion of medical [~~marihuana~~] cannabis in the second  
49 degree is a class B misdemeanor.

50 § 179.15 Criminal retention of medical [~~marihuana~~] cannabis.

51 A person is guilty of criminal retention of medical [~~marihuana~~] canna-  
52 bis when, being a certified patient or designated caregiver, as those  
53 terms are defined in [~~subdivisions three and five of section thirty-~~  
54 ~~three hundred sixty of the public health law, respectively~~] section  
55 three of the cannabis law, he or she knowingly obtains, possesses,  
56 stores or maintains an amount of [~~marihuana~~] cannabis in excess of the

1 amount he or she is authorized to possess under the provisions of [~~title~~  
2 ~~five-A of article thirty-three of the public health law~~] article three  
3 of the cannabis law.

4 Criminal retention of medical [~~marihuana~~] cannabis is a class A misde-  
5 meanor.

6 § 47. Section 220.78 of the penal law, as added by chapter 154 of the  
7 laws of 2011, is amended to read as follows:

8 § 220.78 Witness or victim of drug or alcohol overdose.

9 1. A person who, in good faith, seeks health care for someone who is  
10 experiencing a drug or alcohol overdose or other life threatening  
11 medical emergency shall not be charged or prosecuted for a controlled  
12 substance offense under article two hundred twenty or a [~~marihuana~~]  
13 cannabis offense under article two hundred twenty-one of this title,  
14 other than an offense involving sale for consideration or other benefit  
15 or gain, or charged or prosecuted for possession of alcohol by a person  
16 under age twenty-one years under section sixty-five-c of the alcoholic  
17 beverage control law, or for possession of drug paraphernalia under  
18 article thirty-nine of the general business law, with respect to any  
19 controlled substance, [~~marihuana~~] cannabis, alcohol or paraphernalia  
20 that was obtained as a result of such seeking or receiving of health  
21 care.

22 2. A person who is experiencing a drug or alcohol overdose or other  
23 life threatening medical emergency and, in good faith, seeks health care  
24 for himself or herself or is the subject of such a good faith request  
25 for health care, shall not be charged or prosecuted for a controlled  
26 substance offense under this article or a [~~marihuana~~] cannabis offense  
27 under article two hundred twenty-one of this title, other than an  
28 offense involving sale for consideration or other benefit or gain, or  
29 charged or prosecuted for possession of alcohol by a person under age  
30 twenty-one years under section sixty-five-c of the alcoholic beverage  
31 control law, or for possession of drug paraphernalia under article thir-  
32 ty-nine of the general business law, with respect to any substance,  
33 [~~marihuana~~] cannabis, alcohol or paraphernalia that was obtained as a  
34 result of such seeking or receiving of health care.

35 3. Definitions. As used in this section the following terms shall have  
36 the following meanings:

37 (a) "Drug or alcohol overdose" or "overdose" means an acute condition  
38 including, but not limited to, physical illness, coma, mania, hysteria  
39 or death, which is the result of consumption or use of a controlled  
40 substance or alcohol and relates to an adverse reaction to or the quan-  
41 tity of the controlled substance or alcohol or a substance with which  
42 the controlled substance or alcohol was combined; provided that a  
43 patient's condition shall be deemed to be a drug or alcohol overdose if  
44 a prudent layperson, possessing an average knowledge of medicine and  
45 health, could reasonably believe that the condition is in fact a drug or  
46 alcohol overdose and (except as to death) requires health care.

47 (b) "Health care" means the professional services provided to a person  
48 experiencing a drug or alcohol overdose by a health care professional  
49 licensed, registered or certified under title eight of the education law  
50 or article thirty of the public health law who, acting within his or her  
51 lawful scope of practice, may provide diagnosis, treatment or emergency  
52 services for a person experiencing a drug or alcohol overdose.

53 4. It shall be an affirmative defense to a criminal sale controlled  
54 substance offense under this article or a criminal sale of [~~marihuana~~]  
55 cannabis offense under article two hundred twenty-one of this title, not  
56 covered by subdivision one or two of this section, with respect to any

1 controlled substance or [~~marihuana~~] cannabis which was obtained as a  
2 result of such seeking or receiving of health care, that:

3 (a) the defendant, in good faith, seeks health care for someone or for  
4 him or herself who is experiencing a drug or alcohol overdose or other  
5 life threatening medical emergency; and

6 (b) the defendant has no prior conviction for the commission or  
7 attempted commission of a class A-I, A-II or B felony under this arti-  
8 cle.

