

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONSUMER AFFAIRS AND  
BUSINESS LICENSING

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March 27, 2019  
Start: 3:11 P.M.  
Recess: 3:21 P.M.

HELD AT: 250 Broadway  
Committee Rm, 16th Fl.

B E F O R E: RAFAEL ESPINAL, JR.  
Chairperson

COUNCIL MEMBERS:  
Margaret Chin  
Peter A. Koo  
Bradford Lander

A P P E A R A N C E S (CONTINUED)

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2 STEPHEN SADOWSKI [phonetic]: Testing 1,  
3 2, 3. Today's date is March 27, 2019 on Consumer  
4 Licensing by Stephen Sadowski.

5 CHAIRPERSON ESPINAL: [gavel] Good  
6 afternoon. My name is Rafael Espinal. I am the  
7 Chair of the Consumer Affairs and Business Licensing  
8 Committee. Today our Committee will be voting on a  
9 range of resolutions aimed at licensing and fairly  
10 regulating the recreational marijuana industry,  
11 should it be legalized by the State. Statements from  
12 both Governor Cuomo and members of the State  
13 legislature indicate that making recreational  
14 marijuana legal in New York State is a major priority  
15 ensuring the safe, workable and just regulation,  
16 recreational marijuana will take a nuance approach as  
17 there are a range of complex issues that will need to  
18 be considered. At the State level it will be vital  
19 to have uniform standards of potency levels and  
20 restrictions for young people. However, the City  
21 must also have the regulatory authority to  
22 effectively address the hyper localized issues that  
23 we can expect to surface once recreational marijuana  
24 becomes legal. As such proposed Reso. Number 737A  
25 calls on the New York State legislature to pass

2 legislation that grants New York City agencies the  
3 authority to regulate local licensing of the adult  
4 use of cannabis market in the City. The City already  
5 has similar powers related to tobacco licensing.  
6 Despite the plethora of State laws that regulate  
7 tobacco and the sales across the State of New York,  
8 the City has the ability to license and restrict  
9 tobacco retailers. Using this authority and to  
10 prevent the concentration of tobacco retailers in  
11 particular neighborhoods, New York City has capped  
12 the number of tobacco and electronic cigarette  
13 retailer licenses according to each community  
14 district. Any New York State laws enacted to govern  
15 recreational marijuana should similarly empower the  
16 City's legislators to create specifically tailored  
17 rules and regulations. Consumer attitudes in the  
18 City differ from those in the other parts of the  
19 state. For example, here it is common for residents  
20 to use delivery services that are able to provide  
21 door to door delivery of everything from groceries,  
22 alcohol and laundry to make-up services, chicken  
23 hatching eggs and condoms. Proposed Resolution  
24 number 734A therefore calls on the New York State  
25 legislature to ensure that any law passed to legalize

2 the market for the adult use of cannabis allows the  
3 City to enact its own regulatory measures on issues  
4 unique to its location including the home delivery  
5 and cultivation of cannabis in New York City.

6 Resolution number 738 calls on the New York State  
7 legislature to pass and the Governor to sign  
8 legislation prohibiting vertical integration and  
9 promoting small business growth in the recreational  
10 marijuana industry. This will prevent a single  
11 entity from controlling and owning each stage of the  
12 supply chain because such monopolies can limit  
13 competition within the industry. With this  
14 authority, the City will create licenses for each  
15 stage within the supply chain such as production,  
16 distribution and retail and limit the number of  
17 different licenses a single entity can obtain. This  
18 should prevent big market domination and open up  
19 opportunities for small entities, especially those  
20 affected by prior marijuana criminalization. New  
21 York's black and brown communities have been  
22 disproportionately impacted by marijuana enforcement  
23 policies and the negative collateral effects that  
24 result from such policies. In order to begin to  
25 remedy the disproportionate burdens imposed by the

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2 war on drugs, New York City should be empowered by  
3 the State to regulate certain aspects of marijuana  
4 licensing. For example, if the State implemented the  
5 measures called for in proposed Reso. Number 741A,  
6 the City will be able to prioritize individuals with  
7 prior marijuana convictions when issuing licenses.

