

FY 2021 NEW YORK STATE EXECUTIVE BUDGET

**REVENUE
ARTICLE VII LEGISLATION**

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CONTENTS

PART	DESCRIPTION	STARTING PAGE NUMBER
A	Make Warrantless State Tax Debt Collection Methods Permanent	6
B	Extend Hire-A-Vet Credit for Two Years	7
C	Extend Oil and Gas Fee for Three Years	9
D	Reduce the Tax Burden on Small Businesses	9
E	Cap the Maximum Amount and Income Threshold for the Long-Term Care Insurance Credit	14
F	Authorize DTF to Provide Unclaimed Tax Benefits	15
G	Enhance Empire State Child Credit	17
H	Reform the Tobacco Products Tax	18
I	Enhance cigarette tax enforcement and penalties	20
J	Make Technical Amendments Related to Alcoholic Beverage Taxes	30
K	Update Criminal Tax Fraud Statutes	34
L	Extend Excelsior Tax Credit Program and Enhance for Green Projects	38
M	Reform the Film Tax Credit	46
N	Provide a Local Option for Placing Converted Condos Into the Homestead Class	56
O	Deny STAR Benefits to Delinquent Property Owners	56

PART	DESCRIPTION	STARTING PAGE NUMBER
P	Allow for the Appointment of Acting County Directors of Real Property Tax Services	63
Q	Modernize and Merge Real Property Tax Forms and Processes	64
R	Abolish the State Board of Real Property Tax Services	72
S	Remove References to the STAR Offset Program	85
T	Make Technical Amendments to Telecommunications and Railroad Ceiling Programs	85
U	Make Exceptions for Late Enhanced STAR Filers	87
V	Build a New Equine Drug Testing Lab	88
W	Authorize Entry Into the Mid-Atlantic Drug Compact	89
X	Amend Sports Wagering Lounge Restrictions	101
Y	Eliminate Quick Draw Minimum Size Restrictions	101
Z	Extend Pari-Mutuel Tax Rate and Simulcast Provisions for One Year	103
AA	Shift Basic STAR Exemptions to the Credit Program	111
BB	Enact the Cannabis Regulation and Taxation Act	112

Legislative Bill Drafting Commission
12674-04-0

S. -----
 Senate

IN SENATE--Introduced by Sen

--read twice and ordered printed,
and when printed to be committed
to the Committee on

----- A.
Assembly

IN ASSEMBLY--Introduced by M. of A.

with M. of A. as co-sponsors

--read once and referred to the
Committee on

BUDGBI

(Enacts into law major components of
legislation which are necessary to
implement the state fiscal plan for
the 2020-2021 state fiscal year)

BUDGBI. REV Art VII

AN ACT

to amend part U of chapter 59 of the
laws of 2017, amending the tax law,
relating to the financial institu-
tion data match system for state tax
collection purposes, in relation to
making such provisions permanent;
and to amend part Q of chapter 59 of
the laws of 2013, amending the tax
law relating to serving an income
execution with respect to individual
tax debtors without filing a
warrant, in relation to making such

IN SENATE

Senate introducer's signature

The senators whose names are circled below wish to join me in the sponsorship
of this proposal:

s15 Addabbo	s02 Flanagan	s09 Kaminsky	s25 Montgomery	s23 Savino
s52 Akshar	s55 Funke	s07 Kaplan	s20 Myrie	s32 Sepulveda
s46 Amedore	s59 Gallivan	s26 Kavanagh	s58 O'Mara	s41 Serino
s36 Bailey	s05 Gaughran	s63 Kennedy	s62 Ortt	s29 Serrano
s30 Benjamin	s12 Gianaris	s28 Krueger	s21 Parker	s51 Seward
s34 Biaggi	s22 Gounardes	s24 Lanza	s19 Persaud	s39 Skoufis
s57 Borrello	s47 Griffo	s01 LaValle	s13 Ramos	s16 Stavisky
s04 Boyle	s40 Harckham	s45 Little	s61 Ranzzenhofer	s35 Stewart-
s44 Breslin	s54 Helming	s11 Liu	s48 Ritchie	Cousins
s08 Brooks	s27 Hoylman	s03 Martinez	s33 Rivera	s49 Tedisco
s38 Carlucci	s31 Jackson	s53 May	s56 Robach	s06 Thomas
s14 Comrie	s60 Jacobs	s37 Mayer	s18 Salazar	s50
s17 Felder	s43 Jordan	s42 Metzger	s10 Sanders	

IN ASSEMBLY

Assembly introducer's signature

The Members of the Assembly whose names are circled below wish to join me in the
multi-sponsorship of this proposal:

a049 Abbate	a053 Davila	a128 Hunter	a037 Nolan	a140 Schimminger
a092 Abinanti	a072 De La Rosa	a029 Hyndman	a144 Norris	a099 Schmitt
a084 Arroyo	a034 DenDekker	a104 Jacobson	a069 O'Donnell	a076 Seawright
a107 Ashby	a003 DeStefano	a097 Jaffee	a051 Ortiz	a052 Simon
a035 Aubry	a070 Dickens	a011 Jean-Pierre	a091 Otis	a036 Simotas
a120 Barclay	a054 Dilan	a135 Johns	a132 Palmesano	a005 Smith
a030 Barnwell	a081 Dinowitz	a115 Jones	a002 Palumbo	a118 Smullen
a106 Barrett	a147 DiPietro	a077 Joyner	a088 Paulin	a022 Solages
a060 Barron	a016 D'Urso	a040 Kim	a141 Peoples-	a114 Stec
a082 Benedetto	a048 Eichenstein	a131 Kolb	Stokes	a110 Steck
a042 Bichotte	a004 Englebright	a105 Lalor	a058 Perry	a010 Stern
a079 Blake	a074 Epstein	a013 Lavine	a023 Pheffer	a127 Stirpe
a117 Blankenbush	a109 Fahy	a134 Lawrence	Amato	a102 Tague
a098 Brabenec	a061 Fall	a050 Lentol	a086 Pichardo	a071 Taylor
a026 Braunstein	a080 Fernandez	a125 Lifton	a089 Pretlow	a001 Thiele
a138 Bronson	a126 Finch	a009 LiPetri	a073 Quart	a033 Vanel
a093 Buchwald	a008 Fitzpatrick	a123 Lupardo	a019 Ra	a116 Walczyk
a142 Burke	a124 Friend	a129 Magnarelli	a006 Ramos	a055 Walker
a119 Buttenschon	a046 Frontus	a064 Malliotakis	a062 Reilly	a143 Wallace
a094 Byrne	a095 Galef	a130 Manktelow	a087 Reyes	a112 Walsh
a133 Byrnes	a137 Gantt	a108 McDonald	a043 Richardson	a041 Weinstein
a103 Cahill	a007 Garbarino	a014 McDonough	a078 Rivera	a024 Weprin
a044 Carroll	a148 Giglio	a146 McMahan	a068 Rodriguez	a059 Williams
a047 Colton	a066 Glick	a017 Mikulin	a136 Romeo	a113 Woerner
a032 Cook	a150 Goodell	a101 Miller, B.	a027 Rosenthal, D.	a056 Wright
a085 Crespo	a075 Gottfried	a038 Miller, M. G.	a067 Rosenthal, L.	a096 Zebrowski
a122 Crouch	a021 Griffin	a020 Miller, M. L.	a025 Rozic	a012
a039 Cruz	a100 Gunther	a015 Montesano	a149 Ryan	a031
a063 Cusick	a139 Hawley	a145 Morinello	a121 Salka	
a045 Cymbrowitz	a083 Heastie	a057 Mosley	a111 Santabarbara	
a018 Darling	a028 Hevesi	a065 Niou	a090 Sayegh	

1) Single House Bill (introduced and printed separately in either or
both houses). Uni-Bill (introduced simultaneously in both houses and printed
as one bill. Senate and Assembly introducer sign the same copy of the bill).

2) Circle names of co-sponsors and return to introduction clerk with 2
signed copies of bill and: in Assembly 2 copies of memorandum in support, in
Senate 4 copies of memorandum in support (single house); or 4 signed copies
of bill and 8 copies of memorandum in support (uni-bill).

provisions permanent (Part A); to amend the tax law, in relation to extending hire a veteran credit for an additional two years (Part B); to amend chapter 540 of the laws of 1992, amending the real property tax law relating to oil and gas charges, in relation to the effectiveness thereof (Part C); to amend the tax law, in relation to reducing the burden on small businesses (Part D); to amend the tax law, in relation to capping the maximum amount of the long-term care insurance credit (Part E); to amend the tax law and the administrative code of the city of New York, in relation to allowing the department of taxation and finance to provide taxpayers with unclaimed tax benefits relating to the earned income credit and deductions (Part F); to amend the tax law, in relation to the definition of a qualifying child for purposes of the empire state child credit (Part G); to amend the tax law, in relation to reforming the tobacco products tax (Part H); to amend the alcoholic beverage control law and the tax law, in relation to the suspension and revocation of certain licenses and certificates issued under such laws (Part I); to amend the tax law, in relation to the tax imposed on alcoholic beverages and the annual reporting requirements imposed on alcoholic beverage producers (Part J); to amend the tax law, in relation to updating the criminal tax fraud statutes and to establish the offenses of criminal tax preparation in the second degree and criminal tax preparation in the first degree (Part K); to amend the economic development law and the tax law, in relation to the excelsior jobs program and certain incentives for green projects within such program (Part L); to amend the tax law, in relation to the empire state film production credit and the empire state film post production credit (Part M); to amend the real property tax law, in relation to converted condominiums (Part N); to amend the

tax law, in relation to state support for the local enforcement of past-due property taxes (Part O); to amend the real property tax law, in relation to providing for the appointment of an acting director of real property tax services in the event the position becomes vacant (Part P); to amend the real property law and tax law, in relation to the electronic submission of consolidated real property transfer forms; and to repeal paragraphs vii and viii of subdivision 1-e of section 333 of the real property law relating thereto (Part Q); to amend the public lands law, the real property law, and the real property tax law, in relation to the functions of the state board of real property tax services; and to repeal certain provisions of the real property tax law related thereto (Part R); to repeal certain provisions of the real property tax law and the tax law, in relation to removing references to the former STAR offset program (Part S); to amend the real property tax law, in relation to assessment ceilings for railroads and local public utility mass real property; and to repeal section 3 of chapter 475 of the laws of 2013 amending the real property tax law relating to assessment ceilings for local public utility mass real property (Part T); to amend the real property tax law, in relation to extending the period for enrollment in the STAR income verification program (Part U); to amend the racing, pari-mutuel wagering and breeding law and the tax law, in relation to financing and constructing a new equine drug testing laboratory (Part V); to amend the racing, pari-mutuel wagering and breeding law, in relation to enacting the interstate compact on anti-doping and drug testing standards (Part W); to amend the racing, pari-mutuel wagering and breeding law, in relation to restrictions on sports wagering lounges in casinos (Part X); to amend the tax law, in relation to a keno style lottery

game (Part Y); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to extending certain provisions thereof; and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain provisions thereof (Part Z); to amend the real property tax law, in relation to the income limit for the basic STAR exemption (Part AA); and relating to constituting a new chapter 7-A of the consolidated laws, in relation to the creation of a new office of cannabis management, as an independent entity within the division of alcoholic beverage control, providing for the licensure of persons authorized to cultivate, process, distribute and sell cannabis and the use of cannabis by persons aged twenty-one or older; to amend the public health law, in relation to the description of cannabis; to amend the vehicle and traffic law, in relation to making technical changes regarding the definition of cannabis; to amend the penal law, in relation to the qualification of certain offenses involving cannabis and to exempt certain persons from prosecution for the use, consumption, display, production or distribution of cannabis; to amend the tax law, in relation to providing for the levying of taxes on cannabis; to amend the criminal procedure law, the civil practice law and rules, the general business law, the alcoholic beverage control law, the general

obligations law, the social services law, the state finance law, the penal law and the vehicle and traffic law, in relation to making conforming changes; to amend chapter 90 of the laws of 2014 amending the public health law, the tax law, the state finance law, the general business law, the penal law and the criminal procedure law relating to medical use of marihuana, in relation to the effectiveness thereof; to repeal title 5-A of article 33 of the public health law relating to medical use of marihuana; to repeal article 29-A of the agriculture and markets law relating to the regulation of hemp extract; to repeal subdivision 4 of section 220.06 and subdivision 10 of section 220.09 of the penal law relating to criminal possession of a controlled substance; to repeal sections 221.10 and 221.30 of the penal law relating to the criminal possession of marihuana; and to repeal paragraph (f) of subdivision 2 of section 850 of the general business law relating to drug related paraphernalia (Part BB)

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. This act enacts into law major components of legislation
2 which are necessary to implement the state fiscal plan for the 2020-2021
3 state fiscal year. Each component is wholly contained within a Part
4 identified as Parts A through BB. The effective date for each particular
5 provision contained within such Part is set forth in the last section of
6 such Part. Any provision in any section contained within a Part, includ-
7 ing the effective date of the Part, which makes a reference to a section
8 "of this act", when used in connection with that particular component,
9 shall be deemed to mean and refer to the corresponding section of the
10 Part in which it is found. Section three of this act sets forth the
11 general effective date of this act.

12 PART A

13 Section 1. Section 2 of part U of chapter 59 of the laws of 2017,
14 amending the tax law, relating to the financial institution data match
15 system for state tax collection purposes, is amended to read as follows:

16 § 2. This act shall take effect immediately [and shall expire April 1,
17 2020 when upon such date the provisions of this act shall be deemed
18 repealed].

19 § 2. Section 2 of part Q of chapter 59 of the laws of 2013, amending
20 the tax law, relating to serving an income execution with respect to
21 individual tax debtors without filing a warrant, as amended by section 1
22 of part X of chapter 59 of the laws of 2017, is amended to read as
23 follows:

24 § 2. This act shall take effect immediately [and shall expire and be
25 deemed repealed on and after April 1, 2020].

26 § 3. This act shall take effect immediately.

1

PART B

2 Section 1. Paragraph (a) and subparagraph 2 of paragraph (b) of subdi-
3 vision 29 of section 210-B of the tax law, as amended by section 1 of
4 part Q of chapter 59 of the laws of 2018, are amended to read as
5 follows:

6 (a) Allowance of credit. For taxable years beginning on or after Janu-
7 ary first, two thousand fifteen and before January first, two thousand
8 [twenty-one] twenty-three, a taxpayer shall be allowed a credit, to be
9 computed as provided in this subdivision, against the tax imposed by
10 this article, for hiring and employing, for not less than one year and
11 for not less than thirty-five hours each week, a qualified veteran with-
12 in the state. The taxpayer may claim the credit in the year in which the
13 qualified veteran completes one year of employment by the taxpayer. If
14 the taxpayer claims the credit allowed under this subdivision, the
15 taxpayer may not use the hiring of a qualified veteran that is the basis
16 for this credit in the basis of any other credit allowed under this
17 article.

18 (2) who commences employment by the qualified taxpayer on or after
19 January first, two thousand fourteen, and before January first, two
20 thousand [twenty] twenty-two; and

21 § 2. Paragraph 1 and subparagraph (B) of paragraph 2 of subsection
22 (a-2) of section 606 of the tax law, as amended by section 2 of part Q
23 of chapter 59 of the laws of 2018, are amended to read as follows:

24 (1) Allowance of credit. For taxable years beginning on or after Janu-
25 ary first, two thousand fifteen and before January first, two thousand
26 [twenty-one] twenty-three, a taxpayer shall be allowed a credit, to be
27 computed as provided in this subsection, against the tax imposed by this

1 article, for hiring and employing, for not less than one year and for
2 not less than thirty-five hours each week, a qualified veteran within
3 the state. The taxpayer may claim the credit in the year in which the
4 qualified veteran completes one year of employment by the taxpayer. If
5 the taxpayer claims the credit allowed under this subsection, the
6 taxpayer may not use the hiring of a qualified veteran that is the basis
7 for this credit in the basis of any other credit allowed under this
8 article.

9 (B) who commences employment by the qualified taxpayer on or after
10 January first, two thousand fourteen, and before January first, two
11 thousand [twenty] twenty-two; and

12 § 3. Paragraph 1 and subparagraph (B) of paragraph 2 of subdivision
13 (g-1) of section 1511 of the tax law, as amended by section 3 of part Q
14 of chapter 59 of the laws of 2018, are amended to read as follows:

15 (1) Allowance of credit. For taxable years beginning on or after Janu-
16 ary first, two thousand fifteen and before January first, two thousand
17 [twenty-one] twenty-three, a taxpayer shall be allowed a credit, to be
18 computed as provided in this subdivision, against the tax imposed by
19 this article, for hiring and employing, for not less than one year and
20 for not less than thirty-five hours each week, a qualified veteran with-
21 in the state. The taxpayer may claim the credit in the year in which
22 the qualified veteran completes one year of employment by the taxpayer.
23 If the taxpayer claims the credit allowed under this subdivision, the
24 taxpayer may not use the hiring of a qualified veteran that is the basis
25 for this credit in the basis of any other credit allowed under this
26 article.

1 (B) who commences employment by the qualified taxpayer on or after
2 January first, two thousand fourteen, and before January first, two
3 thousand [twenty] twenty-two; and

4 § 4. This act shall take effect immediately.

5 PART C

6 Section 1. Section 2 of chapter 540 of the laws of 1992, amending the
7 real property tax law relating to oil and gas charges, as amended by
8 section 1 of part I of chapter 59 of the laws of 2017, is amended to
9 read as follows:

10 § 2. This act shall take effect immediately and shall be deemed to
11 have been in full force and effect on and after April 1, 1992; provided,
12 however that any charges imposed by section 593 of the real property tax
13 law as added by section one of this act shall first be due for values
14 for assessment rolls with tentative completion dates after July 1, 1992,
15 and provided further, that this act shall remain in full force and
16 effect until March 31, [2021] 2024, at which time section 593 of the
17 real property tax law as added by section one of this act shall be
18 repealed.

19 § 2. This act shall take effect immediately.

20 PART D

21 Section 1. Subparagraph (iv) of paragraph (a) of subdivision 1 of
22 section 210 of the tax law, as amended by section 12 of part A of chap-
23 ter 59 of the laws of 2014, is amended to read as follows:

1 (iv) for taxable years beginning before January first, two thousand
2 sixteen, if the business income base is not more than two hundred ninety
3 thousand dollars the amount shall be six and one-half percent of the
4 business income base; if the business income base is more than two
5 hundred ninety thousand dollars but not over three hundred ninety thou-
6 sand dollars the amount shall be the sum of (1) eighteen thousand eight
7 hundred fifty dollars, (2) seven and one-tenth percent of the excess of
8 the business income base over two hundred ninety thousand dollars but
9 not over three hundred ninety thousand dollars and (3) four and thirty-
10 five hundredths percent of the excess of the business income base over
11 three hundred fifty thousand dollars but not over three hundred ninety
12 thousand dollars. For taxable years beginning on or after January first,
13 two thousand twenty-one the amount shall be four percent of the taxpay-
14 er's business income base;

15 § 2. Paragraph (d) of subdivision 1 of section 210-B of the tax law,
16 as amended by section 31 of part T of chapter 59 of the laws of 2015, is
17 amended to read as follows:

18 (d) Except as otherwise provided in this paragraph, the credit allowed
19 under this subdivision for any taxable year shall not reduce the tax due
20 for such year to less than the fixed dollar minimum amount prescribed in
21 paragraph (d) of subdivision one of section two hundred ten of this
22 article. However, if the amount of credit allowable under this subdivi-
23 sion for any taxable year reduces the tax to such amount or if the
24 taxpayer otherwise pays tax based on the fixed dollar minimum amount,
25 any amount of credit allowed for a taxable year commencing prior to
26 January first, nineteen hundred eighty-seven and not deductible in such
27 taxable year may be carried over to the following year or years and may
28 be deducted from the taxpayer's tax for such year or years but in no

1 event shall such credit be carried over to taxable years commencing on
2 or after January first, two thousand two, and any amount of credit
3 allowed for a taxable year commencing on or after January first, nine-
4 teen hundred eighty-seven and not deductible in such year may be carried
5 over to the fifteen taxable years next following such taxable year and
6 may be deducted from the taxpayer's tax for such year or years. In lieu
7 of such carryover, any such taxpayer which qualifies as a new business
8 under paragraph (f) of this subdivision or a taxpayer that qualifies as
9 an eligible farmer for purposes of paragraph (b) of subdivision eleven
10 of this section may elect to treat the amount of such carryover as an
11 overpayment of tax to be credited or refunded in accordance with the
12 provisions of section ten hundred eighty-six of this chapter, provided,
13 however, the provisions of subsection (c) of section ten hundred eight-
14 y-eight of this chapter notwithstanding, no interest shall be paid ther-
15 eon.

16 § 3. Paragraph 5 of subsection (a) of section 606 of the tax law, as
17 amended by chapter 170 of the laws of 1994, is amended to read as
18 follows:

19 (5) If the amount of credit allowable under this subsection for any
20 taxable year shall exceed the taxpayer's tax for such year, the excess
21 allowed for a taxable year commencing prior to January first, nineteen
22 hundred eighty-seven may be carried over to the following year or years
23 and may be deducted from the taxpayer's tax for such year or years, but
24 in no event shall such credit be carried over to taxable years commenc-
25 ing on or after January first, nineteen hundred ninety-seven, and any
26 amount of credit allowed for a taxable year commencing on or after Janu-
27 ary first, nineteen hundred eighty-seven and not deductible in such year
28 may be carried over to the ten taxable years next following such taxable

1 year and may be deducted from the taxpayer's tax for such year or years.
2 In lieu of carrying over any such excess, a taxpayer who qualifies as an
3 owner of a new business for purposes of paragraph ten of this subsection
4 or a taxpayer who qualifies as an eligible farmer for purposes of para-
5 graph two of subsection (n) of this section may, at his option, receive
6 such excess as a refund. Any refund paid pursuant to this paragraph
7 shall be deemed to be a refund of an overpayment of tax as provided in
8 section six hundred eighty-six of this article, provided, however, that
9 no interest shall be paid thereon.

10 § 4. Paragraph 39 of subsection (c) of section 612 of the tax law, as
11 added by section 1 of part Y of chapter 59 of the laws of 2013, is
12 amended to read as follows:

13 (39) In the case of a taxpayer who is a small business who has busi-
14 ness income and/or farm income as defined in the laws of the United
15 States, an amount equal to three percent of the net items of income,
16 gain, loss and deduction attributable to such business or farm entering
17 into federal adjusted gross income, but not less than zero, for taxable
18 years beginning after two thousand thirteen, an amount equal to three
19 and three-quarters percent of the net items of income, gain, loss and
20 deduction attributable to such business or farm entering into federal
21 adjusted gross income, but not less than zero, for taxable years begin-
22 ning after two thousand fourteen, [and] an amount equal to five percent
23 of the net items of income, gain, loss and deduction attributable to
24 such business or farm entering into federal adjusted gross income, but
25 not less than zero, for taxable years beginning after two thousand
26 fifteen, and an amount equal to fifteen percent of the net items of
27 income, gain, loss and deduction attributable to such business or farm
28 entering into federal adjusted gross income, but not less than zero, for

1 taxable years beginning after two thousand twenty. For the purposes of
2 this paragraph, the term small business shall mean a sole proprietor or
3 a farm business who employs one or more persons during the taxable year
4 and who has net business income or net farm income of less than two
5 hundred fifty thousand dollars.

6 § 5. Paragraph 1 of subsection (c) of section 1085 of the tax law, as
7 amended by section 4 of part KK of chapter 59 of the laws of 2018, is
8 amended to read as follows:

9 (1) If any taxpayer, except a New York S corporation as defined in
10 subdivision one-A of section two hundred eight of this chapter, fails to
11 file a declaration of estimated tax under article nine-A of this chap-
12 ter, or fails to pay all or any part of an amount which is applied as an
13 installment against such estimated tax, it shall be deemed to have made
14 an underpayment of estimated tax. There shall be added to the tax for
15 the taxable year an amount at the underpayment rate set by the commis-
16 sioner pursuant to section one thousand ninety-six of this article, or
17 if no rate is set, at the rate of seven and one-half percent per annum
18 upon the amount of the underpayment for the period of the underpayment
19 but not beyond the fifteenth day of the fourth month following the close
20 of the taxable year. Provided, however, that, for taxable years begin-
21 ning on or after January first, two thousand seventeen and before Janu-
22 ary first, two thousand eighteen, no amount shall be added to the tax
23 with respect to the portion of such tax related to the amount of any
24 interest deductions directly or indirectly attributable to the amount
25 included in exempt CFC income pursuant to subparagraph (ii) of paragraph
26 (b) of subdivision six-a of section two hundred eight of this chapter or
27 the forty percent reduction of such exempt CFC income in lieu of inter-
28 est attribution if the election described in paragraph (b) of subdivi-

1 sion six-a of such section is made. The amount of the underpayment shall
2 be, with respect to any installment of estimated tax computed on the
3 basis of either the preceding year's tax or the second preceding year's
4 tax, the excess of the amount required to be paid over the amount, if
5 any, paid on or before the last day prescribed for such payment or, with
6 respect to any other installment of estimated tax, the excess of the
7 amount of the installment which would be required to be paid if the
8 estimated tax were equal to ninety-one percent of the tax shown on the
9 return for the taxable year (or if no return was filed, ninety-one
10 percent of the tax for such year) over the amount, if any, of the
11 installment paid on or before the last day prescribed for such payment.
12 In any case in which there would be no underpayment if "eighty percent"
13 were substituted for "ninety-one percent" each place it appears in this
14 subsection, the addition to the tax shall be equal to seventy-five
15 percent of the amount otherwise determined. No underpayment shall be
16 deemed to exist with respect to a declaration or installment otherwise
17 due on or after the termination of existence of the taxpayer.

18 § 6. This act shall take effect immediately; provided however that
19 sections two and three of this act shall apply to property acquired by
20 purchase on or after January 1, 2021, and section five of this act shall
21 apply to taxable years beginning on or after January 1, 2020.

22 PART E

23 Section 1. Paragraph 1 of subsection (aa) of section 606 of the tax
24 law, as amended by section 1 of part P of chapter 61 of the laws of
25 2005, is amended to read as follows:

1 (1) Residents. [A taxpayer] There shall be allowed a credit against
2 the tax imposed by this article in an amount equal to twenty percent of
3 the [premium] premiums paid during the taxable year for long-term care
4 insurance. The credit amount shall not exceed one thousand five hundred
5 dollars and shall be allowed only if the amount of New York adjusted
6 gross income required to be reported on the return is less than two
7 hundred fifty thousand dollars. In order to qualify for such credit, the
8 taxpayer's premium payment must be for the purchase of or for continuing
9 coverage under a long-term care insurance policy that qualifies for such
10 credit pursuant to section one thousand one hundred seventeen of the
11 insurance law. If the amount of the credit allowable under this
12 subsection for any taxable year shall exceed the taxpayer's tax for such
13 year, the excess may be carried over to the following year or years and
14 may be deducted from the taxpayer's tax for such year or years.

15 § 2. This act shall take effect immediately and apply to taxable years
16 beginning on or after January 1, 2020.

17 PART F

18 Section 1. Paragraph 6 of subsection (d) of section 606 of the tax
19 law, as amended by section 3 of part V of chapter 60 of the laws of
20 2004, is amended to read as follows:

21 (6) Notification. (A) The commissioner shall periodically, but not
22 less than every three years, make efforts to alert taxpayers that may be
23 currently eligible to receive the credit provided under this subsection,
24 and the credit provided under any local law enacted pursuant to
25 subsection (f) of section thirteen hundred ten of this chapter, as to
26 their potential eligibility. In making the determination of whether a

1 taxpayer may be eligible for such credit, the commissioner shall use
2 such data as may be appropriate and available, including, but not limit-
3 ed to, data available from the United States Department of Treasury,
4 Internal Revenue Service and New York state income tax returns for
5 preceding tax years.

6 (B) If the department determines that the taxpayer is eligible to
7 receive the credit provided under this subsection but has not claimed
8 such credit on his or her return, the department, at its discretion, may
9 compute the taxpayer's liability and allow the credit, and, if applica-
10 ble, issue any refund for the allowable credit amount provided under
11 this subsection. Any refund paid pursuant to this subparagraph shall be
12 deemed to be a refund of an overpayment of tax as provided in section
13 six hundred eighty-six of this article, provided, however, that no
14 interest shall be paid thereon.

15 § 2. Subsection (f) of section 1310 of the tax law is amended by
16 adding a new paragraph 6 to read as follows:

17 (6) If the department determines that the taxpayer is eligible to
18 receive the credit provided under this subsection but has not claimed
19 such credit on his or her return, the department, at its discretion, may
20 compute and issue any refund for the allowable credit amount provided
21 under this subsection. Any refund paid pursuant to this paragraph shall
22 be deemed to be a refund of an overpayment of tax as provided in section
23 six hundred eighty-six of this chapter, provided, however, that no
24 interest shall be paid thereon.

25 § 3. Section 613 of the tax law, as added by chapter 563 of the laws
26 of 1960, is amended to read as follows:

27 § 613. New York deduction of a resident individual. The New York
28 deduction of a resident individual shall be his New York standard

1 deduction unless he elects to deduct his New York itemized deduction
2 under the conditions set forth in section six hundred fifteen of this
3 article. If an individual taxpayer has elected to deduct his New York
4 itemized deduction computed pursuant to section six hundred fifteen of
5 this article, but the department determines that the New York standard
6 deduction allowable pursuant to section six hundred fourteen of this
7 article is greater, the department may recompute the taxpayer's tax
8 liability pursuant to section six hundred eleven of this article using
9 the New York standard deduction provided in section six hundred fourteen
10 of this article. The department will notify the taxpayer of any adjust-
11 ment to the election.

12 § 4. Subdivision (d) of section 11-1706 of the administrative code of
13 the city of New York is amended by adding a new paragraph 5 to read as
14 follows:

15 (5) If the state commissioner of taxation and finance determines that
16 the taxpayer is eligible to receive the credit provided under this
17 subdivision but has not claimed such credit on his or her return, the
18 state commissioner of taxation and finance, at his or her discretion,
19 may compute and issue any refund for the allowable credit amount
20 provided under this subdivision. Any refund paid pursuant to this para-
21 graph shall be deemed to be a refund of an overpayment of tax as
22 provided in section 11-1786 of this title, provided, however, that no
23 interest shall be paid thereon.

24 § 5. This act shall take effect immediately.

1 Section 1. Paragraph 1 of subsection (c-1) of section 606 of the tax
2 law, as amended by section 1 of part P of chapter 59 of the laws of
3 2018, is amended to read as follows:

4 (1) A resident taxpayer shall be allowed a credit as provided herein
5 equal to the greater of one hundred dollars times the number of qualify-
6 ing children of the taxpayer or the applicable percentage of the child
7 tax credit allowed the taxpayer under section twenty-four of the inter-
8 nal revenue code for the same taxable year for each qualifying child.
9 Provided, however, in the case of a taxpayer whose federal adjusted
10 gross income exceeds the applicable threshold amount set forth by
11 section 24(b)(2) of the Internal Revenue Code, the credit shall only be
12 equal to the applicable percentage of the child tax credit allowed the
13 taxpayer under section 24 of the Internal Revenue Code for each qualify-
14 ing child. For the purposes of this subsection, a qualifying child shall
15 be a child who meets the definition of qualified child under section
16 24(c) of the internal revenue code and is at least four years of age.
17 Provided, however, in the case of a resident taxpayer with a New York
18 state adjusted gross income of fifty thousand dollars or less, a quali-
19 fying child shall be a child who meets the definition of a qualifying
20 child under section 24(c) of the Internal Revenue Code. The applicable
21 percentage shall be thirty-three percent. For purposes of this
22 subsection, any reference to section 24 of the Internal Revenue Code
23 shall be a reference to such section as it existed immediately prior to
24 the enactment of Public Law 115-97.

25 § 2. This act shall take effect immediately and shall apply to taxable
26 years beginning on and after January 1, 2021.

1 Section 1. Subdivision 6 of section 470 of the tax law, as added by
2 chapter 61 of the laws of 1989, is amended to read as follows:

3 6. "Wholesale price." The [established] price for which a manufacturer
4 or other person sells tobacco products to a distributor, including the
5 federal excise taxes paid by the manufacturer or other person, before
6 the allowance of any discount, trade allowance, rebate or other
7 reduction.

8 [In the absence of such an established price, a manufacturer's] The
9 invoice [price of any] received by a distributor with respect to its
10 purchase of a tobacco product shall be presumptive evidence of the
11 wholesale price of such tobacco product[, and in its absence the price
12 at which such tobacco products were purchased shall be presumed to be
13 the wholesale price, unless evidence of a lower wholesale price shall be
14 established or any industry standard of markups relating to the purchase
15 price in relation to the wholesale price shall be established].

16 § 2. Subdivision 3 of section 481 of the tax law, as amended by chap-
17 ter 190 of the laws of 1990, is amended to read as follows:

18 3. (a) For purposes of this chapter, the certificate of the commis-
19 sioner of taxation and finance to the effect that a tax or fee imposed
20 by this article has not been paid, that a return required by or under
21 the provisions of this article has not been filed, or that information
22 has not been supplied, as required by or under the provisions of this
23 article, or that a bond or other security required by or pursuant to the
24 provisions of this article has not been filed, or that books, accounts,
25 records, memoranda, documents or papers have not been supplied as
26 required by or pursuant to the authority of this article, or that a
27 retail dealer or vending machine owner or operator is not currently or
28 validly registered as required by this article shall be prima facie

1 evidence that such tax or fee has not been paid, such return not filed,
2 such information not supplied, such bond or other security not filed,
3 that such books, accounts, records, memoranda, documents or papers have
4 not been supplied, or that such retail dealer or vending machine owner
5 or operator is not currently or validly registered.

6 (b) Any person required to make or maintain records under this article
7 who fails to maintain or make available such records may be subject to a
8 penalty not to exceed one thousand dollars for each monthly reporting
9 period or part thereof for which records are not maintained or provided
10 by such person. This penalty is in addition to any other penalty
11 provided for in this article, but will not be imposed and collected more
12 than once for such failures for the same reporting period or part there-
13 of. If the commissioner determines that any failure described in this
14 subdivision for a given reporting period was entirely due to reasonable
15 cause and not to willful neglect, the commissioner may waive the penalty
16 imposed for that period. The penalties imposed by this subdivision will
17 be paid and disposed of in the same manner as other revenues from this
18 article. These penalties will be determined, assessed, collected, paid
19 and enforced in the same manner as the tax imposed by this article, and
20 all the provisions of this article relating to tax will be deemed also
21 to apply to the penalties imposed by this subdivision.

22 § 3. This act shall take effect on October 1, 2020; provided however,
23 that section one of this act shall apply to all tobacco products
24 possessed in this state for sale on or after such date.

1 Section 1. Section 17 of the alcoholic beverage control law is amended
2 by adding a new subdivision 3-a to read as follows:

3 3-a. To suspend or cancel any license pursuant to and corresponding in
4 duration with an action of the commissioner of taxation and finance
5 under subdivision four of section four hundred eighty-a of the tax law.
6 A suspension or cancellation under this subdivision shall be initiated
7 upon receipt by the authority of notice from the commissioner of taxa-
8 tion and finance of such action under subdivision four of section four
9 hundred eighty-a of the tax law and shall be effective upon service of
10 an order by the authority served at the licensed premises. Such suspen-
11 sion or cancellation issued by the authority shall be appealable only as
12 provided for in paragraph (b) of subdivision four of section four
13 hundred eighty-a of the tax law. The power to issue such suspensions or
14 cancellations may be delegated to the chairman, or to such other offi-
15 cers or employees as may be designated by the chairman.

16 § 2. Subdivision 9 of section 470 of the tax law, as amended by chap-
17 ter 61 of the laws of 1989, is amended to read as follows:

18 9. "Retail dealer." Any person other than a wholesale dealer engaged
19 in selling cigarettes or tobacco products. For purposes of section four
20 hundred eighty-a of this article and section eleven hundred thirty-four
21 of this chapter, such term shall include for each such person engaged in
22 selling cigarettes or tobacco products all "persons required to collect
23 tax," as defined in subdivision one of section eleven hundred thirty-one
24 of this chapter.

25 § 3. Section 470 of the tax law is amended by adding a new subdivision
26 21 to read as follows:

27 21. "Affiliated person." Persons are affiliated persons with respect
28 to each other where one of such persons has an ownership interest of

1 more than five percent, whether direct or indirect, in the other, or
2 where an ownership interest of more than five percent, whether direct or
3 indirect, is held in each of such persons by another person, or by a
4 group of other persons that are affiliated persons with respect to each
5 other.

6 § 4. Subdivision 4 of section 480-a of the tax law, as added by chap-
7 ter 629 of the laws of 1996, paragraph (d) as amended by chapter 262 of
8 the laws of 2000, is amended to read as follows:

9 4. (a) If a retail dealer possesses or sells unstamped or unlawfully
10 stamped packages of cigarettes, or if a retail dealer is also licensed
11 as an agent pursuant to section four hundred seventy-two and it
12 possesses unlawfully stamped packages of cigarettes or sells unstamped
13 or unlawfully stamped packages of cigarettes at retail, (i) its regis-
14 tration shall be [suspended] revoked for a period of [not more than six
15 months] one year, or (ii) for a second such possession or sale within a
16 period of five years[, its] by a retail dealer or any affiliated person
17 of such retail dealer, the registration of such retail dealer and the
18 registration of any retail dealer that is an affiliated person of such
19 retail dealer shall be [suspended] revoked for a period of [up to thir-
20 ty-six months] three years, or (iii) for a third such possession or sale
21 within a period of five years[, its] by a retail dealer or any affil-
22 iated person of such retail dealer, the registration [may] of such
23 retail dealer and the registration of any retail dealer that is an
24 affiliated person of such retail dealer shall be revoked for a period of
25 [up to] five years. A retail dealer registration shall be [suspended or]
26 revoked pursuant to this subdivision immediately upon such dealer's
27 receipt of written notice of [suspension or] revocation from the commis-
28 sioner. [If a retail dealer sells cigarettes through more than one place

1 of business in this state, the retail dealer registration shall not be
2 suspended or revoked pursuant to this subdivision, but the certificate
3 of registration issued to the place of business, cart, stand, truck or
4 other merchandising device where unstamped or unlawfully stamped ciga-
5 rettes were found shall be suspended or cancelled for possession or sale
6 of unstamped or unlawfully stamped packages of cigarettes, as if such
7 certificate of registration were a retail dealer registration. A suspen-
8 sion or cancellation of a certificate of registration shall be treated
9 as if it were a suspension or revocation of a registration.] If
10 unstamped or unlawfully stamped cigarettes are found in a retail deal-
11 er's warehouse or a warehouse of any affiliated person of such retail
12 dealer, the [suspension or] revocation of the retail dealer's registra-
13 tion pursuant to this subdivision shall be applicable to each retail
14 place of business in this state through which such retail dealer and any
15 affiliated person of such retail dealer sells cigarettes.

16 (b) A retail dealer who is notified of a [suspension or] revocation of
17 its registration pursuant to this subdivision shall have the right to
18 have the [suspension or] revocation reviewed by the commissioner or his
19 or her designee by contacting the department at a telephone number or an
20 address to be disclosed in the notice of [suspension or] revocation
21 within ten days of such dealer's receipt of such notification. The
22 retail dealer may present written evidence or argument in support of its
23 defense to the [suspension or] revocation, or may appear at a scheduled
24 conference with the commissioner or his or her designee to present oral
25 arguments and written and oral evidence in support of such defense. The
26 commissioner or his or her designee is authorized to delay the effective
27 date of the [suspension or] revocation to enable the retail dealer to
28 present further evidence or arguments in connection with the [suspension

1 or] revocation. The commissioner or his or her designee shall cancel the
2 [suspension or] revocation of registration if the commissioner or his or
3 her designee is not satisfied by a preponderance of the evidence that
4 the retail dealer possessed or sold unstamped or unlawfully stamped
5 packages of cigarettes.

