



# What is in the Law

## Adult-Use License Types

### Overview

On March 31, 2021, the Marijuana Regulation & Taxation Act (MRTA) was signed into law, legalizing adult-use cannabis (also known as marijuana, or recreational marijuana) in New York State. The legislation created a new Office of Cannabis Management (OCM) governed by a Cannabis Control Board to oversee and implement the law (collectively referred to as “OCM”). The OCM will issue licenses and develop regulations outlining how and when businesses can participate in the new industry. The information below outlines the different adult-use cannabis license types and ownership limitations, as set out in the MRTA.

Please continue to monitor the OCM website at: [cannabis.ny.gov](https://cannabis.ny.gov) for updates.

### Adult-Use License Types

| License Type                            | Description   | Ownership Limits  |
|---|---|---|
| <b>Adult-Use Cultivator</b>             | “Cultivation” means the growing, cloning, harvesting, drying, curing, grading, and trimming of cannabis plants. A cultivator’s license authorizes the acquisition, possession, distribution, cultivation and sale of cannabis from the licensed premises of the adult-use cultivator to a licensed processor.         | No person may own more than one cultivator license. A cultivator may own one processor license and one distributor license, solely for the distribution of their own products. Cultivators may not own or have any interest in a licensee in the cannabis retail tier.  |
| <b>Adult-Use Conditional Cultivator</b> | Authorizes cannabis cultivation outdoors or in a greenhouse for two years from the issuance of the license. Adult-Use Conditional Cultivator licensees may minimally process, manufacture, and distribute cannabis flower products without holding an adult-use processor or distributor license, until June 1, 2023. | No person may own more than one Adult-Use Conditional Cultivator license. Adult-Use Conditional Cultivator licensees who comply with applicable laws, guidance, and regulations will be eligible to apply for and receive an adult-use cultivation license. Conditional cultivators may not own or have any interest in a licensee in the cannabis retail tier. |

| License Type                        | Description   | Ownership Limits   |
|-------------------------------------|---|--|
| <p><b>Adult-Use Nursey</b></p>      | <p>“Nursery” means a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis by licensed adult use cannabis cultivators, microbusinesses, cooperatives and registered organizations. A nursery license authorizes the production, sale and distribution of clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis by licensed adult-use cultivators, cooperatives, microbusinesses, or registered organizations.</p> | <p>An adult-use cultivator may hold one nursery license.</p>   |
| <p><b>Adult-Use Processor</b></p>   | <p>“Processor” means a licensee that extracts concentrated cannabis and/or compounds, blends, extracts, infuses, or otherwise manufactures concentrated cannabis or cannabis products. A processor’s license authorizes the acquisition, possession, processing, and sale of cannabis from the licensed premises of adult-use cultivators to licensed distributors.</p>   | <p>No person may own more than one processor license. A processor may also obtain a distributor license, solely for the distribution of their own products. Processors may not own or have any interest in a licensee in the cannabis retail tier.</p> |
| <p><b>Adult-Use Distributor</b></p> | <p>“Distributor” means any person who sells at wholesale any cannabis product for which a license is required. A distributor’s license authorizes the acquisition, possession, distribution and sale of cannabis from the licensed premises of a licensed adult-use processor, adult-use cooperative, microbusiness, or registered organization authorized to sell adult-use cannabis, to duly licensed retail dispensaries, on-site consumption sites and adult-use delivery licensees.</p>  | <p>No person may own more than one distributor license. Distributors may not own or have any interest in a licensee in the cannabis retail tier.</p>   |

| License Type                                | Description   | Ownership Limits   |
|---|---|--|
| <p><b>Adult-Use Cooperative</b></p>         | <p>A cooperative license authorizes the acquisition, possession, cultivation, processing and sale from the licensed premises of the adult-use cooperative by such licensee to duly licensed distributors, on-site consumption sites, registered organization and/or retail dispensaries; but not directly to cannabis consumers. A cooperative license must be organized under cooperative principals, including but not limited to being democratically controlled by the members themselves, on the basis of one vote per member.</p> | <p>No person may own more than one cooperative license. Cooperatives may not own or have any interest in a licensee in the cannabis retail tier.</p>   |
| <p><b>Adult-Use Microbusiness</b></p>       | <p>“Microbusiness” means a licensee that may act as a cannabis producer for the cultivation of cannabis, a cannabis processor, a cannabis distributor, and a cannabis retailer. A microbusiness license authorizes the limited cultivation, processing, distribution, delivery, and sale of their own adult-use cannabis and cannabis products.</p>   | <p>No person may own more than one microbusiness license. No microbusiness can have an interest in or own any other adult-use license type.</p>  |
| <p><b>Adult-Use Retail Dispensary</b></p>   | <p>“Retailer” means any person who sells at retail any cannabis product, to cannabis consumers. A retail dispensary license authorizes the acquisition, possession, sale and delivery of cannabis from the licensed premises of the retail dispensary by such licensee to cannabis consumers.</p>   | <p>No person may own more than three retail dispensary licenses. Retail licensees may not own or have any interest in a licensee in the cultivation, processing or distribution tier.</p>                |
| <p><b>Adult-Use On-site Consumption</b></p> | <p>“On-site consumption” means the consumption of cannabis in an area licensed by the Cannabis Control Board. An on-site consumption license authorizes the acquisition, possession, and sale of cannabis from the licensed premises of the on-site consumption licensee to cannabis consumers for use at the on-site consumption location.</p>   | <p>No person may own more than three on-site consumption licenses. On-site consumption licensees may not own or have any interest in a licensee in the cultivation, processing or distribution tier.</p> |

| License Type  | Description  | Ownership Limits  |
|---|--|---|
| <b>Adult-Use Delivery</b>   | A delivery license authorizes the delivery of cannabis and cannabis products by licensees, independent of another adult-use cannabis license, to cannabis consumers. Delivery licenses may not have a total of more than twenty-five individuals, or the equivalent thereof, providing full-time paid delivery services to cannabis consumers per week under one license.  | No person may own more than one delivery license. No delivery licensee can have an interest in or own another adult-use license type. |
| <b>Registered Organization Adult-Use Cultivator Processor Distributor Retail Dispensary</b> | A registered organization cultivator processor distributor retail dispensary license authorizes a registered organization to have the same privileges and conditions as adult-use cultivator, processor, distributor, and retail dispensary licensees. The location of registered organization adult-use retail dispensaries will be limited to three of the organization's medical dispensaries' and only authorizes the distribution of the registered organization's own products. The timing and manner of a registered organization's participation in the adult-use market will be determined by the Cannabis Control Board. | No registered organization can have an interest in or own any other adult-use license type.   |
| <b>Registered Organization Adult-Use Cultivator Processor Distributor</b>                   | A registered organization cultivator processor distributor license authorizes a registered organization to have the same privileges of adult-use cultivator, processor, and distributor licensees. The timing and manner of a registered organization's participation in the adult-use market will be determined by the Cannabis Control Board.  | No registered organization can have an interest in or own any other adult-use license type.   |

**Contact Us**

Please visit our website or contact us using the e-mail and phone number below for more information.

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