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:

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

§ 2. Legislative findings and intent. Chapter 92 of the laws of 2021, known as the Marijuana Regulation and Taxation Act, legalized and regulated cannabis for adult-use; expanded and improved the medical cannabis program and the hemp program; established the Cannabis Control Board and the Office of Cannabis Management, and codified historical social and economic equity policies. Chapter 18 of the laws of 2022 created the conditional adult-use cultivator and processor licenses to jump start New York's adult-use cannabis market with small New York hemp farmers. Only certain New York hemp farmers were eligible to receive conditional adult-use cultivation licenses. The legislature recognizes that due to a variety of circumstances beyond the control of New York's cannabis licensees and applicants, there have been delays and unforeseen challenges with the implementation of various components of the state's cannabis markets. Specifically, conditional cultivators cannot afford to process their cannabis or sell their finished products; and conditional cultivators and processors are struggling with limited state-legal and licensed retail outlets and significant competition from the illicit market. The conditional adult-use cultivator and processor licenses were designed to give a new economic opportunity and advantage for New York hemp farmers but have unfortunately resulted in worse economic prospects for New York hemp farmers, through no fault of their own. Conditional adult-use cultivators were also disadvantaged in the latest round of adult-use applications and licenses, as conditional adult-use cultivators were prohibited from seeking certain canopy Tiers of cultivation licenses that are available to all other applicants and were required to 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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processor licenses despite an advantage in the conversion application process provided to such conditional adult-use cultivators in the Marijuana Regulation and Taxation Act. As a result of the foregoing, New York's former conditional adult-use cultivator licensees, who have or are in the process transitioning to adult-use cultivators, are entitled to certain benefits enumerated herein.

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

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

§ 4. This act shall take effect immediately.