



Retailer's Guide to the C.O.D. List

How do retailers pay for cannabis products intended for sale?

New York Licensed retail cannabis dispensaries may only purchase cannabis products from supply tier licensees (distributors, microbusinesses, cooperatives, ROD, and ROND licensees, actively licensed in New York State in accordance with Part 120 of Title 9 of the New York Codes, Rules and Regulations (9 NYCRR), or from Adult-Use Conditional Cultivators and Adult-Use Conditional Processors who are actively licensed in accordance with Sections 68-C and 69-A of the Cannabis Law). You must pay for cannabis products you purchase from supply tier licensees in cash (which includes checks drawn on your business account and electronic funds transfers, but not credit cards).

The supply tier licensee may, but does not have to, offer payment on credit. If you purchase on credit, you must pay the balance in full within thirty (30) days of the cannabis product being delivered. If you fail to pay the bill from the supply tier licensee on time, you will be placed on the delinquency list, also known as the "C.O.D." (cash on delivery) list. You will remain on the list until your bill is paid in full.

What is the C.O.D. List?

The C.O.D list is a list of licensed cannabis retailers who have failed to pay their credit bill in full on time. It is maintained by the Office of Cannabis Management (OCM). The purpose of the list is to prevent retailers from running up a big bill with one supply tier licensee and then switching to another to repeat the cycle. OCM provides an updated C.O.D. list to all distributors for their review weekly (on Wednesdays).

All cannabis supply tier licensees are **required** by 9 NYCRR § 124.2 to place delinquent retailers on C.O.D. status by reporting delinquent retailers to OCM.

What does it mean for your business if you are placed on the C.O.D. List?

Simply stated, while you are on the C.O.D. list, no supply tier licensee can sell you cannabis products on credit.

You should never be surprised that you have been added to the C.O.D. list.

No retailer should be surprised that that they have been added to the C.O.D. list. Prior to being placed on the C.O.D. list, supply tier licensees are required to give written notice of default within 7 calendar days after the due date to any retailer who has failed to pay their credit bill on time.

How can I check to see if I'm on the C.O.D. list?

Licensees who want to check whether they are on the C.O.D. list can contact OCM at CODReporting@ocm.ny.gov. You will be provided with information on which supply tier licensee reported you as delinquent and how much they claim you owe them.

What happens if I don't pay my outstanding balance on a credit purchase(s)?

Retailers who fail to make timely payment are in violation of the provisions set forth in 9 NYCRR § 124.2. As such, the Cannabis Control Board has the authority to revoke, cancel, or suspend a license issued pursuant to 9 NYCRR § 124.2(k).

What happens if I don't agree that I should be on the C.O.D list?

If you think you have been added to the C.O.D. list in error, please first reach out to the licensed supplier who reported you as having an outstanding balance due after 30 days of delivery to resolve the issue. Per 9 NYCRR § 124.2(f) If you cannot resolve a dispute regarding fact of payment, amount due or the quantity of product delivered, you may request that OCM complete a review of the facts and circumstances to determine whether or not you should be included on the C.O.D. List. Requests should be made in writing to CODReporting@ocm.ny.gov.