



Conditional Adult-Use Retail Dispensary (CAURD)

Delivery Guidance

Updates as of July 19, 2023:

- New lettering in Section 1
- Update to Section 1.b regarding authorization for Long Island CAURD licensees to open temporary delivery-only location in Mid-Hudson, Queens, and the Bronx.

Introduction

The Cannabis Control Board (the Board) has the authority, pursuant to Section 85 of the Cannabis Law, to promulgate regulations governing licensed adult-use dispensaries. Once adopted and effective, the regulations will serve as the rules that all licensees must follow to remain compliant with the Cannabis Law. A copy of the final regulations will be available on the Office of Cannabis Management's (the Office) website.

In the interim, this document serves to guide the delivery operations of Conditional Adult-Use Retail Dispensary licensees before regulations are formally adopted under Title 9 Part 116 Section 7 of the New York, Codes, Rules and Regulations (9 NYCRR §116.7). Compliance with those regulations is required by all licensees once adopted. This guidance document provides clarity on what the Office's expectations are in relation to the regulations and laws currently in place and the regulations that will be promulgated in the future.

Adult-use cannabis licensees who are not in compliance risk their license being cancelled, suspended, or revoked or other actions being taken, including, but not limited to, the issuance of fines or certain fees, as authorized by Cannabis Law and Title 9 of the New York, Codes, Rules and Regulations (9 NYCRR).

Key Recordkeeping Requirements

- Conditional Adult-Use Retail Dispensary (CAURD) applicants may be asked to submit the records and plans described in this guidance on the CAURD application at the request of the Office.
- CAURD licensees have an ongoing obligation to maintain up-to-date records and plans described in this document or submitted with their application. Licensees must submit such records to the Office upon request and have an ongoing obligation to disclose to the Office material changes in such records and plans.

Definitions

“Advertising” means the process of disseminating advertisements in any manner or by any means.

“Advertisement” means any publication, video, use of a brand representative, or any other form of media for the purpose of causing, directly or indirectly, the purchase or use of a brand or cannabis product including, but not limited to: websites, social media, print media, broadcast media, TV, radio, streaming media, out of home media, outdoor signs, merchandise, event sponsorship, street art, murals, and digital communications.

“Brand” or “Branding” means the name, entity name, or doing business as name, registered trademark, logo, symbol, motto, selling message, recognizable pattern of colors, or any other identifiable marker that identifies one adult-use cannabis licensee or adult-use cannabis licensee’s cannabis products as distinct from those cannabis products of other adult-use cannabis licensees and is used in, among other things, any packaging, labeling, marketing, or advertising.

“Customer” means “cannabis consumer” as defined in Article 1 of the Cannabis Law.

“Ground transport” means transportation that is over land and not on water or in the air with the exception of, and for the purposes of this Chapter, a ferry.

“Exit package” means the receptacle into which cannabis products within a retail package are placed at the retail point of sale. The exit package is optional.

“Flat Fee” means not based on business performance. A per unit royalty, or any equivalent payment structure, is not considered a flat fee.

“Fund” means the Social Equity Servicing Corporation

“Goods and Services Agreement” means: (i) exempt agreements, such as those with landlords for right to occupy a space, with a lender, or for non-plant touching services and non-cannabis products; (ii) non-exempt agreements, such as those for the provision of consulting, advisory, or strategic services related to the licensed activities; and (iii) management services agreements, such as an agreement, contract, arrangement, or other type of formal understanding between a vendor, consultant, or contractor and an applicant for a license or a licensee where the provider engages in professional services related to administrative and professional staffing, business operations, and business strategy, or consulting related to the growing, processing distributing, and selling of the plant or other core business functions under a licensee’s authorization.

“Marketing” means the process of identifying consumers’ needs and addressing such needs through advertisements.

“Temporary Delivery-Only Location” means an Office-approved location, obtained by a CAURD licensee, from which the licensee fulfills delivery orders made by consumers.

“ROD” means a Registered Organization operating an Adult-Use retail dispensary.

“ROND” means a Registered Organization not operating an Adult-Use retail dispensary.

Adult-Use Delivery Guidance:

1. Delivery Authorization

Conditional Adult Use Retail Dispensary (CAURD) licensees who have received final approval from the Office to begin retail dispensary operations, are permitted to start serving customers through delivery as well. For the purposes of delivery transactions, licensees may only receive cannabis products from a duly licensed distributor, accept delivery orders online from customers who are twenty-one years of age and older, and deliver products to those customers from their approved location to the residential address location provided by the customer.

- a. All retail dispensary licensees are authorized for delivery operations pursuant to this Guidance.
- b. Licensees may operate from a temporary delivery-only location for up to 12 months from license issuance, unless granted an extension by the Office. Such a location must be non-residential. Licensees must locate their temporary delivery-only location in their first preference region as indicated on their CAURD application. However, licensees whose first preference region is New York City will be able to locate their temporary delivery-only location anywhere in The Bronx, Manhattan, Queens, or Staten Island. Licensees whose first preference region on the application was Long Island may open a temporary delivery only location in Long Island, Mid-Hudson, Queens, and the Bronx.
- c. Licensees may not submit a temporary delivery-only location for approval after the Office has approved in-person sales to begin at the licensee's approved retail dispensary location.
- d. In-person customer sales from the temporary delivery-only location are not permitted.
- e. Licensees may only accept online or phone orders for customer delivery from the temporary delivery-only location. In-person customer sales, including pickup or curbside pickup, are not permitted from the temporary delivery-only location.
- f. Employees may only accept orders placed through the licensee's own application or retail delivery platform or by phone.
- g. All deliveries must be pre-paid at the time the order is made. Payment may be made by bank debit card.
- h. Deliveries must be made to a physical address within the State of New York. Deliveries to locations outside of New York State are not allowed.
- i. Deliveries may not be made to anyone inside of a motor vehicle.
- j. Deliveries can be made to a customer at all forms of residential properties; short and long-term residencies; or private businesses, anywhere in New York State. Deliveries are **not** permitted anywhere else, including but not limited to public building, public spaces including parks; community centers, any school grounds, day-care centers; and houses of worship.

