

FOR IMMEDIATE RELEASE:

September 12, 2023

CONTACTS:

Trivette Knowles / Trivette.Knowles@ocm.ny.gov / 929-466-2485

Aaron Ghitelman / Aaron.Ghitelman@ocm.ny.gov / 518-728-9570

**NEW YORK STATE SIGNIFICANTLY EXPANDS CANNABIS
MARKET WITH FINAL APPROVAL OF ADULT-USE
REGULATIONS**

New York State Significantly Expands the State's Cannabis Industry with Approval of Adult-Use Cannabis Applications and Announces Launch of General Licensing Applications

State Announces Over \$70 Million in Cannabis Sales Through Late August, Cannabis Growers Showcase on Pace for \$12.5 Million in Sales in 2023

New York State Continues to Pave the Way for Increase Medical Cannabis Access with Approval of Expanded Registered Organization Application

CCB Approves Cannabis Research License Applications to Drive Scientific Advancements in the Cannabis Industry

NEW YORK – Today, the New York State Cannabis Control Board (CCB) voted to finalize the Office of Cannabis Management's (OCM) proposed regulations for the adult-use cannabis market, paving the way for the most significant expansion of the state's cannabis market since 2021.

With this approval, a broad universe of individuals and small businesses across the state will now be able to apply for cultivator, processor, distributor, microbusiness, and retail dispensary licenses beginning on October 4, 2023. In addition to the opening of the general license application, currently-operational Adult-Use Conditional Cultivators (AUCCs) and Conditional Processors (AUCPs) will also be able to apply for full, non-conditional licenses.

"Today marks the most significant expansion of New York's legal cannabis market since legalization, and we've taken a massive step towards reaching our goal of having New Yorkers being able access safer, regulated cannabis across the state. We are immensely proud to be building the fairest, most competitive cannabis industry in the nation — one that puts those most harmed by prohibition first and offers a true opportunity for all New Yorkers — not just large corporations — to compete and thrive," **said Chris Alexander, Executive Director of the Office of Cannabis Management.** "The regulations finalized today are the result of robust

engagement with stakeholders across the State who submitted thousands of comments. This final package truly represents the values of equity and competition that we believe are central to this market. I want to especially thank Governor Hochul for her leadership, the Board for their collaboration, the Legislature for their vision, and our advocacy partners for their commitment to this mission.”

“Today's unveiling of our cannabis licensing program represents a defining moment for New York State's commitment to entrepreneurship and fostering a truly diverse cannabis marketplace. Starting this October, aspiring business owners can navigate the application process for various licenses with ease through the New York Business Express (NYBE) platform,” **said Tremaine Wright, Chairwoman of the New York State Cannabis Control Board.** “Our pledge to social and economic equity will continue to take center stage, ensuring that individuals and communities from all backgrounds have a fair shot at success in this burgeoning industry. With these comprehensive additions, New York solidifies its reputation as a trailblazing leader in the cannabis world.”

The Marihuana Regulation and Taxation Act (MRTA) established licensing priority for social and economic equity (SEE) applicants, defined as those individuals “from communities disproportionately impacted (CDI) by the enforcement of past prohibition, minority- and women-owned businesses, distressed farmers, and service-disabled veterans.”

In addition, to ensure that individuals and small businesses have real opportunity to compete and thrive in New York’s cannabis market, the law also established a two-tier system, which prevents licensees on the supply side of the market from having more than a minimal financial interest in businesses on the retail side of the market. The regulations finalized today provide a clearer and more robust framework for how OCM is to implement these provisions of the MRTA.

With respect to SEE applicants, priority consideration for adult-use cannabis licenses will be provided to such applicants who qualify as individuals from a community disproportionately impacted, distressed farmers, and service-disabled veterans. All SEE applicants will receive a 50% fee reduction in application or licensing fees and will be eligible for application support and technical training through the Cannabis Hub & Incubator Program (CHIP), which will be launching this fall.

In addition, to ensure transparency, accountability, and regulatory compliance, OCM will implement a robust system for tracking the ownership and financial interests of cannabis license applicants. This includes the requirement for applicants to list their “True Parties of Interest” (TPI), which will enable OCM to assess ownership stakes of individuals and businesses operational in one part of the market in other parts of the market. This critical information will serve a vital function in upholding the integrity of New York’s two-tier market and the viability of small businesses across the supply and retail sides of the market.

New Yorkers seeking to apply for licenses will be able to file their applications through the New York Business Express (NYBE) platform, and OCM will soon be releasing detailed application instructions on its website. More information regarding license types, the SEE provisions, and the State’s two-tier system, is available here.

With these regulations, the State ushers in a new era of cannabis regulation in New York, one defined by inclusiveness, transparency, equity, and economic opportunity.

Outline of Adult-Use Regulation Package

The finalized adult-use regulations create a framework for an equitable and sustainable cannabis industry grounded in public health best practices, including keeping cannabis products out of the hands of youth, establishing product quality and safety guidelines, outlining employee training standards, and defining business security requirements to protect public safety. These regulations also incentivize sustainable cannabis operations by prioritizing energy and resource efficiency and protecting against wasteful business practices. Most importantly, these regulations maintain the goals of equity initially laid out in New York’s Cannabis Law and the Marihuana Regulation & Taxation Act (MRTA).

The Adult-Use Cannabis Regulation Package Outlines:

1. The application and license selection and process;
2. The role municipalities play in regulating cannabis businesses;
3. Key social and economic equity program provisions;
4. Environmental and sustainability standards cannabis cultivation, processing and manufacturing;
5. Ownership and true party of interest provisions; *and*
6. General business operating requirements, including but not limited to: security, worker health and safety standards, inventory tracking, record keeping and transportation.

