NEW YORK STATE | Office of Cannabis Management

VOTING MEMBERS
Alejandro Alvarez
Ebro Darden
Allan Gandelman
Garry Johnson
Nikki Kateman
Marc Ramirez
Sarah Ravenhall
Chandra Redfern
Peter Shafer
M. Kyria Stephens

KATHY HOCHUL
Governor

JOSEPH BELLUCK, ESQ.
Cannabis Advisory Board Chair

JOHN KAGIA
Executive Director

Meeting Minutes

Title:	Cannabis Advisory Board Meeting
Time & Date:	September 10, 2026 | 1:00 PM
Location:	SUNY Rochester – Monroe Community College Downtown Campus 321 State Street, Rochester, NY 14608

Attendance

Board Chair:	Joe Belluck
Board Vice Chair:	Sarah Ravenhall
Board Members Present:	Alejandro Alvarez, Ebro Darden, Allan Gandelman, Garry Johnson, Nikki Kateman, Chandra Redfern, Pete Shafer, Kyria Stephens
Board Members Absent:	Marc Ramirez
Others Present:	Tuona Batchelor, Kevin Brennan, Ruben Espinosa, Shirley Paul, Barbara Graves-Poller, John Kagia, Patrick McKeage, Matthew Wilson

Agenda

I. **Welcome and Opening Remarks** – *Joe Belluck, Esq., CAB Chair*
II. **Approval of Meeting Minutes from June 23, 2026** – *Joe Belluck, Esq., CAB Chair*
III. **Community Grant Reinvestment Program Discussion** – *CAB and OCM Staff*
IV. **Bylaws Discussion** – *CAB and OCM Staff*
V. **Office of Cannabis Management Updates** – *OCM Staff*
    a. Nursery License Discussion
VI. **Industry and Market Subcommittee** – *Peter Shafer and Allan Gandelman, CAB Members*
    a. COD List Discussion
    b. License Transfer Discussion
    c. Metrc Discussion
    d. Regulatory Revision Discussion

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VII. **Thank You & Adjourn** – *Joe Belluck, Esq., CAB Chair*

Notes & Comments

Chair Joe Belluck opens the meeting and recognizes members of the Cannabis Advisory Board (CAB) and Office of Cannabis Management (OCM) present, both in person and online via web conference, and lists out agenda items for the meeting.

Chair Belluck provides welcome remarks including excitement to be in Rochester, home to New York State (NYS) Senator Jeremy Cooney who he describes as a champion for OCM and for cannabis legalization in NYS. Chair Belluck also outlines his own personal connection to Rochester.

Chair Belluck motions for approval of the June 23, 2026 CAB Meeting minutes, which is moved, seconded, and approved with no objection.

Chair Belluck passes the floor to Matthew Wilson, OCM Director of the Community Reinvestment Fund at the NYS OCM and Vice Chair Sarah Ravenhall for an update and discussion regarding the program.

Wilson begins with a status update on the current Request for Application (RFA) [OCM-2026-03] under review, stating that OCM is currently reviewing applications that have been submitted before the deadline of May 21, 2026 at 5:00 PM, and stating that OCM has completed the “Minimum Eligibility Assessment,” ensuring that all continuing applications have met the standard of the Statewide Financial System (SFS) pre-qualification to continue onto full programmatic review. Wilson further states that with the help of Chair Belluck, over 30 additional evaluators have been recruited from the State University of New York (SUNY) network, bringing the total number of trained application evaluators to 80, who have all been vetted for potential Conflict of Interest (COI), and have signed confidentiality and COI agreements.

All applications were assigned to a three-person review team according to RFA selection methodology and COI avoidance. Review teams would then meet upon completion of individual review for “score harmonization” to review any potential discrepancies in scoring between reviewers. If any discrepancies remained after this process, a fourth evaluator would be brought in.

Applications became available for programmatic review starting on July 14, 2026. As of Friday, September 4, 2026, OCM was 96% complete with all Program Evaluation.

Wilson then notes that additional steps exist after application evaluation before awards would be available for CAB Final Approval, sharing a presentation slide showing "application evaluation" in the center of the grant process timeline. Additional steps following application evaluation include tentative awards, applicant debriefings, vendor reviews, contract drafting, Office of the State Comptroller (OSC) Submission, OSC Determination, and then CAB Final Approval. Wilson states that he is hesitant to give an exact timeline but notes we are still months out from final approval, where OSC reserves up to 90 days after procurement submission before issuing their determination.

