Committee on Economic Development Staff

Alex R. Paulenoff, Counsel

William Hongach, Senior Policy Analyst

Committee on Consumer & Worker Protection Staff

Stephanie Jones, Senior Legislative Counsel

Noah Meixler, Senior Policy Analyst

Jayasri Ganapathy, Senior Legislative Counsel

Wiam Diouri, Policy Analyst

# 

**The New York City Council**

Andrea Vazquez, *Legislative Director*

**Committee Report of the Governmental Affairs Division**

Rachel Cordero, *Deputy Director*

**Committee on Economic Development**

Hon. Amanda Farías, *Chair*

**Committee on Consumer & Worker Protection**

Hon. Marjorie Velázquez, *Chair*

**June 28, 2022**

*Recreational Cannabis Regulatory and Licensing Processes*

**Int. No. 285-2022:** By Council Members Riley, Williams, Stevens, Farías, Nurse, Hanif, Hudson, Menin, Velázquez, Ayala, Restler, Abreu, Krishnan, Avilés, Rivera, Moya, Louis, Gutiérrez, Richardson Jordan and Schulman

**Title:** A Local Law to amend the New York city charter, in relation to the establishment of an office of cannabis business services

**Int. No. 504-2022:** By Council Members Rivera, Hudson, Joseph, Nurse and Gutiérrez

**Title:** A Local Law to amend the New York city charter, in relation to a cannabis business directory

1. ***Introduction***

Today, the Committee on Economic Development, jointly with the Committee on Consumer and Worker Protection, will hold a hearing on recreational cannabis regulatory and licensing processes. The Committees have invited to testify the New York City Department of Small Business Services (SBS), the Economic Development Corporation (EDC), and the Mayor’s Office of Criminal Justice (MOCJ), as well as advocates and members of the public. The Committees will also hear Introduction Number 285 (Int. 285), in relation to the establishment of an office of cannabis business services, and Introduction Number 504 (Int. No. 504), in relation to a cannabis business directory.

1. ***Background***
   1. *Pre-legalization historical overview*

The road toward the legalization of adult-use cannabis in New York is rooted in the complex history of the War on Drugs.[[1]](#footnote-2) First taking shape in the 1970s, the War on Drugs was an effort geared toward combatting illegal drug use by significantly increasing penalties, enforcement, and incarceration for drug-related offenses.[[2]](#footnote-3) Drugs were declared “public enemy number one” by President Nixon in 1971, leading to more federal funding for drug-control agencies and drug-treatment efforts.[[3]](#footnote-4) This movement was expanded immensely under President Ronald Reagan once he took office in 1981.[[4]](#footnote-5) The effects of the War on Drugs are still present in the United States, and New York City is no exception.

In the 1990s, under Mayor Rudy Giuliani, crackdowns on crime led to aggressive policing tactics like stop-and-frisk, which disproportionately affected Black and Latino New Yorkers.[[5]](#footnote-6) New York City quickly became, and remained, known as the marijuana arrest capital of the world.[[6]](#footnote-7) In 1993, there were only 900 arrests for possession of small amounts of cannabis in New York City, while in 2008 that number rose to 40,000, made up mostly of young Black and Latino men.[[7]](#footnote-8) Arrests rose to these high levels despite the decriminalization of small amounts of cannabis in New York decades prior.[[8]](#footnote-9) In more recent years, many strides have been made within the movement to legalize cannabis and end the disproportionate rate of arrests in New York.[[9]](#footnote-10)

* 1. *Legalization*

Marijuana was legalized in New York State upon the enactment of S.864A/A.1248A, also known as the Marihuana Regulation and Taxation Act (“MRTA”), on March 31, 2021.[[10]](#footnote-11) The MRTA not only permits the lawful possession, use and growth of marijuana within the state, it also creates a complex framework for regulation and taxation of marijuana, primarily through the creation of the statewide Cannabis Control Board (“CCM”) and Office of Cannabis Management (“OCM”) within the division of Alcoholic Beverage Control.[[11]](#footnote-12)

Marijuana enforcement has disproportionally impacted poor and minority communities, [[12]](#footnote-13) despite similar usage rates across racial and ethnic boundaries.[[13]](#footnote-14) Several California cities[[14]](#footnote-15) and the state of Massachusetts[[15]](#footnote-16) established equity programs after legalization because the communities that most bore the burden of over-enforcement were not receiving the fruits of legalization.[[16]](#footnote-17) Instead, those with existing access to capital, *i.e*., those who were less likely to have been targeted for heightened marijuana enforcement, were the ones who were most commonly starting marijuana businesses and benefiting from its financial potential.[[17]](#footnote-18)

Communities of heightened enforcement frequently have less access to capital, legal and technical expertise, and affordable rental space, arguably due in part to disproportionate enforcement in their communities. Cannabis equity programs stand for the principle that those most harmed by the historic enforcement of marijuana laws should have the opportunity to participate in the sale of legal cannabis on equal footing with those who were not overly harmed by marijuana’s prohibition.

