STATE OF NEW YORK

10488

IN ASSEMBLY

May 29, 2024

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

AN ACT to amend the cannabis law and the financial services law, in relation to establishing the Cannabis Community Reinvestment Act

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 cited as the "Cannabis Community Reinvestment Act".

§ 2. Section 3 of the cannabis law is amended by adding a new subdivision 37-a to read as follows:

37-a. "Operator" means a licensee that acts as a cannabis producer for the cultivation of cannabis, a cannabis processor, a cannabis distributor and/or a cannabis retailer, provided that such business has operated for at least two years.

§ 3. The cannabis law is amended by adding a new section 62-a to read as follows:

§ 62-a. Applications by operators. Any application submitted by an operator shall include a plan to reinvest in communities disproportionately impacted by cannabis prohibition including, if applicable, the community such operator is located in. The operator shall contribute at least two percent of their annual profits to communities disproportionately impacted pursuant to paragraph (g) of subdivision five of section eighty-seven of this article. The board shall determine the necessary criteria for such plan and shall establish a scoring system to determine if such operators have fulfilled their obligation under this section.

§ 4. The financial services law is amended by adding a new section 312 to read as follows:

§ 312. Evaluation of reinvestment plans. The department shall evaluate the plans by operators, as defined in section three of the cannabis law, to reinvest in specified communities and provide for the enforcement of the cannabis community reinvestment act, pursuant to section sixty-two-a of the cannabis law, in consultation with the board. If the department determines that an operator is failing to properly serve disadvantaged communities, specifically the community they are serving, if applicable,

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

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or does not possess and/or properly execute a social impact program within their business model, such operator shall be notified and their license shall be marked for further review. The department shall determine what necessary steps such operator shall take to fulfill the obligations under this section and provide such information to the operator within thirty days of marking such operator for further review. Such operator will then have sixty days to take such steps. Notwithstanding any provision of law to the contrary, if the department determines that such steps or substantially similar steps, as determined by the board, were not taken, the department may revoke such operator's license or licenses. The department shall establish an appeals process for operators that have had their licenses revoked. If such revocation occurs, such license or licenses shall be auctioned off to another individual or business that qualifies under section eighty-seven of the cannabis law.

§ 5. This act shall take effect on the sixtieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.