



CANNABIS CONFERENCE PRIORITIES 2025

1. Establish Proximity Protection Guardrails

The Office of Cannabis Management (OCM) recently proposed amendments to existing proximity protection (PP) regulations that would allow waivers to proximity protection for any reason, right up to including placing a dispensary next door to an existing store. Such decisions can be made without informing the dispensary whose PP will be violated, or giving them an opportunity to comment on it or appeal the waiver decision. Legislative or regulatory limits are needed on the extent to which PP waivers can be issued, and a public process must be established to require licensee and community input, and an appeal process for adverse decisions. Such provisions currently exist in the alcohol market.

2. Codify the CAURD Program

The CAURD program has been the target of legal challenges since its establishment. To enable this program to move forward, and to protect the millions of dollars in private investments pending CAURD applicants and licensees have made to establish a legal cannabis retail business, the CAURD program must be established in statute. The recent lawsuit that has frozen consideration of conditional retail licenses confirms the need for this action.

3. Place a Retailer and a Processor on the CAB.

The state Cannabis Advisory Board (CAB), established in statute, is a vehicle for providing OCM and state policymakers with input from every aspect of the cannabis marketplace. Unfortunately, this 13-member board has no retailer or processor representative. The law should be amended to require that each has a seat on the CAB.

4. Canopy Expansion for AUCC Licensees:

Allow Adult-Use Conditional Cultivators (AUCC) to expand their canopy limits to remedy past programmatic challenges and facilitate equitable growth in the sector.

5. Supplier Equal Opportunity.

All cultivators and processors should be told simultaneously when dispensary locations are ready to open, so licensees big and small have equal opportunity to get product to shelves.

6. State-Funded Track-and-Trace System

As a state mandate, the state should cover the cost of implementing and maintaining the track-and-trace system statewide, relieving farmers, processors, and retailers of this financial burden.

7. Financial Support for Farmers

Establish zero-to-low-interest loan programs or grants to support cannabis farmers, ensuring their financial stability and capacity to compete in the marketplace.

8. Remove Unnecessary Marketing Restrictions

OCM recently made numerous improvements to their marketing regulations. To improve on this effort, we urge two additional changes: 1) Apply the new billboard regulations to vehicles so that cannabis retailers can “brand” a vehicle with basic company information (name, address, website, etc.) as is now allowed on a billboard; and 2) Remove the prohibition on displaying products in the window—a rule that doesn’t apply to alcohol, and serves no public purpose.

9. Create Flexibility in the Current Retailer Payment Rule

OCM regulations (section 124.2) require licensees doing business with adult use cannabis retailers to report them to OCM if they fall behind in their payments by more than 30 days. Such reporting results in the retailer being mandated to pay cash for subsequent transactions until OCM removes them from the “delinquent list.” Being placed on that list has severe financial implications for a retailer, as cash flow in the current legal cannabis market is tight. It is common in business for payment schedules to be negotiated by the seller and buyer—not dictated by the state. At a minimum, the law should allow cannabis vendors and retailers to negotiate, upon their mutual consent, a payment schedule they both agree to.

10. Establish in Law a Prohibition on the Licensing of Illegal Operators

OCM has a policy of denying licenses to individuals who operate illegal retail cannabis stores. However, this policy is not consistently followed, as individuals who have violated the law have been licensed. These operators broke the law, made profits that were not taxed, damaged the legal cannabis market...and yet were rewarded with a retail license after having ignored the law. The MRTA should be amended to place a prohibition on the licensing of illegal operators in statute to further discourage companies from entering the illegal market.

11. Allow Asset Forfeiture for Large Illegal Retailers

According to Manhattan prosecutors, their ability to close down illegal cannabis retailers is largely limited to small stores. The larger, highly-profitable operators—who have numerous stores—have the legal bandwidth and financial resources to make their closure next to impossible. To close down these hugely profitable illegal operators, prosecutors need the ability to go after their money. The MRTA should be amended to permit asset forfeiture in limited cases, involving large illegal operators, with the money seized going into a special revenue account to provide grants to help legal cannabis retailers open and sustain their businesses.

12. Establish a Private Right of Action to Shut Down Illegal Operators

Law enforcement alone does not have the capacity to close down illegal cannabis operators. Just as in numerous other areas of the law, individuals who suffer direct financial harm due to illegal operators—i.e., licensed stores—should have the right to seek damages in court if they choose to do so.

13. Manufacturer Tax Credit

Due to the unexpected challenges of the initial adult use rollout in NY, many of the first movers to the market have faced dire financial situations for these last two years. We support the creation and implementation of a tax credit of up to \$400,000, available to any licensed processor that was in stores in 2023 and has filed with the Department of Tax and Finance.

14. Renew Focus on Veteran Licensing

Despite the requirements of the MRTA, service-disabled veterans make up less than 3.5% of all cannabis license holders. In 2025, service-disabled veteran applicants must be prioritized by OCM and the CCB to achieve the cannabis industry access called for in the MRTA.

15. OGS Must Expedite Pending Service-Disable Veteran Licensing

The OGS service-disabled-veteran office has reviewed and awarded service-disabled veteran owned business certification to over four dozen cannabis businesses. However, most of these companies still await licensing. OGS-certified service-disabled veterans owned businesses should be expedited for licensing by OCM so that these deserving individuals can launch their businesses.

16. Reform the DASNY Social Equity Fund

The DASNY Social Equity Fund, established to support social equity licensees, has been a failure and requires reform. Consistent with the requirements of the MRTA, the state must establish a viable path for social equity licensees to access capital through low interest loans and grants. That system must be transparent and not predatory. We call on the Comptroller to audit the existing DASNY Social Equity Fund so that stakeholders and policymakers can implement needed reforms. In addition, the twenty-four CAURD licensees who are currently participating in the DASNY Social Equity Fund deserve some sort of relief from their existing predatory loans.

The Cannabis Conference is a collaboration of:

*Association of New York Cannabis Producers
Cannabis Farmers Alliance*

*Black Cannabis Industry Association
New York Cannabis Retail Association*

Service Disabled Veterans in Cannabis Association