9 5. Nothing in this section shall be construed to bar the admissibility  
10 of any evidence in connection with the investigation and prosecution of  
11 a crime with regard to another defendant who does not independently  
12 qualify for the bar to prosecution or for the affirmative defense; nor  
13 with regard to other crimes committed by a person who otherwise quali-  
14 fies under this section; nor shall anything in this section be construed  
15 to bar any seizure pursuant to law, including but not limited to pursu-  
16 ant to section thirty-three hundred eighty-seven of the public health  
17 law.

18 6. The bar to prosecution described in subdivisions one and two of  
19 this section shall not apply to the prosecution of a class A-I felony  
20 under this article, and the affirmative defense described in subdivision  
21 four of this section shall not apply to the prosecution of a class A-I  
22 or A-II felony under this article.

23 § 48. Subdivision 1 of section 260.20 of the penal law, as amended by  
24 chapter 362 of the laws of 1992, is amended as follows:

25 1. He knowingly permits a child less than eighteen years old to enter  
26 or remain in or upon a place, premises or establishment where sexual  
27 activity as defined by article one hundred thirty, two hundred thirty or  
28 two hundred sixty-three of this [~~chapter~~] part or activity involving  
29 controlled substances as defined by article two hundred twenty of this  
30 [~~chapter or involving marihuana as defined by article two hundred twen-~~  
31 ~~ty one of this chapter~~] part is maintained or conducted, and he knows or  
32 has reason to know that such activity is being maintained or conducted;  
33 or

34 § 49. Section 89-h of the state finance law, as added by chapter 90 of  
35 the laws of 2014, is amended to read as follows:

36 § 89-h. Medical [~~marihuana~~] cannabis trust fund. 1. There is hereby  
37 established in the joint custody of the state comptroller and the  
38 commissioner of taxation and finance a special fund to be known as the  
39 "medical [~~marihuana~~] cannabis trust fund."

40 2. The medical [~~marihuana~~] cannabis trust fund shall consist of all  
41 moneys required to be deposited in the medical [~~marihuana~~] cannabis  
42 trust fund pursuant to the provisions of section four hundred ninety of  
43 the tax law.

44 3. The moneys in the medical [~~marihuana~~] cannabis trust fund shall be  
45 kept separate and shall not be commingled with any other moneys in the  
46 custody of the commissioner of taxation and finance and the state comp-  
47 troller.

48 4. The moneys of the medical [~~marihuana~~] cannabis trust fund, follow-  
49 ing appropriation by the legislature, shall be allocated upon a certif-  
50 icate of approval of availability by the director of the budget as  
51 follows: (a) Twenty-two and five-tenths percent of the monies shall be  
52 transferred to the counties in New York state in which the medical  
53 [~~marihuana~~] cannabis was manufactured and allocated in proportion to the  
54 gross sales originating from medical [~~marihuana~~] cannabis manufactured  
55 in each such county; (b) twenty-two and five-tenths percent of the  
56 moneys shall be transferred to the counties in New York state in which

1 the medical [~~marihuana~~] cannabis was dispensed and allocated in propor-  
2 tion to the gross sales occurring in each such county; (c) five percent  
3 of the monies shall be transferred to the office of [~~alcoholism and~~  
4 ~~substance abuse services~~] addiction services and supports, which shall  
5 use that revenue for additional drug abuse prevention, counseling and  
6 treatment services; and (d) five percent of the revenue received by the  
7 department shall be transferred to the division of criminal justice  
8 services, which shall use that revenue for a program of discretionary  
9 grants to state and local law enforcement agencies that demonstrate a  
10 need relating to [~~title five A of article thirty three of the public~~  
11 ~~health law~~] article three of the cannabis law; said grants could be used  
12 for personnel costs of state and local law enforcement agencies. For  
13 purposes of this subdivision, the city of New York shall be deemed to be  
14 a county.