8 This will be a first step in trying to rectify some  
9 of the past racial inequities that stem from  
10 marijuana criminalization. Communities targeted for  
11 marijuana enforcement often have less access to  
12 capital, legal and technical expertise and affordable  
13 rental space to launch marijuana businesses.

14 Therefore, Reso. 744 calls on the legislature to pass  
15 and the Governor to sign a bill that remedies the  
16 desperate burdens placed on people of color in the  
17 enforcement of marijuana prohibition by reinvesting  
18 tax revenue generated from legal marijuana in their  
19 communities and encouraging their participation in  
20 the legal marijuana industry. This will give  
21 priority licensing legal and technical advice and  
22 zero interest of side loans funded through the  
23 marijuana tax revenue to these affected individuals.

24 New York City will undoubtedly face its own set of  
25 unique challenges if recreational marijuana is

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2 legalized by the State and any effort to address them  
3 will have to balance the range of complex and  
4 competing residential business and consumer demands.  
5 City agencies already regulate a wide range of  
6 similar industries and policy considerations which  
7 indicates that they are well equipped to tackle the  
8 particular challenges New York City will face after  
9 legalization. City agencies are also in the best  
10 position to determine which local communities were  
11 most harmed by marijuana criminalization and to  
12 fashion equity regulations that seek to remedy those  
13 harmed accordingly through meaningful economic  
14 opportunities. I as the Chair recommend a yes vote.  
15 Mr. Clerk, can you please call the roll?

16 CLERK: William Martin, community clerk,  
17 rollcall vote, Committee on Consumer Affairs and  
18 Business Licensing. All items are coupled. Chair  
19 Espinal?

20 CHAIRPERSON ESPINAL: I vote aye.

21 CLERK: Chin?

22 COUNCIL MEMBER CHIN: Permission to  
23 explain my vote? Personally I do not at this moment  
24 in time support legalizing recreational marijuana but  
25 I do believe in local control and I do believe what

2 the resolution, you know, sets forth that if it is  
3 legalized by the State that I do want to make sure  
4 than New York City, we have the control over how it's  
5 being implemented so for that reason I vote aye on  
6 all. Thank you.

7 CLERK: Koo?

8 COUNCIL MEMBER KOO: Mr. Chair, may I  
9 explain my vote?

10 CHAIRPERSON ESPINAL: Yes.

11 COUNCIL MEMBER KOO: All these  
12 resolutions I will oppose, I vote no because I think  
13 marijuana is a gateway drug. If you legalize it, you  
14 will just encourage more people smoking pot and my  
15 community we receive a lot of calls from parents,  
16 from neighborhood business people, from residents.  
17 They all saying vote no on these resolutions. That's  
18 why I hope the State will vote no too. Thank you.

19 CHAIRPERSON ESPINAL: We're waiting  
20 actually for Council Member Brad Lander who's on his  
21 way.

22 CLERK: Council Member Lander?

23 COUNCIL MEMBER LANDER: I gratefully vote  
24 aye on all.



2 CLERK: By a vote of three in the  
3 affirmative and one in the negative and no  
4 abstentions, all items have been adopted by the  
5 Committee.

6 CHAIRPERSON ESPINAL: Before I close, I  
7 just want to make a last final statement on these  
8 bills and especially on the legalization of marijuana  
9 something I've been talking about for a while and I  
10 cannot stress enough that I believe that any revenue  
11 that comes out of the legalization of marijuana must  
12 be reinvested in communities of color, especially  
13 those communities also that have been targeted by  
14 over enforcement of these laws and any plan to invest  
15 any of this money in CMT I think is a terrible and  
16 bad idea and we should be promoting economic growth  
17 within these communities so with that said, I would  
18 like to adjourn this meeting. Thank you. [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date April 29, 2019