



Office of Cannabis Management

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Subcommittee Chair

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Subcommittee Chair

FELICIA A. B. REID
Acting Executive Director

Meeting Minutes

Title:	New York State Cannabis Advisory Board Meeting
Time & Date:	June 26, 2024 at 11:00 AM
Location:	CUNY on the Concourse, 2501 Grand Concourse, 3 rd Floor, Bronx, NY 10468 and Virtual via Webcast

Attendance

Board Chair:	Joe Belluck, Esq.
Board Members Present:	<p>Voting Members: Joseph Belluck, Esq., Alejandro Alvarez, Nikki Kateman, Marc Ramirez, Sarah Ravenhall</p> <p>*Attending virtually from a private location due to extraordinary circumstances: Ebro Darden, Allan Gandelman, Chandra Redfern, Peter Shafer</p> <p>Ex Officio Members: Allan Clear, Mary Brewster (designee of OASAS), Kathleen DeCataldo (virtual), Daniel Kaufman-Berson (designee of DOL), Emily Steinbach (virtual - designee of OCFS), Scott Wyner, Esq. (virtual)</p>
Board Members Absent:	Dr. Junella Chin, MD, TheArthur A. Duncan II, Esq., Patrick Foster, Garry Johnson, Armando Rosado, Leonard Skrill (designee of HCR)
Others Present:	Daniel Haughney, John Kagia, Tabatha Robinson, Nevillene White

Agenda

- I. Welcome and Opening Remarks – Joe Belluck, Esq., CAB Chair
- II. Approval of Meeting Minutes from May 7, 2024 CAB Meeting – Joe Belluck, Esq., CAB Chair
- III. Office of Cannabis Management Updates (Enforcement, Market, Licensing, Regulatory) – John Kagia, Senior Policy Director, OCM
- IV. Advisory Board Member Discussion – All
- V. Thank you and Adjourn – Joe Belluck, Esq., CAB Chair



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Notes & Comments

- The Cannabis Advisory Board (“CAB”) entered into Executive Session to receive legal advice from the Office of Cannabis Management’s (“OCM” or “the Office”) General Counsel. There was no action taken during Executive Session.
- Chairperson Joe Belluck stated that he had an opportunity earlier this week to speak to their Acting Executive Director about the role of the CAB and her vision for the agency. He further stated that he is hopeful it will be a good working relationship between the CAB and their Acting Executive Director as it was with Chris Alexander when he was Executive Director, and that they talked about a number of issues, including staffing for the CAB, giving the CAB more input to regulations before they are voted on by the Cannabis Control Board (“CCB”), and also the Grant Reinvestment Fund.
- Upon a motion from Board Member Nikki Kateman, the Minutes of the May 7, 2024 CAB Meeting were approved unanimously.

□ Chairperson Joe Belluck read the following statement from Felicia A. B. Reid, Acting Executive Director for OCM: “I am sorry I cannot be at today's meeting as I had a prior commitment. Although, I have been in the Executive Deputy Director / Acting Executive Director role for fewer than three weeks, it has been an incredible experience so far. I have learned deeply from the extraordinary folks at OCM, and I am inspired by the passion and support for OCM's work that has come from our agency partners, advocates and legislators. I had the pleasure of a conversation with Chair Belluck the other day, and I am optimistic about OCM's future work with the Cannabis Advisory Board in the spirit of that is collaborative and communicative. For most of my career and even in off hours, I've worked in spaces that center on marginalized communities. I know that equity is more than an abstract idea. It is not a single moment or a single person. It involves practice, humility, genuine partnership, and elevating voices that need to be heard. More than anything, equity requires a solid, structured foundation from which it can proceed. That last bit will be my own personal work. As OCM moves forward, in addition to keeping equity at our center, we must also ensure that New York's cannabusinesses have the space and resources to thrive. I know that the CAB, given the insight and dedication of its members, has a critical role to play in this effort. I look forward to hearing your perspectives and your partnership and thank you all for the work that you are here to do today.”

- Daniel Haughney, Director of Enforcement for OCM, and John Kagia, Senior Director of Policy for OCM, provided the following OCM updates.
 - Enforcement Task Force Update



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- The State’s commitment to shutting down unlicensed cannabis storefronts has directly contributed to a 27% increase in legal cannabis sales in areas impacted by the Task Force’s enforcement activities.
- Over 240 inspections have resulted in seizure of over 3,200 pounds of cannabis products worth nearly \$30 million. As of Tuesday, June 25, 2024, 143 stores have been closed across the state by the Statewide Enforcement Taskforce alone.
- OCM’s Intergovernmental Affairs team, in coordination with the Office of General Counsel, has conducted several briefings over the past couple of weeks for New York City (NYC) elected officials and Community Boards.
- Market Update
 - New York State (NYS) has sold nearly \$390 million in legal cannabis, including \$228.2 million in 2024.
 - June had a new weekly sales record of \$14.3 million.
 - There are 137 adult-use dispensaries open in NYS.
 - There are over 330 brands selling in retail stores.
 - Registered Organization (RO) brands are 11% of the retail market. Flower products are leading RO production adoption.
- Licensing Update
 - A total of 654 total licenses has been issued in 2024.
 - There are currently 155 Conditional Adult-Use Retail Dispensary (CAURD) licensees with approved retail locations.
 - There are 349 provisionally approved retail dispensaries.
 - 53% of adult-use licenses are Social and Economic Equity (SEE) owned.
- State Regulatory Update
 - Newly amended Personal Home Cultivation of Medical Cannabis Regulations allow all adults 21 and older in NYS the ability to cultivate a small number of cannabis plants at home. The law allows each adult to cultivate up to six plants, provided no more than 12 plants are permitted per household.
 - These amendments authorize the personal cultivation of adult-use cannabis at or in a private residence and authorize the sales of immature medical and adult-use cannabis plants by licensed adult-use dispensaries, microbusinesses, ROs, RONDs, and RODs.
- Federal Regulatory Update