The MRTA directs the CCB to appoint a Chief Equity Officer for the purposes of “development and implementation of . . . the social and economic equity plan, [as well as] . . . public education programming dedicated to providing communities that have been impacted by cannabis prohibition with information detailing the licensing process and informing individuals of the support and resources that the office can provide to individuals and entities interested in participating in activity licensed [by the CCB].”[[18]](#footnote-19)

The social and economic equity plan developed under the MRTA requires the CCB and Chief Equity Officer to:

actively promote applicants from communities disproportionately impacted by cannabis prohibition, and promote racial, ethnic, and gender diversity when issuing licenses for adult-use cannabis related activities, including mentoring potential applicants, by prioritizing consideration of applications by applicants who are from communities disproportionately impacted by the enforcement of cannabis prohibition or who qualify as a minority or women-owned business, distressed farmers, or service-disabled veterans [and] . . . shall also create an incubator program to encourage social and economic equity applicants to apply and, if granted an adult-use cannabis license, permit or registration, the program shall provide direct support in the form of counseling services, education, small business coaching and financial planning, and compliance assistance.[[19]](#footnote-20)

The Chief Equity Officer is tasked with developing a social and economic equity program to assist in the expansion of ownership and operation of retail cannabis businesses to individuals and communities throughout the state with historically disproportionate enforcement against cannabis offenses.[[20]](#footnote-21)

The CCB is also tasked with “creat[ing] an incubator program to encourage social and economic equity applicants to apply,”[[21]](#footnote-22) but the terms of such encouragement are not outlined clearly in *N.Y. Canbs. § 87* other than to “create and implement a social and economic equity plan and actively promote applicants from communities disproportionately impacted by cannabis prohibition.”[[22]](#footnote-23)

Int.. 0285 would create a citywide Office of Cannabis Business Services and authorize it to “assist social and economic equity applicants in applying for a license,” something that is not explicit in *N.Y. Canbs. § 87*,but which is intended to further the goals of the state law.

1. ***Legislation and Regulatory Landscape***
   1. *Statewide Adult-use Cannabis Access*

Since the passage of the MRTA, people 21 and older have been able to legally possess up to three ounces of cannabis for personal use in New York.[[23]](#footnote-24) Smoking cannabis is permitted almost anywhere you might smoke a cigarette, and police officers are no longer able to stop and search pedestrians only on the basis of smelling cannabis on them.[[24]](#footnote-25) The OCM anticipates that the industry will produce 60,000 jobs in the state on the cultivation and sales sides.[[25]](#footnote-26) However, adult-use dispensaries are not yet authorized and operational.[[26]](#footnote-27) Despite this restriction, cannabis is still widely accessible through “clubs” or membership programs.[[27]](#footnote-28)

The delay in authorizing adult-use sales is attributed to the resignation of former Governor Andrew Cuomo and the associated pause in appointing the head of OCM, which was tasked with distributing licenses for dispensaries, clubs and lounges where indoor smoking could be permitted.[[28]](#footnote-29) Additionally, delays are attributed to the state’s efforts to ensure that licenses are equitably assigned.[[29]](#footnote-30) As a result of these delays, the state has seen an increase in sales on tribal lands near the Canadian border.[[30]](#footnote-31) While these sales are legal and some tribes legalized the cultivation and sale of cannabis, according to the state, they are remote and not easily accessible.[[31]](#footnote-32) In addition, the sales are creating conflict within the tribal community, leading to suits in tribal courts over lost licensing and sales fees as well as deeper conflicts over authority on tribal lands.[[32]](#footnote-33)

Outside tribal lands, adults 21 and older may possess and consume cannabis, along with gifting it to other adults without compensation.[[33]](#footnote-34) However, according to the OCM, sales of adult-use cannabis through clubs or membership organizations remain illegal in New York.[[34]](#footnote-35) The OCM has indicated that the state will enforce laws to prevent the unlicensed sale of cannabis and the Office has already begun doing so by sending cease and desist letters to operators.[[35]](#footnote-36) According to the OCM, if retailers do not cease their operations, they would, "risk the opportunity to get a license in the legal market," and could face "substantial fines and possible criminal penalties."[[36]](#footnote-37)