Vice Chair Ravenhall then steps in to talk about Intermediary RFA development, which is being handled concurrently with the RFA previously discussed. Vice Chair Ravenhall notes that the CAB previously requested OCM draft an RFA to solicit intermediary organizations in a resolution [2026-03] passed at the June 23, 2026 CAB meeting, and has since met with the OCM and the Grants Subcommittee several times to receive guidance informing RFA development, with the goal of addressing key issues including the exact regional model, funding apportionment, selection process, and funding mechanics. The goal is to have a draft ready for CAB Consideration at the October 27, 2026 CAB meeting in Syracuse, NY. Vice Chair Ravenhall notes that this RFA is meant for a pilot program, which is expected to be tweaked as we learn and the program grows.

Wilson introduces Tuona Batchelor, OCM Special Advisor on Community Engagement, to provide an update on community stakeholder engagement. Batchelor starts by saying OCM hosted its first community stakeholder listening session earlier this morning, in which a small group of local community organizations were invited to share feedback to assist in building the Community Grants program. Chair Belluck notes that representation for NYS Senator Cooney and Rochester Mayor Malik Evans was also present at this event.

Chair Belluck passes the floor to Ruben Espinosa, OCM Associate General Counsel at OCM, to lead discussion regarding amending CAB bylaws.

Ruben states that the main changes to bylaws are under Section Six regarding subcommittees, with the goal of increasing flexibility, including a provision allowing co-

chairs, increasing subcommittee size, and refining language regarding the voting ability of subcommittee members (i.e. those members who may only vote in subcommittees versus those who have full voting power on the CAB).

Board Member Allan Gandelman asked why there was an increase in membership size, to which Chair Belluck replies this allows for maximum participation, as there was at least one subcommittee in which six voting members were interested in sitting and Open Meeting Law allows for up to six members. Chair Belluck notes that an email has gone out surveying subcommittee interest, and that almost all subcommittees have room for additional members, and to let either himself or Vice Chair Ravenhall know if a member would like to sit on an additional committee.

Chair Belluck calls for a motion to approve the amended bylaws, which is moved, seconded, and approved without objection.

Chair Belluck passes the floor to OCM Executive Director John Kagia to provide an OCM update.

Kagia starts by thanking Chair Belluck and Vice Chair Ravenhall for their leadership on the CAB, welcoming greater engagement and feedback as OCM enters a new stage of the adult-use cannabis market, including the introduction of a new license type with the incoming Nursery License application.

Before starting discussion regarding nursery licenses, Kagia highlighted the new OCM education campaign “Cannabis Honestly,” developed to help youth and trusted adults have accurate and informed conversations about cannabis and its intended use for adults 21 plus.

Kagia then highlights enforcement efforts, including an August 2026 effort in partnership with the Greece Police Department in which $17 million of illicit cannabis was seized, marking the largest seizure in OCM history. To date, Kagia states that over 1,650 inspections have been conducted, resulting in nearly 700 sealing orders and over 50,000 lbs of illegal product being seized worth $125 million.

Kagia also announced that the Microbusiness Showcase Bill was passed, allowing microbusinesses to participate in Cannabis Growers Showcase (CGS) events where they had previously faced limited participation as a retailer or supplier despite having both capacities within their license type. The enacted bill would allow microbusinesses

to host events on their own without relying on a retailer or supplier partner. Kagia notes that OCM will be sending out additional guidance.

Chair Belluck passes the floor to OCM Deputy Director of Market Analysis Kevin Brennan to provide a market update. Brennan starts by providing a breakdown of the 2,367 licensed cannabis businesses in NYS by type and by region, with 709 retailers open and operating across NYS and $3.9B reported retail sales program-to-date.

Brennan then passes the floor to OCM Chief Operating Officer Patrick McKeage to lead discussion regarding the Nursery License type. McKeage describes the license type's intent, authorizing the production of clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis by licensed adult-use cannabis cultivators, microbusinesses, cooperatives, and registered organizations (ROs).

McKeage notes that the license type does not authorize the sale of any cannabis including seeds, clones, or immature plants directly to a cannabis consumer, and that as a supply-tier license type, Nursery Licensees are prohibited from having any interest in a license of the retail-tier. McKeage states that OCM hopes to launch the Nursery License application in Fall 2026, subject to approval by the Cannabis Control Board (CCB). McKeage goes on to further detail three license tiers (Outdoor, Mixed-Light, and Indoor) and their respective licensure fees, as well as additional requirements, such as obtaining a Nursery Grower's Permit from the Department of Agriculture and Markets (AGM).

