Consumer Affairs and Business Licensing Committee

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**THE COUNCIL OF THE CITY OF NEW YORK**

**COMMITTEE REPORT OF THE**

**GOVERNMENTAL AFFAIRS DIVISION**

*Jeffrey Baker, Legislative Director*

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**COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS LICENSING**

*Hon. Rafael L. Espinal, Chair*

**PROPOSED RES. NO. 734-A**: By The Speaker (Council Member Johnson) and Council Members Cumbo and Lander

**TITLE:** Resolution calling on the New York State legislature to ensure that any law passed to legalize the market for the adult use of cannabis allows the City to enact its own regulatory measures on issues unique to its location including the home delivery and cultivation of cannabis in New York City..Title

**PROPOSED RES. NO. 737-A**: By Council Members Cumbo, Ampry-Samuel and Lander

**TITLE:** Resolution calling on the New York State legislature to pass legislation that grants New York City agencies the authority to regulate local licensing of the adult-use cannabis market in the City

**RES. NO. 738**: By Council Members Kallos, Ampry-Samuel and Lander

**TITLE:** Resolution calling upon the New York State Legislature to pass, and the Governor to sign, legislation prohibiting vertical integration and promoting small business growth in the recreational marijuana industry

**PROPOSED RES. NO. 741-A**: By Council Members Levin and Cumbo

**TITLE:** Resolution calling on the New York State Legislature to introduce and pass and for the Governor to sign legislation that prioritizes individuals with prior marijuana convictions in issuing licenses to sell recreational marijuana and requires other applicants for marijuana licenses to support the hiring of such individuals

**RES. NO. 744**: By Council Members Miller, Richards, Levin, Adams, Moya, Cumbo and Lander

**TITLE:** Resolution calling on the Legislature to pass and the Governor to sign a bill that remedies disparate burdens placed on people of color in the enforcement of marijuana prohibition by reinvesting tax revenue generated from legal marijuana in their communities and encouraging their participation in the legal marijuana industry

1. **INTRODUCTION**

On March 27, 2019 the Committee on Consumer Affairs and Business Licensing, chaired by Council Member Rafael Espinal, will vote on five resolutions: Proposed Resolution Number 734-A (Res. 734-A), calling on the New York State legislature to ensure that any law passed to legalize the market for the adult use of cannabis allows the City to enact its own regulatory measures on issues unique to its location including the home delivery and cultivation of cannabis in New York City;..Title

Proposed Resolution Number 737-A (Res. 737-A), calling on the New York State legislature to pass legislation that grants New York City agencies the authority to regulate local licensing of the adult-use cannabis market in the City; Resolution Number 738 (Res. 738), calling upon the New York State Legislature to pass, and the Governor to sign, legislation prohibiting vertical integration and promoting small business growth in the recreational marijuana industry; Proposed Resolution Number 741-A (Res. 741-A), calling on the New York State Legislature to introduce and pass and for the Governor to sign legislation that prioritizes individuals with prior marijuana convictions in issuing licenses to sell recreational marijuana and requires other applicants for marijuana licenses to support the hiring of such individuals; and Resolution Number 744 (Res. 744), calling on the Legislature to pass and the Governor to sign a bill that remedies disparate burdens placed on people of color in the enforcement of marijuana prohibition by reinvesting tax revenue generated from legal marijuana in their communities and encouraging their participation in the legal marijuana industry. The Committee previously heard testimony on these resolutions on February 27, 2019 at a joint hearing with the Committees on Public Safety, Justice System, and Civil and Human Rights.

1. **BACKGROUND**

In January 2018, Governor Andrew Cuomo directed the Department of Health (DOH) to conduct a study to determine the “health, economic, and criminal justice impacts” of regulated recreational marijuana.[[1]](#footnote-1) The report found that the benefits of a regulated recreational marijuana market outweighed the potential negative aspects, and that a program to legalize marijuana would allow New York to “better control licensing, ensure quality control and consumer protection, and set age and quantity restrictions”.[[2]](#footnote-2) Governor Cuomo’s subsequent call to legalize marijuana was joined by Mayor Bill De Blasio, who released a report advocating for legalization and robust local authority over cannabis regulation.[[3]](#footnote-3) In light of the potential changes to state law, the resolutions being voted on by the Committee call for City control over a legalized marijuana industry.