While cannabis retailer licenses have not yet been issued, cultivators are beginning to receive licenses. As of April 14, 2022, the first 52 adult-use cannabis cultivation licenses had been issued.[[37]](#footnote-38) Subsequently, another 36 licenses were approved on May 5, 2022. In February, Governor Kathy Hochul signed legislation to create conditional licenses that allows existing hemp operators to begin growing cannabis to meet the industry’s expected demand.[[38]](#footnote-39) Additionally, New York State lawmakers are working to ensure the success of its cannabis industry. Among various other bills, the state’s recently adopted budget will create tax exemptions for cannabis businesses.[[39]](#footnote-40) These efforts are part of the state’s efforts to ensure that New York’s farms and retailers are at the epicenter of an equitable cannabis industry.

* 1. *Adult-use Cannabis Access in New York City*

In New York City, access to adult-use cannabis is still limited to underground or unlicensed sales.[[40]](#footnote-41) The prevalence of prohibition-era delivery services and other unregulated dealers is how most city residents still purchase marijuana.[[41]](#footnote-42) Despite the more than 50% increase in demand for marijuana during the COVID-19 pandemic,[[42]](#footnote-43) until the state’s licensed retail dispensaries become operational, the grey area of prohibition remains the only source of access to marijuana for many in the city.[[43]](#footnote-44)

* 1. *Other jurisdictions*

Though cannabis is illegal at the federal level, it is legal for adult-use use in 19 states (and Washington, D.C.)[[44]](#footnote-45) and for medical use in 37 states.[[45]](#footnote-46) Most recently, cannabis was legalized in New Jersey and Rhode Island. The process of decriminalization or legalization has differed by state and as cannabis becomes available for adult-use consumption, each state is taking a different approach to regulating this new market.

The most well-known process is California’s, where the roll out of legal adult-use cannabis has led to the development of a robust grey market.[[46]](#footnote-47) According to experts, 80 to 90 percent of the adult-use market in California remains underground.[[47]](#footnote-48) Part of this is attributed to local municipalities’ regulations that prohibit the sale of cannabis.[[48]](#footnote-49) However, the other barrier is the high cost of business, including a limited number of licenses, high taxes, and regulatory costs.[[49]](#footnote-50) In order to remain profitable, many businesses continue to run an unlicensed or “legacy” market.[[50]](#footnote-51) As a result, many California cannabis operators are turning a profit, but small businesses find themselves in competition with both illicit legacy operators and corporate firms that could be backed by private equity or wealthy investors.[[51]](#footnote-52)

Similar to California, in Massachusetts’ market, cannabis is being sold through largely illegal means.[[52]](#footnote-53) In 2020, approximately 68 percent of cannabis sales took place outside of the state-regulated market.[[53]](#footnote-54) Some attribute the robust underground market in Massachusetts to the price and convenience of such cannabis products.[[54]](#footnote-55) The price for legal cannabis is high in the state due to the cost complying with strict regulations on security, testing, packaging and labeling.[[55]](#footnote-56) This also serves as a barrier to entry for minority communities that have historically been the targets of anti-drug policing efforts.[[56]](#footnote-57) The persistence of these barriers leads to the continued operation of a grey market through which unlicensed sales continue.[[57]](#footnote-58) However, recent trends seem to indicate that legal cannabis sales have been rising and in late 2020, experts forecasted that sales would grow 38 percent in 2021.[[58]](#footnote-59)

New Jersey legalized adult-use cannabis in 2022. The state allowed existing medical dispensaries to apply to sell adult-use cannabis first.[[59]](#footnote-60) This allowed for 13 dispensaries to quickly begin selling adult-use cannabis statewide.[[60]](#footnote-61) In New Jersey, a portion of the sales taxes and fees for adult-use cannabis will be dedicated to Black and Latino neighborhoods that have historically been subject to cannabis related arrests.[[61]](#footnote-62) While the state expects the new industry to result in significant numbers of jobs and revenue, it is not relying on sales to New Yorkers since cannabis has also been legalized in New York, and New Jersey products may be less accessible for New Yorkers without personal vehicles.[[62]](#footnote-63)

1. ***Impact on the City Economy***

The legalization of the cannabis industry in New York State has the potential to support the City’s economic recovery from the COVID-19 pandemic. The new market is expected to generate $1.3 billion in industry sales in New York State, and after the industry fully matures, support between 19,000 and 24,000 jobs in New York City.[[63]](#footnote-64) New York State predicts the industry will generate $350 million a year in tax revenues, and up to 60,000 new jobs.[[64]](#footnote-65) A study by the Rockefeller Institute of Government predicts that between 23,700 to 30,700 cannabis-related jobs will likely be created annually.[[65]](#footnote-66)