- k. Licensees may have a total of no more than twenty-five (25) individuals, or the equivalent thereof, providing full-time paid delivery services to cannabis consumers per week under one license.
- l. Delivery employees shall not leave the licensed retail dispensary or delivery-only location with cannabis products for consumers until they are required to fulfill at least one delivery order.
- m. Customer shall be permitted to schedule an order for future delivery.
- n. An enclosed vehicle belonging to a licensee may have up to \$20,000 of cannabis products at any time. Non-enclosed vehicles (bikes, scooters, foot, etc.) may only have up to \$5,000 of cannabis products at any time. At least 30% of cannabis products in the possession of a delivery employee's vehicle must be ordered and paid for by customers by the time the delivery worker leaves the licensed location. For the purposes of this guidance, the value of cannabis products must be determined using the current retail price of all cannabis products carried by, or within the delivery vehicle of, the cannabis delivery employee.
- o. Delivery licensee employees shall not solicit orders from potential customers while out on delivery.

2. Direct to Consumer

Conditional Adult-Use Retail Dispensary licensees (CAURD licensees) are only authorized to make delivery sales directly to a cannabis consumer. CAURD licensees must acquire cannabis product from a licensed distributor (Conditional Cultivators and Conditional Processors can both distribute; Conditional Cultivators can exclusively distribute cannabis flower products and cannot distribute extract products) in New York State and take possession of the cannabis product before making a retail sale, with all included taxes, to a consumer. CAURD licensees may not sell cannabis or cannabis product at wholesale to another business for re-sale. CAURD licensees may not sell cannabis or cannabis products to another retail dispensary or any other licensee.

3. Transition to Fund Location

Licensees who have received approval of their permanent retail location may continue to operate out of both their temporary delivery-only and retail locations for the duration of the twelve (12) month temporary period. More information regarding fund-selected locations and transition will be made available.

4. Branding

The [Office's Packaging & Labeling and Marketing & Advertising Guidance](#) applies to CAURD licensees, including licensee websites and online delivery platforms. Licensees shall display their license identification number and any other decal or graphic as required by the Office on its application or online delivery platform.

Under no circumstance may a retail dispensary enter into a branding agreement with a licensee or True Party of Interest of a licensee authorized for cultivation, processing, or distribution. Additionally, under no circumstances may a retail dispensary perform the activities of a cultivator, processor, or distributor. This includes a prohibition of the branding of unlabeled cannabis product, or promotion or sale of a “house” brand.

5. Purchase of Cannabis Products

CAURD licensees are only authorized to purchase cannabis products that are tested by a laboratory that is permitted by the Office, in their final form including all required packaging and labeling from licensees authorized for distribution¹. Licensees authorized for distribution (referred to herein as distributors) must sell cannabis products to any CAURD licensee willing to pay cash². The Office reserves the right to investigate any sources of payment made by a retail dispensary to a distributor.

Distributors may, but are not required to, allow CAURD licensees to pay on credit. All agreements to purchase cannabis products on credit must be reported to the Office with the terms of payment and credit. Licensees that purchase cannabis products on credit may have up to 90 days to pay for that purchase. Distributors must report licensees to the Office who are delinquent in payment³.

For purposes of contesting and validating such claims in dispute before the Office, licensees must keep dated records of all accounts payable and payments made and provide such records upon request by the Office within 48 hours, unless a period of time longer than 48 hours is permitted by the Office in writing.

6. Inventory

Licensees may only offer for sale through temporary delivery:

- cannabis products obtained from a distributor licensed by the Board;
- cannabinoid hemp products, obtained from a distributor licensed by the Board;
- cannabis paraphernalia;

¹ At this time, only Adult-Use Conditional Cultivators and Adult-Use Conditional Processors are authorized for distribution, and Adult-Use Conditional Cultivators may only distribute cannabis flower products, such as whole flower, ground flower, or pre-rolls.

² For purposes of this section, “Cash” means U.S. currency, certified check, money order, electronic funds transfer, bank officer's check or draft, or a check drawn on the licensee's account payable to the distributor. Checks cannot be from third parties. Checks drawn on retail dispensaries' accounts cannot be post-dated. Distributors do not have to accept checks drawn on retailer's accounts.

³ The Office will maintain a list of all licensees delinquent in paying for cannabis products purchased on credit from distributors. Distributors cannot sell on credit to any retailer on the delinquent payment list.

- branded merchandise and apparel containing the licensee’s brand, including jewelry and accessories (in adult sizes only); and
- other items as approved by the Office.

Notwithstanding the list above, licensees cannot offer for sale:

- food or beverages that do not contain cannabis, except water;
- tobacco or any product containing tobacco or nicotine;
- any items that are commonly associated with—or marketed in a manner so as to be attractive to—individuals under twenty-one including, but not limited to, candy, toys, and games; and
- apparel or merchandise, including jewelry or other accessories, that reference a cannabis brand other than the CAURD licensee’s brand.

7. Inventory Tracking System.

Licensees must use an inventory tracking system capable of compiling the dispensary’s cannabis product inventory, transaction data, and tax liability. That system must be compatible and capable of reporting real-time data to the Office.

Licensees must:

- accurately record all inventory in the inventory tracking system;
- maintain, real-time, at a minimum, the following information, in the inventory tracking system:
 - batch and/or lot unique identifiers for cannabis products that will track each cannabis product sold by the dispensary back to the source of cultivation and processing in the event of a recall;
 - a complete cannabis product inventory, as well as inventory adjustments from sale, disposal, product return, or any other activity;
 - any other information as determined by the Office;
- utilize an inventory tracking system that is capable of integrating with the Office’s seed-to-sale tracking system of record in a form and manner determined by the Office;
- utilize a standard of measurement, as defined by the Office, that is supported by the inventory tracking system to track all cannabis product;
- track, at a minimum, the following data elements for each activity (transaction, quarantine, disposal, etc.) performed with cannabis products:
 - type of cannabis products;
 - weight, volume, or count of the cannabis products;
 - date of activity;
 - lot unique identifier assigned to the cannabis products;

- identification of the worker performing the action in the inventory tracking system;
 - type of activity being performed; and
 - any other information as determined by the Office;
- review the licensee’s authorized users on a regular basis and remove any users who are no longer authorized to enter information into the inventory tracking system.