Any effort to legalize recreational marijuana would be required to set uniform protocols for age restrictions, potency levels, and other health and safety concerns. However, at the municipal level, there will likely be a range of unique challenges shaped by regional differences that might be best addressed through local policy. Many consider it vital that New York State legislation authorize local governments to regulate some aspects of marijuana reform. In his budget proposal, Governor Cuomo acknowledged that counties across the State may have differing opinions on the legalization of recreational marijuana. As such, he proposed an ‘opt-out’ provision that would grant counties with populations greater than 100,000 the ability to ban the sale of recreational marijuana.[[4]](#footnote-4) The counties of Nassau, Suffolk, Genesee, and Chautauqua have all indicated that they would apply the ban.[[5]](#footnote-5)

The unique characteristics of New York City make local regulations and oversight, sensible and necessary. For example, New York is the most populated city in the Country with a density level of 27,000 people per square mile.[[6]](#footnote-6) In comparison, New York State’s population density is only 421 people per square mile.[[7]](#footnote-7) Policy questions about practices such as home cultivation, and smoking in public and even private spaces present very different challenges in rural and suburban counties as compared to New York City. Clearly, a New Yorker who chooses to smoke or grow marijuana in their outdoor space such as a shared garden, rooftop or stoop will face far different challenges than the New Yorker who undertakes such activity in a less populated upstate county.

The City has an additional challenge of assessing what enforcement strategies are necessary to balance public safety and racial equity, considering the decades of racial disparities that exist in enforcement. According to the Drug Policy Alliance, in states where marijuana has been legalized, racial disparities still persist in arrest despite similar rates of use across race and ethnicity.[[8]](#footnote-8) The City should be given the ability to make policy that could remedy the negative impacts of the war on drugs and provide economic opportunity to those who have suffered most from criminalized marijuana.

The City currently has authority over similar policy areas related to tobacco sales and consumption. For example, in order to be compliant with a federal mandate that requires all public housing to be smoke-free, the New York City Housing Authority (NYCHA) has implemented rules regarding smoking in its developments. NYCHA is required to enforce the federal smoking ban and so has prohibited the use of cigarettes and other tobacco devices from NYCHA’s indoor common areas, housing units and administration offices, and outdoors within 25 feet of a NYCHA building.[[9]](#footnote-9)

Local regulatory authority would also provide consistency by paralleling the City’s approach and ability to govern the regulation of tobacco products and electronic cigarettes. Although there is a plethora of State laws that regulate tobacco use and sales across the state of New York, the City’s ability to create legislation in response to city-specific issues allows for a more nuanced approach to tobacco regulations. For example, to prevent the concentration of tobacco retailers in particular neighborhoods, New York City has capped the number of tobacco and electronic cigarette retailer licenses according to each community district.[[10]](#footnote-10) Any New York State laws enacted to govern recreational marijuana should similarly empower the City’s legislators to create specifically tailored rules and regulations.

Consumer attitudes in New York City also differ from those in other parts of the State. In the City, residents can make use of delivery services that are able to provide door-to-door delivery of everything from groceries, alcohol, and laundry, to make-up services, chicken-hatching eggs, and condoms.[[11]](#footnote-11) It will therefore be important for the City to be able to monitor the delivery of recreational marijuana within the City’s limits, in accordance with State age restrictions and consumer expectations.