McKeage also states that while many of the activities allowed under this license type are already allowed and occurring, that the Nursery License allows for dedicated canopy specific to these activities and paves a way for NYS to complete the cannabis supply chain within the state. While this license type creates a legal pathway for cultivators to buy seeds, immature plants and clones, McKeage notes that OCM will still allow genetics and other sourced material from out-of-state, and that Metrc has a mechanism for external transfers.

McKeage references changes occurring at the federal level also necessitating this license type, which closed the "intoxicating hemp loophole" from the 2018 Farm Bill, creating more risk for those purchasing seeds. By launching the Nursery License type in Fall 2026, an additional pathway is made available before the next grow season.

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McKeage states OCM's intent is to open multiple licensing windows, issuing up a set maximum of Nursery License per window, allowing OCM time to evaluate demand and avoid oversaturation due to over-licensing. McKeage also notes that OCM expects many of those who apply for a Nursery License will be existing licensees.

Board Member Peter Shafer asks if all cultivators will be required to get their starter plants from a Nursery Licensee, or if cultivators will be able to propagate clones from their existing genetic supply. McKeage replies that cultivators will be allowed to continue those activities within their scope without needing to obtain or work with a Nursery License, and that the option will remain for external transfers.

Shafer asks what the pathway from Nursery License to consumer is, since a Nursery License cannot sell directly to a consumer. McKeage replies that it would follow the same pathway as other cannabis products to a distributor, to a retail dispensary, and ultimately to a consumer.

Shafer asks how square footage calculations were made for the Nursery License. McKeage replies that the canopy thresholds exist within our regulations, but OCM is currently undergoing a regulatory update project in which changes to those thresholds could be considered. Kagia notes that the overproduction of seed stock is of concern, and OCM is taking a "start low, go slow" approach to evaluate need, with the option of increasing canopy size if demand necessitates it.

Shafer asks about timeline for application launch. McKeage notes that a provision in our regulations requires 30 days advance notice, so the hope is to launch the application 30 days after the October 1, 2026 CCB meeting, assuming the application and application window are approved by the CCB.

Gandelman asks if Nursery Licensees selling to retailers need a distribution license or distributor partner required to transport the product, and if every plant and seed need a Metrc ID at that level. McKeage states he can return better answers later, but at the warehouse level one tag can cover up to 100 lbs of seeds, but once it gets down to a consumer package level, an additional ID may be needed, but not for each individual seed in the package. McKeage also states regarding the former question, it would need to go through a distributor license.

Gandelman asks if a microbusiness can apply for a Nursery License. McKeage confirms that they can.

Chair Belluck passes the floor to Shafer and Gandelman to lead the Industry and Markets subcommittee meeting.

Shafer opens the Industry and Markets Subcommittee by expressing kudos for the Microbusiness Showcase Bill and noting an interest in adding external members to subcommittees, including retail representation on the Industry and Markets Subcommittee.

Shafer notes it is a CAB responsibility to highlight industry challenges, including accounts receivable concerns, where retailers owe significant amounts to suppliers, with 20-30% of the Cash on Delivery (COD) list existing over a 30-day threshold for their credit term. Shafer notes that this is a delicate discussion, as we want retailers to survive.

Chair Belluck asks if these are payments from retailers to distributors or suppliers that are not paid on time, which McKeage confirms, stating that distributors have the option to send product to a retailer 30-days on credit, or accept cash on-site at the time of delivery. Similar to the alcohol industry, McKeage notes that after 30 days, if the retailer has not paid, the distributor must report the retailer to the OCM, and that retailer is added to a COD list and is no longer allowed to accept product on credit. Chair Belluck asks why OCM is getting involved, where in other industries this would be treated as a private dispute between two businesses. Kagia responds that this is an existential issue, citing California's largest distributor filing for bankruptcy due to $220M in unpaid bills, also causing farmers to become insolvent. Without regulatory oversight and intervention, retailers can move from distributor to distributor and rack up outstanding debts at the expense of the distributors. Kagia also mentions that many distributors are afraid to report retailers in fear of losing those relationships, creating further asymmetry, so an automated reporting mechanism helps mitigate those fears and affects.