Loss of System Access. If at any point a licensee loses access to the inventory tracking system for any reason, the licensee must keep and maintain comprehensive records detailing all inventory tracking activities that were conducted during the loss of access, including customer transactions. A licensee cannot initiate transport for, receive, transfer or deliver any cannabis products to another licensed entity until access is restored.

Licensees are not required to continue sales to customers during a loss of system access, but if sales may safely continue during such loss, then the licensee may choose to do so. Licensees that continue sales during a loss of system access must have a process in place to continue to provide receipts to customers during a loss of system access.

Once access is restored, a licensee must document, at a minimum, the date and time when access to the system was lost; the date and time when access to the system was restored; and the cause for loss of access.

Within three calendar days of access being restored, all licensed cannabis activity that occurred during the loss of access must be entered into the inventory tracking system unless otherwise approved by the Office.

Initial Inventory. A licensee shall conduct an initial comprehensive inventory inspection of all cannabis product in the possession of the licensee at the authorized premises on the date the cannabis licensee first engages in the sale of cannabis products to customers.

- Inventory shall include damaged, defective, expired, or adulterated cannabis products awaiting disposal, including the name, the quantity, and the reasons for which the licensee is maintaining the cannabis product.
- The initial comprehensive inventory shall be reported to the Office utilizing the inventory tracking system.
- Licensees shall establish inventory controls and procedures and conduct comprehensive inventories of cannabis products which shall include the following:
 - Maintaining real-time inventory tracking;
 - Conducting a monthly inventory audit of all cannabis products; and

- For each audit, recording at a minimum, the following, in the inventory tracking system;
 - name(s) and signature(s) of worker(s) who conducted the inventory audit;
 - date of the inventory audit;
 - summary of inventory findings; and
 - any other information as determined by the Office.
- A licensee, upon becoming aware of discrepancies identified during an inventory audit, shall notify the Office no later than twenty-four hours after discovery of the event in a manner prescribed by the Office.

8. Staffing.

Licensees must designate an Employee in Charge who is twenty-one (21) years of age or older, responsible for managing the core day-to-day function of the licensed location. This is the person responsible for submitting required reports and notifications to the Office. An individual cannot be the Employee in Charge of more than one licensed location at a time.

The Employee in Charge must maintain the licensed location's staffing plan and update the plan within five business days of any change in an individual's employment status. The staffing plan should, at minimum, include the name, contact information, and age of all workers involved in activities related to the sale and delivery of cannabis products.

Only workers who are at least twenty-one years of age can transport cannabis products in any way or fulfill delivery orders. Workers can be eighteen years of age or older provided that they do not fulfill such customer-facing roles.

Employees shall not consume cannabis products or be under the influence of cannabis while at work or when performing the duties of their job. Under no circumstances is the use of cannabis products by staff permitted anywhere on the premises or inside a delivery vehicle.

9. Goods and Services Agreements

Under no circumstances may a CAURD licensee, nor its TPI, enter into a goods and services or management services agreement with a licensee authorized to cultivate, process, or distribute adult-use cannabis, a registered organization, or any laboratory or sampling permittee. This restriction includes, but is not limited to, all cultivators, processors, distributors, nurseries, microbusinesses, cooperatives, ROND and ROD.

Additionally, under no circumstances may a person who is a TPI in, or who has entered into a management services or non-flat fee exempted goods and services agreement with, any of the aforementioned licensees enter into a goods and services agreement with a CAURD.

A third party may have exempt agreements and flat-rate non-exempt agreements with licensees in multiple tiers. Goods and services providers should be aware of TPI rules, which can be found at cannabis.ny.gov/CAURD-TPI.

CAURD licensees, and their TPI, may enter into management services or goods and services agreements with other CAURD licensees, or their TPI. All goods and services providers, including those offering exempted services, should be aware that if certain thresholds are exceeded, they become a TPI in the licensee with whom they have entered that agreement. Namely:

10%/50%/\$100,000 Rule

Any goods and services or management services provider receiving more than the greater of 10% of a licensee's gross revenue, 50% of a licensee's net profit, or \$100,000 in a calendar year becomes a TPI in the licensee to whom they are providing those services.

Management services agreements

Any management services agreement with a licensee must be a flat-fee arrangement without the transfer of any elements of control from the licensee to the management services provider. If the agreement is not based on a flat-fee, or control is transferred, the MSA provider becomes a TPI in the CAURD.

Stacking

Any goods and services or MSA provider having multiple agreements with a licensee should be aware that those agreements will be viewed by the Office as a single "stacked" agreement. The stacked agreement shall be governed by the strictest prohibitions of each of the agreements, and payments from the agreements will be combined for purposes of TPI review.

10. Ordering and Delivery Applications

A retail dispensary licensee shall not sell or otherwise transfer any cannabis goods to a customer through the use of an unlicensed third party, intermediary business, broker, or any other business or entity. Licensees must own and operate their application where consumers can order cannabis products for delivery. A licensee that develops a proprietary application exclusively for its own use is not considered to be a Third-Party Platform (TPP). A Licensee application can be hosted by a

vendor, under a goods and services agreement, however such vendor cannot have any control over the content of the application, including marketing and advertising content, inventory and menus, and product pricing or the consumer data, and is subject to TPI rules. Further, an employee of the licensee with whom the consumer places the delivery order must fulfill the delivery order.

11. Menus and Pricing

Licensees must clearly designate the price of all items for sale. Licensees are required to clearly communicate the price of all items to customers on the licensee's online ordering platform. Any items for sale must include the price and total cost (including tax) of each item for sale.

Licensees cannot give away, including through donation, any cannabis products. Licensees cannot advertise giveaways, discounts, price reductions, points-based reward systems, or customer loyalty programs including, but not limited to, by using the words "sale", "free", "price drop", or "discount" on a menu, in any communications to customers, or elsewhere. This does not prohibit licensees from changing the price of cannabis products or otherwise "discounting" products.

