



What is in the Law

Governance Structure

Overview

On March 31, 2021, New York State legalized adult-use cannabis (also known as marijuana, or recreational marijuana) by passing the Marijuana Regulation & Taxation Act (MRTA). The legislation creates a new Office of Cannabis Management (OCM) governed by a Cannabis Control Board to oversee and implement the law (collectively referred to as “the OCM”). The new OCM is created as an independent office within the Division of Alcoholic Beverage Control. Similar to how the State Liquor Authority oversees alcohol in New York State, the OCM will regulate cannabis and will issue licenses and develop regulations outlining how and when businesses can participate in the new industry. The information below outlines the governance structure of the OCM as set out in the MRTA.

Cannabis Control Board

The Cannabis Control Board “the Board” consists of five (5) board members, with three (3) appointments from the Governor, one (1) from the Senate, and one (1) from the Assembly. The Chairperson of the Board is appointed by the Governor and confirmed by the Senate. The Chairperson receives an annual salary while the remaining board members are compensated at a rate of \$260 dollars per day when performing work of the Board. Board members are appointed for three-year terms and to the extent possible must be geographically and demographically representative of New York State and communities historically affected by the War on Drugs. Additionally, board members are required to be citizens and residents of New York State. Board members are prohibited from having any interest, whether direct or indirect, in any entity licensed by the OCM.

The Board has the following powers and duties:

- Issue licenses, registrations and permits
- Limit, or not to limit, the number of licenses, registrations and permits issued
- Revoke, cancel or suspend any license, registration or permit
- Promulgate regulations and implement the Cannabis Law
- Limit or temporarily halt any license activity in the event of a public emergency
- Hold hearings, subpoena witnesses, and administer oaths
- Appoint and hire staff to support the Board and the OCM
- Inspect licensees, registrants, and permit holders
- Create application and reporting forms
- Appoint advisory groups and committees
- Exercise powers related to the administration of the Board, including budgetary and fiscal matters, and entering into contracts or memoranda of understanding
- Develop and establish minimum criteria for certifying employees to work in the cannabis industry
- Advise on the issuance of low or zero interest loans to social and economic equity applicants

- Draft an annual report on the effectiveness of the implementation of the MRTA
- The final decision of the OCM on any matters appealed to the Board by a licensee, registrant or permit holder
- Approve the opening and closing of license application periods
- Approve any price quotas or price controls set by the Executive Director of the OCM
- Approve the OCM's Social and Economic Equity Plan
- Enter into compacts with the Native-American nations and tribes within New York State
- To perform a review every two years of the adult-use licenses issued and current market structure, to determine if any licensee or license types are preventing the social and economic equity goals of the MRTA from being implemented. The Board may modify licenses and the adult-use market structure depending on its findings.
- Except for promulgating rules and regulations, the Board may delegate any power, function or duty to the Executive Director of the OCM to carry out the functions to implement the law.

Office of Cannabis Management

The OCM exercises its powers and duties through an Executive Director. The Executive Director is appointed by the Governor and confirmed by the Senate. In general, the powers and duties of the Executive Director are to implement the day-to-day administration of the OCM and carry out any functions delegated to the Executive Director by the Board. The Executive Director has the following powers:

- Keep records of all licensees, registrants, and permit holders
- Inspect any premises where medical cannabis, adult-use cannabis, or cannabinoid hemp is manufactured or sold
- Create application and reporting forms for all applicants and licensees as approved by the Board
- Advise and assist the Board in carrying out any of its functions, powers and duties
- Delegate the powers provided to the Executive Director to such other officers or employees of the OCM
- Exercise powers related to the administration of the OCM, including budgetary and fiscal matters, and entering into contracts or memoranda of understanding
- Coordinate across State agencies and departments to research and study any changes in cannabis use and the impact that cannabis use and the regulated cannabis industry may have on access to cannabis products, public health, and public safety
- Issue industry guidance and advisories.
- Appoint a Deputy Director for Health and Safety, who must be a licensed health care practitioner within the state, to oversee the clinical aspects of the OCM.
- Any other powers necessary to implement the Cannabis Law that are not specifically vested to the Board

The MRTA also establishes the role of a Chief Equity Officer in the OCM. The Chief Equity Officer is appointed by the Board and is responsible for overseeing the social and economic equity initiatives of the OCM. In addition to developing the Social and Economic Equity Plan, the Chief Equity Officer is also tasked with establishing a public education program dedicated to providing communities that have been impacted by cannabis prohibition with information about how to obtain a license from the OCM, and the various support and resources that the OCM can provide.

The Chief Equity Officer is required to submit an annual report on its findings to the Board beginning in 2023.

State Cannabis Advisory Board

The MRTA establishes a State Cannabis Advisory Board consisting of thirteen (13) voting members, with seven (7) appointments from the Governor, three (3) from the Senate, and three (3) from the Assembly. Representatives from multiple state agencies will also serve a non-voting role on the State Cannabis Advisory Board. The State Cannabis Advisory Board serves two main functions:

- To advise and issue recommendations on the use of medical cannabis, adult-use cannabis, and cannabinoid hemp in New York State.
- To govern and administer the New York State Community Grants Reinvestment Fund. The Community Grants Reinvestment Fund provides grants to non-profits, qualified community-based organizations and local governments in communities disproportionately impacted by cannabis prohibition, and other social and economic equity initiatives.

The State Cannabis Advisory Board is required to have statewide geographic representation that is balanced and diverse in its composition and to include representation from individuals with expertise in: public and behavioral health; substance use disorder treatment; effective rehabilitative treatment for adults and juveniles; homelessness and housing; economic development; environmental conservation; job training and placement; criminal justice; and drug policy. Additionally, the State Cannabis Advisory Board is required to include residents from communities most impacted by cannabis prohibition, people with prior drug convictions, the formerly incarcerated, and representatives from the farming industry, cannabis industry, and representatives of organizations serving communities impacted by past federal and state drug policies.

The chairperson and vice chairperson of the State Cannabis Advisory Board will be elected from the members of the State Cannabis Advisory Board. The State Cannabis Advisory Board may meet as frequently as its business requires and all meetings must be conducted in accordance with Open Meetings Law.

Contact Us

Please visit our website or contact us using the e-mail and phone number below for more information.

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