



## NYCRA 2025 LEGISLATIVE AND BUDGET AGENDA

The New York Cannabis Retail Association (NYCRA) represents over 350 cannabis retailers across the state. On their behalf our members, NYCRA supports the following agenda items to establish a safe, legal, and profitable cannabis market in New York State.

### 1. Establish Proximity Protection Guardrails

The Office of Cannabis Management (OCM) recently proposed amendments to existing proximity protection regulations that would enable OCM and the Cannabis Control Board (CCB) to approve any request for proximity protection waivers for any reason. In addition, the retailer whose proximity protection will be violated has no right to appeal waiver decisions related to their store. Either through regulation or legislation, NYCRA calls for limits on the extent to which proximity protection waivers can be issued and an appeal process for adverse decisions. Such provisions currently exist in the alcohol market.

### 2. Establish the CAURD Program in Statute

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 that our members have made to establish legal cannabis retail businesses, we urge the Governor and Legislature to enact a law to establish the CAURD program in statute.

### 3. 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. The Comptroller should audit the Fund so that stakeholders and policymakers can implement needed reforms. In addition, the twenty-four current CAURD licensees working with Fund deserve some sort of relief from their existing predatory loans.

### 4. Remove Unnecessary Marketing Restrictions

OCM recently amended their marketing regulations to make numerous improvements, which NYCRA applauds. To continue this effort, NYCRA urges two additional changes: 1) Apply the new billboard regulations to vehicles. Just as other businesses do, cannabis retailers should be allowed to “brand” a vehicle with basic company information as is now allowed on a billboard. 2) Remove the prohibition on displaying products in the window, a rule that doesn’t apply to alcohol and serves no public purpose.

### 5. Place a Retailer on the Cannabis Advisory Board

The Cannabis Advisory Board (CAB) is a vehicle for providing OCM and state policymakers with input from diverse communities on every aspect of the cannabis marketplace. This 13-member board has no retailer representative, an oversight that NYCRA urges the Governor and Legislature to rectify by amending the law to require a retail member.

### 6. 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, NYCRA believes the law should allow cannabis vendors and retailers to negotiate, upon their mutual consent, a payment schedule they both agree to.

### 7. 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.

**8. 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.

**9. 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.

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