12. Hours of Operation.

Licensees may only be available to sell cannabis products during their hours of operation. Municipalities are authorized to pass local laws and regulations governing the time, place, and manner, including the hours of operation for the licensed temporary delivery location, which:

- Shall not be allowed to operate from 12:00 AM to 8:00 AM, unless given express written permission by such municipality, or the municipality passes a local ordinance, authorizing it to operate beyond such hours; and
- Shall not restrict operations to less than 70 hours a week provided however, this provision shall not be construed as removing the licensees' discretion to operate for less hours of operation. This does not prohibit licensees from allowing customers to place orders, such as through an online website or application, or accepting payment for those orders outside of the licensee's hours of operation but does prohibit licensees from providing the customer with any cannabis products they have ordered (including through delivery) until the licensee's hours of operation begin.

13. Customer Age.

Licensees must utilize an age-restriction mechanism or "age-gate" to ensure those under twenty-one cannot view any website or digital application through which an

individual can place a delivery order. Customer must attest they are of legal age to consume cannabis (21+) at time of purchase. An additional identification check must be carried out by the employee making the delivery at the precise time of delivery to complete an order. The licensee must notify the customer of the identity verification before accepting and fulfilling an order. Valid identification for the purpose of determining a customer's age includes:

- a valid federal, state, or local government identification, including IDNYC, stating the customer's age and a photograph of the individual's face;
- a valid driver's license or non-driver identification card issued by the department of motor vehicles, the federal government, any United States territory, commonwealth or possession, the District of Columbia, a state government within the United States or a provincial government of the dominion of Canada;
- a valid passport issued by the United States government or any other country; or
- an identification card issued by the armed forces of the United States.

Adult-use cannabis products cannot be sold or delivered to individuals under twenty-one years of age. Workers are not required to decline a sale to an individual who is at least twenty-one solely because they are accompanied by an individual under twenty-one years of age. However, if a delivery employee believes, based on the information available to them, that the delivery of cannabis product(s) would create a risk of diversion of cannabis product(s) to an individual under twenty-one years of age, they must not complete such delivery transaction.

14. Customer Transactions.

All delivery transactions must be completed by the licensee's employees. Licensees cannot allow individuals not employed by the licensee, or any entity that is not the licensee, to fulfill customer orders. Licensees cannot fulfill orders that are placed on websites that are not registered to the licensee. Prohibited arrangements include, but are not limited to, licensees utilizing third-party entities to solicit, accept, or deliver customer orders.

All distributor to retailer and retail to customer transactions must result in an entry in the licensee's inventory tracking system. This entry must include, at a minimum:

- Each item sold and that item's:
 - Price;
 - Amount of tax due, including a separate delineation for each tax imposed on adult-use cannabis pursuant to Article 20-C of Tax Law (if a cannabis product);

- Quantity sold in that transaction; and
- Form of the product (if a cannabis product);
- Worker completing the transaction;
- Device identifier used to complete the transaction;
- Transaction's unique identifier;
- Delivery destination; and
- Date and time of the transaction.

Customers must be offered a receipt after each paying for each transaction. This receipt can be physical or digital, but must include the:

- Name and license number of the retail dispensary;
- Date and time of sale;
- Form and quantity of cannabis products and any other items sold;
- Employee completing the transaction; and
- Amount of tax due, including a separate delineation for tax imposed on adult-use cannabis products pursuant to Article 20-C of Tax Law.

Any personal information retained by a licensee may only be retained with the consent of the customer and may only be used for marketing, advertising, or other purposes with the consent of the customer. A licensee cannot sell, report, or otherwise share any customer data that could identify a specific individual unless that report is otherwise required by the Board or Office.

After the transaction, the products may be placed into an exit package for the customer. If the licensee provides an exit package, it may only contain the licensee's brand name and logo. Selling messages, mottos, and other brand markers (besides the brand name and logo) are not allowed on the exit package.

Licensees may not deliver an amount of cannabis or cannabis products in excess of the limits on individual purchases as set forth in the Cannabis Law in a single business day to a unique address.

15. Consumer Education.

Licensees must post consumer education materials on their website and provide physical consumer education materials, as made available by the Office. Consumer education materials may take any form and must have a primary purpose of educating consumers about safer consumption of cannabis products. If the materials make specific claims about cannabis products or studies, then these claims must clearly cite their sources.

16. Means of Transport and Delivery.

The licensee must have the rights to use (including possession through a lease or ownership) any motorized or unmotorized vehicle it uses for any transport of cannabis products. Unless another method is approved by the Office, only ground transport (such as a car, van, bike, scooter, foot, etc.) can be used for delivery. The Office requires licensees to report all vehicle make and model, as well as a proof of registration and insurance, as required by law, for all vehicles used for delivery of cannabis to consumers.

The transportation used for all transport of cannabis products must:

- Not identify or indicate that the transportation is used to transport cannabis products. A licensee cannot use marketing, advertising, or advertisements including, but not limited to, the licensee's branding to identify the transportation;
- If necessary, based on the distance and weather conditions of the transport, have temperature controls to prevent the cannabis products from deteriorating during transport;
- Secure the cannabis products in a fully enclosed and locked box, bag, cage, or other container on or in the vehicle or on the person;
- Only contain cannabis products that are on the delivery log for that transport; and
- Have an operating GPS system which can identify the delivery personnel's location at any time to the licensee in real time and, if requested, to the Office no later than 48 hours following the request.

A delivery employees shall carry a physical or electronic copy of all of the following information and shall make these records available to the Office upon request:

- CAURD licensee license number;
- Proof of employment with the CAURD licensee;
- The address of the CAURD location licensee;
- Delivery Inventory Log; and
- Contact information of the CAURD licensee.

Delivery employees must make every effort to randomize its delivery routes. Delivery employees shall contact the licensee when arriving at and leaving any delivery.

Delivery employees shall not leave a cannabis product in an unattended motor vehicle unless the motor vehicle is locked and equipped with an active vehicle alarm system and the product quality is not at risk to be compromised in the storage

conditions for the time period it is unattended. Delivery employees must keep cannabis products concealed until the delivery is made to the customer.

Products must be removed from vehicle, inventoried, and stored securely at the licensed location at the end of each day. Vehicles used for delivery by a licensee may be parked overnight at the licensee's address identified, but may not have any cannabis products left inside overnight.

