

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:

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

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

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

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

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

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

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

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

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

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

51 § 79. Inspections and ongoing requirements. 1. All licensed or
52 permitted premises, regardless of the type of premises, and all records
53 including but not limited to financial statements and corporate docu-
54 ments, shall be subject to inspection by the office, by the duly author-
55 ized representatives of the board, by any peace officer acting pursuant
56 to his or her special duties, or by a police officer. The board shall

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

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

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

22 § 5. This act shall take effect immediately.