

**FY 2020 NEW YORK STATE EXECUTIVE BUDGET**

**REVENUE  
ARTICLE VII LEGISLATION**

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1 § 19. Severability clause. If any clause, sentence, paragraph, subdi-  
2 vision, section or part of this act shall be adjudged by any court of  
3 competent jurisdiction to be invalid, such judgment shall not affect,  
4 impair, or invalidate the remainder thereof, but shall be confined in  
5 its operation to the clause, sentence, paragraph, subdivision, section  
6 or part thereof directly involved in the controversy in which such judg-  
7 ment shall have been rendered. It is hereby declared to be the intent of  
8 the legislature that this act would have been enacted even if such  
9 invalid provisions had not been included herein.

10 § 20. This act shall take effect on the one hundred eightieth day  
11 after it shall have become a law; provided, however that section seven-  
12 teen of this act shall take effect on the first day of a quarterly peri-  
13 od described in subdivision (b) of section 1136 of the tax law next  
14 commencing at least one hundred eighty days after this act shall become  
15 a law, and shall apply to sales and uses of vapor products on or after  
16 such date.

17 PART VV

18 Section 1. This act shall be known and may be cited as the "Cannabis  
19 Regulation and Taxation Act".

20 § 2. A new chapter 7-A of the consolidated laws is added, to read as  
21 follows:

22 CHAPTER 7-A OF THE CONSOLIDATED LAWS

23 CANNABIS LAW

24 ARTICLE 1



1 the protection of the health, safety, and welfare of the people of the  
2 state.

3 § 3. Definitions. Whenever used in this chapter, unless otherwise  
4 expressly stated or unless the context or subject matter requires a  
5 different meaning, the following terms shall have the representative  
6 meanings hereinafter set forth or indicated:

7 1. "Applicant" means a for-profit entity or not-for-profit corporation  
8 and includes: board members, officers, managers, owners, partners, prin-  
9 cipal stakeholders and members who submit an application to become a  
10 registered organization, licensee or permittee.

11 2. "Bona fide cannabis retailer association" shall mean an association  
12 of retailers holding licenses under this chapter, organized under the  
13 non-profit or not-for-profit laws of this state.

14 3. "Cannabis" means all parts of the plant of the genus cannabis,  
15 whether growing or not; the seeds thereof; the resin extracted from any  
16 part of the plant; and every compound, manufacture, salt, derivative,  
17 mixture, or preparation of the plant, its seeds or resin.

18 4. "Concentrated cannabis" means: (a) the separated resin, whether  
19 crude or purified, obtained from a plant of the genus cannabis; or (b) a  
20 material, preparation, mixture, compound or other substance which  
21 contains more than three percent by weight of delta-9 tetrahydrocannabi-  
22 nol, or its isomer, delta-8 dibenzopyran numbering system, or delta-1  
23 tetrahydrocannabinol or its isomer, delta 1 (6) monoterpene numbering  
24 system.

25 5. "Cannabis consumer" means a person, twenty-one years of age or  
26 older, who purchases cannabis or cannabis products for personal use by  
27 persons twenty-one years of age or older, but not for resale to others.

1 6. "Adult-use cannabis processor" means a person licensed by the  
2 office to purchase cannabis and concentrated cannabis from cannabis  
3 cultivators, to process cannabis, concentrated cannabis, and cannabis  
4 infused products, package and label cannabis, concentrated cannabis and  
5 cannabis infused products for sale in retail outlets, and sell cannabis,  
6 concentrated cannabis and cannabis infused products at wholesale to  
7 licensed adult-use cannabis distributors.

8 7. "Cannabis product" or "adult-use cannabis" means cannabis, concen-  
9 trated cannabis, and cannabis-infused products for use by a cannabis  
10 consumer.

11 8. "Adult-use cannabis retail dispenser" means a person licensed by  
12 the executive director to purchase cannabis, concentrated cannabis, and  
13 cannabis-infused products from cannabis processors and cannabis distrib-  
14 utors, and sell cannabis, concentrated cannabis and cannabis-infused  
15 products in a retail outlet.

16 9. "Certified medical use" means the acquisition, possession, use, or  
17 transportation of medical cannabis by a certified patient, or the acqui-  
18 sition, possession, delivery, transportation or administration of  
19 medical cannabis by a designated caregiver or designated caregiver  
20 facility, for use as part of the treatment of the patient's serious  
21 condition, as authorized in a certification under this chapter including  
22 enabling the patient to tolerate treatment for the serious condition.

23 10. "Caring for" means treating a patient, in the course of which the  
24 practitioner has completed a full assessment of the patient's medical  
25 history and current medical condition.

26 11. "Certified patient" means a patient who is a resident of New York  
27 state or receiving care and treatment in New York state as determined by



1 the executive director in regulation, and is certified under section  
2 thirty of this chapter.

3 12. "Certification" means a certification, made under this chapter.

4 13. "Cultivation" shall include, but not be limited to, the planting,  
5 growing, cloning, harvesting, drying, curing, grading and trimming of  
6 cannabis.

7 14. "Executive director" means the executive director of the office of  
8 cannabis management.

9 15. "Convicted" and "conviction" include and mean a finding of guilt  
10 resulting from a plea of guilty, the decision of a court or magistrate  
11 or the verdict of a jury, irrespective of the pronouncement of judgment  
12 or the suspension thereof.

13 16. "Designated caregiver" means an individual designated by a certi-  
14 fied patient in a registry application. A certified patient may desig-  
15 nate up to five designated caregivers.

16 17. "Designated caregiver facility" means a general hospital or resi-  
17 dential health care facility operating pursuant to article twenty-eight  
18 of the public health law; an adult care facility operating pursuant to  
19 title two of article seven of the social services law; a community  
20 mental health residence established pursuant to section 41.44 of the  
21 mental hygiene Law; a hospital operating pursuant to section 7.17 of the  
22 mental hygiene law; a mental hygiene facility operating pursuant to  
23 article thirty-one of the mental hygiene law; an inpatient or residen-  
24 tial treatment program certified pursuant to article thirty-two of the  
25 mental hygiene law; a residential facility for the care and treatment of  
26 persons with developmental disabilities operating pursuant to article  
27 sixteen of the mental hygiene law; a residential treatment facility for  
28 children and youth operating pursuant to article thirty-one of the

1 mental hygiene law; a private or public school; research institution  
2 with an internal review board; or any other facility as determined by  
3 the executive director in regulation; that registers with the office of  
4 cannabis management to assist one or more certified patients with the  
5 acquisition, possession, delivery, transportation or administration of  
6 medical cannabis.

7 18. "Felony" means any criminal offense classified as a felony under  
8 the laws of this state or any criminal offense committed in any other  
9 state, district, or territory of the United States and classified as a  
10 felony therein which if committed within this state, would constitute a  
11 felony in this state.

12 19. "Form of medical cannabis" means characteristics of the medical  
13 cannabis recommended or limited for a particular certified patient,  
14 including the method of consumption and any particular strain, variety,  
15 and quantity or percentage of cannabis or particular active ingredient.

16 20. "Government agency" means any office, division, board, bureau,  
17 commission, office, agency, authority or public corporation of the state  
18 or federal government or a county, city, town or village government  
19 within the state.

20 21. "Industrial hemp" means the plant *Cannabis sativa* L. and any part  
21 of such plant, including the seeds thereof and all derivatives,  
22 extracts, cannabinoids, isomers, acids, salts, and salts of isomers,  
23 whether growing or not, with a delta-9 tetrahydrocannabinol concen-  
24 tration of not more than three-tenths of one percent on a dry weight  
25 basis, used or intended for an industrial purpose or those food and/or  
26 food ingredients that are generally recognized as safe, as further  
27 defined and regulated in the agriculture and markets law.

1 22. "Hemp cannabis" means the plant *Cannabis sativa* L. and any part of  
2 such plant, including the seeds thereof and all derivatives, extracts,  
3 cannabinoids, isomers, acids, salts, and salts of isomers, whether grow-  
4 ing or not, with a delta-9 tetrahydrocannabinol concentration of not  
5 more than an amount determined by the office in regulation, used or  
6 intended for human or animal consumption or use for its cannabinoid  
7 content, as determined by the executive director in regulation. Hemp  
8 cannabis excludes industrial hemp used or intended exclusively for an  
9 industrial purpose and those food and/or food ingredients that are  
10 generally recognized as safe, as governed by the Agriculture and Markets  
11 Law, and shall not be regulated as "hemp" or "hemp cannabis" within the  
12 meaning of this section.

13 23. "Cannabinoid grower" means a person licensed by the office, and in  
14 compliance with article twenty-nine of the agriculture and markets law,  
15 to acquire, possess, cultivate, and sell hemp cannabis for its cannabi-  
16 noid content.

17 24. "Cannabinoid extractor" means a person licensed by the office to  
18 acquire, possess, extract and manufacture hemp cannabis from licensed  
19 cannabinoid growers for the manufacture and sale of hemp cannabis  
20 products marketed for cannabinoid content and used or intended for human  
21 or animal consumption or use.

22 25. "Individual dose" means a single measure of raw cannabis, medical  
23 cannabis or non-infused concentrate or medical concentrate.

24 26. "Labor peace agreement" means an agreement between an entity and a  
25 labor organization that, at a minimum, protects the state's proprietary  
26 interests by prohibiting labor organizations and members from engaging  
27 in picketing, work stoppages, boycotts, and any other economic interfer-  
28 ence with the registered organization or licensee's business.

1 27. "License" means a license issued pursuant to this chapter.

2 28. "Medical cannabis" means cannabis as defined in subdivision three  
3 of this section, intended for a certified medical use, as determined by  
4 the executive director in consultation with the commissioner of health.

5 30. "Office" or "office of cannabis management" means the New York  
6 state office of cannabis management.

7 31. "Permit" means a permit issued pursuant to this chapter.

8 32. "Permittee" means any person to whom a permit has been issued  
9 pursuant to this chapter.

10 33. "Person" means individual, institution, corporation, government or  
11 governmental subdivision or agency, business trust, estate, trust, part-  
12 nership or association, or any other legal entity.

13 34. "Practitioner" means a practitioner who: (i) is authorized to  
14 prescribe controlled substances within the state, (ii) by training or  
15 experience is qualified to treat a serious condition as defined in  
16 subdivision forty-four of this section; and (iii) completes, at a mini-  
17 mum, a two-hour course as determined by the executive director in regu-  
18 lation; provided however, the executive director may revoke a practi-  
19 tioner's ability to certify patients for cause.

20 35. "Processing" includes, but is not limited to, blending, extract-  
21 ing, infusing, packaging, labeling, branding and otherwise making or  
22 preparing cannabis products. Processing shall not include the culti-  
23 vation of cannabis.

24 36. "Public place" means a public place as defined in regulation by  
25 the executive director.

26 37. "Registered organization" means an organization registered under  
27 article three of this chapter.

1 38. "Registry application" means an application properly completed and  
2 filed with the office of cannabis management by a certified patient  
3 under article three of this chapter.

4 39. "Registry identification card" means a document that identifies a  
5 certified patient or designated caregiver, as provided under section  
6 thirty-two of this chapter.

7 40. "Retail sale" or "sale at retail" means a sale to a consumer or to  
8 any person for any purpose other than for resale.

9 41. "Retailer" means any person who sells at retail any cannabis prod-  
10 uct, the sale of which a license is required under the provisions of  
11 this chapter.

12 42. "Sale" means any transfer, exchange or barter in any manner or by  
13 any means whatsoever, and includes and means all sales made by any  
14 person, whether principal, proprietor, agent, servant or employee of any  
15 cannabis product.

16 43. "To sell" includes to solicit or receive an order for, to keep or  
17 expose for sale, and to keep with intent to sell and shall include the  
18 transportation or delivery of any cannabis product in the state.

19 44. "Serious condition" means having one of the following severe  
20 debilitating or life-threatening conditions: cancer, positive status for  
21 human immunodeficiency virus or acquired immune deficiency syndrome,  
22 amyotrophic lateral sclerosis, Parkinson's disease, multiple sclerosis,  
23 damage to the nervous tissue of the spinal cord with objective neurolog-  
24 ical indication of intractable spasticity, epilepsy, inflammatory bowel  
25 disease, neuropathies, Huntington's disease, post-traumatic stress  
26 disorder, pain that degrades health and functional capability where the  
27 use of medical cannabis is an alternative to opioid use, substance use  
28 disorder, Alzheimer's, muscular dystrophy, dystonia, rheumatoid arthri-

1 tis, autism, any condition authorized as part of a cannabis research  
2 license, or any other condition as added by the executive director.

3 45. "Traffic in" includes to cultivate, process, manufacture, distrib-  
4 ute or sell any cannabis, cannabis product, medical cannabis or hemp at  
5 wholesale or retail.

6 46. "Terminally ill" means an individual has a medical prognosis that  
7 the individual's life expectancy is approximately one year or less if  
8 the illness runs its normal course.

9 47. "Wholesale sale" or "sale at wholesale" means a sale to any person  
10 for purposes of resale.

11 48. "Distributor" means any person who sells at wholesale any cannabis  
12 product, except medical cannabis, for the sale of which a license is  
13 required under the provisions of this chapter.

14 49. "Warehouse" means and includes a place in which cannabis products  
15 are housed or stored.

16 ARTICLE 2

17 NEW YORK STATE OFFICE OF CANNABIS MANAGEMENT

18 Section 9. Establishment of an office of cannabis management.

19 10. Executive director.

20 11. Executive director's authority.

21 12. Rulemaking authority.

22 13. State cannabis advisory board.

23 14. Disposition of moneys received for license fees.

24 15. Legal presumptions.

25 16. Violations of cannabis laws or regulations; penalties and  
26 injunctions.

1 17. Formal hearings; notice and procedure.

2 18. Ethics, transparency and accountability.

3 19. Public health management campaign.

4 § 9. Establishment of an office of cannabis management. Pursuant to a  
5 chapter of the laws of two thousand nineteen which added this chapter,  
6 there is hereby established, within the division of alcoholic beverage  
7 control, an independent office of cannabis management, which shall have  
8 exclusive jurisdiction to exercise the powers and duties provided by  
9 this chapter. The office shall exercise its authority by and through an  
10 executive director.

11 § 10. Executive director. The executive director of the state office  
12 of cannabis management shall receive an annual salary not to exceed an  
13 amount appropriated therefor by the legislature and his or her expenses  
14 actually and necessarily incurred in the performance of his official  
15 duties, unless otherwise provided by the legislature.

16 § 11. Functions, powers and duties of the office and executive direc-  
17 tor. The office of cannabis management, by and through its executive  
18 director, shall have the following powers and duties:

19 1. To issue or refuse to issue any registration, license or permit  
20 provided for in this chapter.

21 2. To limit, or not to limit, in the executive director's discretion,  
22 the number of registrations, licenses and permits of each class to be  
23 issued within the state or any political subdivision thereof, and in  
24 connection therewith to prohibit the acceptance of applications for such  
25 classes which have been so limited.

26 3. To revoke, cancel or suspend for cause any registration, license,  
27 or permit issued under this chapter and/or to impose a civil penalty for  
28 cause against any holder of a registration, license, or permit issued

1 pursuant to this chapter. Any civil penalty so imposed shall be in addi-  
2 tion to and separate and apart from the terms and provisions of the bond  
3 required pursuant to section thirty-six of this chapter.

4 4. To fix by rule the standards of cultivation and processing of  
5 medical cannabis, adult use cannabis and hemp cannabis, including but  
6 not limited to, the ability to regulate potency and the types of  
7 products which may be manufactured and/or processed, in order to ensure  
8 the health and safety of the public and the use of proper ingredients  
9 and methods in the manufacture of all cannabis and hemp cannabis to be  
10 sold or consumed in the state.

11 5. To hold hearings, subpoena witnesses, compel their attendance,  
12 administer oaths, to examine any person under oath and in connection  
13 therewith to require the production of any books or records relative to  
14 the inquiry. A subpoena issued under this section shall be regulated by  
15 the civil practice law and rules.

16 6. To limit or prohibit, at any time of public emergency and without  
17 previous notice or advertisement, the cultivation, processing, distrib-  
18 ution or sale of any or all cannabis products, medical cannabis or hemp  
19 cannabis, for and during the period of such emergency.

20 7. To appoint any necessary directors, deputies, counsels, assistants,  
21 investigators, and other employees within the limits provided by appro-  
22 priation. Investigators so employed by the office shall be deemed to be  
23 peace officers for the purpose of enforcing the provisions of the canna-  
24 bis control law or judgements or orders obtained for violation thereof,  
25 with all the powers set forth in section 2.20 of the criminal procedure  
26 law.

27 8. To remove any employee of the office for cause, after giving such  
28 employee a copy of the charges against him or her in writing, and an



1 opportunity to be heard thereon. Any action taken under this subdivision  
2 shall be subject to and in accordance with the civil service law.

3 9. To inspect or provide for the inspection at any time of any prem-  
4 ises where cannabis or hemp cannabis is cultivated, processed, stored,  
5 distributed or sold.

6 10. To prescribe forms of applications for registrations, licenses and  
7 permits under this chapter and of all reports deemed necessary by the  
8 office.

9 11. To delegate the powers provided in this section to such other  
10 officers or employees or other state agencies as may be deemed appropri-  
11 ate by the executive director.

12 12. To appoint such advisory groups and committees as the executive  
13 director deems necessary to provide assistance to the office to carry  
14 out the purposes and objectives of this chapter.

15 13. To exercise the powers and perform the duties in relation to the  
16 administration of the office as are necessary but not specifically vest-  
17 ed by this chapter, including but not limited to budgetary and fiscal  
18 matters.

19 14. To develop and establish minimum criteria for certifying employees  
20 to work in the cannabis industry, including the establishment of a  
21 cannabis workers certification program.

22 15. To enter into contracts, memoranda of understanding, and agree-  
23 ments as deemed appropriate by the executive director to effectuate the  
24 policy and purpose of this chapter.

25 16. To issue and administer low interest or zero-interest loans to  
26 qualified social equity applicants provided the office has sufficient  
27 funds available for such purposes.

1 17. If the executive director finds that public health, safety, or  
2 welfare imperatively requires emergency action, and incorporates a find-  
3 ing to that effect in an order, summary suspension of a license may be  
4 ordered, effective on the date specified in such order or upon service  
5 of a certified copy of such order on the licensee, whichever shall be  
6 later, pending proceedings for revocation or other action. These  
7 proceedings shall be promptly instituted and determined. In addition,  
8 the executive director may order the administrative seizure of product,  
9 issue a stop order, or take any other action necessary to effectuate and  
10 enforce the policy and purpose of this chapter.

11 18. To issue regulations, declaratory rulings, guidance and industry  
12 advisories.

13 § 12. Rulemaking authority. 1. The office shall perform such acts,  
14 prescribe such forms and propose such rules, regulations and orders as  
15 it may deem necessary or proper to fully effectuate the provisions of  
16 this chapter.

17 2. The office shall have the power to promulgate any and all necessary  
18 rules and regulations governing the production, processing, transporta-  
19 tion, distribution, and sale of medical cannabis, recreational cannabis,  
20 and hemp cannabis, including but not limited to the registration of  
21 organizations authorized to traffic in medical cannabis, the licensing  
22 and/or permitting of adult-use cannabis cultivators, processors, cooper-  
23 atives, distributors, and retail dispensaries, and the licensing of  
24 cannabinoid growers and extractors, including, but not limited to:

25 (a) prescribing forms and establishing application, reinstatement, and  
26 renewal fees;

27 (b) the qualifications and selection criteria for registration,  
28 licensing, or permitting;

1 (c) the books and records to be created and maintained by registered  
2 organizations, licensees, and permittees, including the reports to be  
3 made thereon to the office, and inspection of any and all books and  
4 records maintained by any registered organization, licensee, or permittee  
5 and on the premise of any registered organization, licensee, or permit-  
6 tee;

7 (d) methods of producing, processing, and packaging cannabis, medical  
8 cannabis, cannabis-infused products, and concentrated cannabis; condi-  
9 tions of sanitation, and standards of ingredients, quality, and identity  
10 of cannabis products cultivated, processed, packaged, or sold by regis-  
11 tered organizations and licensees;

12 (e) security requirements for adult-use cannabis retail dispensaries  
13 and premises where cannabis products, including medical cannabis, are  
14 cultivated, produced, processed, or stored, and safety protocols for  
15 registered organizations, licensees and their employees; and

16 (f) hearing procedures and additional causes for cancellation, revoca-  
17 tion, and/or civil penalties against any person registered, licensed, or  
18 permitted by the authority.

19 3. The office shall promulgate rules and regulations that are calcu-  
20 lated to:

21 (a) prevent the distribution of adult-use cannabis to persons under  
22 twenty-one years of age;

23 (b) prevent the revenue from the sale of cannabis from going to crimi-  
24 nal enterprises, gangs, and cartels;

25 (c) prevent the diversion of cannabis from this state to other states;

26 (d) prevent cannabis activity that is legal under state law from being  
27 used as a cover or pretext for the trafficking of other illegal drugs or  
28 other illegal activity;

1 (e) prevent violence and the use of firearms in the cultivation and  
2 distribution of cannabis;

3 (f) prevent drugged driving and the exacerbation of other adverse  
4 public health consequences associated with the use of cannabis;

5 (g) prevent the growing of cannabis on public lands and the attendant  
6 public safety and environmental dangers posed by cannabis production on  
7 public lands; and

8 (h) prevent the possession and use of cannabis on federal property.

9 4. The office, in consultation with the department of agriculture and  
10 markets and the department of environmental conservation, shall promul-  
11 gate necessary rules and regulations governing the safe production of  
12 cannabis, including environmental and energy standards and restrictions  
13 on the use of pesticides.

14 § 13. State cannabis advisory board. 1. The executive director shall  
15 have the authority to establish within the office a state cannabis advi-  
16 sory board, which may advise the office on cannabis cultivation, proc-  
17 essing, distribution, transport, testing and sale and consider all  
18 matters submitted to it by the executive director.

19 2. The executive director of the office shall serve as the chairperson  
20 of the board. The vice chairperson shall be elected from among the  
21 members of the board by the members of such board, and shall represent  
22 the board in the absence of the chairperson at all official board func-  
23 tions.

24 3. The members of the board shall receive no compensation for their  
25 services but shall be allowed their actual and necessary expenses  
26 incurred in the performance of their duties as board members.

27 4. The executive director shall be authorized to promulgate regu-  
28 lations establishing the number of members on the board, the term of the

1 board members and any other terms or conditions regarding the state  
2 cannabis advisory board.

3 § 14. Disposition of moneys received for license fees. The office  
4 shall establish a scale of application, licensing, and renewal fees,  
5 based upon the cost of enforcing this chapter and the size of the canna-  
6 bis business being licensed, as follows:

7 1. The office shall charge each registered organization, licensee and  
8 permittee a registration, licensure or permit fee, and renewal fee, as  
9 applicable. The fees may vary depending upon the nature and scope of  
10 the different registration, licensure and permit activities.

11 2. The total fees assessed pursuant to this chapter shall be set at an  
12 amount that will generate sufficient total revenue to, at a minimum,  
13 fully cover the total costs of administering this chapter.

14 3. All registration and licensure fees shall be set on a scaled basis  
15 by the office, dependent on the size of the business.

16 4. The office shall deposit all fees collected in the New York state  
17 cannabis revenue fund established pursuant to section ninety-nine-ff of  
18 the state finance law.

19 § 15. Legal presumptions. The action, proceedings, authority, and  
20 orders of the office in enforcing the provisions of the cannabis law and  
21 applying them to specific cases shall at all times be regarded as in  
22 their nature judicial, and shall be treated as prima facie just and  
23 legal.

24 § 16. Violations of cannabis laws or regulations; penalties and  
25 injunctions. 1. A person who willfully violates any provision of this  
26 chapter, or any regulation lawfully made or established by any public  
27 officer under authority of this chapter, the punishment for violating  
28 which is not otherwise prescribed by this chapter or any other law, is

1 punishable by imprisonment not exceeding one year, or by a fine not  
2 exceeding five thousand dollars or by both.

3 2. Any person who violates, disobeys or disregards any term or  
4 provision of this chapter or of any lawful notice, order or regulation  
5 pursuant thereto for which a civil penalty is not otherwise expressly  
6 prescribed by law, shall be liable to the people of the state for a  
7 civil penalty of not to exceed five thousand dollars for every such  
8 violation.

9 3. The penalty provided for in subdivision one of this section may be  
10 recovered by an action brought by the executive director in any court of  
11 competent jurisdiction.

12 4. Nothing in this section shall be construed to alter or repeal any  
13 existing provision of law declaring such violations to be misdemeanors  
14 or felonies or prescribing the penalty therefor.

15 5. Such civil penalty may be released or compromised by the executive  
16 director before the matter has been referred to the attorney general,  
17 and where such matter has been referred to the attorney general, any  
18 such penalty may be released or compromised and any action commenced to  
19 recover the same may be settled and discontinued by the attorney general  
20 with the consent of the executive director.

21 6. It shall be the duty of the attorney general upon the request of  
22 the executive director to bring an action for an injunction against any  
23 person who violates, disobeys or disregards any term or provision of  
24 this chapter or of any lawful notice, order or regulation pursuant ther-  
25 eto; provided, however, that the executive director shall furnish the  
26 attorney general with such material, evidentiary matter or proof as may  
27 be requested by the attorney general for the prosecution of such an  
28 action.

1 7. It is the purpose of this section to provide additional and cumula-  
2 tive remedies, and nothing herein contained shall abridge or alter  
3 rights of action or remedies now or hereafter existing, nor shall any  
4 provision of this section, nor any action done by virtue of this  
5 section, be construed as estopping the state, persons or municipalities  
6 in the exercising of their respective rights.

7 § 17. Formal hearings; notice and procedure. 1. The executive direc-  
8 tor, or any person designated by him or her for this purpose, may issue  
9 subpoenas and administer oaths in connection with any hearing or inves-  
10 tigation under or pursuant to this chapter, and it shall be the duty of  
11 the executive director and any persons designated by him or her for such  
12 purpose to issue subpoenas at the request of and upon behalf of the  
13 respondent.

14 2. The executive director and those designated by him or her shall not  
15 be bound by the laws of evidence in the conduct of hearing proceedings,  
16 but the determination shall be founded upon sufficient evidence to  
17 sustain it.

18 3. Notice of hearing shall be served at least fifteen days prior to  
19 the date of the hearing, provided that, whenever because of danger to  
20 the public health, safety or welfare it appears prejudicial to the  
21 interests of the people of the state to delay action for fifteen days,  
22 the executive director may serve the respondent with an order requiring  
23 certain action or the cessation of certain activities immediately or  
24 within a specified period of less than fifteen days.

25 4. Service of notice of hearing or order shall be made by personal  
26 service or by registered or certified mail. Where service, whether by  
27 personal service or by registered or certified mail, is made upon an  
28 incompetent, partnership, or corporation, it shall be made upon the

1 person or persons designated to receive personal service by article  
2 three of the civil practice law and rules.

3 5. At a hearing, the respondent may appear personally, shall have the  
4 right of counsel, and may cross-examine witnesses against him or her and  
5 produce evidence and witnesses in his or her behalf.

6 6. Following a hearing, the executive director may make appropriate  
7 determinations and issue a final order in accordance therewith.

8 7. The executive director may adopt, amend and repeal administrative  
9 rules and regulations governing the procedures to be followed with  
10 respect to hearings, such rules to be consistent with the policy and  
11 purpose of this chapter and the effective and fair enforcement of its  
12 provisions.

13 8. The provisions of this section shall be applicable to all hearings  
14 held pursuant to this chapter, except where other provisions of this  
15 chapter applicable thereto are inconsistent therewith, in which event  
16 such other provisions shall apply.

17 § 18. Ethics, transparency and accountability. No member of the  
18 office or any officer, deputy, assistant, inspector or employee thereof  
19 shall have any interest, direct or indirect, either proprietary or by  
20 means of any loan, mortgage or lien, or in any other manner, in or on  
21 any premises where cannabis, medical cannabis or hemp is cultivated,  
22 processed, distributed or sold; nor shall he or she have any interest,  
23 direct or indirect, in any business wholly or partially devoted to the  
24 cultivation, processing, distribution, sale, transportation or storage  
25 of cannabis, medical cannabis or hemp, or own any stock in any corpo-  
26 ration which has any interest, proprietary or otherwise, direct or indi-  
27 rect, in any premises where cannabis, medical cannabis or hemp is culti-  
28 vated, processed, distributed or sold, or in any business wholly or



1 partially devoted to the cultivation, processing, distribution, sale,  
2 transportation or storage of cannabis, medical cannabis or hemp, or  
3 receive any commission or profit whatsoever, direct or indirect, from  
4 any person applying for or receiving any license or permit provided for  
5 in this chapter, or hold any other elected or appointed public office in  
6 the state or in any political subdivision. Anyone who violates any of  
7 the provisions of this section shall be removed or shall divulge him or  
8 herself of such direct or indirect interests.

9 § 19. Public health campaign. The office, in consultation with the  
10 commissioners of the department of health, office of alcoholism and  
11 substance abuse services and office of mental health, shall develop and  
12 implement a comprehensive public health campaign regarding adult-use  
13 cannabis.

14 ARTICLE 3

15 MEDICAL CANNABIS

16 Section 30. Certification of patients.

17 31. Lawful medical use.

18 32. Registry identification cards.

19 33. Registration as a designated caregiver facility.

20 34. Registered organizations.

21 35. Registering of registered organizations.

22 36. Expedited registration of registered organizations.

23 37. Reports of registered organizations.

24 38. Evaluation; research programs; report by office.

25 39. Cannabis research license.

26 40. Registered organizations and adult-use cannabis.

- 1 41. Home cultivation of medical cannabis.
- 2 42. Relation to other laws.
- 3 43. Protections for the medical use of cannabis.
- 4 44. Regulations.
- 5 45. Suspend; terminate.
- 6 46. Pricing.
- 7 47. Severability.

8 § 30. Certification of patients. 1. A patient certification may only  
9 be issued if:

10 (a) the patient has a serious condition, which shall be specified in  
11 the patient's health care record;

12 (b) the practitioner by training or experience is qualified to treat  
13 the serious condition;

14 (c) the patient is under the practitioner's continuing care for the  
15 serious condition; and

16 (d) in the practitioner's professional opinion and review of past  
17 treatments, the patient is likely to receive therapeutic or palliative  
18 benefit from the primary or adjunctive treatment with medical use of  
19 cannabis for the serious condition.

20 2. The certification shall include: (a) the name, date of birth and  
21 address of the patient; (b) a statement that the patient has a serious  
22 condition and the patient is under the practitioner's care for the seri-  
23 ous condition; (c) a statement attesting that all requirements of subdi-  
24 vision one of this section have been satisfied; (d) the date; and (e)  
25 the name, address, telephone number, and the signature of the certifying  
26 practitioner. The executive director may require by regulation that the  
27 certification shall be on a form provided by the office. The practition-  
28 er may state in the certification that, in the practitioner's profes-

1 sional opinion, the patient would benefit from medical cannabis only  
2 until a specified date. The practitioner may state in the certification  
3 that, in the practitioner's professional opinion, the patient is termi-  
4 nally ill and that the certification shall not expire until the patient  
5 dies.

6 3. In making a certification, the practitioner may consider the form  
7 of medical cannabis the patient should consume, including the method of  
8 consumption and any particular strain, variety, and quantity or percent-  
9 age of cannabis or particular active ingredient, and appropriate dosage.  
10 The practitioner may state in the certification any recommendation or  
11 limitation the practitioner makes, in his or her professional opinion,  
12 concerning the appropriate form or forms of medical cannabis and dosage.

13 4. Every practitioner shall consult the prescription monitoring  
14 program registry prior to making or issuing a certification, for the  
15 purpose of reviewing a patient's controlled substance history. For  
16 purposes of this section, a practitioner may authorize a designee to  
17 consult the prescription monitoring program registry on his or her  
18 behalf, provided that such designation is in accordance with section  
19 thirty-three hundred forty-three-a of the public health law.

20 5. The practitioner shall give the certification to the certified  
21 patient, and place a copy in the patient's health care record.

22 6. No practitioner shall issue a certification under this section for  
23 himself or herself.

24 7. A registry identification card based on a certification shall  
25 expire one year after the date the certification is signed by the prac-  
26 titioner.

27 8. (a) If the practitioner states in the certification that, in the  
28 practitioner's professional opinion, the patient would benefit from

1 medical cannabis only until a specified earlier date, then the registry  
2 identification card shall expire on that date; (b) if the practitioner  
3 states in the certification that in the practitioner's professional  
4 opinion the patient is terminally ill and that the certification shall  
5 not expire until the patient dies, then the registry identification card  
6 shall state that the patient is terminally ill and that the registration  
7 card shall not expire until the patient dies; (c) if the practitioner  
8 re-issues the certification to terminate the certification on an earlier  
9 date, then the registry identification card shall expire on that date  
10 and shall be promptly destroyed by the certified patient; (d) if the  
11 certification so provides, the registry identification card shall state  
12 any recommendation or limitation by the practitioner as to the form or  
13 forms of medical cannabis or dosage for the certified patient; and (e)  
14 the executive director shall make regulations to implement this subdivi-  
15 sion.

16 § 31. Lawful medical use. 1. The possession, acquisition, use, deliv-  
17 ery, transfer, transportation, or administration of medical cannabis by  
18 a certified patient, designated caregiver or designated caregiver facil-  
19 ity, for certified medical use, shall be lawful under this article  
20 provided that:

21 (a) the cannabis that may be possessed by a certified patient shall  
22 not exceed a sixty-day supply of the dosage as determined by the practi-  
23 tioner, consistent with any guidance and regulations issued by the exec-  
24 utive director, provided that during the last seven days of any sixty-  
25 day period, the certified patient may also possess up to such amount for  
26 the next sixty-day period;

27 (b) the cannabis that may be possessed by designated caregivers does  
28 not exceed the quantities referred to in paragraph (a) of this subdivi-

1 sion for each certified patient for whom the caregiver possesses a valid  
2 registry identification card, up to five certified patients;

3 (c) the cannabis that may be possessed by designated caregiver facili-  
4 ties does not exceed the quantities referred to in paragraph (a) of this  
5 subdivision for each certified patient under the care or treatment of  
6 the facility;

7 (d) the form or forms of medical cannabis that may be possessed by the  
8 certified patient, designated caregiver or designated caregiver facility  
9 pursuant to a certification shall be in compliance with any recommenda-  
10 tion or limitation by the practitioner as to the form or forms of  
11 medical cannabis or dosage for the certified patient in the certif-  
12 ication; and

13 (e) the medical cannabis shall be kept in the original package in  
14 which it was dispensed under this article, except for the portion  
15 removed for immediate consumption for certified medical use by the  
16 certified patient.

17 2. Notwithstanding subdivision one of this section:

18 (a) possession of medical cannabis shall not be lawful under this  
19 article if it is smoked or grown in a public place, regardless of the  
20 form of medical cannabis stated in the patient's certification.

21 (b) a person possessing medical cannabis under this chapter shall  
22 possess his or her registry identification card at all times when in  
23 immediate possession of medical cannabis.

24 § 32. Registry identification cards. 1. Upon approval of the certif-  
25 ication, the office shall issue registry identification cards for certi-  
26 fied patients and designated caregivers. A registry identification card  
27 shall expire as provided in this article or as otherwise provided in  
28 this section. The office shall begin issuing registry identification

1 cards as soon as practicable after the certifications required by this  
2 chapter are granted. The office may specify a form for a registry appli-  
3 cation, in which case the office shall provide the form on request,  
4 reproductions of the form may be used, and the form shall be available  
5 for downloading from the office's website.