Licensees must implement policies and procedures to notify the Office within 12 hours following any vehicle accidents or incidents occurring during transport of cannabis products.

17. Transport and Delivery Records.

Each time cannabis products are transported, including when cannabis products are being delivered to customers, licensees must maintain a shipping manifest and invoice for all cannabis products being transported. The employee that is transporting the cannabis products must carry verifiable proof⁴ that they work for the licensee at all times during the transport.

Distributor to Retailer Transactions: When a distributor sells and transports cannabis products to a retailer, the shipping manifest must be transmitted to the Office via the inventory tracking system and to the recipient of the transport. Please find a copy of the shipping manifest at the following link: [Cannabis Transportation Manifest](#). If multiple deliveries are being made in a single transport, the licensee must split the shipping manifest sent to the recipient of the transport such that the recipient of each delivery only receives information applicable to their delivery. The shipping manifest must include:

- the name, physical address, and license or permit number of the originating Licensee;
- the name, physical address, and license number, if applicable, of the receiving party;
- the unique identification numbers for all cannabis products being transported;
- the cannabis product name, item category and weight or count of cannabis products associated with each package tag;
- the estimated date and time of departure from the licensed premises;
- the estimated date and time of arrival at each licensed premises or the consumer's address; and

⁴ An example of such verifiable proof would be an employee ID badge that had a unique identifier that could be used by the licensee to verify the badge as authentic.

- the driver's license number of the worker transporting the cannabis products, if motorized transportation is being conducted by the licensee producing the shipping manifest;
- the make, model, and license plate number of the vehicle being used for transport; and
- any other information as determined by the Office.

For Retailer to Consumer Transactions: When cannabis product is delivered to a customer, the licensee must provide an invoice to the customer after completing the transport. At a minimum, the invoice must include:

- the name and license number of the licensee;
- the name and address of the customer;
- the name and quantity of each item to be delivered to each customer;
- the name and signature of the customer and each employee performing or accompanying the delivery of the cannabis products;
- any other information as determined by the Office.

If the invoice also includes all information required to be on a receipt in the Customer Transactions section above, then the invoice can also be the customer's receipt.

For Delivery Employees:

Before leaving the, the delivery employee must have a delivery inventory log of all cannabis product in their possession at any time. For each cannabis product, the delivery inventory log shall include the type of cannabis product, the brand, the retail value, relevant inventory tracking identifiers, and the weight, volume, or other accurate measure of the cannabis product. All cannabis products prepared for an order that was received and processed by the licensee prior to the delivery employee's departure from the licensed location must be clearly identified on the delivery inventory log. After each customer delivery, the delivery inventory log must be updated to reflect the current inventory in possession of the licensed retailer's delivery employee. Delivery inventory logs may be maintained electronically.

The delivery employee shall maintain a log that includes all stops from the time the employee leaves the licensed location to the time the employee returns to the licensed location, and the reason for each stop. The log must be turned in to the licensee when the cannabis delivery employee returns to the licensed location. The licensee must maintain the log for a minimum of five (5) year from the date of delivery and make it available upon request by the Office. The log may be maintained electronically.

18. Storage of Cannabis Products.

Cannabis products should be locked and secured in an area, in accordance with this guidance, that is only accessible to authorized workers, suitable for the specific cannabis products being kept. Areas and equipment used for on premises cannabis storage should be kept accessible to the minimum number of employees necessary for efficient operations and locked except for the time needed to remove products for delivery. Cannabis may not be accessible to any unauthorized staff or visitors.

Cannabis products may not be stored in a vehicle overnight.

19. Security Measures.

Licensees must implement sufficient security measures to deter diversion, theft or loss of cannabis and cannabis products, theft or loss of cash, prevent unauthorized entrance into areas containing cannabis or cannabis products, and to ensure the safety of the licensee's workers and the general public. Licensees are permitted to hire armed service providers as part of their security measures, if they wish, however firearms are strictly prohibited from vehicles and employees performing deliveries.

The licensee must take the following specific security measures:

- implementing and maintaining a security plan. A security plan must include, at a minimum, a description of the measures a licensee will undertake to:
 - prevent unauthorized access to the licensed location by unauthorized persons and protect the physical safety of all individuals on the premises and delivery vehicles;
 - deter theft or loss of cannabis products;
 - ensure that only authorized individuals, such as employees of the licensee and distributors, are allowed to remain on the premises of the licensee;
 - lock all perimeter doors and windows; and provide for safe cash storage and handling, and transportation of cash to financial institutions;
- securing all entrances to the licensed facility to prevent unauthorized access;
- ensuring that both the inside, and the outside perimeter of the licensed facility are sufficiently illuminated to facilitate surveillance;
- maintaining trees, bushes and other foliage outside of the licensed premises so as to prevent a person from concealing themselves from sight; and
- any other requirements as determined by the Office.

20. Security System.

Licensees are required to have a security system at the licensed location that utilizes commercial grade equipment to prevent and detect diversion, theft, or loss. The system, at a minimum, must include:

- A perimeter alarm that communicates with an internal designee and a third-party commercial central monitoring station when intrusion is detected;
- Video camera surveillance enabling monitoring of all essential areas of the operation, including areas that contain cannabis, and all points of entry and exit.
 - video cameras shall produce continuous recordings during hours of operation and at any time that cannabis products are handled, and motion activated recordings at all other times;
 - For all video cameras, the licensee shall make available via remote access or login credentials for immediate viewing by the Office or the Office's authorized representative upon request for all video cameras. All recordings shall be retained for at least 60 days;
 - licensees shall make an unaltered copy of video camera recording(s) to the Office upon request;
- a failure notification system that provides an audible, text or visual notification of any failure in the security system. The failure notification system shall provide an alert to the licensee's designated representative(s) within five minutes of the failure, either by telephone, email, or text message;
- limiting access to any surveillance areas and keeping all on-site surveillance rooms locked. A licensee shall make available to the Office or the Office's authorized representative, upon request, a current list of all individuals who have access to any surveillance room or equipment;
- Records kept confirming that the licensee is checking and confirming that camera surveillance is functional and meeting the above requirements. Such records must be kept by the licensee for up to six months and made available to the Office upon request;
- keeping all locks, storage and security equipment in full operating order and shall test and inspect such equipment at regular intervals, not to exceed 30 calendar days from the previous inspection and test. Records of security tests must be maintained for five years and made available to the Office upon request.