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- The Office continues to track movement on Federal Rescheduling. The Drug Enforcement Administration (DEA) recently provided clarification on the legal status of the cannabinoid Tetrahydrocannabinolic Acid (THCA) under the Controlled Substances Act (CSA) and Federal Farm Bill.
- The DEA’s interpretation that THCA is not considered legal hemp which may have several potential impacts on the hemp market within NYS. To ensure compliance with federal law, the Office may need to review and potentially revise regulations to align with the federal law.

- CAB Members had the following discussion regarding the Enforcement Task Force update.
- Board Member Nikki Kateman asked is the taskforce also looking at the supply chain of the illicit product and what is the process for stopping the product coming into NYS.
- Daniel Haughney stated that they are working with a large number of state agencies, including NYS Police, and while they conduct their regulatory inspections, which are administrative in nature, there are other agencies that they are working with to make sure that they are going after the sources of the illicit product coming into NYS.
- Ex Officio Member Scott Wyner asked if there is any testing in connection with potency or contaminants in product that is being seized and do they have a sense of what this illegal market is selling.
- Daniel Haughney stated that they actually had some meetings this week about that, and they are going to be getting some samples of product that they have taken tested to show the public what is in the items that were taken from the unlicensed illicit shops.
- Board Member Sarah Ravenhall stated that she understands in the budget there were also provisions that would allow county government to create their own laws and conduct their own enforcement. She then asked if outside of NYC is OCM and DTF doing any of this enforcement activity while they are waiting for the counties to either take action or not take action because that is going to consume a lot of resources.
- Daniel Haughney stated that every week they are operational across the state, and they are not just in NYC, they are from Buffalo to Albany, Long Island, up to the North Country, so they have conducted a large number of inspections in the upstate area, anything north of the city, but yes, they are out in the communities upstate every week.
- Board Member Sarah Ravenhall asked in respect to rural communities.
- Daniel Haughney stated the full blanket of NYS.
- Board Member Ebro Darden asked is there a sense that there are factions trying to reopen stores, is there enforcement that's going to go to these landlords and where are they in that



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process of making sure a building owner is also responsible for who is selling out of their retail space.

- Daniel Haughney stated that their first step is the inspection, that starts the process and when they find illicit product, they take that and seize it and then either issue a notice of violation or they seal the location. He stated that the next step, and this happens immediately once they have the location, is they have staff sending certified letters to the landlords of the locations, advising them immediately that this location has been dealt with and found to be in violation, and it puts them on notice of what their requirements are under the law to take action against the illegal shop that is operating in their building.
- Board Member Sarah Ravenhall asked if they are going into retailers and finding this illicit product, who are they to contact, DTF, OCM.
- Daniel Haughney stated that if you are seeing any cannabis products being offered for sale, that are being offered at a location that is not a licensed dispensary, then that is something that he would recommend that you refer to OCM on their cannabis website, cannabis.ny.gov, and on the enforcement page is a tab for reporting an incident.
- Board Member Sarah Ravenhall commented that it would be great if they could also follow up with the locality making that report to let them know if any action has been taken.
- Daniel Haughney stated that is something that they struggle with just because of the bandwidth because they are dealing with so many cases out in the field and really focusing their efforts there and they do try to notify localities.

- CAB Members had the following discussion regarding the Market and Licensing update.
- Chairperson Joe Belluck stated that he knows that a lot of the CAB members have visited their dispensaries and that he has been fortunate to visit a lot of them around NYS and in NYC and he wanted to say they're fantastic, the spaces are beautiful, the architecture, the displays, the products are unbelievable, the range of products and the quality of them, and if you haven't been able to go, you should go and visit them, just to see how they're operating, it's really incredible, and for people out there in the public, they should go visit them.
- John Kagia stated that they are extraordinarily grateful for the commitment, the professionalism, and the caliber of experience that their licensees have been building for consumers in New York.
- Chairperson Joe Belluck stated that the workers in these stores are very professional, but it's really nice to see how seriously they take not only the rules of checking everything but also just their knowledge about the products and how passionate they are about the customer experience that you have.