The city is also developing resources to ensure that the economic benefits generated from the legalization of cannabis are experienced by communities of color. As part of the Mayor’s “Blueprint for New York City’s Economic Recovery,” the Administration proposed $4.8 million in funding to equitably develop the cannabis industry, including launching outreach and community engagement campaigns.[[66]](#footnote-67) These campaigns intend to make New Yorkers aware of opportunities to participate in the industry, provide technical assistance to support applicants navigating the licensing process, and help businesses access financing, pro bono legal services, and marketing assistance.[[67]](#footnote-68)

1. ***Issues and Concerns***
2. *Regulatory Burdens*

Minimizing licensing requirements so that they are not overly burdensome is important to ensure that New Yorkers are able to easily apply and qualify for retail licenses. The initial proposed rules for social and economic equity applications, however, have expansive requirements that will make it difficult for New Yorkers to qualify for a license. These requirements include, but are not limited to:

1. “A list of any charitable contributions by the applicant in the last five years;”
2. “A list of stocks, mutual funds or bonds held by the applicant;”
3. Whether the applicant “has had any state or federal tax liens against any of their property;”
4. “Details of any state or federal, administrative or judicial proceeding in which the applicant or any of the true parties of interest of applicant:
   * 1. pled guilty, pled no contest, conditionally or otherwise, or were, convicted, fined, or the equivalent, or had a registration or license cancelled, suspended or revoked; or
     2. managed or served on the board of a business or nonprofit organization that pled guilty or was convicted, fined, or had a registration or license cancelled, suspended or revoked.”
5. “A copy of each agreement between applicant and any person with a financial interest in the applicant;”
6. “Documentation acceptable to the Office that the applicant will be able to obtain insurance sufficient to indemnify and hold harmless the state and its officers and employees;” and
7. “All sources of funding used to acquire, start, or develop the business for which the license is sought, and documentation concerning the source of the funds and copies of closing documents in connection with such acquisition or development;”[[68]](#footnote-69)

These regulations may make it difficult for previously illegal “legacy” cannabis businesses to enter the legal marketplace. A licensed business comes with high start-up costs, including administrative demands and competition from well-capitalized companies. The costs to open a newly licensed cannabis business can also be high – estimated startup costs to operate in New York range between $500,000 and $1 million.[[69]](#footnote-70) For legacy businesses without official revenues “on the books”, showing annual earnings to qualify for the state license could pose difficulties.[[70]](#footnote-71) Accordingly, legacy businesses may experience tax implications from the Internal Revenue Service by applying for a cannabis license. According to Jason Klimek, a tax lawyer specializing in cannabis, “There’s no statute of limitations on taxes.”[[71]](#footnote-72)

The difficulties that legacy businesses in NYC face in entering the legal marketplace put them at a disadvantage in comparison to some competitors. Businesspeople new to the cannabis industry in New York will enter the marketplace with clean cash and records, and potentially with experience navigating similar regulatory landscapes.[[72]](#footnote-73) Ensuring legacy businesses are able to enter the city cannabis marketplace therefore remains a stated goal of the State’s regulatory efforts.[[73]](#footnote-74) According to Chris Alexander, executive director of the OCM, “If you’re not successful at pulling the legacy market into the legal market, you limit your tax revenue — and the money you can redirect to impacted communities.”[[74]](#footnote-75)

1. *Unlicensed Retail Stores*

While the OCM seeks to establish a regulatory framework for the industry, some retail stores in NYC have already begun selling cannabis products without a license. These stores have taken advantage of the fact that the legalization of cannabis in New York also lowered the penalties for unlawful sales.[[75]](#footnote-76) The state’s legalization of cannabis also made it legal to transfer up to three ounces of cannabis to someone 21 years or older as long as there is no compensation involved. Store owners have therefore begun branding their stores as clubs with membership fees, with workers “gifting” instead of selling cannabis products to customers.[[76]](#footnote-77) Given that these stores are not licensed by the OCM, the State has sent out over 50 cease and desist letters to stores selling cannabis products.[[77]](#footnote-78) A sample letter threatens stores that failure to cease selling cannabis puts the owners’ ability to obtain a legal license at risk.[[78]](#footnote-79)

1. ***Legislative Analysis***

Int. 285 would create an Office of Cannabis Business Services within the Department of Small Business Services (“SBS”).