6 2. To obtain, amend or renew a registry identification card, a certi-  
7 fied patient or designated caregiver shall file a registry application  
8 with the office, unless otherwise exempted by the executive director in  
9 regulation. The registry application or renewal application shall  
10 include:

11 (a) in the case of a certified patient:

12 (i) the patient's certification, a new written certification shall be  
13 provided with a renewal application;

14 (ii) the name, address, and date of birth of the patient;

15 (iii) the date of the certification;

16 (iv) if the patient has a registry identification card based on a  
17 current valid certification, the registry identification number and  
18 expiration date of that registry identification card;

19 (v) the specified date until which the patient would benefit from  
20 medical cannabis, if the certification states such a date;

21 (vi) the name, address, and telephone number of the certifying practi-  
22 tioner;

23 (vii) any recommendation or limitation by the practitioner as to the  
24 form or forms of medical cannabis or dosage for the certified patient;

25 (viii) if the certified patient designates a designated caregiver, the  
26 name, address, and date of birth of the designated caregiver, and other  
27 individual identifying information required by the office; and

28 (ix) other individual identifying information required by the office;

1 (b) in the case of a designated caregiver:

2 (i) the name, address, and date of birth of the designated caregiver;

3 (ii) if the designated caregiver has a registry identification card,  
4 the registry identification number and expiration date of that registry  
5 identification card; and

6 (iii) other individual identifying information required by the office;

7 (c) a statement that a false statement made in the application is  
8 punishable under section 210.45 of the penal law;

9 (d) the date of the application and the signature of the certified  
10 patient or designated caregiver, as the case may be;

11 (e) any other requirements determined by the executive director.

12 3. Where a certified patient is under the age of eighteen or otherwise  
13 incapable of consent:

14 (a) The application for a registry identification card shall be made  
15 by an appropriate person over eighteen years of age. The application  
16 shall state facts demonstrating that the person is appropriate.

17 (b) The designated caregiver shall be: (i) a parent or legal guardian  
18 of the certified patient; (ii) a person designated by a parent or legal  
19 guardian; (iii) a designated caregiver facility; or (iv) an appropriate  
20 person approved by the office upon a sufficient showing that no parent  
21 or legal guardian is appropriate or available.

22 4. No person may be a designated caregiver if the person is under  
23 twenty-one years of age unless a sufficient showing is made to the  
24 office that the person should be permitted to serve as a designated  
25 caregiver. The requirements for such a showing shall be determined by  
26 the executive director.

27 5. No person may be a designated caregiver for more than five certi-  
28 fied patients at one time.

1 6. If a certified patient wishes to change or terminate his or her  
2 designated caregiver, for whatever reason, the certified patient shall  
3 notify the office as soon as practicable. The office shall issue a  
4 notification to the designated caregiver that their registration card is  
5 invalid and must be promptly destroyed. The newly designated caregiver  
6 must comply with all requirements set forth in this section.

7 7. If the certification so provides, the registry identification card  
8 shall contain any recommendation or limitation by the practitioner as to  
9 the form or forms of medical cannabis or dosage for the certified  
10 patient.

11 8. The office shall issue separate registry identification cards for  
12 certified patients and designated caregivers as soon as reasonably prac-  
13 ticable after receiving a complete application under this section,  
14 unless it determines that the application is incomplete or factually  
15 inaccurate, in which case it shall promptly notify the applicant.

16 9. If the application of a certified patient designates an individual  
17 as a designated caregiver who is not authorized to be a designated care-  
18 giver, that portion of the application shall be denied by the office but  
19 that shall not affect the approval of the balance of the application.

20 10. A registry identification card shall:

21 (a) contain the name of the certified patient or the designated care-  
22 giver as the case may be;

23 (b) contain the date of issuance and expiration date of the registry  
24 identification card;

25 (c) contain a registry identification number for the certified patient  
26 or designated caregiver, as the case may be and a registry identifica-  
27 tion number;



1 (d) contain a photograph of the individual to whom the registry iden-  
2 tification card is being issued, which shall be obtained by the office  
3 in a manner specified by the executive director in regulations;  
4 provided, however, that if the office requires certified patients to  
5 submit photographs for this purpose, there shall be a reasonable accom-  
6 modation of certified patients who are confined to their homes due to  
7 their medical conditions and may therefore have difficulty procuring  
8 photographs;

9 (e) be a secure document as determined by the office;

10 (f) plainly state any recommendation or limitation by the practitioner  
11 as to the form or forms of medical cannabis or dosage for the certified  
12 patient; and

13 (g) any other requirements determined by the executive director.

14 11. A certified patient or designated caregiver who has been issued a  
15 registry identification card shall notify the office of any change in  
16 his or her name or address or, with respect to the patient, if he or she  
17 ceases to have the serious condition noted on the certification within  
18 ten days of such change. The certified patient's or designated  
19 caregiver's registry identification card shall be deemed invalid and  
20 shall be promptly destroyed.

21 12. If a certified patient or designated caregiver loses his or her  
22 registry identification card, he or she shall notify the office within  
23 ten days of losing the card. The office shall issue a new registry iden-  
24 tification card as soon as practicable, which may contain a new registry  
25 identification number, to the certified patient or designated caregiver,  
26 as the case may be.

27 13. The office shall maintain a confidential list of the persons to  
28 whom it has issued registry identification cards. Individual identifying

1 information obtained by the office under this article shall be confiden-  
2 tial and exempt from disclosure under article six of the public officers  
3 law. Notwithstanding this subdivision, the office may notify any appro-  
4 priate law enforcement agency of information relating to any violation  
5 or suspected violation of this article.

6 14. The office shall verify to law enforcement personnel in an appro-  
7 priate case whether a registry identification card is valid.

8 15. If a certified patient or designated caregiver willfully violates  
9 any provision of this article as determined by the executive director,  
10 his or her certification and registry identification card may be  
11 suspended or revoked. This is in addition to any other penalty that may  
12 apply.

13 § 33. Registration as a designated caregiver facility. 1. To obtain,  
14 amend or renew a registration as a designated caregiver facility, the  
15 facility shall file a registry application with the office. The registry  
16 application or renewal application shall include:

17 (a) the facility's full name and address;

18 (b) operating certificate or license number where appropriate;

19 (c) printed name, title, and signature of an authorized facility  
20 representative;

21 (d) a statement that the facility agrees to secure and ensure proper  
22 handling of all medical cannabis products;

23 (e) an acknowledgement that a false statement in the application is  
24 punishable under section 210.45 of the penal law; and

25 (f) any other information that may be required by the executive direc-  
26 tor.

27 2. Prior to issuing or renewing a designated caregiver facility regis-  
28 tration, the office may verify the information submitted by the appli-

1 cant. The applicant shall provide, at the office's request, such infor-  
2 mation and documentation, including any consents or authorizations that  
3 may be necessary for the office to verify the information.

4 3. The office shall approve, deny or determine incomplete or inaccu-  
5 rate an initial or renewal application within thirty days of receipt of  
6 the application. If the application is approved within the 30-day peri-  
7 od, the office shall issue a registration as soon as is reasonably prac-  
8 ticable.

9 4. An applicant shall have thirty days from the date of a notification  
10 of an incomplete or factually inaccurate application to submit the mate-  
11 rials required to complete, revise or substantiate information in the  
12 application. If the applicant fails to submit the required materials  
13 within such thirty-day time period, the application shall be denied by  
14 the office.

15 5. Registrations issued under this section shall remain valid for two  
16 years from the date of issuance.

17 § 34. Registered organizations. 1. A registered organization shall be  
18 a for-profit business entity or not-for-profit corporation organized for  
19 the purpose of acquiring, possessing, manufacturing, selling, deliver-  
20 ing, transporting, distributing or dispensing cannabis for certified  
21 medical use.

22 2. The acquiring, possession, manufacture, sale, delivery, transport-  
23 ing, distributing or dispensing of medical cannabis by a registered  
24 organization under this article in accordance with its registration  
25 under this article or a renewal thereof shall be lawful under this chap-  
26 ter.

27 3. Each registered organization shall contract with an independent  
28 laboratory permitted by the office to test the medical cannabis produced

1 by the registered organization. The executive director shall approve the  
2 laboratory used by the registered organization and may require that the  
3 registered organization use a particular testing laboratory.

4 4. (a) A registered organization may lawfully, in good faith, sell,  
5 deliver, distribute or dispense medical cannabis to a certified patient  
6 or designated caregiver upon presentation to the registered organization  
7 of a valid registry identification card for that certified patient or  
8 designated caregiver. When presented with the registry identification  
9 card, the registered organization shall provide to the certified patient  
10 or designated caregiver a receipt, which shall state: the name, address,  
11 and registry identification number of the registered organization; the  
12 name and registry identification number of the certified patient and the  
13 designated caregiver, if any; the date the cannabis was sold; any recom-  
14 mendation or limitation by the practitioner as to the form or forms of  
15 medical cannabis or dosage for the certified patient; and the form and  
16 the quantity of medical cannabis sold. The registered organization shall  
17 retain a copy of the registry identification card and the receipt for  
18 six years.

19 (b) The proprietor of a registered organization shall file or cause to  
20 be filed any receipt and certification information with the office by  
21 electronic means on a real-time basis as the executive director shall  
22 require by regulation. When filing receipt and certification information  
23 electronically pursuant to this paragraph, the proprietor of the regis-  
24 tered organization shall dispose of any electronically recorded  
25 prescription information in such manner as the executive director shall  
26 by regulation require.

27 5. (a) No registered organization may sell, deliver, distribute or  
28 dispense to any certified patient or designated caregiver a quantity of

1 medical cannabis larger than that individual would be allowed to possess  
2 under this chapter.

3 (b) When dispensing medical cannabis to a certified patient or desig-  
4 nated caregiver, the registered organization: (i) shall not dispense an  
5 amount greater than a sixty-day supply to a certified patient until the  
6 certified patient has exhausted all but a seven day supply provided  
7 pursuant to a previously issued certification; and (ii) shall verify the  
8 information in subparagraph (i) of this paragraph by consulting the  
9 prescription monitoring program registry under this article.

10 (c) Medical cannabis dispensed to a certified patient or designated  
11 caregiver by a registered organization shall conform to any recommenda-  
12 tion or limitation by the practitioner as to the form or forms of  
13 medical cannabis or dosage for the certified patient.

14 6. When a registered organization sells, delivers, distributes or  
15 dispenses medical cannabis to a certified patient or designated caregiv-  
16 er, it shall provide to that individual a safety insert, which will be  
17 developed by the registered organization and approved by the executive  
18 director and include, but not be limited to, information on:

- 19 (a) methods for administering medical cannabis in individual doses,
- 20 (b) any potential dangers stemming from the use of medical cannabis,
- 21 (c) how to recognize what may be problematic usage of medical cannabis  
22 and obtain appropriate services or treatment for problematic usage, and
- 23 (d) other information as determined by the executive director.

24 7. Registered organizations shall not be managed by or employ anyone  
25 who has been convicted of any felony other than for the sale or  
26 possession of drugs, narcotics, or controlled substances, and provided  
27 that this subdivision only applies to (a) managers or employees who come  
28 into contact with or handle medical cannabis, and (b) a conviction less

1 than ten years, not counting time spent in incarceration, prior to being  
2 employed, for which the person has not received a certificate of relief  
3 from disabilities or a certificate of good conduct under article twen-  
4 ty-three of the correction law.

5 8. Manufacturing of medical cannabis by a registered organization  
6 shall only be done in an indoor, enclosed, secure facility located in  
7 New York state, which may include a greenhouse. The executive director  
8 shall promulgate regulations establishing requirements for such facili-  
9 ties.

10 9. Dispensing of medical cannabis by a registered organization shall  
11 only be done in an indoor, enclosed, secure facility located in New York  
12 state, which may include a greenhouse. The executive director shall  
13 promulgate regulations establishing requirements for such facilities.

14 10. A registered organization shall determine the quality, safety, and  
15 clinical strength of medical cannabis manufactured or dispensed by the  
16 registered organization, and shall provide documentation of that quali-  
17 ty, safety and clinical strength to the office and to any person or  
18 entity to which the medical cannabis is sold or dispensed.

19 11. A registered organization shall be deemed to be a "health care  
20 provider" for the purposes of article two-D of article two of the public  
21 health law.

22 12. Medical cannabis shall be dispensed to a certified patient or  
23 designated caregiver in a sealed and properly labeled package. The  
24 labeling shall contain: (a) the information required to be included in  
25 the receipt provided to the certified patient or designated caregiver by  
26 the registered organization; (b) the packaging date; (c) any applicable  
27 date by which the medical cannabis should be used; (d) a warning stat-  
28 ing, "This product is for medicinal use only. Women should not consume

1 during pregnancy or while breastfeeding except on the advice of the  
2 certifying health care practitioner, and in the case of breastfeeding  
3 mothers, including the infant's pediatrician. This product might impair  
4 the ability to drive. Keep out of reach of children."; (e) the amount of  
5 individual doses contained within; and (f) a warning that the medical  
6 cannabis must be kept in the original container in which it was  
7 dispensed.

8 13. The executive director is authorized to make rules and regulations  
9 restricting the advertising and marketing of medical cannabis.

10 § 35. Registering of registered organizations. 1. Application for  
11 initial registration. (a) An applicant for registration as a registered  
12 organization under section thirty-four of this article shall include  
13 such information prepared in such manner and detail as the executive  
14 director may require, including but not limited to:

15 (i) a description of the activities in which it intends to engage as a  
16 registered organization;

17 (ii) that the applicant:

18 (A) is of good moral character;

19 (B) possesses or has the right to use sufficient land, buildings, and  
20 other premises, which shall be specified in the application, and equip-  
21 ment to properly carry on the activity described in the application, or  
22 in the alternative posts a bond of not less than two million dollars;

23 (C) is able to maintain effective security and control to prevent  
24 diversion, abuse, and other illegal conduct relating to the cannabis;  
25 and

26 (D) is able to comply with all applicable state laws and regulations  
27 relating to the activities in which it intends to engage under the  
28 registration;

1 (iii) that the applicant has entered into a labor peace agreement with  
2 a bona fide labor organization that is actively engaged in representing  
3 or attempting to represent the applicant's employees and the maintenance  
4 of such a labor peace agreement shall be an ongoing material condition  
5 of certification;

6 (iv) the applicant's status as a for-profit business entity or not-  
7 for-profit corporation; and

8 (v) the application shall include the name, residence address and  
9 title of each of the officers and directors and the name and residence  
10 address of any person or entity that is a member of the applicant. Each  
11 such person, if an individual, or lawful representative if a legal enti-  
12 ty, shall submit an affidavit with the application setting forth:

13 (A) any position of management or ownership during the preceding ten  
14 years of a ten per centum or greater interest in any other business,  
15 located in or outside this state, manufacturing or distributing drugs;

16 (B) whether such person or any such business has been convicted of a  
17 felony or had a registration or license suspended or revoked in any  
18 administrative or judicial proceeding; and

19 (C) such other information as the executive director may reasonably  
20 require.

21 2. The applicant shall be under a continuing duty to report to the  
22 office any change in facts or circumstances reflected in the application  
23 or any newly discovered or occurring fact or circumstance which is  
24 required to be included in the application.

25 3. (a) The executive director shall grant a registration or amendment  
26 to a registration under this section if he or she is satisfied that:

27 (i) the applicant will be able to maintain effective control against  
28 diversion of cannabis;



1 (ii) the applicant will be able to comply with all applicable state  
2 laws;

3 (iii) the applicant and its officers are ready, willing and able to  
4 properly carry on the manufacturing or distributing activity for which a  
5 registration is sought;

6 (iv) the applicant possesses or has the right to use sufficient land,  
7 buildings and equipment to properly carry on the activity described in  
8 the application;

9 (v) it is in the public interest that such registration be granted,  
10 including but not limited to:

11 (A) whether the number of registered organizations in an area will be  
12 adequate or excessive to reasonably serve the area;

13 (B) whether the registered organization is a minority and/or woman  
14 owned business enterprise or a service-disabled veteran-owned business;

15 (C) whether the registered organization provides education and  
16 outreach to practitioners;

17 (D) whether the registered organization promotes the research and  
18 development of medical cannabis and patient outreach; and

19 (E) the affordability medical cannabis products offered by the regis-  
20 tered organization;

21 (vi) the applicant and its managing officers are of good moral charac-  
22 ter;

23 (vii) the applicant has entered into a labor peace agreement with a  
24 bona fide labor organization that is actively engaged in representing or  
25 attempting to represent the applicant's employees; and

26 (viii) the applicant satisfies any other conditions as determined by  
27 the executive director.

1 (b) If the executive director is not satisfied that the applicant  
2 should be issued a registration, he or she shall notify the applicant in  
3 writing of those factors upon which the denial is based. Within thirty  
4 days of the receipt of such notification, the applicant may submit a  
5 written request to the executive director to appeal the decision.

6 (c) The fee for a registration under this section shall be an amount  
7 determined by the office in regulations; provided, however, if the  
8 registration is issued for a period greater than two years the fee shall  
9 be increased, pro rata, for each additional month of validity.

10 (d) Registrations issued under this section shall be effective only  
11 for the registered organization and shall specify:

12 (i) the name and address of the registered organization;

13 (ii) which activities of a registered organization are permitted by  
14 the registration;

15 (iii) the land, buildings and facilities that may be used for the  
16 permitted activities of the registered organization; and

17 (iv) such other information as the executive director shall reasonably  
18 provide to assure compliance with this article.

19 (e) Upon application of a registered organization, a registration may  
20 be amended to allow the registered organization to relocate within the  
21 state or to add or delete permitted registered organization activities  
22 or facilities. The fee for such amendment shall be two hundred fifty  
23 dollars.

24 4. A registration issued under this section shall be valid for two  
25 years from the date of issue, except that in order to facilitate the  
26 renewals of such registrations, the executive director may upon the  
27 initial application for a registration, issue some registrations which

1 may remain valid for a period of time greater than two years but not  
2 exceeding an additional eleven months.

3 5. (a) An application for the renewal of any registration issued  
4 under this section shall be filed with the office not more than six  
5 months nor less than four months prior to the expiration thereof. A  
6 late-filed application for the renewal of a registration may, in the  
7 discretion of the executive director, be treated as an application for  
8 an initial license.

9 (b) The application for renewal shall include such information  
10 prepared in the manner and detail as the executive director may require,  
11 including but not limited to:

12 (i) any material change in the circumstances or factors listed in  
13 subdivision one of this section; and

14 (ii) every known charge or investigation, pending or concluded during  
15 the period of the registration, by any governmental or administrative  
16 agency with respect to:

17 (A) each incident or alleged incident involving the theft, loss, or  
18 possible diversion of cannabis manufactured or distributed by the appli-  
19 cant; and

20 (B) compliance by the applicant with the laws of the state with  
21 respect to any substance listed in section thirty-three hundred six of  
22 the public health law.

23 (c) An applicant for renewal shall be under a continuing duty to  
24 report to the office any change in facts or circumstances reflected in  
25 the application or any newly discovered or occurring fact or circum-  
26 stance which is required to be included in the application.

27 (d) If the executive director is not satisfied that the registered  
28 organization applicant is entitled to a renewal of the registration, he

1 or she shall within a reasonably practicable time as determined by the  
2 executive director, serve upon the registered organization or its attor-  
3 ney of record in person or by registered or certified mail an order  
4 directing the registered organization to show cause why its application  
5 for renewal should not be denied. The order shall specify in detail the  
6 respects in which the applicant has not satisfied the executive director  
7 that the registration should be renewed.

8 6. (a) The executive director shall renew a registration unless he or  
9 she determines and finds that:

10 (i) the applicant is unlikely to maintain or be able to maintain  
11 effective control against diversion;

12 (ii) the applicant is unlikely to comply with all state laws applica-  
13 ble to the activities in which it may engage under the registration;

14 (iii) it is not in the public interest to renew the registration  
15 because the number of registered organizations in an area is excessive  
16 to reasonably serve the area; or

17 (iv) the applicant has either violated or terminated its labor peace  
18 agreement.

19 (b) For purposes of this section, proof that a registered organiza-  
20 tion, during the period of its registration, has failed to maintain  
21 effective control against diversion, violates any provision of this  
22 article, or has knowingly or negligently failed to comply with applica-  
23 ble state laws relating to the activities in which it engages under the  
24 registration, shall constitute grounds for suspension, termination or  
25 limitation of the registered organization's registration or as deter-  
26 mined by the executive director. The registered organization shall also  
27 be under a continuing duty to report to the authority any material

1 change or fact or circumstance to the information provided in the regis-  
2 tered organization's application.

3 7. The office may suspend or terminate the registration of a regis-  
4 tered organization, on grounds and using procedures under this article  
5 relating to a license, to the extent consistent with this article. The  
6 authority shall suspend or terminate the registration in the event that  
7 a registered organization violates or terminates the applicable labor  
8 peace agreement. Conduct in compliance with this article which may  
9 violate conflicting federal law, shall not be grounds to suspend or  
10 terminate a registration.

11 8. The office shall begin issuing registrations for registered organ-  
12 izations as soon as practicable after the certifications required by  
13 this article are given.

14 9. The executive director shall register at least ten registered  
15 organizations that manufacture medical cannabis with no more than four  
16 dispensing sites wholly owned and operated by such registered organiza-  
17 tion. The executive director shall ensure that such registered organiza-  
18 tions and dispensing sites are geographically distributed across the  
19 state. The executive director may register additional registered organ-  
20 izations.

21 § 36. Expedited registration of registered organizations. 1. There is  
22 hereby established in the office an emergency medical cannabis access  
23 program, referred to in this section as the "program", under this  
24 section. The purpose of the program is to expedite the availability of  
25 medical cannabis to avoid suffering and loss of life, during the period  
26 before full implementation of and production under this article, espe-  
27 cially in the case of patients whose serious condition is progressive  
28 and degenerative or is such that delay in the patient's medical use of

1 cannabis poses a serious risk to the patient's life or health. The  
2 executive director shall implement the program as expeditiously as prac-  
3 ticable, including by emergency regulation.

4 2. For the purposes of this section, and for specified limited times,  
5 the executive director may waive or modify the requirements of this  
6 article relating to registered organizations, consistent with the legis-  
7 lative intent and purpose of this article and this section. Where an  
8 entity seeking to be a registered organization under the program oper-  
9 ates in a jurisdiction other than the state of New York, under licensure  
10 or other governmental recognition of that jurisdiction, and the laws of  
11 that jurisdiction are acceptable to the executive director as consistent  
12 with the legislative intent and purpose of this article and this  
13 section, then the executive director may accept that licensure or recog-  
14 nition as wholly or partially satisfying the requirements of this arti-  
15 cle, for purposes of the registration and operation of the registered  
16 organization under the program and this section.

17 3. In considering an application for registration as a registered  
18 organization under this section, the executive director shall give pref-  
19 erence to the following:

20 (a) an applicant that is currently producing or providing or has a  
21 history of producing or providing medical cannabis in another jurisdic-  
22 tion in full compliance with the laws of the jurisdiction;

23 (b) an applicant that is able and qualified to both produce, distrib-  
24 ute, and dispense medical cannabis to patients expeditiously; and

25 (c) an applicant that proposes a location or locations for dispensing  
26 by the registered organization, which ensure, to the greatest extent  
27 possible, that certified patients have access to a registered organiza-  
28 tion.

1 4. The executive director may make regulations under this section:

2 (a) limiting registered organizations registered under this section;

3 or

4 (b) limiting the allowable levels of cannabidiol and tetrahydrocanna-  
5 binol that may be contained in medical cannabis authorized under this  
6 article, based on therapeutics and patient safety.

7 5. A registered organization under this section may apply under this  
8 article to receive or renew registration.

9 § 37. Reports of registered organizations. 1. The executive director  
10 shall, by regulation, require each registered organization to file  
11 reports by the registered organization during a particular period. The  
12 executive director shall determine the information to be reported and  
13 the forms, time, and manner of the reporting.

14 2. The executive director shall, by regulation, require each regis-  
15 tered organization to adopt and maintain security, tracking, record  
16 keeping, record retention and surveillance systems, relating to all  
17 medical cannabis at every stage of acquiring, possession, manufacture,  
18 sale, delivery, transporting, distributing, or dispensing by the regis-  
19 tered organization, subject to regulations of the executive director.

20 § 38. Evaluation; research programs; report by office. 1. The execu-  
21 tive director may provide for the analysis and evaluation of the opera-  
22 tion of this title. The executive director may enter into agreements  
23 with one or more persons, not-for-profit corporations or other organiza-  
24 tions, for the performance of an evaluation of the implementation and  
25 effectiveness of this title.

26 2. The office may develop, seek any necessary federal approval for,  
27 and carry out research programs relating to medical use of cannabis.

1 Participation in any such research program shall be voluntary on the  
2 part of practitioners, patients, and designated caregivers.

3 3. The office shall report every two years, beginning two years after  
4 the effective date of this chapter, to the governor and the legislature  
5 on the medical use of cannabis under this title and make appropriate  
6 recommendations.

7 § 39. Cannabis research license. 1. The executive director shall  
8 establish a cannabis research license that permits a licensee to  
9 produce, process, purchase and possess cannabis for the following limit-  
10 ed research purposes:

11 (a) to test chemical potency and composition levels;

12 (b) to conduct clinical investigations of cannabis-derived drug  
13 products;

14 (c) to conduct research on the efficacy and safety of administering  
15 cannabis as part of medical treatment; and

16 (d) to conduct genomic or agricultural research.

17 2. As part of the application process for a cannabis research license,  
18 an applicant must submit to the office a description of the research  
19 that is intended to be conducted as well as the amount of cannabis to be  
20 grown or purchased. The office shall review an applicant's research  
21 project and determine whether it meets the requirements of subsection  
22 one of this section. In addition, the office shall assess the applica-  
23 tion based on the following criteria:

24 (a) project quality, study design, value, and impact;

25 (b) whether the applicant has the appropriate personnel, expertise,  
26 facilities and infrastructure, funding, and human, animal, or other  
27 approvals in place to successfully conduct the project; and



1 (c) whether the amount of cannabis to be grown or purchased by the  
2 applicant is consistent with the project's scope and goals. If the  
3 office determines that the research project does not meet the require-  
4 ments of subsection one of this section, the application must be denied.

5 3. A cannabis research licensee may only sell cannabis grown or within  
6 its operation to other cannabis research licensees. The office may  
7 revoke a cannabis research license for violations of this subsection.

8 4. A cannabis research licensee may contract with the higher education  
9 institutions to perform research in conjunction with the university. All  
10 research projects, entered into under this section must be approved by  
11 the office and meet the requirements of subsection one of this section.

12 5. In establishing a cannabis research license, the executive director  
13 may adopt regulations on the following:

14 (a) application requirements;

15 (b) cannabis research license renewal requirements, including whether  
16 additional research projects may be added or considered;

17 (c) conditions for license revocation;

18 (d) security measures to ensure cannabis is not diverted to purposes  
19 other than research;

20 (e) amount of plants, useable cannabis, cannabis concentrates, or  
21 cannabis-infused products a licensee may have on its premises;

22 (f) licensee reporting requirements;

23 (g) conditions under which cannabis grown by licensed cannabis produc-  
24 ers and other product types from licensed cannabis processors may be  
25 donated to cannabis research licensees; and

26 (h) any additional requirements deemed necessary by the office.

27 6. A cannabis research license issued pursuant to this section must be  
28 issued in the name of the applicant, specify the location at which the

1 cannabis researcher intends to operate, which must be within the state  
2 of New York, and the holder thereof may not allow any other person to  
3 use the license.

4 7. The application fee for a cannabis research license shall be deter-  
5 mined by the executive director on an annual basis.

6 8. Each cannabis research licensee shall issue an annual report to the  
7 office. The office shall review such report and make a determination as  
8 to whether the research project continues to meet the research quali-  
9 fications under this section.

10 § 40. Registered organizations and adult-use cannabis. 1. The execu-  
11 tive director shall have the authority to grant some or all of the  
12 registered organizations previously registered with the department of  
13 health and currently registered and in good standing with the office,  
14 the ability to be licensed to cultivate, process, distribute and sell  
15 adult-use cannabis and cannabis products, pursuant to any fees, rules or  
16 conditions prescribed by the executive director in regulation, but  
17 exempt from the restrictions on licensed adult-use cultivators, process-  
18 ors, and distributors from having any ownership interest in a licensed  
19 adult-use retail dispensary pursuant to article four of this chapter.

20 2. The office shall have the authority to hold a competitive bidding  
21 process, including an auction, to determine the registered  
22 organization(s) authorized to be licensed to cultivate, process,  
23 distribute and sell adult-use cannabis and to collect the fees generated  
24 from such auction to administer incubators and low or zero-interest  
25 loans to qualified social equity applicants. The timing and manner in  
26 which registered organizations may be granted such authority shall be  
27 determined by the executive director in regulation.

1 3. Alternatively, registered organizations may apply for licensure as  
2 an adult-use cannabis cultivator, adult-use cannabis processor, and  
3 adult-use cannabis distributor, or apply for licensure as an adult-use  
4 cannabis retail dispensary, subject to all of the restrictions and limi-  
5 tations set forth in article four of this chapter.

6 § 41. Home cultivation of medical cannabis. 1. Certified patients and  
7 their designated caregiver(s) twenty-one years of age or older may apply  
8 for registration with the office to grow, possess or transport no more  
9 than four cannabis plants per certified patient with no more than eight  
10 cannabis plants per household.

11 2. All medical cannabis cultivated at home must be grown in an  
12 enclosed, locked space, not open or viewable to the public. Such homeg-  
13 rown medical cannabis must only be for use by the certified patient and  
14 may not be distributed, sold, or gifted.

15 3. The executive director shall develop rules and regulations govern-  
16 ing this section.

17 § 42. Relation to other laws. 1. The provisions of this article shall  
18 apply, except that where a provision of this article conflicts with  
19 another provision of this chapter, this article shall apply.

20 2. Medical cannabis shall not be deemed to be a "drug" for purposes of  
21 article one hundred thirty-seven of the education law.

22 § 43. Protections for the medical use of cannabis. 1. Certified  
23 patients, designated caregivers, designated caregiver facilities, prac-  
24 titioners, registered organizations and the employees of registered  
25 organizations, and cannabis researchers shall not be subject to arrest,  
26 prosecution, or penalty in any manner, or denied any right or privilege,  
27 including but not limited to civil penalty or disciplinary action by a  
28 business or occupational or professional licensing board or bureau,

1 solely for the certified medical use or manufacture of cannabis, or for  
2 any other action or conduct in accordance with this article.

3 2. Being a certified patient shall be deemed to be having a "disabili-  
4 ty" under article fifteen of the executive law, section forty-c of the  
5 civil rights law, sections 240.00, 485.00, and 485.05 of the penal law,  
6 and section 200.50 of the criminal procedure law. This subdivision shall  
7 not bar the enforcement of a policy prohibiting an employee from  
8 performing his or her employment duties while impaired by a controlled  
9 substance. This subdivision shall not require any person or entity to do  
10 any act that would put the person or entity in direct violation of  
11 federal law or cause it to lose a federal contract or funding.

12 3. The fact that a person is a certified patient and/or acting in  
13 accordance with this article, shall not be a consideration in a proceed-  
14 ing pursuant to applicable sections of the domestic relations law, the  
15 social services law and the family court act.

16 4. (a) Certification applications, certification forms, any certified  
17 patient information contained within a database, and copies of registry  
18 identification cards shall be deemed exempt from public disclosure under  
19 sections eighty-seven and eighty-nine of the public officers law.

20 (b) The name, contact information, and other information relating to  
21 practitioners registered with the office under this article shall be  
22 public information and shall be maintained by the executive director on  
23 the office's website accessible to the public in searchable form. Howev-  
24 er, if a practitioner notifies the office in writing that he or she does  
25 not want his or her name and other information disclosed, that practi-  
26 tioner's name and other information shall thereafter not be public  
27 information or maintained on the office's website, unless the practi-  
28 tioner cancels the request.

1 § 44. Regulations. The executive director shall make regulations to  
2 implement this article.

3 § 45. Suspend; terminate. Based upon the recommendation of the execu-  
4 tive director and/or the superintendent of state police that there is a  
5 risk to the public health or safety, the governor may immediately termi-  
6 nate all licenses issued to registered organizations.

7 § 46. Pricing. 1. Every sale of medical cannabis shall be at or below  
8 the price approved by the executive director. Every charge made or  
9 demanded for medical cannabis not in accordance with the price approved  
10 by the executive director, is prohibited.

11 2. The executive director is hereby authorized to set the per dose  
12 price of each form of medical cannabis sold by any registered organiza-  
13 tion. In reviewing the per dose price of each form of medical cannabis,  
14 the executive director may consider the fixed and variable costs of  
15 producing the form of cannabis and any other factor the executive direc-  
16 tor, in his or her discretion, deems relevant in reviewing the per dose  
17 price of each form of medical cannabis.

18 § 47. Severability. If any clause, sentence, paragraph, section or  
19 part of this article shall be adjudged by any court of competent juris-  
20 diction to be invalid, the judgment shall not affect, impair, or invali-  
21 date the remainder thereof, but shall be confined in its operation to  
22 the clause, sentence, paragraph, section or part thereof directly  
23 involved in the controversy in which the judgment shall have been  
24 rendered.

25 ARTICLE 4

26 ADULT-USE CANNABIS

- 1 Section 60. Licenses issued.
- 2       61. License application.
- 3       62. Information to be requested in applications for licenses.
- 4       63. Fees.
- 5       64. Selection criteria.
- 6       65. Limitations of licensure; duration.
- 7       66. License renewal.
- 8       67. Amendments; changes in ownership and organizational struc-  
9             ture.
- 10       68. Adult-use cultivator license.
- 11       69. Adult-use processor license.
- 12       70. Adult-use cooperative license.
- 13       71. Adult-use distributor license.
- 14       72. Adult-use retail dispensary license.
- 15       73. Notification to municipalities of adult-use retail dispen-  
16             sary.
- 17       74. On-site consumption license; provisions governing on-site  
18             consumption licenses.
- 19       75. Record keeping and tracking.
- 20       76. Inspections and ongoing requirements.
- 21       77. Adult-use cultivators, processors or distributors not to be  
22             interested in retail dispensaries.
- 23       78. Packaging and labeling of adult-use cannabis products.
- 24       79. Laboratory testing.
- 25       80. Provisions governing the cultivation and processing of  
26             adult-use cannabis.
- 27       81. Provisions governing the distribution of adult-use cannabis.
- 28       82. Provisions governing adult-use cannabis retail dispensaries.

1 83. Adult-use cannabis advertising.

2 84. Minority, women-owned businesses and disadvantaged farmers;  
3 incubator program.

4 85. Collective bargaining.

5 86. Regulations.

6 § 60. Licenses issued. The following kinds of licenses shall be  
7 issued by the executive director for the cultivation, processing,  
8 distribution and sale of cannabis to cannabis consumers:

- 9 1. Adult-use cultivator license;
- 10 2. Adult-use processor license;
- 11 3. Adult-use cooperative license;
- 12 4. Adult-use distributor license;
- 13 5. Adult-use retail dispensary license;
- 14 6. On-site consumption license; and
- 15 7. Any other type of license as prescribed by the executive director  
16 in regulation.

17 § 61. License Application. 1. Any person may apply to the office for  
18 a license to cultivate, process, distribute or dispense cannabis within  
19 this state for sale. Such application shall be in writing and verified  
20 and shall contain such information as the office shall require. Such  
21 application shall be accompanied by a check or draft for the amount  
22 required by this article for such license. If the office shall approve  
23 the application, it shall issue a license in such form as shall be  
24 determined by its rules. Such license shall contain a description of the  
25 licensed premises and in form and in substance shall be a license to the  
26 person therein specifically designated to cultivate, process, distribute  
27 or dispense cannabis in the premises therein specifically licensed.

1 2. Except as otherwise provided in this article, a separate license  
2 shall be required for each facility at which cultivation, processing,  
3 distribution or retail dispensing is conducted.

4 3. An applicant shall not be denied a license under this article based  
5 solely on a conviction for a violation of article two hundred twenty or  
6 section 240.36 of the penal law, prior to the date article two hundred  
7 twenty-one of the penal law took effect, or a conviction for a violation  
8 of article two hundred twenty-one of the penal law after the effective  
9 date of this chapter.

10 § 62. Information to be requested in applications for licenses. 1.  
11 The office shall have the authority to prescribe the manner and form in  
12 which an application must be submitted to the office for licensure under  
13 this article.

14 2. The executive director is authorized to adopt regulations, includ-  
15 ing by emergency rule, establishing information which must be included  
16 on an application for licensure under this article. Such information may  
17 include, but is not limited to: information about the applicant's iden-  
18 tity, including racial and ethnic diversity; ownership and investment  
19 information, including the corporate structure; evidence of good moral  
20 character, including the submission of fingerprints by the applicant to  
21 the division of criminal justice services; information about the prem-  
22 ises to be licensed; financial statements; and any other information  
23 prescribed by in regulation.