6 (c) An order of [suspension or] revocation of a retail dealer regis-
7 tration shall not be reviewable by the division of tax appeals, but may
8 be reviewed pursuant to article seventy-eight of the civil practice law
9 and rules by a proceeding commenced in the supreme court within four
10 months of the [suspension or] revocation of registration petitioning
11 that the order of [suspension or] revocation be enjoined or set aside.
12 Such proceeding shall be instituted in the county where the commissioner
13 has his or her principal office. Upon the filing of such petition the
14 court shall have jurisdiction to set aside such order of [suspension or]
15 revocation, in whole or in part, or to dismiss the petition. The juris-
16 diction of the supreme court shall be exclusive and its order dismissing
17 the petition or enjoining or setting aside such order, in whole or in
18 part, shall be final, subject to review by the appellate division of the
19 supreme court and the court of appeals in the same manner and form and
20 with the same effect as provided by law for appeals from a judgment in a
21 special proceeding. All such proceedings shall be heard and determined
22 by the court and by any appellate court as expeditiously as possible and
23 with lawful precedence over other civil matters. All such proceedings
24 for review shall be heard on the petition, transcript and other papers,
25 and on appeal shall be heard on the record, without requirement of
26 printing.

27 (d) After review of the [suspension or] revocation of registration by
28 the commissioner or his or her designee is complete, or the time within

1 which a retail dealer may request such review has expired without such a
2 request having been made, notice of the [suspension or] revocation of a
3 retail dealer registration pursuant to this subdivision shall be given
4 by the commissioner to the head of the division of the lottery for the
5 purpose of enforcement of section sixteen hundred seven of this chapter
6 [and such division may suspend or revoke any license issued with respect
7 to a lottery agent's specific location pursuant to article thirty-four
8 of this chapter if such lottery agent is a retail dealer of cigarettes
9 whose registration for such location is suspended or revoked pursuant to
10 this section]. In addition, notice of such [suspension or] revocation
11 shall also be given to the [division of alcoholic beverage control]
12 state liquor authority and such [suspension or] revocation shall consti-
13 tute cause[, for purposes of section one hundred eighteen of the alco-
14 holic beverage control law,] for revocation, cancellation or suspension
15 of any license or permit issued pursuant to [such] the alcoholic bever-
16 age control law to the retail dealer of cigarettes whose registration is
17 revoked pursuant to this section.

18 § 5. Subparagraph (A) of paragraph 4 of subdivision (a) of section
19 1134 of the tax law, as amended by section 21-a of part U of chapter 61
20 of the laws of 2011, is amended to read as follows:

21 (A) Where a person who holds a certificate of authority (i) willfully
22 fails to file a report or return required by this article, (ii) willful-
23 ly files, causes to be filed, gives or causes to be given a report,
24 return, certificate or affidavit required under this article which is
25 false, (iii) willfully fails to comply with the provisions of paragraph
26 two or three of subdivision (e) of section eleven hundred thirty-seven
27 of this article, (iv) willfully fails to prepay, collect, truthfully
28 account for or pay over any tax imposed under this article or pursuant

1 to the authority of article twenty-nine of this chapter, (v) fails to
2 obtain a bond pursuant to paragraph two of subdivision (e) of section
3 eleven hundred thirty-seven of this part, or fails to comply with a
4 notice issued by the commissioner pursuant to paragraph three of such
5 subdivision, [or] (vi) has been convicted of a crime provided for in
6 this chapter, or (vii) where such person, or any person affiliated with
7 such person as such term is defined in subdivision twenty-one of section
8 four hundred seventy of this chapter, has had a retail dealer registra-
9 tion issued pursuant to section four hundred eighty-a of this chapter
10 revoked pursuant to paragraph (a) of subdivision four of such section
11 four hundred eighty-a, the commissioner may revoke or suspend such
12 certificate of authority and all duplicates thereof. Provided, however,
13 that the commissioner may revoke or suspend a certificate of authority
14 based on the grounds set forth in clause (vi) of this subparagraph only
15 where the conviction referred to occurred not more than one year prior
16 to the date of revocation or suspension; and provided further that where
17 the commissioner revokes or suspends a certificate of authority based on
18 the grounds set forth in clause (vii) of this subparagraph, such suspen-
19 sion or revocation shall continue for as long as the revocation of the
20 retail dealer registration pursuant to section four hundred eighty-a of
21 this chapter remains in effect.

22 § 6. Subparagraph (A) of paragraph 4 of subdivision (a) of section
23 1134 of the tax law, as amended by chapter 2 of the laws of 1995, is
24 amended to read as follows:

25 (A) Where a person who holds a certificate of authority (i) willfully
26 fails to file a report or return required by this article, (ii) willful-
27 ly files, causes to be filed, gives or causes to be given a report,
28 return, certificate or affidavit required under this article which is

1 false, (iii) willfully fails to comply with the provisions of paragraph
2 two or three of subdivision (e) of section eleven hundred thirty-seven
3 of this article, (iv) willfully fails to prepay, collect, truthfully
4 account for or pay over any tax imposed under this article or pursuant
5 to the authority of article twenty-nine of this chapter, [or] (v) has
6 been convicted of a crime provided for in this chapter, or (vi) where
7 such person, or any person affiliated with such person as such term is
8 defined in subdivision twenty-one of section four hundred seventy of
9 this chapter, has had a retail dealer registration issued pursuant to
10 section four hundred eighty-a of this chapter suspended or revoked
11 pursuant to paragraph (a) of subdivision four of such section four
12 hundred eighty-a, the commissioner may revoke or suspend such certif-
13 icate of authority and all duplicates thereof. Provided, however, that
14 the commissioner may revoke or suspend a certificate of authority based
15 on the grounds set forth in clause (v) of this subparagraph only where
16 the conviction referred to occurred not more than one year prior to the
17 date of revocation or suspension; and provided further that where the
18 commissioner revokes or suspends a certificate of authority based on the
19 grounds set forth in clause (vi) of this subparagraph, such suspension
20 or revocation shall continue for as long as the revocation of the retail
21 dealer registration pursuant to section four hundred eighty-a of this
22 chapter remains in effect.

23 § 7. Subparagraph (B) of paragraph 4 of subdivision (a) of section
24 1134 of the tax law, as amended by chapter 2 of the laws of 1995, is
25 amended to read as follows:

26 (B) Where a person files a certificate of registration for a certif-
27 icate of authority under this subdivision and in considering such appli-
28 cation the commissioner ascertains that (i) any tax imposed under this

1 chapter or any related statute, as defined in section eighteen hundred
2 of this chapter, has been finally determined to be due from such person
3 and has not been paid in full, (ii) a tax due under this article or any
4 law, ordinance or resolution enacted pursuant to the authority of arti-
5 cle twenty-nine of this chapter has been finally determined to be due
6 from an officer, director, partner or employee of such person, and,
7 where such person is a limited liability company, also a member or
8 manager of such person, in the officer's, director's, partner's,
9 member's, manager's or employee's capacity as a person required to
10 collect tax on behalf of such person or another person and has not been
11 paid, (iii) such person has been convicted of a crime provided for in
12 this chapter within one year from the date on which such certificate of
13 registration is filed, (iv) an officer, director, partner or employee of
14 such person, and, where such person is a limited liability company, also
15 a member or manager of such person, which officer, director, partner,
16 member, manager or employee is a person required to collect tax on
17 behalf of such person filing a certificate of registration has in the
18 officer's, director's, partner's, member's, manager's or employee's
19 capacity as a person required to collect tax on behalf of such person or
20 of another person been convicted of a crime provided for in this chapter
21 within one year from the date on which such certificate of registration
22 is filed, (v) a shareholder owning more than fifty percent of the number
23 of shares of stock of such person (where such person is a corporation)
24 entitling the holder thereof to vote for the election of directors or
25 trustees, who owned more than fifty percent of the number of such shares
26 of another person (where such other person is a corporation) at the time
27 any tax imposed under this chapter or any related statute as defined in
28 section eighteen hundred of this chapter was finally determined to be

1 due and where such tax has not been paid in full, or at the time such
2 other person was convicted of a crime provided for in this chapter with-
3 in one year from the date on which such certificate of registration is
4 filed, [or] (vi) a certificate of authority issued to such person has
5 been revoked or suspended pursuant to subparagraph (A) of this paragraph
6 within one year from the date on which such certificate of registration
7 is filed, or (vii) a retail dealer registration issued pursuant to
8 section four hundred eighty-a of this chapter to such person, or to any
9 person affiliated with such person as such term is defined in subdivi-
10 sion twenty-one of section four hundred seventy of this chapter, has
11 been revoked pursuant to paragraph (a) of subdivision four of such
12 section four hundred eighty-a, where such revocation remains in effect,
13 the commissioner may refuse to issue a certificate of authority.

14 § 8. Section 1607 of the tax law is amended by adding a new subdivi-
15 sion i to read as follows:

16 i. A lottery sales agent's license shall be suspended or revoked upon
17 notification to the division by the commissioner of the revocation of
18 such agent's retail dealer registration pursuant to subdivision four of
19 section four hundred eighty-a of this chapter. Such suspension or revo-
20 cation shall continue for as long as the revocation of such retail deal-
21 er registration remains in effect. Notwithstanding any other law to the
22 contrary, lottery sales agents shall have no right to a hearing and
23 shall have no right to commence a court action or proceeding or to any
24 other legal recourse against the division with respect to any action
25 taken pursuant to this subdivision. Nothing in this subdivision shall
26 affect the right to review the revocation of a retail dealer registra-
27 tion, or any appeal therefrom, as provided in paragraphs (b) and (c) of
28 subdivision four of section four hundred eighty-a of this chapter.

1 § 9. This act shall take effect September 1, 2020 and shall apply to
2 the possession or sale of unstamped or illegally stamped cigarettes
3 occurring on and after such date; provided, however, that the amendments
4 to section 17 of the alcoholic beverage control law made by section one
5 of this act shall survive the expiration and reversion of such section
6 as provided in section 4 of chapter 118 of the laws of 2012, as amended;
7 provided, further, that the amendments to subparagraph (A) of paragraph
8 4 of subdivision (a) of section 1134 of the tax law made by section five
9 of this act shall not affect the expiration of such subparagraph and
10 shall expire therewith, when upon such date the provisions of section
11 six of this act shall take effect.

12 PART J

13 Section 1. Paragraph (e) of subdivision 1 of section 424 of the tax
14 law, as amended by chapter 190 of the laws of 1990, is amended to read
15 as follows:

(e) Sixty-seven cents per liter upon liquors containing not more than twenty-four per centum of alcohol by volume except liquors containing not more than two per centum of alcohol by volume, upon which the tax shall be [one cent per liter] zero; and

20 § 2. Paragraph (g) of subdivision 1 of section 424 of the tax law, as
21 amended by chapter 433 of the laws of 1978 and the opening paragraph as
22 amended by chapter 508 of the laws of 1993, is amended to read as
23 follows:

(g) For purposes of this chapter, it is presumed that liquors are possessed for the purpose of sale in this state if the quantity of liquors possessed in this state, imported or caused to be imported into

1 this state or produced, distilled, manufactured, compounded, mixed or
2 fermented in this state exceeds ninety liters. Such presumption may be
3 rebutted by the introduction of substantial evidence to the contrary. In
4 any case where the quantity of alcoholic beverages taxable pursuant to
5 this article is a fractional part of one liter (or one gallon in the
6 case of beers) or an amount greater than a whole multiple of liters (or
7 gallons in the case of beers), the amount of tax levied and imposed on
8 such fractional part of one liter (or one gallon in the case of beers),
9 or fractional part of a liter (or gallon) in excess of a whole multiple
10 of liters or gallons shall be such fractional part of the rate imposed
11 by paragraphs (a) through (f).

12 Notwithstanding any other provision of this article, the [tax commis-
13 sion] commissioner may permit the purchase of [liquors and wines] alco-
14 holic beverages without tax by a person registered as a distributor
15 under section four hundred twenty-one of this article [holder of a
16 distiller's license or a winery license, issued by the state liquor
17 authority] from another person so registered [holder of a distiller's
18 license or a winery license, issued by such authority], in which event
19 the [liquors and wines] alcoholic beverage so purchased shall be subject
20 to the taxes imposed by this article in the hands of the purchaser in
21 the same manner and to the same extent as if such purchaser had imported
22 or caused the same to be imported into this state or had produced,
23 distilled, manufactured, brewed, compounded, mixed or fermented the same
24 within this state.

25 § 3. Subparagraph (C) of paragraph 1 of subdivision (i) of section
26 1136 of the tax law, as separately amended by chapters 229 and 485 of
27 the laws of 2015, is amended, and a new subparagraph (D) is added to
28 read as follows:

1 (C) Every wholesaler, as defined by section three of the alcoholic
2 beverage control law, if it has made a sale of an alcoholic beverage, as
3 defined by section four hundred twenty of this chapter, without collect-
4 ing sales or use tax during the period covered by the return, except (i)
5 a sale to a person that has furnished an exempt organization certificate
6 to the wholesaler for that sale; or (ii) a sale to another wholesaler
7 whose license under the alcoholic beverage control law does not allow it
8 to make retail sales of the alcoholic beverage. For each vendor, opera-
9 tor, or recipient to whom the wholesaler has made a sale without
10 collecting sales or compensating use tax, the return must include the
11 total value of those sales made during the period covered by the return
12 (excepting the sales described in clauses (i) and (ii) of this subpara-
13 graph) and the vendor's, operator's or recipient's state liquor authori-
14 ty license number, along with the information required by paragraph two
15 of this subdivision. [A person operating pursuant to a farm winery
16 license as provided in section seventy-six-a of the alcoholic beverage
17 control law, or a person operating pursuant to a winery license as
18 provided in section seventy-six of the alcoholic beverage control law
19 and whose winery manufactures less than one hundred fifty thousand
20 finished gallons of wine annually, or a person operating pursuant to a
21 farm distillery license as provided in subdivision two-c of section
22 sixty-one of such law, or a person operating pursuant to a farm cidery
23 license as provided in section fifty-eight-c of the alcoholic beverage
24 control law, or a person operating pursuant to a farm brewery license as
25 provided in section fifty-one-a of the alcoholic beverage control law,
26 or a person operating pursuant to a brewer's license as provided in
27 section fifty-one of the alcoholic beverage control law who produces
28 less than sixty thousand barrels of beer a year, or a person operating

1 pursuant to any combination of such licenses, shall not be subject to
2 any of the requirements of this subdivision.]

3 (D) Notwithstanding the provisions of subparagraph (C) of this para-
4 graph, a person operating pursuant to any of the following licenses
5 shall not be subject to any of the requirements of this subdivision: (i)
6 a farm winery license, as provided in section seventy-six-a of the alco-
7 holic beverage control law; (ii) a winery license, as provided in
8 section seventy-six of the alcoholic beverage control law, where the
9 number of gallons of wine, cider and mead produced annually by such
10 person does not exceed the annual limits on the number of finished
11 gallons of wine, cider and mead permitted to be produced by a farm
12 winery under subdivision eight of section seventy-six-a of the alcoholic
13 beverage control law; (iii) a farm distillery license, as provided in
14 subdivision two-c of section sixty-one of the alcoholic beverage control
15 law; (iv) a distiller's license, as provided in section sixty-one of the
16 alcoholic beverage control law, where the number of gallons of liquor
17 produced annually by such person does not exceed the annual limits on
18 the number of gallons of liquor permitted to be produced by a farm
19 distillery under paragraph (f) of subdivision two-c of section sixty-one
20 of the alcoholic beverage control law; (v) a farm cidery license, as
21 provided in section fifty-eight-c of the alcoholic beverage control law;
22 (vi) a cider producers' license, as provided in section fifty-eight of
23 the alcoholic beverage control law, where the number of gallons of cider
24 produced annually by such person does not exceed the annual limits on
25 the number of gallons of cider permitted to be produced by a farm cidery
26 under subdivision ten of section fifty-eight-c of the alcoholic beverage
27 control law; (vii) a farm brewery license, as provided in section
28 fifty-one-a of the alcoholic beverage control law; (viii) a brewer's

1 license, as provided in section fifty-one of the alcoholic beverage
2 control law, where the number of finished barrels of beer, cider and
3 braggot produced annually by such person does exceed the annual number
4 of finished barrels of beer, cider and braggot permitted to be produced
5 by a farm brewery under subdivision ten of section fifty-one-a of the
6 alcoholic beverage control law; (ix) a farm meadery license, as provided
7 in section thirty-one of the alcoholic beverage control law; or (x) a
8 mead producers' license, as provided in section thirty of the alcoholic
9 beverage control law, where the number of gallons of mead and braggot
10 produced annually by such person does exceed the annual number of
11 finished barrels of mead and braggot permitted to be produced by a farm
12 meadery under subdivision ten of section thirty-one of the alcoholic
13 beverage control law. Nothing in this subparagraph shall exempt a person
14 operating pursuant to multiple licenses under the alcoholic beverage
15 control law from the requirements of subparagraph (C) of this paragraph
16 if such person produces an amount of any alcoholic beverage in excess of
17 the amounts permitted to be produced annually by a person who holds only
18 a farm winery, farm cidery, farm distillery, farm brewery or farm mead-
19 ery license for such beverage, nor shall this section exempt any person
20 holding a wholesalers' license under the alcoholic beverage control law
21 from the requirements of subparagraph (C) of this paragraph.

22 § 4. This act shall take effect June 1, 2020.

23 PART K

24 Section 1. Subdivision (c) of section 1800 of the tax law, as amended
25 by section 13 of subpart I of part V-1 of chapter 57 of the laws of
26 2009, is amended to read as follows:

1 (c) As used in this article, the term "felony" and the term "misdemeanor" shall have the same meaning as they have in the penal law, and the
2 disposition of such offenses and the sentences imposed therefor shall be
3 as provided in such law except; (1) notwithstanding the provisions of
4 paragraph a of subdivision one of section 80.00 and paragraph (a) of
5 subdivision one of section 80.10 of the penal law relating to the fine
6 for a felony, the court may impose a fine not to exceed the greater of
7 double the amount of [the underpaid tax liability resulting from the
8 commission of the crime] tax liability evaded or fraudulent refund
9 received or applied for as a result of the commission of the crime, or
10 fifty thousand dollars, or, in the case of a corporation the fine may
11 not exceed the greater of double the amount of [the underpaid tax
12 liability resulting from the commission of the crime] tax liability
13 evaded or fraudulent refund received or applied for as a result of the
14 commission of the crime, or two hundred fifty thousand dollars and (2)
15 notwithstanding the provisions of subdivision one of section 80.05 and
16 paragraph (b) of subdivision one of section 80.10 of the penal law
17 relating to the fine for a class A misdemeanor, the court may impose a
18 fine not to exceed ten thousand dollars, except that in the case of a
19 corporation the fine may not exceed twenty thousand dollars.

21 § 2. Section 1803 of the tax law, as added by section 17 of subpart I
22 of part V-1 of chapter 57 of the laws of 2009, is amended to read as
23 follows:

24 § 1803. Criminal tax fraud in the fourth degree. A person commits
25 criminal tax fraud in the fourth degree when he or she commits a tax
26 fraud act or acts and[, with the intent to evade any tax due under this
27 chapter, or to defraud] thereby deprives or defrauds the state or any
28 political subdivision [thereof, the person pays the state and/or a poli-

1 tical subdivision of the state (whether by means of underpayment or
2 receipt of refund or both), in a period of not more than one year in
3 excess] of the state in an amount exceeding three thousand dollars [less
4 than the tax liability that is due]. Criminal tax fraud in the fourth
5 degree is a class E felony.

6 § 3. Section 1804 of the tax law, as added by section 18 of subpart I
7 of part V-1 of chapter 57 of the laws of 2009, is amended to read as
8 follows:

9 § 1804. Criminal tax fraud in the third degree. A person commits crim-
10 inal tax fraud in the third degree when he or she commits a tax fraud
11 act or acts and[, with the intent to evade any tax due under this chap-
12 ter, or to defraud] thereby deprives or defrauds the state or any poli-
13 tical subdivision of the state[, the person pays the state and/or a
14 political subdivision of the state (whether by means of underpayment or
15 receipt of refund or both), in a period of not more than one year in
16 excess of] in an amount exceeding ten thousand dollars [less than the
17 tax liability that is due]. Criminal tax fraud in the third degree is a
18 class D felony.

19 § 4. Section 1805 of the tax law, as added by section 19 of subpart I
20 of part V-1 of chapter 57 of the laws of 2009, is amended to read as
21 follows:

22 § 1805. Criminal tax fraud in the second degree. A person commits
23 criminal tax fraud in the second degree when he or she commits a tax
24 fraud act or acts and[, with the intent to evade any tax due under this
25 chapter, or to defraud] thereby deprives or defrauds the state or any
26 subdivision of the state[, the person pays the state and/or a political
27 subdivision of the state (whether by means of underpayment or receipt of
28 refund or both), in a period of not more than one year in excess of] in

1 an amount exceeding fifty thousand dollars [less than the tax liability
2 that is due]. Criminal tax fraud in the second degree is a class C felo-
3 ny.

4 § 5. Section 1806 of the tax law, as added by section 20 of subpart I
5 of part V-1 of chapter 57 of the laws of 2009, is amended to read as
6 follows:

7 § 1806. Criminal tax fraud in the first degree. A person commits crim-
8 inal tax fraud in the first degree when he or she commits a tax fraud
9 act or acts and[, with the intent to evade any tax due under this chap-
10 ter, or to defraud] thereby deprives or defrauds the state or any subdi-
11 vision of the state[, the person pays the state and/or a political
12 subdivision of the state (whether by means of underpayment or receipt of
13 refund or both), in a period of not more than one year in excess of] in
14 an amount exceeding one million dollars [less than the tax liability
15 that is due]. Criminal tax fraud in the first degree is a class B felo-
16 ny.

17 § 6. Section 1807 of the tax law, as amended by section 5 of subpart A
18 of part S of chapter 57 of the laws of 2010, is amended to read as
19 follows:

20 § 1807. Aggregation. For purposes of this article, [the payments due
21 and not paid under a single article of this chapter pursuant to a common
22 scheme or plan or due and not paid, within one year, may be charged in a
23 single count, and the amount of underpaid tax liability incurred, within
24 one year,] (a) the amount deprived or defrauded within a three hundred
25 sixty-five consecutive day period may be aggregated in a single count,
26 or (b) when a person is shown to be acting pursuant to a common plan or
27 scheme constituting a systematic ongoing course of conduct, the total

1 amount deprived or defrauded under such scheme or plan may be charged in
2 a single count.

3 § 7. The tax law is amended by adding a new section 1810 to read as
4 follows:

5 § 1810. Criminal tax preparation in the second degree. A person
6 commits criminal tax preparation in the second degree when he or she
7 files or causes to be filed ten or more tax returns with the department,
8 within a period of not more than three hundred sixty-five consecutive
9 days, knowing that each contains materially false information or omits
10 material information with the intent to evade or reduce any tax liabil-
11 ity owed or to effect or inflate a refund. Criminal tax preparation in
12 the second degree is a class D felony.

13 § 8. The tax law is amended by adding a new section 1810-a to read as
14 follows:

15 § 1810-a. Criminal tax preparation in the first degree. A person
16 commits criminal tax preparation in the first degree when he or she
17 files or causes to be filed fifty or more tax returns with the depart-
18 ment, within a period of not more than three hundred sixty-five consec-
19 utive days, knowing that each contains materially false information or
20 omits material information with the intent to evade or reduce any tax
21 liability owed or to effect or inflate a refund. Criminal tax prepara-
22 tion in the first degree is a class C felony.

23 § 9. This act shall take effect immediately and shall apply to
24 offenses committed on or after such effective date.

1 Section 1. Section 352 of the economic development law is amended by
2 adding a new subdivision 8-a to read as follows:

3 8-a. "Green project" means a project deemed by the commissioner to
4 make products or develop technologies that are substantially aimed at
5 reducing greenhouse gas emissions or supporting the use of clean energy
6 in accordance with goals described in chapter one hundred six of the
7 laws of two thousand nineteen, along with the state energy plan and
8 future updates as described in section 6-104 of the energy law. "Green
9 project" shall include, but not be limited to, the manufacture or devel-
10 opment of products or technologies or supply chain components primarily
11 for renewable energy systems as defined in section sixty-six-p of the
12 public service law, vehicles that use non-hydrocarbon fuels and produce
13 zero or near zero emissions, heat pumps, energy efficiency, carbon
14 capture and storage, clean energy storage and other products that
15 significantly reduce greenhouse gas emissions by minimizing the utiliza-
16 tion of depletable resources or by improving industrial efficiency.
17 "Green project" shall not include a project primarily composed of (i)
18 necessarily local activities such as retail, building construction, or
19 the installation, deployment or adoption of a clean energy product or
20 technology at an end user's site, or (ii) the production of products or
21 development of technologies that would produce only marginal and incre-
22 mental energy savings or environmental benefits ancillary to the core
23 function of the product or technology.

24 § 2. Subdivision 1 of section 353 of the economic development law, as
25 amended by section 2 of part K of chapter 59 of the laws of 2017, is
26 amended to read as follows:

27 1. To be a participant in the excelsior jobs program, a business enti-
28 ty shall operate in New York state predominantly:

1 (a) as a financial services data center or a financial services back
2 office operation;

3 (b) in manufacturing;

4 (c) in software development and new media;

5 (d) in scientific research and development;

6 (e) in agriculture;

7 (f) in the creation or expansion of back office operations in the
8 state;

9 (g) in a distribution center;

10 (h) in an industry with significant potential for private-sector
11 economic growth and development in this state as established by the
12 commissioner in regulations promulgated pursuant to this article. In
13 promulgating such regulations the commissioner shall include job and
14 investment criteria;

15 (i) as an entertainment company;

16 (j) in music production; [or]

17 (k) as a life sciences company; or

18 (l) as a company operating in one of the industries listed in para-
19 graphs (b) through (e) of this subdivision and engaging in a green
20 project as defined in section three hundred fifty-two of this article.

21 § 3. Subdivision 5 of section 354 of the economic development law, as
22 amended by section 4 of part K of chapter 59 of the laws of 2017, is
23 amended to read as follows:

24 5. A participant may claim tax benefits commencing in the first taxa-
25 ble year that the business enterprise receives a certificate of tax
26 credit or the first taxable year listed on its preliminary schedule of
27 benefits, whichever is later. A participant may claim such benefits for
28 the next nine consecutive taxable years, provided that the participant

1 demonstrates to the department that it continues to satisfy the eligi-
2 bility criteria specified in section three hundred fifty-three of this
3 article and subdivision two of this section in each of those taxable
4 years, and provided that no tax credits may be allowed for taxable years
5 beginning on or after January first, two thousand [thirty] fifty. If,
6 in any given year, a participant who has satisfied the eligibility
7 criteria specified in section three hundred fifty-three of this article
8 realizes job creation less than the estimated amount, the credit shall
9 be reduced by the proportion of actual job creation to the estimated
10 amount, provided the proportion is at least seventy-five percent of the
11 jobs estimated.

12 § 4. Subdivisions 1, 2 and 3 of section 355 of the economic develop-
13 ment law, subdivisions 1 and 2 as amended by section 4 of part G of
14 chapter 61 of the laws of 2011, and subdivision 3 as amended by section
15 1 of part YY of chapter 59 of the laws of 2017, are amended to read as
16 follows:

17 1. Excelsior jobs tax credit component. A participant in the excelsior
18 jobs program shall be eligible to claim a credit for each net new job it
19 creates in New York state. [The] In a project that is not a green
20 project, the amount of such credit per job shall be equal to the product
21 of the gross wages paid and up to 6.85 percent. In a green project, the
22 amount of such credit per job shall be equal to the product of the gross
23 wages paid and up to 7.5 percent.

24 2. Excelsior investment tax credit component. A participant in the
25 excelsior jobs program shall be eligible to claim a credit on qualified
26 investments. [The] In a project that is not a green project, the credit
27 shall be equal to two percent of the cost or other basis for federal
28 income tax purposes of the qualified investment. In a green project,

1 the credit shall be equal to five percent of the cost or other basis for
2 federal income tax purposes of the qualified investment. A participant
3 may not claim both the excelsior investment tax credit component and the
4 investment tax credit set forth in subdivision [twelve] one of section
5 two hundred [ten] ten-B, subsection (a) of section six hundred six, the
6 former subsection (i) of section fourteen hundred fifty-six, or subdivi-
7 sion (q) of section fifteen hundred eleven of the tax law for the same
8 property in any taxable year, except that a participant may claim both
9 the excelsior investment tax credit component and the investment tax
10 credit for research and development property. In addition, a taxpayer
11 who or which is qualified to claim the excelsior investment tax credit
12 component and is also qualified to claim the brownfield tangible proper-
13 ty credit component under section twenty-one of the tax law may claim
14 either the excelsior investment tax credit component or such tangible
15 property credit component, but not both with regard to a particular
16 piece of property. A credit may not be claimed until a business enter-
17 prise has received a certificate of tax credit, provided that qualified
18 investments made on or after the issuance of the certificate of eligi-
19 bility but before the issuance of the certificate of tax credit to the
20 business enterprise, may be claimed in the first taxable year for which
21 the business enterprise is allowed to claim the credit. Expenses
22 incurred prior to the date the certificate of eligibility is issued are
23 not eligible to be included in the calculation of the credit.

24 3. Excelsior research and development tax credit component. A partic-
25 ipant in the excelsior jobs program shall be eligible to claim a credit
26 equal to fifty percent of the portion of the participant's federal
27 research and development tax credit that relates to the participant's
28 research and development expenditures in New York state during the taxa-

1 ble year; provided however, if not a green project, the excelsior
2 research and development tax credit shall not exceed six percent of the
3 qualified research and development expenditures attributable to activ-
4 ities conducted in New York state, or, if a green project, the excelsior
5 research and development tax credit shall not exceed eight percent of
6 the research and development expenditures attributable to activities
7 conducted in New York state. If the federal research and development
8 credit has expired, then the research and development expenditures
9 relating to the federal research and development credit shall be calcu-
10 lated as if the federal research and development credit structure and
11 definition in effect in two thousand nine were still in effect.
12 Notwithstanding any other provision of this chapter to the contrary,
13 research and development expenditures in this state, including salary or
14 wage expenses for jobs related to research and development activities in
15 this state, may be used as the basis for the excelsior research and
16 development tax credit component and the qualified emerging technology
17 company facilities, operations and training credit under the tax law.

18 § 5. Section 359 of the economic development law, as amended by
19 section 5 of part K of chapter 59 of the laws of 2017, is amended to
20 read as follows:

21 § 359. Cap on tax credit. [The total amount of tax credits listed on
22 certificates of tax credit issued by the commissioner for any taxable
23 year may not exceed the limitations set forth in this section.] One-half
24 of any amount of tax credits not awarded for a particular taxable year
25 [in years two thousand eleven through two thousand twenty-four] may be
26 used by the commissioner to award tax credits in another taxable year.

27 Credit components in the aggregate

With respect to taxable

1 shall not exceed:

years beginning in:

2	\$ 50 million	2011
3	\$ 100 million	2012
4	\$ 150 million	2013
5	\$ 200 million	2014
6	\$ 250 million	2015
7	\$ 183 million	2016
8	\$ 183 million	2017
9	\$ 183 million	2018
10	\$ 183 million	2019
11	\$ 183 million	2020
12	\$ 183 million	2021
13	\$ 133 million	2022
14	\$ 83 million	2023
15	\$ 36 million	2024
16	<u>\$ 200 million</u>	<u>2025</u>
17	<u>\$ 200 million</u>	<u>2026</u>
18	<u>\$ 200 million</u>	<u>2027</u>
19	<u>\$ 200 million</u>	<u>2028</u>
20	<u>\$ 200 million</u>	<u>2029</u>
21	<u>\$ 200 million</u>	<u>2030</u>
22	<u>\$ 200 million</u>	<u>2031</u>
23	<u>\$ 200 million</u>	<u>2032</u>
24	<u>\$ 200 million</u>	<u>2033</u>
25	<u>\$ 200 million</u>	<u>2034</u>
26	<u>\$ 200 million</u>	<u>2035</u>
27	<u>\$ 200 million</u>	<u>2036</u>

1	<u>\$ 200 million</u>	<u>2037</u>
2	<u>\$ 200 million</u>	<u>2038</u>
3	<u>\$ 200 million</u>	<u>2039</u>

4 Twenty-five percent of tax credits shall be allocated to businesses
5 accepted into the program under subdivision four of section three
6 hundred fifty-three of this article and seventy-five percent of tax
7 credits shall be allocated to businesses accepted into the program under
8 subdivision three of section three hundred fifty-three of this article.

9 Provided, however, if by September thirtieth of a calendar year, the
10 department has not allocated the full amount of credits available in
11 that year to either: (i) businesses accepted into the program under
12 subdivision four of section three hundred fifty-three of this article or
13 (ii) businesses accepted into the program under subdivision three of
14 section three hundred fifty-three of this article, the commissioner may
15 allocate any remaining tax credits to businesses referenced in this
16 paragraph as needed; provided, however, that under no circumstances may
17 the aggregate statutory cap for all program years be exceeded. One
18 hundred percent of the unawarded amounts remaining at the end of two
19 thousand [twenty-four] thirty-nine may be allocated in subsequent years,
20 notwithstanding the fifty percent limitation on any amounts of tax cred-
21 its not awarded in taxable years two thousand eleven through two thou-
22 sand [twenty-four] thirty-nine. Provided, however, no tax credits may
23 be allowed for taxable years beginning on or after January first, two
24 thousand [thirty] fifty.

25 § 6. Subdivision (b) of section 31 of the tax law, as amended by
26 section 6 of part K of chapter 59 of the laws of 2017, is amended to
27 read as follows:

1 (b) To be eligible for the excelsior jobs program credit, the taxpayer
2 shall have been issued a "certificate of tax credit" by the department
3 of economic development pursuant to subdivision four of section three
4 hundred fifty-four of the economic development law, which certificate
5 shall set forth the amount of each credit component that may be claimed
6 for the taxable year. A taxpayer may claim such credit for ten consec-
7 utive taxable years commencing in the first taxable year that the
8 taxpayer receives a certificate of tax credit or the first taxable year
9 listed on its preliminary schedule of benefits, whichever is later,
10 provided that no tax credits may be allowed for taxable years beginning
11 on or after January first, two thousand [thirty] fifty. The taxpayer
12 shall be allowed to claim only the amount listed on the certificate of
13 tax credit for that taxable year. Such certificate must be attached to
14 the taxpayer's return. No cost or expense paid or incurred by the
15 taxpayer shall be the basis for more than one component of this credit
16 or any other tax credit, except as provided in section three hundred
17 fifty-five of the economic development law.

18 § 7. This act shall take effect immediately.

19 PART M

20 Section 1. Paragraph 2 of subdivision (a) of section 24 of the tax
21 law, as amended by section 4 of part Q of chapter 57 of the laws of
22 2010, is amended to read as follows:

23 (2) The amount of the credit shall be the product (or pro rata share
24 of the product, in the case of a member of a partnership) of [thirty]
25 twenty-five percent and the qualified production costs paid or incurred
26 in the production of a qualified film, provided that: (i) the qualified

1 production costs (excluding post production costs) paid or incurred
2 which are attributable to the use of tangible property or the perform-
3 ance of services at a qualified film production facility in the
4 production of such qualified film equal or exceed seventy-five percent
5 of the production costs (excluding post production costs) paid or
6 incurred which are attributable to the use of tangible property or the
7 performance of services at any film production facility within and with-
8 out the state in the production of such qualified film, and (ii) except
9 with respect to a qualified independent film production company or
10 pilot, at least ten percent of the total principal photography shooting
11 days spent in the production of such qualified film must be spent at a
12 qualified film production facility. However, if the qualified production
13 costs (excluding post production costs) which are attributable to the
14 use of tangible property or the performance of services at a qualified
15 film production facility in the production of such qualified film is
16 less than three million dollars, then the portion of the qualified
17 production costs attributable to the use of tangible property or the
18 performance of services in the production of such qualified film outside
19 of a qualified film production facility shall be allowed only if the
20 shooting days spent in New York outside of a film production facility in
21 the production of such qualified film equal or exceed seventy-five
22 percent of the total shooting days spent within and without New York
23 outside of a film production facility in the production of such quali-
24 fied film. The credit shall be allowed for the taxable year in which the
25 production of such qualified film is completed. However, in the case of
26 a qualified film that receives funds from additional pool 2, no credit
27 shall be claimed before the later of (1) the taxable year the production
28 of the qualified film is complete, or (2) the taxable year immediately

1 following the allocation year for which the film has been allocated
2 credit by the governor's office for motion picture and television devel-
3 opment. If the amount of the credit is at least one million dollars but
4 less than five million dollars, the credit shall be claimed over a two
5 year period beginning in the first taxable year in which the credit may
6 be claimed and in the next succeeding taxable year, with one-half of the
7 amount of credit allowed being claimed in each year. If the amount of
8 the credit is at least five million dollars, the credit shall be claimed
9 over a three year period beginning in the first taxable year in which
10 the credit may be claimed and in the next two succeeding taxable years,
11 with one-third of the amount of the credit allowed being claimed in each
12 year.

13 § 2. Paragraph 2 of subdivision (a) of section 24 of the tax law, as
14 amended by section 4 of part Q of chapter 57 of the laws of 2010, is
15 amended to read as follows:

16 (2) The amount of the credit shall be the product (or pro rata share
17 of the product, in the case of a member of a partnership) of thirty
18 percent and the qualified production costs paid or incurred in the
19 production of a qualified film, provided that: (i) the qualified
20 production costs (excluding post production costs) paid or incurred
21 which are attributable to the use of tangible property or the perform-
22 ance of services at a qualified film production facility in the
23 production of such qualified film equal or exceed seventy-five percent
24 of the production costs (excluding post production costs) paid or
25 incurred which are attributable to the use of tangible property or the
26 performance of services at any film production facility within and with-
27 out the state in the production of such qualified film, and (ii) except
28 with respect to a qualified independent film production company or

1 pilot, at least ten percent of the total principal photography shooting
2 days spent in the production of such qualified film must be spent at a
3 qualified film production facility. However, if the qualified production
4 costs (excluding post production costs) which are attributable to the
5 use of tangible property or the performance of services at a qualified
6 film production facility in the production of such qualified film is
7 less than three million dollars, then the portion of the qualified
8 production costs attributable to the use of tangible property or the
9 performance of services in the production of such qualified film outside
10 of a qualified film production facility shall be allowed only if the
11 shooting days spent in New York outside of a film production facility in
12 the production of such qualified film equal or exceed seventy-five
13 percent of the total shooting days spent within and without New York
14 outside of a film production facility in the production of such quali-
15 fied film. The credit shall be allowed for the taxable year in which the
16 production of such qualified film is completed. However, in the case of
17 a qualified film that receives funds from additional pool 2, no credit
18 shall be claimed before the later of (1) the taxable year the production
19 of the qualified film is complete, or (2) the first taxable year begin-
20 ning immediately [following] after the allocation year for which the
21 film has been allocated credit by the governor's office for motion
22 picture and television development. If the amount of the credit is at
23 least one million dollars but less than five million dollars, the credit
24 shall be claimed over a two year period beginning in the first taxable
25 year in which the credit may be claimed and in the next succeeding taxa-
26 ble year, with one-half of the amount of credit allowed being claimed in
27 each year. If the amount of the credit is at least five million dollars,
28 the credit shall be claimed over a three year period beginning in the

1 first taxable year in which the credit may be claimed and in the next
2 two succeeding taxable years, with one-third of the amount of the credit
3 allowed being claimed in each year.

4 § 3. Paragraph 3 of subdivision (b) of section 24 of the tax law, as
5 amended by section 1 of part B of chapter 59 of the laws of 2013, is
6 amended to read as follows:

7 (3) "Qualified film" means a feature-length film, television film,
8 relocated television production, television pilot [and/or each episode
9 of a] or television series, regardless of the medium by means of which
10 the film, pilot or [episode] series is created or conveyed. A "qualified
11 film" with the exception of a television pilot, whose majority of prin-
12 cipal photography shooting days in the production of the qualified film
13 are shot in Westchester, Rockland, Nassau, or Suffolk county or any of
14 the five New York City boroughs shall have a minimum budget of one
15 million dollars. A "qualified film", with the exception of a television
16 pilot, whose majority of principal photography shooting days in the
17 production of the qualified film are shot in any other county of the
18 state than those listed in the preceding sentence shall have a minimum
19 budget of two hundred fifty thousand dollars. "Qualified film" shall not
20 include: (i) a documentary film, news or current affairs program, inter-
21 view or talk program, "how-to" (i.e., instructional) film or program,
22 film or program consisting primarily of stock footage, sporting event or
23 sporting program, game show, award ceremony, film or program intended
24 primarily for industrial, corporate or institutional end-users,
25 fundraising film or program, daytime drama (i.e., daytime "soap opera"),
26 commercials, music videos or "reality" program, or (ii) a production for
27 which records are required under section 2257 of title 18, United States
28 code, to be maintained with respect to any performer in such production

1 (reporting of books, films, etc. with respect to sexually explicit
2 conduct).