The responsibilities of that office would include:

(1) monitoring the implementation of regulations pursuant to the cannabis law governing cannabis and cannabis establishments in the city;

(2) establishing citywide social and economic cannabis equity goals at no less than those established under section eighty-seven of the cannabis law;

(3) assisting social and economic equity applicants in applying for a license to operate cannabis establishments in accordance with article four of the cannabis law; and

(4) offering, to the extent permitted under the cannabis law, incentives and programs to social and economic equity applicants in the city.

Int. 504 would add an additional responsibility to the Office of Cannabis Business Services, namely to create and regularly update a directory of active cannabis establishments in the city, identifying where such establishments are operated by social and economic equity applicants and minority- and women-owned business enterprises, and make the directory available on the SBS website.

Int. No. 285

By Council Members Riley, Williams, Stevens, Farías, Nurse, Hanif, Hudson, Menin, Velázquez, Ayala, Restler, Abreu, Krishnan, Avilés, Rivera, Moya, Louis, Gutiérrez, Richardson Jordan and Schulman

A Local Law to amend the New York city charter, in relation to the establishment of an office of cannabis business services

Be it enacted by the Council as follows:

Section 1. Chapter 56 of the New York city charter is amended by adding a new section 1309 to read as follows:

§ 1309 Office of cannabis business services. a. Definitions. As used in this section, the following terms have the following meanings:

Cannabis**.**The term “cannabis” has the same meaning as such term is defined in section three of the cannabis law.

Cannabis control board. The term “cannabis control board” has the same meaning as such term is defined in section three of the cannabis law.

Cannabis establishment. The term “cannabis establishment” means any business engaging in commercial cannabis activity.

Commercial cannabis activity.The term “commercial cannabis activity” means the production, processing, possession, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale of cannabis and cannabis products.

Communities disproportionately impacted. The term “communities disproportionately impacted” has the same meaning as such term is defined in section eighty-seven of the cannabis law.

Social and economic equity applicant. The term “social and economic equity applicant” has the same meaning as such term is defined in section three of the cannabis law.

b. There shall be an office of cannabis business services within the department. The purpose of such office shall be to establish goals and promote equitable ownership and participation in cannabis establishments for individuals who are from communities disproportionately impacted by the enforcement of cannabis prohibition in the city.

c. The responsibilities of the office shall include:

1. monitoring the implementation of regulations pursuant to the cannabis law governing cannabis and cannabis establishments in the city;

2. establishing citywide social and economic cannabis equity goals at no less than those established under section eighty-seven of the cannabis law;

3. assisting social and economic equity applicants in applying for a license to operate cannabis establishments in accordance with article four of the cannabis law; and

4. offering, to the extent permitted under the cannabis law, incentives and programs to social and economic equity applicants in the city.

d. The office shall offer the following incentives and programs for social and economic equity applicants, to the extent permitted under the cannabis law:

1. legal and technical advice;

2. a subsidized loan program or programs;

3. assistance in identifying appropriate commercial locations including affordable retail space; and

4. any other benefit or mechanism that the office believes will further the purpose of an equity program.

e. One year from the enactment of this local law and every six months thereafter, the commissioner shall submit a report to the mayor and the council on matters relating to the status of commercial cannabis activity within the city. Such report shall include, but shall not be limited to, the total number of cannabis establishments, total local tax revenue collected from such establishments, the participation of social and economic equity applicants in cannabis establishments, and the impact of cannabis legalization on public safety, land use, environmental protection, health, consumer protection and social justice. Such report shall also include an evaluation of the social and economic equity incentives and programs offered by the office of cannabis business services and recommendations for improvement.

§ 3. This local law takes effect immediately.

Session 12

XC

LS #8473

4/15/22 2:20pm

Session 11

CK/ARP

LS # 7854-8015

09/28/21

Int. No. 504

By Council Members Rivera, Hudson, Joseph, Nurse and Gutiérrez

A Local Law to amend the New York city charter, in relation to a cannabis business directory

Be it enacted by the Council as follows:

Section 1. Subdivision c of section 1309 of chapter 56 of the New York city charter, as added by a local law to amend the New York city charter, in relation to the establishment of an office of cannabis business services, is amended to read as follows:

c. The responsibilities of the office shall include:

1. monitoring the implementation of regulations pursuant to the cannabis law governing cannabis and cannabis establishments in the city;

2. establishing citywide social and economic cannabis equity goals at no less than those established under section eighty-seven of the cannabis law;

3. assisting social and economic equity applicants in applying for a license to operate cannabis establishments in accordance with article four of the cannabis law; [and]

4. offering, to the extent permitted under the cannabis law, incentives and programs to social and economic equity applicants in the city; and

5. creating and regularly updating a directory of all active cannabis establishments in the city, indicating where cannabis establishments are operated by social and economic equity applicants; where such establishments are businesses certified as minority or women-owned enterprises pursuant to section thirteen hundred four of the charter; and making such directory available to the public on the department’s website.