24 3. All license applications shall be signed by the applicant (if an  
25 individual), by a managing partner (if a limited liability corporation),  
26 by an officer (if a corporation), or by all partners (if a partnership).  
27 Each person signing such application shall verify it or affirm it as  
28 true under the penalties of perjury.



1 4. All license or permit applications shall be accompanied by a check,  
2 draft or other forms of payment as the office may require or authorize  
3 in the amount required by this article for such license or permit.

4 5. If there be any change, after the filing of the application or the  
5 granting of a license, in any of the facts required to be set forth in  
6 such application, a supplemental statement giving notice of such change,  
7 cost and source of money involved in the change, duly verified, shall be  
8 filed with the office within ten days after such change. Failure to do  
9 so shall, if willful and deliberate, be cause for revocation of the  
10 license.

11 6. In giving any notice, or taking any action in reference to a regis-  
12 tered organization or licensee of a licensed premises, the office may  
13 rely upon the information furnished in such application and in any  
14 supplemental statement connected therewith, and such information may be  
15 presumed to be correct, and shall be binding upon a registered organiza-  
16 tions, licensee or licensed premises as if correct. All information  
17 required to be furnished in such application or supplemental statements  
18 shall be deemed material in any prosecution for perjury, any proceeding  
19 to revoke, cancel or suspend any license, and in the office's determi-  
20 nation to approve or deny the license.

21 7. The office may, in its discretion, waive the submission of any  
22 category of information described in this section for any category of  
23 license or permit, provided that it shall not be permitted to waive the  
24 requirement for submission of any such category of information solely  
25 for an individual applicant or applicants.

26 § 63. Fees. 1. The office shall have the authority to charge appli-  
27 cants for licensure under this article a non-refundable application fee  
28 and/or to auction licenses to bidders determined by the office to be

1 qualified for such licensure based on the selection criteria in section  
2 sixty-four of this article. Such fee may be based on the type of licen-  
3 sure sought, cultivation and/or production volume, or any other factors  
4 deemed reasonable and appropriate by the office to achieve the policy  
5 and purpose of this chapter.

6 2. The office shall have the authority to charge licensees a biennial  
7 license fee. Such fee shall be based on the amount of cannabis to be  
8 cultivated, processed, distributed and/or dispensed by the licensee or  
9 the gross annual receipts of the licensee for the previous license peri-  
10 od, and any other factors deemed reasonable and appropriate by the  
11 office.

12 § 64. Selection criteria. 1. The executive director shall develop  
13 regulations for determining whether or not an applicant should be grant-  
14 ed the privilege of an adult-use cannabis license, based on, but not  
15 limited to, the following criteria:

16 (a) the applicant will be able to maintain effective control against  
17 the illegal diversion of cannabis;

18 (b) the applicant will be able to comply with all applicable state  
19 laws and regulations;

20 (c) the applicant and its officers are ready, willing, and able to  
21 properly carry on the activities for which a license is sought;

22 (d) the applicant possesses or has the right to use sufficient land,  
23 buildings, and equipment to properly carry on the activity described in  
24 the application;

25 (e) it is in the public interest that such license be granted, taking  
26 into consideration, but not limited to, the following criteria:

27 (i) that it is a privilege, and not a right, to cultivate, process,  
28 distribute, and sell cannabis;

1 (ii) the number, classes, and character of other licenses in proximity  
2 to the location and in the particular municipality or subdivision there-  
3 of;

4 (iii) evidence that all necessary licenses and permits have been  
5 obtained from the state and all other governing bodies;

6 (iv) effect of the grant of the license on pedestrian or vehicular  
7 traffic, and parking, in proximity to the location;

8 (v) the existing noise level at the location and any increase in noise  
9 level that would be generated by the proposed premises;

10 (vi) the history of violations under the alcoholic beverage control  
11 law or the cannabis law at the location, as well as any pattern of  
12 violations under the alcoholic beverage control law or the cannabis law,  
13 and reported criminal activity at the proposed premises;

14 (vii) the effect on the production, price and availability of cannabis  
15 and cannabis products; and

16 (viii) any other factors specified by law or regulation that are rele-  
17 vant to determine that granting a license would promote public conven-  
18 ience and advantage and the public interest of the community;

19 (f) the applicant and its managing officers are of good moral charac-  
20 ter and do not have an ownership or controlling interest in more  
21 licenses or permits than allowed by this chapter;

22 (g) the applicant has entered into a labor peace agreement with a  
23 bona-fide labor organization that is actively engaged in representing or  
24 attempting to represent the applicant's employees. In evaluating appli-  
25 cations from entities with twenty-five or more employees, the office  
26 shall give priority to applicants that are a party to a collective  
27 bargaining agreement with a bona-fide labor organization in New York or

1 in another state, or uses union labor to construct its licensed facili-  
2 ty;

3 (h) the applicant will contribute to communities and people dispropor-  
4 tionately harmed by cannabis law enforcement;

5 (i) if the application is for an adult-use cultivator license, the  
6 environmental impact of the facility to be licensed; and

7 (j) the applicant satisfies any other conditions as determined by the  
8 executive director.

9 2. If the executive director is not satisfied that the applicant  
10 should be issued a license, the executive director shall notify the  
11 applicant in writing of the specific reason or reasons for denial.

12 3. The executive director shall have authority and sole discretion to  
13 determine the number of licenses issued pursuant to this article.

14 § 65. Limitations of licensure; duration. 1. No license of any kind  
15 may be issued to a person under the age of twenty-one years, nor shall  
16 any licensee employ anyone under the age of twenty-one years.

17 2. No person shall sell, deliver, or give away or cause or permit or  
18 procure to be sold, delivered or given away any cannabis to any person,  
19 actually or apparently, under the age of twenty-one years, any visibly  
20 intoxicated person, or any habitually intoxicated person known to be  
21 such by the person authorized to manufacture, traffic, or sell any  
22 cannabis.

23 3. The office shall have the authority to limit, by canopy, plant  
24 count, square footage or other means, the amount of cannabis allowed to  
25 be grown, processed, distributed or sold by a licensee.

26 4. All licenses under this article shall expire two years after the  
27 date of issue.

1 § 66. License renewal. 1. Each license, issued pursuant to this arti-  
2 cle, may be renewed upon application therefore by the licensee and the  
3 payment of the fee for such license as prescribed by this article. In  
4 the case of applications for renewals, the office may dispense with the  
5 requirements of such statements as it deems unnecessary in view of those  
6 contained in the application made for the original license, but in any  
7 event the submission of photographs of the licensed premises shall be  
8 dispensed with, provided the applicant for such renewal shall file a  
9 statement with the office to the effect that there has been no alter-  
10 ation of such premises since the original license was issued. The office  
11 may make such rules as it deems necessary, not inconsistent with this  
12 chapter, regarding applications for renewals of licenses and permits and  
13 the time for making the same.

14 2. Each applicant must submit to the office documentation of the  
15 racial, ethnic, and gender diversity of the applicant's employees and  
16 owners prior to a license being renewed. In addition, the office may  
17 create a social responsibility framework agreement and make the adher-  
18 ence to such agreement a conditional requirement of license renewal.

19 3. The office shall provide an application for renewal of a license  
20 issued under this article not less than ninety days prior to the expira-  
21 tion of the current license.

22 4. The office may only issue a renewal license upon receipt of the  
23 prescribed renewal application and renewal fee from a licensee if, in  
24 addition to the criteria in this section, the licensee's license is not  
25 under suspension and has not been revoked.

26 § 67. Amendments; changes in ownership and organizational structure.

27 1. Licenses issued pursuant to this article shall specify:

28 (a) the name and address of the licensee;

1 (b) the activities permitted by the license;

2 (c) the land, buildings and facilities that may be used for the  
3 licensed activities of the licensee;

4 (d) a unique license number issued by the office to the licensee; and

5 (e) such other information as the executive director shall deem neces-  
6 sary to assure compliance with this chapter.

7 2. Upon application of a licensee to the office, a license may be  
8 amended to allow the licensee to relocate within the state, to add or  
9 delete licensed activities or facilities, or to amend the ownership or  
10 organizational structure of the entity that is the licensee. The fee for  
11 such amendment shall be two hundred fifty dollars.

12 3. A license shall become void by a change in ownership, substantial  
13 corporate change or location without prior written approval of the exec-  
14 utive director. The executive director may promulgate regulations allow-  
15 ing for certain types of changes in ownership without the need for prior  
16 written approval.

17 4. For purposes of this section, "substantial corporate change" shall  
18 mean:

19 (a) for a corporation, a change of eighty percent or more of the offi-  
20 cers and/or directors, or a transfer of eighty percent or more of stock  
21 of such corporation, or an existing stockholder obtaining eighty percent  
22 or more of the stock of such corporation; or

23 (b) for a limited liability company, a change of eighty percent or  
24 more of the managing members of the company, or a transfer of eighty  
25 percent or more of ownership interest in said company, or an existing  
26 member obtaining a cumulative of eighty percent or more of the ownership  
27 interest in said company.

1 § 68. Adult-use cultivator license. 1. An adult-use cultivator's  
2 license shall authorize the acquisition, possession, cultivation and  
3 sale of cannabis from the licensed premises of the adult-use cultivator  
4 by such licensee to duly licensed processors in this state. The execu-  
5 tive director may establish regulations allowing licensed adult-use  
6 cultivators to perform certain types of minimal processing without the  
7 need for an adult-use processor license.

8 2. For purposes of this section, cultivation shall include, but not be  
9 limited to, the planting, growing, cloning, harvesting, drying, curing,  
10 grading and trimming of cannabis.

11 3. A person holding an adult-use cultivator's license may apply for,  
12 and obtain, one processor's license and one distributor's license.

13 4. A person holding an adult-use cultivator's license may not also  
14 hold a retail dispensary license pursuant to this article and no adult-  
15 use cannabis cultivator shall have a direct or indirect interest,  
16 including by stock ownership, interlocking directors, mortgage or lien,  
17 personal or real property, or any other means, in any premises licensed  
18 as an adult-use cannabis retail dispensary or in any business licensed  
19 as an adult-use cannabis retail dispensary pursuant to this article.

20 5. A person holding an adult-use cultivator's license may not hold a  
21 license to distribute cannabis under this article unless the licensed  
22 cultivator is also licensed as a processor under this article.

23 6. No person may have a direct or indirect financial or controlling  
24 interest in more than one adult-use cultivator license issued pursuant  
25 to this chapter.

26 7. The executive director shall have the authority to issue microbusi-  
27 ness cultivator licenses, allowing microbusiness licensees to cultivate,  
28 process, and distribute adult-use cannabis direct to licensed cannabis

1 retailers, under a single license. The executive director shall estab-  
2 lish through regulation a production limit of total cannabis cultivated,  
3 processed and/or distributed annually for microbusiness cultivator  
4 licenses.

5 § 69. Adult-use processor license. 1. A processor's license shall  
6 authorize the acquisition, possession, processing and sale of cannabis  
7 from the licensed premises of the adult-use cultivator by such licensee  
8 to duly licensed distributors.

9 2. For purposes of this section, processing shall include, but not be  
10 limited to, blending, extracting, infusing, packaging, labeling, brand-  
11 ing and otherwise making or preparing cannabis products. Processing  
12 shall not include the cultivation of cannabis.

13 3. No processor shall be engaged in any other business on the premises  
14 to be licensed; except that nothing contained in this chapter shall  
15 prevent a cannabis cultivator, cannabis processor, and cannabis distrib-  
16 utor from operating on the same premises and from a person holding all  
17 three licenses.

18 4. No cannabis processor licensee may hold more than three cannabis  
19 processor licenses.

20 5. No adult-use cannabis processor shall have a direct or indirect  
21 interest, including by stock ownership, interlocking directors, mortgage  
22 or lien, personal or real property, or any other means, in any premises  
23 licensed as an adult-use cannabis retail dispensary or in any business  
24 licensed as an adult-use cannabis retail dispensary pursuant to this  
25 article.

26 § 70. Adult-use cooperative license. 1. A cooperative license shall  
27 authorize the acquisition, possession, cultivation, processing and sale  
28 from the licensed premises of the adult-use cooperative by such licensee



1 to duly licensed distributors and/or retail dispensaries; but not  
2 directly to cannabis consumers.

3 2. To be licensed as an adult-use cooperative, the cooperative must:

4 (i) be comprised of residents of the state of New York as a limited  
5 liability company or limited liability partnership under the laws of the  
6 state, or an appropriate business structure as determined by the execu-  
7 tive director;

8 (ii) at least one member of the cooperative must have filed a Federal  
9 Schedule F (Form 1040) for three of the past five years; and

10 (iii) the cooperative must operate according to the seven cooperative  
11 principles published by the International Cooperative Alliance in nine-  
12 teen hundred ninety-five.

13 3. No person shall be a member of more than one adult-use cooperative  
14 licensed pursuant to this section.

15 4. No person or member of an adult-use cooperative license may have a  
16 direct or indirect financial or controlling interest in any other  
17 adult-use cannabis license issued pursuant to this chapter.

18 5. No adult-use cannabis cooperative shall have a direct or indirect  
19 interest, including by stock ownership, interlocking directors, mortgage  
20 or lien, personal or real property, or any other means, in any premises  
21 licensed as an adult-use cannabis retail dispensary or in any business  
22 licensed as an adult-use cannabis retail dispensary pursuant to this  
23 article.

24 6. The executive director shall promulgate regulations governing coop-  
25 erative licenses, including, but not limited to, the establishment of  
26 canopy limits on the size and scope of cooperative licensees, and other  
27 measures designed to incentivize the use and licensure of cooperatives.

1 § 71. Adult-use distributor license. 1. A distributor's license shall  
2 authorize the acquisition, possession, distribution and sale of cannabis  
3 from the licensed premises of a licensed adult-use processor, microbusi-  
4 ness cultivator, or registered organization authorized to sell adult-use  
5 cannabis, to duly licensed retail dispensaries.

6 2. No distributor shall have a direct or indirect economic interest in  
7 any adult-use retail dispensary licensed pursuant to this article, or in  
8 any registered organization registered pursuant to article three of this  
9 chapter. This restriction shall not prohibit a registered organization  
10 authorized pursuant to section forty of this chapter, from being granted  
11 licensure by the office to distribute adult-use cannabis products culti-  
12 vated and processed by the registered organization to the registered  
13 organization's own licensed adult-use retail dispensaries.

14 3. Nothing in subdivision two of this section shall prevent a distrib-  
15 utor from charging an appropriate fee for the distribution of cannabis,  
16 including based on the volume of cannabis distributed.

17 § 72. Adult-use retail dispensary license. 1. A retail dispensary  
18 license shall authorize the acquisition, possession and sale of cannabis  
19 from the licensed premises of the retail dispensary by such licensee to  
20 cannabis consumers.

21 2. No person may have a direct or indirect financial or controlling  
22 interest in more than three retail dispensary licenses issued pursuant  
23 to this chapter. This restriction shall not prohibit a registered organ-  
24 ization, authorized pursuant to section forty of this chapter, from  
25 being granted licensure by the office to sell adult-use cannabis at  
26 locations previously registered by the department of health and in oper-  
27 ation as of April first, two thousand nineteen; subject to any condi-  
28 tions, limitations or restrictions established by the office.

1 3. No person holding a retail dispensary license may also hold an  
2 adult-use cultivation, processor, microbusiness cultivator, cooperative  
3 or distributor license pursuant to this article.

4 4. No retail license shall be granted for any premises, unless the  
5 applicant shall be the owner thereof, or shall be in possession of said  
6 premises under a lease, management agreement or other agreement giving  
7 the applicant control over the premises, in writing, for a term not less  
8 than the license period.

9 5. No premises shall be licensed to sell cannabis products, unless  
10 said premises shall be located in a store, the principal entrance to  
11 which shall be from the street level and located on a public thorough-  
12 fare in premises which may be occupied, operated or conducted for busi-  
13 ness, trade or industry or on an arcade or sub-surface thoroughfare  
14 leading to a railroad terminal.

15 6. No cannabis retail license shall be granted for any premises where  
16 a licensee would not be allowed to sell at retail for consumption of  
17 alcohol off the premises based on its proximity to a building occupied  
18 exclusively as a school, church, synagogue or other place of worship  
19 pursuant to the provisions of section one hundred five of the alcohol  
20 beverage control law.

21 § 73. Notification to municipalities of adult-use retail dispensary.

22 1. Not less than thirty days nor more than two hundred seventy days  
23 before filing an application for licensure as an adult-use cannabis  
24 retail dispensary, an applicant shall notify the municipality in which  
25 the premises is located of such applicant's intent to file such an  
26 application.

1 2. Such notification shall be made to the clerk of the village, town  
2 or city, as the case may be, wherein the premises is located. For  
3 purposes of this section:

4 (a) notification need only be given to the clerk of a village when the  
5 premises is located within the boundaries of the village, town or city;  
6 and

7 (b) in the city of New York, the community board established pursuant  
8 to section twenty-eight hundred of the New York city charter with juris-  
9 diction over the area in which the premises is located shall be consid-  
10 ered the appropriate public body to which notification shall be given.

11 3. Such notification shall be made in such form as shall be prescribed  
12 by the rules of the office.

13 4. A municipality may express an opinion for or against the granting  
14 of such application. Any such opinion shall be deemed part of the record  
15 upon which the office makes its determination to grant or deny the  
16 application.

17 5. Such notification shall be made by: (a) certified mail, return  
18 receipt requested; (b) overnight delivery service with proof of mailing;  
19 or (c) personal service upon the offices of the clerk or community  
20 board.

21 6. The office shall require such notification to be on a standardized  
22 form that can be obtained on the internet or from the office and such  
23 notification to include:

24 (a) the trade name or "doing business as" name, if any, of the estab-  
25 lishment;

26 (b) the full name of the applicant;

27 (c) the street address of the establishment, including the floor  
28 location or room number, if applicable;

1 (d) the mailing address of the establishment, if different than the  
2 street address;

3 (e) the name, address and telephone number of the attorney or repre-  
4 sentative of the applicant, if any;

5 (f) a statement indicating whether the application is for:

6 (i) a new establishment;

7 (ii) a transfer of an existing licensed business;

8 (iii) a renewal of an existing license; or

9 (iv) an alteration of an existing licensed premises;

10 (g) if the establishment is a transfer or previously licensed prem-  
11 ises, the name of the old establishment and such establishment's regis-  
12 tration or license number;

13 (h) in the case of a renewal or alteration application, the registra-  
14 tion or license number of the applicant; and

15 (i) the type of license.

16 § 74. On-site consumption license; provisions governing on-site  
17 consumption licenses. 1. No licensed adult-use cannabis retail dispen-  
18 sary shall be granted a cannabis on-site consumption license for any  
19 premises, unless the applicant shall be the owner thereof, or shall be  
20 in possession of said premises under a lease, in writing, for a term not  
21 less than the license period except, however, that such license may  
22 thereafter be renewed without the requirement of a lease as provided in  
23 this section. This subdivision shall not apply to premises leased from  
24 government agencies, as defined under subdivision twenty of section  
25 three of this chapter; provided, however, that the appropriate adminis-  
26 trator of such government agency provides some form of written documen-  
27 tation regarding the terms of occupancy under which the applicant is  
28 leasing said premises from the government agency for presentation to the

1 office at the time of the license application. Such documentation shall  
2 include the terms of occupancy between the applicant and the government  
3 agency, including, but not limited to, any short-term leasing agreements  
4 or written occupancy agreements.

5 2. No adult-use cannabis retail dispensary shall be granted a cannabis  
6 on-site consumption license for any premises where a license would not  
7 be allowed to sell at retail for consumption of alcohol on the premises  
8 based on its proximity to a building occupied exclusively as a school,  
9 church, synagogue or other place of worship pursuant to the provisions  
10 of section one hundred five of the alcoholic beverage control law.

11 3. The office may consider any or all of the following in determining  
12 whether public convenience and advantage and the public interest will be  
13 promoted by the granting of a license for an on-site cannabis consump-  
14 tion at a particular location:

15 (a) that it is a privilege, and not a right, to cultivate, process,  
16 distribute, and sell cannabis;

17 (b) the number, classes, and character of other licenses in proximity  
18 to the location and in the particular municipality or subdivision there-  
19 of;

20 (c) evidence that all necessary licenses and permits have been  
21 obtained from the state and all other governing bodies;

22 (d) effect of the grant of the license on pedestrian or vehicular  
23 traffic, and parking, in proximity to the location;

24 (e) the existing noise level at the location and any increase in noise  
25 level that would be generated by the proposed premises;

26 (f) the history of violations under the alcoholic beverage control law  
27 or this chapter at the location, as well as any pattern of violations

1 under the alcoholic beverage control law or this chapter, and reported  
2 criminal activity at the proposed premises; and

3 (g) any other factors specified by law or regulation that are relevant  
4 to determine that granting a license would promote public convenience  
5 and advantage and the public interest of the community;

6 4. If the office shall disapprove an application for an on-site  
7 consumption license, it shall state and file in its offices the reasons  
8 therefor and shall notify the applicant thereof. Such applicant may  
9 thereupon apply to the office for a review of such action in a manner to  
10 be prescribed by the rules of the office.

11 5. No adult-use cannabis on-site consumption licensee shall keep upon  
12 the licensed premises any adult-use cannabis products except those  
13 purchased from a licensed distributor, microbusiness cultivator or  
14 registered organization authorized to sell adult-use cannabis, and only  
15 in containers approved by the office. Such containers shall have affixed  
16 thereto such labels as may be required by the rules of the office. No  
17 cannabis retail licensee for on-site consumption shall reuse, refill,  
18 tamper with, adulterate, dilute or fortify the contents of any container  
19 of cannabis products as received from the manufacturer or distributor.

20 6. No cannabis on-site consumption licensee shall sell, deliver or  
21 give away, or cause or permit or procure to be sold, delivered or given  
22 away any cannabis for consumption on the premises where sold in a  
23 container or package containing more than one gram of cannabis.

24 7. Except where a permit to do so is obtained pursuant to section  
25 405.10 of the penal law, no cannabis on-site consumption licensee shall  
26 suffer, permit, or promote an event on its premises wherein any person  
27 shall use, explode, or cause to explode, any fireworks or other pyro-  
28 technics in a building as defined in paragraph e of subdivision one of

1 section 405.10 of the penal law, that is covered by such license or  
2 possess such fireworks or pyrotechnics for such purpose. In addition to  
3 any other penalty provided by law, a violation of this subdivision shall  
4 constitute an adequate ground for instituting a proceeding to suspend,  
5 cancel, or revoke the license of the violator in accordance with the  
6 applicable procedures specified in this chapter; provided however, if  
7 more than one licensee is participating in a single event, upon approval  
8 by the office, only one licensee must obtain such permit.

9 8. No premises licensed to sell adult-use cannabis for on-site  
10 consumption under this chapter shall be permitted to have any opening or  
11 means of entrance or passageway for persons or things between the  
12 licensed premises and any other room or place in the building containing  
13 the licensed premises, or any adjoining or abutting premises, unless  
14 ingress and egress is restricted by an employee, agent of the licensee,  
15 or other method approved by the office of controlling access to the  
16 facility.

17 9. Each cannabis on-site consumption licensee shall keep and maintain  
18 upon the licensed premises, adequate records of all transactions involv-  
19 ing the business transacted by such licensee which shall show the amount  
20 of cannabis products, in an applicable metric measurement, purchased by  
21 such licensee together with the names, license numbers and places of  
22 business of the persons from whom the same were purchased, the amount  
23 involved in such purchases, as well as the sales of cannabis products  
24 made by such licensee. The office is hereby authorized to promulgate  
25 rules and regulations permitting an on-site licensee operating two or  
26 more premises separately licensed to sell cannabis products for on-site  
27 consumption to inaugurate or retain in this state methods or practices  
28 of centralized accounting, bookkeeping, control records, reporting,



1 billing, invoicing or payment respecting purchases, sales or deliveries  
2 of cannabis products, or methods and practices of centralized receipt or  
3 storage of cannabis products within this state without segregation or  
4 earmarking for any such separately licensed premises, wherever such  
5 methods and practices assure the availability, at such licensee's  
6 central or main office in this state, of data reasonably needed for the  
7 enforcement of this chapter. Such records shall be available for  
8 inspection by any authorized representative of the office.

9 10. All retail licensed premises shall be subject to inspection by any  
10 peace officer, acting pursuant to his or her special duties, or police  
11 officer and by the duly authorized representatives of the office, during  
12 the hours when the said premises are open for the transaction of busi-  
13 ness.

14 11. A cannabis on-site consumption licensee shall not provide cannabis  
15 products to any person under the age of twenty-one or to anyone visibly  
16 intoxicated.

17 § 75. Record keeping and tracking. 1. The executive director shall, by  
18 regulation, require each licensee pursuant to this article to adopt and  
19 maintain security, tracking, record keeping, record retention and  
20 surveillance systems, relating to all cannabis at every stage of acquir-  
21 ing, possession, manufacture, sale, delivery, transporting, or distrib-  
22 uting by the licensee, subject to regulations of the executive director.

23 2. Every licensee shall keep and maintain upon the licensed premises  
24 adequate books and records of all transactions involving the licensee  
25 and sale of its products, which shall include, but is not limited to,  
26 all information required by any rules promulgated by the office.

27 3. Each sale shall be recorded separately on a numbered invoice, which  
28 shall have printed thereon the number, the name of the licensee, the

1 address of the licensed premises, and the current license number.  
2 Licensed producers shall deliver to the licensed distributor a true  
3 duplicate invoice stating the name and address of the purchaser, the  
4 quantity purchased, description and the price of the product, and a  
5 true, accurate and complete statement of the terms and conditions on  
6 which such sale is made.

7 4. Such books, records and invoices shall be kept for a period of five  
8 years and shall be available for inspection by any authorized represen-  
9 tative of the office.

10 5. Each adult-use cannabis retail dispensary and on-site consumption  
11 licensee shall keep and maintain upon the licensed premises, adequate  
12 records of all transactions involving the business transacted by such  
13 licensee which shall show the amount of cannabis, in weight, purchased  
14 by such licensee together with the names, license numbers and places of  
15 business of the persons from whom the same were purchased, the amount  
16 involved in such purchases, as well as the sales of cannabis made by  
17 such licensee.

18 § 76. Inspections and ongoing requirements. All licensed or permitted  
19 premises, regardless of the type of premises, shall be subject to  
20 inspection by the office, by the duly authorized representatives of the  
21 office, by any peace officer acting pursuant to his or her special  
22 duties, or by a police officer, during the hours when the said premises  
23 are open for the transaction of business. The office shall make reason-  
24 able accommodations so that ordinary business is not interrupted and  
25 safety and security procedures are not compromised by the inspection. A  
26 person who holds a license or permit must make himself or herself, or an  
27 agent thereof, available and present for any inspection required by the  
28 office. Such inspection may include, but is not limited to, ensuring

1 compliance by the licensee or permittee with all other applicable build-  
2 ing codes, fire, health, safety, and governmental regulations, including  
3 at the municipal, county, and state level.

4 § 77. Adult-use cultivators, processors or distributors not to be  
5 interested in retail dispensaries. 1. It shall be unlawful for a culti-  
6 vator, processor, cooperative or distributor licensed under this article  
7 to:

8 (a) be interested directly or indirectly in any premises where any  
9 cannabis product is sold at retail; or in any business devoted wholly or  
10 partially to the sale of any cannabis product at retail by stock owner-  
11 ship, interlocking directors, mortgage or lien or any personal or real  
12 property, or by any other means.

13 (b) make, or cause to be made, any loan to any person engaged in the  
14 manufacture or sale of any cannabis product at wholesale or retail.

15 (c) make any gift or render any service of any kind whatsoever,  
16 directly or indirectly, to any person licensed under this chapter which  
17 in the judgment of the office may tend to influence such licensee to  
18 purchase the product of such cultivator or processor or distributor.

19 (d) enter into any contract with any retail licensee whereby such  
20 licensee agrees to confine his sales to cannabis products manufactured  
21 or sold by one or more such cultivator or processors or distributors.  
22 Any such contract shall be void and subject the licenses of all parties  
23 concerned to revocation for cause.

24 2. The provisions of this section shall not prohibit a registered  
25 organization authorized pursuant to section forty of this chapter, from  
26 cultivating, processing, distributing and selling adult-use cannabis  
27 under this article, at facilities wholly owned and operated by such

1 registered organization, subject to any conditions, limitations or  
2 restrictions established by the office.

3 3. The office shall have the power to create rules and regulations in  
4 regard to this section.

5 § 78. Packaging and labeling of adult-use cannabis products. 1. The  
6 office is hereby authorized to promulgate rules and regulations govern-  
7 ing the packaging and labeling of cannabis products, sold or possessed  
8 for sale in New York state.

9 2. Such regulations shall include, but not be limited to, requiring  
10 that:

11 (a) packaging meets requirements similar to the federal "poison  
12 prevention packaging act of 1970," 15 U.S.C. Sec 1471 et seq.;

13 (b) all cannabis-infused products shall have a separate packaging for  
14 each serving;

15 (c) prior to delivery or sale at a retailer, cannabis and cannabis  
16 products shall be labeled and placed in a resealable, child-resistant  
17 package; and

18 (d) packages and labels shall not be made to be attractive to minors.

19 3. Such regulations shall include requiring labels warning consumers  
20 of any potential impact on human health resulting from the consumption  
21 of cannabis products that shall be affixed to those products when sold,  
22 if such labels are deemed warranted by the office.

23 4. Such rules and regulations shall establish methods and procedures  
24 for determining serving sizes for cannabis-infused products, active  
25 cannabis concentration per serving size, and number of servings per  
26 container. Such regulations shall also require a nutritional fact panel  
27 that incorporates data regarding serving sizes and potency thereof.

1 5. The packaging, sale, or possession by any licensee of any cannabis  
2 product not labeled or offered in conformity with rules and regulations  
3 promulgated in accordance with this section shall be grounds for the  
4 imposition of a fine, and/or the suspension, revocation or cancellation  
5 of a license.

6 § 79. Laboratory testing. 1. Every processor of adult-use cannabis  
7 shall contract with an independent laboratory permitted pursuant to  
8 section one hundred twenty-nine of this chapter, to test the cannabis  
9 products it produces pursuant to rules and regulations prescribed by the  
10 office. The executive director may assign an approved testing laborato-  
11 ry, which the processor of adult-use cannabis must use.

12 2. Adult-use cannabis processors shall make laboratory test reports  
13 available to licensed distributors and retail dispensaries for all  
14 cannabis products manufactured by the processor.

15 3. Licensed retail dispensaries shall maintain accurate documentation  
16 of laboratory test reports for each cannabis product offered for sale to  
17 cannabis consumers. Such documentation shall be made publicly available  
18 by the licensed retail dispensary.

19 4. Onsite laboratory testing by licensees is permissible; however,  
20 such testing shall not be certified by the office and does not exempt  
21 the licensee from the requirements of quality assurance testing at a  
22 testing laboratory pursuant to this section.

23 5. An owner of a cannabis laboratory testing permit shall not hold a  
24 license in any other category within this article and shall not own or  
25 have ownership interest in a registered organization registered pursuant  
26 to article three of this chapter.

1 6. The office shall have the authority to require any licensee under  
2 this article to submit cannabis or cannabis products to one or more  
3 independent laboratories for testing.

4 § 80. Provisions governing the cultivation and processing of adult-use  
5 cannabis. 1. Cultivation of cannabis must not be visible from a public  
6 place by normal unaided vision.

7 2. No cultivator or processor of adult-use cannabis shall sell, or  
8 agree to sell or deliver in the state any cannabis products, as the case  
9 may be, except in sealed containers containing quantities in accordance  
10 with size standards pursuant to rules adopted by the office. Such  
11 containers shall have affixed thereto such labels as may be required by  
12 the rules of the office.

13 3. No cultivator or processor of adult-use cannabis shall furnish or  
14 cause to be furnished to any licensee, any exterior or interior sign,  
15 printed, painted, electric or otherwise, except as authorized by the  
16 office. The office may make such rules as it deems necessary to carry  
17 out the purpose and intent of this subdivision.

18 4. Cultivators of adult-use cannabis shall only use pesticides that  
19 are registered by the department of environmental conservation or that  
20 specifically meet the United States environmental protection agency  
21 registration exemption criteria for minimum risk pesticides, and only in  
22 compliance with regulations, standards and guidelines issued by the  
23 department of environmental conservation.

24 5. No cultivator or processor of adult-use cannabis shall transport  
25 cannabis products in any vehicle owned and operated or hired and oper-  
26 ated by such cultivator or processor, unless there shall be attached to  
27 or inscribed upon both sides of such vehicle a sign, showing the name  
28 and address of the licensee, together with the following inscription:

1 "New York State Cannabis Cultivator (or Processor) License No. \_\_\_\_\_" in  
2 uniform letters not less than three and one-half inches in height. In  
3 lieu of such sign a cultivator or processor may have in the cab of such  
4 vehicle a photostatic copy of its current license issued by the office,  
5 and such copy duly authenticated by the office.

6 6. No cultivator or processor of adult-use cannabis shall deliver any  
7 cannabis products, except in vehicles owned and operated by such culti-  
8 vator, processor, or hired and operated by such cultivator or processor  
9 from a trucking or transportation company registered with the office,  
10 and shall only make deliveries at the licensed premises of the purchas-  
11 er.

12 7. No cultivator or processor of adult-use cannabis, including an  
13 adult-use cannabis cooperative or microbusiness cultivator, may offer  
14 any incentive, payment or other benefit to a licensed cannabis retail  
15 dispensary in return for carrying the cultivator, processor, cooperative  
16 or microbusiness cultivator's products, or preferential shelf placement.

17 8. All cannabis products shall be processed in accordance with good  
18 manufacturing processes, pursuant to Part 111 of Title 21 of the Code of  
19 Federal Regulations, as may be modified by the executive director in  
20 regulation.

21 9. No processor of adult-use cannabis shall produce any product which,  
22 in the discretion of the office, is designed to appeal to anyone under  
23 the age of twenty-one years.

24 10. The use or integration of alcohol or nicotine in cannabis products  
25 is strictly prohibited.

26 § 81. Provisions governing the distribution of adult-use cannabis. 1.  
27 No distributor shall sell, or agree to sell or deliver any cannabis  
28 products, as the case may be, in any container, except in a sealed pack-

1 age. Such containers shall have affixed thereto such labels as may be  
2 required by the rules of the office.

3 2. No distributor shall deliver any cannabis products, except in vehi-  
4 cles owned and operated by such distributor, or hired and operated by  
5 such distributor from a trucking or transportation company registered  
6 with the office, and shall only make deliveries at the licensed premises  
7 of the purchaser.

8 3. Each distributor shall keep and maintain upon the licensed prem-  
9 ises, adequate books and records of all transactions involving the busi-  
10 ness transacted by such distributor, which shall show the amount of  
11 cannabis products purchased by such distributor together with the names,  
12 license numbers and places of business of the persons from whom the same  
13 was purchased and the amount involved in such purchases, as well as the  
14 amount of cannabis products sold by such distributor together with the  
15 names, addresses, and license numbers of such purchasers. Each sale  
16 shall be recorded separately on a numbered invoice, which shall have  
17 printed thereon the number, the name of the licensee, the address of the  
18 licensed premises, and the current license number. Such distributor  
19 shall deliver to the purchaser a true duplicate invoice stating the name  
20 and address of the purchaser, the quantity of cannabis products,  
21 description by brands and the price of such cannabis products, and a  
22 true, accurate and complete statement of the terms and conditions on  
23 which such sale is made. Such books, records and invoices shall be kept  
24 for a period of five years and shall be available for inspection by any  
25 authorized representative of the office.

26 4. No distributor shall furnish or cause to be furnished to any licen-  
27 see, any exterior or interior sign, printed, painted, electric or other-  
28 wise, unless authorized by the office.



1 5. No distributor shall provide any discount, rebate or customer  
2 loyalty program to any licensed retailer, except as otherwise allowed by  
3 the office.

4 6. The executive director is authorized to promulgate regulations  
5 establishing a maximum margin for which a distributor may mark up a  
6 cannabis product for sale to a retail dispensary. Any adult-use cannabis  
7 product sold by a distributor for more than the maximum markup allowed  
8 in regulation, shall be unlawful.

9 7. Each distributor shall keep and maintain upon the licensed prem-  
10 ises, adequate books and records to demonstrate the distributor's actual  
11 cost of doing business, using accounting standards and methods regularly  
12 employed in the determination of costs for the purpose of federal income  
13 tax reporting, for the total operation of the licensee. Such books,  
14 records and invoices shall be kept for a period of five years and shall  
15 be available for inspection by any authorized representative of the  
16 office for use in determining the maximum markup allowed in regulation  
17 pursuant to subdivision six of this section.

