STATE OF NEW YORK

5533

2023-2024 Regular Sessions

IN SENATE

March 7, 2023

Introduced by Sen. BORRELLO -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

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

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

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

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

2. Appointments. In addition to the chairperson, the governor shall have two direct appointments to the board, [~~and~~] the temporary president of the senate and the speaker of the assembly shall each have [~~one~~] **two** direct [~~appointment~~] **appointments** to the board**, and the minority leader of the senate and the minority leader of the assembly shall each have one direct appointment to the board**. Appointments shall be for a term of three years each and should, to the extent possible, be geographically and demographically representative of the state and communities historically affected by the war on drugs. Board members shall be citizens and permanent residents of this state. The chairperson and the remaining members of such board shall continue to serve as chairperson and members of the board until the expiration of the respective terms for which they were appointed. Upon the expiration of such respective terms the successors of such chairperson and members shall be appointed to serve for a term of three years each and until their successors have been appointed and qualified. The members, except for the chairperson, shall when performing the work of the board, be compensated at a rate of

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

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two hundred sixty dollars per day, and together with an allowance for actual and necessary expenses incurred in the discharge of their duties. The chairperson shall receive an annual salary not to exceed an amount appropriated therefor by the legislature, and their expenses actually and necessarily incurred in the performance of their official duties, unless otherwise provided by the legislature. No member or member's spouse or minor child shall have any interest in an entity regulated by the board.

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

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

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

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

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

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

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

§ 79. Inspections and ongoing requirements. **1.** All licensed or permitted premises, regardless of the type of premises, and all records including but not limited to financial statements and corporate documents, shall be subject to inspection by the office, by the duly authorized representatives of the board, by any peace officer acting pursuant to his or her special duties, or by a police officer. The board shall

make reasonable accommodations so that ordinary business is not interrupted and safety and security procedures are not compromised by the inspection. A person who holds a license or permit [~~must~~] shall make himself or herself, or an agent thereof, available and present for any inspection required by the board. Such inspection may include, but is not limited to, ensuring compliance by the licensee or permittee with all of the requirements of this article, the regulations promulgated pursuant thereto, and other applicable state and local building codes, fire, health, safety, and other applicable regulations.

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

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

§ 5. This act shall take effect immediately.