§ 2. This local law takes effect at the same time as a local law to amend the New York city charter, in relation to the establishment of an office of cannabis business services.

Session 12

ARP

LS #7928/8110

5/24/22

1. *Marijuana Reform in New York*, Drug Policy Alliance. *Available at*: <https://drugpolicy.org/new-york/marijuana-reform>. [↑](#footnote-ref-2)
2. *The War on Drugs: History, Policy, and Therapeutics*, Rebecca Crown Library, Dominican University, Last updated on April 5, 2022. *Available at:* <https://drugpolicy.org/new-york/marijuana-reform>. [↑](#footnote-ref-3)
3. *Id.* [↑](#footnote-ref-4)
4. *Id.* [↑](#footnote-ref-5)
5. Jonathan Wolfe, “*New York Today: A Cultural History of Marijuana*”, The New York Times. (Feb. 5, 2018) *available at:* <https://www.nytimes.com/2018/02/05/nyregion/new-york-today-marijuana-history.html>. [↑](#footnote-ref-6)
6. Gabriel Sayegh, *“New York City’s Massive Marijuana Arrests”,* The Huffington Post. (May 25, 2011) *available at:* <https://www.huffpost.com/entry/new-york-citys-massive-ma_b_269384>. [↑](#footnote-ref-7)
7. *Id.* [↑](#footnote-ref-8)
8. *Id.* [↑](#footnote-ref-9)
9. *See* Marijuana Reform in New York, *supra* note 1. [↑](#footnote-ref-10)
10. *See* S864A/A1248A *available at* <https://www.nysenate.gov/legislation/bills/2021/S854>. [↑](#footnote-ref-11)
11. *See* N.Y. Canbs § 8. [↑](#footnote-ref-12)
12. This discrepancy is well-documented. *See* Andrew Golub, et al., *The Race/Ethnicity Disparity in Misdemeanor Marijuana Arrests in New York City*, 6 Criminology & Public Policy 131 (2007) (Finding that in New York City between 1980 and 2003, most smoking marijuana in public view arrestees had been black or Hispanic, and that black and Hispanic arrestees were more likely to be detained prior to arraignment, convicted, and sentenced to jail than their white counterparts.); *see also* Benjamin Mueller, *Using Data to Make Sense of a Racial Disparity in NYC Marijuana Arrests*, The New York Times. (May 13, 2018) *Available at*: <https://www.nytimes.com/2018/05/13/insider/data-marijuana-arrests-racial-disparity.html>. [↑](#footnote-ref-13)
13. *See* Results from the 2016 National Survey on Drug Use and Health: Detailed Tables, Table 1.29B, <https://www.samhsa.gov/data/sites/default/files/NSDUH-DetTabs-2016/NSDUH-DetTabs-2016.pdf> (Illicit drug use in 2016, for those aged 18-25, by race: White: 61.4; Black or African American: 52.4; Hispanic or Latino: 51.1). [↑](#footnote-ref-14)
14. These cities are San Francisco, Los Angeles, Sacramento, and Oakland. [↑](#footnote-ref-15)
15. *See* Massachusetts Cannabis Control Commission, “Equity Programs” https://masscannabiscontrol.com/equity-programs/ (*last accessed* Jun 21, 2022). [↑](#footnote-ref-16)
16. *See* Women & Minorities in the Marijuana Industry, Marijuana Business Daily (2017), *available at* <https://mjbizdaily.com/wp-content/uploads/2017/10/Women-and-Minorities-Report.pdf>. [↑](#footnote-ref-17)
17. *See id*. [↑](#footnote-ref-18)
18. N.Y. Canbs § 12(1)-(2). [↑](#footnote-ref-19)
19. N.Y. Canbs § 87(1), (4). [↑](#footnote-ref-20)
20. *See id.* [↑](#footnote-ref-21)
21. N.Y. Canbs § 87(4). [↑](#footnote-ref-22)
22. *Id.* [↑](#footnote-ref-23)
23. Jaime Lowe, “*New York’s Weed Rush Is Here. They Came to Cash In*.”, The New York Times. (June 1, 2022) *Available at:* <https://www.nytimes.com/2022/06/01/magazine/new-york-cannabis-business.html>. [↑](#footnote-ref-24)
24. *Id.* [↑](#footnote-ref-25)
25. *Id.* [↑](#footnote-ref-26)
26. *Id.* [↑](#footnote-ref-27)