The City’s Department of Consumer Affairs (DCA) currently licenses more than 81,000 business and more than 50 industries across the five boroughs.[[12]](#footnote-12) It is also the City’s foremost consumer protection agency, tasked with enforcement powers relating to false advertising, deceptive trade practices and weights and measures. Empowering DCA or other relevant City agencies to license recreational marijuana businesses in New York City may be the most efficient way to address the hyper-localized issues likely to occur once marijuana is legalized by the State, and allowing the City to maintain a culture of compliance and a marketplace free from predatory practices.[[13]](#footnote-13)

Empowering DCA, Small Business Services (SBS), and other relevant City agencies with the authority to regulate the sale, consumption and cultivation of recreational marijuana may also help the City address some of the previous injustices caused by the criminalization of marijuana. Black and brown communities in New York City have been disproportionally targeted by prior marijuana enforcement efforts and these communities have continued to be harmed by the collateral consequences of these policies. In order to alleviate some of these harms and rectify the injustice, these communities should be given first preference when it comes to establishing the new legal industry. Creating a priority scheme for those who may engage in the production, sale, and distribution of marijuana that would give preference to those with prior marijuana convictions would help ensure that the entrepreneurial opportunities provided by legalization are given to those populations that have been negatively impacted by the decades-old war on drugs.

Through the Mayor’s Office of Minority and Women-owned Business Enterprises (M/WBE) in partnership with the Mayor’s Office of Contract Services and SBS, the City has already established programs to help support M/WBEs. Therefore, SBS should be empowered to establish specific small business initiatives that would utilize the rollout of legalized recreational marijuana to foster economic redress for communities in New York City affected by prior criminalization. Similar social equity programs have been rolled out in Oakland, after California legalized recreational marijuana in 2016.[[14]](#footnote-14)

1. **LEGISLATIVE ANALYSIS**

**Res. 734-A**

This resolution calls on State legislation to empower New York City to enact its own statutory measures so that the adult use of cannabis can be regulated according to the specific needs of the City. New York City’s density and urban environment differs greatly from other parts of the State and thus pose unique challenges to recreation marijuana cultivation and home delivery, for example, that are best regulated at a local level.

**Res. 737-A**

This resolution calls on the State to convey local licensing authority to New York City agencies. Once the market for adult-use cannabis is legalized at the State level, there will be a range of licensing issues related to the sale, consumption and distribution of marijuana. New York City’s local agencies, such as the Departments of Consumer Affairs, Small Business Services, Buildings, Environmental Protect, Health and Mental Health and the Fire Department all have regulatory authority over parallel issues. Therefore, similar powers should be available to the City once recreational marijuana is legalized.

**Res. 738**

This resolution calls on the state to pass legislation that would ban vertical integration, whereby a single entity controls ownership of each stage of the supply chain and can limit competition within an industry. The state should cap the number of licenses available to a single entity in order to promote small business growth.

**Res. 741-A**

This resolution calls on State legislation to legalize recreational marijuana prioritize individuals with prior marijuana convictions when issuing licenses. The criminalization of marijuana has had a marked effect on communities of color who have faced a range of detrimental effects due to the consequences of this policy. Giving these individuals the first opportunity to capitalize on a new, legal, recreational marijuana market would be a first step in rectifying part of this injustice.

**Res. 744**

This resolution calls on the state to pass equity legislation that would remedy disparate burdens placed on people of color by reinvesting the tax revenue generated from legal marijuana in the communities most harmed by the war on drugs and encouraging their participation in the legal marijuana industry.

Proposed Res. No. 734-A

Resolution calling on the New York State legislature to ensure that any law passed to legalize the market for the adult use of cannabis allows the City to enact its own regulatory measures on issues unique to its location including the home delivery and cultivation of cannabis in New York City..Title

..Body

By The Speaker (Council Member Johnson) and Council Members Cumbo and Lander

Whereas, The New York legislature is poised to pass landmark legislation legalizing the adult-use cannabis market across the State; and

Whereas, Although it will be vital to centralize regulatory oversight of “non-medical” cannabis across New York state to ensure uniform standards regarding health and safety, the law should also grant localities the authority to regulate policy areas that are unique to their locations; and,

Whereas, Across the State there are differing attitudes towards legalizing adult-use cannabis market; and,

