



# ADULT-USE SOCIAL & ECONOMIC EQUITY APPLICANT OVERVIEW

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## OVERVIEW

On March 31, 2021, New York State legalized adult-use cannabis by passing the Cannabis Law by way of the Marijuana Regulation & Taxation Act (MRTA). The Cannabis Law codified in the MRTA establishes a robust social and economic equity (SEE) program to prioritize and provide resources to members of communities who have been disproportionately impacted by the policies of cannabis prohibition with the goal of elevating their participation in the new industry through the implementation of a [SEE plan](#). The Cannabis Law establishes a goal to award fifty percent (50%) of all adult-use licenses to SEE applicants.

Priority shall be given to applications that demonstrate that an applicant is in one of the following SEE groups:

- Individual from a Community Disproportionately Impacted
- Distressed farmer
- Service-disabled veteran-owned business
- Minority-owned businesses
- Women-owned businesses

Extra priority shall be given to applications that demonstrate that an applicant meets all of the following:

- Is a member of a community disproportionately impacted by the enforcement of cannabis prohibition;
- Has an income lower than eighty percent (80%) of the median income of the county in which the applicant resides; and
- Was convicted of a cannabis-related offense prior to the effective date of the MRTA, or had a parent, guardian, child, spouse, or dependent, or was a dependent of an individual who, prior to March 31, 2021, was convicted of a cannabis-related offense.

SEE applicants will be asked to identify all SEE groups they qualify for during the application and will be pooled based on the license type sought, SEE certification, and provisional status. After the application window closes, applications will be randomly queued (ordered) in their distinct pools.

**More information on how to qualify for each of these SEE groups is available on the Office of Cannabis Management’s (Office) [licensing application guidance](#).** Applicants wishing determine whether they are from a community disproportionately impacted can learn more [here](#).

## SEE QUALIFICATIONS

To qualify for SEE status, sole control of the applicant must be held by an individual or individuals from a community disproportionately impacted by the policies of cannabis prohibition, a minority-owned business, a women-owned business, distressed farmers, or a service-disabled veterans. The person or persons having sole control must match the SEE group the applicant wishes to be qualified as.

**A person or persons with sole control of a business must satisfy all of the following conditions:**

- has real, substantial, and continuing ownership of 51% equity share in the business;
- has the right to execute any material contracts;
- has the ability to exercise the authority to materially influence the day-to-day business decisions, operations, strategic priorities, capital allocations, acquisitions and divestments of the business;
- has no timed or triggered recusal provisions or side letters or side agreements related to their recusal, and
- has an ability to direct decisions, voting or otherwise, such that no other person may exercise or have the ability to control the majority of voting rights or appoint or remove the majority of directors seats or their equivalent or corporate officers or their equivalent on the governing body.

Individuals and entities who own and control a license are known as True Parties of Interest (TPI). All licenses have a TPI. Helpful information about TPI, including ownership prohibitions and disclosure rules, can be found in the [True Party of Interest guidance](#).

## SEE BENEFITS

It can be expensive to start a new business, and social equity licensees in other states have struggled to overcome traditional high barriers to entry in the cannabis industry. To address the issues faced by equity programs in other states, the following are benefits and protections for approved SEE applicants and licensees:

- A 50% reduction for a SEE applicants application fee.
- A 50% reduction for a SEE licensees annual license fee.
- Qualified SEE applicants will receive priority in accessing adult-use licenses, with an extra prioritization for microbusiness, delivery, and nursery licenses.
- The Cannabis Hub and Incubator Program (CHIP) will provide direct support in the form of counseling services, education, small business coaching, financial planning and compliance assistance to SEE licensees.

More information on SEE applicants and licenses is available in the Social and Economic Equity section of the Office's [general licensing application guidance](#).

## KEEP IN MIND BEFORE APPLYING

- **Read the New York SEE Plan:** The Cannabis Control Board has created a comprehensive vision for the future of New York's cannabis industry and set goals, based on community feedback, to increase the likelihood of success for social and economic equity licensees. Read the [New York Social and Economic Equity Plan](#) to learn more about how the Board is promoting SEE applicants and working to ensure their continued success.
- **Application Technical Assistance Program:** The SEE team has strategically collaborated with Community-Based Organizations (CBOs), municipalities, academic institutions, and key community stakeholders, bringing together over 75 Technical Assistance Providers (TAPs) dedicated to streamlining the application process for social and economic equity applicants. More information about this initiative is available on the [intake form](#).
- **Would you or your organization like to provide volunteer services to SEE applicants as a Technical Assistance Provider?** Please email [SEE.CHIP@ocm.ny.gov](mailto:SEE.CHIP@ocm.ny.gov) for more information on joining OCM's TAP network.
- **Review SEE Application Assistance FAQ:** Read the Office's guidance to learn more information about the process to obtain proof of a [conviction](#) or [address](#).
- **Review New York Cannabis Regulations:** Read the approved [adult-use regulations](#) and [relevant guidance](#). Additional FAQs are available for TPI in [retail](#) and [supply](#) tier licensees.
- **Attend an OCM Road Map to General Licensing Application event** to learn more in-person.

## 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 [SEE@ocm.ny.gov](mailto:SEE@ocm.ny.gov) if you have any further questions.

