

# STATE OF NEW YORK

3151

2025-2026 Regular Sessions

## IN SENATE

January 23, 2025

Introduced by Sens. COONEY, BAILEY, CLEARE, COMRIE, FERNANDEZ, PARKER, RAMOS, SALAZAR, SCARCELLA-SPANTON -- 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 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:

1 Section 1. Short title. This act shall be known and may be cited as  
2 the "cannabis adult-use transition act".  
3 § 2. Legislative findings and intent. Chapter 92 of the laws of 2021,  
4 known as the Marijuana Regulation and Taxation Act, legalized and regu-  
5 lated cannabis for adult-use; expanded and improved the medical cannabis  
6 program and the hemp program; established the Cannabis Control Board and  
7 the Office of Cannabis Management, and codified historical social and  
8 economic equity policies. Chapter 18 of the laws of 2022 created the  
9 conditional adult-use cultivator and processor licenses to jump start  
10 New York's adult-use cannabis market with small New York farmers.  
11 The legislature recognizes that due to a variety of circumstances  
12 beyond the control of New York's cannabis licensees and applicants,  
13 there have been delays and unforeseen challenges with the implementation  
14 of various components of the state's cannabis markets. Conditional  
15 cultivators cannot afford to process their cannabis or sell their  
16 finished products; conditional processors are struggling with limited  
17 retail outlets; conditional adult-use retail dispensary licensees and  
18 applicants do not have access to capital, locations, or the resources  
19 they need to become operational; and the state's medical registered  
20 organizations and patients are facing a diminishing medical cannabis  
21 market. As a result, the state's cannabis industries are losing value  
22 and jobs, patients are being left behind, and the illicit market is  
23 growing.

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

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

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

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

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

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

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

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

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

3 1-a. The [~~board shall also have the authority to assess a registered~~  
4 ~~organization with a~~] one-time special licensing fee for a registered  
5 organization adult-use cultivator processor, distributor retail dispen-  
6 sary [~~license. Such fee shall be assessed at an amount to adequately~~]  
7 licensed pursuant to section sixty-eight-a of this article, shall be  
8 twenty million dollars, an amount to be used exclusively to fund social  
9 and economic equity and incubator assistance pursuant to this article  
10 and paragraph (c) of subdivision three of section ninety-nine-ii of the  
11 state finance law. Five million dollars of such fee shall be payable  
12 upon licensure, and one million dollars thereafter within thirty days of  
13 each twenty million dollars in revenue generated by such licensee until  
14 paid in full, or such obligation expires on December thirty-first, two  
15 thousand thirty-two, whichever occurs first. At least fifty percent of  
16 the total fees collected shall be administered by the office as grants  
17 or zero or low interest loans to the conditional adult-use retail  
18 dispensary licensees. Conditional adult-use retail dispensary licensees  
19 who accept zero or low interest loans shall be allowed to prepay such  
20 loans without penalty. Provided, however, that the board shall not allow  
21 registered organizations to dispense adult-use cannabis from more than  
22 three of their medical cannabis dispensing locations. [~~The timing and~~  
23 ~~manner in which registered organizations may be granted such authority~~  
24 ~~shall be determined by the board in regulation.~~] An eligible registered  
25 organization shall be authorized as a registered organization adult-use  
26 cultivator processor distributor retail dispensary pursuant to section  
27 sixty-eight-a of this article upon approval of an application to the  
28 office that must be available to such registered organizations no later  
29 than August first, two thousand twenty-five and remain available there-  
30 after. The office must approve or deny such application within thirty  
31 days of its submission or it shall be deemed approved. A registered  
32 organization adult-use cultivator processor distributor retail dispen-  
33 sary licensee shall be authorized to cultivate, process, and distribute  
34 in the adult-use cannabis market, provided however, that each licensee's  
35 first co-located dispensary shall not offer adult-use cannabis for  
36 retail sale until or after December twenty-ninth, two thousand twenty-  
37 five; the second co-located dispensary shall not offer adult-use canna-  
38 bis for retail sale until or after January first, two thousand twenty-  
39 six; and the third co-located dispensary shall not offer adult-use  
40 cannabis for retail sale until or after April first, two thousand twen-  
41 ty-six. These licensees must submit a plan to the office demonstrating  
42 their commitment to diversifying the co-located dispensary shelf space  
43 for adult-use with cannabis products from adult-use cultivators and  
44 processors licensed pursuant to sections sixty-eight, sixty-eight-b,  
45 sixty-eight-c, sixty-nine, sixty-nine-a, seventy, and seventy-three of  
46 this article in accordance with any regulations promulgated by the  
47 board.

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

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

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

1 § 85-a. Provisions governing conditional adult-use retail dispensary  
2 licenses. 1. The office shall approve, deny, or request additional  
3 information in regards to a conditional adult-use retail dispensary  
4 licensee's submission for location approvals within thirty days of  
5 receipt or the location request shall be automatically approved so long  
6 as it complies with the setback requirements of this chapter.

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

14 § 9. This act shall take effect immediately.