3 § 4. Paragraph 3 of subdivision (b) of section 24 of the tax law, as
4 amended by section 1 of part B of chapter 59 of the laws of 2013, is
5 amended to read as follows:

6 (3) "Qualified film" means a feature-length film, television film,
7 relocated television production, television pilot and/or each episode of
8 a television series, regardless of the medium by means of which the
9 film, pilot or episode is created or conveyed. "Qualified film" shall
10 not include: (i) a documentary film, news or current affairs program,
11 interview or talk program, "how-to" (i.e., instructional) film or
12 program, film or program consisting primarily of stock footage, sporting
13 event or sporting program, game show, award ceremony, film or program
14 intended primarily for industrial, corporate or institutional end-users,
15 fundraising film or program, daytime drama (i.e., daytime "soap opera"),
16 commercials, music videos or "reality" program[, or]; (ii) a production
17 for which records are required under section 2257 of title 18, United
18 States code, to be maintained with respect to any performer in such
19 production (reporting of books, films, etc. with respect to sexually
20 explicit conduct); or (iii) other than a relocated television
21 production, a television series commonly known as variety entertainment,
22 variety sketch and variety talk, i.e., a program with components of
23 improvisational or scripted content (monologues, sketches, interviews),
24 either exclusively or in combination with other entertainment elements
25 such as musical performances, dancing, cooking, crafts, pranks, stunts,
26 and games and which may be further defined in regulations of the commis-
27 sioner of economic development. However, a qualified film shall include
28 a television series as described in subparagraph (iii) of this paragraph

1 only if an application for such series has been deemed conditionally
2 eligible for the tax credit under this section prior to April first, two
3 thousand twenty, such series remains in continuous production for each
4 season, and an annual application for each season of such series is
5 continually submitted for such series after April first, two thousand
6 twenty.

7 § 5. Paragraph 2 of subdivision (a) of section 31 of the tax law, as
8 amended by chapter 268 of the laws of 2012, is amended to read as
9 follows:

10 (2) The amount of the credit shall be the product (or pro rata share
11 of the product, in the case of a member of a partnership) of [thirty]
12 twenty-five percent and the qualified post production costs paid in the
13 production of a qualified film at a qualified post production facility
14 located within the metropolitan commuter transportation district as
15 defined in section twelve hundred sixty-two of the public authorities
16 law or [thirty-five] thirty percent and the qualified post production
17 costs paid in the production of a qualified film at a qualified post
18 production facility located elsewhere in the state.

19 § 5-a. Paragraph 5 of subdivision (a) of section 24 of the tax law, as
20 amended by section 1 of part SSS of chapter 59 of the laws of 2019, is
21 amended to read as follows:

22 (5) For the period two thousand fifteen through two thousand [twenty-
23 four] twenty-five, in addition to the amount of credit established in
24 paragraph two of this subdivision, a taxpayer shall be allowed a credit
25 equal to the product (or pro rata share of the product, in the case of a
26 member of a partnership) of ten percent and the amount of wages or sala-
27 ries paid to individuals directly employed (excluding those employed as
28 writers, directors, music directors, producers and performers, including

1 background actors with no scripted lines) by a qualified film production
2 company or a qualified independent film production company for services
3 performed by those individuals in one of the counties specified in this
4 paragraph in connection with a qualified film with a minimum budget of
5 five hundred thousand dollars. For purposes of this additional credit,
6 the services must be performed in one or more of the following counties:
7 Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung,
8 Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex,
9 Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis,
10 Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga,
11 Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga,
12 Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sulli-
13 van, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or
14 Yates. The aggregate amount of tax credits allowed pursuant to the
15 authority of this paragraph shall be five million dollars each year
16 during the period two thousand fifteen through two thousand [twenty-
17 four] twenty-five of the annual allocation made available to the program
18 pursuant to paragraph four of subdivision (e) of this section. Such
19 aggregate amount of credits shall be allocated by the governor's office
20 for motion picture and television development among taxpayers in order
21 of priority based upon the date of filing an application for allocation
22 of film production credit with such office. If the total amount of
23 allocated credits applied for under this paragraph in any year exceeds
24 the aggregate amount of tax credits allowed for such year under this
25 paragraph, such excess shall be treated as having been applied for on
26 the first day of the next year. If the total amount of allocated tax
27 credits applied for under this paragraph at the conclusion of any year
28 is less than five million dollars, the remainder shall be treated as

1 part of the annual allocation made available to the program pursuant to
2 paragraph four of subdivision (e) of this section. However, in no event
3 may the total of the credits allocated under this paragraph and the
4 credits allocated under paragraph five of subdivision (a) of section
5 thirty-one of this article exceed five million dollars in any year
6 during the period two thousand fifteen through two thousand [twenty-
7 four] twenty-five.

8 § 5-b. Paragraph 4 of subdivision (e) of section 24 of the tax law, as
9 amended by chapter 683 of the laws of 2019, is amended to read as
10 follows:

11 (4) Additional pool 2 - The aggregate amount of tax credits allowed in
12 subdivision (a) of this section shall be increased by an additional four
13 hundred twenty million dollars in each year starting in two thousand ten
14 through two thousand [twenty-four] twenty-five provided however, seven
15 million dollars of the annual allocation shall be available for the
16 empire state film post production credit pursuant to section thirty-one
17 of this article in two thousand thirteen and two thousand fourteen,
18 twenty-five million dollars of the annual allocation shall be available
19 for the empire state film post production credit pursuant to section
20 thirty-one of this article in each year starting in two thousand fifteen
21 through two thousand [twenty-four] twenty-five and five million dollars
22 of the annual allocation shall be made available for the television
23 writers' and directors' fees and salaries credit pursuant to section
24 twenty-four-b of this article in each year starting in two thousand
25 twenty through two thousand [twenty-four] twenty-five. This amount shall
26 be allocated by the governor's office for motion picture and television
27 development among taxpayers in accordance with subdivision (a) of this
28 section. If the commissioner of economic development determines that the

1 aggregate amount of tax credits available from additional pool 2 for the
2 empire state film production tax credit have been previously allocated,
3 and determines that the pending applications from eligible applicants
4 for the empire state film post production tax credit pursuant to section
5 thirty-one of this article is insufficient to utilize the balance of
6 unallocated empire state film post production tax credits from such
7 pool, the remainder, after such pending applications are considered,
8 shall be made available for allocation in the empire state film tax
9 credit pursuant to this section, subdivision twenty of section two
10 hundred ten-B and subsection (gg) of section six hundred six of this
11 chapter. Also, if the commissioner of economic development determines
12 that the aggregate amount of tax credits available from additional pool
13 2 for the empire state film post production tax credit have been previ-
14 ously allocated, and determines that the pending applications from
15 eligible applicants for the empire state film production tax credit
16 pursuant to this section is insufficient to utilize the balance of unal-
17 located film production tax credits from such pool, then all or part of
18 the remainder, after such pending applications are considered, shall be
19 made available for allocation for the empire state film post production
20 credit pursuant to this section, subdivision thirty-two of section two
21 hundred ten-B and subsection (qq) of section six hundred six of this
22 chapter. The governor's office for motion picture and television devel-
23 opment must notify taxpayers of their allocation year and include the
24 allocation year on the certificate of tax credit. Taxpayers eligible to
25 claim a credit must report the allocation year directly on their empire
26 state film production credit tax form for each year a credit is claimed
27 and include a copy of the certificate with their tax return. In the case
28 of a qualified film that receives funds from additional pool 2, no

1 empire state film production credit shall be claimed before the later of
2 the taxable year the production of the qualified film is complete, or
3 the taxable year immediately following the allocation year for which the
4 film has been allocated credit by the governor's office for motion
5 picture and television development.

6 § 6. This act shall take effect immediately; provided, however, that
7 the amendments made by sections one, three and five of this act shall
8 apply to applications that are filed with the governor's office for
9 motion picture and television development on or after April 1, 2020.

10 PART N

11 Section 1. Subdivision 13 of section 1901 of the real property tax law
12 is amended by adding a new paragraph (c) to read as follows:

13 (c) Notwithstanding any provision of law to the contrary, the govern-
14 ing body of a municipal corporation that has adopted the provisions of
15 paragraph (c) of subdivision one of section five hundred eighty-one of
16 this chapter relating to converted condominium units is authorized to
17 adopt a local law or, in the case of a school district, a resolution,
18 providing that such converted condominium units shall be classified in
19 the homestead class for purposes of taxes levied by such municipal
20 corporation.

21 § 2. This act shall take effect immediately.

22 PART O

23 Section 1. The tax law is amended by adding a new section 171-w to
24 read as follows:

1 § 171-w. State support for the local enforcement of past-due property
2 taxes. 1. Legislative findings. The legislature finds that local govern-
3 ments have limited means to enforce the collection of past-due property
4 taxes. The legislature further finds that it is appropriate for the
5 state to support the local enforcement of past-due property taxes by
6 authorizing the commissioner to administer a program to disallow STAR
7 credits and exemptions to delinquent property owners based on informa-
8 tion reported to him or her by municipal officials.

9 2. Definitions. For the purposes of this section:

10 (a) "Delinquent property owner" means a STAR recipient whose primary
11 residence is subject to past-due property taxes.

12 (b) "Past-due property taxes" means property taxes that have been
13 levied upon a property owner's primary residence that remain unpaid one
14 year after the last date on which they could have been paid without
15 interest, or where such taxes are payable in installments, those taxes
16 that remain unpaid one year after the last date on which the final
17 installment could have been paid without interest.

18 (c) "STAR credit" means the personal income tax credit authorized by
19 subsection (eee) of section six hundred six of this chapter.

20 (d) "STAR exemption" means the exemption from real property taxation
21 authorized by section four hundred twenty-five of the real property tax
22 law.

23 (e) "STAR recipient" means a property owner who is registered to
24 receive the STAR credit in relation to his or her primary residence, or
25 whose primary residence is receiving the STAR exemption.

26 3. STAR tax payment requirement; generally. Notwithstanding any
27 provision of law to the contrary, a property owner whose primary resi-
28 dence is subject to past-due property taxes shall not be allowed to

1 receive a STAR credit or STAR exemption unless the past-due property
2 taxes are paid in full on or before a date specified by the commission-
3 er.

4 4. Commissioner's authority. The commissioner is hereby authorized to
5 develop a program to support the local enforcement of past-due property
6 taxes by disallowing STAR credits and STAR exemptions to delinquent
7 property owners. The commissioner shall establish procedures for the
8 administration of this program, which shall include the following
9 provisions:

10 (a) The procedures by which municipal officials shall report past-due
11 property taxes and property tax payments to the department.

12 (b) The procedures by which the department shall notify delinquent
13 property owners of the impending disallowance of their STAR credits or
14 exemptions due to past-due property taxes.

15 (c) The date by which delinquent property owners must pay their past-
16 due property taxes in full in order to avoid disallowance of their STAR
17 credits or exemptions.

18 (d) The procedures by which the commissioner shall disallow STAR cred-
19 its and notify assessors of the disallowance of STAR exemptions if past-
20 due property taxes are not paid in full by the specified date.

21 (e) Such other procedures as the commissioner shall deem necessary to
22 carry out the provisions of this section.

23 5. Municipal reports. The commissioner's procedures regarding municipi-
24 pal reporting shall be subject to the following provisions:

25 (a) The commissioner may request and shall be entitled to receive from
26 any municipal corporation of the state, or any agency or official there-
27 of, such data as the commissioner deems necessary to effectuate the
28 purposes of this section. Such information shall be submitted to the

1 department at such time and in such manner as the commissioner may
2 direct.

3 (b) In lieu of requiring municipal officials to submit their reports
4 directly to the department, the commissioner may, in his or her
5 discretion, require that such reports be submitted to the county direc-
6 tor of real property tax services, who shall integrate the reports into
7 a single file and submit it to the department at such time and in such
8 manner as the commissioner may direct. Provided, that where the commis-
9 sioner institutes such a procedure, he or she may exclude cities with
10 one hundred twenty-five thousand inhabitants or more, so that informa-
11 tion about past-due property taxes and property tax payments in such a
12 city shall be reported directly to the department by a designated city
13 official at such time and in such manner as the commissioner may direct.

14 (c) Reports and other records prepared pursuant to this section shall
15 not be subject to the provisions of article six of the public officers
16 law.

17 6. Notification of delinquent property owners. The commissioner's
18 procedures regarding the notification of delinquent property owners
19 shall be subject to the following provisions:

20 (a) The department shall notify a delinquent property owner by regular
21 mail at least thirty days prior to the date by which his or her past-due
22 property taxes must be paid in full in order to avoid disallowance of
23 his or her STAR credit or exemption.

24 (b) Such notice shall include a statement that the property owner's
25 STAR credit or exemption will be disallowed unless his or her past-due
26 property taxes are paid in full by the date specified in the notice.

1 (c) To the extent practicable, such notice shall provide contact
2 information for the local official or officials to whom the past-due
3 property taxes may be paid.

4 (d) Such notice shall further state that the property owner's right to
5 protest the disallowance of the STAR credit or exemption is limited to
6 raising issues that constitute a "mistake of fact" as defined in subdi-
7 vision nine of this section.

8 (e) Such notice may include such other information as the commissioner
9 may deem necessary.

10 7. Timely payment of past-due property taxes. If a delinquent property
11 owner pays his or her past-due property taxes in full on or before the
12 date specified in such notice, the official receiving such payment shall
13 so notify the department at such time and in such manner as prescribed
14 by the commissioner. The property owner shall then be permitted to
15 receive the STAR credit or exemption that would have been disallowed if
16 timely payment had not been made. However, if the department does not
17 learn of the payment until after it has already directed an assessor to
18 deny a STAR exemption to a delinquent property owner, then in lieu of
19 directing the exemption to be restored, the department may remit to the
20 property owner payment in an amount that will reimburse the property
21 owner for the increase in his or her school tax bill that is directly
22 attributable to the lost STAR exemption.

23 8. Failure to make timely payment. (a) If the past-due taxes are not
24 paid on or before the date specified in the notice that had been sent to
25 the delinquent property owner, his or her STAR credit or STAR exemption
26 shall be disallowed in accordance with the procedures established by the
27 commissioner.

1 (b) The delinquent property owner shall be permanently ineligible for
2 any STAR credit or exemption that has been disallowed, even if the past-
3 due property taxes are subsequently paid in full. The property owner
4 shall not be eligible to participate in the STAR program again as long
5 as the property is subject to past-due property taxes.

6 (c) Upon payment of the past-due property taxes in full, the official
7 receiving such payment shall notify the department at such time and in
8 such manner as may be prescribed by the commissioner. The commissioner
9 shall then proceed as follows:

10 (i) If the property owner had previously been receiving the STAR cred-
11 it, the commissioner shall allow the property owner to resume his or her
12 participation in the STAR credit program on a prospective basis, if
13 otherwise eligible, effective with the first taxable year commencing
14 after such payment.

15 (ii) If the property owner had previously been receiving the STAR
16 exemption, the commissioner shall allow the property owner to partic-
17 ipate in the STAR credit program on a prospective basis, if otherwise
18 eligible, effective with the first taxable year commencing after such
19 payment. The property owner shall not be allowed back into the STAR
20 exemption program.

21 9. Mistake of fact. Notwithstanding any other provision of law, a
22 disallowance of a STAR credit or STAR exemption pursuant to this section
23 may only be challenged before the department on the grounds of a mistake
24 of fact as defined in this subdivision. The taxpayer will have no right
25 to commence a court action, administrative proceeding or any other form
26 of legal recourse against an assessor, county director of real property
27 tax services or other local official regarding such disallowance. For
28 the purposes of this subdivision, "mistake of fact" is limited to claims

1 that: (i) the individual notified is not the taxpayer at issue; or (ii)
2 the past-due property taxes were satisfied before the date specified in
3 the notice described in subdivision six of this section. However, noth-
4 ing in this subdivision is intended to limit a taxpayer from seeking
5 relief from joint and several liability pursuant to section six hundred
6 fifty-four of this chapter to the extent that he or she is eligible
7 pursuant to that subdivision or establishing to the department that the
8 enforcement of the underlying property taxes has been stayed by the
9 filing of a petition pursuant to the Bankruptcy Code of 1978 (Title
10 Eleven of the United States Code).

11 10. Assessors. (a) Notwithstanding any provision of law to the contra-
12 ry, the department may disclose to assessors such information as the
13 commissioner deems necessary to ensure that the STAR exemptions of
14 delinquent property owners are disallowed as required by this section.

15 (b) Notwithstanding any provision of law to the contrary, an assessor
16 shall be authorized and directed to deny a STAR exemption to a delin-
17 quent property owner upon being directed by the department to do so. If
18 an assessor should receive such a directive after the applicable assess-
19 ment roll has been filed, the assessor or other official having custody
20 and control of that roll shall be authorized and directed to remove such
21 exemption from such roll prior to the levy of school taxes, without
22 regard to the provisions of title three of article five of the real
23 property tax law or any comparable laws governing the correction of
24 administrative errors on assessment rolls and tax rolls.

25 11. Recovery of STAR benefits in certain cases. The commissioner may
26 establish procedures to be followed in cases where a STAR credit or
27 exemption was inadvertently or erroneously provided to a delinquent
28 property owner who was sent the notice required by subdivision six of

1 this section, and whose past-due property taxes were not paid in full by
2 the date specified in the notice. Such procedures shall include, but not
3 be limited to, (a) applying the improperly received STAR credit or
4 exemption as an offset against future STAR credits or against other
5 personal income tax credits or personal income tax refunds to which the
6 delinquent property owner would otherwise be entitled, and (b) pursuing
7 any of the other remedies that are available to enforce a personal
8 income tax debt under article twenty-two of this chapter.

9 § 2. This act shall take effect immediately.

10 PART P

11 Section 1. Section 1530 of the real property tax law is amended by
12 adding a new subdivision 1-a to read as follows:

13 1-a. In the event that a director of real property tax services,
14 appointed pursuant to the provisions of this section, is unable to
15 perform the duties of the office of director of real property tax
16 services or the office becomes vacant, the appointing authority may by
17 resolution designate or appoint an acting director of real property tax
18 services. Where an acting director of real property tax services is
19 designated or appointed pursuant to this section, the appointing author-
20 ity shall notify the commissioner within fifteen days of making such
21 designation or appointment. The acting director of real property tax
22 services shall function as director of real property tax services until
23 such time as the director of real property tax services is able to
24 resume the position or until a replacement is appointed. In the event an
25 acting director of real property tax services functions as director of
26 real property tax services for more than six months, then such acting

1 director of real property tax services shall be required to meet the
2 minimum qualification standards required by this title for persons
3 appointed to the office of director of real property tax services.

4 § 2. This act shall take effect immediately.

5 PART Q

6 Section 1. Paragraph i of subdivision 1-e of section 333 of the real
7 property law, as amended by section 5 of part X of chapter 56 of the
8 laws of 2010 and as further amended by subdivision (d) of section 1 of
9 part W of chapter 56 of the laws of 2010, is amended to read as follows:

10 i. A recording officer shall not record or accept for record any
11 conveyance of real property affecting land in New York state unless
12 accompanied by either (A) a transfer report form prescribed by the
13 commissioner of taxation and finance [or in lieu thereof, confirmation
14 from the commissioner that the required data has been reported to it
15 pursuant to paragraph vii of this subdivision,] and the fee prescribed
16 pursuant to subdivision three of this section, or (B) a receipt issued
17 by the commissioner of taxation and finance pursuant to section fourteen
18 hundred twenty-three of the tax law that confirms the electronic
19 submission of a consolidated real property transfer form and payment of
20 the associated taxes and fees.

21 § 2. Paragraph v of subdivision 1-e of section 333 of the real proper-
22 ty law, as amended by section 5 of part X of chapter 56 of the laws of
23 2010 and as further amended by section 1 of part W of chapter 56 of the
24 laws of 2010, is amended to read as follows:

25 v. (1) The provisions of this subdivision shall not operate to invali-
26 date any conveyance of real property where one or more of the items

1 designated as subparagraphs one through eight of paragraph ii of this
2 subdivision, have not been reported or which has been erroneously
3 reported, nor affect the record contrary to the provisions of this
4 subdivision, nor impair any title founded on such conveyance or record.
5 [Such]

6 (2) Subject to the provisions of section fourteen hundred twenty-three
7 of the tax law, such form shall contain an affirmation as to the accura-
8 cy of the contents made both by the transferor or transferors and by the
9 transferee or transferees. Provided, however, that if the conveyance of
10 real property occurs as a result of a taking by eminent domain, tax
11 foreclosure, or other involuntary proceeding such affirmation may be
12 made only by either the condemnor, tax district, or other party to whom
13 the property has been conveyed, or by that party's attorney. The affir-
14 mations required by this paragraph shall be made in the form and manner
15 prescribed by the commissioner, provided that notwithstanding any
16 provision of law to the contrary, affirmants may be allowed, but shall
17 not be required, to sign such affirmations electronically.

18 § 3. Paragraphs vii and viii of subdivision 1-e of section 333 of the
19 real property law are REPEALED.

20 § 4. Subdivision 3 of section 333 of the real property law, as amended
21 by section 2 of part JJ of chapter 56 of the laws of 2009 and as further
22 amended by section 1 of part W of chapter 56 of the laws of 2010, is
23 amended to read as follows:

24 3. The recording officer of every county and the city of New York
25 shall impose a fee of two hundred fifty dollars, or in the case of a
26 transfer involving qualifying residential or farm property as defined by
27 paragraph iv of subdivision one-e of this section, a fee of one hundred
28 twenty-five dollars, for every real property transfer reporting form

1 submitted for recording as required under subdivision one-e of this
2 section. In the city of New York, the recording officer shall impose a
3 fee of one hundred dollars for each real property transfer tax form
4 filed in accordance with chapter twenty-one of title eleven of the
5 administrative code of the city of New York, except where a real proper-
6 ty transfer reporting form is also submitted for recording for the
7 transfer as required under subdivision one-e of this section. The
8 recording officer shall deduct nine dollars from such fee and remit the
9 remainder of the revenue collected to the commissioner of taxation and
10 finance every month for deposit into the general fund. The amount duly
11 deducted by the recording officer shall be retained by the county or by
12 the city of New York. Provided, however, that the recording officer
13 shall not impose such a fee where the conveyance is accompanied by a
14 receipt issued by the commissioner of taxation and finance pursuant to
15 section fourteen hundred twenty-three of the tax law that confirms the
16 electronic submission of a consolidated real property transfer form and
17 payment of the associated taxes and fees.

18 § 5. Subdivision (c) of section 1407 of the tax law, as amended by
19 chapter 61 of the laws of 1989, is amended to read as follows:

20 (c) Every recording officer designated to act as such agent shall
21 retain, from the real estate transfer tax which he or she collects, the
22 sum of one dollar for each of the first five thousand conveyances
23 accepted for recording and for which he or she has issued a documentary
24 stamp or metering machine stamp or upon which instrument effecting the
25 conveyance he or she has noted payment of the tax or that no tax is due,
26 pursuant to any other method for payment of the tax provided for in the
27 regulations of the commissioner of taxation and finance, during each
28 annual period commencing on the first day of August and ending on the

1 next succeeding thirty-first day of July and seventy-five cents for each
2 conveyance in excess of five thousand accepted for recording and for
3 which he or she has issued such a stamp or upon which instrument effect-
4 ing the conveyance he or she has noted payment of the tax or that no tax
5 is due, pursuant to such other method, during such annual period. Such
6 fee shall be payable even though the stamp issued or such notation shows
7 that no tax is due. Such a fee paid to the register of the city of New
8 York shall belong to the city of New York and such a fee paid to a
9 recording officer of a county outside such city shall belong to such
10 officer's county. With respect to any other agents designated to act
11 pursuant to subdivision (a) of this section, the commissioner of taxa-
12 tion and finance shall have the power to provide, at his or her
13 discretion, for payment of a fee to such agent, in such manner and
14 amount and subject to such limitations as he or she may determine, but
15 any such fee for any annual period shall not be greater than the sum of
16 one dollar for each of the first five thousand conveyances for which
17 such agent has issued a documentary stamp or metering machine stamp or
18 upon which instrument effecting the conveyance he or she has noted
19 payment of the tax or that no tax is due, pursuant to any other method
20 for payment of the tax provided for in the regulations of the commis-
21 sioner of taxation and finance, during such annual period and seventy-
22 five cents for each conveyance in excess of five thousand for which such
23 agent has issued such a stamp or upon which instrument effecting the
24 conveyance such agent has noted payment of the tax or that no tax is
25 due, pursuant to such other method, during such annual period. Provided,
26 however, that where the recording officer is provided with a receipt
27 issued by the commissioner pursuant to section fourteen hundred twenty-
28 three of this article that confirms the electronic submission of a

1 consolidated real property transfer form and payment of the associated
2 taxes and fees, the recording officer shall neither collect such tax nor
3 impose such fee.

4 § 6. Subdivision (b) of section 1409 of the tax law, as added by chap-
5 ter 61 of the laws of 1989, is amended to read as follows:

6 (b) [The] Subject to the provisions of section fourteen hundred twen-
7 ty-three of article, the return shall be signed by both the grantor and
8 the grantee. Where a conveyance has more than one grantor or more than
9 one grantee, the return shall be signed by all of such grantors and
10 grantees. Where any or all of the grantors or any or all of the grantees
11 have failed to sign a return, it shall be accepted as a return if signed
12 by any one of the grantors or by any one of the grantees. Provided,
13 however, those not signing the return shall not be relieved of any
14 liability for the tax imposed by this article and the period of limita-
15 tions for assessment of tax or of additional tax shall not apply to any
16 such party.

17 § 7. Subdivision (b) of section 1410 of the tax law, as added by chap-
18 ter 61 of the laws of 1989, is amended to read as follows:

19 (b) A recording officer shall not record an instrument effecting a
20 conveyance unless either (i) the return required by section fourteen
21 hundred nine of this article has been filed and the real estate transfer
22 tax due, if any, shall have been paid as provided in this section, or
23 (ii) the instrument is accompanied by a receipt issued by the commis-
24 sioner pursuant to section fourteen hundred twenty-three of this article
25 that confirms the electronic submission of a consolidated real property
26 transfer form and payment of the associated taxes and fees.

27 § 8. The tax law is amended by adding a new section 1423 to read as
28 follows:

1 § 1423. Modernization of real property transfer reporting. (a)
2 Notwithstanding any provision of law to the contrary, the commissioner
3 is hereby authorized to implement a system for the electronic collection
4 of data relating to transfers of real property. In connection therewith,
5 the commissioner may combine the two forms referred to in paragraph (i)
6 of this subdivision into a consolidated real property transfer form to
7 be filed with him or her electronically; provided:

8 (i) The two forms that may be so combined are the real estate transfer
9 tax return required by section fourteen hundred nine of this article,
10 and the real property transfer report required by subdivision one-e of
11 section three hundred thirty-three of the real property law. However,
12 the commissioner shall continue to maintain both such return and such
13 report as separate forms, so that a party who prefers not to file a
14 consolidated real property transfer form with the commissioner electron-
15 ically shall have the option of filing both such return and such report
16 with the recording officer, as otherwise provided by law. Under no
17 circumstances shall a consolidated real property transfer form be filed
18 with, or accepted by, the recording officer.

19 (ii) Notwithstanding the provisions of section fourteen hundred eigh-
20 teen of this article, any information appearing on a consolidated real
21 property transfer form that is required to be included on the real prop-
22 erty transfer report required by subdivision one-e of section three
23 hundred thirty-three of the real property law shall be subject to public
24 disclosure.

25 (iii) When a consolidated real property transfer form is electron-
26 ically submitted to the department by either the grantor or grantee, the
27 act of submitting such form shall be deemed to be the signing of the
28 return as required by paragraph (v) of subdivision one-e of the real

1 property law or subdivision (b) of section fourteen hundred nine of this
2 article, and the requirement that all the grantors and grantees shall
3 sign the return shall not apply. However, the fact that a grantor or
4 grantee has not electronically submitted the form shall not relieve that
5 grantor or grantee of any liability for the tax imposed by this article.

6 (b) When a consolidated real property transfer form is filed with the
7 commissioner electronically pursuant to this section, the real estate
8 transfer tax imposed under this article, and the fee that would other-
9 wise be retained by the recording officer pursuant to subdivision three
10 of section three hundred thirty-three of the real property law, shall be
11 paid to the commissioner therewith. The commissioner shall retain on
12 behalf of the recording officer the portion of such tax that would
13 otherwise have been retained by the recording officer pursuant to subdivi-
14 vision (c) of section fourteen hundred seven of this article, and the
15 portion of such fee that would otherwise have been retained by the
16 recording officer pursuant to subdivision three of section three hundred
17 thirty-three of the real property law. The moneys so retained by the
18 commissioner on behalf of the recording officer, hereinafter referred to
19 as the recording officer's fees, shall be deposited daily with such
20 responsible banks, banking houses, or trust companies as may be desig-
21 nated by the state comptroller. Of the recording officer's fees so
22 deposited, the comptroller shall retain in the comptroller's hands such
23 amount as the commissioner may determine to be necessary for refunds or
24 reimbursements of such fees collected or received pursuant to this
25 section, out of which the comptroller shall pay any refunds or
26 reimbursements of such fees to which persons shall be entitled under the
27 provisions of this section. The comptroller, after reserving such refund
28 and reimbursement fund shall, on or before the twelfth day of each

1 month, pay to the appropriate recording officers an amount equal to the
2 recording officer's fees reserved on their behalf. Provided, however,
3 that the commissioner is authorized to request that the comptroller
4 refrain from making such a payment of such fees to a recording officer
5 until the commissioner has certified to the comptroller that the record-
6 ing officer has supplied the commissioner with the liber and page
7 numbers of the recorded instruments that gave rise to such fees.

8 (c) The system for the electronic submission of consolidated real
9 property transfer forms shall be designed so that upon the successful
10 electronic filing of such a form and the payment of the associated taxes
11 and fees, the party submitting the same shall be provided with an elec-
12 tronic receipt in a form prescribed by the commissioner that confirms
13 such filing and payment. Such party may file a printed copy of such
14 receipt with the recording officer when offering the associated instru-
15 ment for recording, in lieu of submitting to the recording officer the
16 return, report, tax and fee that would otherwise have been required
17 under this article and subdivisions one-e and three of section three
18 hundred thirty-three of the real property law. The recording officer
19 shall retain such receipt for a minimum of three years, unless otherwise
20 directed by the commissioner, and shall provide a copy thereof to the
21 commissioner for inspection upon his or her request.

22 (d) Upon recording the instrument to which the consolidated real prop-
23 erty transfer form pertains, the recording officer shall provide the
24 commissioner with the liber and page thereof at such time and in such
25 manner as the commissioner shall prescribe.

26 (e) The provisions of this section shall not be applicable within a
27 city or county that has implemented its own electronic system for the
28 recording of deeds, the filing of the real estate transfer tax returns

1 and the real property transfer reports prescribed by the commissioner,
2 and the payment of the associated taxes and fees, unless such city or
3 county should agree to allow the system implemented by the commissioner
4 pursuant to this section to be used therein.

5 § 9. This act shall take effect immediately.

6 PART R

7 Section 1. Section 19 of the public lands law, as amended by chapter
8 449 of the laws of 2016, is amended to read as follows:

9 § 19. Taxes and assessments for local improvements on state lands. A
10 person, body or board authorized to assess lands for local improvements
11 or purposes, shall submit to the comptroller of the state an invoice of
12 assessment on state lands, showing the purpose for which the assessment
13 is made, the state lands assessed and the amounts for which they are
14 assessed, and referring to the law authorizing the assessment. No fee,
15 interest, penalty or expense shall be added to or accrue on any assess-
16 ment against state lands, nor shall such lands be sold therefor; but
17 such assessments shall, if confirmed and uncontested, be paid and
18 discharged out of any moneys appropriated therefor. All sales of state
19 lands for unpaid taxes or assessments for local improvements or purposes
20 are void. All taxes and assessments legally made on state lands, and all
21 legal rents or charges thereon, shall be audited by the comptroller and
22 paid out of the treasury. On or before January fifteenth the comp-
23 troller, in consultation with the [board of real property tax services]
24 department of taxation and finance and other agencies as may be appro-
25 priate, shall submit to the governor and the legislature an annual
26 accounting of taxes and assessments paid pursuant to this section during

1 the preceding and current fiscal years. Such accounting shall include,
2 but not be limited to the number, type and amount of such payments, as
3 well as an estimate of payments to be made during the remainder of the
4 current fiscal year and during the following fiscal year. If any
5 provision of this section conflict with any provision of any other
6 general, special or local law, this section shall prevail; and no other
7 general, special or local law shall be deemed to repeal, alter or
8 abridge any provision of this section, unless this section or this arti-
9 cle or this chapter be expressly and specifically referred to therein.
10 This section shall extend, in its operation and effect, so as to include
11 all actions and proceedings, whether judicial or administrative, hereto-
12 fore commenced under any general, special or local law and now pending.

13 § 2. Subdivision 3 of section 19-b of the public lands law, as amended
14 by chapter 385 of the laws of 1994, is amended to read as follows:

15 3. Such state aid shall be payable upon application to the state comp-
16 troller by the chief fiscal officer of the taxing authority which quali-
17 fies for aid pursuant to this section. The application shall be made on
18 a form prescribed by such comptroller and shall contain such information
19 as such comptroller shall require. On or before January fifteenth the
20 comptroller, in consultation with the [board of real property services]
21 department of taxation and finance and other agencies as may be appro-
22 priate, shall submit to the governor and the legislature an annual
23 accounting of state aid paid pursuant to this section during the preced-
24 ing and current fiscal years. Such accounting shall include, but not be
25 limited to the number, type and amount of such payments, as well as an
26 estimate of payments to be made during the remainder of the current
27 fiscal year and during the following fiscal year.

1 § 3. Subdivision 6 of section 291-i of the real property law, as added
2 by chapter 549 of the laws of 2011, is amended to read as follows:

3 6. Nothing contained in this section shall be construed to authorize a
4 recording officer to furnish digitized paper documents of the reports
5 required by section five hundred seventy-four of the real property tax
6 law. Such reports shall be furnished as paper documents with the requi-
7 site notations thereon, except where the [state board of real property
8 services] department of taxation and finance has agreed to accept data
9 submissions in lieu thereof or has provided for the electronic trans-
10 mission of such data pursuant to law.

11 § 4. Subdivision 18 of section 102 of the real property tax law is
12 REPEALED.

13 § 5. The article heading of article 2 of the real property tax law is
14 amended to read as follows:

15 [STATE BOARD] COMMISSIONER OF TAXATION AND FINANCE

16 § 6. Sections 200 and 200-A of the real property tax law are REPEALED.

17 § 7. Subdivisions 1 and 7 of section 201 of the real property tax law,
18 as added by section 5 of part W of chapter 56 of the laws of 2010, are
19 amended to read as follows:

20 1. On and after the effective date of this section, the functions,
21 powers and duties of the state board of real property services as
22 formerly established by this chapter shall be considered functions,
23 powers and duties of the commissioner of taxation and finance[, except
24 to the extent provided by section two hundred-a of this article].

25 7. (a) All rules, regulations, acts, orders, determinations, and deci-
26 sions of the state board of real property services or the office of real
27 property services, in force at the time of such transfer and assumption,
28 shall continue in full force and effect as rules, regulations, acts,

1 orders, determinations and decisions of the department until duly modi-
2 fied or abrogated by the commissioner or the department.

3 (b) All acts, orders, determinations, and decisions of the state board
4 of real property services pertaining to the functions and powers
5 provided in former section two hundred-a of this article shall continue
6 in full force and effect as acts, orders, determinations and decisions
7 of the [state board of real property tax services] commissioner.

8 § 8. Section 203 of the real property tax law, as amended by section 7
9 of part W of chapter 56 of the laws of 2010, is amended to read as
10 follows:

11 § 203. Office of real property tax services. There is hereby created
12 within the department of taxation and finance an office of real property
13 tax services. The head of the office shall be a deputy commissioner for
14 real property tax services[, who shall also be the executive officer for
15 and secretary of the state board of real property tax services]. The
16 deputy commissioner for real property tax services shall be appointed by
17 the governor. He or she shall exercise such powers and duties in
18 relation to real property tax administration as may be delegated to him
19 or her by the commissioner, shall report directly to the commissioner on
20 the activities of the office, and shall hold office at the pleasure of
21 the commissioner. The commissioner may appoint such officers, employees,
22 agents, consultants and special committees as he or she may deem neces-
23 sary to carry out the provisions of this chapter, and shall prescribe
24 their duties.

25 § 9. Sections 204, 206 and 208 of the real property tax law are
26 REPEALED.

27 § 10. Clause (D) of subparagraph (iv) of paragraph (b) of subdivision
28 4 of section 425 of the real property tax law, as amended by section 1

1 of part PP of chapter 59 of the laws of 2019, is amended to read as
2 follows:

3 (D) Notwithstanding any provision of law to the contrary, neither an
4 assessor nor a board of assessment review has the authority to consider
5 an objection to the replacement or removal or denial of an exemption
6 pursuant to this subdivision, nor may such an action be reviewed in a
7 proceeding to review an assessment pursuant to title one or one-A of
8 article seven of this chapter. Such an action may only be challenged
9 before the department. If a taxpayer is dissatisfied with the depart-
10 ment's final determination, the [taxpayer may appeal that determination
11 to the state board of real property tax services in a form and manner to
12 be prescribed by the commissioner. Such appeal shall be filed within
13 forty-five days from the issuance of the department's final determi-
14 nation. If dissatisfied with the state board's determination, the]
15 taxpayer may seek judicial review thereof pursuant to article seventy-
16 eight of the civil practice law and rules. The taxpayer shall otherwise
17 have no right to challenge such final determination in a court action,
18 administrative proceeding or any other form of legal recourse against
19 the commissioner, the department, [the state board of real property tax
20 services,] the assessor or other person having custody or control of the
21 assessment roll or tax roll regarding such action.

22 § 11. Paragraph (d) of subdivision 14 of section 425 of the real prop-
23 erty tax law, as added by section 1 of part J of chapter 57 of the laws
24 of 2013, is amended to read as follows:

25 (d) Notwithstanding the provisions of paragraph (b) of subdivision six
26 of this section, neither an assessor nor a board of assessment review
27 has the authority to consider an objection to the removal or denial of
28 an exemption pursuant to this subdivision, nor may such an action be

1 reviewed in a proceeding to review an assessment pursuant to title one
2 or one-A of article seven of this chapter. Such an action may only be
3 challenged before the department of taxation and finance. If a taxpayer
4 is dissatisfied with the department's final determination, [the taxpayer
5 may appeal that determination to the state board of real property tax
6 services in a form and manner to be prescribed by the commissioner. Such
7 appeal shall be filed within forty-five days from the issuance of the
8 department's final determination. If dissatisfied with the state board's
9 determination,] the taxpayer may seek judicial review thereof pursuant
10 to article seventy-eight of the civil practice law and rules. The
11 taxpayer shall otherwise have no right to challenge such final determi-
12 nation in a court action, administrative proceeding or any other form of
13 legal recourse against the commissioner, the department of taxation and
14 finance, [the state board of real property tax services,] the assessor
15 or other person having custody or control of the assessment roll or tax
16 roll regarding such action.

17 § 12. Subparagraph (iii) of paragraph (b) of subdivision 15 of section
18 425 of the real property tax law, as amended by section 1 of part JJ of
19 chapter 60 of the laws of 2016, is amended to read as follows:

20 (iii) notwithstanding the provisions of paragraph (b) of subdivision
21 six of this section, neither an assessor nor a board of assessment
22 review has the authority to consider an objection to the recoupment of
23 an exemption pursuant to this subdivision, nor may such an action be
24 reviewed in a proceeding to review an assessment pursuant to title one
25 or one-A of article seven of this chapter. Such an action may only be
26 challenged before the department. If an owner is dissatisfied with the
27 department's final determination, [the owner may appeal that determi-
28 nation to the board in a form and manner to be prescribed by the commis-

1 sioner. Such appeal shall be filed within forty-five days from the issu-
2 ance of the department's final determination. If dissatisfied with the
3 board's determination,] the owner may seek judicial review thereof
4 pursuant to article seventy-eight of the civil practice law and rules.
5 The owner shall otherwise have no right to challenge such final determi-
6 nation in a court action, administrative proceeding, including but not
7 limited to an administrative proceeding pursuant to article forty of the
8 tax law, or any other form of legal recourse against the commissioner,
9 the department, [the board,] the assessor, or any other person, state
10 agency, or local government.

