

STATE OF NEW YORK

1749

2023-2024 Regular Sessions

IN SENATE

January 13, 2023

Introduced by Sen. SANDERS -- 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 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:

1 Section 1. This act shall be known and cited as the "Cannabis Communi-
2 ty Reinvestment Act".

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

5 37-a. "Operator" means a licensee that acts as a cannabis producer for
6 the cultivation of cannabis, a cannabis processor, a cannabis distribu-
7 tor and/or a cannabis retailer, provided that such business has operated
8 for at least two years.

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

11 § 62-a. Applications by operators. Any application submitted by an
12 operator shall include a plan to reinvest in communities disproportion-
13 ately impacted by cannabis prohibition including, if applicable, the
14 community such operator is located in. The operator shall contribute at
15 least two percent of their annual profits to communities disproportion-
16 ately impacted pursuant to paragraph (g) of subdivision five of section
17 eighty-seven of this article. The board shall determine the necessary
18 criteria for such plan and shall establish a scoring system to determine
19 if such operators have fulfilled their obligation under this section.

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

22 § 312. Evaluation of reinvestment plans. The department shall evaluate
23 the plans by operators, as defined in section three of the cannabis law,
24 to reinvest in specified communities and provide for the enforcement of

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

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1 the cannabis community reinvestment act, pursuant to section sixty-two-a
2 of the cannabis law, in consultation with the board. If the department
3 determines that an operator is failing to properly serve disadvantaged
4 communities, specifically the community they are serving, if applicable,
5 or does not possess and/or properly execute a social impact program
6 within their business model, such operator shall be notified and their
7 license shall be marked for further review. The department shall deter-
8 mine what necessary steps such operator shall take to fulfill the obli-
9 gations under this section and provide such information to the operator
10 within thirty days of marking such operator for further review. Such
11 operator will then have sixty days to take such steps. Notwithstanding
12 any provision of law to the contrary, if the department determines that
13 such steps or substantially similar steps, as determined by the board,
14 were not taken, the department may revoke such operator's license or
15 licenses. The department shall establish an appeals process for opera-
16 tors that have had their licenses revoked. If such revocation occurs,
17 such license or licenses shall be auctioned off to another individual or
18 business that qualifies under section eighty-seven of the cannabis law.

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