27. Kyle Jaeger, “*New York Regulators Approve More Marijuana Cultivators As State Prepares To Launch Retail Sales ‘This Year”*, Marijuana Moment. (May 5, 2022) *available at*: <https://www.marijuanamoment.net/new-york-regulators-approve-more-marijuana-cultivators-as-state-prepares-to-launch-retail-sales-this-year/>. [↑](#footnote-ref-28)
28. *See* New York’s Weed Rush is Here, *supra* note 23. [↑](#footnote-ref-29)
29. *See id*; *see also* Jesse McKinley & Grace Ashford, *“New Yorkers With Marijuana Convictions Will Get First Retail Licenses”,* The New York Times. (Mar. 9, 2022) *available at*: <https://www.nytimes.com/2022/03/09/nyregion/marijuana-sellers-licenses-hochul.html>. [↑](#footnote-ref-30)
30. Jesse McKinley, *“Selling Marijuana on Tribal Lands, a Legal Gray Area*”, The New York Times. (Sept. 27, 2021) *available at:* <https://www.nytimes.com/2021/09/23/nyregion/new-york-marijuana-regulations.html>. [↑](#footnote-ref-31)
31. *Id.* [↑](#footnote-ref-32)
32. *Id.* [↑](#footnote-ref-33)
33. *See* New York Regulators Approve More Marijuana Cultivators, *supra* note 27. [↑](#footnote-ref-34)
34. Ben Gilbert, *“The first legal marijuana farmers in New York are growing for opening season, but still don’t know where they’re going to sell it”,* Business Insider. (May 25, 2022) *available at*: <https://www.businessinsider.com/ny-weed-farmers-do-not-know-where-they-will-sell-2022-5>. [↑](#footnote-ref-35)
35. *Id.* [↑](#footnote-ref-36)
36. *Id.* [↑](#footnote-ref-37)
37. Kyle Jaeger, *“New York Regulators Approve First Round of Marijuana Cultivation Licenses And Revise Medical Cannabis Home Grown Rules”,* Marijuana Moment, (Apr. 14, 2022) *available at:* <https://www.marijuanamoment.net/new-york-regulators-approve-first-round-of-marijuana-cultivation-licenses-and-revise-medical-cannabis-home-grow-rules/>. [↑](#footnote-ref-38)
38. *Id.* [↑](#footnote-ref-39)
39. Dustin Dorsino & Jeffrey Scheer, *“New York’s 2023 Budget Will Provide State Tax Relief to Cannabis Businesses”*, JD Supra, (June 22, 2022) *available at* <https://www.jdsupra.com/legalnews/new-york-s-2023-budget-will-provide-2458714/>. [↑](#footnote-ref-40)
40. *See* New York’s Weed Rush Is Here, *supra* note 23. [↑](#footnote-ref-41)
41. *See id*. [↑](#footnote-ref-42)
42. Patricia Alfonso Tortolani, “*Why the Pandemic Was a Breakout Moment for the Cannabis Industry*”, The New York Times. (May 31, 2021) *available at:* <https://www.nytimes.com/2021/05/31/business/cannabis-marijuana-industry-pandemic-dispensaries.html>. [↑](#footnote-ref-43)
43. *See* New York’s Weed Rush Is Here, *supra* note 23. [↑](#footnote-ref-44)
44. Michael Hartman, “*Cannabis Overview*”, Nat’l Conference of State Legislatures, (May, 31, 2022) *available at:* <https://www.ncsl.org/research/civil-and-criminal-justice/marijuana-overview.aspx>. [↑](#footnote-ref-45)
45. *See* New York’s Weed Rush Is Here, *supra* note 23. [↑](#footnote-ref-46)
46. Amanda Chicago Lewis, “*California legalized weed five years ago. Why is the illicit market still thriving?*” The Guardian, (Nov. 2, 2021) *available at:* <https://www.theguardian.com/us-news/2021/nov/02/california-legal-weed-cannabis-industry-economy>. [↑](#footnote-ref-47)
47. *Id.* [↑](#footnote-ref-48)
48. *Id.* [↑](#footnote-ref-49)
49. *Id.* [↑](#footnote-ref-50)
50. *Id.* [↑](#footnote-ref-51)
51. *Id.* [↑](#footnote-ref-52)
52. Shira Schoenberg, “*Black Market May Be Marijuana Legalization’s Biggest Challenge*”, CommonWealth. (Nov. 29, 2020) *available at:* <https://commonwealthmagazine.org/marijuana/black-market-may-be-marijuana-legalizations-biggest-challenge/>. [↑](#footnote-ref-53)
53. *Id.* [↑](#footnote-ref-54)