18 § 82. Provisions governing adult-use cannabis retail dispensaries. 1.  
19 No cannabis retail licensee shall sell, deliver, or give away or cause  
20 or permit or procure to be sold, delivered or given away any cannabis to  
21 any person, actually or apparently, under the age of twenty-one years,  
22 any visibly intoxicated person, or any habitually intoxicated person  
23 known to be such by the person authorized to sell, deliver, or give away  
24 any cannabis.

25 2. No cannabis retail licensee shall sell more than one ounce of  
26 cannabis per cannabis consumer per day; nor more than five grams of  
27 cannabis concentrate per cannabis consumer per day.

1 3. No cannabis retail licensee shall sell alcoholic beverages, nor  
2 have or possess a license or permit to sell alcoholic beverages, on the  
3 same premises where cannabis products are sold.

4 4. No sign of any kind printed, painted or electric, advertising any  
5 brand shall be permitted on the exterior or interior of such premises,  
6 except by permission of the office.

7 5. No cannabis retail licensee shall sell or deliver any cannabis  
8 products to any person with knowledge of, or with reasonable cause to  
9 believe, that the person to whom such cannabis products are being sold,  
10 has acquired the same for the purpose of peddling them from place to  
11 place, or of selling or giving them away in violation of the provisions  
12 of this chapter or in violation of the rules and regulations of the  
13 office.

14 6. All premises licensed under this section shall be subject to  
15 inspection by any peace officer described in subdivision four of section  
16 2.10 of the criminal procedure law acting pursuant to his or her special  
17 duties, or police officer or any duly authorized representative of the  
18 office, during the hours when the said premises are open for the trans-  
19 action of business.

20 7. No cannabis retail licensee shall be interested, directly or indi-  
21 rectly, in any cultivator, processor or distributor licensed pursuant to  
22 this article, by stock ownership, interlocking directors, mortgage or  
23 lien on any personal or real property or by any other means. Any lien,  
24 mortgage or other interest or estate, however, now held by such retailer  
25 on or in the personal or real property of such manufacturer or distribu-  
26 tor, which mortgage, lien, interest or estate was acquired on or before  
27 December thirty-first, two thousand eighteen, shall not be included  
28 within the provisions of this subdivision; provided, however, the burden

1 of establishing the time of the accrual of the interest comprehended by  
2 this subdivision, shall be upon the person who claims to be entitled to  
3 the protection and exemption afforded hereby.

4 8. No cannabis retail licensee shall make or cause to be made any loan  
5 to any person engaged in the cultivation, processing or distribution of  
6 cannabis pursuant to this article.

7 9. Each cannabis retail licensee shall designate the price of each  
8 item of cannabis by attaching to or otherwise displaying immediately  
9 adjacent to each such item displayed in the interior of the licensed  
10 premises where sales are made a price tag, sign or placard setting forth  
11 the price at which each such item is offered for sale therein.

12 10. No person licensed to sell cannabis products at retail, shall  
13 allow or permit any gambling, or offer any gambling on the licensed  
14 premises, or allow or permit illicit drug activity on the licensed prem-  
15 ises. The use of the licensed premises or any part thereof for the sale  
16 of lottery tickets, when duly authorized and lawfully conducted thereon,  
17 shall not constitute gambling within the meaning of this subdivision.

18 11. If an employee of a cannabis retail licensee suspects that a  
19 cannabis consumer may be abusing cannabis, such an employee shall have a  
20 duty to encourage such cannabis consumer to seek the help of a regis-  
21 tered practitioner and become a certified patient. Cannabis retail  
22 licensees shall develop standard operating procedures and written mate-  
23 rials for employees to utilize when consulting consumers for purposes of  
24 this subdivision.

25 12. The executive director is authorized to promulgate regulations  
26 governing licensed adult-use dispensing facilities, including but not  
27 limited to, the hours of operation, size and location of the licensed  
28 facility, potency and types of products offered and establishing a mini-

1 mum margin for which a retail dispensary must markup a cannabis  
2 product(s) before selling to a cannabis consumer. Any adult-use cannabis  
3 product sold by a retail dispensary for less than the minimum markup  
4 allowed in regulation, shall be unlawful.

5 § 83. Adult-use cannabis advertising. 1. The office is hereby author-  
6 ized to promulgate rules and regulations governing the advertising of  
7 licensed adult-use cannabis cultivators, processors, cooperatives,  
8 distributors, retailers, and any cannabis related products or services.

9 2. The office shall promulgate explicit rules prohibiting advertising  
10 that:

11 (a) is false, deceptive, or misleading;

12 (b) promotes overconsumption;

13 (c) depicts consumption by children or other minors;

14 (d) is designed in any way to appeal to children or other minors;

15 (e) is within two hundred feet of the perimeter of a school grounds,  
16 playground, child care center, public park, or library;

17 (f) is in public transit vehicles and stations;

18 (g) is in the form of an unsolicited internet pop-up;

19 (h) is on publicly owned or operated property; or

20 (i) makes medical claims or promotes adult-use cannabis for a medical  
21 or wellness purpose.

22 3. The office shall promulgate explicit rules prohibiting all market-  
23 ing strategies and implementation including, but not limited to, brand-  
24 ing, packaging, labeling, location of cannabis retailers, and advertise-  
25 ments that are designed to:

26 (a) appeal to persons less than twenty-one years of age; or

27 (b) disseminate false or misleading information to customers.

28 4. The office shall promulgate explicit rules requiring that:

1 (a) all advertisements and marketing accurately and legibly identify  
2 the licensee responsible for its content; and

3 (b) any broadcast, cable, radio, print and digital communications  
4 advertisements only be placed where the audience is reasonably expected  
5 to be twenty-one years of age or older, as determined by reliable,  
6 up-to-date audience composition data.

7 § 84. Minority, women-owned businesses and disadvantaged farmers;  
8 incubator program. 1. The office shall implement a social and economic  
9 equity plan and actively promote racial, ethnic, and gender diversity  
10 when issuing licenses for adult-use cannabis related activities, includ-  
11 ing by prioritizing consideration of applications by applicants who  
12 qualify as a minority and women-owned business or disadvantaged farmers.  
13 Such qualifications shall be determined by the office in regulation.

14 2. The office shall create a social and economic equity plan to  
15 promote diversity in ownership and employment in the adult-use cannabis  
16 industry and ensure inclusion of:

17 (a) minority-owned businesses;

18 (b) women-owned businesses;

19 (c) minority and women-owned businesses, as defined in subdivision  
20 five of this section; and

21 (d) disadvantaged farmers, as defined in subdivision five of this  
22 section.

23 3. The social and economic equity plan shall consider additional  
24 criteria in its licensing determinations. Under the social and economic  
25 equity plan, extra weight shall be given to applications that demon-  
26 strate that an applicant:

27 (a) is a member of a community group that has been disproportionately  
28 impacted by the enforcement of cannabis prohibition;

1 (b) has an income lower than eighty percent of the median income of  
2 the county in which the applicant resides; and

3 (c) was convicted of a cannabis-related offense prior to the effective  
4 date of this chapter.

5 4. The office shall also create an incubator program to provide direct  
6 support to social and economic equity applicants after they have been  
7 granted licenses. The program shall provide direct support in the form  
8 of counseling services, education, small business coaching, and compli-  
9 ance assistance.

10 5. For the purposes of this section, the following definitions shall  
11 apply:

12 (a) "minority-owned business" shall mean a business enterprise,  
13 including a sole proprietorship, partnership, limited liability company  
14 or corporation that is:

15 (i) at least fifty-one percent owned by one or more minority group  
16 members;

17 (ii) an enterprise in which such minority ownership is real, substan-  
18 tial and continuing;

19 (iii) an enterprise in which such minority ownership has and exercises  
20 the authority to control independently the day-to-day business decisions  
21 of the enterprise;

22 (iv) an enterprise authorized to do business in this state and inde-  
23 pendently owned and operated; and

24 (v) an enterprise that is a small business.

25 (b) "minority group member" shall mean a United States citizen or  
26 permanent resident alien who is and can demonstrate membership in one of  
27 the following groups:

1 (i) black persons having origins in any of the black African racial  
2 groups;

3 (ii) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban,  
4 Central or South American of either Indian or Hispanic origin, regard-  
5 less of race;

6 (iii) Native American or Alaskan native persons having origins in any  
7 of the original peoples of North America; or

8 (iv) Asian and Pacific Islander persons having origins in any of the  
9 far east countries, south east Asia, the Indian subcontinent or the  
10 Pacific islands.

11 (c) "women-owned business" shall mean a business enterprise, including  
12 a sole proprietorship, partnership, limited liability company or corpo-  
13 ration that is:

14 (i) at least fifty-one percent owned by one or more United States  
15 citizens or permanent resident aliens who are women;

16 (ii) an enterprise in which the ownership interest of such women is  
17 real, substantial and continuing;

18 (iii) an enterprise in which such women ownership has and exercises  
19 the authority to control independently the day-to-day business decisions  
20 of the enterprise;

21 (iv) an enterprise authorized to do business in this state and inde-  
22 pendently owned and operated; and

23 (v) an enterprise that is a small business.

24 (d) a firm owned by a minority group member who is also a woman may be  
25 defined as a minority-owned business, a women-owned business, or both.

26 (e) "disadvantaged farmer" shall mean a New York state resident or  
27 business enterprise, including a sole proprietorship, partnership,  
28 limited liability company or corporation, that has reported at least

1 two-thirds of its federal gross income as income from farming, in at  
2 least one of the past five preceding tax years, and who:

3 (i) farms in a county that has greater than ten percent rate of pover-  
4 ty according to the latest U.S. Census Bureau's American Communities  
5 Survey;

6 (ii) has been disproportionately impacted by low commodity prices or  
7 faces the loss of farmland through development or suburban sprawl; and

8 (iii) meets any other qualifications as defined in regulation by the  
9 office.

10 6. The office shall actively promote applicants that foster racial,  
11 ethnic, and gender diversity in their workforce.

12 7. Licenses issued to minority and women-owned businesses or under the  
13 social and economic equity plan shall not be transferable except to  
14 qualified minority and women-owned businesses or social and economic  
15 equity applicants and only upon prior written approval of the executive  
16 director.

17 8. The office shall collect demographic data on owners and employees  
18 in the adult-use cannabis industry and shall annually publish such data.

19 § 85. Collective bargaining. 1. The executive director shall require  
20 all licensees under this article with more than twenty-five employees,  
21 including registered organizations authorized pursuant to section forty  
22 of this chapter to cultivate, process, distribute and sell adult-use  
23 cannabis products, to enter into a bona-fide collective bargaining  
24 agreement with a bona-fide labor organization.

25 2. The maintenance of such a collective bargaining agreement shall be  
26 an ongoing material condition of the entity's license.

27 § 86. Regulations. The executive director shall make regulations to  
28 implement this article.



## 1 ARTICLE 5

## 2 HEMP CANNABIS

3 Section 90. Cannabinoid related hemp licensing.

4 91. Cannabinoid grower licenses.

5 92. Cannabinoid extractor license.

6 93. Cannabinoid license applications.

7 94. Information to be requested in applications for licenses.

8 95. Fees.

9 96. Selection criteria.

10 97. Limitations of licensure; duration.

11 98. License renewal.

12 99. Form of license.

13 100. Amendments to license and duty to update information  
14 submitted for licensing.

15 101. Record keeping and tracking.

16 102. Inspections and ongoing requirements.

17 103. Packaging and labeling of hemp cannabis.

18 104. Provisions governing the growing and extracting of hemp  
19 cannabis.

20 105. Laboratory testing.

21 106. Advertising.

22 107. Research.

23 108. Regulations.

24 § 90. Cannabinoid related hemp licensing. 1. Persons growing, proc-  
25 essing, extracting, and/or manufacturing hemp cannabis or producing hemp  
26 cannabis products distributed, sold or marketed for cannabinoid content  
27 and used or intended for human or animal consumption or use, shall be

1 required to obtain the following license or licenses from the office,  
2 depending upon the operation:

3 (a) cannabinoid grower license and/or;

4 (b) cannabinoid extractor license.

5 2. Notwithstanding subsection one of this section, those persons grow-  
6 ing, processing or manufacturing food or food ingredients from hemp,  
7 which food or food ingredients are generally recognized as safe, shall  
8 be subject to regulation and/or licensing under the agriculture and  
9 markets law.

10 § 91. Cannabinoid grower licenses. 1. A cannabinoid grower's license  
11 authorizes the acquisition, possession, cultivation and sale of hemp  
12 cannabis grown or used for its cannabinoid content on the licensed prem-  
13 ises of the grower.

14 2. A person holding a cannabinoid grower's license shall not sell hemp  
15 products marketed, distributed or sold for its cannabinoid content and  
16 intended for human consumption or use without also being licensed as an  
17 extractor pursuant to this article.

18 3. Persons growing industrial hemp pursuant to article twenty-nine of  
19 the agriculture and markets law are not authorized to and shall not sell  
20 hemp cannabis for human or animal consumption or use, other than as food  
21 or a food ingredient that has been generally recognized as safe in  
22 accordance with the U.S. food and drug administration or determined by  
23 the state to be safe for human consumption as food or a food ingredient.

24 4. A person licensed under article twenty-nine of the agriculture and  
25 markets law as a hemp grower may apply for a cannabinoid grower's  
26 license provided that it can demonstrate to the office that its culti-  
27 vation of hemp meets all the requirements for hemp cultivated under a  
28 cannabinoid grower's license.

1 § 92. Cannabinoid extractor license. 1. A cannabinoid extractor  
2 license authorizes the licensee's acquisition, possession, extraction  
3 and manufacture of hemp from a licensed cannabinoid grower for the proc-  
4 essing of hemp or the production of hemp products marketed, distributed  
5 or sold for cannabinoid content and used or intended for human or animal  
6 consumption or use.

7 2. No cannabinoid extractor licensee shall engage in any other busi-  
8 ness on the licensed premises; except that nothing contained in this  
9 chapter shall prevent a cannabinoid extractor licensee from also being  
10 licensed as a cannabinoid grower on the same premises.

11 3. Notwithstanding subdivisions one and two of this section, nothing  
12 shall prevent a cannabinoid extractor from manufacturing hemp products  
13 not used or intended for human or animal consumption or use.

14 § 93. Cannabinoid license applications. 1. Persons shall apply for a  
15 cannabinoid grower license and/or a cannabinoid extractor license by  
16 submitting an application upon a form supplied by the office, providing  
17 all the requested information, verified by the applicant or an author-  
18 ized representative of the applicant.

19 2. A separate license shall be required for each facility at which  
20 growing or extracting is conducted.

21 3. Each application shall remit with its application the fee for each  
22 requested license.

23 § 94. Information to be requested in applications for licenses. 1.  
24 The office shall have the authority to prescribe the manner and form in  
25 which an application must be submitted to the office for licensure under  
26 this article.

27 2. The executive director is authorized to adopt regulations, includ-  
28 ing by emergency rule, establishing information which must be included

1 on an application for licensure under this article. Such information may  
2 include, but is not limited to: information about the applicant's iden-  
3 tity, including racial and ethnic diversity; ownership and investment  
4 information, including the corporate structure; evidence of good moral  
5 character, including the submission of fingerprints by the applicant to  
6 the division of criminal justice services; information about the prem-  
7 ises to be licensed; financial statements; and any other information  
8 prescribed by in regulation.

9 3. All license applications shall be signed by the applicant (if an  
10 individual), by a managing partner (if a limited liability corporation),  
11 by an officer (if a corporation), or by all partners (if a partnership).  
12 Each person signing such application shall verify it or affirm it as  
13 true under the penalties of perjury.

14 4. All license or permit applications shall be accompanied by a check,  
15 draft or other forms of payment as the office may require or authorize  
16 in the amount required by this article for such license or permit.

17 5. If there be any change, after the filing of the application or the  
18 granting of a license, in any of the facts required to be set forth in  
19 such application, a supplemental statement giving notice of such change,  
20 cost and source of money involved in the change, duly verified, shall be  
21 filed with the office within ten days after such change. Failure to do  
22 so shall, if willful and deliberate, be cause for revocation of the  
23 license.

24 6. In giving any notice, or taking any action in reference to a licen-  
25 see of a licensed premises, the office may rely upon the information  
26 furnished in such application and in any supplemental statement  
27 connected therewith, and such information may be presumed to be correct,  
28 and shall be binding upon a registered organization, licensee or

1 licensed premises as if correct. All information required to be  
2 furnished in such application or supplemental statements shall be deemed  
3 material in any prosecution for perjury, any proceeding to revoke,  
4 cancel or suspend any license, and in the office's determination to  
5 approve or deny the license.

6 7. The office may, in its discretion, waive the submission of any  
7 category of information described in this section for any category of  
8 license or permit, provided that it shall not be permitted to waive the  
9 requirement for submission of any such category of information solely  
10 for an individual applicant or applicants.

11 § 95. Fees. The office shall have the authority to charge licensees a  
12 biennial license fee. Such fee may be based on the amount of hemp canna-  
13 bis to be grown, processed or extracted by the licensee, the gross annu-  
14 al receipts of the licensee for the previous license period, or any  
15 other factors deemed appropriate by the office.

16 § 96. Selection criteria. 1. An applicant shall furnish evidence:

17 (a) its ability to effectively maintain a delta-9-tetrahydrocannabinol  
18 concentration that does not exceed a percentage of delta-9-tetrahydro-  
19 cannabinol cannabis set by the executive director on a dry weight basis  
20 of any part of the plant of the genus cannabis, or per volume or weight  
21 of cannabis product, or the combined percent of delta-9-tetrahydrocanna-  
22 binol and tetrahydrocannabinolic acid in any part of the plant of the  
23 genus cannabis regardless of moisture content, for all hemp cannabis and  
24 hemp derived products cultivated, processed or extracted by the appli-  
25 cant;

26 (b) its ability to comply with all applicable state laws and regu-  
27 lations, including, without limitation, the provisions of article four-  
28 teen of the agriculture and markets law;

1 (c) that the applicant is ready, willing and able to properly carry on  
2 the activities for which a license is sought; and

3 (d) that the applicant is in possession of or has the right to use  
4 land, buildings and equipment sufficient to properly carry on the activ-  
5 ity described in the application.

6 2. The office, in considering whether to grant the license applica-  
7 tion, shall consider whether:

8 (a) it is in the public interest that such license be granted, taking  
9 into consideration whether the number of licenses will be adequate or  
10 excessive to reasonably serve demand;

11 (b) the applicant and its managing officers are of good moral charac-  
12 ter and do not have an ownership or controlling interest in more  
13 licenses or permits than allowed by this chapter; and

14 (c) the applicant satisfies any other conditions as determined by the  
15 office.

16 3. If the executive director is not satisfied that the applicant  
17 should be issued a license, the executive director shall notify the  
18 applicant in writing of the specific reason or reasons for denial.

19 4. The executive director shall have authority and sole discretion to  
20 determine the number of licenses issued pursuant to this article.

21 § 97. Limitations of licensure; duration. 1. No license pursuant to  
22 this article may be issued to a person under the age of twenty-one  
23 years.

24 2. The office shall have the authority to limit, by canopy, plant  
25 count or other means, the amount of hemp cannabis allowed to be culti-  
26 vated, processed, extracted or sold by a licensee.

1 3. All licenses under this article shall expire two years after the  
2 date of issue and be subject to any rules or limitations prescribed by  
3 the executive director in regulation.

4 § 98. License renewal. 1. Each license, issued pursuant to this arti-  
5 cle, may be renewed upon application therefor by the licensee and the  
6 payment of the fee for such license as prescribed by this article.

7 2. In the case of applications for renewals, the office may dispense  
8 with the requirements of such statements as it deems unnecessary in view  
9 of those contained in the application made for the original license, but  
10 in any event the submission of photographs of the licensed premises  
11 shall be dispensed with, provided the applicant for such renewal shall  
12 file a statement with the office to the effect that there has been no  
13 alteration of such premises since the original license was issued.

14 3. The office may make such rules as may be necessary, not inconsist-  
15 ent with this chapter, regarding applications for renewals of licenses  
16 and permits and the time for making the same.

17 4. The office shall provide an application for renewal of a license  
18 issued under this article not less than ninety days prior to the expira-  
19 tion of the current license.

20 5. The office may only issue a renewal license upon receipt of the  
21 prescribed renewal application and renewal fee from a licensee if, in  
22 addition to the criteria in section ninety-four of this article, the  
23 license's license is not under suspension and has not been revoked.

24 6. The office shall have the authority to charge applicants for licen-  
25 sure under this article a non-refundable application fee. Such fee may  
26 be based on the type of licensure sought, cultivation and/or production  
27 volume, or any other factors deemed reasonable and appropriate by the  
28 office to achieve the policy and purpose of this chapter.

1 § 99. Form of license. Licenses issued pursuant to this article shall  
2 specify:

- 3 1. the name and address of the licensee;
- 4 2. the activities permitted by the license;
- 5 3. the land, buildings and facilities that may be used for the  
6 licensed activities of the licensee;
- 7 4. a unique license number issued by the office to the licensee; and
- 8 5. such other information as the executive director shall deem neces-  
9 sary to assure compliance with this chapter.

10 § 100. Amendments to license and duty to update information submitted  
11 for licensing. 1. Upon application of a licensee to the office, a  
12 license may be amended to allow the licensee to relocate within the  
13 state, to add or delete licensed activities or facilities, or to amend  
14 the ownership or organizational structure of the entity that is the  
15 licensee. The fee for such amendment shall be two hundred fifty dollars.

16 2. In the event that any of the information provided by the applicant  
17 changes either while the application is pending or after the license is  
18 granted, within ten days of any such change, the applicant or licensee  
19 shall submit to the office a verified statement setting forth the change  
20 in circumstances of facts set forth in the application. Failure to do so  
21 shall, if willful and deliberate, be cause for revocation of the  
22 license.

23 3. A license shall become void by a change in ownership, substantial  
24 corporate change or location without prior written approval of the exec-  
25 utive director. The executive director may promulgate regulations  
26 allowing for certain types of changes in ownership without the need for  
27 prior written approval.



1 4. For purposes of this section, "substantial corporate change" shall  
2 mean:

3 (a) for a corporation, a change of eighty percent or more of the offi-  
4 cers and/or directors, or a transfer of eighty percent or more of stock  
5 of such corporation, or an existing stockholder obtaining eighty percent  
6 or more of the stock of such corporation; and

7 (b) for a limited liability company, a change of eighty percent or  
8 more of the managing members of the company, or a transfer of eighty  
9 percent or more of ownership interest in said company, or an existing  
10 member obtaining a cumulative of eighty percent or more of the ownership  
11 interest in said company.

12 § 101. Record keeping and tracking. 1. The executive director shall,  
13 by regulation, require each licensee pursuant to this article to adopt  
14 and maintain security, tracking, record keeping, record retention and  
15 surveillance systems, relating to all hemp cannabis at every stage of  
16 acquiring, possession, manufacture, transport, sale, or delivery, or  
17 distribution by the licensee, subject to regulations of the executive  
18 director.

19 2. Every licensee shall keep and maintain upon the licensed premises,  
20 adequate books and records of all transactions involving the licensee  
21 and sale of its products, which shall include all information required  
22 by rules promulgated by the office.

23 3. Each sale shall be recorded separately on a numbered invoice, which  
24 shall have printed thereon the number, the name of the licensee, the  
25 address of the licensed premises, and the current license number.

26 4. Such books, records and invoices shall be kept for a period of five  
27 years and shall be available for inspection by any authorized represen-  
28 tative of the office.

1 § 102. Inspections and ongoing requirements. All licensees shall be  
2 subject to reasonable inspection by the office, and a person who holds a  
3 license must make himself or herself, or an agent thereof, available and  
4 present for any inspection required by the office. The office shall make  
5 reasonable accommodations so that ordinary business is not interrupted  
6 and safety and security procedures are not compromised by the  
7 inspection.

8 § 103. Packaging and labeling of hemp cannabis. 1. The office is  
9 hereby authorized to promulgate rules and regulations governing the  
10 packaging and labeling of hemp cannabis products, sold or possessed for  
11 sale in New York state.

12 2. Such regulations shall include, but not be limited to, requiring  
13 labels warning consumers of any potential impact on human health result-  
14 ing from the consumption of hemp cannabis products that shall be affixed  
15 to those products when sold, if such labels are deemed warranted by the  
16 office.

17 3. Such rules and regulations shall establish methods and procedures  
18 for determining, among other things, serving sizes for hemp cannabis  
19 products, active cannabinoid concentration per serving size, and number  
20 of servings per container. Such regulations shall also require a nutri-  
21 tional fact panel that incorporates data regarding serving sizes and  
22 potency thereof.

23 4. The packaging, sale, or possession by any licensee of any hemp  
24 product intended for human or animal consumption or use not labeled or  
25 offered in conformity with rules and regulations promulgated in accord-  
26 ance with this section shall be grounds for the imposition of a fine,  
27 and/or the suspension, revocation or cancellation of a license.

1 § 104. Provisions governing the growing and extracting of hemp canna-  
2 bis. 1. No licensed cannabinoid grower or extractor shall sell, or  
3 agree to sell or deliver in the state any hemp cannabis products, as the  
4 case may be, except in sealed containers containing quantities in  
5 accordance with size standards pursuant to rules adopted by the office.  
6 Such containers shall have affixed thereto such labels as may be  
7 required by the rules of the office.

8 2. Licensed cannabinoid growers shall only use pesticides that are  
9 registered by the New York state department of environmental conserva-  
10 tion or that specifically meet the United States Environmental  
11 Protection Agency registration exemption criteria for minimum risk  
12 pesticides, and only in compliance with regulations, standards and  
13 guidelines issued by the department of environmental conservation.

14 3. All hemp cannabis products shall be extracted and manufactured in  
15 accordance with good manufacturing processes, pursuant to Part 111 of  
16 Title 21 of the Code of Federal Regulations as may be modified by the  
17 executive director in regulation.

18 4. The use or integration of alcohol or nicotine in hemp cannabis  
19 products is strictly prohibited.

20 § 105. Laboratory testing. 1. Every cannabinoid extractor shall  
21 contract with an independent laboratory to test the cannabis products  
22 produced by the licensed extractor. The executive director, in consulta-  
23 tion with the commissioner of health, shall approve the laboratory and  
24 require that the laboratory report testing results in a manner deter-  
25 mined by the executive director. The executive director is authorized to  
26 issue regulations requiring the laboratory to perform certain tests and  
27 services.

1 2. Cannabinoid extractors shall make laboratory test reports available  
2 to persons holding a cannabinoid permit pursuant to article six of this  
3 chapter for all cannabis products manufactured by the licensee.

4 3. On-site laboratory testing by licensees is permissible; however,  
5 such testing shall not be certified by the office and does not exempt  
6 the licensee from the requirements of quality assurance testing at a  
7 testing laboratory pursuant to this section.

8 § 106. Advertising. The office shall promulgate rules and regulations  
9 governing the advertising of hemp cannabis and any other related  
10 products or services as determined by the executive director.

11 § 107. Research. 1. The office shall promote research and development  
12 through public-private partnerships to bring new hemp cannabis and  
13 industrial hemp derived products to market within the state.

14 2. The executive director may develop and carry out research programs  
15 relating to industrial hemp and hemp cannabis.

16 § 108. Regulations. The executive director shall make regulations to  
17 implement this article.

18 ARTICLE 6

19 GENERAL PROVISIONS

20 Section 125. General prohibitions and restrictions.

21 126. License to be confined to premises licensed; premises for  
22 which no license shall be granted; transporting cannabis.

23 127. Protections for the use of cannabis; unlawful discrimi-  
24 nations prohibited.

25 128. Registrations and licenses.

26 129. Laboratory testing permit.

- 1           130. Special use permits.
- 2           131. Professional and medical record keeping.
- 3           132. County opt-out; municipal control and preemption.
- 4           133. Executive director to be necessary party to certain  
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- 12          139. Injunction for unlawful manufacture, sale or consumption of  
13                 cannabis.
- 14          140. Persons forbidden to traffic cannabis products; certain  
15                 officials not to be interested in manufacture or sale of  
16                 cannabis products.
- 17          141. Access to criminal history information through the division  
18                 of criminal justice services.
- 19   § 125. General prohibitions and restrictions.   1. No person shall  
20 cultivate, process, or distribute for sale or sell at wholesale or  
21 retail any cannabis, cannabis product, medical cannabis or hemp cannabis  
22 product within the state without obtaining the appropriate registration,  
23 license, or permit therefor required by this chapter.
- 24   2. No registered organization, licensee, or permittee shall sell, or  
25 agree to sell or deliver in this state any cannabis or hemp cannabis for  
26 the purposes of resale to any person who is not duly registered,  
27 licensed or permitted pursuant to this chapter to sell such product, at

1 wholesale or retail, as the case may be, at the time of such agreement  
2 and sale.

3 3. No registered organization, licensee, or permittee shall employ, or  
4 permit to be employed, or shall allow to work, on any premises regis-  
5 tered or licensed for retail sale hereunder, any person under the age of  
6 eighteen years in any capacity where the duties of such person require  
7 or permit such person to sell, dispense or handle cannabis or hemp  
8 cannabis.

9 4. No registered organization, licensee, or permittee shall sell,  
10 deliver or give away, or cause, permit or procure to be sold, delivered  
11 or given away any cannabis, cannabis product, medical cannabis or hemp  
12 cannabis on credit; except that a registered organization, licensee or  
13 permittee may accept third party credit cards for the sale of any canna-  
14 bis, cannabis product, medical cannabis or hemp cannabis for which it is  
15 registered, licensed or permitted to dispense or sell to patients or  
16 cannabis consumers. This includes, but is not limited to, any consign-  
17 ment sale of any kind.

18 5. No registered organization, licensee, or permittee shall cease to  
19 be operated as a bona fide or legitimate premises within the contem-  
20 plation of the registration, license, or permit issued for such prem-  
21 ises, as determined within the judgment of the office.

22 6. No registered organization, licensee, or permittee shall refuse,  
23 nor any person holding a registration, license, or permit refuse, nor  
24 any officer or director of any corporation or organization holding a  
25 registration, license, or permit refuse, to appear and/or testify under  
26 oath at an inquiry or hearing held by the office, with respect to any  
27 matter bearing upon the registration, license, or permit, the conduct of  
28 any people at the licensed premises, or bearing upon the character or

1 fitness of such registrant, licensee, or permittee to continue to hold  
2 any registration, license, or permit. Nor shall any of the above offer  
3 false testimony under oath at such inquiry or hearing.

4 7. No registered organization, licensee, or permittee shall engage,  
5 participate in, or aid or abet any violation or provision of this chap-  
6 ter, or the rules or regulations of the office.

7 8. The proper conduct of registered, licensed, or permitted premises  
8 is essential to the public interest. Failure of a registered organiza-  
9 tion, licensee, or permittee to exercise adequate supervision over the  
10 registered, licensed, or permitted location poses a substantial risk not  
11 only to the objectives of this chapter but imperils the health, safety,  
12 and welfare of the people of this state. It shall be the obligation of  
13 each person registered, licensed, or permitted under this chapter to  
14 ensure that a high degree of supervision is exercised over any and all  
15 conduct at any registered, licensed, or permitted location at any and  
16 all times in order to safeguard against abuses of the privilege of being  
17 registered, licensed, or permitted, as well as other violations of law,  
18 statute, rule, or regulation. Persons registered, licensed, or permitted  
19 shall be held strictly accountable for any and all violations that occur  
20 upon any registered, licensed, or permitted premises, and for any and  
21 all violations committed by or permitted by any manager, agent or  
22 employee of such registered, licensed, or permitted person.

23 9. It shall be unlawful for any person, partnership or corporation  
24 operating a place for profit or pecuniary gain, with a capacity for the  
25 assemblage of twenty or more persons to permit a person or persons to  
26 come to the place of assembly for the purpose of cultivating, process-  
27 ing, distributing, or retail distribution or sale of cannabis on said  
28 premises. This includes, but is not limited, to, cannabis that is either

1 provided by the operator of the place of assembly, his agents, servants  
2 or employees, or cannabis that is brought onto said premises by the  
3 person or persons assembling at such place, unless an appropriate regis-  
4 tration, license, or permit has first been obtained from the office of  
5 cannabis management by the operator of said place of assembly.

6 10. As it is a privilege under the law to be registered, licensed, or  
7 permitted to cultivate, process, distribute, traffic, or sell cannabis,  
8 the office may impose any such further restrictions upon any registrant,  
9 licensee, or permittee in particular instances as it deems necessary to  
10 further state policy and best serve the public interest. A violation or  
11 failure of any person registered, licensed, or permitted to comply with  
12 any condition, stipulation, or agreement, upon which any registration,  
13 license, or permit was issued or renewed by the office shall subject the  
14 registrant, licensee, or permittee to suspension, cancellation, revoca-  
15 tion, and/or civil penalties as determined by the office.

16 11. No adult-use cannabis or medical cannabis may be imported to, or  
17 exported out of, New York state by a registered organization, licensee  
18 or person holding a license and/or permit pursuant to this chapter,  
19 until such time as it may become legal to do so under federal law.  
20 Should it become legal to do so under federal law, the office is granted  
21 the power to promulgate such rules and regulations as it deems necessary  
22 to protect the public and the policy of the state.

23 12. No registered organization, licensee or any of its agents, serv-  
24 ants or employees shall peddle any cannabis product, medical cannabis or  
25 hemp cannabis from house to house by means of a truck or otherwise,  
26 where the sale is consummated and delivery made concurrently at the  
27 residence or place of business of a cannabis consumer. This subdivision  
28 shall not prohibit the delivery by a registered organization to certi-



1 fied patients or their designated caregivers, pursuant to article three  
2 of this chapter.

3 13. No licensee shall employ any canvasser or solicitor for the  
4 purpose of receiving an order from a certified patient, designated care-  
5 giver or cannabis consumer for any cannabis product, medical cannabis or  
6 hemp cannabis at the residence or place of business of such patient,  
7 caregiver or consumer, nor shall any licensee receive or accept any  
8 order, for the sale of any cannabis product, medical cannabis or hemp  
9 cannabis which shall be solicited at the residence or place of business  
10 of a patient, caregiver or consumer. This subdivision shall not prohibit  
11 the solicitation by a distributor of an order from any licensee at the  
12 licensed premises of such licensee.

13 14. No premises registered, licensed, or permitted by the office  
14 shall:

15 (a) permit or allow any gambling on the premises;

16 (b) permit or allow the premises to become disorderly;

17 (c) permit or allow the use, by any person, of any fireworks or other  
18 pyrotechnics on the premises; or

19 (d) permit or allow to appear as an entertainer, on any part of the  
20 premises registered, licensed, or permitted, any person under the age of  
21 eighteen years.

22 § 126. License to be confined to premises licensed; premises for which  
23 no license shall be granted; transporting cannabis. 1. A registration,  
24 license, or permit issued to any person, pursuant to this chapter, for  
25 any registered, licensed, or permitted premises shall not be transfera-  
26 ble to any other person, to any other location or premises, or to any  
27 other building or part of the building containing the licensed premises  
28 except in the discretion of the office. All privileges granted by any

1 registration, license, or permit shall be available only to the person  
2 therein specified, and only for the premises licensed and no other  
3 except if authorized by the office. Provided, however, that the  
4 provisions of this section shall not be deemed to prohibit the amendment  
5 of a registration or license as provided for in this chapter. A  
6 violation of this section shall subject the registration, license, or  
7 permit to revocation for cause.

8 2. Where a registration or license for premises has been revoked, the  
9 office in its discretion may refuse to issue a registration, license, or  
10 permit under this chapter, for a period of up to five years after such  
11 revocation, for such premises or for any part of the building containing  
12 such premises and connected therewith.

13 3. In determining whether to issue such a proscription against grant-  
14 ing any registration, license, or permit for such five-year period, in  
15 addition to any other factors deemed relevant to the office, the office  
16 shall, in the case of a license revoked due to the illegal sale of  
17 cannabis to a minor, determine whether the proposed subsequent licensee  
18 has obtained such premises through an arm's length transaction, and, if  
19 such transaction is not found to be an arm's length transaction, the  
20 office shall deny the issuance of such license.