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- Board Member Nikki Kateman asked John Kagia to elaborate on brand diversity.
- John Kagia stated that they don't have 347 individual companies that are all producing, processing, and selling to the market and that this is a combination of brands that are being developed by entities that are licensed to grow and process cannabis in New York.
- Board Member Allan Gandelman asked do all 10 or 11 ROs have product on market or is there only some of them who are currently cultivating and producing their brands right now.
- John Kagia stated that not all 10 have transitioned to sell to the adult-use market yet and they have five who are selling into the adult-use market, and some of them have multiple brands under their entities, which is why they have 39 RO brands across those licensed entities.
- Board Member Alejandro Alvarez asked if there is a comparison with the top 10 ROs versus the top 10 adult-use seeing how they compare apples to apples as far as market share.
- John Kagia stated that he does not have that analysis in front of him but can make a note.
- Board Member Nikki Kateman stated that she fully recognizes that folks are trying to get open their first location, but in that number are there any folks who are getting location two and three, and what's the plan for onboarding two and three if the folks are getting open on one are interested or not.
- John Kagia stated that at least on the retail side, each entity is only allowed to have control of a single location so they are doing this with the approach that everyone gets to start with one before they can have a conversation about issuing license two and three.
- Chairperson Joe Belluck stated that the travel agency in New York, which had a location downtown and now has at least two others, one in Midtown, is using someone else's license to open a second location with the same name and he doesn't know what the rules are about that but maybe that's something that can be addressed with the CAB at a future meeting how the agency is looking at that.
- Board Member Marc Ramirez asked how they are monitoring the ethnic breakdown of these licenses and that his understanding is that some of the more lucrative licenses include almost no people of color.
- John Kagia stated that they have collected a significant amount of demographic data from their licensees as part of the licensure process and that this is part of the incredible work that their SEE team has been doing to spool up the market.
- Board Member Alejandro Alvarez asked if there is any data around the timelines, the time it took for each of the demographics to get the license from the time that they applied, the time that they actually were able to open up the storefront.
- John Kagia stated that you don't actually think of slice the data that way.



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- Chairperson Joe Belluck asked if they can put that on a future meeting agenda to get a presentation on that.
- John Kagia commented that they will see what they can get from that data.
- Board Member Ebro Darden asked are these potential licensees ready to come on board and if they're not, maybe that's something they need to include in other programs to make sure that they have a more diverse cohort being prepared in the pipeline to get those licenses and that's a place they can make an investment.
- John Kagia stated that the SEE team has been phenomenally committed to ensuring that as much as possible that their SEE licenses are prepared to participate in this market.
- Chairperson Joe Belluck stated that a lot of members of the CAB are concerned and want reassurance that that work is continuing and asked for a few comments about the social equity work and what's happening with it right now.
- John Kagia stated that the work never stopped, and that team remains incredibly committed to ensuring that they are optimizing the opportunities for their licensees to succeed in this ecosystem.
- Board Member Sarah Ravenhall asked what some of the key priority projects are that they are working on currently.
- Tabatha Robinson, Director of Economic Development for OCM, stated that they are tracking social and economic equity performance within the adult-use market right now and are keeping track of these license numbers as you see here. She stated that they are also trying to understand what the failures are amongst these applications, so they know how many get through, but how many don't make it to licensure and what are the reasons.
- Chairperson Joe Belluck asked Nevillene White, Manager of Community Relations, External Affairs for OCM, to give them a couple of minutes on the faith-based work that she is doing.
- Nevillene White stated that the Faith Based Coalition has been started since the onset, and that they have been meeting for about 18 months. She stated that it is representatives from all across the state, from upstate and downstate, from all different faiths and that they discuss many topics. She stated that first and foremost, it is about education, about removing the stigma and how do they engage a faith-based community and that many of the faith-based community leaders are leaders within their community, they know their community, they know their parishioners, and it really is about education, and they are very interested in the Community Reinvestment Fund.
- Daniel Kaufman-Berson, designee of DOL, asked to highlight the Budding Opportunities and the Grants Readiness tour.



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- Nevillene White stated that they will be talking about the Grants Readiness tour in the next session, but the Budding Opportunity is one of their most well attended. She stated that they go out and talk to folks about this industry, different licensing types, but more importantly career opportunities. She stated that folks like to think about the retail and dispensaries, which is great, but there's also a lot of jobs that are associated with this industry and they want people to know that in their community there are budding opportunities, and these jobs are very well lucrative and a lot of them do not require a college education.
 - Board Member Nikki Kateman asked will there be a list on the OCM website of where people can go to know what licensees are selling immature plants so folks who are interested or novices in trying to get a better sense of what to do know where to go.
 - John Kagia stated yes, I think we can do that.
 - Chairperson Joe Belluck asked where they are with the November and December queues.
 - John Kagia stated that they have touched over 800 applications from the November queue and for the December queue, for some of the supply side licenses, they have begun those as well and they have not yet begun the review of the retail queue for December.
 - Chairperson Joe Belluck stated that they recognize that you need a lot of staff to do this, there is a lot of applications, but a lot of them on the CAB hear from potential licensees who've invested money, time, are struggling and worried about them, their families, so anything that can be done to get through these queues because it is important and he is just giving a little push on that.
- The CAB adjourned the meeting.