Whereas, Recognizing this, in his budget address, Governor Cuomo indicated that his plan for legalization of the adult-use cannabis market would allow counties with populations over 100,000 to ban the retail sale of cannabis; and,

Whereas, As such, political leaders from Suffolk, Nassau, Chautauqua and Genesee counties have all indicated that they will consider utilizing the opt-out provision; and,

Whereas, Measures such as this will enable municipal governments to regulate aspects of adult-use cannabis market in accordance with the interests of their local jurisdiction; and,

Whereas, Given its distinctive characteristics when compared to other parts of the State, such powers are especially important to New York City; and,

Whereas, The population density of New York State is 421 people per square mile, while New York City has the highest population density of any city in the Country with more than 27,000 people per square mile; and,

Whereas, New York City also hosts a high concentration of tourists – close to 63 million in 2017, and if the adult-use cannabis market is legalized in New York State, the City has an obligation to both educate tourists on the laws and also protect their rights as consumers; and,

Whereas, As such, once the adult-use cannabis market is legalized, New York City will likely face unique regulatory issues that differ markedly from those faced by other State locations; and,

Whereas, For example, the City’s density and urban environment pose serious challenges when determining appropriate spaces for cannabis cultivation; and,

Whereas, cannabis is an energy-intensive crop, often requiring constant indoor lighting and heating rigs, ventilation systems and water; and,

Whereas, In addition to creating potential fire hazards, cultivation sites could put a huge strain on the City’s utilities and sanitation systems; and,

Whereas, The legalization of the adult-use cannabis market will also act as a catalyst for other regulatory issues that are distinctive to New York City; and,

Whereas, For instance, unlike other parts of the State, City residents commonly use delivery services that provide everything from groceries, alcohol and laundry to make-up services, chicken-hatching eggs, and condoms directly to their residences; and,

Whereas, Therefore, the attitudes, expectations and behavior of consumers in New York City differs widely from those in other parts of the State; and,

Whereas, New York City’s urban environment, the sheer size of its population and their unique consumer behaviors means that a legal adult-use cannabis market poses specific challenges for the City; and,

Whereas, To ensure that New York City can continue to balance the competing and complex needs of its residents, business groups, and consumers, the City’s agencies should be granted powers to regulate the adult-use cannabis market at the local level; now, therefore, be it

Resolved, That the New York State legislature ensure that any law passed to legalize the market for the adult use of cannabis allows the City to enact its own regulatory measures on issues unique to its location including the home delivery and cultivation of cannabis in New York City...Title

LS #9495

3/19/19

LMS

Proposed Res. No. 737-A

Resolution calling on the New York State legislature to pass legislation that grants New York City agencies the authority to regulate local licensing of the adult-use cannabis market in the City

..Title

..Body

By Council Members Cumbo, Ampry-Samuel and Lander

Whereas, Legalizing the marketplace for the general adult (non-medical) use of cannabis is a major priority for the New York State legislature; and,

Whereas, The New York City Council supports this policy change particularly because the City’s black and brown communities have been disproportionately harmed by the effects of cannabis criminalization; and,

Whereas, Establishing state-wide regulations to ensure consistency with regard to age restrictions, potency levels, and other health and safety concerns is paramount; and,

Whereas, However, New York City should also be empowered to make local licensing laws regarding the adult-use cannabis market, in parallel with the City’s current authority over business licensing; and,

Whereas, The City’s sheer population size, in addition to the 60 million or so tourists that visit each year, means that the New York City market for the general, non-medical use of cannabis could potentially be the biggest in the State; and,

Whereas, While this presents an enormous business opportunity, the City will want to protect against unintended consequences; and,

Whereas, For example, when ride-hailing services such as Uber and Lyft came to New York City, they greatly increased travel options for the City’s residents; and,

Whereas, While this was a welcomed development for consumers, the services also had negative consequences as the sudden expansion of for-hire vehicles and the increased competition for taxi companies quickly impacted the value of taxi medallions and take-home pay for drivers; and,