15 § 50. The state finance law is amended by adding a new section 99-hh  
16 to read as follows:

17 § 99-hh. New York state cannabis revenue fund. 1. There is hereby  
18 established in the joint custody of the state comptroller and the  
19 commissioner of taxation and finance a special fund to be known as the  
20 "New York state cannabis revenue fund" (the "fund").

21 2. Monies in the fund shall be kept separate from and shall not be  
22 commingled with any other monies in the custody of the comptroller or  
23 the commissioner of taxation and finance. Provided, however that any  
24 monies of the fund not required for immediate use may, at the discretion  
25 of the comptroller, in consultation with the director of the budget, be  
26 invested by the comptroller in obligations of the United States or the  
27 state. The proceeds of any such investment shall be retained by the fund  
28 as assets to be used for purposes of the fund.

29 3. Except as set forth in subdivisions two and four of this section,  
30 monies from the fund shall not be used to make payments for any purpose  
31 other than the purposes set forth in subdivisions two and four of this  
32 section.

33 4. The "New York state cannabis revenue fund" shall consist of monies  
34 received by the commissioner of taxation and finance pursuant to subdi-  
35 visions (a) and (b) of section four hundred ninety-three of the tax law  
36 and all other monies credited or transferred thereto from any other fund  
37 or source. Monies of such fund shall be expended for the following  
38 purposes: administration of the regulated cannabis program, data gather-  
39 ing, monitoring and reporting, the governor's traffic safety committee,  
40 implementation and administration of the initiatives and programs of the  
41 social and economic equity plan in the office of cannabis management,  
42 substance abuse, harm reduction and mental health treatment and  
43 prevention, public health education and intervention, research on canna-  
44 bis uses and applications, program evaluation and improvements, and any  
45 other identified purpose recommended by the executive director of the  
46 office of cannabis management and approved by the director of the budg-  
47 et.

48 § 51. Subdivision 2 of section 3371 of the public health law, as  
49 amended by chapter 90 of the laws of 2014, is amended to read as  
50 follows:

51 2. The prescription monitoring program registry may be accessed, under  
52 such terms and conditions as are established by the department for  
53 purposes of maintaining the security and confidentiality of the informa-  
54 tion contained in the registry, by:

55 (a) a practitioner, or a designee authorized by such practitioner  
56 pursuant to paragraph (b) of subdivision two of section thirty-three

1 hundred forty-three-a [~~or section thirty-three hundred sixty-one~~] of  
2 this article, for the purposes of: (i) informing the practitioner that a  
3 patient may be under treatment with a controlled substance by another  
4 practitioner; (ii) providing the practitioner with notifications of  
5 controlled substance activity as deemed relevant by the department,  
6 including but not limited to a notification made available on a monthly  
7 or other periodic basis through the registry of controlled substances  
8 activity pertaining to his or her patient; (iii) allowing the practi-  
9 tioner, through consultation of the prescription monitoring program  
10 registry, to review his or her patient's controlled substances history  
11 as required by section thirty-three hundred forty-three-a [~~or section~~  
12 ~~thirty-three hundred sixty-one~~] of this article; and (iv) providing to  
13 his or her patient, or person authorized pursuant to paragraph (j) of  
14 subdivision one of this section, upon request, a copy of such patient's  
15 controlled substance history as is available to the practitioner through  
16 the prescription monitoring program registry; or

17 (b) a pharmacist, pharmacy intern or other designee authorized by the  
18 pharmacist pursuant to paragraph (b) of subdivision three of section  
19 thirty-three hundred forty-three-a of this article, for the purposes of:  
20 (i) consulting the prescription monitoring program registry to review  
21 the controlled substances history of an individual for whom one or more  
22 prescriptions for controlled substances or certifications for [~~marihua-~~  
23 ~~na~~] cannabis is presented to the pharmacist, pursuant to section thir-  
24 ty-three hundred forty-three-a of this article; and (ii) receiving from  
25 the department such notifications of controlled substance activity as  
26 are made available by the department; or

27 (c) an individual employed by a registered organization for the  
28 purpose of consulting the prescription monitoring program registry to  
29 review the controlled substances history of an individual for whom one  
30 or more certifications for [~~marihuana~~] cannabis is presented to that  
31 registered organization[~~, pursuant to section thirty-three hundred~~  
32 ~~sixty-four of this article~~]. Unless otherwise authorized by this arti-  
33 cle, an individual employed by a registered organization will be  
34 provided access to the prescription monitoring program in the sole  
35 discretion of the commissioner.