21 4. For purposes of this section, "arm's length transaction" shall mean  
22 a sale of a fee of all undivided interests in real property, lease,  
23 management agreement, or other agreement giving the applicant control  
24 over the cannabis at the premises, or any part thereof, in the open  
25 market, between an informed and willing buyer and seller where neither  
26 is under any compulsion to participate in the transaction, unaffected by  
27 any unusual conditions indicating a reasonable possibility that the sale  
28 was made for the purpose of permitting the original licensee to avoid

1 the effect of the revocation. The following sales shall be presumed not  
2 to be arm's length transactions unless adequate documentation is  
3 provided demonstrating that the sale, lease, management agreement, or  
4 other agreement giving the applicant control over the cannabis at the  
5 premises, was not conducted, in whole or in part, for the purpose of  
6 permitting the original licensee to avoid the effect of the revocation:

7 (a) a sale between relatives;

8 (b) a sale between related companies or partners in a business; or

9 (c) a sale, lease, management agreement, or other agreement giving the  
10 applicant control over the cannabis at the premises, affected by other  
11 facts or circumstances that would indicate that the sale, lease, manage-  
12 ment agreement, or other agreement giving the applicant control over the  
13 cannabis at the premises, is entered into for the primary purpose of  
14 permitting the original licensee to avoid the effect of the revocation.

15 5. No registered organization, licensee or permittee shall transport  
16 cannabis products or medical cannabis except in vehicles owned and oper-  
17 ated by such registered organization, licensee or permittee, or hired  
18 and operated by such registered organization, licensee or permittee from  
19 a trucking or transportation company permitted and registered with the  
20 office.

21 6. No common carrier or person operating a transportation facility in  
22 this state, other than the United States government, shall receive for  
23 transportation or delivery within the state any cannabis products or  
24 medical cannabis unless the shipment is accompanied by copy of a bill of  
25 lading, or other document, showing the name and address of the consig-  
26 nor, the name and address of the consignee, the date of the shipment,  
27 and the quantity and kind of cannabis products or medical cannabis  
28 contained therein.

1 § 127. Protections for the use of cannabis; unlawful discriminations  
2 prohibited. 1. No person, registered organization, licensee or permit-  
3 tee shall be subject to arrest, prosecution, or penalty in any manner,  
4 or denied any right or privilege, including but not limited to civil  
5 liability or disciplinary action by a business or occupational or  
6 professional licensing board or office, solely for conduct permitted  
7 under this chapter. For the avoidance of doubt, the appellate division  
8 of the supreme court of the state of New York, and any disciplinary or  
9 character and fitness committees established by them are occupational  
10 and professional licensing boards within the meaning of this section.  
11 State or local law enforcement agencies shall not cooperate with or  
12 provide assistance to the government of the United States or any agency  
13 thereof in enforcing the federal controlled substances act, 21 U.S.C. et  
14 seq., solely for actions consistent with this chapter, except as pursu-  
15 ant to a valid court order.

16 2. No school or landlord may refuse to enroll or lease to and may not  
17 otherwise penalize a person solely for conduct allowed under this chap-  
18 ter, except as exempted:

19 (a) if failing to do so would cause the school or landlord to lose a  
20 monetary or licensing related benefit under federal law or regulations;

21 (b) if the institution has adopted a code of conduct prohibiting  
22 cannabis use on the basis of religious belief; or

23 (c) if a property is registered with the New York smoke-free housing  
24 registry, it is not required to permit the smoking of cannabis products  
25 on its premises.

26 3. For the purposes of medical care, including organ transplants, a  
27 certified patient's authorized use of medical cannabis must be consid-  
28 ered the equivalent of the use of any other medication under the direc-

1 tion of a practitioner and does not constitute the use of an illicit  
2 substance or otherwise disqualify a registered qualifying patient from  
3 medical care.

4 4. Unless an employer establishes that the lawful use of cannabis has  
5 impaired the employee's ability to perform the employee's job responsi-  
6 bilities, it shall be unlawful to take any adverse employment action  
7 against an employee based on conduct allowed under this chapter.

8 5. For the purposes of this section, an employer may consider an  
9 employee's ability to perform the employee's job responsibilities to be  
10 impaired when the employee manifests specific articulable symptoms while  
11 working that decrease or lessen the employee's performance of the duties  
12 or tasks of the employee's job position.

13 6. Nothing in this section shall restrict an employer's ability to  
14 prohibit or take adverse employment action for the possession or use of  
15 intoxicating substances during work hours, or require an employer to  
16 commit any act that would cause the employer to be in violation of  
17 federal law, or that would result in the loss of a federal contract or  
18 federal funding.

19 7. As used in this section, "adverse employment action" means refusing  
20 to hire or employ, barring or discharging from employment, requiring a  
21 person to retire from employment, or discriminating against in compen-  
22 sation or in terms, conditions, or privileges of employment.

23 8. A person currently under parole, probation or other state super-  
24 vision, or released on bail awaiting trial may not be punished or other-  
25 wise penalized for conduct allowed under this chapter.

26 § 128. Registrations and licenses. 1. No registration or license  
27 shall be transferable or assignable except that notwithstanding any  
28 other provision of law, the registration or license of a sole proprietor

1 converting to corporate form, where such proprietor becomes the sole  
2 stockholder and only officer and director of such new corporation, may  
3 be transferred to the subject corporation if all requirements of this  
4 chapter remain the same with respect to such registration or license as  
5 transferred and, further, the registered organization or licensee shall  
6 transmit to the office, within ten days of the transfer of license  
7 allowable under this subdivision, on a form prescribed by the office,  
8 notification of the transfer of such license.

9 2. No registration or license shall be pledged or deposited as collat-  
10 eral security for any loan or upon any other condition; and any such  
11 pledge or deposit, and any contract providing therefor, shall be void.

12 3. Licenses issued under this chapter shall contain, in addition to  
13 any further information or material to be prescribed by the rules of the  
14 office, the following information:

15 (a) name of the person to whom the license is issued;

16 (b) kind of license and what kind of traffic in cannabis is thereby  
17 permitted;

18 (c) description by street and number, or otherwise, of licensed prem-  
19 ises; and

20 (d) a statement in substance that such license shall not be deemed a  
21 property or vested right, and that it may be revoked at any time pursu-  
22 ant to law.

23 § 129. Laboratory testing permit. 1. The executive director shall  
24 approve and permit one or more independent cannabis testing laboratories  
25 to test medical cannabis, adult-use cannabis and/or hemp cannabis.

26 2. To be permitted as an independent cannabis laboratory, a laboratory  
27 must apply to the office, on a form and in a manner prescribed by the

1 office, and must demonstrate the following to the satisfaction of the  
2 executive director:

3 (a) the owners and directors of the laboratory are of good moral char-  
4 acter;

5 (b) the laboratory and its staff has the skills, resources and exper-  
6 tise needed to accurately and consistently perform all of the testing  
7 required for adult-use cannabis, medical cannabis and/or hemp cannabis;

8 (c) the laboratory has in place and will maintain adequate policies,  
9 procedures, and facility security to ensure proper: collection, label-  
10 ing, accessioning, preparation, analysis, result reporting, disposal and  
11 storage of adult-use cannabis, medical cannabis and/or hemp cannabis;

12 (d) the laboratory is physically located in New York state;

13 (e) the laboratory has been approved by the department of health  
14 pursuant to Part 55-2 of Title 10 of the New York Codes, Rules and Regu-  
15 lations, pertaining to laboratories performing environmental analysis;  
16 and

17 (f) the laboratory meets any and all requirements prescribed by this  
18 chapter and by the executive director in regulation.

19 3. The owner of a laboratory testing permit under this section shall  
20 not hold a registration or license in any category of this chapter and  
21 shall not have any direct or indirect ownership interest in such regis-  
22 tered organization or licensee. No board member, officer, manager,  
23 owner, partner, principal stakeholder or member of a registered organ-  
24 ization or licensee under this chapter, or such person's immediate fami-  
25 ly member, shall have an interest or voting rights in any laboratory  
26 testing permittee.

1 4. The executive director shall require that the permitted laboratory  
2 report testing results to the office in a manner, form and timeframe as  
3 determined by the executive director.

4 5. The executive director is authorized to promulgate regulations, in  
5 consultation with the commissioner of the department of health, requir-  
6 ing permitted laboratories to perform certain tests and services.

7 § 130. Special Use Permits. The office is hereby authorized to issue  
8 the following kinds of permits for carrying on activities consistent  
9 with the policy and purpose of this chapter with respect to cannabis.  
10 The executive director has the authority to set fees for all permits  
11 issued pursuant to this section, to establish the periods during which  
12 permits are authorized, and to make rules and regulations, including  
13 emergency regulations, to implement this section.

14 1. Industrial cannabis permit - to purchase cannabis for use in the  
15 manufacture and sale of any of the following, when such cannabis is not  
16 otherwise suitable for consumption purposes, namely: (a) apparel, ener-  
17 gy, paper, and tools; (b) scientific, chemical, mechanical and indus-  
18 trial products; or (c) any other industrial use as determined by the  
19 executive director in regulation.

20 2. Nursery permit - to produce clones, immature plants, seeds, and  
21 other agricultural products used specifically for the planting, propa-  
22 gation, and cultivation of cannabis, and to sell such to licensed  
23 adult-use cultivators, registered organizations, and certified patients  
24 or their designated caregivers.

25 3. Solicitor's permit - to offer for sale or to solicit orders for the  
26 sale of any cannabis products, medical cannabis and/or hemp cannabis, as  
27 a representative of a registered organization or licensee under this  
28 chapter.



1 4. Broker's permit - to act as a broker in the purchase and sale of  
2 cannabis products, medical cannabis and/or hemp cannabis for a fee or  
3 commission, for or on behalf of a person authorized to cultivate, proc-  
4 ess, distribute or dispense cannabis products, medical cannabis or hemp  
5 cannabis within the state.

6 5. Trucking permit - to allow for the trucking or transportation of  
7 cannabis products, medical cannabis or hemp cannabis by a person other  
8 than a registered organization or licensee under this chapter.

9 6. Warehouse permit - to allow for the storage of cannabis, cannabis  
10 products, medical cannabis or hemp cannabis at a location not otherwise  
11 registered or licensed by the office.

12 7. Delivery permit - to authorize licensed adult-use cannabis dispen-  
13 saries to deliver adult-use cannabis and cannabis products directly to  
14 cannabis consumers.

15 8. Cannabinoid permit - to sell cannabinoid products derived from hemp  
16 cannabis for off-premises consumption.

17 9. Temporary retail cannabis permit - to authorize the retail sale of  
18 adult-use cannabis to cannabis consumers, for a limited purpose or dura-  
19 tion.

20 10. Caterer's permit - to authorize the service of cannabis products  
21 at a function, occasion or event in a hotel, restaurant, club, ballroom  
22 or other premises, which shall authorize within the hours fixed by the  
23 office, during which cannabis may lawfully be sold or served on the  
24 premises in which such function, occasion or event is held.

25 11. Packaging permit - to authorize a licensed cannabis distributor to  
26 sort, package, label and bundle cannabis products from one or more  
27 registered organizations or licensed processors, on the premises of the

1 licensed cannabis distributor or at a warehouse for which a permit has  
2 been issued under this section.

3 12. Miscellaneous permits - to purchase, receive or sell cannabis,  
4 cannabis products or medical cannabis, or receipts, certificates,  
5 contracts or other documents pertaining to cannabis, cannabis products,  
6 or medical cannabis, in cases not expressly provided for by this chap-  
7 ter, when in the judgment of the office it would be appropriate and  
8 consistent with the policy and purpose of this chapter.

9 § 131. Professional and medical record keeping. Any professional  
10 providing services in connection with a licensed or potentially licensed  
11 business under this chapter, or in connection with other conduct permit-  
12 ted under this chapter, and any medical professional providing medical  
13 care to a patient, other than a certified patient, may agree with their  
14 client or patient to maintain no record, or any reduced level of record  
15 keeping that professional and client or patient may agree. In case of  
16 such agreement, the professional's only obligation shall be to keep such  
17 records as agreed, and to keep a record of the agreement. Such reduced  
18 record keeping is conduct permitted under this chapter.

19 § 132. County opt-out; municipal control and preemption. 1. The  
20 provisions of article four of this chapter, authorizing the cultivation,  
21 processing, distribution and sale of adult-use cannabis to cannabis  
22 consumers, shall not be applicable to a county, or city having a popu-  
23 lation of one-hundred thousand or more residents, which adopts a local  
24 law, ordinance or resolution by a majority vote of its governing body to  
25 completely prohibit the establishment or operation of one or more types  
26 of licenses contained in article four of this chapter, within the juris-  
27 diction of the county or city.

1 2. Except as provided for in subdivision one of this section, all  
2 county, town, city and village municipalities are hereby preempted from  
3 adopting any rule, ordinance, regulation or prohibition pertaining to  
4 the operation or licensure of registered organizations, adult-use canna-  
5 bis licenses or hemp licenses. However, municipalities may pass ordi-  
6 nances or regulations governing the time, place and manner of licensed  
7 adult-use cannabis retail dispensaries, provided such ordinance or regu-  
8 lation does not make the operation of such licensed retail dispensaries  
9 unreasonably impracticable as determined by the executive director in  
10 his or her sole discretion.

11 § 133. Executive director to be necessary party to certain  
12 proceedings. The executive director shall be made a party to all  
13 actions and proceedings affecting in any manner the ability of a regis-  
14 tered organization or licensee to operate within a municipality, or the  
15 result of any vote thereupon; to all actions and proceedings relative to  
16 issuance or revocation of registrations, licenses or permits; to all  
17 injunction proceedings, and to all other civil actions or proceedings  
18 which in any manner affect the enjoyment of the privileges or the opera-  
19 tion of the restrictions provided for in this chapter.

20 § 134. Penalties for violation of this chapter. 1. Any person who  
21 cultivates for sale or sells cannabis, cannabis products, medical canna-  
22 bis or hemp cannabis without having an appropriate registration, license  
23 or permit therefor, or whose registration, license, or permit has been  
24 revoked, surrendered or cancelled, shall be guilty of a misdemeanor, and  
25 upon first conviction thereof shall be punished by a fine not more than  
26 five thousand dollars per instance or by imprisonment in a county jail  
27 or penitentiary for a term of not less than thirty days nor more than  
28 one year or both and upon second conviction thereof shall be punished by

1 a fine not less than ten thousand dollars or by imprisonment in a county  
2 jail or penitentiary for a term of not less than thirty days nor more  
3 than one year or both and upon all subsequent convictions thereof shall  
4 be punished by a fine not less twenty-five thousand dollars or peniten-  
5 tiary for a term of not less than thirty days nor more than one year or  
6 both provided, however, that in default of payment of any fine imposed,  
7 such person shall be imprisoned in a county jail or penitentiary for a  
8 term of not less than thirty days.

9 2. Any registered organization or licensee, whose registration or  
10 license has been suspended pursuant to the provisions of this chapter,  
11 who sells cannabis, cannabis products, medical cannabis or hemp cannabis  
12 during the suspension period, shall be guilty of a misdemeanor, and upon  
13 conviction thereof shall be punished by a fine of not more than five  
14 thousand dollars per instance or by imprisonment in a county jail or  
15 penitentiary for a term of not more than six months, or by both such  
16 fine and imprisonment.

17 3. Any person who shall make any false statement in the application  
18 for a registration, license or a permit under this chapter shall be  
19 guilty of a misdemeanor, and upon conviction thereof shall be punishable  
20 by a fine of not more than five thousand dollars, or by imprisonment in  
21 a county jail or penitentiary for a term of not more than six months or  
22 both.

23 4. Any violation by any person of any provision of this chapter for  
24 which no punishment or penalty is otherwise provided shall be a misde-  
25 meanor.

26 § 135. Revocation of registrations, licenses and permits for cause;  
27 procedure for revocation or cancellation. 1. Any registration, license  
28 or permit issued pursuant to this chapter may be revoked, cancelled,

1 suspended and/or subjected to the imposition of a civil penalty for  
2 cause, and must be revoked for the following causes:

3 (a) conviction of the registered organization, licensee, permittee or  
4 his or her agent or employee for selling any illegal cannabis on the  
5 premises registered, licensed or permitted; or

6 (b) for transferring, assigning or hypothecating a registration,  
7 license or permit without prior written approval of the office.

8 2. Notwithstanding the issuance of a registration, license or permit  
9 by way of renewal, the office may revoke, cancel or suspend such regis-  
10 tration, license or permit and/or may impose a civil penalty against any  
11 holder of such registration, license or permit, as prescribed by this  
12 section, for causes or violations occurring during the license period  
13 immediately preceding the issuance of such registration, license or  
14 permit.

15 3. (a) As used in this section, the term "for cause" shall also  
16 include the existence of a sustained and continuing pattern of miscon-  
17 duct, failure to adequately prevent diversion or disorder on or about  
18 the registered, licensed or permitted premises, or in the area in front  
19 of or adjacent to the registered or licensed premises, or in any parking  
20 lot provided by the registered organization or licensee for use by  
21 registered organization or licensee's patrons, which, in the judgment of  
22 the office, adversely affects or tends to affect the protection, health,  
23 welfare, safety, or repose of the inhabitants of the area in which the  
24 registered or licensed premises is located, or results in the licensed  
25 premises becoming a focal point for police attention, or is offensive to  
26 public decency.

27 (b) (i) As used in this section, the term "for cause" shall also  
28 include deliberately misleading the authority:

1 (A) as to the nature and character of the business to be operated by  
2 the registered organization, licensee or permittee; or

3 (B) by substantially altering the nature or character of such business  
4 during the registration or licensing period without seeking appropriate  
5 approvals from the office.

6 (ii) As used in this subdivision, the term "substantially altering the  
7 nature or character" of such business shall mean any significant alter-  
8 ation in the scope of business activities conducted by a registered  
9 organization, licensee or permittee that would require obtaining an  
10 alternate form of registration, license or permit.

11 4. As used in this chapter, the existence of a sustained and continu-  
12 ing pattern of misconduct, failure to adequately prevent diversion or  
13 disorder on or about the premises may be presumed upon the sixth inci-  
14 dent reported to the office by a law enforcement agency, or discovered  
15 by the office during the course of any investigation, of misconduct,  
16 diversion or disorder on or about the premises or related to the opera-  
17 tion of the premises, absent clear and convincing evidence of either  
18 fraudulent intent on the part of any complainant or a factual error with  
19 respect to the content of any report concerning such complaint relied  
20 upon by the office.

21 5. Notwithstanding any other provision of this chapter to the contra-  
22 ry, a suspension imposed under this section against the holder of a  
23 registration issued pursuant to article three of this chapter, shall  
24 only suspend the licensed activities related to the type of cannabis,  
25 medical cannabis or adult-use cannabis involved in the violation result-  
26 ing in the suspension.

27 6. Any registration, license or permit issued by the office pursuant  
28 to this chapter may be revoked, cancelled or suspended and/or be

1 subjected to the imposition of a monetary penalty in the manner  
2 prescribed by this section and by the executive director in regulation.

3 7. The office may on its own initiative, or on complaint of any  
4 person, institute proceedings to revoke, cancel or suspend any adult-use  
5 cannabis retail dispensary license or adult-use cannabis on-site  
6 consumption license and may impose a civil penalty against the licensee  
7 after a hearing at which the licensee shall be given an opportunity to  
8 be heard. Such hearing shall be held in such manner and upon such notice  
9 as may be prescribed in regulation by the executive director.

10 8. All other registrations, licenses or permits issued under this  
11 chapter may be revoked, cancelled, suspended and/or made subject to the  
12 imposition of a civil penalty by the office after a hearing to be held  
13 in such manner and upon such notice as may be prescribed in regulation  
14 by the executive director.

15 9. Where a licensee or permittee is convicted of two or more qualify-  
16 ing offenses within a five-year period, the office, upon receipt of  
17 notification of such second or subsequent conviction, shall, in addition  
18 to any other sanction or civil or criminal penalty imposed pursuant to  
19 this chapter, impose on such licensee a civil penalty not to exceed ten  
20 thousand dollars. For purposes of this subdivision, a qualifying  
21 offense shall mean the unlawful sale of cannabis to a person under the  
22 age of twenty-one. For purposes of this subdivision, a conviction of a  
23 licensee or an employee or agent of such licensee shall constitute a  
24 conviction of such licensee.

25 § 136. Lawful actions pursuant to this chapter. 1. Contracts related  
26 to the operation of registered organizations, licenses and permits under  
27 this chapter shall be lawful and shall not be deemed unenforceable on

1 the basis that the actions permitted pursuant to the registration,  
2 license or permit are prohibited by federal law.

3 2. The following actions are not unlawful as provided under this chap-  
4 ter, shall not be an offense under any state or local law, and shall not  
5 result in any civil fine, seizure, or forfeiture of assets against any  
6 person acting in accordance with this chapter:

7 (a) Actions of a registered organization, licensee, or permittee, or  
8 the employees or agents of such registered organization, licensee or  
9 permittee, as permitted by this chapter and consistent with rules and  
10 regulations of the office, pursuant to a valid registration, license or  
11 permit issued by the office.

12 (b) Actions of those who allow property to be used by a registered  
13 organization, licensee, or permittee, or the employees or agents of such  
14 registered organization, licensee or permittee, as permitted by this  
15 chapter and consistent with rules and regulations of the office, pursu-  
16 ant to a valid registration, license or permit issued by the office.

17 (c) Actions of any person or entity, their employees, or their agents  
18 providing a service to a registered organization, licensee, permittee or  
19 a potential registered organization, licensee, or permittee, as permit-  
20 ted by this chapter and consistent with rules and regulations of the  
21 office, relating to the formation of a business.

22 (d) The purchase, possession, or consumption of cannabis, medical  
23 cannabis and hemp, as permitted by this chapter and consistent with  
24 rules and regulations of the office, obtained from a validly registered,  
25 licensed or permitted retailer.

26 § 137. Review by courts. 1. The following actions by the office, and  
27 only the following actions by the office, shall be subject to review by



1 the supreme court in the manner provided in article seventy-eight of the  
2 civil practice law and rules:

3 (a) Refusal by the office to issue a registration, license, or a  
4 permit.

5 (b) The revocation, cancellation or suspension of a registration,  
6 license, or permit by the office.

7 (c) The failure or refusal by the office to render a decision upon any  
8 application or hearing submitted to or held by the office within sixty  
9 days after such submission or hearing.

10 (d) The transfer by the office of a registration, license, or permit  
11 to any other entity or premises, or the failure or refusal by the office  
12 to approve such a transfer.

13 (e) Refusal to approve alteration of premises.

14 (f) Refusal to approve a corporate change in stockholders, stockhold-  
15 ings, officers or directors.

16 2. No stay shall be granted pending the determination of such matter  
17 except on notice to the office and only for a period of less than thirty  
18 days. In no instance shall a stay be granted where the office has issued  
19 a summary suspension of a registration, license, or permit for the  
20 protection of the public health, safety, and welfare.

21 § 138. Illicit cannabis. 1. "Illicit cannabis" means and includes any  
22 cannabis product, medical cannabis or hemp cannabis owned, cultivated,  
23 distributed, bought, sold, packaged, rectified, blended, treated, forti-  
24 fied, mixed, processed, warehoused, possessed or transported, or on  
25 which any tax required to have been paid under any applicable state law  
26 has not been paid.

27 2. Any person who shall knowingly possess or have under his or her  
28 control any illicit cannabis is guilty of a misdemeanor.

1 3. Any person who shall knowingly barter or exchange with, or sell,  
2 give or offer to sell or to give another any illicit cannabis is guilty  
3 of a misdemeanor.

4 4. Any person who shall possess or have under his or her control or  
5 transport any illicit cannabis with intent to barter or exchange with,  
6 or to sell or give to another the same or any part thereof is guilty of  
7 a misdemeanor. Such intent is presumptively established by proof that  
8 the person knowingly possessed or had under his or her control one or  
9 more ounces of illicit cannabis. This presumption may be rebutted.

10 5. Any person who, being the owner, lessee, or occupant of any room,  
11 shed, tenement, booth or building, float or vessel, or part thereof,  
12 knowingly permits the same to be used for the cultivation, processing,  
13 distribution, purchase, sale, warehousing, transportation, or storage of  
14 any illicit cannabis, is guilty of a misdemeanor.

15 § 139. Injunction for unlawful manufacturing, sale or consumption of  
16 cannabis. 1. If any person shall engage or participate or be about to  
17 engage or participate in the cultivation, production, distribution,  
18 traffic, or sale of cannabis products, medical cannabis or hemp cannabis  
19 in this state without obtaining the appropriate registration, license,  
20 or permit therefor, or shall traffic in cannabis products, medical  
21 cannabis or hemp cannabis contrary to any provision of this chapter, or  
22 otherwise unlawfully, or shall traffic in illegal cannabis products,  
23 medical cannabis or hemp cannabis, or, operating a place for profit or  
24 pecuniary gain, with a capacity for the assemblage of twenty or more  
25 persons, shall permit a person or persons to come to such place of  
26 assembly for the purpose of consuming cannabis products without having  
27 the appropriate license or permit therefor, the office may present a  
28 verified petition or complaint to a justice of the supreme court at a

1 special term of the supreme court of the judicial district in which such  
2 city, village or town is situated, for an order enjoining such person  
3 engaging or participating in such activity or from carrying on such  
4 business. Such petition or complaint shall state the facts upon which  
5 such application is based. Upon the presentation of the petition or  
6 complaint, the justice or court may grant an order temporarily restrain-  
7 ing any person from continuing to engage in conduct as specified in the  
8 petition or complaint, and shall grant an order requiring such person to  
9 appear before such justice or court at or before a special term of the  
10 supreme court in such judicial district on the day specified therein,  
11 not more than ten days after the granting thereof, to show cause why  
12 such person should not be permanently enjoined from engaging or partic-  
13 ipating in such activity or from carrying on such business, or why such  
14 person should not be enjoined from carrying on such business contrary to  
15 the provisions of this chapter. A copy of such petition or complaint and  
16 order shall be served upon the person, in the manner directed by such  
17 order, not less than three days before the return day thereof. On the  
18 day specified in such order, the justice or court before whom the same  
19 is returnable shall hear the proofs of the parties and may, if deemed  
20 necessary or proper, take testimony in relation to the allegations of  
21 the petition or complaint. If the justice or court is satisfied that  
22 such person is about to engage or participate in the unlawful traffic in  
23 cannabis, medical cannabis or hemp cannabis or has unlawfully culti-  
24 vated, processed, or sold cannabis products, medical cannabis or hemp  
25 cannabis without having obtained a registration or license or contrary  
26 to the provisions of this chapter, or has trafficked in illegal canna-  
27 bis, or, is operating or is about to operate such place for profit or  
28 pecuniary gain, with such capacity, and has permitted or is about to

1 permit a person or persons to come to such place of assembly for the  
2 purpose of consuming cannabis products without having such appropriate  
3 license, an order shall be granted enjoining such person from thereafter  
4 engaging or participating in or carrying on such activity or business.  
5 If, after the entry of such an order in the county clerk's office of the  
6 county in which the principal place of business of the corporation or  
7 partnership is located, or in which the individual so enjoined resides  
8 or conducts such business, and the service of a copy thereof upon such  
9 person, or such substituted service as the court may direct, such  
10 person, partnership or corporation shall, in violation of such order,  
11 cultivate, process, distribute or sell cannabis products, medical canna-  
12 bis or hemp cannabis, or illegal cannabis products, medical cannabis or  
13 hemp cannabis, or permit a person or persons to come to such place of  
14 assembly for the purpose of consuming cannabis products, such activity  
15 shall be deemed a contempt of court and be punishable in the manner  
16 provided by the judiciary law, and, in addition to any such punishment,  
17 the justice or court before whom or which the petition or complaint is  
18 heard, may, in his or its discretion, order the seizure and forfeiture  
19 of any cannabis products and any fixtures, equipment and supplies used  
20 in the operation or promotion of such illegal activity and such property  
21 shall be subject to forfeiture pursuant to law. Costs upon the applica-  
22 tion for such injunction may be awarded in favor of and against the  
23 parties thereto in such sums as in the discretion of the justice or  
24 court before whom or which the petition or complaint is heard may seem  
25 proper.

26 2. The owner, lessor and lessee of a building, erection or place where  
27 cannabis products, medical cannabis or hemp cannabis is unlawfully  
28 cultivated, processed, distributed, sold, consumed or permitted to be

1 unlawfully cultivated, processed, distributed, sold or consumed may be  
2 made a respondent or defendant in the proceeding or action.

3 § 140. Persons forbidden to traffic cannabis; certain officials not to  
4 be interested in manufacture or sale of cannabis products. 1. The  
5 following are forbidden to traffic in cannabis:

6 (a) Except as provided in subdivision one-a of this section, a person  
7 who has been convicted of a felony, unless subsequent to such conviction  
8 such person shall have received an executive pardon therefor removing  
9 this disability, a certificate of good conduct granted by the department  
10 of corrections and community supervision, or a certificate of relief  
11 from disabilities granted by the department of corrections and community  
12 supervision or a court of this state pursuant to the provisions of arti-  
13 cle twenty-three of the correction law to remove the disability under  
14 this section because of such conviction;

15 (b) A person under the age of twenty-one years;

16 (c) A person who is not a citizen of the United States or an alien  
17 lawfully admitted for permanent residence in the United States;

18 (d) A partnership or a corporation, unless each member of the partner-  
19 ship, or each of the principal officers and directors of the corpo-  
20 ration, is a citizen of the United States or an alien lawfully admitted  
21 for permanent residence in the United States, not less than twenty-one  
22 years of age, and has not been convicted of any felony, or if so  
23 convicted has received, subsequent to such conviction, an executive  
24 pardon therefor removing this disability a certificate of good conduct  
25 granted by the department of corrections and community supervision, or a  
26 certificate of relief from disabilities granted by the department of  
27 corrections and community supervision or a court of this state pursuant  
28 to the provisions of article twenty-three of the correction law to

1 remove the disability under this section because of such conviction;  
2 provided however that a corporation which otherwise conforms to the  
3 requirements of this section and chapter may be licensed if each of its  
4 principal officers and more than one-half of its directors are citizens  
5 of the United States or aliens lawfully admitted for permanent residence  
6 in the United States; and provided further that a corporation organized  
7 under the not-for-profit corporation law or the education law which  
8 otherwise conforms to the requirements of this section and chapter may  
9 be licensed if each of its principal officers and more than one-half of  
10 its directors are not less than twenty-one years of age and none of its  
11 directors are less than eighteen years of age; and provided further that  
12 a corporation organized under the not-for-profit corporation law or the  
13 education law and located on the premises of a college as defined by  
14 section two of the education law which otherwise conforms to the  
15 requirements of this section and chapter may be licensed if each of its  
16 principal officers and each of its directors are not less than eighteen  
17 years of age;

18 (e) A person who shall have had any registration or license issued  
19 under this chapter revoked for cause, until the expiration of two years  
20 from the date of such revocation;

21 (f) A person not registered or licensed under the provisions of this  
22 chapter, who has been convicted of a violation of this chapter, until  
23 the expiration of two years from the date of such conviction; or

24 (g) A corporation or partnership, if any officer and director or any  
25 partner, while not licensed under the provisions of this chapter, has  
26 been convicted of a violation of this chapter, or has had a registration  
27 or license issued under this chapter revoked for cause, until the expi-  
28 ration of two years from the date of such conviction or revocation.

1 1-a. Notwithstanding the provision of subdivision one of this section,  
2 a corporation holding a registration or license to traffic cannabis  
3 products or medical cannabis shall not, upon conviction of a felony be  
4 automatically forbidden to traffic in cannabis products or medical  
5 cannabis, but the application for a registered organization or license  
6 by such a corporation shall be subject to denial, and the registration  
7 or license of such a corporation shall be subject to revocation or  
8 suspension by the office pursuant, consistent with the provisions of  
9 article twenty-three-A of the correction law. For any felony conviction  
10 by a court other than a court of this state, the office may request the  
11 department of corrections and community supervision to investigate and  
12 review the facts and circumstances concerning such a conviction, and  
13 such department shall, if so requested, submit its findings to the  
14 office as to whether the corporation has conducted itself in a manner  
15 such that discretionary review by the office would not be inconsistent  
16 with the public interest. The department of corrections and community  
17 supervision may charge the registered organization, licensee or appli-  
18 cant a fee equivalent to the expenses of an appropriate investigation  
19 under this subdivision. For any conviction rendered by a court of this  
20 state, the office may request the corporation, if the corporation is  
21 eligible for a certificate of relief from disabilities, to seek such a  
22 certificate from the court which rendered the conviction and to submit  
23 such a certificate as part of the office's discretionary review process.

24 2. Except as may otherwise be provided for in regulation, it shall be  
25 unlawful for any police commissioner, police inspector, captain,  
26 sergeant, roundsman, patrolman or other police official or subordinate  
27 of any police department in the state, to be either directly or indi-  
28 rectly interested in the cultivation, processing, distribution, or sale

1 of cannabis products or to offer for sale, or recommend to any regis-  
2 tered organization or licensee any cannabis products. A person may not  
3 be denied any registration or license granted under the provisions of  
4 this chapter solely on the grounds of being the spouse of a public serv-  
5 ant described in this section. The solicitation or recommendation made  
6 to any registered organization or licensee, to purchase any cannabis  
7 products by any police official or subordinate as hereinabove described,  
8 shall be presumptive evidence of the interest of such official or subor-  
9 dinate in the cultivation, processing, distribution, or sale of cannabis  
10 products.

11 3. No elective village officer shall be subject to the limitations set  
12 forth in subdivision two of this section unless such elective village  
13 officer shall be assigned duties directly relating to the operation or  
14 management of the police department.

15 § 141. Access to criminal history information through the division of  
16 criminal justice services. In connection with the administration of  
17 this chapter, the executive director is authorized to request, receive  
18 and review criminal history information through the division of criminal  
19 justice services with respect to any person seeking a registration,  
20 license, permit or authorization to cultivate, process, distribute or  
21 sell medical cannabis, adult use cannabis or hemp cannabis. At the exec-  
22 utive director's request, each person, member, principal and/or officer  
23 of the applicant shall submit to the office his or her fingerprints in  
24 such form and in such manner as specified by the division, for the  
25 purpose of conducting a criminal history search and returning a report  
26 thereon in accordance with the procedures and requirements established  
27 by the division pursuant to the provisions of article thirty-five of the  
28 executive law, which shall include the payment of the prescribed proc-



1 essing fees for the cost of the division's full search and retain proce-  
2 dures and a national criminal history record check. The executive direc-  
3 tor, or his or her designee, shall submit such fingerprints and the  
4 processing fee to the division. The division shall forward to the execu-  
5 tive director a report with respect to the applicant's previous criminal  
6 history, if any, or a statement that the applicant has no previous crim-  
7 inal history according to its files. Fingerprints submitted to the divi-  
8 sion pursuant to this subdivision may also be submitted to the federal  
9 bureau of investigation for a national criminal history record check. If  
10 additional copies of fingerprints are required, the applicant shall  
11 furnish them upon request.

12 § 3. Intentionally omitted.

13 § 4. Section 3302 of the public health law, as added by chapter 878 of  
14 the laws of 1972, subdivisions 1, 14, 16, 17 and 27 as amended and  
15 subdivisions 4, 5, 6, 7, 8, 11, 12, 13, 15, 18, 19, 20, 21, 22, 23, 24,  
16 25, 26, 28, 29 and 30 as renumbered by chapter 537 of the laws of 1998,  
17 subdivisions 9 and 10 as amended and subdivisions 34, 35, 36, 37, 38, 39  
18 and 40 as added by chapter 178 of the laws of 2010, paragraph (a) of  
19 subdivision 20, the opening paragraph of subdivision 22 and subdivision  
20 29 as amended by chapter 163 of the laws of 1973, subdivision 31 as  
21 amended by section 4 of part A of chapter 58 of the laws of 2004, subdi-  
22 vision 41 as added by section 6 of part A of chapter 447 of the laws of  
23 2012, and subdivisions 42 and 43 as added by section 13 of part D of  
24 chapter 60 of the laws of 2014, is amended to read as follows:

25 § 3302. Definitions of terms of general use in this article. Except  
26 where different meanings are expressly specified in subsequent  
27 provisions of this article, the following terms have the following mean-  
28 ings:

1 1. "Addict" means a person who habitually uses a controlled substance  
2 for a non-legitimate or unlawful use, and who by reason of such use is  
3 dependent thereon.