54. *Id.* [↑](#footnote-ref-55)
55. *Id.* [↑](#footnote-ref-56)
56. Bob Flaherty, “*FIVE YEARS LEGAL: Marijuana has gone corporate, so why does the black market game continue to flourish?*” ValleyAdvocate, (Jan. 27, 2022) *Available at:* <https://valleyadvocate.com/2022/01/27/five-years-legal-marijuana-has-gone-corporate-so-why-does-the-black-market-game-continue-to-flourish/>. [↑](#footnote-ref-57)
57. *Id.* [↑](#footnote-ref-58)
58. *See* Black Market May Be Marijuana Legalization’s Biggest Challenge, *supra* note 52. [↑](#footnote-ref-59)
59. Gina Cherelus, “*No, New Yorkers Aren’t Flocking to New Jersey for Legal Weed*”, The New York Times, (Apr. 28, 2022) *available at:* <https://www.nytimes.com/2022/04/27/style/nj-ny-marijuana-sales.html>. [↑](#footnote-ref-60)
60. *Id.* [↑](#footnote-ref-61)
61. Corey Kilgannon, Justin Morris and Sean Piccoli, “*Early Lines and Free Doughnuts: Legal Marijuana Sales Begin in New Jersey*”, The New York Times, (Apr. 21, 2022) *available at:* <https://www.nytimes.com/2022/04/21/nyregion/nj-marijuana-sales.html>. [↑](#footnote-ref-62)
62. Many New Jersey dispensaries are not near public transit stations that would be accessible from New York. *See No,* New Yorkers Aren’t Flocking to New Jersey for Legal Weed, *supra* note 59. [↑](#footnote-ref-63)
63. “*Rebuild, Renew, Reinvent: A Blueprint for New York City’s Economy Recovery*,” City of New York, *available at*: <https://www1.nyc.gov/assets/home/downloads/pdf/office-of-the-mayor/2022/Mayor-Adams-Economic-Recovery-Blueprint.pdf> [↑](#footnote-ref-64)
64. Ben Popken, “*N.Y. pot legalization could create $3.5 billion impact and 60,000 jobs*”, NBC News, March 31, 2021, *available at*: <https://www.nbcnews.com/business/business-news/n-y-pot-legalization-could-create-3-5-billion-impact-n1262679> [↑](#footnote-ref-65)
65. Laura Schultz, “*The Economic Impact of Developing the Adult-Use Cannabis Industry in New York*”, Rockefeller Institute of Govt., April 25, 2019, *available at* <https://rockinst.org/issue-area/the-economic-impact-of-developing-the-adult-use-cannabis-industry-in-new-york/> [↑](#footnote-ref-66)
66. “*Mayor Adams Announces Steps to Welcome Equitable Cannabis Economy to New York City*”, City of New York, April 20, 2022, *available at* <https://www1.nyc.gov/office-of-the-mayor/news/225-22/mayor-adams-steps-welcome-equitable-cannabis-economy-new-york-city>; *see also* Rebuild, Renew, Reinvent: A Blueprint for New York City’s Economy Recovery, *supra* note 63. [↑](#footnote-ref-67)
67. *Id*. [↑](#footnote-ref-68)
68. Cannabis Control Board, “Part 116: Conditional Adult Use Retail Dispensary,” *available at* <https://cannabis.ny.gov/system/files/documents/2022/03/part_116_caurd_regulations_031022.pdf> [↑](#footnote-ref-69)
69. Margot Boyer-Dry, “*They Have Sold Pot for years. Now They Want to Go Legal. Can They?*” The New York Times, (May 11, 2022) *available at*: <https://www.nytimes.com/2022/05/11/nyregion/marijuana-legalization-nyc.html> [↑](#footnote-ref-70)
70. *Id.* [↑](#footnote-ref-71)
71. *Id.* [↑](#footnote-ref-72)
72. *Id.* [↑](#footnote-ref-73)
73. *Id.* [↑](#footnote-ref-74)
74. *Id.* [↑](#footnote-ref-75)
75. Caroline Lewis, “*Unlicensed marijuana dispensaries multiply in New York City despite warnings from state regulators*”, Gothamist, April 4, 2022, *available at* <https://gothamist.com/news/unlicensed-marijuana-dispensaries-multiply-in-new-york-city-despite-warnings-from-state-regulators> [↑](#footnote-ref-76)
76. *Id.* [↑](#footnote-ref-77)
77. *Id.* [↑](#footnote-ref-78)
78. *Id.* [↑](#footnote-ref-79)