36 § 52. Subdivision 3 of section 853 of the general business law, as  
37 added by chapter 90 of the laws of 2014, is amended to read as follows:

38 3. This article shall not apply to any sale, furnishing or possession  
39 which is for a lawful purpose under [~~title five-A of article thirty-~~  
40 ~~three of the public health law~~] the cannabis law.

41 § 53. Subdivision 5 of section 410.91 of the criminal procedure law,  
42 as amended by chapter 90 of the laws of 2014, is amended to read as  
43 follows:

44 5. For the purposes of this section, a "specified offense" is an  
45 offense defined by any of the following provisions of the penal law:  
46 burglary in the third degree as defined in section 140.20, criminal  
47 mischief in the third degree as defined in section 145.05, criminal  
48 mischief in the second degree as defined in section 145.10, grand larceny  
49 in the fourth degree as defined in subdivision one, two, three, four,  
50 five, six, eight, nine or ten of section 155.30, grand larceny in the  
51 third degree as defined in section 155.35 (except where the property  
52 consists of one or more firearms, rifles or shotguns), unauthorized use  
53 of a vehicle in the second degree as defined in section 165.06, criminal  
54 possession of stolen property in the fourth degree as defined in subdivi-  
55 sion one, two, three, five or six of section 165.45, criminal  
56 possession of stolen property in the third degree as defined in section

1 165.50 (except where the property consists of one or more firearms,  
2 rifles or shotguns), forgery in the second degree as defined in section  
3 170.10, criminal possession of a forged instrument in the second degree  
4 as defined in section 170.25, unlawfully using slugs in the first degree  
5 as defined in section 170.60, criminal diversion of medical [~~marihuana~~]  
6 cannabis in the first degree as defined in section 179.10 or an attempt  
7 to commit any of the aforementioned offenses if such attempt constitutes  
8 a felony offense; or a class B felony offense defined in article two  
9 hundred twenty where a sentence is imposed pursuant to paragraph (a) of  
10 subdivision two of section 70.70 of the penal law; or any class C, class  
11 D or class E controlled substance [~~or marihuana~~] cannabis felony offense  
12 as defined in article two hundred twenty or two hundred twenty-one.

13 § 54. Subdivision 5 of section 410.91 of the criminal procedure law,  
14 as amended by section 8 of part AAA of chapter 56 of the laws of 2009,  
15 is amended to read as follows:

16 5. For the purposes of this section, a "specified offense" is an  
17 offense defined by any of the following provisions of the penal law:  
18 burglary in the third degree as defined in section 140.20, criminal  
19 mischief in the third degree as defined in section 145.05, criminal  
20 mischief in the second degree as defined in section 145.10, grand larceny  
21 in the fourth degree as defined in subdivision one, two, three, four,  
22 five, six, eight, nine or ten of section 155.30, grand larceny in the  
23 third degree as defined in section 155.35 (except where the property  
24 consists of one or more firearms, rifles or shotguns), unauthorized use  
25 of a vehicle in the second degree as defined in section 165.06, criminal  
26 possession of stolen property in the fourth degree as defined in subdivi-  
27 sion one, two, three, five or six of section 165.45, criminal  
28 possession of stolen property in the third degree as defined in section  
29 165.50 (except where the property consists of one or more firearms,  
30 rifles or shotguns), forgery in the second degree as defined in section  
31 170.10, criminal possession of a forged instrument in the second degree  
32 as defined in section 170.25, unlawfully using slugs in the first degree  
33 as defined in section 170.60, or an attempt to commit any of the afore-  
34 mentioned offenses if such attempt constitutes a felony offense; or a  
35 class B felony offense defined in article two hundred twenty where a  
36 sentence is imposed pursuant to paragraph (a) of subdivision two of  
37 section 70.70 of the penal law; or any class C, class D or class E  
38 controlled substance or [~~marihuana~~] cannabis felony offense as defined  
39 in article two hundred twenty or two hundred twenty-one.

