



# Office of Cannabis Management

<b>KATHY HOCHUL</b>	<b>TREMAINE WRIGHT</b>	<b>JESSICA GARCIA</b>	<b>REUBEN R. MCDANIEL, III</b>	<b>ADAM W. PERRY</b>	<b>JEN METZGER</b>	<b>CHRIS ALEXANDER</b>
Governor	Cannabis Control Board Chair	Board Member	Board Member	Board Member	Board Member	Executive Director

## Meeting Minutes

<b>Title:</b>	New York State Cannabis Control Board Meeting
<b>Time &amp; Date:</b>	March 10, 2022
<b>Location:</b>	Virtual via Webcast

## Attendance

<b>Board Chair:</b>	Tremaine Wright
<b>Board Members Present:</b>	Reuben R. McDaniel III, Jen Metzger
<b>Board Members Present (virtually):</b>	Jessica Garcia, Adam W. Perry
<b>Board Members Absent:</b>	None
<b>Others Present:</b>	Chris Alexander, Herb Barbot, Axel Bernabe

## Agenda

- I. Call to Order
- II. Welcome and Opening Remarks
- III. Approval of Meeting Minutes from February 17, 2022 Board Meeting
- IV. Executive Session
- V. Consideration of Conditional Adult-Use Retail Dispensary Regulations
- VI. Consideration of Opening Application Window and Approval of Application for Adult-Use Conditional Cultivator Licenses
- VII. Consideration of Employee Disclosure of Notary Public
- VIII. Update on Social Equity Cannabis Investment Fund
- IX. Executive Director Report
- X. Adjourn



**Action Items**

<p><b>Resolution No. 2022-04:</b></p>	<p>Resolution Directing the Office of Cannabis Management to File Certain Proposed Conditional Adult-Use Retail Dispensary Regulations.</p>	<p>Passed, Unanimous Vote</p>
<p><b>Resolution No. 2022-05</b></p>	<p>Resolution Approving a Certain Application Form for a Conditional Adult-Use Cultivator License and Ordering that a New Application Period for a Conditional Adult-Use Cultivator License Open on March 15, 2022 and Close on June 30, 2022.</p>	<p>Passed, Unanimous Vote</p>
<p><b>Resolution No. 2022-06</b></p>	<p>Resolution Permitting any Member of the Cannabis Control Board or Employee of the Office of Cannabis Management to Hold the Public Office of Notary Public.</p>	<p>Passed, Unanimous Vote</p>

**Notes & Comments**

<ul style="list-style-type: none"> <li>Chair Wright commented about the first statewide community engagement sessions held by OCM and the Board, called Cannabis Conversations. OCM completed eleven conversations, ten in regions across the state, as well as one in Spanish. OCM reached over 5,600 New Yorkers, answering hundreds of questions from community members directly.</li> </ul>
<ul style="list-style-type: none"> <li>OCM Counsel requested an opportunity to speak to the Board in Executive Session to discuss proposed, pending, or current litigation as well as training.</li> <li>Upon conclusion of the Executive Session, the Board meeting resumed.</li> </ul>
<ul style="list-style-type: none"> <li>Axel Bernabe, Senior Policy Director and Chief of Staff of OCM, provided an overview of the Proposed Conditional Adult-Use Retail Dispensary Regulations. Seeking to position equity businesses with critical first mover advantage in the New York Cannabis Industry, OCM will prioritize licensing businesses run by owners disproportionately impacted by the criminalization of cannabis. A summary of the proposed regulations is as follows:             <ul style="list-style-type: none"> <li>- To be eligible for this initial license, applicants must:                 <ul style="list-style-type: none"> <li>o Have had a pre-MRTA cannabis related offense in the State of New York, or had a parent, guardian, child, spouse or dependent with a pre-MRTA cannabis related offense in the State of New York.</li> <li>o Have experience owning and operating a business in New York.</li> </ul> </li> <li>- The proposed regulations outline an application and selection process.</li> <li>- Draft regulations will be available for public comment on <a href="https://cannabis.ny.gov">cannabis.ny.gov</a>.</li> </ul> </li> </ul>



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- The conditional dispensary license has a four-year term, and during those four years, the individual would be required to keep a majority of ownership and control over that entity and not be able to sell it for those four years, with the idea that they would build intergenerational wealth.
  - Board Member Jen Metzger commented on how significant these proposed regulations are, that the proposed regulations embody the legislative intent of the MRTA.
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- Herb Barbot, Director of Operations at OCM, provided an overview of the Conditional Adult-Use Cultivator License.
    - On February 22<sup>nd</sup>, Governor Hochul signed a law creating a new Adult-Use Conditional Cannabis Cultivator license. The law positions eligible New York State hemp farmers to be the first to grow cannabis for the New York Cannabis adult-use market. To be eligible to apply for a Conditional Adult-Use Cultivator License, an applicant must:
      - Have been authorized to grow hemp under the Department of Agriculture and Markets Industrial Hemp Research Pilot Program specifically for CBD hemp and not for grain or fiber.
      - Have grown and harvested CBD hemp for two of the past four years (between 2018 and 2021) and be able to provide the Office with proof documenting such activities.
      - Hold at least a 51 percent or more ownership in the entity that held the industrial hemp grower authorization from the Department of Agriculture and Markets.
    - In addition to meeting program eligibility criteria and maintaining compliance with program rules and regulations, the law includes three additional requirements.
      - Applicants must practice safe, sustainable, and environmentally friendly cultivation practices.
      - Applicants must participate in a social equity mentorship program.
      - Licensees, within six months of being licensed, must enter into a labor peace agreement with a bona fide labor organization to represent the applicant's employees.
    - A brief explanation of how a qualifying hemp farmer will begin the process of applying for the Adult-Use Conditional Cultivator license was provided:
      - Applicants must log in if they already have an existing account or create a New York Business Express Business Profile.
      - Applicants will upload information pertaining to their previous authorization to grow hemp under the Department of Agriculture and Markets program.
      - Applicants must attest to the requirements of the license, including adherence to the statutory requirements, such as participation in a social equity mentorship program and maintaining a labor peace agreement.
      - The license application must include the submission of a non-refundable \$2,000 license and application fee.
  - Executive Director Chris Alexander commented that the Office is proposing the following application window to the Board for the Conditional Adult-Use Cultivator License. The licensing window would be March 15, 2022 until June 30, 2022.