4 2. "Administer" means the direct application of a controlled  
5 substance, whether by injection, inhalation, ingestion, or any other  
6 means, to the body of a patient or research subject.

7 3. "Agent" means an authorized person who acts on behalf of or at the  
8 direction of a manufacturer, distributor, or dispenser. No person may be  
9 authorized to so act if under title VIII of the education law such  
10 person would not be permitted to engage in such conduct. It does not  
11 include a common or contract carrier, public warehouseman, or employee  
12 of the carrier or warehouseman when acting in the usual and lawful  
13 course of the carrier's or warehouseman's business.

14 4. ["Concentrated Cannabis" means

15 (a) the separated resin, whether crude or purified, obtained from a  
16 plant of the genus Cannabis; or

17 (b) a material, preparation, mixture, compound or other substance  
18 which contains more than two and one-half percent by weight of delta-9  
19 tetrahydrocannabinol, or its isomer, delta-8 dibenzopyran numbering  
20 system, or delta-1 tetrahydrocannabinol or its isomer, delta 1 (6) mono-  
21 terpene numbering system.

22 5.] "Controlled substance" means a substance or substances listed in  
23 section thirty-three hundred six of this [chapter] title.

24 [6.] 5. "Commissioner" means commissioner of health of the state of  
25 New York.

26 [7.] 6. "Deliver" or "delivery" means the actual, constructive or  
27 attempted transfer from one person to another of a controlled substance,  
28 whether or not there is an agency relationship.

1 [8.] 7. "Department" means the department of health of the state of  
2 New York.

3 [9.] 8. "Dispense" means to deliver a controlled substance to an ulti-  
4 mate user or research subject by lawful means, including by means of the  
5 internet, and includes the packaging, labeling, or compounding necessary  
6 to prepare the substance for such delivery.

7 [10.] 9. "Distribute" means to deliver a controlled substance, includ-  
8 ing by means of the internet, other than by administering or dispensing.

9 [11.] 10. "Distributor" means a person who distributes a controlled  
10 substance.

11 [12.] 11. "Diversion" means manufacture, possession, delivery or use  
12 of a controlled substance by a person or in a manner not specifically  
13 authorized by law.

14 [13.] 12. "Drug" means

15 (a) substances recognized as drugs in the official United States Phar-  
16 macopoeia, official Homeopathic Pharmacopoeia of the United States, or  
17 official National Formulary, or any supplement to any of them;

18 (b) substances intended for use in the diagnosis, cure, mitigation,  
19 treatment, or prevention of disease in man or animals; and

20 (c) substances (other than food) intended to affect the structure or a  
21 function of the body of man or animal. It does not include devices or  
22 their components, parts, or accessories.

23 [14.] 13. "Federal agency" means the Drug Enforcement Administration,  
24 United States Department of Justice, or its successor agency.

25 [15.] 14. "Federal controlled substances act" means the Comprehensive  
26 Drug Abuse Prevention and Control Act of 1970, Public Law 91-513, and  
27 any act or acts amendatory or supplemental thereto or regulations  
28 promulgated thereunder.

1 [16.] 15. "Federal registration number" means such number assigned by  
2 the Federal agency to any person authorized to manufacture, distribute,  
3 sell, dispense or administer controlled substances.

4 [17.] 16. "Habitual user" means any person who is, or by reason of  
5 repeated use of any controlled substance for non-legitimate or unlawful  
6 use is in danger of becoming, dependent upon such substance.

7 [18.] 17. "Institutional dispenser" means a hospital, veterinary  
8 hospital, clinic, dispensary, maternity home, nursing home, mental  
9 hospital or similar facility approved and certified by the department as  
10 authorized to obtain controlled substances by distribution and to  
11 dispense and administer such substances pursuant to the order of a prac-  
12 titioner.

13 [19.] 18. "License" means a written authorization issued by the  
14 department or the New York state department of education permitting  
15 persons to engage in a specified activity with respect to controlled  
16 substances.

17 [20.] 19. "Manufacture" means the production, preparation, propa-  
18 gation, compounding, cultivation, conversion or processing of a  
19 controlled substance, either directly or indirectly or by extraction  
20 from substances of natural origin, or independently by means of chemical  
21 synthesis, or by a combination of extraction and chemical synthesis, and  
22 includes any packaging or repackaging of the substance or labeling or  
23 relabeling of its container, except that this term does not include the  
24 preparation, compounding, packaging or labeling of a controlled  
25 substance:

26 (a) by a practitioner as an incident to his administering or dispens-  
27 ing of a controlled substance in the course of his professional prac-  
28 tice; or

1 (b) by a practitioner, or by his authorized agent under his super-  
2 vision, for the purpose of, or as an incident to, research, teaching, or  
3 chemical analysis and not for sale; or

4 (c) by a pharmacist as an incident to his dispensing of a controlled  
5 substance in the course of his professional practice.

6 [21. "Marihuana" means all parts of the plant of the genus Cannabis,  
7 whether growing or not; the seeds thereof; the resin extracted from any  
8 part of the plant; and every compound, manufacture, salt, derivative,  
9 mixture, or preparation of the plant, its seeds or resin. It does not  
10 include the mature stalks of the plant, fiber produced from the stalks,  
11 oil or cake made from the seeds of the plant, any other compound, manu-  
12 facture, salt, derivative, mixture, or preparation of the mature stalks  
13 (except the resin extracted therefrom), fiber, oil, or cake, or the  
14 sterilized seed of the plant which is incapable of germination.

15 22.] 20. "Narcotic drug" means any of the following, whether produced  
16 directly or indirectly by extraction from substances of vegetable  
17 origin, or independently by means of chemical synthesis, or by a combi-  
18 nation of extraction and chemical synthesis:

19 (a) opium and opiate, and any salt, compound, derivative, or prepara-  
20 tion of opium or opiate;

21 (b) any salt, compound, isomer, derivative, or preparation thereof  
22 which is chemically equivalent or identical with any of the substances  
23 referred to in [subdivision] paragraph (a) of this subdivision, but not  
24 including the isoquinoline alkaloids of opium;

25 (c) opium poppy and poppy straw.

26 [23.] 21. "Opiate" means any substance having an addiction-forming or  
27 addiction-sustaining liability similar to morphine or being capable of  
28 conversion into a drug having addiction-forming or addiction-sustaining

1 liability. It does not include, unless specifically designated as  
2 controlled under section [3306] thirty-three hundred six of this [arti-  
3 cle] title, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and  
4 its salts (dextromethorphan). It does include its racemic and levorota-  
5 tory forms.

6 [24.] 22. "Opium poppy" means the plant of the species *Papaver*  
7 *somniferum* L., except its seeds.

8 [25.] 23. "Person" means individual, institution, corporation, govern-  
9 ment or governmental subdivision or agency, business trust, estate,  
10 trust, partnership or association, or any other legal entity.

11 [26.] 24. "Pharmacist" means any person licensed by the state depart-  
12 ment of education to practice pharmacy.

13 [27.] 25. "Pharmacy" means any place registered as such by the New  
14 York state board of pharmacy and registered with the Federal agency  
15 pursuant to the federal controlled substances act.

16 [28.] 26. "Poppy straw" means all parts, except the seeds, of the  
17 opium poppy, after mowing.

18 [29.] 27. "Practitioner" means:

19 A physician, dentist, podiatrist, veterinarian, scientific investi-  
20 gator, or other person licensed, or otherwise permitted to dispense,  
21 administer or conduct research with respect to a controlled substance in  
22 the course of a licensed professional practice or research licensed  
23 pursuant to this article. Such person shall be deemed a "practitioner"  
24 only as to such substances, or conduct relating to such substances, as  
25 is permitted by his license, permit or otherwise permitted by law.

26 [30.] 28. "Prescribe" means a direction or authorization, by  
27 prescription, permitting an ultimate user lawfully to obtain controlled

1 substances from any person authorized by law to dispense such  
2 substances.

3 [31.] 29. "Prescription" shall mean an official New York state  
4 prescription, an electronic prescription, an oral prescription[, ] or an  
5 out-of-state prescription[, or any one].

6 [32.] 30. "Sell" means to sell, exchange, give or dispose of to anothe-  
7 er, or offer or agree to do the same.

8 [33.] 31. "Ultimate user" means a person who lawfully obtains and  
9 possesses a controlled substance for his own use or the use by a member  
10 of his household or for an animal owned by him or in his custody. It  
11 shall also mean and include a person designated, by a practitioner on a  
12 prescription, to obtain such substance on behalf of the patient for whom  
13 such substance is intended.

14 [34.] 32. "Internet" means collectively computer and telecommuni-  
15 cations facilities which comprise the worldwide network of networks that  
16 employ a set of industry standards and protocols, or any predecessor or  
17 successor protocol to such protocol, to exchange information of all  
18 kinds. "Internet," as used in this article, also includes other  
19 networks, whether private or public, used to transmit information by  
20 electronic means.

21 [35.] 33. "By means of the internet" means any sale, delivery,  
22 distribution, or dispensing of a controlled substance that uses the  
23 internet, is initiated by use of the internet or causes the internet to  
24 be used.

25 [36.] 34. "Online dispenser" means a practitioner, pharmacy, or person  
26 in the United States that sells, delivers or dispenses, or offers to  
27 sell, deliver, or dispense, a controlled substance by means of the  
28 internet.

1 [37.] 35. "Electronic prescription" means a prescription issued with  
2 an electronic signature and transmitted by electronic means in accord-  
3 ance with regulations of the commissioner and the commissioner of educa-  
4 tion and consistent with federal requirements. A prescription generated  
5 on an electronic system that is printed out or transmitted via facsimile  
6 is not considered an electronic prescription and must be manually  
7 signed.

8 [38.] 36. "Electronic" means of or relating to technology having elec-  
9 trical, digital, magnetic, wireless, optical, electromagnetic or similar  
10 capabilities. "Electronic" shall not include facsimile.

11 [39.] 37. "Electronic record" means a paperless record that is  
12 created, generated, transmitted, communicated, received or stored by  
13 means of electronic equipment and includes the preservation, retrieval,  
14 use and disposition in accordance with regulations of the commissioner  
15 and the commissioner of education and in compliance with federal law and  
16 regulations.

17 [40.] 38. "Electronic signature" means an electronic sound, symbol, or  
18 process, attached to or logically associated with an electronic record  
19 and executed or adopted by a person with the intent to sign the record,  
20 in accordance with regulations of the commissioner and the commissioner  
21 of education.

22 [41.] 39. "Registry" or "prescription monitoring program registry"  
23 means the prescription monitoring program registry established pursuant  
24 to section thirty-three hundred forty-three-a of this article.

25 [42.] 40. "Compounding" means the combining, admixing, mixing, dilut-  
26 ing, pooling, reconstituting, or otherwise altering of a drug or bulk  
27 drug substance to create a drug with respect to an outsourcing facility



1 under section 503B of the federal Food, Drug and Cosmetic Act and  
2 further defined in this section.

3 [43.] 41. "Outsourcing facility" means a facility that:

4 (a) is engaged in the compounding of sterile drugs as defined in  
5 section sixty-eight hundred two of the education law;

6 (b) is currently registered as an outsourcing facility pursuant to  
7 article one hundred thirty-seven of the education law; and

8 (c) complies with all applicable requirements of federal and state  
9 law, including the Federal Food, Drug and Cosmetic Act.

10 Notwithstanding any other provision of law to the contrary, when an  
11 outsourcing facility distributes or dispenses any drug to any person  
12 pursuant to a prescription, such outsourcing facility shall be deemed to  
13 be providing pharmacy services and shall be subject to all laws, rules  
14 and regulations governing pharmacies and pharmacy services.

15 § 5. Paragraphs 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25,  
16 26, 27, 28, 29, 30, 31 and 32 of subdivision (d) of schedule I of  
17 section 3306 of the public health law, paragraphs 13, 14, 15, 16, 17,  
18 18, 19, 20, 21, 22, 23 and 24 as added by chapter 664 of the laws of  
19 1985, paragraphs 25, 26, 27, 28, 29 and 30 as added by chapter 589 of  
20 the laws of 1996 and paragraphs 31 and 32 as added by chapter 457 of the  
21 laws of 2006, are amended to read as follows:

22 (13) [Marihuana.

23 (14)] Mescaline.

24 [(15)] (14) Parahexyl. Some trade or other names: 3-Hexyl-1-hydroxy-  
25 7,8,9,10-tetra hydro-6,6,9-trimethyl-6H-dibenfo{b,d} pyran.

26 [(16)] (15) Peyote. Meaning all parts of the plant presently classi-  
27 fied botanically as *Lophophora williamsii* Lemaire, whether growing or  
28 not, the seeds thereof, any extract from any part of such plant, and

1 every compound, manufacture, salts, derivative, mixture, or preparation  
2 of such plant, its seeds or extracts.

3 [(17)] (16) N-ethyl-3-piperidyl benzilate.

4 [(18)] (17) N-methyl-3-piperidyl benzilate.

5 [(19)] (18) Psilocybin.

6 [(20)] (19) Psilocyn.

7 [(21)] (20) Tetrahydrocannabinols. Synthetic tetrahydrocannabinols not  
8 derived from the cannabis plant that are equivalents of the substances  
9 contained in the plant, or in the resinous extractives of cannabis, sp.  
10 and/or synthetic substances, derivatives, and their isomers with similar  
11 chemical structure and pharmacological activity such as the following:

12 [/\] delta 1 cis or trans tetrahydrocannabinol, and their optical  
13 isomers

14 [/\] delta 6 cis or trans tetrahydrocannabinol, and their optical  
15 isomers

16 [/\] delta 3, 4 cis or trans tetrahydrocannabinol, and its optical  
17 isomers (since nomenclature of these substances is not internationally  
18 standardized, compounds of these structures, regardless of numerical  
19 designation of atomic positions covered).

20 [(22)] (21) Ethylamine analog of phencyclidine. Some trade or other  
21 names: N-ethyl-1-phenylcyclohexylamine, (1-phenylcyclohexyl) ethyla-  
22 mine, N-(1-phenylcyclohexyl) ethylamine cyclohexamine, PCE.

23 [(23)] (22) Pyrrolidine analog of phencyclidine. Some trade or other  
24 names 1-(1-phenylcyclohexyl)-pyrrolidine; PCPy, PHP.

25 [(24)] (23) Thiophene analog of phencyclidine. Some trade or other  
26 names: 1-{1-(2-thienyl)-cyclohexyl}-piperidine, 2-thienyl analog of  
27 phencyclidine, TPCP, TCP.

28 [(25)] (24) 3,4-methylenedioxymethamphetamine (MDMA).

1 [(26)] (25) 3,4-methylenedioxy-N-ethylamphetamine (also known as  
2 N-ethyl-alpha-methyl-3,4 (methylenedioxy) phenethylamine, N-ethyl MDA,  
3 MDE, MDEA.

4 [(27)] (26) N-hydroxy-3,4-methylenedioxyamphetamine (also known as  
5 N-hydroxy-alpha-methyl-3,4 (methylenedioxy) phenethylamine, and  
6 N-hydroxy MDA.

7 [(28)] (27) 1-{1- (2-thienyl) cyclohexyl} pyrrolidine. Some other  
8 names: TCPY.

9 [(29)] (28) Alpha-ethyltryptamine. Some trade or other names:  
10 etryptamine; Monase; Alpha-ethyl-1H-indole-3-ethanamine;  
11 3- (2-aminobutyl) indole; Alpha-ET or AET.

12 [(30)] (29) 2,5-dimethoxy-4-ethylamphetamine. Some trade or other  
13 names: DOET.

14 [(31)] (30) 4-Bromo-2,5-dimethoxyphenethylamine. Some trade or other  
15 names: 2-(4-bromo-2,5-dimethoxyphenyl)-1-aminoethane; alpha-desmethyl  
16 DOB; 2C-B, Nexus.

17 [(32)] (31) 2,5-dimethoxy-4-(n)-propylthiophenethylamine (2C-T-7), its  
18 optical isomers, salts and salts of isomers.

19 § 6. Title 5-A of article 33 of the public health law is REPEALED.

20 § 7. Section 3382 of the public health law, as added by chapter 878 of  
21 the laws of 1972, is amended to read as follows:

22 § 3382. Growing of the plant known as Cannabis by unlicensed persons.  
23 A person who, without being licensed so to do under this article or  
24 articles three, four or five of the cannabis law, grows the plant of the  
25 genus Cannabis or knowingly allows it to grow on his land without  
26 destroying the same, shall be guilty of a class A misdemeanor.

27 § 8. Subdivision 1 of section 3397-b of the public health law, as  
28 added by chapter 810 of the laws of 1980, is amended to read as follows:

1 1. ["Marijuana"] "Cannabis" means [marijuana] cannabis as defined in  
2 [section thirty-three hundred two of this chapter] subdivision three of  
3 section three of the cannabis law and shall also include  
4 tetrahydrocannabinols or a chemical derivative of tetrahydrocannabinol.

5 § 9. Subdivision 8 of section 1399-n of the public health law, as  
6 amended by chapter 13 of the laws of 2003, is amended to read as  
7 follows:

8 8. "Smoking" means the burning of a lighted cigar, cigarette, pipe or  
9 any other matter or substance which contains tobacco or cannabis.

10 § 10. Subdivisions 5, 6 and 9 of section 220.00 of the penal law,  
11 subdivision 5 as amended by chapter 537 of the laws of 1998, subdivision  
12 6 as amended by chapter 1051 of the laws of 1973 and subdivision 9 as  
13 amended by chapter 664 of the laws of 1985, are amended and a new subdi-  
14 vision 21 is added to read as follows:

15 5. "Controlled substance" means any substance listed in schedule I,  
16 II, III, IV or V of section thirty-three hundred six of the public  
17 health law other than [marihuana] cannabis as defined in subdivision six  
18 of this section, but including concentrated cannabis as defined in  
19 [paragraph (a) of subdivision four of section thirty-three hundred two  
20 of such law] subdivision twenty-one of this section.

21 6. ["Marihuana"] "Cannabis" means ["marihuana" or "concentrated canna-  
22 bis" as those terms are defined in section thirty-three hundred two of  
23 the public health law] all parts of the plant of the genus cannabis,  
24 whether growing or not; the seeds thereof; the resin extracted from any  
25 part of the plant; and every compound, manufacture, salt, derivative,  
26 mixture, or preparation of the plant, its seeds or resin. It does not  
27 include the mature stalks of the plant, fiber produced from the stalks,  
28 oil or cake made from the seeds of the plant, any other compound, manu-

1 facture, salt, derivative, mixture, or preparation of the mature stalks  
2 (except the resin extracted therefrom), fiber, oil, or cake, or the  
3 sterilized seed of the plant which is incapable of germination. It does  
4 not include all parts of the plant cannabis sativa l., whether growing  
5 or not, having no more than three-tenths of one percent tetrahydrocanna-  
6 binol (THC).

7 9. "Hallucinogen" means any controlled substance listed in schedule  
8 I(d) (5), [(18), (19), (20), (21) and (22)] (17), (18), (19), (20) and  
9 (21).

10 21. "Concentrated cannabis" means: (a) the separated resin, whether  
11 crude or purified, obtained from a plant of the genus cannabis; or (b) a  
12 material, preparation, mixture, compound or other substance which  
13 contains more than three percent by weight of delta-9 tetrahydrocannabi-  
14 nol, or its isomer, delta-8 dibenzopyran numbering system, or delta-1  
15 tetrahydrocannabinol or its isomer, delta 1 (6) monoterpene numbering  
16 system.

17 § 11. Subdivision 4 of section 220.06 of the penal law, as amended by  
18 chapter 537 of the laws of 1998, is amended to read as follows:

19 4. one or more preparations, compounds, mixtures or substances  
20 containing concentrated cannabis as defined in [paragraph (a) of subdi-  
21 vision four of section thirty-three hundred two of the public health  
22 law] subdivision twenty-one of section 220.00 of this article and said  
23 preparations, compounds, mixtures or substances are of an aggregate  
24 weight of one-fourth ounce or more; or

25 § 12. Subdivision 10 of section 220.09 of the penal law, as amended by  
26 chapter 537 of the laws of 1998, is amended to read as follows:

27 10. one or more preparations, compounds, mixtures or substances  
28 containing concentrated cannabis as defined in [paragraph (a) of subdi-

1 vision four of section thirty-three hundred two of the public health  
2 law] subdivision twenty-one of section 220.00 of this article and said  
3 preparations, compounds, mixtures or substances are of an aggregate  
4 weight of one ounce or more; or

5 § 13. Subdivision 3 of section 220.34 of the penal law, as amended by  
6 chapter 537 of the laws of 1998, is amended to read as follows:

7 3. concentrated cannabis as defined in [paragraph (a) of subdivision  
8 four of section thirty-three hundred two of the public health law]  
9 subdivision twenty-one of section 220.00 of this article; or

10 § 14. Section 220.50 of the penal law, as amended by chapter 627 of  
11 the laws of 1990, is amended to read as follows:

12 § 220.50 Criminally using drug paraphernalia in the second degree.

13 A person is guilty of criminally using drug paraphernalia in the  
14 second degree when he knowingly possesses or sells:

15 1. Diluents, dilutants or adulterants, including but not limited to,  
16 any of the following: quinine hydrochloride, mannitol, mannite, lactose  
17 or dextrose, adapted for the dilution of narcotic drugs or stimulants  
18 under circumstances evincing an intent to use, or under circumstances  
19 evincing knowledge that some person intends to use, the same for  
20 purposes of unlawfully mixing, compounding, or otherwise preparing any  
21 narcotic drug or stimulant, other than cannabis or concentrated  
22 cannabis; or

23 2. Gelatine capsules, glassine envelopes, vials, capsules or any other  
24 material suitable for the packaging of individual quantities of narcotic  
25 drugs or stimulants under circumstances evincing an intent to use, or  
26 under circumstances evincing knowledge that some person intends to use,  
27 the same for the purpose of unlawfully manufacturing, packaging or

1 dispensing of any narcotic drug or stimulant, other than cannabis or  
2 concentrated cannabis; or

3 3. Scales and balances used or designed for the purpose of weighing or  
4 measuring controlled substances, under circumstances evincing an intent  
5 to use, or under circumstances evincing knowledge that some person  
6 intends to use, the same for purpose of unlawfully manufacturing, pack-  
7 aging or dispensing of any narcotic drug or stimulant, other than canna-  
8 bis or concentrated cannabis.

9 Criminally using drug paraphernalia in the second degree is a class A  
10 misdemeanor.

11 § 15. Section 221.00 of the penal law, as amended by chapter 90 of the  
12 laws of 2014, is amended to read as follows:

13 § 221.00 [Marihuana] Cannabis; definitions.

14 Unless the context in which they are used clearly otherwise requires,  
15 the terms occurring in this article shall have the same meaning ascribed  
16 to them in article two hundred twenty of this chapter. Any act that is  
17 lawful under [title five-A of article thirty-three of the public health]  
18 articles three, four or five, of the cannabis law is not a violation of  
19 this article.

20 § 15-a. Section 221.00 of the penal law, as added by chapter 360 of  
21 the laws of 1977, is amended to read as follows:

22 § 221.00 [Marihuana] Cannabis; definitions.

23 Unless the context in which they are used clearly otherwise requires,  
24 the terms occurring in this article shall have the same meaning ascribed  
25 to them in article two hundred twenty of this chapter.

26 § 16. Section 221.05 of the penal law, as added by chapter 360 of the  
27 laws of 1977, is amended to read as follows:

28 § 221.05 Unlawful possession of [marihuana] cannabis.

1 A person is guilty of unlawful possession of [marihuana] cannabis when  
2 he or she knowingly and unlawfully possesses [marihuana.]:

3 1. cannabis and is less than twenty-one years of age; or

4 2. cannabis in a public place, as defined in section 240.00 of this  
5 part, and such cannabis is burning.

6 Unlawful possession of [marihuana] cannabis is a violation punishable  
7 only by a fine of not more than one hundred fifty dollars[. However,  
8 where the defendant has previously been convicted of an offense defined  
9 in this article or article 220 of this chapter, committed within the  
10 three years immediately preceding such violation, it shall be punishable  
11 (a) only by a fine of not more than two hundred dollars, if the defend-  
12 ant was previously convicted of one such offense committed during such  
13 period, and (b) by a fine of not more than two hundred fifty dollars or  
14 a term of imprisonment not in excess of fifteen days or both, if the  
15 defendant was previously convicted of two such offenses committed during  
16 such period] when such possession is by a person less than twenty-one  
17 years of age and of an aggregate weight of less than one-half of one  
18 ounce or a fine of not more than one hundred dollars when such  
19 possession is by a person less than twenty-one years of age and of an  
20 aggregate weight more than one-half of one ounce but not more than one  
21 ounce. Unlawful possession of marijuana is punishable by a fine of not  
22 more than one hundred twenty-five dollars when such possession is in a  
23 public place and such cannabis is burning. The term burning in this  
24 section shall have the same meaning as the term vaping as defined in  
25 subdivision eight of section thirteen hundred ninety-nine-n of the  
26 public health law.



1 § 17. Section 221.15 of the penal law, as amended by chapter 265 of  
2 the laws of 1979, the opening paragraph as amended by chapter 75 of the  
3 laws of 1995, is amended to read as follows:

4 § 221.15 Criminal possession of [marihuana] cannabis in the [fourth]  
5 third degree.

6 A person is guilty of criminal possession of [marihuana] cannabis in  
7 the [fourth] third degree when he or she knowingly and unlawfully  
8 possesses [one or more preparations, compounds, mixtures or substances  
9 containing marihuana and the preparations, compounds, mixtures or  
10 substances are of] an aggregate weight of more than [two ounces] one  
11 ounce of cannabis or more than five grams of concentrated cannabis.

12 Criminal possession of [marihuana] cannabis in the [fourth] third  
13 degree is a [class A misdemeanor] violation punishable by a fine of not  
14 more than one hundred twenty-five dollars. The provisions of this  
15 section shall not apply to certified patients or designated caregivers  
16 as lawfully registered under article three of the cannabis law.

17 § 18. Section 221.20 of the penal law, as amended by chapter 265 of  
18 the laws of 1979, the opening paragraph as amended by chapter 75 of the  
19 laws of 1995, is amended to read as follows:

20 § 221.20 Criminal possession of [marihuana] cannabis in the [third]  
21 second degree.

22 A person is guilty of criminal possession of [marihuana] cannabis in  
23 the [third] second degree when he or she knowingly and unlawfully  
24 possesses [one or more preparations, compounds, mixtures or substances  
25 containing marihuana and the preparations, compounds, mixtures or  
26 substances are of] an aggregate weight of more than [eight] two ounces  
27 of cannabis or more than ten ounces of concentrated cannabis.

1 Criminal possession of [marihuana] cannabis in the [third] second  
2 degree is a class [E felony] A misdemeanor punishable by a fine not more  
3 than one hundred twenty-five dollars per ounce possessed in excess of  
4 two ounces. However, where the defendant has previously been convicted  
5 of an offense defined in this article or article two hundred twenty of  
6 this title, committed within the three years immediately preceding such  
7 violation, it shall be punishable (a) only by a fine of not more than  
8 two hundred dollars per ounce possessed in excess of two ounces, if the  
9 defendant was previously convicted of one such offense committed during  
10 such period, and (b) by a fine of not more than two hundred fifty  
11 dollars per ounce possessed in excess of two ounces or a term of impri-  
12 sonment not in excess of fifteen days or both, if the defendant was  
13 previously convicted of two such offenses committed during such period.  
14 The provisions of this section shall not apply to certified patients or  
15 designated caregivers as lawfully registered under article three of the  
16 cannabis law.

17 § 19. Section 221.25 of the penal law, as amended by chapter 265 of  
18 the laws of 1979, the opening paragraph as amended by chapter 75 of the  
19 laws of 1995, is amended to read as follows:

20 § 221.25 Criminal possession of [marihuana] cannabis in the [second]  
21 first degree.

22 A person is guilty of criminal possession of [marihuana] cannabis in  
23 the [second] first degree when he or she knowingly and unlawfully  
24 possesses [one or more preparations, compounds, mixtures or substances  
25 containing marihuana and the preparations, compounds, mixtures or  
26 substances are of] an aggregate weight of more than [sixteen] sixty-four  
27 ounces of cannabis or more than eighty grams of concentrated cannabis.

1 Criminal possession of [marihuana] cannabis in the [second] first  
2 degree is a class [D] E felony.

3 § 20. Sections 221.10 and 221.30 of the penal law are REPEALED.

4 § 21. Section 221.35 of the penal law, as amended by chapter 265 of  
5 the laws of 1979, the opening paragraph as amended by chapter 75 of the  
6 laws of 1995, is amended to read as follows:

7 § 221.35 Criminal sale of [marihuana] cannabis in the fifth degree.

8 A person is guilty of criminal sale of [marihuana] cannabis in the  
9 fifth degree when he or she knowingly and unlawfully sells, [without]  
10 for consideration[, one or more preparations, compounds, mixtures or  
11 substances containing marihuana and the preparations, compounds,  
12 mixtures or substances are] cannabis or cannabis concentrate of [an  
13 aggregate weight of two grams or less; or one cigarette containing mari-  
14 huana] any weight.

15 Criminal sale of [marihuana] cannabis in the fifth degree is a [class  
16 B misdemeanor] violation punishable by a fine not more than the greater  
17 of two-hundred and fifty dollars or two times the value of the sale.

18 § 22. Section 221.40 of the penal law, as added by chapter 360 of the  
19 laws of 1977, is amended to read as follows:

20 § 221.40 Criminal sale of [marihuana] cannabis in the fourth degree.

21 A person is guilty of criminal sale of [marihuana] cannabis in the  
22 fourth degree when he or she knowingly and unlawfully sells [marihuana  
23 except as provided in section 221.35 of this article] cannabis of an  
24 aggregate weight of more than one ounce or more than five grams of  
25 cannabis concentrate.

26 Criminal sale of [marihuana] cannabis in the fourth degree is a [class  
27 A] misdemeanor punishable by a fine of not more than the greater of five

1 hundred dollars or two times the value of the sale or a maximum of three  
2 months imprisonment, or both.

3 § 23. Section 221.45 of the penal law, as amended by chapter 265 of  
4 the laws of 1979, the opening paragraph as amended by chapter 75 of the  
5 laws of 1995, is amended to read as follows:

6 § 221.45 Criminal sale of [marihuana] cannabis in the third degree.

7 A person is guilty of criminal sale of [marihuana] cannabis in the  
8 third degree when he or she knowingly and unlawfully sells [one or more  
9 preparations, compounds, mixtures or substances containing marihuana and  
10 the preparations, compounds, mixtures or substances are of an aggregate  
11 weight of more than twenty-five grams] four ounces of cannabis or more  
12 than twenty grams of concentrated cannabis.

13 Criminal sale of [marihuana] cannabis in the third degree is a [class  
14 E felony] misdemeanor punishable by a fine of not more than the greater  
15 of one thousand dollars or two times the value of the sale or a maximum  
16 of one year imprisonment or both.

17 § 24. Section 221.50 of the penal law, as amended by chapter 265 of  
18 the laws of 1979, the opening paragraph as amended by chapter 75 of the  
19 laws of 1995, is amended to read as follows:

20 § 221.50 Criminal sale of [marihuana] cannabis in the second degree.

21 A person is guilty of criminal sale of [marihuana] cannabis in the  
22 second degree when he knowingly and unlawfully sells [one or more prepa-  
23 rations, compounds, mixtures or substances containing marihuana and the  
24 preparations, compounds, mixtures or substances are of an aggregate  
25 weight of] more than [four ounces, or knowingly and unlawfully sells one  
26 or more preparations, compounds, mixtures or substances containing mari-  
27 huana to a person less than eighteen years of age] sixteen ounces of  
28 cannabis or more than eighty grams of concentrated cannabis or any

1 amount of cannabis or concentrated cannabis to any person under twenty-  
2 one years of age.

3 Criminal sale of [marihuana] cannabis in the second degree is a class  
4 D felony.

5 § 25. Section 221.55 of the penal law, as amended by chapter 265 of  
6 the laws of 1979, the opening paragraph as amended by chapter 75 of the  
7 laws of 1995, is amended to read as follows:

8 § 221.55 Criminal sale of [marihuana] cannabis in the first degree.

9 A person is guilty of criminal sale of [marihuana] cannabis in the  
10 first degree when he knowingly and unlawfully sells [one or more prepa-  
11 rations, compounds, mixtures or substances containing marihuana and the  
12 preparations, compounds, mixtures or substances are of an aggregate  
13 weight of] more than [sixteen] sixty-four ounces of cannabis or three  
14 hundred and twenty grams of cannabis concentrate.

15 Criminal sale of [marihuana] cannabis in the first degree is a class C  
16 felony.

17 § 26. The penal law is amended by adding a new section 221.60 to read  
18 as follows:

19 § 221.60 Licensing of cannabis production and distribution.

20 The provisions of this article and of article two hundred twenty of  
21 this title shall not apply to any person exempted from criminal penal-  
22 ties pursuant to the provisions of this chapter or possessing, manufac-  
23 turing, transporting, distributing, selling or transferring cannabis or  
24 concentrated cannabis, or engaged in any other action that is in compli-  
25 ance with articles three, four or five of the cannabis law.

26 § 27. Paragraphs (i), (j) and (k) of subdivision 3 of section 160.50  
27 of the criminal procedure law, paragraphs (i) and (j) as added by chap-  
28 ter 905 of the laws of 1977, paragraph (k) as added by chapter 835 of

1 the laws of 1977 and as relettered by chapter 192 of the laws of 1980  
2 and such subdivision as renumbered by chapter 142 of the laws of 1991,  
3 are amended to read as follows:

4 (i) prior to the filing of an accusatory instrument in a local crimi-  
5 nal court against such person, the prosecutor elects not to prosecute  
6 such person. In such event, the prosecutor shall serve a certification  
7 of such disposition upon the division of criminal justice services and  
8 upon the appropriate police department or law enforcement agency which,  
9 upon receipt thereof, shall comply with the provisions of paragraphs  
10 (a), (b), (c) and (d) of subdivision one of this section in the same  
11 manner as is required thereunder with respect to an order of a court  
12 entered pursuant to said subdivision one[.]; or

13 (j) following the arrest of such person, the arresting police agency,  
14 prior to the filing of an accusatory instrument in a local criminal  
15 court but subsequent to the forwarding of a copy of the fingerprints of  
16 such person to the division of criminal justice services, elects not to  
17 proceed further. In such event, the head of the arresting police agency  
18 shall serve a certification of such disposition upon the division of  
19 criminal justice services which, upon receipt thereof, shall comply with  
20 the provisions of paragraphs (a), (b), (c) and (d) of subdivision one of  
21 this section in the same manner as is required thereunder with respect  
22 to an order of a court entered pursuant to said subdivision one[.]; or

23 (k) (i) The accusatory instrument alleged a violation of article two  
24 hundred twenty or section 240.36 of the penal law, prior to the taking  
25 effect of article two hundred twenty-one of the penal law, or a  
26 violation of article two hundred twenty-one of the penal law; (ii) the  
27 sole controlled substance involved is [marijuana] cannabis; and (iii)

1 the conviction was only for a violation or violations[; and (iv) at  
2 least three years have passed since the offense occurred].

3 § 28. Paragraph (f) of subdivision 2 of section 850 of the general  
4 business law is REPEALED.

5 § 29. Paragraph (h) of subdivision 2 of section 850 of the general  
6 business law, as amended by chapter 812 of the laws of 1980, is amended  
7 to read as follows:

8 (h) Objects, used or designed for the purpose of ingesting, inhaling,  
9 or otherwise introducing [marihuana,] cocaine, hashish, or hashish oil  
10 into the human body.

11 § 30. Section 114-a of the vehicle and traffic law, as added by chap-  
12 ter 163 of the laws of 1973, is amended to read as follows:

13 § 114-a. Drug. The term "drug" when used in this chapter, means and  
14 includes any substance listed in section thirty-three hundred six of the  
15 public health law and cannabis and concentrated cannabis as defined in  
16 section 220.00 of the penal law.