40 § 55. The criminal procedure law is amended by adding a new section  
41 440.46-a to read as follows:

42 § 440.46-a Motion for resentence; persons convicted of certain marihuana  
43 offenses.

44 1. A person currently serving a sentence for a conviction, whether by  
45 trial or by open or negotiated plea, who would not have been guilty of  
46 an offense or who would have been guilty of a lesser offense on and  
47 after the effective date of this section had this section been in effect  
48 at the time of his or her conviction may petition for a recall or  
49 dismissal of sentence before the trial court that entered the judgment  
50 of conviction in his or her case to request resentencing or dismissal in  
51 accordance with article two hundred twenty-one of the penal law.

52 2. Upon receiving a motion under subdivision one of this section the  
53 court shall presume the movant satisfies the criteria in subdivision one  
54 of this section unless the party opposing the motion proves by clear and  
55 convincing evidence that the movant does not satisfy the criteria. If  
56 the movant satisfies the criteria in subdivision one of this section,

1 the court shall grant the motion to vacate the sentence or to resentence  
2 because it is legally invalid. In exercising its discretion, the court  
3 may consider, but shall not be limited to, the following: (a) the  
4 movant's criminal conviction history, including the type of crimes  
5 committed, the extent of injury to victims, the length of prior prison  
6 commitments, and the remoteness of the crimes. (b) the movant's disci-  
7 plinary record and record of rehabilitation while incarcerated.

8 3. A person who is serving a sentence and resented pursuant to  
9 subdivision two of this section shall be given credit for any time  
10 already served and shall be subject to supervision for one year follow-  
11 ing completion of his or her time in custody or shall be subject to  
12 whatever supervision time he or she would have otherwise been subject to  
13 after release, whichever is shorter, unless the court, in its  
14 discretion, as part of its resentencing order, releases the person from  
15 supervision. Such person is subject to parole supervision under section  
16 60.04 of the penal law or post-release supervision under section 70.45  
17 of the penal law by the designated agency and the jurisdiction of the  
18 court in the county in which the offender is released or resides, or in  
19 which an alleged violation of supervision has occurred, for the purpose  
20 of hearing petitions to revoke supervision and impose a term of custody.

21 4. Under no circumstances may resentencing under this section result  
22 in the imposition of a term longer than the original sentence, or the  
23 reinstatement of charges dismissed pursuant to a negotiated plea agree-  
24 ment.

25 5. A person who has completed his or her sentence for a conviction  
26 under the former article two hundred twenty-one of the penal law, wheth-  
27 er by trial or open or negotiated plea, who would not have been guilty  
28 of an offense or who would have been guilty of a lesser offense on and  
29 after the effective date of this section had this section been in effect  
30 at the time of his or her conviction, may file an application before the  
31 trial court that entered the judgment of conviction in his or her case  
32 to have the conviction, in accordance with article two hundred twenty-  
33 one of the penal law: (a) dismissed because the prior conviction is now  
34 legally invalid and sealed in accordance with section 160.50 of this  
35 chapter; (b) redesignated (or "reclassified") as a violation and sealed  
36 in accordance with section 160.50 of this chapter; or (c) redesignated  
37 (reclassified) as a misdemeanor.

38 6. The court shall presume the petitioner satisfies the criteria in  
39 subdivision five of this section unless the party opposing the applica-  
40 tion proves by clear and convincing evidence that the petitioner does  
41 not satisfy the criteria in subdivision five of this section. Once the  
42 applicant satisfies the criteria in subdivision five of this section,  
43 the court shall redesignate (or "reclassify") the conviction as a misde-  
44 meanor, redesignate (reclassify) the conviction as a violation and seal  
45 the conviction, or dismiss and seal the conviction as legally invalid  
46 under this section had this section been in effect at the time of his or  
47 her conviction.

48 7. Unless requested by the applicant, no hearing is necessary to grant  
49 or deny an application filed under subdivision five of this section.

50 8. Any felony conviction that is vacated and resented under subdivi-  
51 vision two or designated as a misdemeanor or violation under subdivision  
52 six of this section shall be considered a misdemeanor or violation for  
53 all purposes. Any misdemeanor conviction that is vacated and resented  
54 under subdivision two of this section or designated as a violation under  
55 subdivision six of this section shall be considered a violation for all  
56 purposes.