Gandelman asks for a walkthrough of the data we have regarding COD data. Brennan walks through the available data, breaking down retailers on the list by CAURD, SEE, and all others, as well as total dollar amount delinquent, number of invoices, and average number of days delinquent. Brennan also presents the debts from the supplier perspective; detailing amount owed to each supplier. Kagia states that these

owed funds essentially are acting as an interest-free loan at the expense of suppliers, as most of these businesses cannot afford to have this amount of money unpaid, creating a destabilizing effect for the entire market, necessitating OCM monitoring to prevent outstanding debts from increasing.

Gandelman comments that he believes these numbers are drastically underreported and estimates the true number of delinquent payments over 30 days is closer to double the figure OCM has. Gandelman further states it is scary to see so many CAURD licensees on this list, inquiring if there is anything we can do to help get licensees off this list, or trigger for additional action if a license exists on this list over a certain amount of time.

Board Member Nikki Kateman asks what the impact of these outstanding debts on suppliers paying their taxes. Shafer responds from the supply-side, whether ready or not, taxes are due every three months regardless of whether those payments have been collected, causing them to need to front not only the costs of the invoice, but for their taxes as well. For retailers, they are put in the position of paying their suppliers or paying their taxes. Gandelman adds that the penalties for nonpayment of taxes are much stricter than for nonpayment of supplier invoices, resulting in further delays in repayment to the supplier. Gandelman further states that there are suppliers who are disregarding the COD list and are still extending terms to retailers, compounding impact for smaller suppliers who have new suppliers with capital step in and take over business after nonpayment, limiting their ability to remain competitive.

Shafer transitions discussion to the topic of license transfer and ownership change. Gandelman introduces the topic, stating that over time, some licensees have decided to bring in investment partners, sell equity, or have decided the industry is not for them and would like to sell their licenses. Currently, OCM is allowing for a 49% transfer of a license, but there is no path to fully exit a license. Following the Gotham Buds decision, there has been an increased number of inquiries in transfer and ownership change questions.

McKeage states that OCM is close to having that functionality in its licensing system and expects to have an announcement on this during the Fall. McKeage also notes that in the OCM amendment survey, a licensee can select ownership change as an option, which places the licensee in a queue for when that functionality becomes available. Gandelman asks if there is a decision regarding whether CAURD or SEE

will be able to sell their license and recommends OCM publish guidance addressing this ahead of this functionality being available. Kagia states that these terms are as they exist within the regulations, and that CAURD have a four-year holding period from issuance of the final license.
Shafer refocuses the conversation on Metrc package ID tags and sub-lotting, explaining that every time there is a conversion in the track and trace process, a new ID is required. Shafer states there is confusion in the market where there had been common understanding that package ID at the sub-lot level would not be required, and a general surprise from the supply-side at the potential additional step. Shafer states his goal is to gain additional clarity as to what is required, and if tags are required at this sub-lot level, why? Shafer further notes that he is not expecting an answer during the meeting but encourages OCM develop explicit guidance. Gandelman asks if data is strictly from POS scanning out retail ID per unit, referencing data detailing a market drop in sales between Q4 last year to Q1 this year. Brennan responds that he is unsure, and Gandelman requests that OCM check. Kagia adds that there have been limitations pre-Metrc with sales data reporting requiring OCM use extrapolation to fill in blanks for missing data, which became increasingly harder to extrapolate as the industry grew. With the introduction of Metrc, OCM is now able to rely on real time data over extrapolation methods. Gandelman asks how hemp minors will be logged, noting McKeage's previous statements regarding "immaculate conception" of plant material brought from out of state as external transfers. McKeage states this is on OCM's radar and that OCM recently issued a bulletin to have hemp minors more explicitly tracked in the Metrc system to have more insight into what is being brought into the State.
Shafer wraps the Industry and Markets Subcommittee asking for OCM to actively engage and discuss with the CAB before CCB consideration of future regulatory revisions. Gandelman asks for a timeline on the regulatory amendment project. Kagia details progress with the adult-use regulatory revision project, stating a six-month review was completed by 17 different units in OCM was conducted in addition to public listening sessions, of which feedback is being compiled and prioritized for translation into regulatory language for public consideration. Kagia notes there are over 1,000 pages of regulations existing within a complex market and that OCM is currently in the

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process of modularizing changes across several different regulatory packages to balance effects and meet the most urgent needs for market clarity.
Chair Belluck thanks Shafer for leading the subcommittee meeting and highlights the role of the CAB now enshrined in bylaws to make recommendations to the CCB, OCM, and NYS Legislature. Chair Belluck asks for a motion to close the meeting, which is moved, seconded, and passes without objection.