Whereas, One of the measures enacted by the City Council in order to mitigate these adverse effects is a cap on the number of licenses for ride-hailing services; and,

Whereas, The City has implemented similar restrictions on street vendors, to protect sidewalks from becoming overly congested; and,

Whereas, To prevent the concentration of tobacco retailers in particular neighborhoods, the City has also capped the number of tobacco and electronic cigarette retailer licenses according to each community district; and,

Whereas, Given the City’s density, similar restrictions on the licenses for adult-use cannabis sales may need to be implemented so that certain areas are not oversaturated; and,

Whereas, However, the City will also want to balance these restrictions with the potential for redress that legalization of the cannabis market can offer; and,

Whereas, Communities of color in New York City have been particularly harmed by the criminalization of cannabis; and,

Whereas, In order to alleviate some of these harms and rectify the injustice, these communities should be given first preference when it comes to establishing the new, legal industry; and,

Whereas, New York City has established programs to help support minority- (and women-) owned business enterprises (M/WBEs) through the Mayor’s Office of M/WBEs in partnership with the Mayor’s Office of Contract Services and the Department of Small Business Services and may consider similar programs in relation to communities benefiting from the cannabis industry; and,

Whereas, As one of the most diverse cities in the Country, New York City has an obligation to ensure that the business opportunities on offer are accessible to the broadest range of residents; and,

Whereas, Therefore, the Department of Small Business Services could benefit the equitable growth of the industry by providing tools to new business owners in this new industry to foster economic redress for communities in New York City affected by prior criminalization; and,

Whereas, New York City’s dense and diverse population, in addition to its large number of tourists means that the impending legalization of the adult-use cannabis market cannabis is enormous; and,

Whereas, As with all capitalist ventures of this size, the money-making potential brings with it the possibility of widespread exploitation and corruption if appropriate systems and regulations are not developed and enforced; and,

Whereas, The City’s Department of Consumer Affairs, which currently licenses more than 81,000 business and more than 50 industries in the City, is also tasked with enforcement powers relating to false advertising, deceptive trade practices and weights and measures; and,

Whereas, It can be expected that a legal adult-use cannabis market will affect all of these areas and therefore may require similar City oversight; and,

Whereas, Once cannabis is legalized for general adult use, its consumption in commercial venues such as bars, clubs, restaurants and sidewalk cafes will also need to be considered; and,

Whereas, In a densely populated city, these venues already provoke a variety of competing interests including the commercial interests of the owner, the recreational needs of the consumer and residents’ desire for quiet, livable streets; and,

Whereas, Currently, nightlife venues and commercial hospitality spaces have to adhere to a range of City-specific zoning laws and building codes; and,

Whereas, Indoor venues are regularly inspected by the Fire Department, the Department of Buildings and, if food is served on the premises, the Department of Health and Mental Health and Mental Hygiene; and,

Whereas, Meanwhile, sidewalk cafes are governed by a range of different rules that are administered by a raft of City agencies including the Departments of City Planning, Buildings, Environmental Protection, and Consumer Affairs, and the Landmarks Preservation Commission; and,

Whereas, The Community Board and Local Council Member for the area that will house the sidewalk cafe, in addition to the Council Speaker, also have some authority over this issue; and,

Whereas, This current decentralized licensing model gives the City a useful framework to address the unique characteristics of New York City; and,

Whereas, The hyper-localized issues that the City will face after the general adult-use cannabis market is legalized will be drastically impacted by its diversity, density and raft of competing needs; and,

Whereas, However, the City’s agencies are well-equipped to tackle these challenges; and,

Whereas, To ensure that New York City can continue to balance the competing and complex needs of its residents, business groups, and consumers, the City’s agencies should be granted powers to regulate adult-use cannabis market; now, therefore, be it

Resolved, That the New York State legislature pass legislation that grants New York City agencies the authority to regulate local licensing of the adult-use cannabis market in the City.