17 § 31. The article heading of article 20-B of the tax law, as added by  
18 chapter 90 of the laws of 2014, is amended to read as follows:

19 ARTICLE 20-B

20 EXCISE TAX ON MEDICAL [MARIHUANA] CANNABIS

21 § 32. The paragraph heading and subparagraph (i) of paragraph (b) of  
22 subdivision 1 of section 1193 of the vehicle and traffic law, as amended  
23 by chapter 169 of the laws of 2013, are amended to read as follows:

24 Driving while intoxicated or while ability impaired by drugs or while  
25 ability impaired by the combined influence of drugs or of alcohol and  
26 any drug or drugs; aggravated driving while intoxicated; misdemeanor  
27 offenses. (i) A violation of subdivision two, three, or four [or four-a]  
28 of section eleven hundred ninety-two of this article shall be a misde-

1 meanor and shall be punishable by a fine of not less than five hundred  
2 dollars nor more than one thousand dollars, or by imprisonment in a  
3 penitentiary or county jail for not more than one year, or by both such  
4 fine and imprisonment. A violation of paragraph (a) of subdivision two-a  
5 of section eleven hundred ninety-two of this article shall be a misde-  
6 meanor and shall be punishable by a fine of not less than one thousand  
7 dollars nor more than two thousand five hundred dollars or by imprison-  
8 ment in a penitentiary or county jail for not more than one year, or by  
9 both such fine and imprisonment.

10 § 33. The paragraph heading and subparagraph (i) of paragraph (c) of  
11 subdivision 1 of section 1193 of the vehicle and traffic law, as amended  
12 by chapter 169 of the laws of 2013, are amended to read as follows:

13 Felony offenses. (i) A person who operates a vehicle (A) in violation  
14 of subdivision four-a of section eleven hundred ninety-two of this arti-  
15 cle or in violation of subdivision two, two-a, three, or four [or  
16 four-a] of section eleven hundred ninety-two of this article after  
17 having been convicted of a violation of subdivision two, two-a, three,  
18 four or four-a of such section or of vehicular assault in the second or  
19 first degree, as defined, respectively, in sections 120.03 and 120.04  
20 and aggravated vehicular assault as defined in section 120.04-a of the  
21 penal law or of vehicular manslaughter in the second or first degree, as  
22 defined, respectively, in sections 125.12 and 125.13 and aggravated  
23 vehicular homicide as defined in section 125.14 of such law, within the  
24 preceding ten years, or (B) in violation of paragraph (b) of subdivision  
25 two-a of section eleven hundred ninety-two of this article shall be  
26 guilty of a class E felony, and shall be punished by a fine of not less  
27 than one thousand dollars nor more than five thousand dollars or by a



1 period of imprisonment as provided in the penal law, or by both such  
2 fine and imprisonment.

3 § 34. Subdivision 1 of section 171-a of the tax law, as amended by  
4 section 3 of part MM of chapter 59 of the laws of 2018, is amended to  
5 read as follows:

6 1. All taxes, interest, penalties and fees collected or received by  
7 the commissioner or the commissioner's duly authorized agent under arti-  
8 cles nine (except section one hundred eighty-two-a thereof and except as  
9 otherwise provided in section two hundred five thereof), nine-A,  
10 twelve-A (except as otherwise provided in section two hundred eighty-  
11 four-d thereof), thirteen, thirteen-A (except as otherwise provided in  
12 section three hundred twelve thereof), eighteen, nineteen, twenty  
13 (except as otherwise provided in section four hundred eighty-two there-  
14 of), twenty-B, twenty-C, twenty-one, twenty-two, twenty-four, twenty-  
15 six, twenty-eight (except as otherwise provided in section eleven  
16 hundred two or eleven hundred three thereof), twenty-eight-A, twenty-  
17 nine-B, thirty-one (except as otherwise provided in section fourteen  
18 hundred twenty-one thereof), thirty-three and thirty-three-A of this  
19 chapter shall be deposited daily in one account with such responsible  
20 banks, banking houses or trust companies as may be designated by the  
21 comptroller, to the credit of the comptroller. Such an account may be  
22 established in one or more of such depositories. Such deposits shall be  
23 kept separate and apart from all other money in the possession of the  
24 comptroller. The comptroller shall require adequate security from all  
25 such depositories. Of the total revenue collected or received under such  
26 articles of this chapter, the comptroller shall retain in the comp-  
27 troller's hands such amount as the commissioner may determine to be  
28 necessary for refunds or reimbursements under such articles of this

1 chapter out of which amount the comptroller shall pay any refunds or  
2 reimbursements to which taxpayers shall be entitled under the provisions  
3 of such articles of this chapter. The commissioner and the comptroller  
4 shall maintain a system of accounts showing the amount of revenue  
5 collected or received from each of the taxes imposed by such articles.  
6 The comptroller, after reserving the amount to pay such refunds or  
7 reimbursements, shall, on or before the tenth day of each month, pay  
8 into the state treasury to the credit of the general fund all revenue  
9 deposited under this section during the preceding calendar month and  
10 remaining to the comptroller's credit on the last day of such preceding  
11 month, (i) except that the comptroller shall pay to the state department  
12 of social services that amount of overpayments of tax imposed by article  
13 twenty-two of this chapter and the interest on such amount which is  
14 certified to the comptroller by the commissioner as the amount to be  
15 credited against past-due support pursuant to subdivision six of section  
16 one hundred seventy-one-c of this article, (ii) and except that the  
17 comptroller shall pay to the New York state higher education services  
18 corporation and the state university of New York or the city university  
19 of New York respectively that amount of overpayments of tax imposed by  
20 article twenty-two of this chapter and the interest on such amount which  
21 is certified to the comptroller by the commissioner as the amount to be  
22 credited against the amount of defaults in repayment of guaranteed  
23 student loans and state university loans or city university loans pursu-  
24 ant to subdivision five of section one hundred seventy-one-d and subdivi-  
25 sion six of section one hundred seventy-one-e of this article, (iii)  
26 and except further that, notwithstanding any law, the comptroller shall  
27 credit to the revenue arrearage account, pursuant to section  
28 ninety-one-a of the state finance law, that amount of overpayment of tax

1 imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B  
2 or thirty-three of this chapter, and any interest thereon, which is  
3 certified to the comptroller by the commissioner as the amount to be  
4 credited against a past-due legally enforceable debt owed to a state  
5 agency pursuant to paragraph (a) of subdivision six of section one  
6 hundred seventy-one-f of this article, provided, however, he shall cred-  
7 it to the special offset fiduciary account, pursuant to section ninety-  
8 one-c of the state finance law, any such amount creditable as a liabil-  
9 ity as set forth in paragraph (b) of subdivision six of section one  
10 hundred seventy-one-f of this article, (iv) and except further that the  
11 comptroller shall pay to the city of New York that amount of overpayment  
12 of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A,  
13 thirty-B or thirty-three of this chapter and any interest thereon that  
14 is certified to the comptroller by the commissioner as the amount to be  
15 credited against city of New York tax warrant judgment debt pursuant to  
16 section one hundred seventy-one-l of this article, (v) and except  
17 further that the comptroller shall pay to a non-obligated spouse that  
18 amount of overpayment of tax imposed by article twenty-two of this chap-  
19 ter and the interest on such amount which has been credited pursuant to  
20 section one hundred seventy-one-c, one hundred seventy-one-d, one  
21 hundred seventy-one-e, one hundred seventy-one-f or one hundred seven-  
22 ty-one-l of this article and which is certified to the comptroller by  
23 the commissioner as the amount due such non-obligated spouse pursuant to  
24 paragraph six of subsection (b) of section six hundred fifty-one of this  
25 chapter; and (vi) the comptroller shall deduct a like amount which the  
26 comptroller shall pay into the treasury to the credit of the general  
27 fund from amounts subsequently payable to the department of social  
28 services, the state university of New York, the city university of New

1 York, or the higher education services corporation, or the revenue  
2 arrearage account or special offset fiduciary account pursuant to  
3 section ninety-one-a or ninety-one-c of the state finance law, as the  
4 case may be, whichever had been credited the amount originally withheld  
5 from such overpayment, and (vii) with respect to amounts originally  
6 withheld from such overpayment pursuant to section one hundred seventy-  
7 one-1 of this article and paid to the city of New York, the comptroller  
8 shall collect a like amount from the city of New York.

9 § 35. Section 490 of the tax law, as added by chapter 90 of the laws  
10 of 2014, is amended to read as follows:

11 § 490. [Definitions] Excise tax on medical cannabis. 1. (a) [All  
12 definitions of terms applicable to title five-A of article thirty-three  
13 of the public health law shall apply to this article.] For purposes of  
14 this article, the terms "medical cannabis," "registered organization,"  
15 "certified patient," and "designated caregiver" shall have the same  
16 definitions as in section three of the cannabis law.

17 (b) As used in this section, where not otherwise specifically defined  
18 and unless a different meaning is clearly required "gross receipt" means  
19 the amount received in or by reason of any sale, conditional or other-  
20 wise, of medical [marihuana] cannabis or in or by reason of the furnish-  
21 ing of medical [marihuana] cannabis from the sale of medical [marihuana]  
22 cannabis provided by a registered organization to a certified patient or  
23 designated caregiver. Gross receipt is expressed in money, whether paid  
24 in cash, credit or property of any kind or nature, and shall be deter-  
25 mined without any deduction therefrom on account of the cost of the  
26 service sold or the cost of materials, labor or services used or other  
27 costs, interest or discount paid, or any other expenses whatsoever.  
28 "Amount received" for the purpose of the definition of gross receipt, as

1 the term gross receipt is used throughout this article, means the amount  
2 charged for the provision of medical [marihuana] cannabis.

3 2. There is hereby imposed an excise tax on the gross receipts from  
4 the sale of medical [marihuana] cannabis by a registered organization to  
5 a certified patient or designated caregiver, to be paid by the regis-  
6 tered organization, at the rate of seven percent. The tax imposed by  
7 this article shall be charged against and be paid by the registered  
8 organization and shall not be added as a separate charge or line item on  
9 any sales slip, invoice, receipt or other statement or memorandum of the  
10 price given to the retail customer.

11 3. The commissioner may make, adopt and amend rules, regulations,  
12 procedures and forms necessary for the proper administration of this  
13 article.

14 4. Every registered organization that makes sales of medical [marihua-  
15 na] cannabis subject to the tax imposed by this article shall, on or  
16 before the twentieth date of each month, file with the commissioner a  
17 return on forms to be prescribed by the commissioner, showing its  
18 receipts from the retail sale of medical [marihuana] cannabis during the  
19 preceding calendar month and the amount of tax due thereon. Such returns  
20 shall contain such further information as the commissioner may require.  
21 Every registered organization required to file a return under this  
22 section shall, at the time of filing such return, pay to the commission-  
23 er the total amount of tax due on its retail sales of medical [marihua-  
24 na] cannabis for the period covered by such return. If a return is not  
25 filed when due, the tax shall be due on the day on which the return is  
26 required to be filed.

27 5. Whenever the commissioner shall determine that any moneys received  
28 under the provisions of this article were paid in error, he may cause

1 the same to be refunded, with interest, in accordance with such rules  
2 and regulations as he may prescribe, except that no interest shall be  
3 allowed or paid if the amount thereof would be less than one dollar.  
4 Such interest shall be at the overpayment rate set by the commissioner  
5 pursuant to subdivision twenty-sixth of section one hundred seventy-one  
6 of this chapter, or if no rate is set, at the rate of six percent per  
7 annum, from the date when the tax, penalty or interest to be refunded  
8 was paid to a date preceding the date of the refund check by not more  
9 than thirty days. Provided, however, that for the purposes of this  
10 subdivision, any tax paid before the last day prescribed for its payment  
11 shall be deemed to have been paid on such last day. Such moneys received  
12 under the provisions of this article which the commissioner shall deter-  
13 mine were paid in error, may be refunded out of funds in the custody of  
14 the comptroller to the credit of such taxes provided an application  
15 therefor is filed with the commissioner within two years from the time  
16 the erroneous payment was made.

17 6. The provisions of article twenty-seven of this chapter shall apply  
18 to the tax imposed by this article in the same manner and with the same  
19 force and effect as if the language of such article had been incorpo-  
20 rated in full into this section and had expressly referred to the tax  
21 imposed by this article, except to the extent that any provision of such  
22 article is either inconsistent with a provision of this article or is  
23 not relevant to this article.

24 7. All taxes, interest and penalties collected or received by the  
25 commissioner under this article shall be deposited and disposed of  
26 pursuant to the provisions of section one hundred seventy-one-a of this  
27 chapter, provided that an amount equal to one hundred percent collected  
28 under this article less any amount determined by the commissioner to be

1 reserved by the comptroller for refunds or reimbursements shall be paid  
2 by the comptroller to the credit of the medical [marihuana] cannabis  
3 trust fund established by section eighty-nine-h of the state finance  
4 law.

5 8. A registered organization that dispenses medical [marihuana] canna-  
6 bis shall provide to the department information on where the medical  
7 [marihuana] cannabis was dispensed and where the medical [marihuana]  
8 cannabis was manufactured. A registered organization that obtains [mari-  
9 huana] cannabis from another registered organization shall obtain from  
10 such registered organization information on where the medical [marihua-  
11 na] cannabis was manufactured.

12 § 36. Section 491 of the tax law, as added by chapter 90 of the laws  
13 of 2014, subdivision 1 as amended by section 1 of part II of chapter 60  
14 of the laws of 2016, is amended to read as follows:

15 § 491. Returns to be secret. 1. Except in accordance with proper judi-  
16 cial order or as in this section or otherwise provided by law, it shall  
17 be unlawful for the commissioner, any officer or employee of the depart-  
18 ment, or any officer or person who, pursuant to this section, is permit-  
19 ted to inspect any return or report or to whom a copy, an abstract or a  
20 portion of any return or report is furnished, or to whom any information  
21 contained in any return or report is furnished, or any person engaged or  
22 retained by such department on an independent contract basis or any  
23 person who in any manner may acquire knowledge of the contents of a  
24 return or report filed pursuant to this article to divulge or make known  
25 in any manner the contents or any other information relating to the  
26 business of a distributor, owner or other person contained in any return  
27 or report required under this article. The officers charged with the  
28 custody of such returns or reports shall not be required to produce any

1 of them or evidence of anything contained in them in any action or  
2 proceeding in any court, except on behalf of the state, [the state  
3 department of health] office of cannabis management, or the commissioner  
4 in an action or proceeding under the provisions of this chapter or on  
5 behalf of the state or the commissioner in any other action or proceed-  
6 ing involving the collection of a tax due under this chapter to which  
7 the state or the commissioner is a party or a claimant or on behalf of  
8 any party to any action or proceeding under the provisions of this arti-  
9 cle, when the returns or the reports or the facts shown thereby are  
10 directly involved in such action or proceeding, or in an action or  
11 proceeding relating to the regulation or taxation of medical [marihuana]  
12 cannabis on behalf of officers to whom information shall have been  
13 supplied as provided in subdivision two of this section, in any of which  
14 events the court may require the production of, and may admit in  
15 evidence so much of said returns or reports or of the facts shown there-  
16 by as are pertinent to the action or proceeding and no more. Nothing  
17 herein shall be construed to prohibit the commissioner, in his or her  
18 discretion, from allowing the inspection or delivery of a certified copy  
19 of any return or report filed under this article or of any information  
20 contained in any such return or report by or to a duly authorized offi-  
21 cer or employee of the [state department of health] office of cannabis  
22 management; or by or to the attorney general or other legal represen-  
23 tatives of the state when an action shall have been recommended or  
24 commenced pursuant to this chapter in which such returns or reports or  
25 the facts shown thereby are directly involved; or the inspection of the  
26 returns or reports required under this article by the comptroller or  
27 duly designated officer or employee of the state department of audit and  
28 control, for purposes of the audit of a refund of any tax paid by a



1 registered organization or other person under this article; nor to  
2 prohibit the delivery to a registered organization, or a duly authorized  
3 representative of such registered organization, a certified copy of any  
4 return or report filed by such registered organization pursuant to this  
5 article, nor to prohibit the publication of statistics so classified as  
6 to prevent the identification of particular returns or reports and the  
7 items thereof. This section shall also not be construed to prohibit the  
8 disclosure, for tax administration purposes, to the division of the  
9 budget and the office of the state comptroller, of information aggre-  
10 gated from the returns filed by all the registered organizations making  
11 sales of, or manufacturing, medical [marihuana] cannabis in a specified  
12 county, whether the number of such registered organizations is one or  
13 more. Provided further that, notwithstanding the provisions of this  
14 subdivision, the commissioner may, in his or her discretion, permit the  
15 proper officer of any county entitled to receive an allocation, follow-  
16 ing appropriation by the legislature, pursuant to this article and  
17 section eighty-nine-h of the state finance law, or the authorized repre-  
18 sentative of such officer, to inspect any return filed under this arti-  
19 cle, or may furnish to such officer or the officer's authorized repre-  
20 sentative an abstract of any such return or supply such officer or such  
21 representative with information concerning an item contained in any such  
22 return, or disclosed by any investigation of tax liability under this  
23 article.

24 2. The commissioner, in his or her discretion and pursuant to such  
25 rules and regulations as he or she may adopt, may permit [the commis-  
26 sioner of internal revenue of the United States, or] the appropriate  
27 officers of any other state which regulates or taxes medical [marihuana]  
28 cannabis, or the duly authorized representatives of such [commissioner

1 or of any such] officers, to inspect returns or reports made pursuant to  
2 this article, or may furnish to such [commissioner or] other officers,  
3 or duly authorized representatives, a copy of any such return or report  
4 or an abstract of the information therein contained, or any portion  
5 thereof, or may supply [such commissioner or] any such officers or such  
6 representatives with information relating to the business of a regis-  
7 tered organization making returns or reports hereunder. The commissioner  
8 may refuse to supply information pursuant to this subdivision [to the  
9 commissioner of internal revenue of the United States or] to the offi-  
10 cers of any other state if the statutes [of the United States, or] of  
11 the state represented by such officers, do not grant substantially simi-  
12 lar privileges to the commissioner, but such refusal shall not be manda-  
13 tory. Information shall not be supplied to [the commissioner of internal  
14 revenue of the United States or] the appropriate officers of any other  
15 state which regulates or taxes medical [marihuana] cannabis, or the duly  
16 authorized representatives [of such commissioner or] of any of such  
17 officers, unless such [commissioner,] officer or other representatives  
18 shall agree not to divulge or make known in any manner the information  
19 so supplied, but such officers may transmit such information to their  
20 employees or legal representatives when necessary, who in turn shall be  
21 subject to the same restrictions as those hereby imposed upon such  
22 [commissioner,] officer or other representatives.

23 3. (a) Any officer or employee of the state who willfully violates the  
24 provisions of subdivision one or two of this section shall be dismissed  
25 from office and be incapable of holding any public office in this state  
26 for a period of five years thereafter.

27 (b) Cross-reference: For criminal penalties, see article thirty-seven  
28 of this chapter.

1 § 37. The tax law is amended by adding a new article 20-C to read as  
2 follows:

3 ARTICLE 20-C

4 TAX ON ADULT-USE CANNABIS PRODUCTS

5 Section 492. Definitions.

6 493. Tax on cannabis.

7 494. Registration and renewal.

8 495. Returns and payment of tax.

9 496. Returns to be kept secret.

10 § 492. Definitions. For purposes of this article, the following defi-  
11 nitions shall apply:

12 (a) "Cannabis" means all parts of a plant of the genus cannabis,  
13 whether growing or not; the seeds thereof; the resin extracted from any  
14 part of the plant; and every compound, manufacture, salt, derivative,  
15 mixture, or preparation of the plant, its seeds or resin. For purposes  
16 of this article, cannabis does not include medical cannabis or hemp as  
17 defined in section three of the cannabis law.

18 (b) "Cannabis flower" means the flower of a plant of the genus canna-  
19 bis that has been harvested, dried, and cured, and prior to any process-  
20 ing whereby the plant material is transformed into a concentrate,  
21 including, but not limited to, concentrated cannabis, or an edible or  
22 topical product containing cannabis or concentrated cannabis and other  
23 ingredients. Cannabis flower excludes leaves and stem.

24 (c) "Cannabis trim" means all parts of a plant of the genus cannabis  
25 other than cannabis flowers that have been harvested, dried, and cured,  
26 and prior to any processing whereby the plant material is transformed  
27 into a concentrate, including, but not limited to, concentrated canna-

1 bis, or an edible or topical product containing cannabis and other  
2 ingredients.

3 (d) "Adult-use cannabis product" means a cannabis product as defined  
4 in section three of the cannabis law. For purposes of this article,  
5 under no circumstances shall adult-use cannabis product include medical  
6 cannabis or hemp cannabis as defined in section three of the cannabis  
7 law.

8 (e) "Person" means every individual, partnership, limited liability  
9 company, society, association, joint stock company, corporation, estate,  
10 receiver, trustee, assignee, referee, and any other person acting in a  
11 fiduciary or representative capacity, whether appointed by a court or  
12 otherwise, and any combination of the foregoing.

13 (f) "Wholesaler" means any person that sells or transfers adult-use  
14 cannabis products to a retail dispensary licensed pursuant to section  
15 seventy-two of the cannabis law. Where the cultivator or processor is  
16 also the retail dispensary, the retail dispensary shall be the whole-  
17 saler for purposes of this article.

18 (g) "Cultivation" has the same meaning as described in subdivision two  
19 of section sixty-eight of the cannabis law.

20 (h) "Retail dispensary" means a dispensary licensed to sell adult-use  
21 cannabis products pursuant to section seventy-two of the cannabis law.

22 (i) "Transfer" means to grant, convey, hand over, assign, sell,  
23 exchange or barter, in any manner or by any means, with or without  
24 consideration.

25 (j) "Sale" means any transfer of title, possession or both, exchange  
26 or barter, rental, lease or license to use or consume, conditional or  
27 otherwise, in any manner or by any means whatsoever for a consideration  
28 or any agreement therefor.

1 (k) "Processor" has the same meaning as described in subdivision two  
2 of section sixty-nine of the cannabis law.

3 § 493. Tax on cannabis. (a) There is hereby imposed and shall be paid  
4 a tax on the cultivation of cannabis flower and cannabis trim cannabis  
5 pursuant to the cannabis law at the rate of one dollar per dry-weight  
6 gram of cannabis flower and twenty-five cents per dry-weight gram of  
7 cannabis trim. Where the wholesaler is not the cultivator, such tax  
8 shall be collected from the cultivator by the wholesaler at the time  
9 such flower or trim is transferred to the wholesaler. Where the whole-  
10 saler is the cultivator, such tax shall be paid by the wholesaler and  
11 shall accrue at the time of sale or transfer to a retail dispensary.  
12 Where the cultivator is also the retail dispensary, such tax shall  
13 accrue at the time of the sale to the retail customer.

14 (b) In addition to the tax imposed by subdivision (a) of this section,  
15 there is hereby imposed a tax on the sale or transfer by a wholesaler to  
16 a retail dispensary of adult-use cannabis products, to be paid by such  
17 wholesaler. Where the wholesaler is not the retail dispensary, such tax  
18 shall be at the rate of twenty percent of the invoice price charged by  
19 the wholesaler to a retail dispensary, and shall accrue at the time of  
20 such sale. Where the wholesaler is the retail dispensary, such tax shall  
21 be at the rate of twenty percent of the price charged to the retail  
22 customer and shall accrue at the time of such sale.

23 (c) In addition to the taxes imposed by subdivisions (a) and (b) of  
24 this section, there is hereby imposed a tax on the sale or transfer by a  
25 wholesaler to a retail dispensary of adult-use cannabis products, in  
26 trust for and on account of the county in which the retail dispensary is  
27 located. Such tax shall be paid by the wholesaler and shall accrue at  
28 the time of such sale. Where the wholesaler is not the retail dispen-

1 sary, such tax shall be at the rate of two percent of the invoice price  
2 charged by the wholesaler to a retail dispensary. Where the wholesaler  
3 is the retail dispensary, such tax shall be at the rate of two percent  
4 of the price charged to the retail customer.

5 (d) Notwithstanding any other provision of law to the contrary, the  
6 taxes imposed by article twenty of this chapter shall not apply to any  
7 product subject to tax under this article.

8 § 494. Registration and renewal. (a) Every wholesaler must file with  
9 the commissioner a properly completed application for a certificate of  
10 registration before engaging in business. In order to apply for such  
11 certificate of registration, such person must first be in possession of  
12 a valid license from the office of cannabis management. An application  
13 for a certificate of registration must be submitted electronically, on a  
14 form prescribed by the commissioner, and must be accompanied by a non-  
15 refundable application fee of six hundred dollars. A certificate of  
16 registration shall not be assignable or transferable and shall be  
17 destroyed immediately upon such person ceasing to do business as speci-  
18 fied in such certificate, or in the event that such business never  
19 commenced.

20 (b) The commissioner shall refuse to issue a certificate of registra-  
21 tion to any applicant and shall revoke the certificate of registration  
22 of any such person who does not possess a valid license from the office  
23 of cannabis management. The commissioner may refuse to issue a certif-  
24 icate of registration to any applicant where such applicant: (1) has a  
25 past-due liability as that term is defined in section one hundred seven-  
26 ty-one-v of this chapter; (2) has had a certificate of registration  
27 under this article, a license from the office of cannabis management, or  
28 any license or registration provided for in this chapter revoked within

1 one year from the date on which such application was filed; (3) has been  
2 convicted of a crime provided for in this chapter within one year from  
3 the date on which such application was filed of the certificate's issu-  
4 ance; (4) willfully fails to file a report or return required by this  
5 article; (5) willfully files, causes to be filed, gives or causes to be  
6 given a report, return, certificate or affidavit required by this arti-  
7 cle which is false; or (6) willfully fails to collect or truthfully  
8 account for or pay over any tax imposed by this article.

9 (c) A certificate of registration shall be valid for the period speci-  
10 fied thereon, unless earlier suspended or revoked. Upon the expiration  
11 of the term stated on a certificate of registration, such certificate  
12 shall be null and void.

13 (d) Every holder of a certificate of registration must notify the  
14 commissioner of changes to any of the information stated on the certif-  
15 icate, or of changes to any information contained in the application for  
16 the certificate of registration. Such notification must be made on or  
17 before the last day of the month in which a change occurs and must be  
18 made electronically on a form prescribed by the commissioner.

19 (e) Every holder of a certificate of registration under this article  
20 shall be required to reapply prior to such certificate's expiration,  
21 during a reapplication period established by the commissioner. Such  
22 reapplication period shall not occur more frequently than every two  
23 years. Such reapplication shall be subject to the same requirements and  
24 conditions, including grounds for refusal, as an initial application,  
25 including the payment of the application fee.

26 (f) Penalties. A person to whom adult-use cannabis products have been  
27 transferred or who sells adult-use cannabis products without a valid  
28 certificate of registration pursuant to subdivision (a) of this section

1 shall be subject to a penalty of five hundred dollars for each month or  
2 part thereof during which such person continues to possess adult-use  
3 cannabis products that have been transferred to such person or who sells  
4 such products after the expiration of the first month after which such  
5 person operates without a valid certificate of registration, not to  
6 exceed ten thousand dollars in the aggregate.

7 § 495. Returns and payment of tax. (a) 1. Every wholesaler shall, on  
8 or before the twentieth date of the month, file with the commissioner a  
9 return on forms to be prescribed by the commissioner, showing the total  
10 weight of cannabis flower and cannabis trim subject to tax pursuant to  
11 subdivision (a) of section four hundred ninety-three of this article and  
12 the total amount of tax due thereon in the preceding calendar month, and  
13 the total amount of tax due under subdivisions (b) and (c) of such  
14 section on its sales to a retail dispensary during the preceding calen-  
15 dar month, along with such other information as the commissioner may  
16 require. Every person required to file a return under this section  
17 shall, at the time of filing such return, pay to the commissioner the  
18 total amount of tax due for the period covered by such return. If a  
19 return is not filed when due, the tax shall be due on the day on which  
20 the return is required to be filed.

21 2. The wholesaler shall maintain such records in such form as the  
22 commissioner may require regarding such items as: where the wholesaler  
23 is not the cultivator, the weight of the cannabis flower and cannabis  
24 trim transferred to it by a cultivator or, where the wholesaler is the  
25 cultivator, the weight of such flower and trim produced by it; the  
26 geographic location of every retail dispensary to which it sold adult-  
27 use cannabis products; and any other record or information required by



1 the commissioner. This information must be kept by such person for a  
2 period of three years after the return was filed.

3 (b) The provisions of article twenty-seven of this chapter shall apply  
4 to the tax imposed by this article in the same manner and with the same  
5 force and effect as if the language of such article had been incorpo-  
6 rated in full into this section and had expressly referred to the tax  
7 imposed by this article, except to the extent that any provision of such  
8 article is either inconsistent with a provision of this article or is  
9 not relevant to this article.

10 (c) 1. All taxes, interest, and penalties collected or received by the  
11 commissioner under this article shall be deposited and disposed of  
12 pursuant to the provisions of section one hundred seventy-one-a of this  
13 chapter, provided that an amount equal to one hundred percent collected  
14 under this article less any amount determined by the commissioner to be  
15 reserved by the comptroller for refunds or reimbursements shall be paid  
16 by the comptroller to the credit of the cannabis revenue fund estab-  
17 lished by section ninety-nine-ff of the state finance law. Of the total  
18 revenue collected or received under this article, the comptroller shall  
19 retain such amount as the commissioner may determine to be necessary for  
20 refunds. The commissioner is authorized and directed to deduct from the  
21 registration fees under subdivision (a) of section four hundred ninety-  
22 four of this article, before deposit into the cannabis revenue fund  
23 designated by the comptroller, a reasonable amount necessary to effectu-  
24 ate refunds of appropriations of the department to reimburse the depart-  
25 ment for the costs incurred to administer, collect, and distribute the  
26 taxes imposed by this article.

27 2. Notwithstanding the foregoing, the commissioner shall certify to  
28 the comptroller the total amount of tax, penalty and interest received

1 by him or her on account of the tax imposed by subdivision (c) of  
2 section four hundred ninety-three of this article in trust for and on  
3 account of each county in which a retail dispensary is located. On or  
4 before the twelfth day of each month, the comptroller, after reserving  
5 such refund fund, shall pay to the appropriate fiscal officer of each  
6 such county the taxes, penalties and interest received and certified by  
7 the commissioner for the preceding calendar month.

8 § 496. Returns to be kept secret. (a) Except in accordance with proper  
9 judicial order or as in this section or otherwise provided by law, it  
10 shall be unlawful for the commissioner, any officer or employee of the  
11 department, or any officer or person who, pursuant to this section, is  
12 permitted to inspect any return or report or to whom a copy, an abstract  
13 or a portion of any return or report is furnished, or to whom any infor-  
14 mation contained in any return or report is furnished, or any person who  
15 in any manner may acquire knowledge of the contents of a return or  
16 report filed pursuant to this article to divulge or make known in any  
17 manner the content or any other information related to the business of  
18 the wholesaler contained in any return or report required under this  
19 article. The officers charged with the custody of such returns or  
20 reports shall not be required to produce any of them or evidence of  
21 anything contained in them in any action or proceeding in any court,  
22 except on behalf of the state, the office of cannabis management, or the  
23 commissioner in an action or proceeding involving the collection of tax  
24 due under this chapter to which the state or the commissioner is a party  
25 or a claimant or on behalf of any party to any action or proceeding  
26 under the provisions of this article, when the returns or the reports or  
27 the facts shown thereby are directly involved in such action or proceed-  
28 ing, or in an action or proceeding related to the regulation or taxation

1 of adult-use cannabis products on behalf of officers to whom information  
2 shall have been supplied as provided in this section, in any of which  
3 events the courts may require the production of, and may admit in  
4 evidence so much of said returns or reports or of the facts shown there-  
5 by as are pertinent to the action or proceeding and no more. Nothing  
6 herein shall be construed to prohibit the commissioner, in his or her  
7 discretion, from allowing the inspection or delivery of a certified copy  
8 of any return or report filed under this article or of any information  
9 contained in any such return or report by or to a duly authorized offi-  
10 cer or employee of the office of cannabis management or by or to the  
11 attorney general or other legal representatives of the state when an  
12 action shall have been recommended or commenced pursuant to this chapter  
13 in which such returns or reports or the facts shown thereby are directly  
14 involved; or the inspection of the returns or reports required under  
15 this article by the comptroller or duly designated officer or employee  
16 of the state department of audit and control, for purposes of the audit  
17 of a refund of any tax paid by the wholesaler under this article; nor to  
18 prohibit the delivery to such person or a duly authorized representative  
19 of such person, a certified copy of any return or report filed by such  
20 person pursuant to this article, nor to prohibit the publication of  
21 statistics so classified as to prevent the identification of particular  
22 returns or reports and the items thereof. This section shall also not be  
23 construed to prohibit the disclosure, for tax administration purposes,  
24 to the division of the budget and the office of the state comptroller,  
25 of information aggregated from the returns filed by all wholesalers  
26 purchasing and selling such products in the state, whether the number of  
27 such persons is one or more. Provided further that, notwithstanding the  
28 provisions of this subdivision, the commissioner may in his or her

1 discretion, permit the proper officer of any county entitled to receive  
2 any distribution of the monies received on account of the tax imposed by  
3 subdivision (c) of section four hundred ninety-three of this article, or  
4 the authorized representative of such officer, to inspect any return  
5 filed under this article, or may furnish to such officer or the offi-  
6 cer's authorized representative an abstract of any such return or supply  
7 such officer or representative with information concerning an item  
8 contained in any such return, or disclosed by any investigation of tax  
9 liability under this article.

10 (b) The commissioner, in his or her discretion, may permit the appro-  
11 priate officers of any other state that regulates or taxes cannabis or  
12 the duly authorized representatives of such commissioner or of any such  
13 officers, to inspect returns or reports made pursuant to this article,  
14 or may furnish to the commissioner or other officer, or duly authorized  
15 representatives, a copy of any such return or report or an abstract of  
16 the information therein contained, or any portion thereof, or may supply  
17 such commissioner or any such officers or such representatives with  
18 information relating to the business of a wholesaler making returns or  
19 reports hereunder solely for purposes of tax administration. The commis-  
20 sioner may refuse to supply information pursuant to this subdivision to  
21 the officers of any other state if the statutes of the state represented  
22 by such officers do not grant substantially similar privileges to the  
23 commissioner, but such refusal shall not be mandatory. Information shall  
24 not be supplied to the appropriate officers of any state that regulates  
25 or taxes cannabis, or the duly authorized representatives of such  
26 commissioner or of any such officers, unless such commissioner, officer,  
27 or other representatives shall agree not to divulge or make known in any  
28 manner the information so supplied, but such officers may transmit such

1 information to their employees or legal representatives when necessary,  
2 who in turn shall be subject to the same restrictions as those hereby  
3 imposed upon such commissioner, officer or other representatives.

4 (c) 1. Any officer or employee of the state who willfully violates the  
5 provisions of subdivision one or two of this section shall be dismissed  
6 from office and be incapable of holding any public office in the state  
7 for a period of five years thereafter.

8 2. For criminal penalties, see article thirty-seven of this chapter.

9 § 38. Subdivision (a) of section 1115 of the tax law is amended by  
10 adding a new paragraph 3-b to read as follows:

11 (3-b) Adult-use cannabis products as defined by article twenty-C of  
12 this chapter.

13 § 39. Section 1825 of the tax law, as amended by section 3 of part NNN  
14 of chapter 59 of the laws of 2018, is amended to read as follows:

15 § 1825. Violation of secrecy provisions of the tax law.--Any person  
16 who violates the secrecy provisions of [subdivision (b) of section twen-  
17 ty-one, subdivision one of section two hundred two, subdivision eight of  
18 section two hundred eleven, subdivision (a) of section three hundred  
19 fourteen, subdivision one or two of section four hundred thirty-seven,  
20 section four hundred eighty-seven, subdivision one or two of section  
21 five hundred fourteen, subsection (e) of section six hundred ninety-sev-  
22 en, subsection (a) of section nine hundred ninety-four, subdivision (a)  
23 of section eleven hundred forty-six, section twelve hundred eighty-sev-  
24 en, section twelve hundred ninety-six, section twelve hundred ninety-  
25 nine-F, subdivision (a) of section fourteen hundred eighteen, subdivi-  
26 sion (a) of section fifteen hundred eighteen, subdivision (a) of section  
27 fifteen hundred fifty-five of] this chapter, [and] or subdivision (e) of

1 section 11-1797 of the administrative code of the city of New York shall  
2 be guilty of a misdemeanor.

