

NEW YORK STATE OFFICE OF CANNABIS MANAGEMENT TO DOUBLE AMOUNT OF AVAILABLE CONDITIONAL ADULT-USE RETAIL DISPENSARY LICENSES

Number of Conditional Adult-Use Retail Dispensary Licenses to Increase to 300, Majority of Remaining CAURD Licenses in Eligible Regions to be Considered at an April Board Meeting

NY's Cannabis Control Board Adopts Regulations for Packaging, Labeling, Marketing & Advertising, and for Laboratory Testing

Board Approves Regulations Governing Cannabis Research for Public Comment

ALBANY, NY— To enable additional highly qualified individuals to be among the first in the state to open cannabis dispensaries, the Cannabis Control Board and the Office of Cannabis Management announced it will double the number of Conditional Adult-Use Retail Dispensary (CAURD) Licenses to be issued from the originally planned 150 licenses to 300 licenses. The program's expansion will further advance New York State's Seeding Opportunity Initiative, which provides for the state's first legal adult-use retail dispensaries to be operated by those most impacted by the prohibition of cannabis or by nonprofit organizations whose services include support for the formerly incarcerated.

The Office of Cannabis Management (OCM) received about 900 applications for CAURD licenses. To date, the Cannabis Control Board has issued 66 provisional CAURD licenses. The Office of Cannabis Management will make recommendations in April to the Board on the majority of the remaining applications in the areas of the state not impacted by a court-ordered injunction.

The goal of the New York State Marijuana Regulation and Taxation Act of 2021 (MRTA) is to build an equitable market that helps overcome the impacts of the disproportionate enforcement of cannabis prohibition, including prioritizing licenses to individuals with cannabis convictions, or their close family members.

The CAURD program, which provides licenses to these justice-involved individuals, initially allowed for up to 150 individuals to receive a provisional CAURD license. This effort was enhanced through the creation of the New York State Social Equity Cannabis Fund (the Fund), a \$200 million public-private partnership providing turn-key, renovated, retail locations to these 150 licensees – a first of its kind effort in the nation designed to help break down barriers to capital. In addition, late last year, the CAURD licensees were allowed to pursue their own locations without seeking Fund support, which potentially frees up Fund resources for some of the newly authorized CAURD licenses announced today. The initial 150 approved CAURD licensees will have first call on Fund resources, should they choose a Fund supported location; and these new 150 CAURD licenses announced today, once granted, will be able to access any remaining Fund support.

“With this expansion, more entrepreneurs will be able to participate in the first wave of this industry, allowing them to capitalize on the growing demand for cannabis products,” **said Tremaine Wright, Chair of the Cannabis Control Board.** “As more businesses enter this market, the innovation and competition will increase, leading to better quality experiences for

consumers. The expansion of New York's cannabis market will benefit everyone involved in this exciting industry.”

“New York is doing something special when it comes to launching our cannabis industry, and now we’re doubling the impact of our Conditional Adult-Use Retail Dispensary program,” said **Chris Alexander, Executive Director of the Office of Cannabis Management**. “It’s been truly exciting to see the positive energy around our efforts to support entrepreneurs who previously suffered at the hands of New York State. We will continue creating real opportunities for qualified applicants who’ve been shut out from legal cannabis markets across the country.”

“Doubling the amount of available Conditional Adult-Use Dispensary Licenses will help kickstart the growth of New York’s cannabis industry,” said **Damian Fagon Chief Equity Officer of the Office of Cannabis Management**. “More stores means more locations for New York farmers to sell their harvests, more convenience for New York customers to make the right decisions and purchase safer and legal products, and twice as many opportunities for New Yorkers harmed by over-policing during cannabis prohibition.”

Under this expansion, licenses will:

1. Increase proportionally in each region
2. Be awarded from the existing pool of qualifying business applicants

Region	Previous Allocation	New Allocation
Brooklyn	19	38
Capital	7	14
Central	7	14
Finger Lakes	9	18
Long Island	20	40
Manhattan	22	44
Mid-Hudson	17	34
Mohawk Valley	2	4
North Country	4	8
Queens	16	32
Richmond	3	6
Southern Tier	3	6
The Bronx	10	20
Western NY	11	22
Total	150	300

NY's Cannabis Control Board Adopts Regulations for Packaging, Labeling, Marketing & Advertising, for Laboratory Testing

Today, the Cannabis Control Board approved regulations for the packaging, labeling, marketing, and advertising of adult-use cannabis products. In November 2022, the Cannabis Control Board voted to revise and refile proposed regulations, with the public comment period closing on January 30, 2023. Over 400 comments were received, and only grammatical and technical changes were made to the proposed regulations as a result of public comment.

These finalized regulations require sustainable packaging practices, and are flexible enough to allow licensees to package, label, market, and advertise in a variety of ways while maintaining robust public health standards. This action from the Cannabis Control Board is a significant step forward in continuing to establish a legal framework for the regulations of the cannabis industry in the state.

In November 2022, the Cannabis Control Board voted to revise and refile proposed regulations for Cannabis Laboratory Testing. The public comment period closed on January 30, 2023. Over 15 comments were received, and only grammatical and technical changes were made to the proposed regulations as a result of public comment. These finalized regulations provide a permit process for laboratories to be approved by the Board to test cannabis products in New York State. Cannabis products must be tested and labeled prior to being authorized to be sold in the regulated marketplace.

Both sets of regulations will take effect when they're formally included in the New York State Register.

Public Comment Period to Soon Open for Regulations Governing Cannabis Research

Today, the Cannabis Control Board voted to advance the framework for cannabis research licensees to produce, process, purchase, and/or possess cannabis for limited research purposes in New York State.

The regulations are written to address research projects that use or study cannabis and cannabis-related products. The proposed regulations will allow dispensaries to provide products for blinded studies on human subjects, the gold standard for determining if a product is truly effective. Researchers who are registered as a designated caregiver or designated caregiver facility will be able to assist research participants with the acquisition and administration of medical cannabis. The proposed research regulations do not require existing licensees, permittees or Registered Organizations to obtain a research license for R&D, as long as the research project falls under the purview of their licensed activity. Additionally, those researchers seeking to use federally sourced cannabis will not be required to obtain a state level license in order to register with the DEA or FDA.

With future adoption of these regulations, New York State will have the opportunity to lead the nation in advancing the science of cannabis and dismantling the stigma surrounding cannabis.