

HOSPITALITY INFORMATION MEMO

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A Step in the Right Direction: Who is Eligible for New York's Conditional Cannabis Dispensary Licenses?

New York's Marijuana Regulation and Taxation Act (the Act) not only legalized recreational cannabis possession and use for those 21 and older, but also sent a message across the U.S. that New York was going to focus a great deal of its time and resources on "justice-involved" persons looking to start cannabis businesses. Since the Act was signed, it has been clear that New York is serious about ensuring its cannabis industry isn't just for big businesses; the state intends for the industry to be flooded with [applicants from underrepresented communities or areas negatively affected by the war on drugs](#). One example of this is the Cannabis Control Board's (CCB) conditional adult-use retail dispensary regulations (the Regulations), which were approved on July 14 and filed with the state register on August 3.

New York's Office of Cannabis Management (OCM), the entity in charge of addressing individual participation in the cannabis industry, has said that the first 100-200 conditional adult-use retail dispensary licenses (the Licenses) will be given to people that have been negatively impacted by the war on drugs and cannabis-related convictions. The application period for the Licenses opened on August 25 and closes on September 26. A mock-up of the form of application for the Licenses can be found [here](#).

The Regulations explain who is eligible for this first round of the Licenses. In addition to living, being present or having a corporate location in New York, the Regulations provide that applicants must show they are "justice-involved." This means that, prior to March 31, 2021, they:

- Were convicted of a marijuana-related offense in New York (i.e., possession, sale, loitering while in possession);
- Had a parent, legal guardian, child, spouse or dependent convicted of a marijuana-related offense; or
- Were a dependent of someone convicted of a marijuana-related offense.

To be eligible for the Licenses, "justice-involved" applicants must also submit evidence that, for at least two years, they have held a 10% interest in any business that operated at a profit for at least two years of operation. In other words, even if an applicant is "justice-involved," they will not be awarded a License if they cannot demonstrate a history of being a successful business owner.

If the applicant is a not-for-profit entity, it must meet certain "justice-related" conditions, such as having "justice-involved" officers or directors, intentionally serving communities impacted by the war on drugs and creating job opportunities for justice-involved persons. Businesses must also meet certain ownership requirements: "justice-involved" individuals must own the majority of the business and one "justice-involved" person must own at least 30% of the business.

Bond's cannabis attorneys have experience guiding businesses through regulatory and licensing issues in the cannabis industry. With retail cannabis sales set to begin in late 2022 or early 2023, now is the time to start thinking about applying for a License.

If you have any questions about any of the information provided above or the cannabis industry in general, please contact [Dustin M. Dorsino](#), [Jeffrey B. Scheer](#) or the Bond attorney with which you are regularly in contact.



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