3 § 40. Section 12 of chapter 90 of the laws of 2014 amending the public  
4 health law, the tax law, the state finance law, the general business  
5 law, the penal law and the criminal procedure law relating to medical  
6 use of marihuana, is amended to read as follows:

7 § 12. This act shall take effect immediately [and]; provided, however  
8 that sections one, three, five, six, seven-a, eight, nine, ten and elev-  
9 en of this act shall expire and be deemed repealed seven years after  
10 such date; provided that the amendments to section 171-a of the tax law  
11 made by section seven of this act shall take effect on the same date and  
12 in the same manner as section 54 of part A of chapter 59 of the laws of  
13 2014 takes effect and shall not expire and be deemed repealed; and  
14 provided, further, that the amendments to subdivision 5 of section  
15 410.91 of the criminal procedure law made by section eleven of this act  
16 shall not affect the expiration and repeal of such section and shall  
17 expire and be deemed repealed therewith.

18 § 41. The office of cannabis management, in consultation with the  
19 division of the budget, the department of taxation and finance, the  
20 department of health, office of alcoholism and substance abuse services,  
21 office of mental health, New York state police and the division of crim-  
22 inal justice services, shall conduct a study of the effectiveness of  
23 this act. Such study shall examine all aspects of this act, including  
24 economic and fiscal impacts, the impact on the public health and safety  
25 of New York residents and the progress made in achieving social justice  
26 goals and toward eliminating the illegal market for cannabis products in  
27 New York. The office shall make recommendations regarding the appropri-  
28 ate level of taxation of adult-use cannabis, as well as changes, if any,

1 necessary to improve and protect the public health and safety of New  
2 Yorkers. Such study shall be conducted two years after the effective  
3 date of this act and shall be presented to the governor, the majority  
4 leader of the senate and the speaker of the assembly, no later than  
5 October 1, 2022.

6 § 42. Section 102 of the alcoholic beverage control law is amended by  
7 adding a new subdivision 8 to read as follows:

8 8. No alcoholic beverage retail licensee shall sell cannabis, nor have  
9 or possess a license or permit to sell cannabis, on the same premises  
10 where alcoholic beverages are sold.

11 § 43. Subdivisions 1, 4, 5, 6, 7 and 13 of section 12-102 of the  
12 general obligations law, as added by chapter 406 of the laws of 2000,  
13 are amended to read as follows:

14 1. "Illegal drug" means any controlled substance [or marijuana] the  
15 possession of which is an offense under the public health law or the  
16 penal law.

17 4. "Grade one violation" means possession of one-quarter ounce or  
18 more, but less than four ounces, or distribution of less than one ounce  
19 of an illegal drug [other than marijuana, or possession of one pound or  
20 twenty-five plants or more, but less than four pounds or fifty plants,  
21 or distribution of less than one pound of marijuana].

22 5. "Grade two violation" means possession of four ounces or more, but  
23 less than eight ounces, or distribution of one ounce or more, but less  
24 than two ounces, of an illegal drug [other than marijuana, or possession  
25 of four pounds or more or fifty plants or distribution of more than one  
26 pound but less than ten pounds of marijuana].

27 6. "Grade three violation" means possession of eight ounces or more,  
28 but less than sixteen ounces, or distribution of two ounces or more, but

1 less than four ounces, of a specified illegal drug [or possession of  
2 eight pounds or more or seventy-five plants or more, but less than  
3 sixteen pounds or one hundred plants, or distribution of more than five  
4 pounds but less than ten pounds of marijuana].

5 7. "Grade four violation" means possession of sixteen ounces or more  
6 or distribution of four ounces or more of a specified illegal drug [or  
7 possession of sixteen pounds or more or one hundred plants or more or  
8 distribution of ten pounds or more of marijuana].

9 13. "Drug trafficker" means a person convicted of a class A or class B  
10 felony controlled substance [or marijuana offense] who, in connection  
11 with the criminal conduct for which he or she stands convicted,  
12 possessed, distributed, sold or conspired to sell a controlled substance  
13 [or marijuana] which, by virtue of its quantity, the person's prominent  
14 role in the enterprise responsible for the sale or distribution of such  
15 controlled substance and other circumstances related to such criminal  
16 conduct indicate that such person's criminal possession, sale or  
17 conspiracy to sell such substance was not an isolated occurrence and was  
18 part of an ongoing pattern of criminal activity from which such person  
19 derived substantial income or resources and in which such person played  
20 a leadership role.

21 § 44. Paragraph (g) of subdivision 1 of section 488 of the social  
22 services law, as added by section 1 of part B of chapter 501 of the laws  
23 of 2012, is amended to read as follows:

24 (g) "Unlawful use or administration of a controlled substance," which  
25 shall mean any administration by a custodian to a service recipient of:  
26 a controlled substance as defined by article thirty-three of the public  
27 health law, without a prescription; or other medication not approved for  
28 any use by the federal food and drug administration, except for the



1 administration of medical cannabis when such administration is in  
2 accordance with article three of the cannabis law and any regulations  
3 promulgated thereunder as well as the rules, regulations, policies, or  
4 procedures of the state oversight agency or agencies governing such  
5 custodians. It also shall include a custodian unlawfully using or  
6 distributing a controlled substance as defined by article thirty-three  
7 of the public health law, at the workplace or while on duty.

8 § 45. Paragraphs (e) and (f) of subdivision 1 of section 490 of the  
9 social services law, as added by section 1 of part B of chapter 501 of  
10 the laws of 2012, are amended and a new paragraph (g) is added to read  
11 as follows:

12 (e) information regarding individual reportable incidents, incident  
13 patterns and trends, and patterns and trends in the reporting and  
14 response to reportable incidents is shared, consistent with applicable  
15 law, with the justice center, in the form and manner required by the  
16 justice center and, for facilities or provider agencies that are not  
17 state operated, with the applicable state oversight agency which shall  
18 provide such information to the justice center; [and]

19 (f) incident review committees are established; provided, however,  
20 that the regulations may authorize an exemption from this requirement,  
21 when appropriate, based on the size of the facility or provider agency  
22 or other relevant factors. Such committees shall be composed of members  
23 of the governing body of the facility or provider agency and other  
24 persons identified by the director of the facility or provider agency,  
25 including some members of the following: direct support staff, licensed  
26 health care practitioners, service recipients and representatives of  
27 family, consumer and other advocacy organizations, but not the director  
28 of the facility or provider agency. Such committee shall meet regularly

1 to: (i) review the timeliness, thoroughness and appropriateness of the  
2 facility or provider agency's responses to reportable incidents; (ii)  
3 recommend additional opportunities for improvement to the director of  
4 the facility or provider agency, if appropriate; (iii) review incident  
5 trends and patterns concerning reportable incidents; and (iv) make  
6 recommendations to the director of the facility or provider agency to  
7 assist in reducing reportable incidents. Members of the committee shall  
8 be trained in confidentiality laws and regulations, and shall comply  
9 with section seventy-four of the public officers law[.]; and

10 (g) safe storage, administration, and diversion prevention policies  
11 regarding controlled substances and medical marihuana.

12 § 46. Subdivision 1 of section 505 of the agriculture and markets law,  
13 as added by chapter 524 of the laws of 2014, is amended to read as  
14 follows:

15 1. "Industrial hemp" means the plant *Cannabis sativa* L. and any part  
16 of such plant, including the seeds thereof and all derivatives,  
17 extracts, cannabinoids, isomers, acids, salts, and salts of isomers,  
18 whether growing or not, with a delta-9 tetrahydrocannabinol concen-  
19 tration of not more than 0.3 percent on a dry weight basis.

20 § 47. Section 506 of the agriculture and markets law, as amended by  
21 section 1 of part 00 of chapter 58 of the laws of 2017, is amended to  
22 read as follows:

23 § 506. Growth, sale, distribution, transportation and processing of  
24 industrial hemp and products derived from such hemp permitted. [Notwith-  
25 standing any provision of law to the contrary, industrial] 1. Industrial  
26 hemp and products derived from such hemp are agricultural products which  
27 may be grown, produced [and], possessed [in the state, and], sold,  
28 distributed, transported [or] and/or processed [either] in [or out of]

1 state [as part of agricultural pilot programs pursuant to authorization  
2 under federal law and the provisions of this article] pursuant to  
3 authorization under federal law, the provisions of this article and/or  
4 the the cannabis law. [Notwithstanding any provision of law to the  
5 contrary restricting the growing or cultivating, sale, distribution,  
6 transportation or processing of industrial hemp and products derived  
7 from such hemp, and subject to authorization under federal law, the]

8 2. The commissioner may authorize the growing or cultivating of indus-  
9 trial hemp as part of agricultural pilot programs conducted by the  
10 department and/or an institution of higher education to study the growth  
11 and cultivation, sale, distribution, transportation and processing of  
12 such hemp and products derived from such hemp provided that the sites  
13 and programs used for growing or cultivating industrial hemp are certi-  
14 fied by, and registered with, the department.

15 3. In addition to the department's licensing authority hereinafter  
16 provided in this article, the office of cannabis management shall  
17 license and regulate the growth, extraction, processing and/or manufac-  
18 turing of hemp for derivatives, extracts, cannabinoids, isomers, acids,  
19 salts and salts or isomers and/or hemp products for human or animal  
20 consumption or use (except for those food and/or food ingredients that  
21 are generally recognized as safe).

22 4. Nothing in this section shall limit the jurisdiction of the depart-  
23 ment under any other article of the agriculture and markets law.

24 § 48. Section 507 of the agriculture and markets law is REPEALED and a  
25 new section 507 is added to read as follows:

26 § 507. Licensing; fees. 1. No person shall: (a) grow industrial hemp  
27 in the state and/or sell or distribute industrial hemp grown in the  
28 state unless licensed biennially by the commissioner or (b) grow, proc-

1 ess and/or produce industrial hemp and products derived from hemp in the  
2 state or sell or distribute unless authorized by the commissioner as  
3 part of an agricultural research pilot program established under this  
4 article.

5 2. Application for a license to grow industrial hemp shall be made  
6 upon a form prescribed by the commissioner, accompanied by a non-refund-  
7 able application fee of five hundred dollars.

8 3. The applicant shall furnish evidence of his or her good character,  
9 experience and competency, that the applicant has adequate facilities,  
10 equipment, process controls, testing capability and security to grow  
11 hemp.

12 4. Growers who intend to cultivate hemp for cannabinoids shall also be  
13 required to obtain a license from the office of cannabis management.

14 5. A renewal application shall be submitted to the commissioner at  
15 least thirty days prior to the commencement of the next license period.

16 § 49. Section 508 of the agriculture and markets law is REPEALED and a  
17 new section 508 is added to read as follows:

18 § 508. Compliance action plan. If the commissioner determines, after  
19 notice and an opportunity for hearing, that a licensee has negligently  
20 violated a provision of this article, that licensee shall be required to  
21 comply with a corrective action plan established by the commissioner to  
22 correct the violation by a reasonable date and to periodically report to  
23 the commissioner with respect to the licensee's compliance with this  
24 article for a period of no less than the next two calendar years follow-  
25 ing the commencement date of the compliance action plan. The provisions  
26 of this section shall not be applicable to research partners conducting  
27 hemp research pursuant to a research partner agreement, the terms of  
28 which shall control.

1 § 50. Section 509 of the agriculture and markets law is REPEALED and a  
2 new section 509 is added to read as follows:

3 § 509. Granting, suspending or revoking licenses. The commissioner  
4 may decline to grant a new license, may decline to renew a license, may  
5 suspend or revoke a license already granted after due notice and oppor-  
6 tunity for hearing whenever he or she finds that:

7 (1) any statement contained in an application for an applicant or  
8 licensee is or was false or misleading;

9 (2) the applicant or licensee does not have good character, the  
10 required experience and/or competency, adequate facilities, equipment,  
11 process controls, testing capability and/or security to produce hemp or  
12 products derived from hemp;

13 (3) the applicant or licensee has failed or refused to produce any  
14 records or provide any information demanded by the commissioner reason-  
15 ably related to the administration and enforcement of this article; or

16 (4) the applicant or licensee, or any officer, director, partner,  
17 holder of ten percent of the voting stock, or any other person exercis-  
18 ing any position of management or control has failed to comply with any  
19 of the provisions of this article or rules and regulations promulgated  
20 pursuant thereto.

21 § 51. Section 510 of the agriculture and markets law is REPEALED and a  
22 new section 510 is added to read as follows:

23 § 510. Regulations. The commissioner may develop regulations consist-  
24 ent with the provisions of this article for the growing and cultivation,  
25 sale, distribution, and transportation of industrial hemp grown in the  
26 state, including:

27 (a) the authorization or licensing of any person who may: acquire or  
28 possess hemp plants or seeds; grow or cultivate hemp plants; and/or

1 sell, purchase, distribute, or transport such plants, plant parts, or  
2 seeds;

3 (b) maintaining relevant information regarding land on which indus-  
4 trial hemp is produced within the state, including the legal description  
5 of the land, for a period of not less than three calendar years;

6 (c) the procedure for testing of industrial hemp produced in the state  
7 for delta-9 tetrahydrocannabinol levels, using post decarboxylation or  
8 other similarly reliable methods;

9 (d) the procedure for effective disposal of industrial hemp plants or  
10 products derived from hemp that are produced in violation of this arti-  
11 cle;

12 (e) a procedure for conducting at least a random sample of industrial  
13 hemp producers to verify that hemp is not produced in violation of this  
14 article;

15 (f) any required security measures; and

16 (g) such other and further regulation as the commissioner deems appro-  
17 priate or necessary.

18 § 52. Section 511 of the agriculture and markets law is REPEALED and a  
19 new section 511 is added to read as follows:

20 § 511. Prohibitions. Except as authorized by state law, and regu-  
21 lations promulgated thereunder, the growth, cultivation, processing,  
22 sale, and/or distribution of industrial hemp is prohibited.

23 § 53. Section 512 of the agriculture and markets law is REPEALED and a  
24 new section 512 is added to read as follows:

25 § 512. Industrial hemp data collection and best farming practices.  
26 The commissioner shall have the power to collect and publish data and  
27 research concerning, among other things, the growth, cultivation,  
28 production and processing methods of industrial hemp and products

1 derived from industrial hemp and work with the cornell cooperative  
2 extension to promote best farming practices for industrial hemp which  
3 are compatible with state water quality and other environmental objec-  
4 tives.

5 § 54. Sections 513 and 514 of the agriculture and markets law are  
6 REPEALED and a new section 513 is added to read as follows:

7 § 513. Access to criminal history information through the division of  
8 criminal justice services. In connection with the administration of  
9 this article, the commissioner is authorized to request, receive and  
10 review criminal history information through the division of criminal  
11 justice services (division) with respect to any person seeking a license  
12 or authorization to undertake a hemp pilot project. At the commission-  
13 er's request, each researcher, principal and/or officer of the applicant  
14 shall submit to the department his or her fingerprints in such form and  
15 in such manner as specified by the division, for the purpose of conduct-  
16 ing a criminal history search and returning a report thereon in accord-  
17 ance with the procedures and requirements established by the division  
18 pursuant to the provisions of article thirty-five of the executive law,  
19 which shall include the payment of the prescribed processing fees for  
20 the cost of the division's full search and retain procedures and a  
21 national criminal history record check. The commissioner, or his or her  
22 designee, shall submit such fingerprints and the processing fee to the  
23 division. The division shall forward to the commissioner a report with  
24 respect to the applicant's previous criminal history, if any, or a  
25 statement that the applicant has no previous criminal history according  
26 to its files. Fingerprints submitted to the division of criminal justice  
27 services pursuant to this subdivision may also be submitted to the  
28 federal bureau of investigation for a national criminal history record

1 check. If additional copies of fingerprints are required, the applicant  
2 shall furnish them upon request.

3 § 55. Sections 179.00, 179.05, 179.10, 179.11 and 179.15 of the penal  
4 law, as added by chapter 90 of the laws of 2014, are amended to read as  
5 follows:

6 § 179.00 Criminal diversion of medical [marihuana] cannabis; defi-  
7 nitions.

8 The following definitions are applicable to this article:

9 1. "Medical [marihuana] cannabis" means medical [marihuana] cannabis  
10 as defined in [subdivision eight of section thirty-three hundred sixty  
11 of the public health law] section three of the cannabis law.

12 2. "Certification" means a certification, made under section [thirty-  
13 three hundred sixty-one of the public health law] thirty of the cannabis  
14 law.

15 § 179.05 Criminal diversion of medical [marihuana] cannabis; limita-  
16 tions.

17 The provisions of this article shall not apply to:

18 1. a practitioner authorized to issue a certification who acted in  
19 good faith in the lawful course of his or her profession; or

20 2. a registered organization as that term is defined in [subdivision  
21 nine of section thirty-three hundred sixty of the public health law]  
22 section thirty-four of the cannabis law who acted in good faith in the  
23 lawful course of the practice of pharmacy; or

24 3. a person who acted in good faith seeking treatment for a medical  
25 condition or assisting another person to obtain treatment for a medical  
26 condition.

27 § 179.10 Criminal diversion of medical [marihuana] cannabis in the first  
28 degree.



1 A person is guilty of criminal diversion of medical [marihuana] canna-  
2 bis in the first degree when he or she is a practitioner, as that term  
3 is defined in [subdivision twelve of section thirty-three hundred sixty  
4 of the public health law] section three of the cannabis law, who issues  
5 a certification with knowledge of reasonable grounds to know that (i)  
6 the recipient has no medical need for it, or (ii) it is for a purpose  
7 other than to treat a serious condition as defined in [subdivision seven  
8 of section thirty-three hundred sixty of the public health law] section  
9 three of the cannabis law.

10 Criminal diversion of medical [marihuana] cannabis in the first degree  
11 is a class E felony.

12 § 179.11 Criminal diversion of medical [marihuana] cannabis in the  
13 second degree.

14 A person is guilty of criminal diversion of medical [marihuana] canna-  
15 bis in the second degree when he or she sells, trades, delivers, or  
16 otherwise provides medical [marihuana] cannabis to another with know-  
17 ledge or reasonable grounds to know that the recipient is not registered  
18 under [title five-A of article thirty-three of the public health law]  
19 article three of the cannabis law.

20 Criminal diversion of medical [marihuana] cannabis in the second  
21 degree is a class B misdemeanor.

22 § 179.15 Criminal retention of medical [marihuana] cannabis.

23 A person is guilty of criminal retention of medical [marihuana] canna-  
24 bis when, being a certified patient or designated caregiver, as those  
25 terms are defined in [subdivisions three and five of section thirty-  
26 three hundred sixty of the public health law, respectively] section  
27 three of the cannabis law, he or she knowingly obtains, possesses,  
28 stores or maintains an amount of [marihuana] cannabis in excess of the

1 amount he or she is authorized to possess under the provisions of [title  
2 five-A of article thirty-three of the public health law] article three  
3 of the cannabis law.

4 Criminal retention of medical [marihuana] cannabis is a class A misde-  
5 meanor.

6 § 56. Section 220.78 of the penal law, as added by chapter 154 of the  
7 laws of 2011, is amended to read as follows:

8 § 220.78 Witness or victim of drug or alcohol overdose.

9 1. A person who, in good faith, seeks health care for someone who is  
10 experiencing a drug or alcohol overdose or other life threatening  
11 medical emergency shall not be charged or prosecuted for a controlled  
12 substance offense under article two hundred twenty or a [marihuana]  
13 cannabis offense under article two hundred twenty-one of this title,  
14 other than an offense involving sale for consideration or other benefit  
15 or gain, or charged or prosecuted for possession of alcohol by a person  
16 under age twenty-one years under section sixty-five-c of the alcoholic  
17 beverage control law, or for possession of drug paraphernalia under  
18 article thirty-nine of the general business law, with respect to any  
19 controlled substance, [marihuana] cannabis, alcohol or paraphernalia  
20 that was obtained as a result of such seeking or receiving of health  
21 care.

22 2. A person who is experiencing a drug or alcohol overdose or other  
23 life threatening medical emergency and, in good faith, seeks health care  
24 for himself or herself or is the subject of such a good faith request  
25 for health care, shall not be charged or prosecuted for a controlled  
26 substance offense under this article or a [marihuana] cannabis offense  
27 under article two hundred twenty-one of this title, other than an  
28 offense involving sale for consideration or other benefit or gain, or

1 charged or prosecuted for possession of alcohol by a person under age  
2 twenty-one years under section sixty-five-c of the alcoholic beverage  
3 control law, or for possession of drug paraphernalia under article thir-  
4 ty-nine of the general business law, with respect to any substance,  
5 [marihuana] cannabis, alcohol or paraphernalia that was obtained as a  
6 result of such seeking or receiving of health care.

7 3. Definitions. As used in this section the following terms shall have  
8 the following meanings:

9 (a) "Drug or alcohol overdose" or "overdose" means an acute condition  
10 including, but not limited to, physical illness, coma, mania, hysteria  
11 or death, which is the result of consumption or use of a controlled  
12 substance or alcohol and relates to an adverse reaction to or the quan-  
13 tity of the controlled substance or alcohol or a substance with which  
14 the controlled substance or alcohol was combined; provided that a  
15 patient's condition shall be deemed to be a drug or alcohol overdose if  
16 a prudent layperson, possessing an average knowledge of medicine and  
17 health, could reasonably believe that the condition is in fact a drug or  
18 alcohol overdose and (except as to death) requires health care.

19 (b) "Health care" means the professional services provided to a person  
20 experiencing a drug or alcohol overdose by a health care professional  
21 licensed, registered or certified under title eight of the education law  
22 or article thirty of the public health law who, acting within his or her  
23 lawful scope of practice, may provide diagnosis, treatment or emergency  
24 services for a person experiencing a drug or alcohol overdose.

25 4. It shall be an affirmative defense to a criminal sale controlled  
26 substance offense under this article or a criminal sale of [marihuana]  
27 cannabis offense under article two hundred twenty-one of this title, not  
28 covered by subdivision one or two of this section, with respect to any

1 controlled substance or [marihuana] cannabis which was obtained as a  
2 result of such seeking or receiving of health care, that:

3 (a) the defendant, in good faith, seeks health care for someone or for  
4 him or herself who is experiencing a drug or alcohol overdose or other  
5 life threatening medical emergency; and

6 (b) the defendant has no prior conviction for the commission or  
7 attempted commission of a class A-I, A-II or B felony under this arti-  
8 cle.

9 5. Nothing in this section shall be construed to bar the admissibility  
10 of any evidence in connection with the investigation and prosecution of  
11 a crime with regard to another defendant who does not independently  
12 qualify for the bar to prosecution or for the affirmative defense; nor  
13 with regard to other crimes committed by a person who otherwise quali-  
14 fies under this section; nor shall anything in this section be construed  
15 to bar any seizure pursuant to law, including but not limited to pursu-  
16 ant to section thirty-three hundred eighty-seven of the public health  
17 law.

18 6. The bar to prosecution described in subdivisions one and two of  
19 this section shall not apply to the prosecution of a class A-I felony  
20 under this article, and the affirmative defense described in subdivision  
21 four of this section shall not apply to the prosecution of a class A-I  
22 or A-II felony under this article.

23 § 57. Subdivision 1 of section 260.20 of the penal law, as amended by  
24 chapter 362 of the laws of 1992, is amended as follows:

25 1. He knowingly permits a child less than eighteen years old to enter  
26 or remain in or upon a place, premises or establishment where sexual  
27 activity as defined by article one hundred thirty, two hundred thirty or  
28 two hundred sixty-three of this [chapter] part or activity involving

1 controlled substances as defined by article two hundred twenty of this  
2 [chapter or involving marihuana as defined by article two hundred twen-  
3 ty-one of this chapter] part is maintained or conducted, and he knows or  
4 has reason to know that such activity is being maintained or conducted;  
5 or

6 § 58. Section 89-h of the state finance law, as added by chapter 90 of  
7 the laws of 2014, is amended to read as follows:

8 § 89-h. Medical [marihuana] cannabis trust fund. 1. There is hereby  
9 established in the joint custody of the state comptroller and the  
10 commissioner of taxation and finance a special fund to be known as the  
11 "medical [marihuana] cannabis trust fund."

12 2. The medical [marihuana] cannabis trust fund shall consist of all  
13 moneys required to be deposited in the medical [marihuana] cannabis  
14 trust fund pursuant to the provisions of section four hundred ninety of  
15 the tax law.

16 3. The moneys in the medical [marihuana] cannabis trust fund shall be  
17 kept separate and shall not be commingled with any other moneys in the  
18 custody of the commissioner of taxation and finance and the state comp-  
19 troller.

20 4. The moneys of the medical [marihuana] cannabis trust fund, follow-  
21 ing appropriation by the legislature, shall be allocated upon a certif-  
22 icate of approval of availability by the director of the budget as  
23 follows: (a) Twenty-two and five-tenths percent of the monies shall be  
24 transferred to the counties in New York state in which the medical  
25 [marihuana] cannabis was manufactured and allocated in proportion to the  
26 gross sales originating from medical [marihuana] cannabis manufactured  
27 in each such county; (b) twenty-two and five-tenths percent of the  
28 moneys shall be transferred to the counties in New York state in which

1 the medical [marihuana] cannabis was dispensed and allocated in propor-  
2 tion to the gross sales occurring in each such county; (c) five percent  
3 of the monies shall be transferred to the office of alcoholism and  
4 substance abuse services, which shall use that revenue for additional  
5 drug abuse prevention, counseling and treatment services; and (d) five  
6 percent of the revenue received by the department shall be transferred  
7 to the division of criminal justice services, which shall use that  
8 revenue for a program of discretionary grants to state and local law  
9 enforcement agencies that demonstrate a need relating to [title five-A  
10 of article thirty-three of the public health law] article three of the  
11 cannabis law; said grants could be used for personnel costs of state and  
12 local law enforcement agencies. For purposes of this subdivision, the  
13 city of New York shall be deemed to be a county.

14 § 59. Intentionally omitted.

15 § 60. The state finance law is amended by adding a new section 99-ff  
16 to read as follows:

17 § 99-ff. New York state cannabis revenue fund. 1. There is hereby  
18 established in the joint custody of the state comptroller and the  
19 commissioner of taxation and finance a special fund to be known as the  
20 "New York state cannabis revenue fund" (the "fund").

21 2. Monies in the fund shall be kept separate from and shall not be  
22 commingled with any other monies in the custody of the comptroller or  
23 the commissioner of taxation and finance. Provided, however that any  
24 monies of the fund not required for immediate use may, at the discretion  
25 of the comptroller, in consultation with the director of the budget, be  
26 invested by the comptroller in obligations of the United States or the  
27 state. The proceeds of any such investment shall be retained by the fund  
28 as assets to be used for purposes of the fund.

1 3. Except as set forth in subdivisions two and four of this section,  
2 monies from the fund shall not be used to make payments for any purpose  
3 other than the purposes set forth in subdivisions two and four of this  
4 section.

5 4. The "New York state cannabis revenue fund" shall consist of monies  
6 received by the commissioner of taxation and finance pursuant to subdi-  
7 visions (a) and (b) of section four hundred ninety-three of the tax law  
8 and all other monies credited or transferred thereto from any other fund  
9 or source. Monies of such fund shall be expended for the following  
10 purposes: administration of the regulated cannabis program, data gather-  
11 ing, monitoring and reporting, the governor's traffic safety committee,  
12 small business development and loans, substance abuse, harm reduction  
13 and mental health treatment and prevention, public health education and  
14 intervention, research on cannabis uses and applications, program evalu-  
15 ation and improvements, and any other identified purpose recommended by  
16 the executive director of the office of cannabis management and approved  
17 by the director of the budget.

18 § 61. Subdivision 2 of section 3371 of the public health law, as  
19 amended by chapter 90 of the laws of 2014, is amended to read as  
20 follows:

21 2. The prescription monitoring program registry may be accessed, under  
22 such terms and conditions as are established by the department for  
23 purposes of maintaining the security and confidentiality of the informa-  
24 tion contained in the registry, by:

25 (a) a practitioner, or a designee authorized by such practitioner  
26 pursuant to paragraph (b) of subdivision two of section thirty-three  
27 hundred forty-three-a or section thirty-three hundred sixty-one of this  
28 article, for the purposes of: (i) informing the practitioner that a

1 patient may be under treatment with a controlled substance by another  
2 practitioner; (ii) providing the practitioner with notifications of  
3 controlled substance activity as deemed relevant by the department,  
4 including but not limited to a notification made available on a monthly  
5 or other periodic basis through the registry of controlled substances  
6 activity pertaining to his or her patient; (iii) allowing the practi-  
7 tioner, through consultation of the prescription monitoring program  
8 registry, to review his or her patient's controlled substances history  
9 as required by section thirty-three hundred forty-three-a [or section  
10 thirty-three hundred sixty-one] of this article; and (iv) providing to  
11 his or her patient, or person authorized pursuant to paragraph (j) of  
12 subdivision one of this section, upon request, a copy of such patient's  
13 controlled substance history as is available to the practitioner through  
14 the prescription monitoring program registry; or

15 (b) a pharmacist, pharmacy intern or other designee authorized by the  
16 pharmacist pursuant to paragraph (b) of subdivision three of section  
17 thirty-three hundred forty-three-a of this article, for the purposes of:

18 (i) consulting the prescription monitoring program registry to review  
19 the controlled substances history of an individual for whom one or more  
20 prescriptions for controlled substances or certifications for marihuana  
21 is presented to the pharmacist, pursuant to section thirty-three hundred  
22 forty-three-a of this article; and (ii) receiving from the department  
23 such notifications of controlled substance activity as are made avail-  
24 able by the department; or

25 (c) an individual employed by a registered organization for the  
26 purpose of consulting the prescription monitoring program registry to  
27 review the controlled substances history of an individual for whom one  
28 or more certifications for [marihuana] cannabis is presented to that



1 registered organization[, pursuant to section thirty-three hundred  
2 sixty-four of this article]. Unless otherwise authorized by this arti-  
3 cle, an individual employed by a registered organization will be  
4 provided access to the prescription monitoring program in the sole  
5 discretion of the commissioner.

6 § 62. Subdivision 3 of section 853 of the general business law, as  
7 added by chapter 90 of the laws of 2014, is amended to read as follows:

8 3. This article shall not apply to any sale, furnishing or possession  
9 which is for a lawful purpose under [title five-A of article thirty-  
10 three of the public health law] the cannabis law.

11 § 63. Subdivision 5 of section 410.91 of the criminal procedure law,  
12 as amended by chapter 90 of the laws of 2014, is amended to read as  
13 follows:

14 5. For the purposes of this section, a "specified offense" is an  
15 offense defined by any of the following provisions of the penal law:  
16 burglary in the third degree as defined in section 140.20, criminal  
17 mischief in the third degree as defined in section 145.05, criminal  
18 mischief in the second degree as defined in section 145.10, grand larcen-  
19 ny in the fourth degree as defined in subdivision one, two, three, four,  
20 five, six, eight, nine or ten of section 155.30, grand larceny in the  
21 third degree as defined in section 155.35 (except where the property  
22 consists of one or more firearms, rifles or shotguns), unauthorized use  
23 of a vehicle in the second degree as defined in section 165.06, criminal  
24 possession of stolen property in the fourth degree as defined in subdi-  
25 vision one, two, three, five or six of section 165.45, criminal  
26 possession of stolen property in the third degree as defined in section  
27 165.50 (except where the property consists of one or more firearms,  
28 rifles or shotguns), forgery in the second degree as defined in section

1 170.10, criminal possession of a forged instrument in the second degree  
2 as defined in section 170.25, unlawfully using slugs in the first degree  
3 as defined in section 170.60, criminal diversion of medical [marihuana]  
4 cannabis in the first degree as defined in section 179.10 or an attempt  
5 to commit any of the aforementioned offenses if such attempt constitutes  
6 a felony offense; or a class B felony offense defined in article two  
7 hundred twenty where a sentence is imposed pursuant to paragraph (a) of  
8 subdivision two of section 70.70 of the penal law; or any class C, class  
9 D or class E controlled substance [or marihuana] cannabis felony offense  
10 as defined in article two hundred twenty or two hundred twenty-one.

11 § 63-a. Subdivision 5 of section 410.91 of the criminal procedure law,  
12 as amended by section 8 of part AAA of chapter 56 of the laws of 2009,  
13 is amended to read as follows:

14 5. For the purposes of this section, a "specified offense" is an  
15 offense defined by any of the following provisions of the penal law:  
16 burglary in the third degree as defined in section 140.20, criminal  
17 mischief in the third degree as defined in section 145.05, criminal  
18 mischief in the second degree as defined in section 145.10, grand larceny  
19 in the fourth degree as defined in subdivision one, two, three, four,  
20 five, six, eight, nine or ten of section 155.30, grand larceny in the  
21 third degree as defined in section 155.35 (except where the property  
22 consists of one or more firearms, rifles or shotguns), unauthorized use  
23 of a vehicle in the second degree as defined in section 165.06, criminal  
24 possession of stolen property in the fourth degree as defined in subdivi-  
25 sion one, two, three, five or six of section 165.45, criminal  
26 possession of stolen property in the third degree as defined in section  
27 165.50 (except where the property consists of one or more firearms,  
28 rifles or shotguns), forgery in the second degree as defined in section

1 170.10, criminal possession of a forged instrument in the second degree  
2 as defined in section 170.25, unlawfully using slugs in the first degree  
3 as defined in section 170.60, or an attempt to commit any of the afore-  
4 mentioned offenses if such attempt constitutes a felony offense; or a  
5 class B felony offense defined in article two hundred twenty where a  
6 sentence is imposed pursuant to paragraph (a) of subdivision two of  
7 section 70.70 of the penal law; or any class C, class D or class E  
8 controlled substance or [marihuana] cannabis felony offense as defined  
9 in article two hundred twenty or two hundred twenty-one.

10 § 64. This act shall take effect immediately; provided, however that  
11 sections thirty-seven and thirty-eight of this act shall take effect on  
12 April 1, 2020, and shall apply on and after such date: (a) to the culti-  
13 vation of cannabis flower and cannabis trim transferred by a cultivator  
14 who is not a wholesaler; (b) to the cultivation of cannabis flower and  
15 cannabis trim sold or transferred to a retail dispensary by a cultivator  
16 who is a wholesaler; and (c) to the sale or transfer of adult use canna-  
17 bis products to a retail dispensary; provided, further, that the amend-  
18 ments to article 179 of the penal law made by section fifty-five of this  
19 act shall not affect the repeal of such article and shall be deemed to  
20 be repealed therewith; provided further, that the amendments to section  
21 89-h of the state finance law made by section fifty-eight of this act  
22 shall not affect the repeal of such section and shall be deemed repealed  
23 therewith; provided further, that the amendments to section 221.00 of  
24 the penal law made by section fifteen of this act shall be subject to  
25 the expiration of such section when upon such date the provisions of  
26 section fifteen-a of this act shall take effect; provided, however, that  
27 the amendments to subdivision 2 of section 3371 of the public health law  
28 made by section sixty-one of this act shall not affect the expiration of

1 such subdivision and shall be deemed to expire therewith; provided  
2 further, that the amendments to subdivision 3 of section 853 of the  
3 general business law made by section sixty-two of this act shall not  
4 affect the repeal of such subdivision and shall be deemed to be repealed  
5 therewith; and provided further, that the amendments to subdivision 5 of  
6 section 410.91 of the penal law made by section sixty-three of this act  
7 shall be subject to the expiration and reversion of such subdivision  
8 when upon such date the provisions of section sixty-three-a of this act  
9 shall take effect.

10

## PART WW

11 Section 1. Section 1166-a of the tax law, as added by section 1 of  
12 part F of chapter 25 of the laws of 2009, is amended to read as follows:

13 § 1166-a. Special supplemental tax on passenger car rentals within the  
14 metropolitan commuter transportation district. (a) In addition to the  
15 tax imposed under section eleven hundred sixty of this article and in  
16 addition to any tax imposed under any other article of this chapter,  
17 there is hereby imposed and there shall be paid a tax at the rate of  
18 five percent upon the receipts from every rental of a passenger car  
19 which is a retail sale of such passenger car within the metropolitan  
20 commuter transportation district as defined in [subdivision] subsection  
21 (a) of section eight hundred of this chapter.

22 (b) Except to the extent that a passenger car rental described in  
23 subdivision (a) of this section, or section eleven hundred sixty-six-b  
24 of this article, has already been or will be subject to the tax imposed  
25 under such subdivision or section and except as otherwise exempted under  
26 this article, there is hereby imposed on every person and there shall be