11 § 13. Section 489-o of the real property tax law, as amended by
12 section 13 of part W of chapter 56 of the laws of 2010, is amended to
13 read as follows:

14 § 489-o. Final determination of railroad ceiling; certificate. 1.
15 After the hearing provided for in section four hundred eighty-nine-n of
16 this title, the [state board of real property tax services] commissioner
17 shall finally determine the railroad ceiling for the railroad real prop-
18 erty of each railroad company situated in each assessing unit. Whenever
19 upon complaint the [state board] commissioner shall revise the local
20 reproduction cost of a railroad company in an assessing unit, [it] he or
21 she shall revise the railroad ceiling therefor to reflect such revision,
22 but [it] he or she shall not, on account of such revision, modify any
23 other determination with respect to the railroad ceilings for such rail-
24 road company for such year. Notwithstanding the fact that no complaint
25 shall have been filed with respect to a tentative determination of a
26 railroad ceiling, the [state board] commissioner shall give effect to
27 any special equalization rate established, pursuant to subdivision two

1 of section four hundred eighty-nine-1 of this title prior to the final
2 determination of the railroad ceiling.

3 2. Not later than ten days before the last date prescribed by law for
4 the levy of taxes, the [state board] commissioner shall file a certif-
5 icate setting forth each railroad ceiling as finally determined with the
6 assessor of the appropriate assessing unit or the town or county asses-
7 sor who prepares a copy of the applicable part of the town or county
8 assessment roll for village tax purposes as provided in subdivision
9 three of section fourteen hundred two of this chapter, and at the same
10 time shall transmit to each railroad company for which such ceiling has
11 been determined a duplicate copy of such certificate.

12 3. Any final determination of a railroad ceiling by the [state board]
13 commissioner pursuant to subdivision one of this section shall be
14 subject to judicial review in a proceeding under article seventy-eight
15 of the civil practice law and rules.

16 § 14. Section 489-11 of the real property tax law, as added by chapter
17 920 of the laws of 1977, subdivision 1 as amended by section 14 of part
18 W of chapter 56 of the laws of 2010, subdivision 2 as amended by chapter
19 735 of the laws of 1983, and subdivision 3 as added by chapter 841 of
20 the laws of 1986, is amended to read as follows:

21 § 489-11. Final determination of railroad ceiling; certificate. 1.
22 After the hearing provided for in section four hundred eighty-nine-kk of
23 this title, the [state board of real property tax services] commissioner
24 shall finally determine the railroad ceiling for the railroad real prop-
25 erty of each railroad company situated in each assessing unit. Whenever
26 upon complaint the [state board] commissioner shall revise the local
27 reproduction cost of a railroad company in an assessing unit, [it] he or
28 she shall revise the appropriate railroad ceiling to reflect such

1 revision, but [it] he or she shall not, on account of such revision,
2 modify any other determination with respect to the railroad ceilings for
3 such railroad company for such year. Notwithstanding the fact that no
4 complaint shall have been filed with respect to a tentative determi-
5 nation of a railroad ceiling, the [state board] commissioner shall give
6 effect to any special equalization rate established pursuant to subdivi-
7 sion two of section four hundred eighty-nine-jj of this title prior to
8 the final determination of the railroad ceiling.

9 2. Not later than ten days before the last date prescribed by law for
10 the levy of taxes, the [state board] commissioner shall file a certif-
11 icate setting forth each railroad ceiling as finally determined with the
12 assessor of the appropriate assessing unit or the town or county asses-
13 sor who prepares a copy of the applicable part of the town or county
14 assessment roll for village tax purposes as provided in subdivision
15 three of section fourteen hundred two of this chapter, and at the same
16 time shall transmit to each railroad company for which such ceiling has
17 been determined a duplicate copy of such certificate.

18 3. Any final determination of a railroad ceiling by the [state board]
19 commissioner pursuant to subdivision one of this section shall be
20 subject to judicial review in a proceeding under article seventy-eight
21 of the civil practice law and rules.

22 § 15. Section 547 of the real property tax law, as amended by chapter
23 385 of the laws of 1994, is amended to read as follows:

24 § 547. Annual report. On or before January fifteenth the comptroller,
25 in consultation with the [board of real property services] commissioner
26 and other agencies as may be appropriate, shall submit to the governor
27 and the legislature an annual accounting of state aid, taxes and assess-
28 ments paid by the state pursuant to this article during the preceding

1 and current fiscal years. Such accounting shall include, but not be
2 limited to, the number, type and amount of claims so paid, as well as an
3 estimate of claims to be paid during the remainder of the current fiscal
4 year and during the following fiscal year.

5 § 16. Section 614 of the real property tax law, as amended by section
6 15 of part W of chapter 56 of the laws of 2010, is amended to read as
7 follows:

8 § 614. Determination of final assessment of special franchises. After
9 receiving the [commissioner's] hearing officer's report regarding any
10 complaint filed pursuant to section six hundred twelve of this article,
11 the [state board of real property tax services] commissioner shall
12 determine the final assessment of each special franchise.

13 § 17. Section 816 of the real property tax law, as amended by chapter
14 36 of the laws of 1980 and as further amended by subdivision (b) of
15 section 1 of part W of chapter 56 of the laws of 2010, is amended to
16 read as follows:

17 § 816. Review by [state board of real property tax services] commis-
18 sioner. The [state board of real property tax services] commissioner
19 shall have power on complaint to review the equalization made by any
20 county equalization agency. Such review shall be brought by filing the
21 complaint with the [state board of real property tax services] commis-
22 sioner at any time within thirty days from the date on which notice was
23 given pursuant to section eight hundred four of this article. Notice of
24 the hearing on such review shall be given by the [state board of real
25 property tax services] commissioner to the clerk of the county legisla-
26 tive body, whose duty it shall be to transmit a copy of such notice to
27 each member of the county legislative body and to the chief executive
28 officer of each city and town in the county.

1 § 18. Section 818 of the real property tax law, as amended by chapter
2 615 of the laws of 1972, subdivision 3 as added by chapter 556 of the
3 laws of 2002, and subdivisions 1 and 3 as further amended by subdivision
4 (b) of section 1 of part W of chapter 56 of the laws of 2010, is amended
5 to read as follows:

6 § 818. Determination on review. 1. On review of the equalization made
7 by the county equalization agency, the [state board of real property tax
8 services] commissioner shall review such equalization and shall deter-
9 mine whether such equalization is fair and equitable and if not, what
10 corrections should be made. The [state board of real property tax
11 services] commissioner shall certify its determination in writing to the
12 county legislative body and to the chief executive officer of each city
13 or town complaining, if any.

14 2. Such determination shall have the same force and effect as an
15 original equalization made by the county equalization agency within the
16 time prescribed by law.

17 3. If the [state board of real property tax services] commissioner
18 determines that the equalization made by a county equalization agency in
19 a county containing a designated large property, as that term is
20 described in section eight hundred forty-seven of this article, is not
21 fair and equitable, [it] he or she shall issue an order directing
22 correction of such equalization, which may include the apportionment and
23 levy of taxes in the manner provided in section eight hundred five of
24 this title.

25 § 19. Section 1210 of the real property tax law, as amended by section
26 17 of part W of chapter 56 of the laws of 2010, is amended to read as
27 follows:

1 § 1210. Establishment of final state equalization rates, class ratios
2 and class equalization rates. After receiving the [commissioner's] hear-
3 ing officer's report regarding any complaint filed pursuant to section
4 twelve hundred eight of this title, the [state board of real property
5 tax services] commissioner shall establish the final state equalization
6 rate, class ratios, and class equalization rates, if required, for each
7 city, town, village, special assessing unit, or approved assessing unit
8 or eligible non-assessing unit village which has adopted the provisions
9 of section nineteen hundred three of this chapter.

10 § 20. Section 1218 of the real property tax law, as amended by section
11 18 of part W of chapter 56 of the laws of 2010, is amended to read as
12 follows:

13 § 1218. Review of final determinations of [state board of real proper-
14 ty tax services] the commissioner relating to state equalization rates.
15 A final determination of the [state board of real property tax services]
16 commissioner relating to state equalization rates may be reviewed by
17 commencing an action in the appellate division of the supreme court in
18 the manner provided by article seventy-eight of the civil practice law
19 and rules upon application of the county, city, town or village for
20 which the rate or rates were established. The standard of review in such
21 a proceeding shall be as specified in subdivision four of section seven-
22 ty-eight hundred three of the civil practice law and rules. Whenever a
23 final order is issued in such a proceeding directing a revised state
24 equalization rate, any county, village or school district that used the
25 former rate in the apportionment of taxes must, upon receipt of such
26 final order, recalculate the levy that used such former rate and credit
27 or debit as appropriate its constituent municipalities in its next levy.
28 Any special franchise assessments that were established using the former

1 rate must, upon receipt of such final order, be revised by the [state
2 board] commissioner in accordance with the new rate, and, if taxes have
3 already been levied upon such assessments, the affected special fran-
4 chise owners shall either automatically receive a refund if there is a
5 decrease or be taxed on an increase in the next levy in the manner
6 provided for omitted parcels in title three of article five of this
7 chapter.

8 § 21. Section 1263 of the real property tax law, as added by chapter
9 280 of the laws of 1978 and as further amended by subdivision (b) of
10 section 1 of part W of chapter 56 of the laws of 2010, is amended to
11 read as follows:

12 § 1263. Notice of determination of tentative ratios and opportunity to
13 be heard. Not later than ninety days prior to the ensuing fiscal year of
14 the city school district, the [state board of real property tax
15 services] commissioner shall provide written notice of the determination
16 of tentative ratios pursuant to this article to the board of education
17 of each city school district. The notice shall set forth the tentative
18 ratios, identify the assessment rolls for which the ratios were deter-
19 mined and shall specify the time and place where the [state board of
20 real property tax services] commissioner or a duly authorized represen-
21 tative thereof will meet to hear objections presented by the appropriate
22 board of education concerning such ratios. The notice must be served at
23 least ten days before the date specified for the hearing. After hearing
24 any objections, the [state board of real property tax services] commis-
25 sioner shall determine final ratios for the appropriate assessment rolls
26 in accordance with the provisions of this article. The board of educa-
27 tion is hereby authorized and empowered to waive the hearing with
28 respect to such tentative ratios.

1 assessment will be entered is filed in the office of the city or town
2 clerk, except that it shall be assessed according to its condition and
3 ownership as of the [first] thirty-first day of [July] December of the
4 second year preceding the date required by law for the filing of the
5 final assessment roll for purposes of all village assessment rolls.

6 § 3. Section 499-nnnn of the real property tax law, as added by chap-
7 ter 475 of the laws of 2013, is amended to read as follows:

8 § 499-nnnn. Equalization rate. In determining assessment ceilings, the
9 commissioner shall apply the final state equalization rate [for the
10 assessment roll of the local assessing jurisdiction for which the ceil-
11 ing is established. If that final rate is not available, the commission-
12 er shall apply the most recent final state equalization rate for the
13 local assessing jurisdiction, except that if a special equalization rate
14 has been established as provided in title two of article twelve of this
15 chapter, such rate shall be applied. In the case of a special assessing
16 unit as defined in section eighteen hundred one of this chapter, the
17 equalization rate to be applied shall be the applicable class equaliza-
18 tion rate] used for the local assessing jurisdiction on the assessment
19 roll for the year immediately preceding the year in which the assessment
20 ceiling is being established, except that (1) if a special equalization
21 rate was used on such assessment roll, such rate shall be applied, and
22 (2) in the case of a special assessing unit as defined in section eigh-
23 teen hundred one of this chapter, the equalization rate to be applied
24 shall be the applicable class equalization rate used on such assessment
25 roll.

26 § 4. Subdivision 2 of section 499-pppp of the real property tax law,
27 as added by chapter 475 of the laws of 2013, is amended to read as
28 follows:

2. Notwithstanding that a complaint may not have been filed with respect to a tentative determination of an assessment ceiling, the commissioner shall give effect to any special equalization rate established pursuant to section twelve hundred twenty-four of this chapter [or the final state equalization rate for the assessment roll for which the ceiling is established as provided in section four hundred ninety-nine-nnnn of this title] prior to the date for the final determination of the assessment ceiling.

9 § 5. Section 3 of chapter 475 of the laws of 2013 amending the real
10 property tax law relating to assessment ceilings for local public utili-
11 ty mass real property is REPEALED.

12 § 6. This act shall take effect immediately; provided, however, that
13 the amendments to title 5 of article 4 of the real property tax law made
14 by sections three and four of this act shall not affect the repeal of
15 such title and shall be deemed to be repealed therewith.

16 PART U

17 Section 1. Clause (A) of subparagraph (iv) of paragraph (b) of subdi-
18 vision 4 of section 425 of the real property tax law, as amended by
19 section 1 of part PP of chapter 59 of the laws of 2019, is amended to
20 read as follows:

(A) Effective with applications for the enhanced exemption on final assessment rolls to be completed in two thousand nineteen, the application form shall indicate that all owners of the property and any owners' spouses residing on the premises must have their income eligibility verified annually by the department and must furnish their taxpayer identification numbers in order to facilitate matching with records of

1 the department. The income eligibility of such persons shall be verified
2 annually by the department, and the assessor shall not request income
3 documentation from them. All applicants for the enhanced exemption and
4 all assessing units shall be required to participate in this program,
5 which shall be known as the STAR income verification program. The
6 commissioner may, in his or her discretion, extend the enrollment period
7 of the STAR income verification program for property owners whose prop-
8 erty received the enhanced exemption on the final assessment roll
9 completed in two thousand eighteen but who failed to enroll in suffi-
10 cient time to have the exemption continued on the final assessment roll
11 completed in two thousand nineteen. Where appropriate, the commissioner
12 is further authorized to remit directly to such a property owner a
13 payment in an amount equal to the difference between the school tax bill
14 that the property owner actually received and the school tax bill that
15 the property owner would have received had he or she enrolled in a time-
16 ly manner.

17 § 2. This act shall take effect immediately.

18 PART V

19 Section 1. Section 902 of the racing, pari-mutuel wagering and breed-
20 ing law is amended by adding a new subdivision 7 to read as follows:

21 7. A franchised racing corporation may, in its discretion and at its
22 expense, fund for the exclusive use or utilization of the commission,
23 the construction and initial equipping of an equine drug testing and
24 research laboratory located within this state to be used for such
25 purposes specified in subdivision one of this section. Such corporation
26 shall consult with the commission regarding the proper scope and equip-

1 ping of a laboratory. The siting and use of such laboratory shall be
2 pursuant to a long-term lease between the corporation and the commis-
3 sion. The commission shall operate or contract for the operation of such
4 laboratory.

5 § 2. Paragraph 3 of subdivision f of section 1612 of the tax law, as
6 amended by chapter 174 of the laws of 2013, is amended to read as
7 follows:

8 3. Four percent of the total revenue wagered after payout of prizes to
9 be deposited into an account of the franchised corporation established
10 pursuant to section two hundred six of the racing, pari-mutuel wagering
11 and breeding law to be used for capital expenditures in maintaining and
12 upgrading Aqueduct racetrack, Belmont Park racetrack and Saratoga race
13 course. Capital expenditures may include funding the construction of and
14 initially equipping a state-based equine drug testing and research labo-
15 ratory to be used pursuant to subdivision seven of section nine hundred
16 two of the racing, pari-mutuel wagering and breeding law.

17 § 3. This act shall take effect immediately.

18 PART W

19 Section 1. The racing, pari-mutuel wagering and breeding law is
20 amended by adding a new article XI-A to read as follows:

21 ARTICLE XI-A

22 INTERSTATE COMPACT ON ANTI-DOPING

23 AND DRUG TESTING STANDARDS

24 Section 1113. Purposes.

25 1114. Definitions.

26 1115. Composition and meetings of compact commission.

1 1116. Operation of compact commission.

2 1117. General powers and duties.

3 1118. Other powers and duties.

4 1119. Compact rule making.

5 1120. Status and relationship to member states.

6 1121. Rights and responsibilities of member states.

7 1122. Enforcement of compact.

8 1123. Legal actions against compact.

9 1124. Restrictions on authority.

10 1125. Construction, savings and severability.

11 § 1113. Purposes. The purposes of the compact are:

12 a. To enable member states to act jointly and cooperatively to create
13 more uniform, effective, and efficient breed specific rules and regu-
14 lations relating to the permitted and prohibited use of drugs and medi-
15 cations for the health and welfare of the horse and the integrity of
16 racing, and testing for such substances, in or affecting a member state;
17 and

18 b. To authorize the New York state gaming commission to participate in
19 the compact.

20 § 1114. Definitions. For the purposes of this article, the following
21 terms shall have the following meanings:

22 a. "Compact commission" means the organization of delegates from the
23 member states that is authorized and empowered by the compact to carry
24 out the purposes of the compact;

25 b. "Compact rule" means a rule or regulation adopted by a member state
26 regulating the permitted and prohibited use of drugs and medications for
27 the health and welfare of the horse and the integrity of racing, and

1 testing for such substances, in live pari-mutuel horse racing that
2 occurs in or affects such states;

3 c. "Delegate" means the chairperson of the member state racing commis-
4 sion or similar regulatory body in a state, or such person's designee,
5 who represents the member state, as a voting member of the compact
6 commission and anyone who is serving as such person's alternate;

7 d. "Equine drug rule" means a rule or regulation that relates to the
8 administration of drugs, medications, or other substances to a horse
9 that may participate in live horse racing with pari-mutuel wagering
10 including, but not limited to, the regulation of the permissible use of
11 such substances to ensure the integrity of racing and the health, safety
12 and welfare of race horses, appropriate sanctions for rule violations,
13 and quality laboratory testing programs to detect such substances in the
14 bodily system of a race horse;

15 e. "Live racing" means live horse racing with pari-mutuel wagering;

16 f. "Member state" means each state that has enacted the compact;

17 g. "National industry stakeholder" means a non-governmental organiza-
18 tion that from a national perspective significantly represents one or
19 more categories of participants in live racing and pari-mutuel wagering;

20 h. "Participants in live racing" means all persons who participate in,
21 operate, provide industry services for, or are involved with live racing
22 with pari-mutuel wagering;

23 i. "State" means each of the several states of the United States, the
24 District of Columbia, the Commonwealth of Puerto Rico, and each territo-
25 ry or possession of the United States; and

26 j. "State racing commission" means the state racing commission, or its
27 equivalent, in each member state. Where a member state has more than
28 one, it shall mean all such racing commissions, or their equivalents.

1 § 1115. Composition and meetings of compact commission. The member
2 states shall create and participate in a compact commission as follows:

3 a. The compact shall come into force when enacted by any two eligible
4 states, and shall thereafter become effective as to any other member
5 state that enacts the compact. Any state that has adopted or authorized
6 pari-mutuel wagering or live horse racing shall be eligible to become a
7 party to the compact. A compact rule shall not become effective in a new
8 member state based merely upon it entering the compact.

9 b. The member states hereby create the interstate anti-doping and drug
10 testing standards compact commission, a body corporate and an interstate
11 governmental entity of the member states, to coordinate the rule making
12 actions of each member state racing commission through a compact commis-
13 sion.

14 c. The compact commission shall consist of one delegate, the chair-
15 person of the state racing commission or such person's designee, from
16 each member state. When a delegate is not present to perform any duty in
17 the compact commission, a designated alternate may serve. The person who
18 represents a member state in the compact commission shall serve and
19 perform such duties without compensation or remuneration; provided, that
20 subject to the availability of budgeted funds, each may be reimbursed
21 for ordinary and necessary costs and expenses. The designation of a
22 delegate, including the alternate, shall be effective when written
23 notice has been provided to the compact commission. The delegate,
24 including the alternate, must be a member or employee of the state
25 racing commission.

26 d. The compact delegate from each state shall participate as an agent
27 of the state racing commission. Each delegate shall have the assistance

1 of the state racing commission in regard to all decision making and
2 actions of the state in and through the compact commission.

3 e. Each member state, by its delegate, shall be entitled to one vote
4 in the compact commission. A majority vote of the total number of deleg-
5 ates shall be required to propose a compact rule, receive and distribute
6 any funds, and to adopt, amend, or rescind the by-laws. A compact rule
7 shall take effect in and for each member state when adopted by a super
8 majority vote of eighty percent of the total number of member states.
9 Other compact actions shall require a majority vote of the delegates who
10 are meeting.

11 f. Meetings and votes of the compact commission may be conducted in
12 person or by telephone or other electronic communication. Meetings may
13 be called by the chairperson of the compact commission or by any two
14 delegates. Reasonable notice of each meeting shall be provided to all
15 delegates serving in the compact commission.

16 g. No action may be taken at a compact commission meeting unless there
17 is a quorum, which is either a majority of the delegates in the compact
18 commission, or where applicable, all the delegates from any member
19 states who propose or are voting affirmatively to adopt a compact rule.

20 h. Once effective, the compact shall continue in force and remain
21 binding according to its terms upon each member state; provided that, a
22 member state may withdraw from the compact by repealing the statute that
23 enacted the compact into law. The racing commission of a withdrawing
24 state shall give written notice of such withdrawal to the compact chair-
25 person, who shall notify the member state racing commissions. A with-
26 drawing state shall remain responsible for any unfulfilled obligations
27 and liabilities. The effective date of withdrawal from the compact shall
28 be the effective date of the repeal.

1 § 1116. Operation of compact commission. The compact commission is
2 hereby granted, so that it may be an effective means to pursue and
3 achieve the purposes of each member state in the compact, the power and
4 duty:

5 a. to adopt, amend, and rescind by-laws to govern its conduct, as may
6 be necessary or appropriate to carry out the purposes of the compact; to
7 publish them in a convenient form; and to file a copy of them with the
8 state racing commission of each member state;

9 b. to elect annually from among the delegates, including alternates, a
10 chairperson, vice-chairperson, and treasurer with such authority and
11 duties as may be specified in the by-laws;

12 c. to establish and appoint committees which it deems necessary for
13 the carrying out of its functions, including advisory committees which
14 shall be comprised of national industry stakeholders and organizations
15 and such other persons as may be designated in accordance with the
16 by-laws, to obtain their timely and meaningful input into the compact
17 rule making processes;

18 d. to establish an executive committee, with membership established in
19 the by-laws, which shall oversee the day-to-day activities of compact
20 administration and management by the executive director and staff; hire
21 and fire as may be necessary after consultation with the compact commis-
22 sion; administer and enforce compliance with the provisions, by-laws,
23 and rules of the compact; and perform such other duties as the by-laws
24 may establish;

25 e. to create, appoint, and abolish all those offices, employments, and
26 positions, including an executive director, useful to fulfill its
27 purposes;

1 f. to delegate day-to-day management and administration of its duties,
2 as needed, to an executive director and support staff; and

3 g. to adopt an annual budget sufficient to provide for the payment of
4 the reasonable expenses of its establishment, organization, and ongoing
5 activities; provided, that the budget shall be funded by only voluntary
6 contributions.

7 § 1117. General powers and duties. To allow each member state, as and
8 when it chooses, to achieve the purpose of the compact through joint and
9 cooperative action, the member states are hereby granted the power and
10 duty, by and through the compact commission:

11 a. to act jointly and cooperatively to create a more equitable and
12 uniform pari-mutuel racing and wagering interstate regulatory framework
13 by the adoption of standardized rules for the permitted and prohibited
14 use of drugs and medications for the health, and welfare of the horse
15 and the integrity of racing, including rules governing the use of drugs
16 and medications and drug testing;

17 b. to collaborate with national industry stakeholders and industry
18 organizations in the design and implementation of compact rules in a
19 manner that serves the best interests of racing; and

20 c. to propose and adopt breed specific compact equine drugs and medi-
21 cations rules for the health, and welfare of the horse, including rules
22 governing the permitted and prohibited use of drugs and medications and
23 drug testing, which shall have the force and effect of state rules or
24 regulations in the member states, to govern live pari-mutuel horse
25 racing.

26 § 1118. Other powers and duties. The compact commission may exercise
27 such incidental powers and duties as may be necessary and proper for it

1 to function in a useful manner, including but not limited to the power
2 and duty:

3 a. to enter into contracts and agreements with governmental agencies
4 and other persons, including officers and employees of a member state,
5 to provide personal services for its activities and such other services
6 as may be necessary;

7 b. to borrow, accept, and contract for the services of personnel from
8 any state, federal, or other governmental agency, or from any other
9 person or entity;

10 c. to receive information from and to provide information to each
11 member state racing commission, including its officers and staff, on
12 such terms and conditions as may be established in the by-laws;

13 d. to acquire, hold, and dispose of any real or personal property by
14 gift, grant, purchase, lease, license, and similar means and to receive
15 additional funds through gifts, grants, and appropriations;

16 e. when authorized by a compact rule, to conduct hearings and render
17 reports and advisory decisions and orders; and

18 f. to establish in the by-laws the requirements that shall describe
19 and govern its duties to conduct open or public meetings and to provide
20 public access to compact records and information.

21 § 1119. Compact rule making. In the exercise of its rule making
22 authority, the compact commission shall:

23 a. engage in formal rule making pursuant to a process that substan-
24 tially conforms to the Model State Administrative Procedure Act of 1981
25 as amended, as may be appropriate to the actions and operations of the
26 compact commission;

27 b. gather information and engage in discussions with advisory commit-
28 tees, national industry stakeholders, and others, including an opportu-

1 nity for industry organizations to submit input to member state racing
2 commissions on the state level, to foster, promote and conduct a colla-
3 borative approach in the design and advancement of compact rules in a
4 manner that serves the best interests of racing and as established in
5 the by-laws;

6 c. direct the publication in each member state of each equine drug
7 rule proposed by the compact commission, conduct a review of public
8 comments received by each member state racing commission and the compact
9 commission in response to the publication of its rule making proposals,
10 consult with national industry stakeholders and participants in live
11 racing with regard to such process and any revisions to the compact rule
12 proposal, and meet upon the completion of the public comment period to
13 conduct a vote on the adoption of the proposed compact rule as a state
14 rule in the member states; and

15 d. have a standing committee that reviews at least quarterly the
16 participation in and value of compact rules and, when it determines that
17 a revision is appropriate or when requested to by any member state,
18 submits a revising proposed compact rule. To the extent a revision would
19 only add or remove a member state or states from where a compact rule
20 has been adopted, the vote required by this section shall be required of
21 only such state or states. The standing committee shall gather informa-
22 tion and engage in discussions with national industry stakeholders, who
23 may also directly recommend a compact rule proposal or revision to the
24 compact committee.

25 § 1120. Status and relationship to member states. a. The compact
26 commission, as an interstate governmental entity, shall be exempt from
27 all taxation in and by the member states.

1 b. The compact commission shall not pledge the credit of any member
2 state except by and with the appropriate legal authority of that state.

3 c. Each member state shall reimburse or otherwise pay the expenses of
4 its delegate, including any alternate, in the compact commission.

5 d. No member state, except as provided in section eleven hundred twen-
6 ty-three of this article, shall be held liable for the debts or other
7 financial obligations incurred by the compact commission.

8 e. No member state shall have, while it participates in the compact
9 commission, any claim to or ownership of any property held by or vested
10 in the compact commission or to any compact commission funds held pursu-
11 ant to the compact except for state license or other fees or moneys
12 collected by the compact commission as its agent.

13 f. The compact dissolves upon the date of the withdrawal of the member
14 state that reduces membership in the compact to one state. Upon dissol-
15 ution, the compact becomes null and void and shall be of no further
16 force or effect, although equine drug rules adopted through the compact
17 shall remain state rules in each member state that had adopted them, and
18 the business and affairs of the compact shall be concluded and any
19 surplus funds shall be distributed to the former member states in
20 accordance with the by-laws.

21 § 1121. Rights and responsibilities of member states. a. Each member
22 state in the compact shall accept the decisions, duly applicable to it,
23 of the compact commission in regard to compact rules and rule making.

24 b. The compact shall not be construed to diminish or limit the powers
25 and responsibilities of the member state racing commission or similar
26 regulatory body, or to invalidate any action it has previously taken,
27 except to the extent it has, by its compact delegate, expressed its
28 consent to a specific rule or other action of the compact commission.

1 The compact delegate from each state shall serve as the agent of the
2 state racing commission and shall possess substantial knowledge and
3 experience as a regulator or participant in the horse racing industry.

4 § 1122. Enforcement of compact. a. The compact commission shall have
5 standing to intervene in any legal action that pertains to the subject
6 matter of the compact and might affect its powers, duties, or actions.

7 b. The courts and executive in each member state shall enforce the
8 compact and take all actions necessary and appropriate to effectuate its
9 purposes and intent. Compact provisions, by-laws, and rules shall be
10 received by all judges, departments, agencies, bodies, and officers of
11 each member state and its political subdivisions as evidence of them.

12 § 1123. Legal actions against compact. a. Any person may commence a
13 claim, action, or proceeding against the compact commission in state
14 court for damages. The compact commission shall have the benefit of the
15 same limits of liability, defenses, rights to indemnity and defense by
16 the state, and other legal rights and defenses for non-compact matters
17 of the state racing commission in the state. All legal rights and
18 defenses that arise from the compact shall also be available to the
19 compact commission.

20 b. A compact delegate, alternate, or other member or employee of a
21 state racing commission who undertakes compact activities or duties does
22 so in the course of business of their state racing commission, and shall
23 have the benefit of the same limits of liability, defenses, rights to
24 indemnity and defense by the state, and other legal rights and defenses
25 for non-compact matters of state employees in their state. The executive
26 director and other employees of the compact commission shall have the
27 benefit of these same legal rights and defenses of state employees in
28 the member state in which they are primarily employed. All legal rights

1 and defenses that arise from the compact shall also be available to
2 them.

3 c. Each member state shall be liable for and pay judgments filed
4 against the compact commission to the extent related to its partic-
5 ipation in the compact. Where liability arises from action undertaken
6 jointly with other member states, the liability shall be divided equally
7 among the states for whom the applicable action or omission of the exec-
8 utive director or other employees of the compact commission was under-
9 taken; and no member state shall contribute to or pay, or be jointly or
10 severally or otherwise liable for, any part of any judgment beyond its
11 share as determined in accordance with this section.

12 § 1124. Restrictions on authority. a. New York substantive state laws
13 applicable to pari-mutuel horse racing and wagering shall remain in full
14 force and effect.

15 b. Compact rules shall not preclude subsequent rulemaking in New York
16 state on the same or related matter. The most recently adopted rule
17 shall thereby become the governing law.

18 c. New York state shall not participate in or apply this interstate
19 compact to any aspect of standardbred racing.

20 § 1125. Construction, savings and severability. a. The compact shall
21 be liberally construed so as to effectuate its purposes. The provisions
22 of the compact shall be severable and if any phrase, clause, sentence,
23 or provision of the compact is declared to be contrary to the constitu-
24 tion of the United States or of any member state, or the applicability
25 of the compact to any government, agency, person, or circumstance is
26 held invalid, the validity of the remainder of the compact and its
27 applicability to any government, agency, person, or circumstance shall
28 not be affected. If all or some portion of the compact is held to be

1 contrary to the constitution of any member state, the compact shall
2 remain in full force and effect as to the remaining member states and in
3 full force and effect as to the state affected as to all severable
4 matters.

5 b. In the event of any allegation, finding, or ruling against the
6 compact or its procedures or actions, provided that a member state has
7 followed the compact's stated procedures, any rule it purported to adopt
8 using the procedures of this statute shall constitute a duly adopted and
9 valid state rule.

10 § 2. This act shall take effect immediately.

11 PART X

12 Section 1. Paragraph (b) of subdivision 3 of section 1367 of the
13 racing, pari-mutuel wagering and breeding law, as added by chapter 174
14 of the laws of 2013, is amended to read as follows:

15 (b) A sports pool shall be primarily operated in a sports wagering
16 lounge located at a casino. The lounge shall conform to all requirements
17 concerning square footage, design, equipment, security measures and
18 related matters which the commission shall by regulation prescribe. The
19 commission may also approve additional locations for a sports pool with-
20 in the casino, in areas that have been approved by the commission for
21 the conduct of other gaming, to be operated in a manner and methodology
22 as regulation shall prescribe.

23 § 2. This act shall take effect immediately.

24 PART Y

1 Section 1. Paragraph 1 of subdivision a of section 1612 of the tax
2 law, as amended by chapter 174 of the laws of 2013, is amended to read
3 as follows:

4 (1) sixty percent of the total amount for which tickets have been sold
5 for [a lawful lottery] the Quick Draw game [introduced on or after the
6 effective date of this paragraph,] subject to [the following provisions:

7 (A) such game shall be available only on premises occupied by licensed
8 lottery sales agents, subject to the following provisions:

9 (i) if the licensee does not hold a license issued pursuant to the
10 alcoholic beverage control law to sell alcoholic beverages for consump-
11 tion on the premises, then the premises must have a minimum square
12 footage greater than two thousand five hundred square feet;

13 (ii) notwithstanding the foregoing provisions, television equipment
14 that automatically displays the results of such drawings may be
15 installed and used without regard to the square footage if such premises
16 are used as:

17 (I) a commercial bowling establishment, or

18 (II) a facility authorized under the racing, pari-mutuel wagering and
19 breeding law to accept pari-mutuel wagers;

20 (B) the] rules for the operation of such game [shall be] as prescribed
21 by regulations promulgated and adopted by the division, provided howev-
22 er, that such rules shall provide that no person under the age of twen-
23 ty-one may participate in such games on the premises of a licensee who
24 holds a license issued pursuant to the alcoholic beverage control law to
25 sell alcoholic beverages for consumption on the premises; and, provided,
26 further, that such regulations may be revised on an emergency basis not
27 later than ninety days after the enactment of this paragraph in order to
28 conform such regulations to the requirements of this paragraph; or

1 § 2. This act shall take effect immediately.

2 PART 2

3 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the
4 racing, pari-mutuel wagering and breeding law, as amended by section 1
5 of part HH of chapter 59 of the laws of 2019, is amended to read as
6 follows:

7 (a) Any racing association or corporation or regional off-track
8 betting corporation, authorized to conduct pari-mutuel wagering under
9 this chapter, desiring to display the simulcast of horse races on which
10 pari-mutuel betting shall be permitted in the manner and subject to the
11 conditions provided for in this article may apply to the commission for
12 a license so to do. Applications for licenses shall be in such form as
13 may be prescribed by the commission and shall contain such information
14 or other material or evidence as the commission may require. No license
15 shall be issued by the commission authorizing the simulcast transmission
16 of thoroughbred races from a track located in Suffolk county. The fee
17 for such licenses shall be five hundred dollars per simulcast facility
18 and for account wagering licensees that do not operate either a simul-
19 cast facility that is open to the public within the state of New York or
20 a licensed racetrack within the state, twenty thousand dollars per year
21 payable by the licensee to the commission for deposit into the general
22 fund. Except as provided in this section, the commission shall not
23 approve any application to conduct simulcasting into individual or group
24 residences, homes or other areas for the purposes of or in connection
25 with pari-mutuel wagering. The commission may approve simulcasting into
26 residences, homes or other areas to be conducted jointly by one or more

1 regional off-track betting corporations and one or more of the follow-
2 ing: a franchised corporation, thoroughbred racing corporation or a
3 harness racing corporation or association; provided (i) the simulcasting
4 consists only of those races on which pari-mutuel betting is authorized
5 by this chapter at one or more simulcast facilities for each of the
6 contracting off-track betting corporations which shall include wagers
7 made in accordance with section one thousand fifteen, one thousand
8 sixteen and one thousand seventeen of this article; provided further
9 that the contract provisions or other simulcast arrangements for such
10 simulcast facility shall be no less favorable than those in effect on
11 January first, two thousand five; (ii) that each off-track betting
12 corporation having within its geographic boundaries such residences,
13 homes or other areas technically capable of receiving the simulcast
14 signal shall be a contracting party; (iii) the distribution of revenues
15 shall be subject to contractual agreement of the parties except that
16 statutory payments to non-contracting parties, if any, may not be
17 reduced; provided, however, that nothing herein to the contrary shall
18 prevent a track from televising its races on an irregular basis primari-
19 ly for promotional or marketing purposes as found by the commission. For
20 purposes of this paragraph, the provisions of section one thousand thir-
21 teen of this article shall not apply. Any agreement authorizing an
22 in-home simulcasting experiment commencing prior to May fifteenth, nine-
23 teen hundred ninety-five, may, and all its terms, be extended until June
24 thirtieth, two thousand [twenty] twenty-one; provided, however, that any
25 party to such agreement may elect to terminate such agreement upon
26 conveying written notice to all other parties of such agreement at least
27 forty-five days prior to the effective date of the termination, via
28 registered mail. Any party to an agreement receiving such notice of an

1 intent to terminate, may request the commission to mediate between the
2 parties new terms and conditions in a replacement agreement between the
3 parties as will permit continuation of an in-home experiment until June
4 thirtieth, two thousand [twenty] twenty-one; and (iv) no in-home simul-
5 casting in the thoroughbred special betting district shall occur without
6 the approval of the regional thoroughbred track.

7 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
8 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
9 section 2 of part HH of chapter 59 of the laws of 2019, is amended to
10 read as follows:

11 (iii) Of the sums retained by a receiving track located in Westchester
12 county on races received from a franchised corporation, for the period
13 commencing January first, two thousand eight and continuing through June
14 thirtieth, two thousand [twenty] twenty-one, the amount used exclusively
15 for purses to be awarded at races conducted by such receiving track
16 shall be computed as follows: of the sums so retained, two and one-half
17 percent of the total pools. Such amount shall be increased or decreased
18 in the amount of fifty percent of the difference in total commissions
19 determined by comparing the total commissions available after July twen-
20 ty-first, nineteen hundred ninety-five to the total commissions that
21 would have been available to such track prior to July twenty-first,
22 nineteen hundred ninety-five.

23 § 3. The opening paragraph of subdivision 1 of section 1014 of the
24 racing, pari-mutuel wagering and breeding law, as amended by section 3
25 of part HH of chapter 59 of the laws of 2019, is amended to read as
26 follows:

27 The provisions of this section shall govern the simulcasting of races
28 conducted at thoroughbred tracks located in another state or country on

1 any day during which a franchised corporation is conducting a race meet-
2 ing in Saratoga county at Saratoga thoroughbred racetrack until June
3 thirtieth, two thousand [twenty] twenty-one and on any day regardless of
4 whether or not a franchised corporation is conducting a race meeting in
5 Saratoga county at Saratoga thoroughbred racetrack after June thirtieth,
6 two thousand [twenty] twenty-one. On any day on which a franchised
7 corporation has not scheduled a racing program but a thoroughbred racing
8 corporation located within the state is conducting racing, every off-
9 track betting corporation branch office and every simulcasting facility
10 licensed in accordance with section one thousand seven (that has entered
11 into a written agreement with such facility's representative horsemen's
12 organization, as approved by the commission), one thousand eight, or one
13 thousand nine of this article shall be authorized to accept wagers and
14 display the live simulcast signal from thoroughbred tracks located in
15 another state or foreign country subject to the following provisions:

16 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering
17 and breeding law, as amended by section 4 of part HH of chapter 59 of
18 the laws of 2019, is amended to read as follows:

19 1. The provisions of this section shall govern the simulcasting of
20 races conducted at harness tracks located in another state or country
21 during the period July first, nineteen hundred ninety-four through June
22 thirtieth, two thousand [twenty] twenty-one. This section shall super-
23 sede all inconsistent provisions of this chapter.