21. Location of Licensed Premises.

Licensees must locate their licensed retail dispensary location in their first preference region as indicated on their CAURD application. However, licensees whose first preference region is New York City will be able to locate their licensed location anywhere in The Bronx, Manhattan, Queens, or Staten Island. CAURD licensees must have final approval from the Office to provide delivery to customers from a licensed location. Licensed retail dispensary and delivery-only locations must be non-residential and are not permitted in opt-out municipalities. However, licensees are permitted to deliver within opt-out municipalities.

The principal entrance of the licensed location shall be on the street level and located on a public thoroughfare in premises which may be occupied, operated or conducted for business, trade or industry.

In addition to these standards, the retail dispensary or delivery-only location cannot be near a school ground or place of worship as stated in the Cannabis Law. The licensee must submit documentation to demonstrate compliance with this requirement when submitting their proposed location for Office approval.

Proximity to School Grounds. A retail dispensary or delivery-only location cannot be on the same road and within 500 feet of school grounds, as defined in Section 409(2) of the New York State Education Law. This measurement will be taken in a straight line from the nearest point of the school grounds to the center of the nearest entrance⁵ of the premises that the licensee wishes to locate the temporary delivery location. Only entrances that are regularly used to give ingress to the establishment will be used to determine distance. Emergency or fire exits, maintenance access, or doors to the premises will not be considered in this measurement.

- If the entrance being used for the measurement is set back from the sidewalk by a walkway or doorway, the center of the line where the walkway or doorway meets the sidewalk is used for the measurement.
- If the premises is a multi-story building, the building entrance at street level is used.
- If school grounds or the establishment are situated on a corner lot, the school grounds/establishment are considered to be on both streets of the

⁵ For the purpose of measurements between a school ground or place of worship and the premises in question, "entrance" means a door of a school, of a place of worship, or of the premises sought to be licensed, regularly used to give ingress to students of the school, to the general public attending the place of worship, and to patrons or guests of the premises proposed to be licensed, except that where a school or place of worship is set back from a public thoroughfare, the walkway or stairs leading to any such door shall be deemed an entrance; and the measurement shall be taken to the center of the walkway or stairs at the point where it meets the building line or public thoroughfare. "Entrance" does not mean a door which has no exterior hardware, or which is used solely as an emergency or fire exit, or for maintenance purposes, or which leads directly to a part of a building not regularly used by the general public or patrons.

intersection, whether or not there is an entrance to the building on both streets.

Proximity to houses of worship. A retail dispensary or delivery-only location cannot be on the same street or avenue and within 200 feet of a building occupied exclusively as a house of worship. This measurement will be taken in a straight line from the center of the nearest entrance to the building used for the house of worship to the center of the nearest entrance of the premises that the licensee wishes to locate the temporary delivery location. Emergency or fire exits, maintenance access, or doors to non-public areas of the premises will not be considered in this measurement.

- If the entrance being used for the measurement is set back from the sidewalk by a walkway or doorway, the center of the line where the walkway or doorway meets the sidewalk is used for the measurement.
- If the premises is a multi-story building, the building entrance at street level is used.
- If the house of worship or the establishment are situated on a corner lot, the house of worship/establishment are considered to be on both streets of the intersection, whether or not there is an entrance to the building on both streets.

A house of worship does not need to exclusively be used for religious services to be considered a house of worship. A house of worship will still be considered a house of worship if:

- it is used for games or performances that raise funds for a nonprofit organization;
- it is used by multiple religious groups;
- it is used for public or private social activities by, or for the benefit of, congregants;
- it is used for meetings held by organizations or groups that provide bereavement counseling or provide advice or support for conditions or diseases;
- it is used for blood drives, health screenings, health information meetings, yoga classes, exercise classes, or other activities that promote the health of its congregants;
- it is used by members of the community that are not congregants for private social functions.

22. Notification to Municipalities.

After a retail dispensary or temporary delivery-only location has been approved by the Office, applicants must follow the local notification procedure pursuant to Cannabis Law. The procedure and form for making this notification is available online at the following link: [Notification to Municipality](#).

23. Store Exterior and Outdoor Areas.

Temporary delivery-only locations shall not identify or indicate that the facility is used to store and transport cannabis products. A licensee cannot use marketing, advertising, or advertisements including, but not limited to, the licensee's branding to identify the temporary delivery-only location from the exterior.

Licensees must ensure that no cannabis products are displayed in an area that is visible from outside a licensed location. Licensees must also comply with local ordinances and rules related to odors, noises, parking, and other nuisances not preempted by Office regulations or determined to be unreasonably impracticable by the Board.

24. Training, Health, and Safety.

Licensees are responsible for the actions of their employees and are responsible for ensuring their workers possess the education and training required to do their jobs. Licensees must provide adequate supervision of staff, including trainees, by persons familiar with the licensee's operating procedures and State's rules.

Training Manual. Licensees must maintain a written training manual. The training manual must be available to all workers, and it must include, at a minimum:

- Worker guidelines and security, operating, and safety procedures, including, but not limited to:
 - daily opening and closing procedures;
 - security, customer admittance, and customer traffic-control procedures;
 - ordering procedures;
 - delivery service procedures ;
 - product inventory intake procedures;
 - product return and disposal procedures;
 - emergency procedures; and
 - an explanation of how workers will monitor for and prevent sales to customers where there is a risk to health or safety, underage or illegal sales of cannabis products, or any other criminal activity within the licensed premises;
- Information about all types of cannabis products the dispensary sells or plans to sell, including, but not limited to:
 - Product types;

- Serving size;
- Onset and duration of effects, if applicable;
- Method of administration;
- Warnings for use; and
- Tips for secure cannabis product storage and proper disposal;
- Customer privacy and confidentiality requirements; and
- Alcohol-free, drug-free, and smoke-free workplace policies.

