STATE OF NEW YORK

7890

2025-2026 Regular Sessions

IN SENATE

May 13, 2025

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 a conditional adult-use retail dispensary license

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

Section 1. The cannabis law is amended by adding a new section 72-a to read as follows:

§ 72-a. Conditional adult-use retail dispensary license. 1. The following minimum requirements shall be met to become an eligible applicant for this license:

(a) an applicant shall demonstrate:

(i) a significant presence in New York state, either individually or by having a principal corporate location in the state;

(ii) it is incorporated or otherwise organized under the laws of New York state; or

(iii) a majority of the ownership of the applicant are residents of New York state by being physically present in the state no less than one hundred eighty calendar days during the current year or five hundred forty calendar days over the course of three years;

(b) if the applicant is an individual, or an entity with one or more individuals, at least one individual shall:

(i) be justice involved, which means an individual that:

(A) was convicted of a marihuana-related offense in New York state prior to March thirty-first, two thousand twenty-one;

(B) had a parent, legal guardian, child, spouse, or dependent who was convicted of a marihuana-related offense in New York state prior to March thirty-first, two thousand twenty-one; or

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

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(C) was a dependent of an individual who was convicted of a marihuana-related offense in New York state prior to March thirty-first, two thousand twenty-one; and

(ii) provide evidence of the primary residence of the justice involved individual at the time of such individual's arrest or conviction; and

(iii) hold or have held, for a minimum of two years, at least ten percent ownership interest in, and control of, a qualifying business, which means a business that had net profit for at least two of the years the business was in operation; or

(c) if the applicant is a nonprofit organization, or wholly owned and controlled by one, the nonprofit organization shall:

(i) be recognized as an entity pursuant to section 501(c)(3) of the Internal Revenue Code;

(ii) intentionally serve justice involved individuals and communities with historically high rates of arrest, conviction, incarceration or other indicators of law enforcement activity for marihuana-related offenses;

(iii) operate and manage a social enterprise that had at least two years of positive net assets or profit as evidenced in the organization's tax returns;

(iv) have a history of creating vocational opportunity for justice involved individuals;

(v) have a justice involved individual or individuals on its board or as officers; and

(vi) have at least five full-time employees.

2. At least fifty-one percent or more of the applicant shall be owned, in the aggregate, by:

(a) at least one individual that satisfies the requirements for an eligible applicant as set forth in paragraphs (a) and (b) of subdivision one of this section or an entity that satisfies the requirements for an eligible applicant as set forth in paragraphs (a) and (c) of subdivision one of this section; and

(b) any other additional individuals, if any, who are justice involved; and

(c) at least one individual that satisfies the requirements for an eligible applicant as set forth in paragraphs (a) and (b) of subdivision one of this section or an entity that satisfies the requirements for an eligible applicant as set forth in paragraphs (a) and (c) of subdivision one of this section shall own at least thirty percent of the applicant and such individual or entity shall have sole control of the applicant or licensee.

3. An eligible applicant shall be evaluated based on any of the following criteria which shall be weighted as determined by the office:

(a) if the applicant is an individual, or an entity with one or more individuals, whether the justice involved individual was themselves convicted of a marihuana-related offense as set forth in regulation;

(b) the justice involved individual's primary residence at the time of such individual's arrest or conviction:

(i) relative to areas with historically high rates of arrest, conviction, or incarceration for marihuana-related offenses;

(ii) relative to areas with historically low median income; or

(iii) was provided by a public housing authority in New York state or New York city; and

(c) the qualifying business based on:

(i) the number of employees employed by the business;

(ii) the number of years the business has been in operation;

(iii) the profitability of the business;

(iv) type of business and whether the business was a retail business, or sold products or services directly to the end-consumer;

(v) whether the business had a physical location; or

(vi) whether the business received or resolved any violations, fines or fees assessed against the business by state or federal regulatory authorities; and

(d) any other factors as determined by the office.

4. 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.

5. The office shall promulgate any rules and regulations to fully implement this section and any rules and regulations adopted prior to the effective date of this section shall not be invalidated.

§ 2. This act shall take effect immediately.