STATE OF NEW YORK

7295--A

2023-2024 Regular Sessions

IN SENATE

May 19, 2023

Introduced by Sen. HINCHEY -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the cannabis law, in relation to authorizing conditional adult-use cultivator and processor licensees to sell tested, packaged, and sealed cannabis products and cannabis to a cannabis dispensing facility licensed by a tribal nation for retail sale

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

Section 1. This act shall be known and may be cited as the "cannabis crop rescue act".

§ 2. Legislative findings. Chapter 18 of the laws of 2022 created the conditional adult-use cultivator license. Due to a variety of circumstances beyond the control of New York's cannabis farmers, many licensees cannot afford to process their cannabis or sell their finished products. As a result, their 2022 crops are losing value while in storage due to diminished potency, color and aroma. Without sales, many are unable to plant a crop for the upcoming growing season, and are in severe financial stress.

§ 3. Section 68-c of the cannabis law is amended by adding two new subdivisions 16 and 17 to read as follows:

16. Notwithstanding any other provision of this chapter, a conditional adult-use cultivator or processor licensee shall be authorized to sell tested, packaged, and sealed cannabis products or biomass to a cannabis dispensing facility licensed or permitted by a tribal nation for retail sale. Tribal nations shall not be subject to or limited by aggregate sales or consumption limits otherwise provided for in this chapter. Nothing in this subdivision shall be construed to alter, modify, abrogate, or otherwise impede or interfere with such tribal nation's sovereign authority to license, sell, cultivate, process, manufacture,

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

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distribute, deliver, or transport cannabis product on or among its territories. Any product sold by a conditional adult-use cultivator or processor licensee shall be subject to the provisions of article twenty-C of the tax law; and provided, further, that the licensee shall bear the cost of all such taxes imposed by such article and shall remit such taxes to the department of taxation and finance.

17. Notwithstanding any other provision of this chapter, a conditional adult-use cultivator or processor licensee shall be authorized to sell tested, packaged and sealed cannabis products directly to consumers; provided that for purposes of this subdivision consumer shall mean an authorized representative of a tribal nation. Consumers under this subdivision shall not be subject to or limited by aggregate sales or consumption limits otherwise provided for in this chapter. Nothing in this subdivision shall be construed to alter, modify, abrogate or otherwise impede or interfere with such tribal nation's sovereign authority to license, sell, cultivate, process, manufacture, distribute, deliver or transport cannabis product on or among its territories. Any product sold by a conditional adult-use cultivator or processor licensee shall be subject to the provisions of article twenty-C of the tax law; and provided, further, that the licensee shall bear the cost of all such taxes imposed by such article and shall remit such taxes to the department of taxation and finance.

§ 4. A conditional adult-use cultivator licensee may select to operate under subdivision 16 of section 68-c of the cannabis law until December 31, 2023.

§ 5. This act shall take effect immediately; provided, however, that the amendments to section 68-c of the cannabis law made by section three of this act shall not affect the repeal of such section and shall be deemed repealed therewith.