Training for Delivery Employees. In addition to the Training Manual obligations of licensees and dispensary employees, delivery employees shall be required to receive trainings on the topics outlined below. Trainings must occur during a worker's normal work hours and workers must be compensated their normal rate of pay while completing required trainings. Training does not need to be completed in one session or one day, in fact it should be routinely updated when the licensee's operating procedures are updated. Training does not need to be conducted by the licensee; licensees are permitted to utilize a third-party trainer to conduct some or all of the required training.

Required training of delivery employees must include the following minimum curriculum:

- Ensuring safe use of cannabis products, including, but not limited to:
 - The physical effects of cannabis on the human body;
 - Advice for recognizing signs of impairment;
 - Appropriate responses in the event of overconsumption;
 - Safer storage of cannabis products;
 - Explanation of required components of cannabis product labeling;
 - Risks of cannabis use and over-use, including cannabis use disorder dependency;
 - Risks of operating any vehicle (including watercraft) under the influence;
 - Explanation of consumer education materials; and
 - Overview of marketing and advertising prohibitions;
- Prevention of sales to individuals under twenty-one, including, but not limited to:
 - How to check customer photo identification;
 - Spotting fraudulent identification; and
 - Provisions for safely confiscating fraudulent identification;
- Security and surveillance of licensed premises;
- Emergency procedures;
- Compliance with, and operation of, inventory tracking systems and delivery protocols;
- Relevant state and federal laws or regulations;
- Permitted investigations or inspections of the premises/delivery vehicle;

- Civil and criminal penalties;
- Protocol for handling atypical or exceptional delivery circumstances;
- Cannabis product waste disposal; and
- Practices for maintaining customer privacy and confidentiality.

25. Cleaning and Sanitizing.

The licensee is responsible for the upkeep and maintenance of all facilities, containers, tools, contact surfaces, and equipment used in the delivery of cannabis products. Cleaning and sanitizing shall be performed as frequently as necessary to maintain all facilities, areas, containers, tools, contact surfaces, and equipment in a clean and sanitary condition using a sanitizing agent registered by the U.S. Environmental Protection Agency (EPA) in accordance with labeled instructions.

26. Marketing and Advertising.

Licensees must comply with all marketing and advertising standards as set in regulation and guidance.

27. Quarantine/Remediations/Recalls>Returns.

A licensee shall establish written policies and procedures to monitor and track all quality assurance concerns and complaints from licensees and customers, including, but not limited to, procedures for rapid notification to the licensees' supply and distribution chain to recall any cannabis product when directed by the Office, or as deemed necessary by the licensee. Such procedures must include notification to the Office with 24 hours of learning of a serious adverse event, a trend of adverse events that may signify a quality assurance or public health and safety concern, any other quality assurance events or initiating a recall.

Implemented written procedures for recalling a cannabis product, whether initiated by the licensee or mandated by the Office, shall include:

- identification of factors that necessitate recall and personnel responsible for implementing the recall procedures;
- notification protocols, including a mechanism to notify the Office within 24 hours of initiating a recall and to notify any licensee that supplied or received the recalled cannabis product;
- instructions to the general public and other licensees for the return or destruction of the recalled cannabis products; and
- a requirement that all recalled products held by a licensee must be held in quarantine until the Office authorizes additional actions.

All inventories, policies and procedures and other documents required by this guidance shall be maintained either electronically or on the licensed premises and shall be made readily available to the Office upon request.

A licensee shall not sell, deliver, or transfer a cannabis product that has been placed on administrative hold by the Office, recalled, or ordered or otherwise required to be destroyed. Such cannabis products shall be stored securely and separate and apart from other cannabis products while awaiting final disposition.

A licensee shall not sell, deliver, or a transfer a cannabis product after the printed expiration date on the package.

28. Disposal.

Licensees must dispose of any cannabis product that is beyond the date of expiration, damaged, deteriorated, contaminated, or otherwise deemed not appropriate for sale.

Cannabis product waste shall be maintained in a secured waste receptacle or secured area at the licensed location until the time of disposal. All exterior cannabis waste receptacles located on the licensed premises shall be locked and secured to prevent unauthorized access. All disposal of cannabis products must be conducted in compliance with all applicable state and local laws, rules, regulations, and guidance.

Method of Disposal. Cannabis waste may be disposed of using one of the following methods:

- Deliver cannabis waste to a New York State Department of Environmental Conservation permitted solid waste management facility for final disposition.
- Manage disposal on-site by the licensee in accordance with the requirements of the New York State Department of Environmental Conservation.
- Return the cannabis waste to the distributor which sold the product to the licensee.

A licensee who is using another entity to transport cannabis waste must maintain and make available to the Office upon request the business name, address, contact person, and contact phone number of the permitted or registered New York State Department of Environmental Conservation waste transporter transporting the cannabis waste; and obtain documentation from the waste transporter transporting the cannabis waste that evidences subscription to a waste collection service.

A licensee who is self-transporting cannabis waste shall be subject to the following additional requirements:

- The licensee or its employees shall be registered or permitted as a waste transporter in accordance with the New York State Department of Environmental Conservation's regulations.
- Self-transported cannabis waste shall only be transported by the licensee or its workers;
- Self-transported cannabis waste shall only be transported to a solid waste management facility that is permitted by the New York State Department of Environmental Conservation to accept cannabis waste; and
- The licensee or its worker who transports the cannabis waste shall obtain for each delivery of cannabis waste a copy of a record, indicating the amount of cannabis waste transported to the permitted solid waste management facility or receipt from the permitted solid waste management facility.

29. Record of Disposal.

All cannabis waste disposed of shall be weighed, recorded and entered into the inventory tracking system prior to, and after, disposal. Licensees shall maintain records of disposal for at least five years, and make available to the Office for inspection, which shall include:

- the form (or type) cannabis product being disposed;
- the quantity of the cannabis product;
- the batch or lot number, as applicable, of the cannabis product;
- the signatures of at least two of the licensee's workers who witnessed the disposal; and
- any other information as determined by the Office.