1 9. If the court that originally sentenced the movant is not available,  
2 the presiding judge shall designate another judge to rule on the peti-  
3 tion or application.

4 10. Nothing in this section is intended to diminish or abrogate any  
5 rights or remedies otherwise available to the petitioner or applicant.

6 11. Nothing in this and related sections is intended to diminish or  
7 abrogate the finality of judgments in any case not falling within the  
8 purview of this section.

9 12. The provisions of this section shall apply equally to juvenile  
10 delinquency adjudications and dispositions under section five hundred  
11 one-e of the executive law if the juvenile would not have been guilty of  
12 an offense or would have been guilty of a lesser offense under this  
13 section had this section been in effect at the time of his or her  
14 conviction.

15 13. The office of court administration shall promulgate and make  
16 available all necessary forms to enable the filing of the petitions and  
17 applications provided in this section no later than sixty days following  
18 the effective date of this section.

19 § 56. Transfer of employees. Notwithstanding any other provision of  
20 law, rule, or regulation to the contrary, upon the transfer of any func-  
21 tions from the department of health to the office of cannabis management  
22 for the regulation and control of medical cannabis pursuant to this act,  
23 employees performing those functions shall be transferred to the office  
24 of cannabis management pursuant to subdivision 2 of section 70 of the  
25 civil service law. Employees transferred pursuant to this section shall  
26 be transferred without further examination or qualification and shall  
27 retain their respective civil service classifications, status and  
28 collective bargaining unit designations and collective bargaining agree-  
29 ments. The civil service department may re-classify any person employed  
30 in a permanent, classified, competitive, or exempt class position imme-  
31 diately prior to being transferred to the office of cannabis management  
32 pursuant to subdivision 2 of section 70 of the civil service law, to  
33 align with the duties and responsibilities of their positions upon  
34 transfer. Employees whose positions are subsequently re-classified to  
35 align with the duties and responsibilities of their positions upon being  
36 transferred to the office of cannabis management shall hold such posi-  
37 tions without further examination or qualification. Notwithstanding any  
38 other provision of this act, the names of those competitive permanent  
39 employees on promotion eligible lists in their former department shall  
40 be added and interfiled on a promotion eligible list in the new office,  
41 as the state civil service department deems appropriate.

42 § 57. Transfer of records. All books, papers, and property of the  
43 department of health related to the administration of the medical mari-  
44 juana program shall be deemed to be in the possession of the executive  
45 director of the office of cannabis management and shall continue to be  
46 maintained by the office of cannabis management.

47 § 58. Continuity of authority. For the purpose of succession of all  
48 functions, powers, duties and obligations transferred and assigned to,  
49 devolved upon and assumed by it pursuant to this act, the office of  
50 cannabis management shall be deemed and held to constitute the continua-  
51 tion of the department of health's medical marijuana program.

52 § 59. Completion of unfinished business. Any business or other matter  
53 undertaken or commenced by the department of health pertaining to or  
54 connected with the functions, powers, obligations and duties hereby  
55 transferred and assigned to the office of cannabis management and pend-



1 ing on the effective date of this act, may be conducted and completed by  
2 the office of cannabis management.

3 § 60. Continuation of rules and regulations. All rules, regulations,  
4 acts, orders, determinations, and decisions of the department of health  
5 pertaining to medical marijuana, including the functions and powers  
6 transferred and assigned pursuant to this act, in force at the time of  
7 such transfer and assumption, shall continue in full force and effect as  
8 rules, regulations, acts, orders, determinations and decisions of the  
9 office of cannabis management until duly modified or abrogated by the  
10 board of the office of cannabis management.

11 § 61. Terms occurring in laws, contracts and other documents. Whenev-  
12 er the department of health, or commissioner thereof, is referred to or  
13 designated in any law, contract or document pertaining to the functions,  
14 powers, obligations and duties hereby transferred to and assigned to the  
15 office of cannabis management, such reference or designation shall be  
16 deemed to refer to the board of cannabis management, or the executive  
17 director thereof, as applicable.

18 § 62. Existing rights and remedies preserved. No existing right or  
19 remedy of any character shall be lost, impaired or affected by any  
20 provisions of this act.

