



NYS ADULT-USE APPLICATION: MUNICIPALITIES OVERVIEW

You are here

OVERVIEW

MUNICIPALITIES ROLE IN NYS CANNABIS

COMMUNITY REINVESTMENT

COMMUNITY RESOURCES

MORE RESOURCES

OVERVIEW

On October 4, 2023, New York State launched the largest expansion of the State's legal cannabis market to date with the opening of its first adult-use non-conditional application window. New York State adult-use cannabis license applications are hosted on the [New York Business Express \(NYBE\) website](#). Here, applicants can provide all the necessary information to acquire, upon approval by the Cannabis Control Board, a New York State adult-use cannabis license and participate in the legal adult-use cannabis market.

The licensing application opened to cultivators, processors, distributors, microbusinesses, and retail dispensaries licensees. All adult-use license applications to be considered for this application window must be submitted no later than 5:00 PM EST on Monday, December 18, 2023. More information is available at the Office of Cannabis Management (Office)'s general [licensing application guidance page](#).

As outlined in Section 76 of the Cannabis Law, applicants applying for a retail dispensary or microbusiness license with retail authorization, or Registered Organizations with an adult-use dispensary (existing medical operators), must complete a notification to their municipality or (in the case of NYC) local community board 30 days before an application is filed with the Office.

The Office does not consider an application for a retail dispensary or microbusiness (with retail authorization) filed with the Office until: 1) the applicant provides proof of control over the proposed retail location; 2) the applicant provides proof of notification to the municipality; and 3) the applicant receives a location determination from the Office as to whether the retail location meets the proximity requirements in the Cannabis Law and corresponding regulations.

Adult-use cannabis sales are prohibited in municipalities which had previously passed a local law seeking to prohibit adult-use cannabis retail dispensaries and/or on-site consumption businesses before December 31, 2021. No retail dispensary licenses, or microbusiness licenses will be granted in those municipalities that prohibit adult-use cannabis retail dispensaries. While municipalities are no longer allowed to opt-out, any municipality that previously opted-out may opt back in by repealing the prior local law.

Note: Cannabis cultivation and cannabis processing licenses can still be granted in [opt-out municipalities](#). The Office will accept applications for review and will begin awarding licenses for cultivators, processors, distributors, microbusinesses, and retail dispensaries in 2024.

WHAT ROLE DO MUNICIPALITIES PLAY IN NEW YORK STATE CANNABIS?

In accordance with Section 76 of the Cannabis Law, all municipalities and community boards will each receive a minimum of 30 days to review the proposed location and be able to provide an advisory opinion to the Office. Municipalities and community boards can request a one-time 30-day extension to provide their advisory opinion. A 30-day extension request must be made within the initial 30-day review period. The extension request can be sent to municipalities@ocm.ny.gov, including proof of the date of receipt of the specific [Notification to Municipalities Form](#) for which the extension is being requested.

All expressed opinions will become part of the record upon which the Office of Cannabis Management (Office) makes its recommendation to the Cannabis Control Board (Board) to grant or deny the application. The Board shall then respond to the municipality or community board with an explanation of how such opinion was considered in the granting or denial of an application.

Municipalities such as towns, cities, and villages are permitted to pass local laws and regulations governing the time, place and manner of operation of adult-use retail dispensaries and on-site consumption licensees provided that the local law and regulations do not make the operation of the licensed business unreasonably impracticable, as determined by the Board. For example, cities, towns, and villages are permitted to pass laws and regulations pertaining to local zoning and the location of such licensees, their hours of operation, and adherence to local building codes. Municipalities may not issue local licenses to licensees. Please review [Part 119 of the adult-use regulations](#) for more information on municipality rulemaking.

WHAT ROLE DO MUNICIPALITIES PLAY IN NEW YORK STATE CANNABIS? (CONTINUED)

Provisional licensees: These types of licenses do not need to submit the Notification to Municipalities form at the time of initial application upload, since there is no intended location associated with their adult-use retail activities. Once a provisional licensee finds a location, they must complete the notification to municipality requirement.

HOW WILL NEW YORK CANNABIS LICENSEES REINVEST IN COMMUNITIES?

New York is leading the way with its values: both by providing remedies for individuals impacted by cannabis prohibition like record expungement, and by creating frameworks to care for affected/impacted communities. OCM is using a data-driven approach to [identify which communities qualify as disproportionately impacted by cannabis prohibition](#) to define what community reinvestment looks like. The CDI census tracts demonstrate that approximately one quarter of New York State's population experienced three quarters of the arrests over the last four decades. Please find OCM's CDI map tool [here](#) for more information.

The MRTA dedicates 40% of the adult-use cannabis tax revenue to the New York State Community Reinvestment Grant Fund. Through this fund, qualified community-based nonprofit organizations and local governments would be eligible to apply for funding to support several different community revitalization efforts, including, but not limited to:

- Job placement and skills development
- Adult education
- Mental health treatment
- Substance use disorder treatment
- Housing
- Financial literacy
- Community banking
- Nutrition services
- Afterschool and childcare services, system navigation services
- Legal services to address barriers to reentry
- Linkages to medical care, women's health services and other community-based supportive services
- To further support the social and economic equity program, furthering participation of equity applicants in the cannabis industry

Additionally, there is a local excise tax imposed on the sale of cannabis products from a retail dispensary to a cannabis consumer at 4 percent of the products price. This tax is distributed to local governments based on where the retail dispensary is located. 25 percent of the tax revenue goes to the county and 75 percent goes to the cities, town, or villages within the county as a proportion of cannabis sales. If a town and a village within the town both allow adult-use sales, the revenue shall be distributed based on agreed upon distribution agreement between the town and village. If no such agreement exists, then the revenue distribution between the town and village will be divided evenly.

Do you know an organization that would like to provide volunteer services to SEE applicants as a Technical Assistance Provider? Please direct them email SEE.CHIP@ocm.ny.gov for more information on joining OCM's TAP network.

RESOURCES FOR MUNICIPALITIES AND COMMUNITY BOARDS

- | | |
|--|--|
| • Adult-Use Cannabis Licensing Page | • Adult-Use Cannabis License FAQ |
| • Taxation and Revenue: Fact Sheet | • Notification to Municipalities of Adult-Use Retail Dispensary or On-Site Consumption License |
| • Dispensary Location Verification | • Adult-Use Cannabis Regulations |
| • Public Health and Safety: Fact Sheet | • How Adult-Use Cannabis Taxes Support Your Community in New York |

Community Boards and local municipalities may relay to the State and/or local enforcement information about activities that may be in violation of the Cannabis Law such as illicit cannabis sales. Suspected violations or complaints can be reported online at: <https://cannabis.ny.gov/report-an-incident>

MORE RESOURCES

All applicants are strongly encouraged to review the [Adult-Use Cannabis Regulations](#) and all [application resources](#) to learn more about how to obtain and operate an adult-use cannabis license in New York State. Please note that this is only the first application window for general adult-use cannabis licensing. Future application windows for licenses such as nursery, delivery, cooperative or collective, and on-site consumption are anticipated. Please email municipalities@ocm.ny.gov if you have any further questions.