24 § 5. The opening paragraph of subdivision 1 of section 1016 of the
25 racing, pari-mutuel wagering and breeding law, as amended by section 5
26 of part HH of chapter 59 of the laws of 2019, is amended to read as
27 follows:

1 The provisions of this section shall govern the simulcasting of races
2 conducted at thoroughbred tracks located in another state or country on
3 any day during which a franchised corporation is not conducting a race
4 meeting in Saratoga county at Saratoga thoroughbred racetrack until June
5 thirtieth, two thousand [twenty] twenty-one. Every off-track betting
6 corporation branch office and every simulcasting facility licensed in
7 accordance with section one thousand seven that have entered into a
8 written agreement with such facility's representative horsemen's organ-
9 ization as approved by the commission, one thousand eight or one thou-
10 sand nine of this article shall be authorized to accept wagers and
11 display the live full-card simulcast signal of thoroughbred tracks
12 (which may include quarter horse or mixed meetings provided that all
13 such wagering on such races shall be construed to be thoroughbred races)
14 located in another state or foreign country, subject to the following
15 provisions; provided, however, no such written agreement shall be
16 required of a franchised corporation licensed in accordance with section
17 one thousand seven of this article:

18 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
19 wagering and breeding law, as amended by section 6 of part HH of chapter
20 59 of the laws of 2019, is amended to read as follows:

21 Notwithstanding any other provision of this chapter, for the period
22 July twenty-fifth, two thousand one through September eighth, two thou-
23 sand [nineteen] twenty, when a franchised corporation is conducting a
24 race meeting within the state at Saratoga Race Course, every off-track
25 betting corporation branch office and every simulcasting facility
26 licensed in accordance with section one thousand seven (that has entered
27 into a written agreement with such facility's representative horsemen's
28 organization as approved by the commission), one thousand eight or one

1 thousand nine of this article shall be authorized to accept wagers and
2 display the live simulcast signal from thoroughbred tracks located in
3 another state, provided that such facility shall accept wagers on races
4 run at all in-state thoroughbred tracks which are conducting racing
5 programs subject to the following provisions; provided, however, no such
6 written agreement shall be required of a franchised corporation licensed
7 in accordance with section one thousand seven of this article.

8 § 7. Section 32 of chapter 281 of the laws of 1994, amending the
9 racing, pari-mutuel wagering and breeding law and other laws relating to
10 simulcasting, as amended by section 7 of part HH of chapter 59 of the
11 laws of 2019, is amended to read as follows:

12 § 32. This act shall take effect immediately and the pari-mutuel tax
13 reductions in section six of this act shall expire and be deemed
14 repealed on July 1, [2020] 2021; provided, however, that nothing
15 contained herein shall be deemed to affect the application, qualifica-
16 tion, expiration, or repeal of any provision of law amended by any
17 section of this act, and such provisions shall be applied or qualified
18 or shall expire or be deemed repealed in the same manner, to the same
19 extent and on the same date as the case may be as otherwise provided by
20 law; provided further, however, that sections twenty-three and twenty-
21 five of this act shall remain in full force and effect only until May 1,
22 1997 and at such time shall be deemed to be repealed.

23 § 8. Section 54 of chapter 346 of the laws of 1990, amending the
24 racing, pari-mutuel wagering and breeding law and other laws relating to
25 simulcasting and the imposition of certain taxes, as amended by section
26 8 of part HH of chapter 59 of the laws of 2019, is amended to read as
27 follows:

1 § 54. This act shall take effect immediately; provided, however,
2 sections three through twelve of this act shall take effect on January
3 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-
4 ing law, as added by section thirty-eight of this act, shall expire and
5 be deemed repealed on July 1, [2020] 2021; and section eighteen of this
6 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
7 two of this act shall take effect as of the same date as chapter 772 of
8 the laws of 1989 took effect.

9 § 9. Paragraph (a) of subdivision 1 of section 238 of the racing,
10 pari-mutuel wagering and breeding law, as amended by section 9 of part
11 HH of chapter 59 of the laws of 2019, is amended to read as follows:

12 (a) The franchised corporation authorized under this chapter to
13 conduct pari-mutuel betting at a race meeting or races run thereat shall
14 distribute all sums deposited in any pari-mutuel pool to the holders of
15 winning tickets therein, provided such tickets be presented for payment
16 before April first of the year following the year of their purchase,
17 less an amount which shall be established and retained by such fran-
18 chised corporation of between twelve to seventeen per centum of the
19 total deposits in pools resulting from on-track regular bets, and four-
20 teen to twenty-one per centum of the total deposits in pools resulting
21 from on-track multiple bets and fifteen to twenty-five per centum of the
22 total deposits in pools resulting from on-track exotic bets and fifteen
23 to thirty-six per centum of the total deposits in pools resulting from
24 on-track super exotic bets, plus the breaks. The retention rate to be
25 established is subject to the prior approval of the gaming commission.

26 Such rate may not be changed more than once per calendar quarter to be
27 effective on the first day of the calendar quarter. "Exotic bets" and
28 "multiple bets" shall have the meanings set forth in section five

1 hundred nineteen of this chapter. "Super exotic bets" shall have the
2 meaning set forth in section three hundred one of this chapter. For
3 purposes of this section, a "pick six bet" shall mean a single bet or
4 wager on the outcomes of six races. The breaks are hereby defined as the
5 odd cents over any multiple of five for payoffs greater than one dollar
6 five cents but less than five dollars, over any multiple of ten for
7 payoffs greater than five dollars but less than twenty-five dollars,
8 over any multiple of twenty-five for payoffs greater than twenty-five
9 dollars but less than two hundred fifty dollars, or over any multiple of
10 fifty for payoffs over two hundred fifty dollars. Out of the amount so
11 retained there shall be paid by such franchised corporation to the
12 commissioner of taxation and finance, as a reasonable tax by the state
13 for the privilege of conducting pari-mutuel betting on the races run at
14 the race meetings held by such franchised corporation, the following
15 percentages of the total pool for regular and multiple bets five per
16 centum of regular bets and four per centum of multiple bets plus twenty
17 per centum of the breaks; for exotic wagers seven and one-half per
18 centum plus twenty per centum of the breaks, and for super exotic bets
19 seven and one-half per centum plus fifty per centum of the breaks.

20 For the period June first, nineteen hundred ninety-five through
21 September ninth, nineteen hundred ninety-nine, such tax on regular
22 wagers shall be three per centum and such tax on multiple wagers shall
23 be two and one-half per centum, plus twenty per centum of the breaks.
24 For the period September tenth, nineteen hundred ninety-nine through
25 March thirty-first, two thousand one, such tax on all wagers shall be
26 two and six-tenths per centum and for the period April first, two thou-
27 sand one through December thirty-first, two thousand [twenty]
28 twenty-one, such tax on all wagers shall be one and six-tenths per

1 centum, plus, in each such period, twenty per centum of the breaks.
2 Payment to the New York state thoroughbred breeding and development fund
3 by such franchised corporation shall be one-half of one per centum of
4 total daily on-track pari-mutuel pools resulting from regular, multiple
5 and exotic bets and three per centum of super exotic bets provided,
6 however, that for the period September tenth, nineteen hundred ninety-
7 nine through March thirty-first, two thousand one, such payment shall be
8 six-tenths of one per centum of regular, multiple and exotic pools and
9 for the period April first, two thousand one through December thirty-
10 first, two thousand [twenty] twenty-one, such payment shall be seven-
11 tenths of one per centum of such pools.

12 § 10. This act shall take effect immediately.

13 PART AA

14 Section 1. Paragraph (b-1) of subdivision 3 of section 425 of the real
15 property tax law, as amended by section 1 of part RR of chapter 59 of
16 the laws of 2019, is amended to read as follows:

17 (b-1) Income. For final assessment rolls to be used for the levy of
18 taxes for the two thousand eleven-two thousand twelve through two thou-
19 sand eighteen-two thousand nineteen school years, the parcel's affil-
20 iated income may be no greater than five hundred thousand dollars, as
21 determined by the commissioner pursuant to subdivision fourteen of this
22 section or section one hundred seventy-one-u of the tax law, in order to
23 be eligible for the basic exemption authorized by this section. [Begin-
24 ning with] For the two thousand nineteen-two thousand twenty school
25 year, for purposes of the exemption authorized by this section, the
26 parcel's affiliated income may be no greater than two hundred fifty

1 thousand dollars, as so determined. Beginning with the two thousand
2 twenty--two thousand twenty-one school year, for purposes of the
3 exemption authorized by this section, the parcel's affiliated income may
4 be no greater than two hundred thousand dollars, as so determined. As
5 used herein, the term "affiliated income" shall mean the combined income
6 of all of the owners of the parcel who resided primarily thereon on the
7 applicable taxable status date, and of any owners' spouses residing
8 primarily thereon. For exemptions on final assessment rolls to be used
9 for the levy of taxes for the two thousand eleven-two thousand twelve
10 school year, affiliated income shall be determined based upon the
11 parties' incomes for the income tax year ending in two thousand nine. In
12 each subsequent school year, the applicable income tax year shall be
13 advanced by one year. The term "income" as used herein shall have the
14 same meaning as in subdivision four of this section.

15 § 2. This act shall take effect immediately.

16 PART BB

17 Section 1. This act shall be known and may be cited as the "Cannabis
18 Regulation and Taxation Act".

19 § 2. A new chapter 7-A of the consolidated laws is added to read as
20 follows:

21 CHAPTER 7-A OF THE CONSOLIDATED LAWS

22 CANNABIS LAW

23 ARTICLE 1

24 SHORT TITLE; POLICY OF STATE AND PURPOSE OF CHAPTER;

25 DEFINITIONS

1 Section 1. Short title.

2 2. Policy of state and purpose of chapter.

3 3. Definitions.

4 § 1. Short title. This chapter shall be known and may be cited and
5 referred to as the "cannabis law".

6 § 2. Policy of state and purpose of chapter. It is hereby declared as
7 policy of the state of New York that it is necessary to properly regu-
8 late, restrict, and control the cultivation, processing, manufacture,
9 wholesale, and retail production, distribution, transportation, adver-
10 tising, marketing, and sale of cannabis, cannabis products, medical
11 cannabis, and cannabinoid hemp within the state of New York, for the
12 purposes of fostering and promoting temperance in their consumption, to
13 properly protect the public health, safety, and welfare, to displace the
14 illicit cannabis market, to provide safe and affordable access to
15 medical cannabis for patients, and to promote social and economic equal-
16 ity. It is hereby declared that such policy will best be carried out by
17 empowering the state office of cannabis management and its executive
18 director, to determine whether public health, safety, convenience and
19 advantage will be promoted by the issuance of registrations, licenses
20 and/or permits granting the privilege to produce, distribute, transport,
21 sell, or traffic in cannabis, medical cannabis, or cannabinoid hemp, to
22 increase or decrease in the number thereof, scope of activities, and the
23 location of premises registered, licensed, or permitted thereby, subject
24 only to the right of judicial review hereinafter provided for. It is the
25 purpose of this chapter to carry out that policy in the public interest.
26 The restrictions, regulations, and provisions contained in this chapter
27 are enacted by the legislature for the protection of the health, safety,
28 and welfare of the people of the state.

1 § 3. Definitions. Whenever used in this chapter, unless otherwise
2 expressly stated or unless the context or subject matter requires a
3 different meaning, the following terms shall have the representative
4 meanings hereinafter set forth or indicated:

5 1. "Applicant" means a person or for-profit entity or not-for-profit
6 corporation and includes: board members, officers, managers, owners,
7 partners, principal stakeholders, financiers, and members who submit an
8 application to become a registered organization, licensee or permittee,
9 and may include any other individual or entity with a material or opera-
10 tional interest in the license or its operations as determined by its
11 executive director in regulation.

12 2. "Bona fide cannabis retailer association" shall mean an association
13 of retailers holding licenses under this chapter, organized under the
14 non-profit or not-for-profit laws of this state.

15 3. "Cannabis" means all parts of the plant of the genus cannabis,
16 whether growing or not; the seeds thereof; the resin extracted from any
17 part of the plant; and every compound, manufacture, salt, derivative,
18 mixture, or preparation of the plant, its seeds or resin.

19 4. "Concentrated cannabis" means: (a) the separated resin, whether
20 crude or purified, obtained from a plant of the genus cannabis; or (b) a
21 material, preparation, mixture, compound or other substance which
22 contains more than three-tenths of one percent by weight or by volume of
23 delta-9 tetrahydrocannabinol, or its isomer, delta-8 dibenzopyran
24 numbering system, or delta-1 tetrahydrocannabinol or its isomer, delta 1
25 (6) monoterpene numbering system or which exceeds an amount of delta-9
26 tetrahydrocannabinol or its isomer, delta-8 dibenzopyran numbering
27 system, or delta-1 tetrahydrocannabinol or its isomer, delta 1 (6) mono-

1 terpene numbering system per serving or per product determined by the
2 executive director in regulation.

3 5. "Adult-use cannabis consumer" means a person, twenty-one years of
4 age or older, who purchases approved adult-use cannabis or adult-use
5 cannabis products for personal use, but not for resale to others.

6 6. "Adult-use cannabis processor" means a person licensed by the
7 office who may purchase adult-use cannabis from adult-use cannabis
8 cultivators, and who may process adult-use cannabis, and adult-use
9 cannabis products, package and label adult-use cannabis, and adult-use
10 cannabis products for sale in adult-use cannabis retail outlets, and who
11 may sell adult-use cannabis and cannabis-infused products at wholesale
12 to licensed adult-use cannabis distributors, in accordance with regu-
13 lations determined by the executive director.

14 7. "Adult-use cannabis product" or "adult-use cannabis" means any
15 approved adult-use cannabis, concentrated cannabis, or adult-use canna-
16 bis-infused or extracted products, or products which otherwise contain
17 or are derived from adult-use cannabis, and which have been authorized
18 for distribution to and for use by an adult-use cannabis consumer as
19 determined by the executive director in regulation.

20 8. "Adult-use cannabis retail dispenser" means a person or entity
21 licensed by the executive director who may purchase adult-use cannabis
22 products, from adult-use cannabis cultivators, processors or distribu-
23 tors, and who may sell approved adult-use cannabis products, in a retail
24 outlet, in accordance with regulations determined by the executive
25 director.

26 9. "Certified medical use" means the acquisition, possession, use, or
27 transportation of medical cannabis by a certified patient, or the acqui-
28 sition, possession, delivery, transportation or administration of

1 medical cannabis by a designated caregiver or designated caregiver
2 facility, for use as part of the treatment of the patient's serious
3 condition, as authorized in a certification under this chapter including
4 enabling the patient to tolerate treatment for the serious condition.

5 10. "Caring for" means treating a patient, in the course of which the
6 practitioner has completed a full assessment of the patient's medical
7 history and current medical condition.

8 11. "Certified patient" means a patient who is a resident of New York
9 state or receiving care and treatment in New York state as determined by
10 the executive director in regulation, and is certified under section
11 thirty of this chapter.

12 12. "Certification" means a certification, made under this chapter.

13 13. "Adult-use cultivation" shall include, the planting, growing,
14 cloning, harvesting, drying, curing, grading and trimming of adult-use
15 cannabis, or such other cultivation related processes as determined by
16 the executive director in regulation.

17 14. "Executive director" means the executive director of the office of
18 cannabis management.

19 15. "Convicted" and "conviction" include and mean a finding of guilt
20 resulting from a plea of guilty, the decision of a court or magistrate
21 or the verdict of a jury, irrespective of the pronouncement of judgment
22 or the suspension thereof.

23 16. "Designated caregiver" means an individual designated by a certi-
24 fied patient in a registry application. A certified patient may desig-
25 nate up to two designated caregivers.

26 17. "Designated caregiver facility" means a general hospital or resi-
27 dential health care facility operating pursuant to article twenty-eight
28 of the public health law; an adult care facility operating pursuant to

1 title two of article seven of the social services law; a community
2 mental health residence established pursuant to section 41.44 of the
3 mental hygiene law; a hospital operating pursuant to section 7.17 of the
4 mental hygiene law; a mental hygiene facility operating pursuant to
5 article thirty-one of the mental hygiene law; an inpatient or residen-
6 tial treatment program certified pursuant to article thirty-two of the
7 mental hygiene law; a residential facility for the care and treatment of
8 persons with developmental disabilities operating pursuant to article
9 sixteen of the mental hygiene law; a residential treatment facility for
10 children and youth operating pursuant to article thirty-one of the
11 mental hygiene law; a private or public school; research institution
12 with an internal review board; or any other facility as determined by
13 the executive director in regulation; that registers with the office of
14 cannabis management to assist one or more certified patients with the
15 acquisition, possession, delivery, transportation or administration of
16 medical cannabis.

17 18. "Felony" means any criminal offense classified as a felony under
18 the laws of this state or any criminal offense committed in any other
19 state, district, or territory of the United States and classified as a
20 felony therein which if committed within this state, would constitute a
21 felony in this state.

22 19. "Form of medical cannabis" means characteristics of the medical
23 cannabis recommended or limited for a particular certified patient,
24 including the method of consumption and any particular strain, variety,
25 and quantity or percentage of cannabis or particular active ingredient.

26 20. "Government agency" means any office, division, board, bureau,
27 commission, office, agency, authority or public corporation of the state

1 or federal government or a county, city, town or village government
2 within the state.

3 21. "Hemp" means the plant *Cannabis sativa* L. and any part of such
4 plant, including the seeds thereof and all derivatives, extracts, canna-
5 binoids, isomers, acids, salts, and salts of isomers, whether growing or
6 not, with a delta-9 tetrahydrocannabinol concentration of not more than
7 three-tenths of one percent on a dry weight or per volume basis.

8 22. "Cannabinoid hemp" means any hemp and any product processed or
9 derived from hemp, that is used for human consumption provided that when
10 such product is packaged or offered for retail sale to a consumer, it
11 shall not have a concentration of more than three-tenths of one percent
12 of delta-9 tetrahydrocannabinol or more than an amount of delta-9
13 tetrahydrocannabinol per quantity of cannabinoid hemp product as deter-
14 mined by the executive director in regulation.

15 23. "Cannabinoid hemp processor license" means a license granted by
16 the office to process, extract, pack or manufacture cannabinoid hemp or
17 hemp extract into products, whether in intermediate or final form, used
18 for human consumption.

19 24. "Cannabinoid hemp retailer license" means a license granted by the
20 office to sell cannabinoid hemp, in final approved form, to consumers
21 within the state.

22 25. "Individual dose" means a single measure of adult-use cannabis,
23 medical cannabis or cannabinoid hemp product, as determined by the exec-
24 utive director in regulation. Individual doses may be established
25 through a measure of raw material, a measure of an individual cannabi-
26 noid or compound, or an equivalency thereof.

27 26. "Labor peace agreement" means an agreement between an entity and a
28 labor organization that, at a minimum, protects the state's proprietary

1 interests by prohibiting labor organizations and members from engaging
2 in picketing, work stoppages, boycotts, and any other economic interfer-
3 ence with the registered organization or licensee's business.

4 27. "License" means a license issued pursuant to this chapter.

5 28. "Medical cannabis" means cannabis as defined in subdivision three
6 of this section, intended and approved for a certified medical use, as
7 determined by the executive director in consultation with the commis-
8 sioner of health.

9 30. "Office" or "office of cannabis management" means the New York
10 state office of cannabis management.

11 31. "Permit" means a permit issued pursuant to this chapter.

12 32. "Permittee" means any person to whom a permit has been issued
13 pursuant to this chapter.

14 33. "Person" means individual, institution, corporation, government or
15 governmental subdivision or agency, business trust, estate, trust, part-
16 nership or association, or any other legal entity.

17 34. "Practitioner" means a practitioner who: (i) is authorized to
18 prescribe controlled substances within the state, (ii) by training or
19 experience is qualified to treat a serious condition as defined in
20 subdivision forty-three of this section; and (iii) completes, at a mini-
21 mum, a two-hour course as determined by the executive director in regu-
22 lation; provided however, the executive director may revoke a practi-
23 tioner's ability to certify patients for cause.

24 35. "Processing" includes, blending, extracting, infusing, packaging,
25 labeling, branding and otherwise making or preparing adult-use cannabis,
26 medical cannabis and cannibinoid hemp, or such other related processes
27 as determined by the executive director in regulation. Processing shall
28 not include the cultivation of cannabis.

1 36. "Registered organization" means an organization registered under
2 article three of this chapter.

3 37. "Registry application" means an application properly completed and
4 filed with the office of cannabis management by a certified patient
5 under article three of this chapter.

6 38. "Registry identification card" means a document that identifies a
7 certified patient or designated caregiver, as provided under section
8 thirty-two of this chapter.

9 39. "Retail sale" or "sale at retail" means a sale to a consumer or to
10 any person for any purpose other than for resale.

11 40. "Retailer" means any licensed person who sells at retail any
12 approved adult-use cannabis product.

13 41. "Sale" means any transfer, exchange or barter in any manner or by
14 any means whatsoever, and includes and means all sales made by any
15 person, whether principal, proprietor, agent, servant or employee of any
16 cannabis product.

17 42. "To sell" includes to solicit or receive an order for, to keep or
18 expose for sale, and to keep with intent to sell and shall include the
19 transportation or delivery of any cannabis product in the state.

20 43. "Serious condition" means having one of the following severe
21 debilitating or life-threatening conditions: cancer, positive status for
22 human immunodeficiency virus or acquired immune deficiency syndrome,
23 amyotrophic lateral sclerosis, Parkinson's disease, multiple sclerosis,
24 damage to the nervous tissue of the spinal cord with objective neurolog-
25 ical indication of intractable spasticity, epilepsy, inflammatory bowel
26 disease, neuropathies, Huntington's disease, post-traumatic stress
27 disorder, pain that degrades health and functional capability where the
28 use of medical cannabis is an alternative to opioid use, substance use

1 disorder, Alzheimer's, muscular dystrophy, dystonia, rheumatoid arthri-
2 tis, autism, any condition authorized as part of a cannabis research
3 license, or any other condition as added by the executive director.

4 44. "Traffic in" includes to cultivate, process, manufacture, distrib-
5 ute or sell any cannabis, adult-use cannabis product or medical cannabis
6 at wholesale or retail.

7 45. "Terminally ill" means an individual has a medical prognosis that
8 the individual's life expectancy is approximately one year or less if
9 the illness runs its normal course.

10 46. "Wholesale sale" or "sale at wholesale" means a sale to any person
11 for purposes of resale.

12 47. "Distributor" means any person who sells at wholesale any adult-
13 use cannabis product, except medical cannabis, the sale of which a
14 license is required under the provisions of this chapter.

15 48. "Warehouse" means and includes a place in which cannabis products
16 are housed or stored.

17 ARTICLE 2

18 NEW YORK STATE OFFICE OF CANNABIS MANAGEMENT

19 Section 7. Establishment of an office of cannabis management.

20 8. Establishment of the cannabis control board.

21 9. Functions, powers and duties of the cannabis control board.

22 10. Executive director.

23 11. Functions, powers and duties of the office and executive
24 director.

25 12. Rulemaking authority.

26 13. Deputies; employees.

27 14. Disposition of moneys received for license fees.

1 15. Violations of cannabis laws or regulations; penalties and
2 injunctions.

3 16. Formal hearings; notice and procedure.

4 17. Ethics, transparency and accountability.

5 18. Public health campaign.

6 19. Traffic safety oral fluid or other roadside detection method
7 pilot program.

8 20. Establish uniform policies and best practices.

9 § 7. Establishment of an office of cannabis management. There is here-
10 by established, within the division of alcoholic beverage control, an
11 independent office of cannabis management, which shall have exclusive
12 jurisdiction to exercise the powers and duties provided by this chapter.
13 The office shall exercise its authority by and through a cannabis
14 control board and an executive director.

15 § 8. Establishment of the cannabis control board. 1. The cannabis
16 control board or "board" is created and shall consist of a chairperson
17 with one vote, and four other voting board members, all of whom shall be
18 citizens and residents of this state.

19 2. The governor shall appoint all members of the board, and shall
20 designate one member to serve as chairperson. All members of the board
21 shall serve for a term of three years and shall continue to serve in
22 office until the expiration of their terms and until their successors
23 are appointed and have qualified. The members, other than the chair-
24 person, shall be compensated at a rate of two hundred sixty dollars per
25 day when performing the work of the board, together with an allowance
26 for actual and necessary expenses incurred in the discharge of their
27 duties. No person shall be appointed to or employed by the board if,
28 during the period commencing three years prior to appointment or employ-

1 ment, such person held any direct or indirect interest in, or employment
2 by, any corporation, association or person engaged in regulated activity
3 within the state.

4 3. Prior to appointment or employment, each member, officer or employ-
5 ee of the board shall swear or affirm that he or she possesses no inter-
6 est in any corporation or association holding a license, registration,
7 certificate or permit issued by the board. Thereafter, no member or
8 officer of the board shall hold any direct interest in or be employed by
9 any applicant for or by any corporation, association or person holding a
10 license, registration, certificate or permit issued by the board for a
11 period of four years commencing on the date his or her membership with
12 the board terminates. Further, no employee of the board may acquire any
13 direct or indirect interest in, or accept employment with, any applicant
14 for or any person holding a license, registration, certificate or permit
15 issued by the board for a period of two years commencing at the termi-
16 nation of employment with the board. The board may, by resolution
17 adopted by unanimous vote at a properly noticed public meeting, waive
18 for good cause the pre-employment restrictions enumerated in this subdi-
19 vision for a prospective employee whose duties and responsibilities are
20 not policy-making. Such adopted resolution shall state the reasons for
21 waiving the pre-employment conditions for the prospective employee,
22 including a finding that there were no other qualified candidates with
23 the desired experience for the specified position.

24 4. Any member of the board may be removed by the governor for cause
25 after notice and an opportunity to be heard.

26 5. In the event of a vacancy caused by the death, resignation, removal
27 or disability of any board member, the vacancy shall be filled in the
28 same manner as the original appointment; provided that in such instance

1 the governor may appoint a member of the board to serve as chairperson
2 for the remainder of their term.

3 6. A majority of the board members of the authority shall constitute a
4 quorum for the purpose of conducting business, and a majority vote of
5 those present shall be required for action.

6 7. The board shall meet as frequently as its business may require, and
7 at least four times in each year. The board may enact and from time to
8 time amend by-laws in relation to its meetings and the transactions of
9 its business.

10 § 9. Functions, powers and duties of the cannabis control board. The
11 cannabis control board shall have such powers and duties as are set
12 forth in this chapter and shall:

13 1. approve the office's social and economic equity plan pursuant to
14 section eighty-four of this chapter;

15 2. approve the type and number of available licenses issued by the
16 office;

17 3. approve the opening of new license application periods and when new
18 or additional licenses are made available;

19 4. approve the creation of any new type of license;

20 5. approve any price quotas or price controls set by the executive
21 director as provided by this chapter;

22 6. at the request of the executive director, appoint advisory groups
23 or committees necessary to provide assistance to the office to carry out
24 the policy of the state and purpose of this chapter;

25 7. when an administrative decision is appealed by an applicant, regis-
26 tered organization, licensee or permittee, issue a final determination
27 of the office; and

1 8. promulgate any rules and regulations necessary to effectuate this
2 chapter.

3 § 10. Executive director. The office shall exercise its authority,
4 through an executive director. The executive director shall receive an
5 annual salary within the amounts appropriated therefor.

6 § 11. Functions, powers and duties of the executive director. The
7 office of cannabis management, by and through its executive director,
8 shall have the following powers and duties:

9 1. To issue or refuse to issue any registration, license or permit
10 provided for in this chapter.

11 2. To limit the number, scope, and/or availability of registrations,
12 licenses and permits of each class to be issued within the state or any
13 political subdivision thereof, and in connection therewith to prohibit
14 the acceptance of applications for such classes which have been so
15 limited.

16 3. To revoke, cancel or suspend for cause any registration, license,
17 or permit issued under this chapter and/or to impose a civil penalty for
18 cause against any holder of a registration, license, or permit issued
19 pursuant to this chapter or any person engaged in activities without a
20 license or permit for which a license or permit is required by this
21 chapter. Any civil penalty so imposed shall be in addition to and sepa-
22 rate and apart from the terms and provisions of the bond required pursu-
23 ant to section thirty-five of this chapter.

24 4. To fix by rule the standards and requirements for the cultivation,
25 processing, packaging, marketing, and sale of medical cannabis, adult-
26 use cannabis and cannabinoid hemp, including but not limited to, the
27 ability to regulate potency, excipients, and the types and forms of
28 products which may be manufactured and/or processed, in order to ensure

1 the health and safety of the public and the use of proper ingredients
2 and methods in the manufacture of all cannabis and cannabinoid hemp to
3 be sold or consumed in the state and to ensure that products are not
4 packaged, marketed, or otherwise trafficked in a way which targets
5 minors or promotes increased use or cannabis use disorders.

6 5. To limit or prohibit, at any time of public emergency and without
7 previous notice or advertisement, the cultivation, processing, distrib-
8 ution or sale of any or all adult-use cannabis products, medical canna-
9 bis or cannabinoid hemp, for and during the period of such emergency.

10 6. To inspect or provide for the inspection at any time of any prem-
11 ises where adult-use cannabis, medical cannabis or cannabinoid hemp is
12 cultivated, processed, stored, distributed or sold including but not
13 limited to compelling the production and review of all relevant business
14 records and financial statements and corporate documents.

15 7. To prescribe forms of applications, criteria of review and method
16 of selection or issuance for registrations, licenses and permits under
17 this chapter and of all reports deemed necessary by the office.

18 8. Intentionally omitted.

19 9. To exercise the powers and perform the duties in relation to the
20 administration of the office as are necessary but not specifically vest-
21 ed by this chapter, including but not limited to budgetary and fiscal
22 matters.

23 10. To develop and establish minimum criteria for certifying employees
24 to work in the cannabis industry, which may include the establishment of
25 a cannabis workers certification program.

26 11. To enter into contracts, memoranda of understanding, and agree-
27 ments as deemed appropriate by the executive director to effectuate the
28 policy and purpose of this chapter.

1 12. To establish and implement a social and economic equity plan,
2 subject to approval of the board, to ensure access to, and participation
3 in, the cannabis industry by social equity and economic empowerment
4 applicants as prescribed in section eighty-four of this chapter.

5 13. If the executive director finds that public health, safety, or
6 welfare imperatively requires emergency action, and incorporates a find-
7 ing to that effect in an order, summary suspension of a license or
8 administrative hold of products and a product recall may be ordered,
9 effective on the date specified in such order or upon service of a
10 certified copy of such order on the licensee, whichever shall be later,
11 pending proceedings for revocation or other action. These proceedings
12 shall be promptly instituted and determined. In addition, the executive
13 director may order the administrative seizure of product, issue a stop
14 order, or take any other action necessary to effectuate and enforce the
15 policy and purpose of this chapter.

16 14. To issue guidance and industry advisories.

17 15. To recommend that the state enter into tribal-state compacts with
18 the New York state Indian nations and tribes, as defined by section two
19 of the Indian law, authorizing such Indian nations or tribes to acquire,
20 possess, manufacture, sell, deliver, transport, distribute or dispense
21 adult-use cannabis and/or medical cannabis.

22 16. To coordinate across state agencies and departments in order to
23 research and study any changes in cannabis use and the impact that
24 cannabis use and the regulated cannabis industry may have on access to
25 cannabis products, public health, and public safety.

26 § 12. Rulemaking authority. 1. The board shall perform such acts,
27 prescribe such forms and promulgate such rules, regulations and orders

1 as it may deem necessary or proper to fully effectuate the provisions of
2 this chapter, in accordance with the state administrative procedure act.

3 2. The board shall promulgate any and all necessary rules and regu-
4 lations governing the production, processing, transportation, distrib-
5 ution, marketing, advertising and sale of medical cannabis, adult-use
6 cannabis and cannabinoid hemp, the registration of organizations author-
7 ized to traffic in medical cannabis, the licensing and/or permitting of
8 adult-use cannabis cultivators, processors, cooperatives, distributors,
9 and retail dispensaries, and the licensing of cannabinoid hemp process-
10 ors and retailers, including but not limited to:

11 (a) prescribing forms and establishing application, registration,
12 reinstatement, and renewal fees;

13 (b) the qualifications and selection criteria for registration,
14 licensing, or permitting;

15 (c) the books and records to be created and maintained by registered
16 organizations, licensees, and permittees, including the reports to be
17 made thereon to the office, and inspection of any and all books and
18 records maintained by any registered organization, licensee, or permit-
19 tee and on the premise of any registered organization, licensee, or
20 permittee;

21 (d) methods of producing, processing, and packaging adult-use canna-
22 bis, medical cannabis, cannabis-infused products, and cannabinoid hemp;
23 conditions of sanitation, standards of ingredients, quality, and identi-
24 ty of adult-use cannabis and medical cannabis products cultivated, proc-
25 essed, packaged, or sold by registered organizations and licensees, and
26 standards for the devices used to consume adult-use cannabis, medical
27 cannabis and cannabinoid hemp;

1 (e) security requirements for adult-use cannabis retail dispensaries
2 and premises where cannabis products or medical cannabis are cultivated,
3 produced, processed, or stored, and safety protocols for registered
4 organizations, licensees and their employees;

5 (f) hearing procedures and additional causes for cancellation, revoca-
6 tion, and/or civil penalties against any person registered, licensed, or
7 permitted by the authority; and

8 (g) the circumstances under and manner and process by which an appli-
9 cant, registered organization, licensee, or permittee, may apply to
10 change or alter its previously submitted or approved owners, managers,
11 members, directors, financiers, or interest holders.

12 3. The board shall promulgate rules and regulations to:

13 (a) prevent the distribution of adult-use cannabis to persons under
14 twenty-one years of age including the marketing, packaging and branding
15 of adult-use cannabis;

16 (b) prevent the revenue from the sale of cannabis from going to crimi-
17 nal enterprises, gangs, and cartels;

18 (c) prevent the diversion of adult-use cannabis and medical cannabis
19 from this state to other states;

20 (d) prevent cannabis activity that is legal under state law from being
21 used as a cover or pretext for the trafficking of other illegal drugs or
22 other illegal activity;

23 (e) prevent violence and the use of firearms in the cultivation and
24 distribution of cannabis;

25 (f) prevent drugged driving and the exacerbation of other adverse
26 public health consequences associated with the use of cannabis;

1 (g) prevent the growing of cannabis on public lands and the attendant
2 public safety and environmental dangers posed by cannabis production on
3 public lands;

4 (h) prevent the possession and use of adult-use cannabis and medical
5 cannabis on federal property;

6 (i) regulate and restrict the use of cannabis and prohibit the traf-
7 ficking of dangerous cannabis products in order to reduce the rate of
8 cannabis abuse, cannabis dependency, cannabis use disorders, and other
9 adverse public health and safety consequences of cannabis use;

10 (j) educate the public and at-risk populations about responsible
11 cannabis use and the potential dangers of cannabis use;

12 (k) prevent predatory marketing and advertising practices targeted
13 toward at-risk populations such as minors, pregnant or breastfeeding
14 women, and demographics which disproportionately engage in higher rates
15 of cannabis use and display higher rates of cannabis use disorders;

16 (l) notwithstanding subdivision two of this section, revoke or refuse
17 to issue any class or type of license, permit, or registration if he or
18 she determines that failing to do so would conflict with any federal law
19 or guidance pertaining to regulatory, enforcement and other systems that
20 states, businesses, or other institutions may implement to mitigate the
21 potential for federal intervention or enforcement against legalized
22 adult-use cannabis and medical cannabis programs or businesses;

23 (m) notwithstanding any other section of state law, adopt rules and
24 regulations based on federal guidance provided those rules and regu-
25 lations are designed to comply with federal guidance and mitigate feder-
26 al enforcement against the registrations, licenses, or permits issued
27 under this chapter, or the cannabis industry as a whole. This may
28 include regulations which permit the sharing of licensee, registrant, or

1 permit-holder information with designated banking or financial insti-
2 tutions; and

3 (n) establish application, licensing, and permitting processes which
4 ensure all material owners and interest holders are disclosed and that
5 officials or other individuals with control over the approval of an
6 application, permit, or license do not themselves have any interest in
7 an application, license, or permit.

8 4. The board, in consultation with the department of agriculture and
9 markets and the department of environmental conservation, shall promul-
10 gate necessary rules and regulations governing the safe production of
11 adult-use cannabis and medical cannabis, including but not limited to
12 environmental and energy standards and restrictions on the use of pesti-
13 cides.

14 § 13. Deputies; employees. 1. The executive director shall appoint a
15 deputy director for health and safety who shall be a duly licensed
16 physician within the state and who shall oversee the medical cannabis
17 program and all clinical aspects of the office. The executive director
18 shall also appoint a deputy director for social and economic equity who
19 shall oversee the social and economic equity plan. The executive direc-
20 tor may appoint such other deputies as he or she deems necessary to
21 fulfill the responsibilities of the office.

22 2. The executive director may appoint and remove from time to time, in
23 accordance with law and any applicable rules of the state civil service
24 commission, such additional employees, under such titles as the execu-
25 tive director may assign, as the executive director may deem necessary
26 for the efficient administration of the office. They shall perform such
27 duties as the executive director shall assign to them. The compensation
28 of such employees shall be within the amounts appropriated therefor.

1 3. Investigators employed by the office shall be deemed to be peace
2 officers for the purpose of enforcing the provisions of this chapter or
3 judgments or orders obtained for violation thereof, with all the powers
4 set forth in section 2.20 of the criminal procedure law.

5 § 14. Disposition of moneys received for license fees. The office
6 shall establish a schedule of application, licensing, and renewal fees,
7 based upon the cost of enforcing this chapter which may vary based on
8 the nature, size, class, or scope of the cannabis business being
9 licensed or the classification of the applicant, as follows:

10 1. The office shall charge each registered organization, licensee and
11 permittee a registration, licensure or permit fee, and renewal fee, as
12 applicable. The fees may vary depending upon the nature, size, class or
13 scope of the different registration, licensure and permit activities, or
14 the classification of the applicant.

15 2. The total fees assessed pursuant to this chapter may be set at an
16 amount that will generate sufficient total revenue to fully cover the
17 total costs of administering this chapter.

18 3. The office shall deposit all fees collected in the New York state
19 cannabis revenue fund established pursuant to section ninety-nine-hh of
20 the state finance law.

21 § 15. Violations of cannabis laws or regulations; penalties and
22 injunctions. 1. A person who willfully violates any provision of this
23 chapter, or any regulation lawfully made or established by any public
24 officer under authority of this chapter, the punishment for violating
25 which is not otherwise prescribed by this chapter or any other law, is
26 punishable by a fine not exceeding five thousand dollars per violation,
27 per day.

1 2. Any person who violates, disobeys or disregards any term or
2 provision of this chapter or of any lawful notice, order or regulation
3 pursuant thereto for which a civil penalty is not otherwise expressly
4 prescribed by law, shall be liable to the people of the state for a
5 civil penalty of not to exceed five thousand dollars per violation, per
6 day.

7 3. The penalty provided for in subdivision one of this section may be
8 recovered by an action brought by the executive director in any court of
9 competent jurisdiction.

10 4. Nothing in this section shall be construed to alter or repeal any
11 existing provision of law declaring such violations to be misdemeanors
12 or felonies or prescribing the penalty therefor.

13 5. Such civil penalty may be released or compromised by the executive
14 director before the matter has been referred to the attorney general,
15 and where such matter has been referred to the attorney general, any
16 such penalty may be released or compromised and any action commenced to
17 recover the same may be settled and discontinued by the attorney general
18 with the consent of the executive director.

19 6. It shall be the duty of the attorney general upon the request of
20 the executive director to bring an action for an injunction against any
21 person who violates, disobeys or disregards any term or provision of
22 this chapter or of any lawful notice, order or regulation pursuant ther-
23 eto; provided, however, that the executive director shall furnish the
24 attorney general with such material, evidentiary matter or proof as may
25 be requested by the attorney general for the prosecution of such an
26 action.

27 7. It is the purpose of this section to provide additional and cumula-
28 tive remedies, and nothing herein contained shall abridge or alter

1 rights of action or remedies now or hereafter existing, nor shall any
2 provision of this section, nor any action done by virtue of this
3 section, be construed as estopping the state, persons or municipalities
4 in the exercising of their respective rights.

5 § 16. Formal hearings; notice and procedure. 1. The board, or any
6 person designated by the board for this purpose, may issue subpoenas and
7 administer oaths in connection with any hearing or investigation under
8 or pursuant to this chapter, and it shall be the duty of the board and
9 any persons designated by the board for such purpose to issue subpoenas
10 at the request of and upon behalf of the respondent.

11 2. The board and those designated by the board shall not be bound by
12 the laws of evidence in the conduct of hearing proceedings, but the
13 determination shall be founded upon substantial evidence to sustain it.

14 3. Notice of hearing shall be served at least fifteen days prior to
15 the date of the hearing, provided that, whenever because of danger to
16 the public health, safety or welfare it appears prejudicial to the
17 interests of the people of the state to delay action for fifteen days,
18 the executive director may serve the respondent with an order requiring
19 certain action or the cessation of certain activities immediately or
20 within a specified period of less than fifteen days.

21 4. Service of notice of hearing or order shall be made by personal
22 service or by registered or certified mail. Where service, whether by
23 personal service or by registered or certified mail, is made upon an
24 incompetent, partnership, or corporation, it shall be made upon the
25 person or persons designated to receive personal service by article
26 three of the civil practice law and rules.

