

STATE OF NEW YORK

9442

IN SENATE

May 15, 2024

Introduced by Sen. COONEY -- 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 adult-use cultivators

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "cannabis adult-use cultivator fairness act".

3 § 2. Legislative findings and intent. Chapter 92 of the laws of 2021,
4 known as the Marijuana Regulation and Taxation Act, legalized and regu-
5 lated cannabis for adult-use; expanded and improved the medical cannabis
6 program and the hemp program; established the Cannabis Control Board and
7 the Office of Cannabis Management, and codified historical social and
8 economic equity policies. Chapter 18 of the laws of 2022 created the
9 conditional adult-use cultivator and processor licenses to jump start
10 New York's adult-use cannabis market with small New York hemp farmers.
11 Only certain New York hemp farmers were eligible to receive conditional
12 adult-use cultivation licenses. The legislature recognizes that due to a
13 variety of circumstances beyond the control of New York's cannabis
14 licensees and applicants, there have been delays and unforeseen chal-
15 lenges with the implementation of various components of the state's
16 cannabis markets. Specifically, conditional cultivators cannot afford to
17 process their cannabis or sell their finished products; and conditional
18 cultivators and processors are struggling with limited state-legal and
19 licensed retail outlets and significant competition from the illicit
20 market. The conditional adult-use cultivator and processor licenses were
21 designed to give a new economic opportunity and advantage for New York
22 hemp farmers but have unfortunately resulted in worse economic prospects
23 for New York hemp farmers, through no fault of their own. Conditional
24 adult-use cultivators were also disadvantaged in the latest round of
25 adult-use applications and licenses, as conditional adult-use cultiva-
26 tors were prohibited from seeking certain canopy Tiers of cultivation
27 licenses that are available to all other applicants and were required to
28 compete with the general population for a limited number of adult-use

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

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1 processor licenses despite an advantage in the conversion application
2 process provided to such conditional adult-use cultivators in the Mari-
3 juana Regulation and Taxation Act. As a result of the foregoing, New
4 York's former conditional adult-use cultivator licensees, who have or
5 are in the process transitioning to adult-use cultivators, are entitled
6 to certain benefits enumerated herein.

7 § 3. Section 68-c of the cannabis law is amended by adding a new
8 subdivision 16 to read as follows:

9 16. Notwithstanding anything to the contrary in this article or asso-
10 ciated regulations, any adult-use cultivator licensee that was formerly
11 a conditional adult-use cultivator licensee may, in its sole discretion
12 and within ninety days of the effective date of this subdivision, elect
13 to cultivate up to twenty-five thousand square feet of flowering canopy
14 in a greenhouse or aquaponics facility, defined as a Mixed Light Tier 3
15 under 9 NYCRR § 120.3(b)(2)(iii), with immediate authorization to use
16 unlimited artificial lighting in accordance with any environmental
17 sustainability standards as may be set out by the board in regulation
18 within. Any eligible adult-use cultivator licensee that elects to under-
19 take such option will be responsible for the difference in the fee asso-
20 ciated with its current canopy and the fee associated with the newly
21 elected canopy under 9 NYCRR § 120.4(a)(2).

22 § 4. This act shall take effect immediately.