21 § 63. Pending actions and proceedings. No action or proceeding pending  
22 at the time when this act shall take effect, brought by or against the  
23 department of health, or the commissioner thereof, shall be affected by  
24 any provision of this act, but the same may be prosecuted or defended in  
25 the name of the executive director of the office of cannabis management.  
26 In all such actions and proceedings, the executive director of the  
27 office of cannabis management, upon application to the court, shall be  
28 substituted as a party.

29 § 63-a. Severability. If any clause, sentence, paragraph, subdivision,  
30 section or part of this act shall be adjudged by any court of competent  
31 jurisdiction to be invalid, such judgment shall not affect, impair, or  
32 invalidate the remainder thereof, but shall be confined in its operation  
33 to the clause, sentence, paragraph, subdivision, section or part thereof  
34 directly involved in the controversy in which such judgment shall have  
35 been rendered. It is hereby declared to be the intent of the legislature  
36 that this act would have been enacted even if such invalid provisions  
37 had not been included herein.

38 § 64. This act shall take effect immediately; provided, however that:

39 (i) sections 92, 93 and 109 of article 5 of the cannabis law as added  
40 by section two of this act shall take effect January 1, 2021;

41 (ii) section six-a of this act shall take effect on the same date as  
42 chapter 614 of the laws of 2019, takes effect;

43 (iii) the amendments to subdivision 1 of section 171-a of the tax law  
44 made by section thirty-four of this act shall not affect the expiration  
45 of such subdivision and shall expire therewith, when upon such date the  
46 provisions of section thirty-four-a of this act shall take effect;

47 (iv) the taxes imposed by section thirty-seven of this act shall apply  
48 on and after April 1, 2021 to: (1) the sale or transfer of cannabis  
49 flower, cannabis trim or wet cannabis to any person; (2) cultivation of  
50 cannabis flower, cannabis trim or wet cannabis by a person licensed  
51 under the cannabis law as a microbusiness, cooperative or registered  
52 organization; (3) the sale or transfer of adult-use cannabis products to  
53 a retail dispensary; and (4) the sale of adult-use cannabis products to  
54 a consumer by a retail dispensary operated by a person licensed under  
55 the cannabis law as a registered organization; and provided, further,

1 that the exemption provided by section thirty-eight of this act shall  
2 apply to sales made or uses occurring on and after April 1, 2021;

3 (v) the amendments to article 179 of the penal law made by section  
4 forty-six of this act shall not affect the repeal of such article and  
5 shall be deemed to be repealed therewith;

6 (vi) the amendments to section 89-h of the state finance law made by  
7 section forty-nine of this act shall not affect the repeal of such  
8 section and shall be deemed repealed therewith;

9 (vii) the amendments to section 221.00 of the penal law made by  
10 section fourteen of this act shall be subject to the expiration of such  
11 section when upon such date the provisions of section fifteen of this  
12 act shall take effect;

13 (viii) the amendments to subdivision 2 of section 3371 of the public  
14 health law made by section fifty-one of this act shall not affect the  
15 expiration of such subdivision and shall be deemed to expire therewith;

16 (ix) the amendments to subdivision 3 of section 853 of the general  
17 business law made by section fifty-two of this act shall not affect the  
18 repeal of such subdivision and shall be deemed to be repealed therewith;  
19 and

20 (x) the amendments to subdivision 5 of section 410.91 of the criminal  
21 procedure law made by section fifty-three of this act shall not affect  
22 the repeal of such section and shall be subject to the expiration and  
23 reversion of such subdivision when upon such date the provisions of  
24 section fifty-four of this act shall take effect.

25 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-  
26 sion, section or part of this act shall be adjudged by any court of  
27 competent jurisdiction to be invalid, such judgment shall not affect,  
28 impair, or invalidate the remainder thereof, but shall be confined in  
29 its operation to the clause, sentence, paragraph, subdivision, section  
30 or part thereof directly involved in the controversy in which such judg-  
31 ment shall have been rendered. It is hereby declared to be the intent of  
32 the legislature that this act would have been enacted even if such  
33 invalid provisions had not been included herein.

34 § 3. This act shall take effect immediately provided, however, that  
35 the applicable effective date of Parts A through BB of this act shall be  
36 as specifically set forth in the last section of such Parts.