1 5. At a hearing, the respondent may appear personally, shall have the
2 right of counsel, and may cross-examine witnesses against him or her and
3 produce evidence and witnesses in his or her behalf.

4 6. Following a hearing, the board or its designee may make appropriate
5 determinations and issue a final order in accordance therewith.

6 7. The board may adopt, amend and repeal administrative rules and
7 regulations governing the procedures to be followed with respect to
8 hearings, such rules to be consistent with the policy and purpose of
9 this chapter and the effective and fair enforcement of its provisions.

10 8. The provisions of this section shall be applicable to all hearings
11 held pursuant to this chapter, except where other provisions of this
12 chapter applicable thereto are inconsistent therewith, in which event
13 such other provisions shall apply.

14 § 17. Ethics, transparency and accountability. No member of the
15 office or any officer, deputy, assistant, inspector or employee thereof
16 shall have any interest, direct or indirect, either proprietary or by
17 means of any loan, mortgage or lien, or in any other manner, in or on
18 any premises where cannabis, medical cannabis or hemp is cultivated,
19 processed, distributed or sold; nor shall he or she have any interest,
20 direct or indirect, in any business wholly or partially devoted to the
21 cultivation, processing, distribution, sale, transportation, marketing,
22 or storage of adult-use cannabis, medical cannabis or cannabinoid hemp,
23 or own any stock in any corporation which has any interest, proprietary
24 or otherwise, direct or indirect, in any premises where adult-use canna-
25 bis, medical cannabis or cannabinoid hemp is cultivated, processed,
26 distributed or sold, or in any business wholly or partially devoted to
27 the cultivation, processing, distribution, sale, transportation or stor-
28 age of adult-use cannabis, medical cannabis or cannabinoid hemp, or

1 receive any commission or profit whatsoever, direct or indirect, from
2 any person applying for, receiving, managing or operating any license or
3 permit provided for in this chapter, or hold any other elected or
4 appointed public office in the state or in any political subdivision to
5 which a registered organization, licensee, permittee or applicant would
6 appear. Anyone who violates any of the provisions of this section shall
7 be removed or shall divest him or herself of such direct or indirect
8 interests.

9 § 18. Public health campaign. The office, in consultation with the
10 commissioners of the department of health, office of alcoholism and
11 substance abuse services and office of mental health, shall develop and
12 implement a comprehensive public health monitoring, surveillance and
13 education campaign regarding the legalization of adult-use cannabis and
14 the impact of cannabis use on public health and safety.

15 § 19. Traffic safety oral fluid or other roadside detection method
16 pilot program. The office, in consultation with the commissioner of the
17 department of motor vehicles and the superintendent of the state police,
18 shall develop and implement a workgroup together with other states to
19 outline goals and standard operating procedures for a statewide or
20 regional oral fluid or other roadside detection pilot program. The work-
21 group may include, but not be limited to, representatives from district
22 attorney offices, local and county police departments, and other rele-
23 vant public safety experts.

24 § 20. Establish uniform policies and best practices. To engage in
25 activities with other states, territories, or jurisdictions in order to
26 coordinate and establish, uniform policies and best practices in canna-
27 bis regulation. These activities shall prioritize coordination with
28 neighboring and regional states, and may include, but not be limited to

1 establish working groups related to laboratory testing, products safety,
2 taxation, road safety, and any other issues identified by the executive
3 director. The executive director may enter into any contracts, or memo-
4 randa of understanding necessary to effectuate this provision.

5 ARTICLE 3

6 MEDICAL CANNABIS

7 Section 30. Certification of patients.

8 31. Lawful medical use.

9 32. Registry identification cards.

10 33. Registration as a designated caregiver facility.

11 34. Registered organizations.

12 35. Registering of registered organizations.

13 36. Intentionally omitted.

14 37. Reports of registered organizations.

15 38. Evaluation; research programs; report by office.

16 39. Cannabis research license.

17 40. Registered organizations and adult-use cannabis.

18 41. Home cultivation of medical cannabis.

19 42. Relation to other laws.

20 43. Protections for the medical use of cannabis.

21 44. Regulations.

22 45. Suspend; terminate.

23 46. Pricing.

24 47. Severability.

25 § 30. Certification of patients. 1. A patient certification may only
26 be issued if:

1 (a) the patient has a serious condition, which shall be specified in
2 the patient's health care record;

3 (b) the practitioner by training or experience is qualified to treat
4 the serious condition;

5 (c) the patient is under the practitioner's continuing care for the
6 serious condition; and

7 (d) in the practitioner's professional opinion and review of past
8 treatments, the patient is likely to receive therapeutic or palliative
9 benefit from the primary or adjunctive treatment with medical use of
10 cannabis for the serious condition.

11 2. The certification shall include: (a) the name, date of birth and
12 address of the patient; (b) a statement that the patient has a serious
13 condition and the patient is under the practitioner's care for the seri-
14 ous condition; (c) a statement attesting that all requirements of subdi-
15 vision one of this section have been satisfied; (d) the date; and (e)
16 the name, address, telephone number, and the signature of the certifying
17 practitioner. The executive director may require by regulation that the
18 certification shall be on a form provided by the office. The practition-
19 er may state in the certification that, in the practitioner's profes-
20 sional opinion, the patient would benefit from medical cannabis only
21 until a specified date. The practitioner may state in the certification
22 that, in the practitioner's professional opinion, the patient is termi-
23 nally ill and that the certification shall not expire until the patient
24 dies.

25 3. In making a certification, the practitioner may consider any
26 approved form of medical cannabis the patient should consume, including
27 the method of consumption and any particular strain, variety, and quan-
28 tity or percentage of cannabis or particular active ingredient, and

1 appropriate dosage. The practitioner may state in the certification any
2 recommendation or limitation the practitioner makes, in his or her
3 professional opinion, concerning the appropriate form or forms of
4 medical cannabis and dosage.

5 4. Every practitioner shall consult the prescription monitoring
6 program registry prior to making or issuing a certification, for the
7 purpose of reviewing a patient's controlled substance history. For
8 purposes of this section, a practitioner may authorize a designee to
9 consult the prescription monitoring program registry on his or her
10 behalf, provided that such designation is in accordance with section
11 thirty-three hundred forty-three-a of the public health law.

12 5. The practitioner shall give the certification to the certified
13 patient, and place a copy in the patient's health care record.

14 6. No practitioner shall issue a certification under this section for
15 himself or herself.

16 7. A registry identification card based on a certification shall
17 expire one year after the date the certification is signed by the prac-
18 titioner.

19 8. (a) If the practitioner states in the certification that, in the
20 practitioner's professional opinion, the patient would benefit from
21 medical cannabis only until a specified earlier date, then the registry
22 identification card shall expire on that date; (b) if the practitioner
23 states in the certification that in the practitioner's professional
24 opinion the patient is terminally ill and that the certification shall
25 not expire until the patient dies, then the registry identification card
26 shall state that the patient is terminally ill and that the registration
27 card shall not expire until the patient dies; (c) if the practitioner
28 re-issues the certification to terminate the certification on an earlier

1 date, then the registry identification card shall expire on that date
2 and shall be promptly destroyed by the certified patient; (d) if the
3 certification so provides, the registry identification card shall state
4 any recommendation or limitation by the practitioner as to the form or
5 forms of medical cannabis or dosage for the certified patient; and (e)
6 the executive director shall make regulations to implement this subdivi-
7 sion.

8 9. A practitioner who offers patient certification shall not have any
9 business relationship with, or own any stock in any corporation which
10 has any interest, proprietary or otherwise, direct or indirect, in any
11 registered organization, or other business or premises where medical
12 cannabis is cultivated, processed, distributed or sold. This provision
13 shall not be construed to prohibit a practitioner who offers patient
14 certification from providing their medical expertise to, or engaging in
15 medical cannabis research with, a registered organization or a licensee
16 that traffics in medical cannabis provided that the practitioner is not
17 compensated for or offered any consideration for these educational or
18 research activities.

19 § 31. Lawful medical use. The possession, acquisition, use, delivery,
20 transfer, transportation, or administration of medical cannabis by a
21 certified patient, designated caregiver or designated caregiver facili-
22 ty, for certified medical use, shall be lawful under this article
23 provided that:

24 (a) the cannabis that may be possessed by a certified patient shall
25 not exceed quantities determined by the executive director in regu-
26 lation;

27 (b) the cannabis that may be possessed by designated caregivers does
28 not exceed the quantities determined by the executive director under

1 paragraph (a) of this subdivision for any certified patient for whom the
2 caregiver is issued a valid registry identification card;

3 (c) the cannabis that may be possessed by designated caregiver facili-
4 ties does not exceed the quantities determined by the executive director
5 under paragraph (a) of this subdivision for each certified patient under
6 the care or treatment of the facility;

7 (d) the form or forms of medical cannabis that may be possessed by the
8 certified patient, designated caregiver or designated caregiver facility
9 pursuant to a certification shall be in compliance with any recommenda-
10 tion or limitation by the practitioner as to the form or forms of
11 medical cannabis or dosage for the certified patient in the certif-
12 ication and consistent with any guidance, limitation, and regulation
13 issued by the executive director; and

14 (e) the medical cannabis shall be kept in the original package in
15 which it was dispensed under this article, except for the portion
16 removed for immediate consumption for certified medical use by the
17 certified patient.

18 § 32. Registry identification cards. 1. Upon approval of the certif-
19 ication, the office shall issue registry identification cards for certi-
20 fied patients and designated caregivers. A registry identification card
21 shall expire as provided in this article or as otherwise provided in
22 this section. The office shall begin issuing registry identification
23 cards as soon as practicable after the certifications required by this
24 chapter are granted. The office may specify a form for a registry appli-
25 cation, in which case the office shall provide the form on request,
26 reproductions of the form may be used, and the form shall be available
27 for downloading from the office's website.

1 2. To obtain, amend or renew a registry identification card, a certi-
2 fied patient or designated caregiver shall file a registry application
3 with the office, unless otherwise exempted by the executive director in
4 regulation. The registry application or renewal application shall
5 include such information as prescribed by the office which shall include
6 but not be limited to:

7 (a) in the case of a certified patient:

8 (i) the patient's certification, a new written certification shall be
9 provided with a renewal application if required by the office;

10 (ii) the name, address, and date of birth of the patient;

11 (iii) the date of the certification;

12 (iv) if the patient has a registry identification card based on a
13 current valid certification, the registry identification number and
14 expiration date of that registry identification card;

15 (v) the specified date until which the patient would benefit from
16 medical cannabis, if the certification states such a date;

17 (vi) the name, address, and telephone number of the certifying practi-
18 tioner;

19 (vii) any recommendation or limitation by the practitioner as to the
20 form or forms of medical cannabis or dosage for the certified patient;

21 (viii) if the certified patient applies to designate a designated
22 caregiver, the name, address, and date of birth of the designated care-
23 giver, and other individual identifying information required by the
24 office; and

25 (ix) other individual identifying information required by the office;

26 (b) in the case of a designated caregiver:

27 (i) the name, address, and date of birth of the designated caregiver;

1 (ii) if the designated caregiver has a registry identification card,
2 the registry identification number and expiration date of that registry
3 identification card; and

4 (iii) other individual identifying information required by the office;

5 (c) a statement that a false statement made in the application is
6 punishable under section 210.45 of the penal law;

7 (d) the date of the application and the signature of the certified
8 patient or designated caregiver, as the case may be;

9 (e) any other requirements determined by the executive director.

10 3. Where a certified patient is under the age of eighteen or otherwise
11 incapable of consent:

12 (a) The application for a registry identification card shall be made
13 by an appropriate person over eighteen years of age. The application
14 shall state facts demonstrating that the person is appropriate.

15 (b) The designated caregiver shall be: (i) a parent or legal guardian
16 of the certified patient; (ii) a person designated by a parent or legal
17 guardian; (iii) a designated caregiver facility; or (iv) an appropriate
18 person approved by the office upon a sufficient showing that no parent
19 or legal guardian is appropriate or available.

20 4. No person may be a designated caregiver if the person is under
21 twenty-one years of age unless a sufficient showing is made to the
22 office that the person should be permitted to serve as a designated
23 caregiver. The requirements for such a showing shall be determined by
24 the executive director.

25 5. No person may be a designated caregiver for more than one certified
26 patient at one time, unless approved by the office. The office may allow
27 a designated caregiver to serve more than one patient in cases where
28 additional designating patients are immediate family members, in the

1 immediate and continuous care of the caregiver, or satisfy other eligi-
2 bility requirements determined by the executive director in regulation.

3 6. If a certified patient wishes to change or terminate his or her
4 designated caregiver, for whatever reason, the certified patient shall
5 notify the office as soon as practicable. The office shall issue a
6 notification to the designated caregiver that their registration card is
7 invalid and must be promptly destroyed. The newly designated caregiver
8 must comply with all requirements set forth in this section.

9 7. If the certification so provides, the registry identification card
10 shall contain any recommendation or limitation by the practitioner as to
11 the form or forms of medical cannabis or dosage for the certified
12 patient.

13 8. The office shall issue separate registry identification cards for
14 certified patients and designated caregivers as soon as reasonably prac-
15 ticable after receiving and approving a complete application under this
16 section, unless it determines that the application is incomplete, factu-
17 ally inaccurate, or fails to satisfy any applicable regulation, in which
18 case it shall promptly notify the applicant.

19 9. If the application of a certified patient designates an individual
20 as a designated caregiver who is not authorized to be a designated care-
21 giver, that portion of the application shall be denied by the office but
22 that shall not affect the approval of the balance of the application.

23 10. A registry identification card shall:

24 (a) contain the name of the certified patient or the designated care-
25 giver as the case may be;

26 (b) contain the date of issuance and expiration date, as applicable,
27 of the registry identification card;

1 (c) contain a registry identification number for the certified patient
2 or designated caregiver, as the case may be and a registry identifica-
3 tion number;

4 (d) contain a photograph of the individual to whom the registry iden-
5 tification card is being issued, which shall be obtained by the office
6 in a manner specified by the executive director in regulations;
7 provided, however, that if the office requires certified patients to
8 submit photographs for this purpose, there shall be a reasonable accom-
9 modation of certified patients who are confined to their homes due to
10 their medical conditions and may therefore have difficulty procuring
11 photographs;

12 (e) be a secure document as determined by the office;

13 (f) plainly state any recommendation or limitation by the practitioner
14 as to the form or forms of medical cannabis or dosage for the certified
15 patient; and

16 (g) contain any other requirements determined by the executive direc-
17 tor.

18 11. A certified patient or designated caregiver who has been issued a
19 registry identification card shall notify the office of any change in
20 his or her name or address or, with respect to the patient, if he or she
21 ceases to have the serious condition noted on the certification within
22 ten days of such change. The certified patient's or designated
23 caregiver's registry identification card shall be deemed invalid and
24 shall be promptly destroyed.

25 12. If a certified patient or designated caregiver loses his or her
26 registry identification card, he or she shall notify the office within
27 ten days of losing the card. The office shall issue a new registry iden-
28 tification card as soon as practicable, which may contain a new registry

1 identification number, to the certified patient or designated caregiver,
2 as the case may be.

3 13. The office shall maintain a confidential list of the persons to
4 whom it has issued registry identification cards. Individual identifying
5 information obtained by the office under this article shall be confiden-
6 tial and exempt from disclosure under article six of the public officers
7 law. Notwithstanding this subdivision, the office may notify any appro-
8 priate law enforcement agency of information relating to any violation
9 or suspected violation of this article.

10 14. The office shall verify to law enforcement personnel in an appro-
11 priate case whether a registry identification card is valid.

12 15. If a certified patient or designated caregiver willfully violates
13 any provision of this article or regulations promulgated hereunder as
14 determined by the executive director, his or her certification and
15 registry identification card may be suspended or revoked. This is in
16 addition to any other penalty that may apply.

17 § 33. Registration as a designated caregiver facility. 1. To obtain,
18 amend or renew a registration as a designated caregiver facility, the
19 facility shall file a registry application with the office. The registry
20 application or renewal application shall include:

21 (a) the facility's full name and address;

22 (b) operating certificate or license number where appropriate;

23 (c) name, title, and signature of an authorized facility represen-
24 tative;

25 (d) a statement that the facility agrees to secure and ensure proper
26 handling of all medical cannabis products;

27 (e) an acknowledgement that a false statement in the application is
28 punishable under section 210.45 of the penal law; and

1 (f) any other information that may be required by the executive direc-
2 tor.

3 2. Prior to issuing or renewing a designated caregiver facility regis-
4 tration, the office may verify the information submitted by the appli-
5 cant. The applicant shall provide, at the office's request, such infor-
6 mation and documentation, including any consents or authorizations that
7 may be necessary for the office to verify the information.

8 3. The office shall approve, deny or reject an initial or renewal
9 application. If the application is approved within the 30-day period,
10 the office shall issue a registration as soon as is reasonably practica-
11 ble.

12 4. Registrations issued under this section shall remain valid for two
13 years from the date of issuance.

14 § 34. Registered organizations. 1. A registered organization shall be
15 a for-profit business entity or not-for-profit corporation organized for
16 the purpose of acquiring, possessing, manufacturing, selling, deliver-
17 ing, transporting, distributing or dispensing cannabis for certified
18 medical use, in accordance with minimum operating and recordkeeping
19 requirements determined by the executive director in regulation.

20 2. The acquiring, possession, manufacture, testing, sale, delivery,
21 transporting, distributing or dispensing of medical cannabis by a regis-
22 tered organization under this article in accordance with its registra-
23 tion under this article or a renewal thereof shall be lawful under this
24 chapter.

25 3. Each registered organization shall contract with an independent
26 laboratory permitted by the office to test the medical cannabis produced
27 by the registered organization. The executive director, in consultation
28 with the commissioner of health, shall approve the laboratory used by

1 the registered organization, including but not limited to sampling and
2 testing protocols and standards used by the laboratory, and may require
3 that the registered organization use a particular testing laboratory.

4 4. (a) A registered organization may lawfully, in good faith, sell,
5 deliver, distribute or dispense medical cannabis to a certified patient
6 or designated caregiver upon presentation to the registered organization
7 of valid identification for that certified patient or designated care-
8 giver. When presented with the registry identification card, the regis-
9 tered organization shall provide to the certified patient or designated
10 caregiver a receipt, which shall state: the name, address, and registry
11 identification number of the registered organization; the name and
12 registry identification number of the certified patient and the desig-
13 nated caregiver, if any; the date the cannabis was sold; any recommenda-
14 tion or limitation by the practitioner as to the form or forms of
15 medical cannabis or dosage for the certified patient; and the form and
16 the quantity of medical cannabis sold. The registered organization shall
17 retain a copy of the registry identification card and the receipt for
18 six years, and shall make such records available to the office upon
19 demand.

20 (b) The proprietor of a registered organization shall file or cause to
21 be filed any receipt and certification information with the office by
22 electronic means on a real-time basis as the executive director may
23 require. When filing receipt and certification information electron-
24 ically pursuant to this paragraph, the proprietor of the registered
25 organization shall dispose of any electronically recorded prescription
26 information in such manner as the executive director shall by regulation
27 require.

1 5. (a) No registered organization may sell, deliver, distribute or
2 dispense to any certified patient or designated caregiver a quantity of
3 medical cannabis larger than that individual would be allowed to possess
4 as set out in regulation by the executive director.

5 (b) When dispensing medical cannabis to a certified patient or desig-
6 nated caregiver, the registered organization: (i) shall not dispense an
7 amount greater than an amount established by the executive director in
8 regulation; and (ii) shall verify the information in subparagraph (i) of
9 this paragraph by consulting the prescription monitoring program regis-
10 try under this article.

11 (c) Medical cannabis dispensed to a certified patient or designated
12 caregiver by a registered organization shall conform to any recommenda-
13 tion or limitation by the practitioner as to the form or forms of
14 medical cannabis or dosage for the certified patient, and any medical
15 cannabis product or form limitations or restrictions determined by the
16 executive director in regulation.

17 6. When a registered organization sells, delivers, distributes or
18 dispenses medical cannabis to a certified patient or designated caregiv-
19 er, it shall provide to that individual a safety insert, which may be
20 developed by the registered organization and shall include, but not be
21 limited to, information on:

- 22 (a) methods for administering medical cannabis in individual doses,
- 23 (b) any potential dangers stemming from the use of medical cannabis,
- 24 (c) how to recognize what may be problematic usage of medical cannabis
25 and obtain appropriate services or treatment for problematic usage, and
- 26 (d) other information as determined by the executive director.

27 7. Registered organizations shall not be managed by or employ anyone
28 who has been convicted of any felony other than for the sale or

1 possession of drugs, narcotics, or controlled substances, and provided
2 that this subdivision only applies to (a) managers or employees who come
3 into contact with or handle medical cannabis, and (b) a conviction less
4 than ten years, not counting time spent in incarceration, prior to being
5 employed, for which the person has not received a certificate of relief
6 from disabilities, a certificate of good conduct under article twenty-
7 three of the correction law, or an executive pardon.

8 8. Manufacturing of medical cannabis by a registered organization
9 shall only be done in an indoor, enclosed, secure facility located in
10 New York state, which may include a greenhouse. The executive director
11 shall promulgate regulations establishing requirements for such facili-
12 ties.

13 9. Dispensing of medical cannabis by a registered organization shall
14 only be done in an indoor, enclosed, secure facility located in New York
15 state, which may include a greenhouse. The executive director shall
16 promulgate regulations establishing requirements for such facilities.

17 10. A registered organization shall determine the quality, safety, and
18 clinical strength of medical cannabis manufactured or dispensed by the
19 registered organization, and shall provide documentation of that quali-
20 ty, safety and clinical strength to the office and to any person or
21 entity to which the medical cannabis is sold or dispensed.

22 11. A registered organization shall be deemed to be a "health care
23 provider" for the purposes of article two-D of article two of the public
24 health law.

25 12. Medical cannabis shall be dispensed to a certified patient or
26 designated caregiver in a sealed and properly labeled package as deter-
27 mined by the executive director. The labeling shall contain: (a) the
28 information required to be included in the receipt provided to the

1 certified patient or designated caregiver by the registered organiza-
2 tion; (b) the packaging date; (c) any applicable date by which the
3 medical cannabis should be used; (d) a warning stating, "This product is
4 for medicinal use only. Women should not consume during pregnancy or
5 while breastfeeding except on the advice of the certifying health care
6 practitioner, and in the case of breastfeeding mothers, including the
7 infant's pediatrician. This product might impair the ability to drive.
8 Keep out of reach of children."; (e) the amount of individual doses
9 contained within; (f) a warning that the medical cannabis must be kept
10 in the original container in which it was dispensed; and (g) any other
11 information required by the office.

12 13. The board is authorized to make rules and regulations restricting
13 the advertising and marketing of medical cannabis.

14 14. The board is authorized to make rules and regulations regulating
15 the packaging, labeling, form and method of administration or ingestion,
16 branding and marketing of medical cannabis products to prohibit acci-
17 dental or overconsumption.

18 § 35. Registering of registered organizations. 1. Application for
19 initial registration. (a) An applicant for registration as a registered
20 organization under section thirty-four of this article shall include
21 such information prepared in such manner and detail as the executive
22 director may require, including but not limited to:

23 (i) a description of the activities in which it intends to engage as a
24 registered organization;

25 (ii) that the applicant:

26 (A) is of good moral character;

27 (B) possesses or has the right to use sufficient land, buildings, and
28 other premises, which shall be specified in the application, and equip-

1 ment to properly carry on the activity described in the application, or
2 in the alternative posts a bond of not less than two million dollars;

3 (C) is able to maintain effective security and control to prevent
4 diversion, abuse, and other illegal conduct relating to the cannabis;
5 and

6 (D) is able to comply with all applicable state laws and regulations
7 relating to the activities in which it intends to engage under the
8 registration;

9 (iii) that the applicant has entered into a labor peace agreement with
10 a bona fide labor organization that is actively engaged in representing
11 or attempting to represent the applicant's employees and the maintenance
12 of such a labor peace agreement shall be an ongoing material condition
13 of certification;

14 (iv) the applicant's status as a for-profit business entity or not-
15 for-profit corporation; and

16 (v) the application shall include the name, residence address and
17 title of each of the officers and directors and the name and residence
18 address of any person or entity that is a member of the applicant
19 including those of the applicant's parent companies, subsidiaries or
20 affiliates. Each such person, if an individual, or lawful represen-
21 tative if a legal entity, shall submit an affidavit with the application
22 setting forth:

23 (A) any position of management, interest, or ownership during the
24 preceding ten years of a ten per centum or greater interest in any other
25 cannabis business or applicant, located in or outside of this state,
26 manufacturing or distributing drugs, including indirect interest manage-
27 ment or ownership of parent companies, subsidiaries, or affiliates;

1 (B) whether such person or any such business has had a cannabis busi-
2 ness application denied or withdrawn or been convicted of a felony or
3 had a registration or license subject to administrative action, includ-
4 ing but not limited to violations, penalties, or consent agreements, or
5 had any registration or license suspended or revoked in any administra-
6 tive or judicial proceeding; and

7 (C) such other information as the executive director may reasonably
8 require to enforce the licensing restrictions of this chapter.

9 2. The applicant shall be under a continuing duty to seek approval
10 from the office prior to any material changes in ownership, management,
11 or financial or managerial interest, or prior to substantive operational
12 changes, and to disclose any change in facts or circumstances reflected
13 in the application or any newly discovered or occurring fact or circum-
14 stance which is required to be included in the application.

15 3. (a) The board may grant a registration or approve a requested
16 amendment to a registration under this section if he or she is satisfied
17 that:

18 (i) the applicant will be able to maintain effective control against
19 diversion of cannabis;

20 (ii) the applicant will be able to comply with all applicable state
21 laws and regulations;

22 (iii) the applicant and its officers are ready, willing and able to
23 properly carry on the manufacturing or distributing activity for which a
24 registration is sought;

25 (iv) the applicant possesses or has the right to use sufficient land,
26 buildings and equipment to properly carry on the activity described in
27 the application;

1 (v) it is in the public interest that such registration be granted,
2 including but not limited to:

3 (A) whether the number of registered organizations in an area will be
4 adequate or excessive to reasonably serve the area's patient need and
5 demand;

6 (B) whether the registered organization is a minority and/or woman
7 owned business enterprise or a service-disabled veteran-owned business;

8 (C) whether the registered organization provides education and
9 outreach to practitioners;

10 (D) whether the registered organization promotes the research and
11 development of medical cannabis and patient outreach; and

12 (E) the affordability medical cannabis products offered by the regis-
13 tered organization;

14 (vi) the applicant and its managing officers and interest holders are
15 of good moral character and have demonstrated a record and history of
16 compliance with cannabis laws and regulations in the jurisdictions where
17 they operate or have operated cannabis licenses and/or registrations;

18 (vii) the applicant has entered into a labor peace agreement with a
19 bona fide labor organization that is actively engaged in representing or
20 attempting to represent the applicant's employees; and the maintenance
21 of such a labor peace agreement shall be an ongoing material condition
22 of registration; and

23 (viii) the applicant satisfies any other conditions as determined by
24 the executive director.

25 (b) If the executive director is not satisfied that the applicant
26 should be issued a registration or granted approval to amend an existing
27 registration, he or she shall notify the applicant in writing of those
28 factors upon which the denial is based. Within thirty days of the

1 receipt of such notification, the applicant may submit a written request
2 to the executive director to appeal the decision.

3 (c) The fee for a registration under this section shall be an amount
4 determined by the office in regulations.

5 (d) Registrations issued under this section shall be effective only
6 for the registered organization and shall specify:

7 (i) the name and address of the registered organization;

8 (ii) which activities of a registered organization are permitted by
9 the registration;

10 (iii) the land, buildings and facilities that may be used for the
11 permitted activities of the registered organization; and

12 (iv) such other information as the executive director shall reasonably
13 provide to assure compliance with this article.

14 (e) Upon application of a registered organization, a registration may
15 be amended to allow the registered organization to relocate within the
16 state or to add or delete permitted registered organization activities
17 or facilities. The fee for such amendment request shall be determined by
18 the executive director.

19 4. A registration issued under this section shall be valid for two
20 years from the date of issue.

21 5. (a) An application for the renewal of any registration issued
22 under this section shall be filed with the office not more than six
23 months nor less than four months prior to the expiration thereof. A
24 late-filed application for the renewal of a registration may, in the
25 discretion of the executive director, be treated as an application for
26 an initial license.

1 (b) The application for renewal shall include such information
2 prepared in the manner and detail as the executive director may require,
3 including but not limited to:

4 (i) any material change in the circumstances or factors listed in
5 subdivision one of this section; and

6 (ii) every known charge or investigation, pending or concluded during
7 the period of the registration, by any governmental or administrative
8 agency with respect to:

9 (A) each incident or alleged incident involving the theft, loss, or
10 possible diversion of cannabis manufactured or distributed by the appli-
11 cant; and

12 (B) compliance by the applicant with the laws of any state or territo-
13 ry with respect to any substance listed in section thirty-three hundred
14 six of the public health law.

15 (c) An applicant for renewal shall be under a continuing duty to
16 report to the office any change in facts or circumstances reflected in
17 the application or any newly discovered or occurring fact or circum-
18 stance which is required to be included in the application, and to seek
19 approval prior to any material change in ownership interest, management
20 or operations.

21 (d) If the executive director is not satisfied that the registered
22 organization applicant is entitled to a renewal of the registration, he
23 or she shall within a reasonably practicable time as determined by the
24 executive director, serve upon the registered organization or its attor-
25 ney of record in person or by registered or certified mail an order
26 directing the registered organization to show cause why its application
27 for renewal should not be denied. The order shall specify in detail the

1 respects in which the applicant has not satisfied the executive director
2 that the registration should be renewed.

3 6. (a) The executive director shall recommend the board renew a regis-
4 tration unless he or she determines and finds that:

5 (i) the applicant is unlikely to maintain or be able to maintain
6 effective control against diversion;

7 (ii) the applicant is unlikely to comply with all state laws and regu-
8 lations applicable to the registration application and activities in
9 which it may engage under the registration;

10 (iii) it is not in the public interest to renew the registration
11 because the number of registered organizations in an area is excessive
12 to reasonably serve the area and patient need;

13 (iv) the applicant has either violated or terminated its labor peace
14 agreement; or

15 (v) the applicant has substantively violated this chapter, regulations
16 promulgated thereunder, or the laws of another jurisdiction in which
17 they operate or have operated a cannabis license or registration.

18 (b) For purposes of this section, proof that a registered organiza-
19 tion, during the period of its registration, has failed to maintain
20 effective control against diversion, violated any provision of this
21 article, or has knowingly or negligently failed to comply with applica-
22 ble state laws relating to the activities in which it engages under the
23 registration, may constitute grounds for suspension, revocation or limi-
24 tation of the registered organization's registration or as determined by
25 the executive director. The registered organization shall also be under
26 a continuing duty to report to the office and seek prior approval for
27 any material change or fact or circumstance to the information provided
28 in the registered organization's application.

1 7. The office may suspend or revoke the registration of a registered
2 organization, on grounds and using procedures under this article relat-
3 ing to a license, to the extent consistent with this article. The
4 office shall suspend or revoke the registration in the event that a
5 registered organization violates or terminates the applicable labor
6 peace agreement. Conduct in compliance with this article which may
7 violate conflicting federal law, shall not in and of itself be grounds
8 to suspend or terminate a registration.

9 8. The office shall begin issuing registrations for registered organ-
10 izations as soon as practicable after the certifications required by
11 this article are given.

12 9. The office shall register at least ten registered organizations
13 that manufacture medical cannabis with no more than four dispensing
14 sites wholly owned and operated by such registered organization. The
15 executive director shall ensure that such registered organization,
16 dispensing sites or approved delivery activities are geographically
17 distributed across the state to satisfy patient and program need. The
18 executive director may register additional registered organizations.

19 § 36. Intentionally omitted.

20 § 37. Reports of registered organizations. 1. The executive director
21 shall require each registered organization to file reports by the regis-
22 tered organization during a particular period. The executive director
23 shall determine the information to be reported and the forms, time, and
24 manner of the reporting.

25 2. The executive director shall require each registered organization
26 to adopt and maintain security, tracking, record keeping, record
27 retention and surveillance systems, relating to all medical cannabis at
28 every stage of acquiring, possession, manufacture, sale, delivery,

1 transporting, distributing, or dispensing by the registered organiza-
2 tion, subject to regulations of the executive director.

3 § 38. Evaluation; research programs; report by office. 1. The execu-
4 tive director may provide for the analysis and evaluation of the opera-
5 tion of this title. The executive director may enter into agreements
6 with one or more persons, not-for-profit corporations or other organiza-
7 tions, for the performance of an evaluation of, or to aid in, the imple-
8 mentation and effectiveness of this title.

9 2. The office may develop, seek any necessary federal approval for,
10 and carry out research programs relating to medical use of cannabis.
11 Participation in any such research program shall be voluntary on the
12 part of practitioners, patients, and designated caregivers.

13 3. The office shall report every two years, beginning two years after
14 the effective date of this chapter, to the governor and the legislature
15 on the medical use of cannabis under this title and make appropriate
16 recommendations.

17 § 39. Cannabis research license. 1. The board shall establish a
18 cannabis research license that permits a licensee to produce, process,
19 purchase and possess cannabis for the following limited research
20 purposes:

21 (a) to test chemical potency and composition levels;

22 (b) to conduct clinical investigations of cannabis-derived drug
23 products;

24 (c) to conduct research on the efficacy and safety of administering
25 cannabis as part of medical treatment; and

26 (d) to conduct genomic or agricultural research.

27 2. As part of the application process for a cannabis research license,
28 an applicant shall submit to the office a description of the research

1 that is intended to be conducted as well as the amount of cannabis to be
2 grown or purchased. The office shall review an applicant's research
3 project and determine whether it meets the requirements of subdivision
4 one of this section. In addition, the office shall assess the applica-
5 tion based on the following criteria:

6 (a) project quality, study design, value, and impact;

7 (b) whether the applicant has the appropriate personnel, expertise,
8 facilities and infrastructure, funding, and human, animal, or other
9 approvals in place to successfully conduct the project; and

10 (c) whether the amount of cannabis to be grown or purchased by the
11 applicant is consistent with the project's scope and goals. If the
12 office determines that the research project does not meet the require-
13 ments of subdivision one of this section, the application must be
14 denied.

15 3. A cannabis research licensee may only sell cannabis grown or within
16 its operation to other cannabis research licensees. The office may
17 revoke a cannabis research license for violations of this subdivision.

18 4. A cannabis research licensee may contract with the higher education
19 institutions to perform research in conjunction with the university. All
20 research projects, entered into under this section shall be approved by
21 the office and meet the requirements of subsection one of this section.

22 5. In establishing a cannabis research license, the board may adopt
23 regulations on the following:

24 (a) application requirements;

25 (b) cannabis research license renewal requirements, including whether
26 additional research projects may be added or considered;

27 (c) conditions for license revocation;

1 (d) security measures to ensure cannabis is not diverted to purposes
2 other than research;

3 (e) amount of plants, useable cannabis, cannabis concentrates, or
4 cannabis-infused products a licensee may have on its premises;

5 (f) licensee reporting requirements;

6 (g) conditions under which cannabis grown by licensed cannabis produc-
7 ers and other product types from licensed cannabis processors may be
8 donated to cannabis research licensees; and

9 (h) any additional requirements deemed necessary by the office.

10 6. A cannabis research license issued pursuant to this section shall
11 be issued in the name of the applicant, specify the location at which
12 the cannabis researcher intends to operate, which shall be within the
13 state of New York, and the holder thereof may not allow any other person
14 to use the license.

15 7. The application fee for a cannabis research license shall be deter-
16 mined by the executive director on an annual basis.

17 8. Each cannabis research licensee shall issue an annual report to the
18 office. The office shall review such report and make a determination as
19 to whether the research project continues to meet the research quali-
20 fications under this section.

21 § 40. Registered organizations and adult-use cannabis. 1. The execu-
22 tive director shall have the authority to grant some or all of the
23 registered organizations previously registered with the department of
24 health and currently registered and in good standing with the office,
25 the ability to be licensed to cultivate, process, distribute and/or sell
26 adult-use cannabis and cannabis products, pursuant to any fees, rules or
27 conditions prescribed by the board in regulation, but exempt from the
28 restrictions on licensed adult-use cultivators, processors, and distrib-

1 utors from having any ownership interest in a licensed adult-use retail
2 dispensary wholly owned and controlled by the registered organization
3 pursuant to article four of this chapter.

4 2. The office shall have the authority to hold a competitive bidding
5 process, including an auction, to determine the registered
6 organization(s) authorized to be licensed to cultivate, process,
7 distribute and/or sell adult-use cannabis and to collect the fees gener-
8 ated from such auction to administer the office's social and economic
9 equity plan and other duties prescribed by this chapter.

10 3. Alternatively, registered organizations may apply for licensure as
11 an adult-use cannabis cultivator, adult-use cannabis processor, and
12 adult-use cannabis distributor, or apply for licensure as an adult-use
13 cannabis retail dispensary, subject to all of the restrictions and limi-
14 tations set forth in article four of this chapter.

15 4. Any registered organization which is licensed to cultivate, proc-
16 ess, distribute and sell adult-use cannabis and cannabis products pursu-
17 ant to this section and article four of this chapter, shall be required
18 to maintain sufficient supply and distribution of medical cannabis
19 products for certified patients pursuant to regulations promulgated by
20 the executive director.

21 § 41. Home cultivation of medical cannabis. 1. Eligible certified
22 patients or one of their designated caregivers twenty-one years of age
23 or older may apply for registration with the office to grow and possess
24 no more than four cannabis plants, as defined by the executive director
25 in regulation, per household.

26 2. All medical cannabis cultivated at home must be grown and stored in
27 a single location in an enclosed, locked space, not open or viewable to

1 the public. Such homegrown medical cannabis must only be for use by the
2 certified patient and may not be distributed, sold, or gifted.

3 3. The board shall develop rules and regulations governing this
4 section which shall include, but not be limited to:

5 (a) the registration of medical cannabis cultivated at home users and
6 tracking of individual plants and the cannabis they produce;

7 (b) the inspection of medical cannabis cultivated at home to ensure
8 compliance with possession limits and any building code, fire code, or
9 other applicable state or local laws;

10 (c) restrictions and prohibitions on the unlicensed manufacturing and
11 processing of medical cannabis products;

12 (d) application and eligibility requirements for a patient or one of
13 their designated caregivers to qualify and be approved to grow medical
14 cannabis;

15 (e) odor mitigation systems and plans that must be utilized for the
16 home growing of medical cannabis;

17 (f) systems and processes that shall be used to confirm grow and
18 possession limits compliance with law enforcement officials;

19 (g) possession limit equivalencies and restrictions on how much
20 harvested and unused cannabis may be possessed by patients and caregiv-
21 ers who grow at home;

22 (h) the requirement that any patient or caregiver who cultivates
23 medical cannabis at home provides proof of ownership of the grow
24 location or written permission from the owner, landlord or governing
25 board;

26 (i) enforcement of non-compliant cultivation at home including but not
27 limited to the revocation of any registration or registry identification
28 card associated with the patient and the seizure and destruction of

1 non-compliant cannabis plants and products and the acquisition and
2 transfer of cannabis plants;

3 (j) cultivation of medical cannabis at home location requirements; and

4 (k) any other regulations related to cultivation of medical cannabis
5 at home, the growing infrastructure used, those with access to the site,
6 or the cannabis material produced.

7 4. An eligible designated caregiver approved by the office may only
8 grow for one patient.

9 5. A designated caregiver may not accept any money, fees, consider-
10 ation, services, or any exchange of value in return for their growing
11 services.

12 6. Any person in violation of state law or regulations related to
13 cultivation of medical cannabis at home shall have any cannabis registry
14 identification card, license, registration, or permit immediately
15 revoked and shall be subject to administrative fines and penalties
16 imposed by the office, as determined in regulation, and shall be subject
17 to any applicable criminal penalties.

18 § 42. Relation to other laws. 1. The provisions of this article shall
19 apply, except that where a provision of this article conflicts with
20 another provision of this chapter, this article shall apply.

21 2. Medical cannabis shall not be deemed to be a "drug" for purposes of
22 article one hundred thirty-seven of the education law.

