STATE OF NEW YORK

7646

2025-2026 Regular Sessions

IN ASSEMBLY

April 4, 2025

Introduced by M. of A. BRONSON, REYES, CRUZ, ZACCARO -- read once and referred to the Committee on Economic Development

AN ACT to amend the cannabis law and the state finance law, in relation to enacting the "cannabis adult-use transition act"

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 transition 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 farmers.

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. Conditional cultivators cannot afford to process their cannabis or sell their finished products; conditional processors are struggling with limited retail outlets; conditional adult-use retail dispensary licensees and applicants do not have access to capital, locations, or the resources they need to become operational; and the state's medical registered organizations and patients are facing a diminishing medical cannabis market. As a result, the state's cannabis industries are losing value and jobs, patients are being left behind, and the illicit market is growing.

§ 3. Subdivisions 2 and 3 of section 14 of the cannabis law are amended to read as follows:

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

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2. The state cannabis advisory board shall consist of [~~thirteen~~] **seventeen** voting appointed members, along with a representative from the department of environmental conservation, the department of agriculture and markets, the office of children and family services, the department of labor, the department of health, the division of housing and community renewal, the office of addiction services and supports, and the department of education, serving as non-voting ex-officio members. The governor shall have [~~seven~~] **eleven** appointments, the temporary president of the senate and the speaker of the assembly shall each have three appointments to the board. The members shall be appointed to each serve three year terms and in the event of a vacancy, the vacancy shall be filled in the manner of the original appointment for the remainder of the term. The appointed members and representatives shall receive no compensation for their services but shall be allowed their actual and necessary expenses incurred in the performance of their duties as board members.

3. Advisory board members shall have statewide geographic representation that is balanced and diverse in its composition. Appointed members shall have an expertise in public and behavioral health, substance use disorder treatment, effective rehabilitative treatment for adults and juveniles, homelessness and housing, economic development, environmental conservation, job training and placement, criminal justice, and drug policy. Further, the advisory board shall include residents**, one retailer, one certified patient, one service disabled veteran, and one supply tier licensee** from communities most impacted by cannabis prohibition, people with prior drug convictions, the formerly incarcerated, and representatives from the farming industry, cannabis industry, and organizations serving communities impacted by past federal and state drug policies.

§ 4. Paragraph (c) of subdivision 3 of section 99-ii of the state finance law, as added by chapter 92 of the laws of 2021, is amended to read as follows:

(c) Actual and necessary costs incurred by the office of cannabis management and the cannabis control board, and the urban development corporation, related to the administration of incubators and other assistance to qualified social and economic equity applicants including the administration, capitalization, and provision of low and zero interest loans to such applicants [~~pursuant to~~]**, including the conditional adult-use retail dispensary licensees. The office of cannabis management shall administer these resources in accordance with the social equity and economic plan mandated pursuant to article four of the cannabis law and in accordance with** section sixteen-ee of the urban development corporation act. Such costs shall be paid out of revenues received, including, but not limited to, from special one-time fees paid by registered organizations pursuant to section sixty-three of the cannabis law.

§ 5. Section 39 of the cannabis law is amended to read as follows:

§ 39. Registered organizations and adult-use cannabis. The board shall [~~have the authority to~~] grant [~~some or all of the~~] registered organizations [~~registered with the department of health and~~] currently registered and in good standing with the office, the ability to obtain adult-use cannabis licenses pursuant to article four of this chapter **and** subject to any [~~fees, rules or conditions~~] **regulation** prescribed by the board [~~in regulation~~].

§ 6. Subdivision 1-a of section 63 of the cannabis law is amended to read as follows:

1-a. The [~~board shall also have the authority to assess a registered organization with a~~] one-time special licensing fee for a registered organization adult-use cultivator processor, distributor retail dispensary [~~license. Such fee shall be assessed at an amount to adequately~~] licensed pursuant to section sixty-eight-a of this article, shall be twenty million dollars, an amount to be used exclusively to fund social and economic equity and incubator assistance pursuant to this article and paragraph (c) of subdivision three of section ninety-nine-ii of the state finance law. Five million dollars of such fee shall be payable upon licensure, and one million dollars thereafter within thirty days of each twenty million dollars in revenue generated by such licensee until paid in full, or such obligation expires on December thirty-first, two thousand thirty-two, whichever occurs first. At least fifty percent of the total fees collected shall be administered by the office as grants or zero or low interest loans to the conditional adult-use retail dispensary licensees. Conditional adult-use retail dispensary licensees who accept zero or low interest loans shall be allowed to prepay such loans without penalty. Provided, however, that the board shall not allow registered organizations to dispense adult-use cannabis from more than three of their medical cannabis dispensing locations. [~~The timing and manner in which registered organizations may be granted such authority shall be determined by the board in regulation.~~] An eligible registered organization shall be authorized as a registered organization adult-use cultivator processor distributor retail dispensary pursuant to section sixty-eight-a of this article upon approval of an application to the office that must be available to such registered organizations no later than August first, two thousand twenty-five and remain available thereafter. The office must approve or deny such application within thirty days of its submission or it shall be deemed approved. A registered organization adult-use cultivator processor distributor retail dispensary licensee shall be authorized to cultivate, process, and distribute in the adult-use cannabis market, provided however, that each licensee's first co-located dispensary shall not offer adult-use cannabis for retail sale until or after December twenty-ninth, two thousand twenty-five; the second co-located dispensary shall not offer adult-use cannabis for retail sale until or after January first, two thousand twenty-six; and the third co-located dispensary shall not offer adult-use cannabis for retail sale until or after April first, two thousand twenty-six. These licensees must submit a plan to the office demonstrating their commitment to diversifying the co-located dispensary shelf space for adult-use with cannabis products from adult-use cultivators and processors licensed pursuant to sections sixty-eight, sixty-eight-b, sixty-eight-c, sixty-nine, sixty-nine-a, seventy, and seventy-three of this article in accordance with any regulations promulgated by the board.

§ 7. Subdivision 6 of section 72 of the cannabis law is amended to read as follows:

6. No cannabis retail licensee shall locate a storefront within five hundred feet of a school grounds as such term is defined in the education law or within two hundred feet of a house of worship. The board and/or office shall not establish additional setback requirements.

§ 8. The cannabis law is amended by adding a new section 85-a to read as follows:

§ 85-a. Provisions governing conditional adult-use retail dispensary licenses. 1. The office shall approve, deny, or request additional information in regards to a conditional adult-use retail dispensary

licensee's submission for location approvals within thirty days of receipt or the location request shall be automatically approved so long as it complies with the setback requirements of this chapter.

2. The office and dormitory authority shall make the list of addresses for any executed lease agreements entered into and potentially available to eligible conditional adult-use retail dispensary licensees publicly available on their websites, and upon request. Such list shall be updated each week to maximize the transparency for retail dispensary licensees securing store locations and shall not include or block any locations without an executed lease.

§ 9. This act shall take effect immediately.