The regulations went through two separate public comment periods, the first from December 14, 2022 until February 13th, 2023, and the second from June 14 to July 31, 2023. Collectively, OCM and the CCB received more than 4,000 distinct comments from approximately 550 individuals during these periods.

Commenters, representing a broad spectrum of stakeholders, sought clarification on various provisions, proposed additional amendments, requested technical modifications, and shared their valuable opinions with both OCM and the CCB. This robust and constructive feedback was pivotal in guiding the final adult use regulations.

*Licensed Dispensaries Reporting \$70+ Million in Cannabis Sales Through Late August;
Cannabis Growers Showcases on Pace for at Least \$12.5 Million in Sales in 2023*

In addition to finalizing the adult-use regulations today, OCM provided an update to the CCB on the ongoing success of the Cannabis Growers Showcase program, launched in July 2023 by Governor Hochul to create new avenues for New York’s cultivators and processors to sell their products. This initiative is a partnership that is enabling cannabis growers and existing, licensed retail dispensaries to sell cannabis products to consumers. New York State is the first in the nation to allow the sale of cannabis products at state and locally-sanctioned locations.

Since the announcement of the program, OCM has received close to 50 applications to host events, and has approved 25 of them, with 15 of those CGS events running through the end of the calendar year. To date, these CGS events have yielded \$600,000 in sales, and at the current rate of sales, the CGS events are on pace to generate more than \$12 million in sales through the end of the calendar year. That projection may grow as OCM approves additional CGS events in the coming weeks. [View upcoming and previous Cannabis Growers Showcases here.](#)

The State's 23 licensed dispensaries have reported cumulative sales of over \$70 million through late August of this year, with a marked increase through the summer. From January through May, total sales were approximately \$18.8 million. June's sales jumped to \$8.9 million, with over \$34 million reported in July and August. This equates to more sales in the last two months than the previous six combined—a trend that will continue in the months and years to come.

New York State Continues to Pave the Way for Increased Medical Cannabis Access with Approval of Expanded Registered Organization Application

Today, OCM announced that the Registered Organization (RO) Application will be made available for viewing following today's CCB meeting to expand access to medical cannabis in New York.

The application process will be exclusively accessible online and is complemented by a comprehensive Application Instruction Sheet, providing a seamless guide for interested parties. As mandated by the Medical Cannabis Regulations, applicants will be required to submit a non-refundable application fee of \$10,000 to apply.

In line with the requirements outlined in the [Marihuana Regulation Taxation Act, \(MRTA\)](#), applicants must exhibit cultural, linguistic, and medical competence, ensuring they are well-prepared to cater to the diverse needs of patients who may benefit from medical cannabis. This innovative approach demonstrates OCM's continued commitment to creating a more inclusive and effective cannabis industry in the State. Additionally, this approach distinctively puts an emphasis on collaboration; encouraging applicants to form partnerships that demonstrate their collective capability to fulfill their obligations and serve their respective communities effectively. This collaborative model addresses the shortcomings of the previous approach to integrating ROs, aligning with the evolving standards of today's market.

In order to foster transparency and provide clarity to potential applicants, OCM encourages interested parties to submit their inquiries and questions to OCM by October 13th. Responses to these inquiries will be promptly posted on OCM's website under Frequently Asked Questions (FAQs), which serves as a valuable resource for applicants looking to apply for a new RO registration.

CCB Approves Cannabis Research License Applications to Drive Scientific Advancements in the Cannabis Industry

Today, the CCB voted to approve the Cannabis Research License Applications to produce, process, purchase and/or possess cannabis for limited research purposes. These licenses will help

further research into cannabis, an area of research that has been severely limited by a century of cannabis prohibition in the United States. Researchers, scientists, physicians, cultivators, and others will now have the ability to study and collect the evidence needed to better understand the vast potential of the cannabis plant and lead to new robust innovations. The application for the Cannabis Research License, which requires a \$250 application fee and a \$500 license fee, must be completed online and will be accessible on OCM's Cannabis Research webpage. The application will be available for submission starting September 13, 2023 and will be accepted on a rolling basis.

“As we continue to build a comprehensive regulated cannabis market, New York State is poised to lead the nation in cannabis research and science,” said **Nakesha Abel, Deputy Director for Health and Research for New York's Office of Cannabis Management**. “For far too long, the ability to conduct high quality scientific investigations on cannabis has been limited by too many barriers. With the New York State Cannabis Research License, researchers will now be able to perform studies on the cannabis products that patients and consumers are utilizing in the real world.”

The draft regulations for the Cannabis Research License were introduced at the March 2, 2023, CCB meeting, and went out for a 60-day public comment period that concluded on June 5th. OCM received 22 public comments, and there was overwhelming support of the regulations and New York's efforts to stimulate cannabis research. Because no substantive changes were made as a result of the public comment, regulations were voted to be adopted at the July 19th, 2023 CCB meeting and were subsequently effective on August 9th, 2023.

CCB Approves One Additional Laboratory Testing Permit

The Cannabis Control Board approved one additional laboratory permit today, Dope Diagnostics Lab in Pearl River, NY, bringing the total number of laboratories permitted to conduct adult-use and medical cannabis testing in New York State to 16.

The approval of this permit serves as a critical part of New York's equity-first supply chain, helping to bring safer cannabis products onto the shelves of New York's first adult-use cannabis retail dispensaries.