23 § 43. Protections for the medical use of cannabis. 1. Certified
24 patients, designated caregivers, designated caregiver facilities, prac-
25 titioners, registered organizations and the employees of registered
26 organizations, and cannabis researchers shall not be subject to arrest,
27 prosecution, or penalty in any manner, or denied any right or privilege,
28 including but not limited to civil penalty or disciplinary action by a

1 business or occupational or professional licensing board or bureau,
2 solely for the certified medical use or manufacture of cannabis, or for
3 any other action or conduct, in accordance with this article.

4 2. Being a certified patient shall be deemed to be having a "disabili-
5 ty" under article fifteen of the executive law, section forty-c of the
6 civil rights law, sections 240.00, 485.00, and 485.05 of the penal law,
7 and section 200.50 of the criminal procedure law. This subdivision shall
8 not bar the enforcement of a policy prohibiting an employee from
9 performing his or her employment duties while impaired by or under the
10 influence of a controlled substance. This subdivision shall not require
11 any person or entity to do any act that would put the person or entity
12 in direct violation of federal law or cause it to lose a federal
13 contract or funding.

14 3. The fact that a person is a certified patient and/or acting in
15 accordance with this article, shall not be a consideration in a proceed-
16 ing pursuant to applicable sections of the domestic relations law, the
17 social services law and the family court act.

18 4. (a) Certification applications, certification forms, any certified
19 patient information contained within a database, and copies of registry
20 identification cards shall be deemed exempt from public disclosure under
21 sections eighty-seven and eighty-nine of the public officers law. Upon
22 specific request by a certified patient to the office, the office may
23 verify the requesting patient's status as a valid certified patient to
24 the patient's school or employer, to ensure compliance with the
25 protections afforded by this section.

26 (b) The name, contact information, and other information relating to
27 practitioners registered with the office under this article shall be
28 public information and shall be maintained by the executive director on

1 the office's website accessible to the public in searchable form. Howev-
2 er, if a practitioner notifies the office in writing that he or she does
3 not want his or her name and other information disclosed, that practi-
4 tioner's name and other information shall thereafter not be public
5 information or maintained on the office's website, unless the practi-
6 tioner cancels the request.

7 § 44. Regulations. The board shall make regulations to implement this
8 article.

9 § 45. Suspend; terminate. Based upon the recommendation of the execu-
10 tive director and/or the superintendent of state police that there is a
11 risk to the public health or safety, the governor may immediately termi-
12 nate all licenses issued to registered organizations.

13 § 46. Pricing. 1. Every sale of medical cannabis shall be at or below
14 the price approved by the executive director. Every charge made or
15 demanded for medical cannabis not in accordance with the price approved
16 by the executive director, is prohibited.

17 2. The executive director is hereby authorized to set the per dose
18 price of each form of medical cannabis sold by any registered organiza-
19 tion. In reviewing the per dose price of each form of medical cannabis,
20 the executive director may consider the fixed and variable costs of
21 producing the form of cannabis and any other factor the executive direc-
22 tor, in his or her discretion, deems relevant in reviewing the per dose
23 price of each form of medical cannabis.

24 § 47. Severability. If any clause, sentence, paragraph, section or
25 part of this article shall be adjudged by any court of competent juris-
26 diction to be invalid, the judgment shall not affect, impair, or invali-
27 date the remainder thereof, but shall be confined in its operation to
28 the clause, sentence, paragraph, section or part thereof directly

1 involved in the controversy in which the judgment shall have been
2 rendered.

3 ARTICLE 4

4 ADULT-USE CANNABIS

5 Section 60. Licenses issued.

6 61. License application.

7 62. Information to be requested in applications for licenses.

8 63. Fees.

9 64. Approval and selection criteria.

10 65. Limitations of licensure.

11 66. License renewal.

12 67. Amendments; changes in ownership and organizational struc-
13 ture.

14 68. Adult-use cultivator license.

15 69. Adult-use processor license.

16 70. Adult-use cooperative license.

17 71. Adult-use distributor license.

18 72. Adult-use retail dispensary license.

19 73. Notification to municipalities of adult-use on-site consump-
20 tion license.

21 74. On-site consumption license; provisions governing on-site
22 consumption licenses.

23 75. Record keeping and tracking.

24 76. Inspections and ongoing requirements.

25 77. Adult-use cultivators, processors or distributors not to be
26 interested in retail dispensaries.

78. Packaging, labeling, form and administration of adult-use cannabis products.

79. Laboratory testing.

80. Provisions governing the cultivation and processing of adult-use cannabis.

81. Provisions governing the distribution of adult-use cannabis.

82. Provisions governing adult-use cannabis retail dispensaries.

83. Adult-use cannabis advertising and marketing.

84. Minority, women-owned businesses and disadvantaged farmers; social and economic equity plan.

85. Regulations.

§ 60. Licenses issued. The following kinds of licenses shall be issued by the executive director for the cultivation, processing, distribution and sale of cannabis to cannabis consumers:

1. Adult-use cultivator license;

2. Adult-use processor license;

3. Adult-use cooperative license;

4. Adult-use distributor license;

5. Adult-use retail dispensary license;

6. On-site consumption license; and

7. Any other type of license as prescribed by the board in regulation.

§ 61. License Application. 1. Any eligible person may apply to the office for a license to cultivate, process, distribute or dispense cannabis within this state for sale during an open application period and pursuant to regulations promulgated by the office. Such application shall be in writing and verified and shall contain such information as the office shall require. Such application shall be accompanied by a check, draft or other forms of payment as the office may require for the

1 amount required by this article for such license. If the office approves
2 the application, it may issue a license in such form and through such
3 process prescribed by the office. Such license shall contain a
4 description of the licensed premises and in form and in substance shall
5 be a license to the person therein specifically designated to cultivate,
6 process, distribute or dispense cannabis in the premises therein specif-
7 ically licensed or to engage in any other licensed, registered or
8 permitted activity within the state, and the address, location, and/or
9 scope specified by the office.

10 2. Except as otherwise provided in this article, a separate license
11 shall be required for each facility at which cultivation, processing,
12 distribution or retail dispensing is conducted.

13 3. An applicant shall not be denied a license under this article based
14 solely on a conviction for a violation of article two hundred twenty or
15 section 240.36 of the penal law, prior to the date article two hundred
16 twenty-one of the penal law took effect, or a conviction for a violation
17 of article two hundred twenty-one of the penal law after the effective
18 date of this chapter.

19 § 62. Information to be requested in applications for licenses. 1. The
20 office shall have the authority to prescribe the manner and form in
21 which an application must be submitted to the office for licensure under
22 this article. Such information may include, but is not limited to:
23 information about the applicant's identity, including racial and ethnic
24 background; ownership and investment information, including the corpo-
25 rate structure; evidence of good moral character, including the
26 submission of fingerprints by the applicant to the division of criminal
27 justice services; information about the premises to be licensed; finan-
28 cial statements; and any other information prescribed by in regulation.

1 2. All license applications shall be signed by the applicant (if an
2 individual), by a managing partner (if a limited liability corporation),
3 by an officer (if a corporation), or by all partners (if a partnership).
4 Each person signing such application shall verify it or affirm it as
5 true under the penalties of perjury.

6 3. All license or permit applications shall be accompanied by a check,
7 draft or other forms of payment as the office may require or authorize
8 in the amount required by this article for such license or permit.

9 4. If there be any proposed change, after the filing of the applica-
10 tion or the granting of a license, in any of the facts required to be
11 set forth in such application, a supplemental statement requesting
12 approval of such change, cost and source of money involved in the
13 change, duly verified, shall be submitted to the office prior to such
14 proposed change. Failure to do so shall, if willful and deliberate, be
15 cause for revocation of the license.

16 5. In giving any notice, or taking any action in reference to a regis-
17 tered organization or licensee of a licensed premises, the office may
18 rely upon the information furnished in such application and in any
19 supplemental statement or request connected therewith, and such informa-
20 tion may be presumed to be correct, and shall be binding upon a regis-
21 tered organization, licensee or licensed premises as if correct. All
22 information required to be furnished in such application, requests or
23 supplemental statements shall be deemed material in any prosecution for
24 perjury, any proceeding to revoke or suspend any license, or impose a
25 fine and in the office's determination to approve or deny the license.

26 6. The office may, in its discretion, waive the submission of any
27 category of information described in this section for any category of
28 license or permit, provided that it shall not be permitted to waive the

1 requirement for submission of any such category of information solely
2 for an individual applicant or applicants.

3 7. The office may, in its discretion, wholly prohibit and/or prescribe
4 specific criteria under which it will consider and allow limited trans-
5 fers or changes of ownership, interest, or control during the registra-
6 tion or license application period and/or up to two years after an
7 approved applicant commences licensed activities.

8 § 63. Fees. 1. The office shall have the authority to charge appli-
9 cants for licensure under this article a non-refundable application fee
10 and/or to to create a competitive process determined by the office to be
11 qualified for such licensure based on the selection criteria in section
12 sixty-four of this article. Such fee may be based on the type of licen-
13 sure sought, cultivation and/or production volume, sequence or priority
14 of issuance, or any other factors deemed necessary, reasonable and
15 appropriate by the office to achieve the policy and purpose of this
16 chapter.

17 2. The office shall have the authority to charge licensees a biennial
18 or annual license fee which shall be non-refundable. Such fee may be
19 based on the amount of cannabis to be cultivated, processed, distributed
20 and/or dispensed by the licensee or the gross annual receipts of the
21 licensee for the previous license period, or any other factors deemed
22 reasonable and appropriate by the office.

23 3. The office shall have the authority to waive or reduce fees pursu-
24 ant to this section for social and economic equity applicants.

25 § 64. Approval and selection criteria. 1. The board shall develop
26 regulations for use by the office in determining whether or not an
27 applicant should be approved for and subsequently granted the privilege
28 of holding an adult-use cannabis license. The criteria for such approval

1 or subsequent issuance shall be based on, but not limited to, the
2 following criteria:

3 (a) the applicant will be able to maintain effective control against
4 the illegal diversion or inversion of cannabis;

5 (b) the applicant will be able to comply with all applicable state
6 laws and regulations;

7 (c) the applicant and its officers are ready, willing, and able to
8 properly carry on the activities for which a license is sought;

9 (d) where appropriate and applicable, the applicant possesses or has
10 the right to use, or opportunity to acquire, sufficient land, buildings,
11 and equipment to properly carry on the activity described in the appli-
12 cation;

13 (e) it is in the public interest that such license be granted, taking
14 into consideration, but not limited to, the following criteria:

15 (i) that it is a privilege, and not a right, to cultivate, process,
16 distribute, and sell cannabis;

17 (ii) the number, classes, scope and character of other licenses or
18 approved applicants in proximity to the location or in the state, county
19 or particular municipality or subdivision thereof as appropriate;

20 (iii) evidence that all necessary licenses and permits have been
21 obtained from the state and all other governing bodies;

22 (iv) the history of cannabis or other relevant regulatory violations
23 at the proposed location or by the applicant in any relevant jurisdic-
24 tion, as well as any pattern of violations under this chapter, and
25 reported criminal activity at the proposed premises;

26 (v) the effect on the production, price and availability of cannabis
27 and cannabis products; and

1 (vi) any other factors specified by law or regulation that are rele-
2 vant to determine that granting a license would promote public health
3 and safety and the public interest of the state, county or community;

4 (f) the applicant and its managing officers do not have an ownership
5 or controlling interest in more licenses, permits, or the scope of
6 activity allowed by this chapter, or any regulations promulgated here-
7 under;

8 (g) the applicant has entered into a labor peace agreement with a
9 bona-fide labor organization that is actively engaged in representing or
10 attempting to represent the applicant's employees, and the maintenance
11 of such a labor peace agreement shall be an ongoing material condition
12 of licensure;

13 (h) the applicant will contribute to communities, the workforce and
14 people disproportionately harmed by cannabis law enforcement through
15 participation in the social and economic equity plan implemented by the
16 office or other suitable means;

17 (i) if the application is for an adult-use cultivator license, the
18 environmental impact of the facility to be licensed; and

19 (j) the applicant satisfies any other conditions as determined by the
20 executive director.

21 2. If the executive director is not satisfied that the applicant is
22 eligible to be approved, or subsequently should be issued a license, the
23 executive director shall notify the applicant in writing of the specific
24 reason or reasons for denial.

25 § 65. Limitations of licensure. 1. No license of any kind may be
26 issued to a person under the age of twenty-one years, nor shall any
27 licensee employ anyone under the age of eighteen years.

1 2. No person shall sell, deliver, or give away or cause or permit or
2 procure to be sold, delivered or given away any cannabis to any person,
3 actually or apparently, under the age of twenty-one years, or any visi-
4 bly intoxicated person.

5 3. No person shall knowingly sell, deliver, or give away or cause or
6 permit or procure to be sold, delivered or given away to a lawful canna-
7 bis consumer any amount of cannabis which would cause the lawful canna-
8 bis consumer to be in violation of the possession limits established by
9 this chapter, or their equivalent as determined by the executive direc-
10 tor in regulation.

11 4. The office shall have the authority to limit, by canopy, plant
12 count, square footage or other means, the amount of cannabis allowed to
13 be grown, processed, distributed or sold by a licensee.

14 5. All licenses under this article shall expire two years after the
15 date of issue.

16 § 66. License renewal. 1. Each license, issued pursuant to this arti-
17 cle, may be approved for renewal upon application therefor by the licen-
18 see and the payment of the fee for such license as prescribed by this
19 article. In the case of applications for renewals, the office may
20 dispense with the requirements of such statements as it deems unneces-
21 sary in view of those contained in the application made for the original
22 license, but in any event the submission of photographs of the licensed
23 premises may be dispensed with, provided the applicant for such renewal
24 shall file a statement with the office to the effect that there has been
25 no alteration of such premises since the original license was issued.
26 The office may make such rules as it deems necessary, not inconsistent
27 with this chapter, regarding applications for renewals of licenses and
28 permits and the time for making the same.

1 2. The office shall create a social responsibility framework agreement
2 and make the adherence to and fulfillment of such agreement a condi-
3 tional requirement of license renewal.

4 3. The office shall provide an application for renewal of a license
5 issued under this article not less than ninety days prior to the expira-
6 tion of the current license.

7 4. The office may only issue a renewal license upon receipt of the
8 prescribed renewal application and renewal fee from a licensee if, in
9 addition to the criteria in this section, the licensee's license is not
10 under suspension and has not been revoked.

11 5. Each applicant must maintain a labor peace agreement with a bona-
12 fide labor organization that is actively engaged in representing or
13 attempting to represent the applicant's employees and the maintenance of
14 such a labor peace agreement shall be an ongoing material condition of
15 licensure.

16 § 67. Amendments; changes in ownership and organizational structure.

17 1. Licenses issued pursuant to this article shall specify:

18 (a) the name and address of the licensee;

19 (b) the activities permitted by the license;

20 (c) the land, buildings, facilities, locations or areas that may be
21 used for the licensed activities of the licensee;

22 (d) a unique license number issued by the office to the licensee; and

23 (e) such other information as the executive director shall deem neces-
24 sary to assure compliance with this chapter.

25 2. Upon application to the office, an application or license may be
26 amended to allow the applicant or licensee to relocate within the state,
27 to add or delete licensed activities or facilities, or to amend the
28 ownership or organizational structure of the entity that is the appli-

1 cant or licensee, upon approval by the executive director. The fee for
2 such amendment shall be determined by the executive director in regu-
3 lation.

4 3. A license shall become void by a change in ownership, management,
5 interest, substantial corporate change, location, or material changes in
6 operations without prior written approval of the executive director. The
7 executive director may promulgate regulations specifying the process for
8 amendment requests and allowing for certain types of changes in owner-
9 ship without the need for prior written approval.

10 4. For purposes of this section, "substantial corporate change" shall
11 mean:

12 (a) for a corporation, a change of five percent or more of the offi-
13 cers and/or directors, or a transfer of five percent or more of stock of
14 such corporation, or an existing stockholder obtaining five percent or
15 more of the stock of such corporation; or

16 (b) for a limited liability company, a change of five percent or more
17 of the managing members of the company, or a transfer of five percent or
18 more of ownership interest in said company, or an existing member
19 obtaining a cumulative of five percent or more of the ownership interest
20 in said company.

21 § 68. Adult-use cultivator license. 1. An adult-use cultivator's
22 license shall authorize the acquisition, possession, cultivation and
23 sale of cannabis from the licensed premises of the adult-use cultivator
24 by such licensee to duly licensed processors in this state. The board
25 may establish regulations allowing licensed adult-use cultivators to
26 perform certain types of minimal processing, defined in regulation,
27 without the need for an adult-use processor license.

1 2. For purposes of this section, cultivation shall include, but not be
2 limited to, the planting, growing, cloning, harvesting, drying, curing,
3 grading and trimming of cannabis.

4 3. A person holding an adult-use cultivator's license may apply for,
5 and obtain, one processor's license and one distributor's license.

6 4. A person holding an adult-use cultivator's license may not also
7 hold a retail dispensary license pursuant to this article and no adult-
8 use cannabis cultivator shall have a direct or indirect interest,
9 including by stock ownership, interlocking directors, mortgage or lien,
10 personal or real property, management agreement, share parent companies
11 or affiliate organizations, or any other means, in any premises licensed
12 as an adult-use cannabis retail dispensary or in any business licensed
13 as an adult-use cannabis retail dispensary pursuant to this article.

14 5. A person holding an adult-use cultivator's license may not hold a
15 license to distribute cannabis under this article unless the licensed
16 cultivator is also licensed as a processor under this article.

17 6. No person may have a direct or indirect financial or controlling
18 interest in more than one adult-use cultivator license issued pursuant
19 to this chapter, provided that one adult-use cultivator license may
20 authorize adult-use cultivation in more than one location.

21 7. The executive director shall have the authority to issue microbusi-
22 ness cultivator licenses, allowing microbusiness licensees to cultivate,
23 process, and distribute adult-use cannabis direct to licensed cannabis
24 retailers, under a single license. The board may establish through
25 regulation microbusiness license eligibility criteria and production
26 limits of total cannabis cultivated, processed and/or distributed annu-
27 ally for microbusiness cultivator licenses.

1 § 69. Adult-use processor license. 1. A processor's license shall
2 authorize the acquisition, possession, processing and sale of cannabis
3 from the licensed premises of the adult-use cultivator by such licensee
4 to duly licensed distributors.

5 2. For purposes of this section, processing shall include, but not be
6 limited to, blending, extracting, infusing, packaging, labeling, brand-
7 ing and otherwise making or preparing cannabis products. Processing
8 shall not include the cultivation of cannabis.

9 3. No processor shall be engaged in any other business on the premises
10 to be licensed; except that nothing contained in this chapter shall
11 prevent an adult-use cannabis cultivator, processor, and distributor
12 from operating on the same premises and from a person holding all three
13 licenses.

14 4. No cannabis processor licensee may hold more than one cannabis
15 processor license, provided a single license may authorize processor
16 activities at multiple locations.

17 5. No adult-use cannabis processor shall have a direct or indirect
18 interest, including by stock ownership, interlocking directors, mortgage
19 or lien, personal or real property, management agreement, or through
20 parent organizations or affiliate entities, or any other means, in any
21 premises licensed as an adult-use cannabis retail dispensary or in any
22 business licensed as an adult-use cannabis retail dispensary pursuant to
23 this article.

24 § 70. Adult-use cooperative license. 1. A cooperative license shall
25 authorize the acquisition, possession, cultivation, processing and sale
26 from the licensed premises of the adult-use cooperative by such licensee
27 to duly licensed distributors and/or retail dispensaries; but not
28 directly to cannabis consumers.

1 2. To be licensed as an adult-use cooperative, the cooperative must:

2 (a) be comprised of residents of the state of New York as a limited
3 liability company or limited liability partnership under the laws of the
4 state, or an appropriate business structure as determined by the execu-
5 tive director; and

6 (b) the cooperative must operate according to the seven cooperative
7 principles published by the International Cooperative Alliance in nine-
8 teen hundred ninety-five.

9 3. No person shall be a member of more than one adult-use cooperative
10 licensed pursuant to this section.

11 4. No person or member of an adult-use cooperative license may have a
12 direct or indirect financial or controlling interest in any other
13 adult-use cannabis license issued pursuant to this chapter.

14 5. No adult-use cannabis cooperative shall have a direct or indirect
15 interest, including by stock ownership, interlocking directors, mortgage
16 or lien, personal or real property, or any other means, in any premises
17 licensed as an adult-use cannabis retail dispensary or in any business
18 licensed as an adult-use cannabis retail dispensary pursuant to this
19 article.

20 6. The board shall promulgate regulations governing cooperative
21 licenses, including, but not limited to, the establishment of canopy
22 limits and other restrictions on the size and scope of cooperative
23 licensees.

24 § 71. Adult-use distributor license. 1. A distributor's license shall
25 authorize the acquisition, possession, distribution and sale of cannabis
26 from the licensed premises of a licensed adult-use processor, microbusi-
27 ness cultivator, adult-use cooperative, or registered organization

1 authorized to sell adult-use cannabis, to duly licensed retail dispen-
2 saries.

3 2. No distributor shall have a direct or indirect economic interest in
4 any adult-use retail dispensary licensed pursuant to this article, or in
5 any registered organization registered pursuant to article three of this
6 chapter. This restriction shall not prohibit a registered organization
7 authorized pursuant to section forty of this chapter, from being granted
8 licensure by the office to distribute adult-use cannabis products culti-
9 vated and processed by the registered organization to the registered
10 organization's own licensed adult-use retail dispensaries.

11 3. Nothing in subdivision two of this section shall prevent a distrib-
12 utor from charging an appropriate fee for the distribution of cannabis,
13 including based on the volume of cannabis distributed.

14 4. Adult-use distributor licensees are subject to minimum operating
15 requirements as determined by regulation.

16 § 72. Adult-use retail dispensary license. 1. A retail dispensary
17 license shall authorize the acquisition, possession and sale of cannabis
18 from the licensed premises of the retail dispensary by such licensee to
19 cannabis consumers.

20 2. No person may have a direct or indirect financial or controlling
21 interest in more than three retail dispensary licenses issued pursuant
22 to this chapter. This restriction shall not prohibit a registered organ-
23 ization, authorized pursuant to section forty of this chapter, from
24 being granted licensure by the office to sell adult-use cannabis at
25 locations previously registered by the department of health; subject to
26 any conditions, limitations or restrictions established by the office.

1 3. No person holding a retail dispensary license may also hold or have
2 any interest in an adult-use cultivation, processor, microbusiness
3 cultivator, cooperative or distributor license pursuant to this article.

4 4. No retail license shall be granted for any premises, unless the
5 applicant shall be the owner thereof, or shall be in possession of said
6 premises under a lease, management agreement or other agreement giving
7 the applicant control over the premises, in writing, for a term not less
8 than the license period.

9 5. No cannabis retail license shall be granted for any premises within
10 five hundred feet of a building occupied exclusively as a school, or two
11 hundred feet of a church, synagogue or other place of worship.

12 § 73. Notification to municipalities of adult-use on-site consumption
13 license. 1. Adult-use on-site consumption applicants must notify the
14 municipality in which the proposed premises is located within ten busi-
15 ness days of identifying the proposed premises and/or executing a lease,
16 letter of intent to occupy the premises, or execution of a purchase and
17 sale agreement.

18 2. Such notification shall be made to the clerk of the village, town
19 or city, as the case may be, wherein the premises is located. For
20 purposes of this section:

21 (a) notification need only be given to the clerk of a village when the
22 proposed or secured premises is located within the boundaries of such
23 village; and

24 (b) in the city of New York, the community board established pursuant
25 to section twenty-eight hundred of the New York city charter with juris-
26 diction over the area in which the proposed or secured premises is
27 located shall be considered the appropriate public body to which notifi-
28 cation shall be given.

1 3. Such notification shall be made in such form as shall be prescribed
2 by the rules of the office.

3 4. Such notification shall be made in such manner as outlined by the
4 office in regulation.

5 5. The office shall require such notification to be on a standardized
6 form that can be obtained on the internet or from the office and such
7 notification shall include applicant, licensee and proposed or secured
8 premises information as determined by the office in regulation.

9 § 74. On-site consumption license; provisions governing on-site
10 consumption licenses. 1. No licensed adult-use cannabis retail dispen-
11 sary may be granted a cannabis on-site consumption license for any prem-
12 ises, unless the applicant shall be the owner thereof, or shall be in
13 possession of said premises under a lease, in writing, for a term not
14 less than the license period except, however, that such license may
15 thereafter be renewed without the requirement of a lease as provided in
16 this section. This subdivision shall not apply to premises leased from
17 government agencies, as defined under subdivision twenty of section
18 three of this chapter; provided, however, that the appropriate adminis-
19 trator of such government agency provides some form of written documen-
20 tation regarding the terms of occupancy under which the applicant is
21 leasing said premises from the government agency for presentation to the
22 office at the time of the license application. Such documentation shall
23 include the terms of occupancy between the applicant and the government
24 agency, including, but not limited to, any short-term leasing agreements
25 or written occupancy agreements.

26 2. No adult-use cannabis retail dispensary shall be granted a cannabis
27 on-site consumption license for any premises within five hundred feet of

1 a building occupied exclusively as a school, or two hundred feet of a
2 church, synagogue or other place of worship.

3 3. The office may consider any or all of the following in determining
4 whether public health, safety, and convenience and the public interest
5 will be promoted by approving an application or the granting of a
6 license for an on-site cannabis consumption at a particular location:

7 (a) that it is a privilege, and not a right, to cultivate, process,
8 distribute, and sell cannabis;

9 (b) the number, classes, scope and character of other licenses in
10 proximity to the location and in the particular municipality or subdivi-
11 sion thereof;

12 (c) evidence that all necessary licenses and permits have been
13 obtained from the state and all other governing bodies;

14 (d) the history of violations under this chapter, or cannabis laws and
15 regulations of another jurisdiction, and reported criminal activity at
16 the proposed premises or associated with the applicant; and

17 (e) any other factors that, in the judgment of the office, are rele-
18 vant to determine that granting a license would promote public health,
19 safety and convenience and the public interest of the community;

20 4. If the office shall deny an application for an on-site consumption
21 license, it shall state and file in its offices the reasons therefor and
22 shall notify the applicant thereof. Such applicant may thereupon apply
23 to the office for a review of such action in a manner to be prescribed
24 by the rules of the office.

25 5. All retail licensed premises shall be subject to inspection by any
26 peace officer, acting pursuant to his or her special duties, or police
27 officer and by the duly authorized representatives of the office, during

1 the hours when the said premises are open for the transaction of busi-
2 ness.

3 6. A cannabis on-site consumption licensee shall not provide cannabis
4 products to any person under the age of twenty-one or to anyone visibly
5 intoxicated.

6 7. The office, in its discretion, shall have the ability to prior-
7 itize, or postpone accepting applications for, and the issuance of,
8 on-site consumption licenses, and/or prioritize or limit the acceptance
9 and review of applications from applicant pools such as social and
10 economic equity applicants, consistent with the intent of this chapter.

11 8. The office shall promulgate rules and regulations governing the
12 minimum operating requirements for on-site consumption licensees.

13 § 75. Record keeping and tracking. The board shall, by regulation,
14 require each licensee pursuant to this article to adopt and maintain
15 security, tracking, record keeping, record retention and surveillance
16 systems, relating to all cannabis at every stage of acquiring,
17 possession, manufacture, sale, delivery, transporting, or distributing
18 by the licensee.

19 § 76. Inspections and ongoing requirements. All licensed or permitted
20 premises, regardless of the type of premises, and records including
21 financial statements and corporate documents, shall be subject to
22 inspection by the office, by the duly authorized representatives of the
23 office, by any peace officer acting pursuant to his or her special
24 duties, or by a police officer. The office shall make reasonable accom-
25 modations so that ordinary business is not interrupted and safety and
26 security procedures are not compromised by the inspection. A person who
27 holds a license or permit must make himself or herself, or an agent
28 thereof, available and present for any inspection required by the

1 office. Such inspection may include, but is not limited to, ensuring
2 compliance by the licensee or permittee with all of the requirements of
3 this article, the regulations promulgated pursuant thereto, and other
4 applicable building codes, fire, health, safety, and governmental regu-
5 lations, including at the municipal, county, and state level and include
6 any inspector or official of relevant jurisdiction.

7 § 77. Adult-use cultivators, processors or distributors not to be
8 interested in retail dispensaries. 1. It shall be unlawful for a culti-
9 vator, processor, cooperative or distributor licensed under this article
10 to:

11 (a) be interested directly or indirectly in any premises where any
12 cannabis product is sold at retail; or in any business devoted wholly or
13 partially to the sale of any cannabis product at retail by stock owner-
14 ship, interlocking directors, mortgage or lien or any personal or real
15 property, or by any other means.

16 (b) make, or cause to be made, any loan to any person engaged in the
17 manufacture or sale of any cannabis product at wholesale or retail.

18 (c) make any gift or render any service of any kind whatsoever,
19 directly or indirectly, to any person licensed under this chapter which
20 in the judgment of the office may tend to influence such licensee to
21 purchase the product of such cultivator or processor or distributor.

22 (d) enter into any contract or agreement with any retail licensee
23 whereby such licensee agrees to confine his sales to cannabis products
24 manufactured or sold by one or more such cultivator or processors or
25 distributors. Any such contract shall be void and subject the licenses
26 of all parties concerned to revocation for cause and any applicable
27 administrative enforcement and penalties.

1 2. The provisions of this section shall not prohibit a registered
2 organization authorized pursuant to section forty of this chapter, from
3 cultivating, processing, distributing and selling adult-use cannabis
4 under this article, at facilities wholly owned and operated by such
5 registered organization, subject to any conditions, limitations or
6 restrictions established by the office.

7 3. The board shall have the authority to create rules and regulations
8 in regard to this section.

9 § 78. Packaging, labeling, form and administration of adult-use canna-
10 bis products. 1. The board is hereby authorized to promulgate rules and
11 regulations governing the packaging, labeling, form and method of admin-
12 istration or ingestion, branding and marketing of cannabis products,
13 sold or possessed for sale in New York state.

14 2. Such regulations shall include, but not be limited to, requiring
15 that:

16 (a) packaging meets requirements similar to the federal "poison
17 prevention packaging act of 1970," 15 U.S.C. Sec 1471 et seq.;

18 (b) prior to delivery or sale at a retailer, cannabis and cannabis
19 products shall be labeled according to regulations and placed in a
20 resealable, child-resistant package; and

21 (c) packages, labels, forms and products shall not be made to be
22 attractive to or target persons under the age of twenty-one.

23 3. Such regulations shall include requiring labels warning consumers
24 of any potential impact on human health resulting from the consumption
25 of cannabis products that shall be affixed to those products when sold,
26 if such labels are deemed warranted by the office and may establish
27 standardized and/or uniform packaging requirements for adult-use
28 products.

1 4. Such rules and regulations shall determine serving sizes for canna-
2 bis-infused products, active cannabis concentration per serving size,
3 and number of servings per container. Such regulations shall also
4 require a nutritional fact panel that incorporates data regarding serv-
5 ing sizes and potency thereof.

6 5. Such rules and regulations shall establish approved product types
7 and forms and establish an application and review process to determine
8 the suitability of new product types and forms, taking into consider-
9 ation the consumer and public health and safety implications of differ-
10 ent product varieties, manufacturing processes, product types and forms,
11 the means and methods of ingestion associated with specific product
12 types, and any other criteria identified by the board for consideration
13 to protect public health and safety.

14 6. The packaging, sale, labeling, marketing, branding, advertising or
15 possession by any licensee of any cannabis product not labeled or
16 offered in conformity with rules and regulations promulgated in accord-
17 ance with this section shall be grounds for the imposition of a fine,
18 and/or the suspension, revocation or cancellation of a license. Fines
19 may be imposed on a per violation, per day basis.

20 § 79. Laboratory testing. 1. Every processor of adult-use cannabis
21 shall contract with an independent laboratory permitted pursuant to
22 section one hundred twenty-nine of this chapter, to test the cannabis
23 products it produces pursuant to rules and regulations prescribed by the
24 office. The board may assign an approved testing laboratory, which the
25 processor of adult-use cannabis must use, and may establish consortia
26 with neighboring states, to inform best practices, and share data.

27 2. Adult-use cannabis processors, cooperatives and microbusinesses
28 shall make laboratory test reports available to licensed distributors

1 and retail dispensaries for all cannabis products manufactured by the
2 processor or licensee.

3 3. Licensed retail dispensaries shall maintain accurate documentation
4 of laboratory test reports for each cannabis product offered for sale to
5 cannabis consumers. Such documentation shall be made publicly available
6 by the licensed retail dispensary.

7 4. Onsite laboratory testing by licensees is permissible subject to
8 regulation; however, such testing shall not be certified by the office
9 and does not exempt the licensee from the requirements of quality assur-
10 ance testing at a testing laboratory pursuant to this section.

11 5. An owner of a cannabis laboratory testing permit shall not hold a
12 license, or interest in a license, in any other category within this
13 article and shall not own or have ownership interest in a registered
14 organization registered pursuant to article three of this chapter.

15 6. The office shall have the authority to require any licensee under
16 this article to submit cannabis or cannabis products to one or more
17 independent laboratories for testing and the board may promulgate regu-
18 lations related to all aspects of third-party testing and quality assur-
19 ance including but not limited to:

20 (a) minimum testing and sampling requirements;

21 (b) testing and sampling methodologies;

22 (c) testing reporting requirements;

23 (d) retesting; and

24 (e) product quarantine, hold, recall, and remediation.

25 § 80. Provisions governing the cultivation and processing of adult-use
26 cannabis. 1. Cultivation of cannabis shall comply with regulations
27 promulgated by the board governing minimum requirements.

1 2. No cultivator or processor of adult-use cannabis shall sell, or
2 agree to sell or deliver in the state any cannabis products, as the case
3 may be, except in sealed containers containing quantities in accordance
4 with size standards pursuant to rules adopted by the office. Such
5 containers shall have affixed thereto such labels or other means of
6 tracking and identification as may be required by the rules of the execu-
7 tive director.

8 3. No cultivator or processor of adult-use cannabis shall furnish or
9 cause to be furnished to any licensee, any exterior or interior sign,
10 printed, painted, electric or otherwise, except as authorized by the
11 office. The office may make such rules as it deems necessary to carry
12 out the purpose and intent of this subdivision.

13 4. The board, in conjunction with the department of environmental
14 conservation, shall promulgate all necessary rules and regulations, as
15 well as a process for approval, governing the safe production of canna-
16 bis including, but not limited to, environmental and energy standards
17 and restrictions on the use of pesticides.

18 5. No cultivator or processor of adult-use cannabis shall deliver any
19 cannabis products, except in vehicles owned and operated by such culti-
20 vator, processor, or hired and operated by such cultivator or processor
21 from a trucking or transportation company registered with the office,
22 and shall only make deliveries at the licensed premises of the purchas-
23 er.

24 6. No cultivator or processor of adult-use cannabis, including an
25 adult-use cannabis cooperative or microbusiness cultivator, may offer
26 any incentive, payment or other benefit to a licensed cannabis retail
27 dispensary in return for carrying the cultivator, processor, cooperative
28 or microbusiness cultivator's products, or preferential shelf placement.

1 7. All cannabis products shall be processed in accordance with good
2 manufacturing processes for the product category, pursuant to either
3 Part 111 or Part 117 of Title 21 of the Code of Federal Regulations, as
4 may be defined and modified by the board in regulation, which shall to
5 the extent practicable and possible, align with neighboring state
6 requirements.

7 8. No processor of adult-use cannabis shall produce any product which,
8 in the discretion of the office, is designed to appeal to anyone under
9 the age of twenty-one years.

10 9. The use or integration of wine, beer, liquor or nicotine or any
11 other substance identified in regulation in cannabis products is prohib-
12 ited.

13 10. The board shall promulgate regulations governing the minimum
14 requirements for the secure transport of adult-use cannabis.

15 § 81. Provisions governing the distribution of adult-use cannabis. 1.
16 No distributor shall sell, or agree to sell or deliver any cannabis
17 products, as the case may be, in any container, except in a sealed pack-
18 age. Such containers shall have affixed thereto such labels as may be
19 required by the rules of the office.

20 2. No distributor shall deliver any cannabis products, except in vehi-
21 cles owned and operated by such distributor, or hired and operated by
22 such distributor from a trucking or transportation company registered
23 with the office, and shall only make deliveries at the licensed premises
24 of the purchaser.

25 3. Each distributor shall keep and maintain upon the licensed prem-
26 ises, adequate books and records of all transactions involving the busi-
27 ness transacted by such distributor, which shall show the amount of
28 cannabis products purchased by such distributor together with the names,

1 license numbers and places of business of the persons from whom the same
2 was purchased and the amount involved in such purchases, as well as the
3 amount of cannabis products sold by such distributor together with the
4 names, addresses, and license numbers of such purchasers and any other
5 information required in regulation. Each sale shall be recorded sepa-
6 rately on a numbered invoice, which shall have printed thereon the
7 number, the name of the licensee, the address of the licensed premises,
8 and the current license number and any other information required in
9 regulation. Such distributor shall deliver to the purchaser a true
10 duplicate invoice stating the name and address of the purchaser, the
11 quantity of cannabis products, description by brands and the price of
12 such cannabis products, and a true, accurate and complete statement of
13 the terms and conditions on which such sale is made. Such books, records
14 and invoices shall be kept for a period of six years and shall be avail-
15 able for inspection by any authorized representative of the office.

16 4. No distributor shall furnish or cause to be furnished to any licen-
17 see, any exterior or interior sign, printed, painted, electric or other-
18 wise, unless authorized by the office.

19 5. No distributor shall provide any discount, rebate or customer
20 loyalty program to any licensed retailer, except as otherwise allowed by
21 the office.

22 6. The board is authorized to promulgate regulations establishing a
23 minimum margin for which a distributor may mark up a cannabis product
24 for sale to a retail dispensary. Any adult-use cannabis product sold by
25 a distributor in violation of the established markup allowed in regu-
26 lation, shall be unlawful.

27 7. Each distributor shall keep and maintain upon the licensed prem-
28 ises, adequate books and records to demonstrate the distributor's actual

1 cost of doing business, using accounting standards and methods regularly
2 employed in the determination of costs for the purpose of federal income
3 tax reporting, for the total operation of the licensee. Such books,
4 records, financial statements, contracts, corporate documents, and
5 invoices shall be kept for a period of six years and shall be available
6 for inspection by any authorized representative of the office, includ-
7 ing, for use in determining the minimum markup allowed in regulation
8 pursuant to subdivision six of this section.

9 § 82. Provisions governing adult-use cannabis retail dispensaries. 1.
10 No cannabis retail licensee shall sell or give away or cause or permit
11 or procure to be sold, delivered or given away any cannabis to any
12 person, actually or apparently, under the age of twenty-one years or any
13 visibly intoxicated person.

14 2. No cannabis retail licensee shall sell more than one ounce of
15 adult-use cannabis, or its equivalent amount as determined in regu-
16 lation, per cannabis consumer per day; nor more than five grams of
17 cannabis concentrate per cannabis consumer per day.

18 3. No cannabis retail licensee shall sell alcoholic beverages, nor
19 have or possess a license or permit to sell alcoholic beverages, on the
20 same premises where cannabis products are sold.

21 4. No sign of any kind printed, painted or electric, advertising any
22 brand shall be permitted on the exterior or interior of such premises,
23 except as permitted by the office.

24 5. No cannabis retail licensee shall sell any cannabis products to any
25 person with knowledge of, or with reasonable cause to believe, that the
26 person to whom such cannabis products are being sold, has acquired the
27 same for the purpose of peddling them from place to place, or of selling

1 or giving them away in violation of the provisions of this chapter or in
2 violation of the rules and regulations of the board.

3 6. All premises licensed under this section shall be subject to
4 reasonable inspection by any peace officer described in subdivision four
5 of section 2.10 of the criminal procedure law acting pursuant to his or
6 her special duties, or police officer or any duly authorized represen-
7 tative of the office.

8 7. No cannabis retail licensee shall be interested, directly or indi-
9 rectly, in any cultivator, processor or distributor licensed pursuant to
10 this article, by stock ownership, interlocking directors, mortgage or
11 lien on any personal or real property or by any other means.

12 8. No cannabis retail licensee shall make or cause to be made any loan
13 to any person engaged in the cultivation, processing or distribution of
14 cannabis pursuant to this article.

15 9. Each cannabis retail licensee shall designate the price of each
16 item of cannabis by attaching to or otherwise displaying immediately
17 adjacent to each such item displayed in the interior of the licensed
18 premises where sales are made a price tag, sign or placard setting forth
19 the price at which each such item is offered for sale therein.

