

STATE OF NEW YORK

10366

IN ASSEMBLY

May 13, 2022

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Jensen) --
read once and referred to the Committee on Economic Development

AN ACT to amend the cannabis law, in relation to appointments to the
cannabis control board, and to oversight of registered cannabis organ-
izations

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

1 Section 1. Subdivisions 1 and 2 of section 7 of the cannabis law are
2 amended to read as follows:

3 1. The cannabis control board is hereby created and shall consist of a
4 chairperson nominated by the governor and with the advice and consent of
5 the senate, with one vote, and [~~four~~] eight other voting board members
6 as provided for in subdivision two of this section.

7 2. Appointments. In addition to the chairperson, the governor shall
8 have two direct appointments to the board, [~~and~~] the temporary president
9 of the senate and the speaker of the assembly shall each have [~~one~~] two
10 direct [~~appointment~~] appointments to the board, and the minority leader
11 of the senate and the minority leader of the assembly shall each have
12 one direct appointment to the board. Appointments shall be for a term
13 of three years each and should, to the extent possible, be geograph-
14 ically and demographically representative of the state and communities
15 historically affected by the war on drugs. Board members shall be citi-
16 zens and permanent residents of this state. The chairperson and the
17 remaining members of such board shall continue to serve as chairperson
18 and members of the board until the expiration of the respective terms
19 for which they were appointed. Upon the expiration of such respective
20 terms the successors of such chairperson and members shall be appointed
21 to serve for a term of three years each and until their successors have
22 been appointed and qualified. The members, except for the chairperson,
23 shall when performing the work of the board, be compensated at a rate of
24 two hundred sixty dollars per day, and together with an allowance for
25 actual and necessary expenses incurred in the discharge of their duties.
26 The chairperson shall receive an annual salary not to exceed an amount
27 appropriated therefor by the legislature, and their expenses actually

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

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1 and necessarily incurred in the performance of their official duties,
2 unless otherwise provided by the legislature. No member or member's
3 spouse or minor child shall have any interest in an entity regulated by
4 the board.

5 § 2. Section 36 of the cannabis law is amended to read as follows:

6 § 36. Reports of registered organizations. 1. The board shall, by
7 regulation, require each registered organization to file reports by the
8 registered organization during a particular period. The board shall
9 determine the information to be reported and the forms, time, and manner
10 of the reporting.

11 2. The board shall, by regulation, require each registered organiza-
12 tion to adopt and maintain security, tracking, record keeping, record
13 retention and surveillance systems, relating to all medical cannabis at
14 every stage of acquiring, possession, manufacture, sale, delivery,
15 transporting, distributing, or dispensing by the registered organiza-
16 tion, subject to regulations of the board. Such security, tracking,
17 record keeping, record retention and surveillance systems shall be
18 designed to assist state and local governments with the collection of
19 taxes, enforcement of relevant regulations, verification that cannabis
20 products are not unlawfully tampered with or altered prior to legal
21 sale, and prevention of illegal cannabis sales and distribution.

22 § 3. Section 78 of the cannabis law is amended to read as follows:

23 § 78. Record keeping and tracking. 1. The board shall, by regulation,
24 require each licensee pursuant to this article to adopt and maintain
25 security, tracking, record keeping, record retention and surveillance
26 systems, relating to all cannabis at every stage of acquiring,
27 possession, manufacture, sale, delivery, transporting, testing or
28 distributing by the licensee, subject to regulations of the board.

29 2. Every licensee shall keep and maintain upon the licensed premises,
30 adequate books and records of all transactions involving the licensee
31 and sale of its products, which shall include, but is not limited to,
32 all information required by any rules promulgated by the board. Such
33 regulations ~~[may]~~ shall require the utilization of an approved seed-to-
34 sale tracking system compiling a licensee's cannabis inventory and tran-
35 saction data. Such seed-to-sale tracking and reporting shall be
36 designed to assist state and local governments with the collection of
37 taxes, enforcement of relevant regulations, verification that cannabis
38 products are not unlawfully tampered with or altered prior to legal
39 sale, and prevention of illegal cannabis sales and distribution. A
40 licensee shall record in the seed-to-sale tracking system all commercial
41 cannabis activity, including: packaging of cannabis goods, sale of
42 cannabis goods, transportation of cannabis goods to a licensee, receipt
43 of cannabis goods, return of cannabis goods, destruction and disposal of
44 cannabis goods, laboratory testing and results, and any other activity
45 as required by the board.

46 § 4. Section 79 of the cannabis law is amended to read as follows:

47 § 79. Inspections and ongoing requirements. 1. All licensed or
48 permitted premises, regardless of the type of premises, and all records
49 including but not limited to financial statements and corporate docu-
50 ments, shall be subject to inspection by the office, by the duly author-
51 ized representatives of the board, by any peace officer acting pursuant
52 to his or her special duties, or by a police officer. The board shall
53 make reasonable accommodations so that ordinary business is not inter-
54 rupted and safety and security procedures are not compromised by the
55 inspection. A person who holds a license or permit ~~[must]~~ shall make
56 himself or herself, or an agent thereof, available and present for any

1 inspection required by the board. Such inspection may include, but is
2 not limited to, ensuring compliance by the licensee or permittee with
3 all of the requirements of this article, the regulations promulgated
4 pursuant thereto, and other applicable state and local building codes,
5 fire, health, safety, and other applicable regulations.

6 2. All required state and local inspections, including but not limited
7 to, building, plumbing, electrical, fire codes and food safety shall be
8 conducted through the local municipal building department and local
9 county health department. The board shall development standardized
10 training for such inspections and provide such training to local munici-
11 palities and local county health departments at no cost.

12 3. The applicant shall allow reasonable access to the department
13 and/or its authorized representatives for the purpose of conducting an
14 on-site survey or inspection of such applicant's proposed manufacturing
15 and/or dispensing facilities. Any costs associated with such inspections
16 shall be reimbursed to such municipalities by the office of cannabis
17 management.

18 § 5. This act shall take effect immediately.