LS #8493

3/19/19

LMS

Res. No. 738

..Title

Resolution calling upon the New York State Legislature to pass, and the Governor to sign, legislation prohibiting vertical integration and promoting small business growth in the recreational marijuana industry.

..Body

By Council Members Kallos, Ampry-Samuel and Lander

Whereas, In January 2018, Governor Cuomo launched a multi-agency taskforce, headed by the New York Department of Health, to study the legalization of recreational marijuana; and

Whereas, In July 2018, the taskforce reported its findings to the public and recommended legalizing marijuana for recreational purposes, concluding that the positive impacts of a regulated marijuana market in the state outweigh the potential negatives; and

Whereas, Governor Cuomo launched a working group to draft legislation to legalize the use of marijuana for recreational purposes following the release of the taskforce’s findings; and

Whereas, In legalizing recreational marijuana New York State has the opportunity to establish regulatory and licensing schemes that provide individuals of diverse economic backgrounds with meaningful access to market participation in the marijuana industry; and

Whereas, Vertical integration of an economic market, whereby a single entity controls ownership of each stage of the supply chain, can limit competition within an industry; and

Whereas, Permissive regulations that allow vertical integration to thrive present an increased risk of a single entity monopolizing a market, manipulating prices, and preventing small-scale competitors from fair market participation; and

Whereas, Other States have taken steps to limit vertical integration in the recreational marijuana market to prevent the industry from being dominated by politically and financially powerful businesses; and

Whereas, Establishing a recreational marijuana regulatory scheme that creates licenses for each stage within the supply chain, such as production, distribution, and retail, and limits the number of different licenses a single entity can obtain will prevent large-scale entities from dominating the recreational marijuana market; and

Whereas, Along with regulations that prevent vertical integration in the recreational marijuana industry, clear exceptions should be made for small-scale producers in order to promote a favorable environment for small business participation and ensure low barriers of entry for individuals with less access to capital and financing; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to pass, and the Governor to sign, legislation prohibiting vertical integration and promoting small business growth in the recreational marijuana industry.

JDK

LS #9944

2/8/19

Proposed Res. No. 741-A

..Title

Resolution calling on the New York State Legislature to introduce and pass and for the Governor to sign legislation that prioritizes individuals with prior marijuana convictions in issuing licenses to sell recreational marijuana and requires other applicants for marijuana licenses to support the hiring of such individuals.

..Body

By Council Members Levin and Cumbo

Whereas, Historically, state and local enforcement of marijuana or “marijuana” laws have been strikingly unequal, with low-income communities of color shouldering the brunt of marijuana enforcement, to their great detriment; and

                     Whereas, According to various sources, enforcement of New York State marijuana laws have disproportionately affected African-American and Latino communities, and both nationally and locally, these arrests have reinforced the perception that law enforcement is biased and prejudiced against minorities; and

Whereas, In 2017, there were reportedly 16,925 arrests made and 21,024 summonses issued in New York City for low level marijuana possession, which overwhelmingly occurred in communities of color; and

Whereas, In New York City, enforcement policies have been amended to move further away from criminalizing the low-level possession and use of marijuana; and

                     Whereas, As of September 2018, the New York City Police Department committed to issuing criminal summons in lieu of arrests for the majority of persons found smoking marijuana in public; and

Whereas, In July of 2014, Governor Andrew M. Cuomo and the New York State Legislature enacted the Compassionate Care Act legalizing the cultivation, production, distribution, sale, and possession of marijuana for medical use in New York; and

Whereas, In December of 2018, Governor Cuomo announced his full support of statewide legalization of recreational marijuana, making it an administration priority for early 2019; and

Whereas, Ten states, including New York’s neighbor Massachusetts, and the District of Columbia have legalized adult use of recreational marijuana; and

Whereas, Given the likelihood of New York State legalizing the recreational use of marijuana in the near future, the state should promote equitable ownership and participation in commercial marijuana activity; and

Whereas, One way of ensuring such equity would be to give priority to those with prior marijuana convictions when issuing licenses or permits to engage in the production, sale and distribution of marijuana; and

