STATE OF NEW YORK

5641

2025-2026 Regular Sessions

IN SENATE

February 26, 2025

Introduced by Sens. BAILEY, ADDABBO, COMRIE, COONEY, FERNANDEZ, GOUNARDES, HARCKHAM, HINCHEY, HOYLMAN-SIGAL, KAVANAGH, KRUEGER, MYRIE, SALAZAR, SANDERS, SCARCELLA-SPANTON, SEPULVEDA -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law and the alcoholic beverage control law, in relation to the suspension or revocation of certain licenses for violations of the cannabis law

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

Section 1. Paragraph (a) of subdivision 4 of section 480-a of the tax law, as amended by section 4 of part I of chapter 59 of the laws of 2020, is amended to read as follows:

(a) If a retail dealer possesses or sells unstamped or unlawfully stamped packages of cigarettes, or if a retail dealer is also licensed as an agent pursuant to section four hundred seventy-two **of this article** and it possesses unlawfully stamped packages of cigarettes or sells unstamped or unlawfully stamped packages of cigarettes at retail, **or if a retail dealer or an agent under this article possesses illicit cannabis as defined in section one hundred thirty-six of the cannabis law or is in violation of section one hundred twenty-five of the cannabis law,** (i) its registration **under this article** shall be revoked for a period of one year, or (ii) for a second such possession or sale **or violation of the cannabis law** within a period of five years by a retail dealer or any affiliated person of such retail dealer, the registration **under this article** of such retail dealer and the registration of any retail dealer that is an affiliated person of such retail dealer shall be revoked for a period of three years, or (iii) for a third such possession or sale **or violation of the cannabis law** within a period of five years by a retail dealer or any affiliated person of such retail dealer, the registration **under this article** of such retail dealer and the registration of any

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

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retail dealer that is an affiliated person of such retail dealer shall be revoked for a period of five years. A retail dealer registration shall be revoked pursuant to this subdivision immediately upon such dealer's receipt of written notice of revocation from the commissioner. If unstamped or unlawfully stamped cigarettes**, or illicit cannabis,** are found in a retail dealer's warehouse or a warehouse of any affiliated person of such retail dealer, the revocation of the retail dealer's registration pursuant to this subdivision shall be applicable to each retail place of business in this state through which such retail dealer and any affiliated person of such retail dealer sells cigarettes.

§ 2. Subdivision 1 of section 118 of the alcoholic beverage control law, as amended by chapter 536 of the laws of 1996, is amended to read as follows:

1. Any license or permit issued pursuant to this chapter may be revoked, cancelled, suspended and/or subjected to the imposition of a civil penalty for cause, and must be revoked for the following causes:

(a) Conviction of the licensee, permittee or [~~his~~] **their** agent or employee for selling any illegal alcoholic beverages on the premises licensed.

(b) For transferring, assigning or hypothecating a license or permit.

(c) A violation of subdivision one of section one hundred twenty-five of the cannabis law, or the sale or possession of illicit cannabis as defined in section one hundred thirty-six of such law.

§ 3. Section 1607 of the tax law is amended by adding a new subdivision i to read as follows:

i. A violation of section one hundred twenty-five of the cannabis law; provided that a license shall be revoked upon a finding that such licensee possessed or sold illicit cannabis, as defined in section one hundred thirty-six of the cannabis law.

§ 4. This act shall take effect immediately.