30. Inspection/Audits.

Licensed premises, all vehicles used for transporting cannabis products, and all records including, but not limited to, financial statements and corporate documents, shall be subject to inspection by the Office, by the duly authorized representatives of the Office, by any peace officer acting pursuant to their special duties, or by a law enforcement officer.

The Employee in Charge shall be available and present for any inspection required by the Office. An inspection may include, but is not limited to, ensuring compliance by the licensee with all requirements of the regulations pursuant thereto, and other applicable state and local building codes, fire, health, safety, and other applicable laws and regulations.

Any deficiencies identified by the inspection shall be documented in a statement of findings by the Office and require that the licensee submit a written plan of correction in a format acceptable to the Office within 15 calendar days of the issue date of the statement of findings.

Any inspection finding which the Office determines jeopardizes the immediate health, safety, or well-being of the public shall be deemed a critical deficiency and shall require immediate corrective action to remove the immediate risk. The licensee must submit a preliminary corrective action plan to the Office within 24 hours of notification by the Office of a critical deficiency.

Correction Plan. A plan of correction shall address all deficiencies or areas of noncompliance cited in the statement of findings and shall contain:

- an assessment and analysis of the events and/or circumstances that led to the noncompliance;
- a procedure addressing how the licensee intends to correct each area of noncompliance;
- an explanation of how proposed corrective actions will be implemented and maintained to ensure noncompliance does not recur;
- the proposed date by which each area of noncompliance shall be corrected; and
- any other information requested by the Office.

If the Office determines that the corrective action plan needs modification, the licensee shall modify the plan until it is in its final form, as accepted by the Office. Upon written approval of the Office, the licensee shall implement the plan of correction.

31. Refusal of Service.

Delivery employees may refuse to sell cannabis products to a customer if they believe the sale would endanger the health or safety of the customer.

Workers **must** refuse a sale if, based on the information available to them at the time, that the sale:

- Would result in the customer exceeding the legal possession limit;
- Would create a risk of diversion; or
- Would be to an individual who is under twenty-one years of age.

32. Prohibited Health Claims.

The licensee, its workers, and all individuals or entities which hold a direct or indirect interest in the license cannot give the impression to customers that the dispensary, or any adult-use cannabis products sold by the dispensary, will cure or prevent specific illnesses or diseases, treat any specific symptoms, or otherwise provide specific medical advice to customers. This does **not** prevent delivery employees from providing general information to customers about the effects of cannabis consumption on the human body or specific recommendations about safer storage or consumption of cannabis products, but this **does** prevent delivery employees from providing specific medical advice to customers based on factors unique to that individual's health, including providing recommendations to pregnant or nursing individuals to consume cannabis. Medical advice should be referred to that individual's health care practitioner.

If a medical cannabis patient presents their patient certification to a worker and the dosing recommendation is "*Per Pharmacist's Consultation*", then the dispensary worker must notify the patient that they are not a pharmacist before they can make any recommendations to the patient. If the worker believes the sale would be a risk to the patient's health or safety, then they can refuse to sell adult-use cannabis products to the individual.

33. Restrictions on Interests and Ownership. Licensees must ensure that all individuals and entities with an interest in their license are in compliance with the restrictions placed on such individuals and entities in the CAURD True Party of Interest guidance¹¹. Licensees must comply with all requirements in that guidance including, but not limited to, requirements pertaining to ownership and contracting with landlords, financiers, financial institutions, or management services entities. A failure of any individual or entity with an interest in the licensee to comply with these requirements will be considered a failure of the licensee.

34. Undue Influence.

To prevent suppliers from exerting inappropriate control over retail dispensaries, the Cannabis Law places restrictions on the ability of an entity in one tier from having an interest in an entity in another tier of the industry.

Retail dispensaries, their true parties of interest, passive investors, and any management service providers cannot have any interest in any business anywhere that cultivates, processes, or distributes cannabis. Applicants with an interest in such a business, no matter how small that interest is, will not be approved. A licensee who, themselves or through their True Parties of Interest, passive investors, or any management service providers, holds a prohibited interest risks their license being cancelled, suspended, or revoked or other enforcement actions being taken.

The Cannabis Law also prohibits licensees authorized to cultivate, process, or distribute cannabis from giving something of value to retail dispensaries to induce the retail dispensary to buy something from the licensee authorized to cultivate, process, or distribute cannabis. Generally speaking, the Office presumes that anything such licensee gives to a retail dispensary is meant to induce the retail dispensary to buy product including, but not limited to: (1) gifts; (2) discounts, except not in excess of one per centum for payment on or before ten days from date of shipment of such cannabis; (3) customer loyalty programs; (4) loans of money; (5) premiums; (6) rebates; (7) free product of any kind, except as permitted in regulations or guidance; (8) treats or services; or (9) property.

35. Availing.

Availing is when a person who was not disclosed to the Office has an ownership or controlling interest in a licensed entity. A licensee is responsible for violations committed by third parties who are availing the license.

Availing occurs when the licensee turns control of the business over to an undisclosed party without any direction, supervision or oversight by the licensee, even if the undisclosed party does not profit from the use of the license. Availing may involve a failure to disclose an individual's interest in the business at the time the application is submitted to the Office or failure to disclose the transfer of an interest after licensure.

Evidence of availing includes:

- an agreement giving a financial or controlling interest to an undisclosed party;
- an undisclosed party receiving a percentage of the profits; and
- bank accounts, records and other licenses/permits in the undisclosed party's name.

Managers who oversee the business for the licensee *are not* availing the license. An unauthorized ownership change is a version of availing in which the licensed entity stays the same, but the true parties of interest (TPI) of the licensed entity change without such change being approved by the Office. If a new entity is operating the business without Office approval, then that is availing. If the licensed entity is still in control but with different (unapproved) TPI, that is an unauthorized ownership change.

To avoid an availing charge due to an unauthorized ownership change, be sure to obtain approval, pursuant to this guidance before making any changes to your license.

36. Changes to Guidance.

The Office reserves the authority to issue changes, corrections, and amendments to this guidance. Revised editions of guidance will be posted on the Office's website and notice will be sent to licensees. The Office may provide licensees a period of time to come into compliance with such changes and, if such time is provided, the Office will communicate, in writing, that period to licensees.