Whereas, Creating such priority system would ensure that ownership and entrepreneurial opportunities are first given to those populations negatively impacted by the decades-old war on drugs, such as low income communities and communities of color; and

Whereas, Additionally, those who receive licenses to sell recreational marijuana should be encouraged to hire individuals who were arrested for and/or convicted of marijuana related offenses, with a particular focus on formerly incarcerated individuals who served time based on marijuana violations, as well as hire locally and provide living wages for individuals employed by marijuana businesses; and

Whereas, In recent years numerous states and municipalities around the country have sought to not only legalize the recreational use of marijuana but also correct the collateral consequences of marijuana-related convictions; now, therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Legislature to introduce and pass and for the Governor to sign legislation that prioritizes individuals with prior marijuana convictions in issuing licenses to sell recreational marijuana and requires other applicants for marijuana licenses to support the hiring of such individuals.

WJH

LS 9238/9239

2/1/19

Res. No. 744

..Title

Resolution calling on the Legislature to pass and the Governor to sign a bill that remedies disparate burdens placed on people of color in the enforcement of marijuana prohibition by reinvesting tax revenue generated from legal marijuana in their communities and encouraging their participation in the legal marijuana industry.

..Body

By Council Members Miller, Richards, Levin, Adams, Moya, Cumbo and Lander

Whereas, Marijuana prohibition enforcement disproportionately impacts communities of color nationwide;

Whereas, In New York State, which has some of the harshest enforcement practices in the country, more than 80 people arrested for marijuana possession were Black or Latinx; and

Whereas, Persons arrested or convicted on marijuana possession may face consequences such as deportation, and loss of housing, employment or professional licenses; and

Whereas, Eight states, including California and Massachusetts, have legalized recreational marijuana use, creating a statutory framework to regulate the marijuana market, to mitigate the collateral consequences that result from marijuana prohibition enforcement; and

Whereas, In states where marijuana was legalized, people who have not been traditionally targeted for heightened marijuana enforcement started marijuana businesses and are benefiting financially from legalization, in part because of their access to capital; and

Whereas, Communities disproportionately targeted for marijuana enforcement often have less access to capital, legal and technical expertise, and affordable rental space to launch marijuana businesses; and

Whereas, Oakland and Massachusetts created social equity programs after the legalization of recreational marijuana in those states to provide people from communities of color that have been disparately harmed by marijuana enforcement with equal opportunity to participate in and benefit from the legal marijuana industry; and

Whereas, Most social equity programs give priority licensing to people who come from or live in communities disproportionately harmed by marijuana enforcement; and

Whereas, Oakland’s social equity program also offers legal and technical advice, and zero-interest subsidized loans, funded through marijuana tax revenue, to individuals who meet the eligibility requirements; and

Whereas, In January 2018, Governor Cuomo launched a multi-agency taskforce, headed by the New York Department of Health, to study the legalization of recreational marijuana; and

Whereas, In July 2018, the taskforce reported its findings to the public and recommended legalizing marijuana for recreational purposes, concluding that the positive impacts of a regulated marijuana market in the state outweigh the potential negatives; and

Whereas, Governor Cuomo established a working group to draft legislation to legalize the use of marijuana for recreational purposes following the release of the taskforce’s findings; and

Whereas, Any such legislation should include the creation of social equity programs to ensure people from communities disproportionately burdened by marijuana enforcement have equal opportunity to participate in and benefit from a legal marijuana industry; and

Whereas, In addition, any such legislation should reinvest tax revenue generated from legalization into communities long targeted by enforcement for social programs, such as job training, community centers, reentry, mental health and education; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the Legislature to pass and the Governor to sign a bill that remedies disparate burdens placed on people of color in the enforcement of marijuana prohibition by reinvesting tax revenue generated from legal marijuana in their communities and encouraging their participation in the legal marijuana industry.

LS8016

10/5/18

KMD

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2. *Id.* [↑](#footnote-ref-2)
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