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- Board Member Jen Metzger commented that the conditional license aligns the regulatory process with the natural growing season, making it possible to grow adult-use cannabis outdoors in the sunlight and supply products to the first dispensaries when they open. From a climate perspective, it is great because it is very low impact and enables hemp farmers opportunities to grow for the adult-use market.
  - Board Member Reuben McDaniel noted that this is the first of several grow licenses that will be needed and the first of a several grow opportunities that will be needed to supply the market for adult-use recreational cannabis.
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- Executive Director Chris Alexander provided background information regarding Resolution No. 2022-06, permitting any member of the CCB or employee of the OCM to hold the public office of notary public. Pursuant to Section 7 of the Cannabis Law, an employee of the OCM must request permission from the Board to hold any public office, including Notary Public.
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- Board Member Reuben McDaniel provided an update of the \$200 million public-private fund that will provide funding to certain eligible applicants from communities impacted by disproportionate policing during the decades-long cannabis prohibition.
    - The Dormitory Authority of the State of New York (DASNY) is working with the legislature and stakeholders to get their input in the fund to make sure it is administered properly and structured the most advantageous way.
    - The Fund will have support from licensing fees and revenue, and that commitment will draw in private investors, making it possible to bring the fund to life early in the adult-use market-building process.
    - The Fund will help equity entrepreneurs meet the costs of establishing adult-use cannabis retail dispensaries. DASNY is looking at how to identify sites and how to assist winning candidates in getting the facilities open.
    - DASNY released a Request for Information (RFI) to gather the best ideas for setting up and operating the Social Equity Cannabis Investment Program.
      - The RFI is not a Request for Proposal.
      - The information received under this RFI may be considered in any future procurement relating to the establishment and development of Social-Equity dispensaries or other cannabis related initiatives.
      - The RFI is due on March 16, 2022.
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- Executive Director Chris Alexander provided his Director's report.
    - Seeding Opportunity Initiative:
      - The Board advanced two measures that lay the foundation for the New York State Cannabis Seeding Opportunity Initiative, which:
        - Positions equity-entrepreneur-owned retail dispensaries to make the first adult-use cannabis sales with locally-grown New York Cannabis.
        - Makes sales possible before the end of 2022, jumpstarting the New York state Cannabis Industry and its investments into the communities most impacted by the over criminalization of the cannabis prohibition.



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- The Seeding Opportunity Initiative is composed of three programs:
  - The Farmers First Program.
  - The Equity Owners Lead Program.
  - New York Social Equity Cannabis Investment Program.
- The hemp farmers in the Farmer First Program will soon be able to grow the first adult-use cannabis in New York. They will be supplying the flower for the products that will line shelves of the dispensaries owned by the equity-entrepreneurs participating in the Equity Owners Lead Program.
- Participants in the Equity Owners Lead Program are supported by the New York Social Equity Cannabis Investment Program. This program would provide resources to renovate retail dispensary locations in high-traffic, prime commercial locations. These locations will be renovated and outfitted by DASNY and its partners, which include MWBE firms, and provided as turnkey facilities to the licensees in the Equity Owners Lead Program.
- Regulations for the broader adult-use market remain under development and OCM expect to release them for public comment by mid-May.
- OCM is also working on developing opportunities for accessing capital, incubating businesses, and technical support across the entire industry.
- A huge advancement was made today in OCM's efforts to prioritize New York's small and distressed farmers, equity entrepreneurs, and ultimately OCM's goal to generate the resources that will drive the investments into communities most impacted by over criminalization.
- Medical Program Update:
  - OCM is dedicating additional resources to speed up the turnaround on patient registration and strengthen support for the new patient certification and registration system that was launched earlier this year.
  - As it relates to the assessment of public comments on the medical home cultivation regulations, OCM continues to work through the substantive comments provided and will share more information soon.

- Chair Wright commented that now that the Cannabis Control Board has approved the opening of the Adult-Use Conditional Cultivator License, OCM will be holding a webinar in the coming days for interested applicants to learn more about the eligibility standards, application process, and forthcoming guidance. This will be recorded and posted on the Office's website.

- The Board adjourned the meeting.