20 10. No person licensed to sell cannabis products at retail, shall
21 allow or permit any gambling, or offer any gambling on the licensed
22 premises, or allow or permit illicit drug activity on the licensed prem-
23 ises. The use of the licensed premises or any part thereof for the sale
24 of lottery tickets, when duly authorized and lawfully conducted thereon,
25 shall not constitute gambling within the meaning of this subdivision.

26 11. If an employee of a cannabis retail licensee suspects that a
27 cannabis consumer may be abusing cannabis, such employee shall encourage
28 such cannabis consumer to seek the help of a state licensed facility or

1 program for the treatment of cannabis use disorder. Cannabis retail
2 licensees shall develop standard operating procedures and written mate-
3 rials for employees to utilize when consulting consumers for purposes of
4 this subdivision.

5 12. The board is authorized to promulgate regulations governing
6 licensed adult-use dispensing facilities, including but not limited to,
7 minimum general operating requirements, the hours of operation, size and
8 location of the licensed facility, potency and types of products offered
9 and establishing a minimum margin for which a retail dispensary must
10 markup a cannabis product(s) before selling to a cannabis consumer. Any
11 adult-use cannabis product sold by a retail dispensary for less than the
12 minimum markup allowed in regulation, shall be unlawful.

13 13. No adult-use retail dispensary may engage in the home delivery or
14 retail delivery of adult-use cannabis products unless they are specif-
15 ically approved and licensed to do so, or have contracted with a third-
16 party home delivery licensee. All home delivery operations must be sepa-
17 rately approved and licensed by the office and must comply with minimum
18 application, licensing and operation requirements required by the office
19 in regulation.

20 § 83. Adult-use cannabis advertising and marketing. 1. The board is
21 hereby authorized to promulgate rules and regulations governing,
22 restricting, and prohibiting various forms and content of the advertis-
23 ing and marketing of licensed adult-use cannabis cultivators, process-
24 ors, cooperatives, distributors, retailers, and any cannabis products or
25 services.

26 2. The office shall promulgate guidelines for appropriate content,
27 warnings, and means of advertising and marketing, including but not
28 limited to prohibiting advertising that:

- 1 (a) is false, deceptive, or misleading;
- 2 (b) promotes overconsumption;
- 3 (c) depicts consumption;
- 4 (d) is designed in any way to appeal to children or other minors;
- 5 (e) is within or is readily observed within five hundred feet of the
- 6 perimeter of a school grounds, playground, child care center, public
- 7 park, or library;
- 8 (f) is in public transit vehicles and stations;
- 9 (g) is in the form of an unsolicited internet pop-up;
- 10 (h) is on publicly owned or operated property;
- 11 (i) makes medical claims or promotes adult-use cannabis for a medical
- 12 or wellness purpose;
- 13 (j) promotes or implements discounts, coupons, or other means of sell-
- 14 ing adult-use cannabis products below market value or whose discount
- 15 would subvert local and state tax collections;
- 16 (k) the content and primary purpose of which is not to alert and
- 17 educate lawful cannabis consumers about the availability of regulated
- 18 adult-use cannabis and displace the illicit market but to solely promote
- 19 cannabis use; or
- 20 (l) fails to satisfy any other advertising or marketing rule or regu-
- 21 lations promulgated by the office related to marketing or advertising.
- 22 3. The office shall promulgate guidelines prohibiting all marketing
- 23 strategies and implementation including, but not limited to, branding,
- 24 packaging, labeling, location of cannabis retailers, and advertisements
- 25 that are designed to:
- 26 (a) appeal to persons under twenty-one years of age and/or at-risk
- 27 populations; or
- 28 (b) disseminate false or misleading information to customers.

1 4. The office shall promulgate guidelines requiring that:

2 (a) all advertisements and marketing accurately and legibly identify
3 the licensee responsible for its content and contain recognizable and
4 legible warnings associated with cannabis use; and

5 (b) any broadcast, cable, radio, print and digital communication
6 advertisements only be placed where the audience is reasonably expected
7 to be twenty-one years of age or older, as determined by reliable,
8 up-to-date audience composition data. The burden of proving this
9 requirement lies with the party that has paid for or facilitated the
10 advertisement.

11 5. The office shall establish procedures to review and enforce all
12 advertising and marketing requirements.

13 § 84. Minority, women-owned businesses and disadvantaged farmers;
14 social and economic equity plan. 1. The office shall implement a social
15 and economic equity plan that actively promotes racial, ethnic, and
16 gender diversity in the adult-use cannabis industry and prioritizes
17 applicants who qualify as a minority and women-owned business, social
18 equity applicant, or disadvantaged farmer and which positively impacts
19 areas that have been harmed through disproportionate enforcement of the
20 war on drugs.

21 2. The office shall create a social and economic equity plan which
22 promotes diversity in ownership and employment in the adult-use cannabis
23 industry and the inclusion of:

24 (a) minority-owned businesses;

25 (b) women-owned businesses;

26 (c) social equity applicants as defined in subdivision four of this
27 section;

1 (d) minority and women-owned businesses, as defined in subdivision
2 four of this section; and

3 (e) disadvantaged farmers, as defined in subdivision four of this
4 section.

5 3. (a) The social and economic equity plan implemented by the office
6 shall promote participation and hiring of qualified social and economic
7 equity applicants. These applicants shall be deemed qualified by the
8 office through criteria determined in this section and by regulation
9 promulgated hereunder. Once qualified, a social and economic equity
10 applicant shall be eligible to access all or some of this available
11 social and economic equity plan programs based on their qualification
12 criteria, which may include but not be limited to:

13 (i) priority and expedited application submission and review for
14 adult-use cannabis licenses;

15 (ii) priority or exclusive access to specific classes or categories of
16 adult-use cannabis licenses and licensed activities;

17 (iii) reduced or deferred fees for adult-use cannabis applications
18 and/or licenses;

19 (iv) priority access to the adult-use cannabis market by being the
20 first licensees allowed to commence licensed activities;

21 (v) priority access to the adult-use cannabis market through first or
22 exclusive access to license locations and geographic areas of operation;

23 (vi) access to low or zero interest small business loans for entry
24 into the adult-use cannabis market;

25 (vii) access to incubator programs pairing qualified and eligible
26 social and economic equity applicants with support in the form of coun-
27 seling services, education, small business development, and compliance
28 assistance;

1 (viii) access to cannabis workforce development and hiring initiatives
2 which incentivize hiring of qualified social and economic equity staff
3 members; and

4 (ix) any other available program or initiative developed under the
5 office's social and economic equity plan.

6 (b) The executive director shall have the ability to alter or amend
7 the social and economic equity plan, and its programs, to meet the needs
8 of qualified social and economic equity applicants and areas as the
9 industry grows and evolves.

10 (c) Under the social and economic equity plan, the board shall also
11 have the authority to create and distribute local social and economic
12 equity impact grants to community-based organizations which are located
13 or operate in areas of disproportionate enforcement from the war on
14 drugs. The application for, and administration of social and economic
15 equity impact grants shall be determined by the office through regu-
16 lations, provided sufficient funds are available.

17 4. For the purposes of this section, the following definitions shall
18 apply:

19 (a) "Minority-owned business" shall mean a business enterprise,
20 including a sole proprietorship, partnership, limited liability company
21 or corporation that is:

22 (i) at least fifty-one percent owned by one or more minority group
23 members;

24 (ii) an enterprise in which such minority ownership is real, substan-
25 tial and continuing;

26 (iii) an enterprise in which such minority ownership has and exercises
27 the authority to control independently the day-to-day business decisions
28 of the enterprise;

1 (iv) an enterprise authorized to do business in this state and inde-
2 pendently owned and operated; and

3 (v) an enterprise that is a small business.

4 (b) "Minority group member" shall mean a United States citizen or
5 permanent resident alien who is and can demonstrate membership in one of
6 the following groups:

7 (i) black persons having origins in any of the black African racial
8 groups;

9 (ii) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban,
10 Central or South American of either Indian or Hispanic origin, regard-
11 less of race;

12 (iii) Native American or Alaskan native persons having origins in any
13 of the original peoples of North America; or

14 (iv) Asian and Pacific Islander persons having origins in any of the
15 far east countries, south east Asia, the Indian subcontinent or the
16 Pacific islands.

17 (c) "Women-owned business" shall mean a business enterprise, including
18 a sole proprietorship, partnership, limited liability company or corpo-
19 ration that is:

20 (i) at least fifty-one percent owned by one or more United States
21 citizens or permanent resident aliens who are women; and

22 (ii) an enterprise in which the ownership interest of such women is
23 real, substantial and continuing.

24 (d) A firm owned by a minority group member who is also a woman may be
25 defined as a minority-owned business, a women-owned business, or both.

26 (e) "Disadvantaged farmer" shall mean a New York state resident or
27 business enterprise, including a sole proprietorship, partnership,
28 limited liability company or corporation, that has reported at least

1 two-thirds of its federal gross income as income from farming, in at
2 least one of the five preceding tax years, and who:

3 (i) farms in a county that has greater than ten percent rate of pover-
4 ty according to the latest U.S. census bureau's american communities
5 survey;

6 (ii) has been disproportionately impacted by low commodity prices or
7 faces the loss of farmland through development or suburban sprawl; and

8 (iii) meets any other qualifications as defined in regulation by the
9 office.

10 (f) "Social equity applicants" shall mean an applicant for licensure
11 or employment that:

12 (i) is or has been a member of a community group or resident of an
13 area that has been disproportionately impacted by the enforcement of
14 cannabis prohibition, as determined by the office in regulation;

15 (ii) has an income lower than eighty percent of the median income of
16 the county in which the applicant resides; and

17 (iii) was convicted of a marihuana-related offense prior to the effec-
18 tive date of this chapter or had a parent, guardian, child, or spouse
19 who, prior to the effective date of this chapter, was convicted of a
20 marihuana-related offense.

21 5. Licenses issued to minority and women-owned businesses or under the
22 social and economic equity plan shall not be transferable for a period
23 of two years except to qualified minority and women-owned businesses or
24 social and economic equity applicants and only upon prior written
25 approval of the executive director.

26 § 85. Regulations. The board shall make regulations to implement this
27 article.

ARTICLE 5

CANNABINOID HEMP AND HEMP EXTRACT

Section 90. Definitions.

91. Rulemaking authority.

92. Cannabinoid hemp processor license.

93. Cannabinoid hemp retailer license.

94. Cannabinoid license applications.

95. Information to be requested in applications for licenses.

96. Fees.

97. Selection criteria.

98. License renewal.

99. Form of license.

100. Transferability; amendment to license; change in ownership
or control.

101. Granting, suspending or revoking licenses.

102. Record keeping and tracking.

103. Packaging and labeling of cannabinoid hemp and hemp
extract.

104. Processing of cannabinoid hemp and hemp extract.

105. Laboratory testing.

106. New York hemp product.

107. Penalties.

108. Hemp workgroup.

109. Prohibitions.

110. Special use permits.

111. Severability.

1 § 90. Definitions. As used in this article, the following terms shall
2 have the following meanings, unless the context clearly requires other-
3 wise:

4 1. "Cannabinoid" means the phytocannabinoids found in hemp and does
5 not include synthetic cannabinoids as that term is defined in subdivi-
6 sion (g) of schedule I of section thirty-three hundred six of the public
7 health law.

8 2. "Cannabinoid hemp" means any hemp and any product processed or
9 derived from hemp, that is used for human consumption provided that when
10 such product is packaged or offered for retail sale to a consumer, it
11 shall not have a concentration of more than three-tenths of one percent
12 delta-9 tetrahydrocannabinol or a final delta-9 tetrahydrocannabinol
13 concentration which exceeds an amount determined by the office in regu-
14 lation.

15 3. "Used for human consumption" means intended by the manufacturer or
16 distributor to be: (a) used for human consumption for its cannabinoid
17 content; or (b) used in, on or by the human body for its cannabinoid
18 content.

19 4. "Hemp" means the plant *Cannabis sativa* L. and any part of such
20 plant, including the seeds thereof and all derivatives, extracts, canna-
21 binoids, isomers, acids, salts, and salts of isomers, whether growing or
22 not, with a delta-9 tetrahydrocannabinol concentration (THC) of not more
23 than three-tenths of one percent on a dry weight basis. It shall not
24 include "medical cannabis" as defined in subdivision twenty-eight of
25 section three of this chapter.

26 5. "Hemp extract" means all derivatives, extracts, cannabinoids, isom-
27 ers, acids, salts, and salts of isomers derived from hemp, used or
28 intended for human consumption, for its cannabinoid content, with a

1 delta-9 tetrahydrocannabinol concentration of not more than an amount
2 determined by the office in regulation. For the purpose of this article,
3 hemp extract excludes (a) any food, food ingredient or food additive
4 that is generally recognized as safe pursuant to federal law; or (b) any
5 hemp extract that is not used for human consumption. Such excluded
6 substances shall not be regulated pursuant to the provisions of this
7 article but are subject to other provisions of applicable state law,
8 rules and regulations.

9 6. "License" means a license issued pursuant to this article.

10 7. "Cannabinoid hemp processor license" means a license granted by the
11 office to process, extract, pack or manufacture cannabinoid hemp or hemp
12 extract into products, whether in intermediate or final form, used for
13 human consumption.

14 8. "Processing" means extracting, preparing, treating, modifying,
15 compounding, manufacturing or otherwise manipulating cannabinoid hemp to
16 concentrate or extract its cannabinoids, or creating product, whether in
17 intermediate or final form, used for human consumption. For purposes of
18 this article, processing does not include: (a) growing, cultivation,
19 cloning, harvesting, drying, curing, grinding or trimming when author-
20 ized pursuant to article twenty-nine of the agriculture and markets law;
21 or

22 (b) mere transportation, such as by common carrier or another entity
23 or individual.

24 § 91. Rulemaking authority. The board may make regulations pursuant to
25 this article for the processing, distribution, marketing, transportation
26 and sale of cannabinoid hemp and hemp extracts used for human consump-
27 tion, which may include, but not be limited to:

1 1. Specifying forms, establishing application, reasonable adminis-
2 tration and renewal fees, or license duration;
3 2. Establishing the qualifications and criteria for licensing, as
4 authorized by law;
5 3. The books and records to be created and maintained by licensees and
6 lawful procedures for their inspection;
7 4. Any reporting requirements;
8 5. Methods and standards of processing, labeling, packaging and
9 marketing of cannabinoid hemp, hemp extract and products derived there-
10 from;
11 6. Procedures for how cannabinoid hemp, hemp extract or ingredients,
12 additives, or products derived therefrom can be deemed as acceptable for
13 sale in the state;
14 7. Provisions governing the modes and forms of administration, includ-
15 ing inhalation;
16 8. Procedures for determining whether cannabinoid hemp, hemp extract
17 or ingredients, additives, or products derived therefrom produced
18 outside the state or within the state meet the standards and require-
19 ments of this article and can therefore be sold within the state;
20 9. Procedures for the granting, cancellation, revocation or suspension
21 of licenses, consistent with the state administrative procedures act;
22 10. Restrictions governing the advertising and marketing of cannabi-
23 noid hemp, hemp extract and products derived therefrom; and
24 11. Any other regulations necessary to implement this article.

25 § 92. Cannabinoid hemp processor license. 1. Persons processing canna-
26 binoid hemp or hemp extract used for human consumption, whether in
27 intermediate or final form, shall be required to obtain a cannabinoid
28 hemp processor license from the department.

1 2. A cannabinoid hemp processor license authorizes one or more specif-
2 ic activities related to the processing of cannabinoid hemp into
3 products used for human consumption, whether in intermediate or final
4 form, and the distribution or sale thereof by the licensee. Nothing
5 herein shall prevent a cannabinoid hemp processor from processing,
6 extracting and processing hemp products not to be used for human
7 consumption.

8 3. Persons authorized to grow hemp pursuant to article twenty-nine of
9 the agriculture and markets law are not authorized to engage in process-
10 ing of cannabinoid hemp or hemp extract without first being licensed as
11 a cannabinoid hemp processor under this article.

12 4. This article shall not apply to hemp, cannabinoid hemp, hemp
13 extracts or products derived therefrom that are not used for human
14 consumption. This article also shall not apply to hemp, cannabinoid
15 hemp, hemp extracts or products derived therefrom that have been deemed
16 generally recognized as safe pursuant to federal law.

17 5. The executive director shall have the authority to set reasonable
18 fees for such license, to limit the activities permitted by such
19 license, to establish the period during which such license is author-
20 ized, which shall be two years or more, and to make rules and regu-
21 lations necessary to implement this section.

22 6. Any person holding an active research partnership agreement with
23 the department of agriculture and markets, authorizing that person to
24 process cannabinoid hemp, shall be awarded licensure under this section,
25 provided that the research partner is actively performing research
26 pursuant to such agreement and is able to demonstrate compliance with
27 this article, as determined by the office, after notice and an opportu-
28 nity to be heard.

1 § 93. Cannabinoid hemp retailer license. 1. Retailers selling cannabi-
2 noid hemp, in final form to consumers within the state, shall be
3 required to obtain a cannabinoid hemp retailer license from the office.

4 2. The executive director shall have the authority to set reasonable
5 fees for such license, to establish the period during which such license
6 is authorized, which shall be one year or more, and to make rules and
7 regulations necessary to implement this section.

8 § 94. Cannabinoid license applications. 1. Persons shall apply for a
9 license under this article by submitting an application upon a form
10 supplied by the office, providing all the relevant requested informa-
11 tion, verified by the applicant or an authorized representative of the
12 applicant.

13 2. A separate license shall be required for each facility at which
14 processing or retail sales are conducted; however, an applicant may
15 submit one application for separate licensure at multiple locations.

16 3. Each applicant shall remit with its application the fee for each
17 requested license, which shall be a reasonable fee.

18 § 95. Information to be requested in applications for licenses. 1. The
19 executive director may specify the manner and form in which an applica-
20 tion shall be submitted to the office for licensure under this article.

21 2. The executive director shall prescribe what relevant information
22 shall be included on an application for licensure under this article.
23 Such information may include, but is not limited to: information about
24 the applicant's identity; ownership and investment information, includ-
25 ing the corporate structure; evidence of good moral character; financial
26 statements; information about the premises to be licensed; information
27 about the activities to be licensed; and any other relevant information
28 prescribed by the executive director.

1 3. All license applications shall be signed by the applicant if an
2 individual, by a managing partner if a limited liability company, by an
3 officer if a corporation, or by all partners if a partnership. Each
4 person signing such application shall verify it as true under the penal-
5 ties of perjury.

6 4. All license applications shall be accompanied by a check, draft or
7 other forms of payment as the office may require or authorize in the
8 reasonable amount required by this article for such license.

9 5. If there be any change, after the filing of the application or the
10 granting, modification or renewal of a license, in any of the material
11 facts required to be set forth in such application, a supplemental
12 statement giving notice of such change, duly verified, shall be filed
13 with the office within ten days after such change. Failure to do so, if
14 willful and deliberate, may be grounds for revocation of the license.

15 § 96. Fees. The office may charge licensees a reasonable license fee.
16 Such fee may be based on the activities permitted by the license, the
17 amount of cannabinoid hemp or hemp extract to be processed or extracted
18 by the licensee, the gross annual receipts of the licensee for the
19 previous license period, or any other factors reasonably deemed appro-
20 priate by the office.

21 § 97. Selection criteria. 1. The applicant, if an individual or indi-
22 viduals, shall furnish evidence of the individual's good moral charac-
23 ter, and if an entity, the applicant shall furnish evidence of the good
24 moral character of the individuals who have or will have substantial
25 responsibility for the licensed or authorized activity and those in
26 control of the entity, including principals, officers, or others with
27 such control.

1 2. The applicant shall furnish evidence of the applicant's experience
2 and competency, and that the applicant has or will have adequate facilities,
3 ties, equipment, process controls, and security to undertake those
4 activities for which licensure is sought.

5 3. The applicant shall furnish evidence of his, her or its ability to
6 comply with all applicable state and local laws, rules and regulations.

7 4. If the executive director is not satisfied that the applicant
8 should be issued a license, the executive director shall notify the
9 applicant in writing of the specific reason or reasons for denial.

10 5. No license pursuant to this article may be issued to an individual
11 under the age of eighteen years.

12 § 98. License renewal. 1. Each license, issued pursuant to this article,
13 may be renewed upon application therefor by the licensee and the
14 payment of the reasonable fee for such license as specified by this
15 article.

16 2. In the case of applications for renewals, the office may dispense
17 with the requirements of such statements as it deems unnecessary in view
18 of those contained in the application made for the original license.

19 3. The office shall provide an application for renewal of any license
20 issued under this article not less than ninety days prior to the expiration
21 of the current license.

22 4. The office may only issue a renewal license upon receipt of the
23 specified renewal application and renewal fee from a licensee if, in
24 addition to the selection criteria set out in this article, the
25 licensee's license is not under suspension and has not been revoked.

26 § 99. Form of license. Licenses issued pursuant to this article shall
27 specify:

28 1. The name and address of the licensee;

1 2. The activities permitted by the license;

2 3. The land, buildings and facilities that may be used for the
3 licensed activities of the licensee;

4 4. A unique license number issued by the office to the licensee; and

5 5. Such other information as the office shall deem necessary to assure
6 compliance with this chapter.

7 § 100. Transferability; amendment to license; change in ownership or
8 control. 1. Licenses issued under this article are not transferable,
9 absent written consent of the office.

10 2. Upon application of a licensee, a license may be amended to add or
11 delete permitted activities.

12 3. A license shall become void by a change in ownership, substantial
13 corporate change or change of location without prior written approval of
14 the office. The board may make regulations allowing for certain types of
15 changes in ownership without the need for prior written approval.

16 § 101. Granting, suspending or revoking licenses. After due notice and
17 an opportunity to be heard, which process shall be established by rules
18 and regulations, the office may decline to grant a new license, impose
19 conditions or limits with respect to the grant of a license, modify an
20 existing license or decline to renew a license, and may suspend or
21 revoke a license already granted after due notice and an opportunity to
22 be heard, as established by rules and regulations, whenever the execu-
23 tive director finds that:

24 1. A material statement contained in an application is or was false or
25 misleading;

26 2. The applicant or licensee, or a person in a position of management
27 and control thereof or of the licensed activity, does not have good
28 moral character, necessary experience or competency, adequate facili-

1 ties, equipment, process controls, or security to process, distribute,
2 transport or sell cannabinoid hemp, hemp extract or products derived
3 therefrom;

4 3. After appropriate notice and opportunity, the applicant or licensee
5 has failed or refused to produce any records or provide any information
6 required by this article or the regulations promulgated pursuant there-
7 to;

8 4. The licensee has conducted activities outside of those activities
9 permitted on its license; or

10 5. The applicant or licensee, or any officer, director, partner, or
11 any other person exercising any position of management or control there-
12 of or of the licensed activity has willfully failed to comply with any
13 of the provisions of this article or regulations under it and other laws
14 of this state applicable to the licensed activity.

15 § 102. Record keeping and tracking. Every licensee shall keep, in such
16 form as the executive director may direct, such relevant records as may
17 be required pursuant to regulations under this article.

18 § 103. Packaging and labeling of cannabinoid hemp and hemp extract. 1.
19 Cannabinoid hemp processors shall be required to provide appropriate
20 label warning to consumers, and restricted from making unapproved label
21 claims, as determined by the office, concerning the potential impact on
22 or benefit to human health resulting from the use of cannabinoid hemp,
23 hemp extract and products derived therefrom for human consumption, which
24 labels shall be affixed to those products when sold, pursuant to rules
25 and regulations that the office may adopt.

26 2. The office may, by rules and regulations, require processors to
27 establish a code, including, but not limited to QR code, for labels and
28 establish methods and procedures for determining, among other things,

1 serving sizes or dosages for cannabinoid hemp, hemp extract and products
2 derived therefrom, active cannabinoid concentration per serving size,
3 number of servings per container, and the growing region, state or coun-
4 try of origin if not from the United States. Such rules and regulations
5 may require an appropriate fact panel that incorporates data regarding
6 serving sizes and potency thereof.

7 3. The packaging, sale, or possession of products derived from canna-
8 binoid hemp or hemp extract used for human consumption not labeled or
9 offered in conformity with regulations under this section shall be
10 grounds for the seizure or quarantine of the product, the imposition of
11 a civil penalty against a processor or retailer, and the suspension,
12 revocation or suspension of a license, in accordance with this article.

13 § 104. Processing of cannabinoid hemp and hemp extract. 1. No process-
14 or shall sell or agree to sell or deliver in the state any cannabinoid
15 hemp, hemp extract or product derived therefrom, used for human consump-
16 tion, except in sealed containers containing quantities in accordance
17 with size standards pursuant to rules adopted by the office. Such
18 containers shall have affixed thereto such labels as may be required by
19 the rules of the office.

20 2. Processors shall take such steps necessary to ensure that the
21 cannabinoid hemp or hemp extract used in their processing operation has
22 only been grown with pesticides that are registered by the department of
23 environmental conservation or that specifically meet the United States
24 environmental protection agency registration exemption criteria for
25 minimum risk, used in compliance with rules, regulations, standards and
26 guidelines issued by the department of environmental conservation for
27 pesticides.

1 3. All cannabinoid hemp, hemp extract and products derived therefrom
2 used for human consumption shall be extracted and processed in accord-
3 ance with good manufacturing processes for the product category pursuant
4 to Part 117 or Part 111 of title 21 of the code of federal regulations,
5 as may be defined, modified and decided upon by the office, provided
6 that such rules shall be in conformity to the extent practicable with
7 neighboring states.

8 4. As necessary to protect human health, the office shall have the
9 authority to: (a) regulate and prohibit specific ingredients, excipients
10 or methods used in processing cannabinoid hemp, hemp extract and
11 products derived therefrom; and (b) prohibit, or expressly allow,
12 certain products or product classes derived from cannabinoid hemp or
13 hemp extract, to be processed.

14 § 105. Laboratory testing. Every cannabinoid hemp processor shall
15 contract with an independent commercial laboratory to test the hemp
16 extract and products produced by the licensed processor. The executive
17 director, in consultation with the commissioner of the department of
18 health, shall establish the necessary qualifications or certifications
19 required for such laboratories used by licensees. The board is author-
20 ized to issue rules and regulations consistent with this article estab-
21 lishing the testing required, the reporting of testing results and the
22 form for reporting such laboratory testing results. The office has
23 authority to require licensees to submit any cannabinoid hemp, hemp
24 extract or product derived therefrom, processed or offered for sale
25 within the state, for testing. This section shall not obligate the
26 office, in any way, to perform any testing on hemp, cannabinoid hemp,
27 hemp extract or product derived therefrom. The office shall be author-

1 ized to establish consortia or cooperative agreements with neighboring
2 states to effectuate this section.

3 § 106. New York hemp product. The office may establish and adopt offi-
4 cial grades and standards for cannabinoid hemp, hemp extract and
5 products derived therefrom, as he or she may deem advisable, which are
6 produced for sale in this state and, from time to time, may amend or
7 modify such grades and standards.

8 § 107. Penalties. Notwithstanding the provision of any law to the
9 contrary, the failure to comply with a requirement of this article, or a
10 regulation thereunder, may be punishable by a civil penalty of not more
11 than one thousand dollars for a first violation; not more than five
12 thousand dollars for a second violation within three years; and not more
13 than ten thousand dollars for a third violation and each subsequent
14 violation thereafter, within three years.

15 § 108. Hemp workgroup. The executive director, in consultation with
16 the commissioner of the department of agriculture and markets and the
17 commissioner of health, may appoint a New York state hemp and hemp
18 extract workgroup, composed of growers, researchers, producers, process-
19 ors, manufacturers and trade associations, to make recommendations for
20 the industrial hemp and cannabinoid hemp programs, state, regional, and
21 federal policies and policy initiatives, and opportunities for the
22 promotion and marketing of cannabinoid hemp and hemp extract as consist-
23 ent with federal and state laws, rules and regulations.

24 § 109. Prohibitions. 1. Except as authorized by the United States food
25 and drug administration, the processing of cannabinoid hemp or hemp
26 extract used for human consumption is prohibited within the state unless
27 the processor is licensed under this article.

1 2. Cannabinoid hemp and hemp extracts used for human consumption and
2 grown or processed outside the state shall not be distributed or sold at
3 retail within the state, unless they meet all standards established for
4 cannabinoid hemp under state law and regulations.

5 3. The retail sale of cannabinoid hemp is prohibited in this state
6 unless the retailer is licensed under this article.

7 § 110. Special use permits. The office shall have the authority to
8 issue temporary permits for carrying on any activity related to cannabi-
9 noid hemp, hemp extract and products derived therefrom, licensed under
10 this article. The executive director may set reasonable fees for such
11 permits, to establish the periods during which such permits are valid,
12 and to make rules and regulations to implement this section.

13 § 111. Severability. If any provision of this article or the applica-
14 tion thereof to any person or circumstances is held invalid, such inva-
15 lidity shall not affect other provisions or applications of this article
16 which can be given effect without the invalid provision or application,
17 and to this end the provisions of this article are declared to be sever-
18 able.

19 ARTICLE 6

20 GENERAL PROVISIONS

21 Section 125. General prohibitions and restrictions.

22 126. License to be confined to premises licensed; premises for
23 which no license shall be granted; transporting cannabis.

24 127. Protections for the use of cannabis; unlawful discrimi-
25 nations prohibited.

26 128. Registrations and licenses.

27 129. Laboratory testing permit.

1 130. Special use permits.

2 132. Municipal control and preemption.

3 133. Office to be necessary party to certain proceedings.

4 134. Penalties for violation of this chapter.

5 135. Revocation of registrations, licenses and permits for
6 cause; procedure for revocation or cancellation.

7 136. Lawful actions pursuant to this chapter.

8 137. Review by courts.

9 138. Illicit cannabis.

10 139. Injunction for unlawful manufacture, sale, distribution, or
11 consumption of cannabis.

12 140. Persons forbidden to traffic cannabis; certain officials
13 not to be interested in manufacture or sale of cannabis
14 products.

15 141. Access to criminal history information through the division
16 of criminal justice services.

17 § 125. General prohibitions and restrictions. 1. No person shall
18 cultivate, process, or distribute for sale or sell at wholesale or
19 retail any cannabis, adult-use cannabis product, medical cannabis or
20 cannabinoid hemp within the state without obtaining the appropriate
21 registration, license, or permit therefor required by this chapter.

22 2. No registered organization, licensee, or permittee shall sell, or
23 agree to sell or deliver in this state any cannabis or cannabinoid hemp
24 for the purposes of resale to any person who is not duly registered,
25 licensed or permitted pursuant to this chapter to sell such product, at
26 wholesale or retail, as the case may be, at the time of such agreement
27 and sale.

1 3. No registered organization, licensee, or permittee shall employ, or
2 permit to be employed, or shall allow to work, on any premises regis-
3 tered or licensed for retail sale hereunder, any person under the age of
4 eighteen years in any capacity where the duties of such person require
5 or permit such person to sell, dispense or handle cannabis.

6 4. No registered organization, licensee, or permittee shall sell,
7 deliver or give away, or cause, permit or procure to be sold, delivered
8 or given away any adult-use cannabis, cannabis product, medical cannabis
9 or cannabinoid hemp on credit unless authorized by the executive direc-
10 tor; except that a registered organization, licensee or permittee may
11 accept third party credit cards for the sale of any cannabis, cannabis
12 product, medical cannabis or cannabinoid hemp for which it is regis-
13 tered, licensed or permitted to dispense or sell to patients or cannabis
14 consumers. This includes, but is not limited to, any consignment sale of
15 any kind.

16 5. No registered organization, licensee, or permittee shall cease to
17 be operated as a bona fide or legitimate premises within the contem-
18 plation of the registration, license, or permit issued for such prem-
19 ises, as determined within the judgment of the office.

20 6. No registered organization, licensee, or permittee shall refuse,
21 nor any person holding a registration, license, or permit refuse, nor
22 any officer or director of any corporation or organization holding a
23 registration, license, or permit refuse, to appear and/or testify under
24 oath at an inquiry or hearing held by the office, with respect to any
25 matter bearing upon the registration, license, or permit, the conduct of
26 any people at the licensed premises, or bearing upon the character or
27 fitness of such registrant, licensee, or permittee to continue to hold

1 any registration, license, or permit. Nor shall any of the above offer
2 false testimony under oath at such inquiry or hearing.

3 7. No registered organization, licensee, or permittee shall engage,
4 participate in, or aid or abet any violation or provision of this chap-
5 ter, or the rules or regulations of the office.

6 8. The proper conduct of registered, licensed, or permitted premises
7 is essential to the public interest. Failure of a registered organiza-
8 tion, licensee, or permittee to exercise adequate supervision over the
9 registered, licensed, or permitted location poses a substantial risk not
10 only to the objectives of this chapter but imperils the health, safety,
11 and welfare of the people of this state. It shall be the obligation of
12 each person registered, licensed, or permitted under this chapter to
13 ensure that a high degree of supervision is exercised over any and all
14 conduct at any registered, licensed, or permitted location at any and
15 all times in order to safeguard against abuses of the privilege of being
16 registered, licensed, or permitted, as well as other violations of law,
17 statute, rule, or regulation. Persons registered, licensed, or permitted
18 shall be held strictly accountable for any and all violations that occur
19 upon any registered, licensed, or permitted premises, and for any and
20 all violations committed by or permitted by any manager, agent or
21 employee of such registered, licensed, or permitted person.

22 9. It shall be unlawful for any person, partnership or corporation
23 operating a place for profit or pecuniary gain, with a capacity for the
24 assemblage of twenty or more persons to permit a person or persons to
25 come to the place of assembly for the purpose of cultivating, process-
26 ing, distributing, or retail distribution or sale of cannabis on said
27 premises. This includes, but is not limited, to, cannabis that is either
28 provided by the operator of the place of assembly, his agents, servants

1 or employees, or cannabis that is brought onto said premises by the
2 person or persons assembling at such place, unless an appropriate regis-
3 tration, license, or permit has first been obtained from the office of
4 cannabis management by the operator of said place of assembly.

5 10. As it is a privilege under the law to be registered, licensed, or
6 permitted to cultivate, process, distribute, traffic, or sell cannabis,
7 the office may impose any such further restrictions upon any registrant,
8 licensee, or permittee in particular instances as it deems necessary to
9 further state policy and best serve the public interest. A violation or
10 failure of any person registered, licensed, or permitted to comply with
11 any condition, stipulation, or agreement, upon which any registration,
12 license, or permit was issued or renewed by the office shall subject the
13 registrant, licensee, or permittee to suspension, cancellation, revoca-
14 tion, and/or civil penalties as determined by the office.

15 11. No adult-use cannabis or medical cannabis may be imported to, or
16 exported out of, New York state by a registered organization, licensee
17 or person holding a license and/or permit pursuant to this chapter,
18 until such time as it may become legal to do so under federal law.
19 Should it become legal to do so under federal law, the board is granted
20 the power to promulgate such rules and regulations as it deems necessary
21 to protect the public and the policy of the state.

22 12. No registered organization, licensee or any of its agents, serv-
23 ants or employees shall peddle any cannabis product, medical cannabis or
24 cannabinoid hemp from house to house by means of a truck or otherwise,
25 where the sale is consummated and delivery made concurrently at the
26 residence or place of business of a cannabis consumer. This subdivision
27 shall not prohibit the delivery by a registered organization to certi-

1 fied patients or their designated caregivers, pursuant to article three
2 of this chapter.

3 13. No licensee shall employ any canvasser or solicitor for the
4 purpose of receiving an order from a certified patient, designated care-
5 giver or cannabis consumer for any cannabis product, medical cannabis or
6 cannabinoid hemp at the residence or place of business of such patient,
7 caregiver or consumer, nor shall any licensee receive or accept any
8 order, for the sale of any cannabis product, medical cannabis or canna-
9 binoid hemp which shall be solicited at the residence or place of busi-
10 ness of a patient, caregiver or consumer. This subdivision shall not
11 prohibit the solicitation by a distributor of an order from any licensee
12 at the licensed premises of such licensee.

13 14. No premises registered, licensed, or permitted by the office
14 shall:

15 (a) permit or allow any gambling on the premises;

16 (b) permit or allow the premises to become disorderly;

17 (c) permit or allow the use, by any person, of any fireworks or other
18 pyrotechnics on the premises; or

19 (d) permit or allow to appear as an entertainer, on any part of the
20 premises registered, licensed, or permitted, any person under the age of
21 eighteen years.

22 § 126. License to be confined to premises licensed; premises for which
23 no license shall be granted; transporting cannabis. 1. A registration,
24 license, or permit issued to any person, pursuant to this chapter, for
25 any registered, licensed, or permitted premises shall not be transfera-
26 ble to any other person, to any other location or premises, or to any
27 other building or part of the building containing the licensed premises
28 except in the discretion of the office. All privileges granted by any

1 registration, license, or permit shall be available only to the person
2 therein specified, and only for the premises licensed and no other
3 except if authorized by the office. Provided, however, that the
4 provisions of this section shall not be deemed to prohibit an applica-
5 tion or request for approval for a registration or license as provided
6 for in this chapter. A violation of this section shall subject the
7 registration, license, or permit to revocation for cause.

8 2. Where a registration or license for premises has been revoked, the
9 office in its discretion may refuse to accept an application from, or
10 issue a registration, license, or permit under this chapter to, any
11 individual, business, or entity connected to the revoked registration or
12 license, or for such premises or for any part of the building containing
13 such premises and connected therewith.

14 3. In determining whether to issue such a proscription against grant-
15 ing any registration, license, or permit for such five-year period, in
16 addition to any other factors deemed relevant to the office, the office
17 shall, in the case of a license revoked due to the illegal sale of
18 cannabis to a minor, determine whether the proposed subsequent licensee
19 has obtained such premises through an arm's length transaction, and, if
20 such transaction is not found to be an arm's length transaction, the
21 office shall deny the issuance of such license.

22 4. For purposes of this section, "arm's length transaction" shall mean
23 a sale of a fee of all undivided interests in real property, lease,
24 management agreement, or other agreement giving the applicant control
25 over the cannabis at the premises, or any part thereof, in the open
26 market, between an informed and willing buyer and seller where neither
27 is under any compulsion to participate in the transaction, unaffected by
28 any unusual conditions indicating a reasonable possibility that the sale

1 was made for the purpose of permitting the original licensee to avoid
2 the effect of the revocation. The following sales shall be presumed not
3 to be arm's length transactions unless adequate documentation is
4 provided demonstrating that the sale, lease, management agreement, or
5 other agreement giving the applicant control over the cannabis at the
6 premises, was not conducted, in whole or in part, for the purpose of
7 permitting the original licensee to avoid the effect of the revocation:

8 (a) a sale between relatives;

9 (b) a sale between related companies or partners in a business; or

10 (c) a sale, lease, management agreement, or other agreement giving the
11 applicant control over the cannabis at the premises, affected by other
12 facts or circumstances that would indicate that the sale, lease, manage-
13 ment agreement, or other agreement giving the applicant control over the
14 cannabis at the premises, is entered into for the primary purpose of
15 permitting the original licensee to avoid the effect of the revocation.

16 5. No registered organization, licensee or permittee shall transport
17 cannabis products or medical cannabis except in vehicles owned and oper-
18 ated by such registered organization, licensee or permittee, or hired
19 and operated by such registered organization, licensee or permittee from
20 a trucking or transportation company permitted and registered with the
21 office.

22 6. No common carrier or person operating a transportation facility in
23 this state, other than the United States government, shall receive for
24 transportation or delivery within the state any cannabis products or
25 medical cannabis unless the shipment is accompanied by copy of a bill of
26 lading, or other document, showing the name and address of the consig-
27 nor, the name and address of the consignee, the date of the shipment,

1 and the quantity and kind of cannabis products or medical cannabis
2 contained therein.

3 § 127. Protections for the use of cannabis; unlawful discriminations
4 prohibited. 1. No person, registered organization, licensee or permit-
5 tee, or agent or contractor of a registered organization, licensee or
6 permittee shall be subject to arrest, prosecution, or penalty in any
7 manner, or denied any right or privilege, including but not limited to
8 civil liability or disciplinary action by a business or occupational or
9 professional licensing board or office, solely for conduct permitted
10 under this chapter. For the avoidance of doubt, the appellate division
11 of the supreme court of the state of New York, and any disciplinary or
12 character and fitness committees established by them are occupational
13 and professional licensing boards within the meaning of this section.
14 State or local law enforcement agencies shall not cooperate with or
15 provide assistance to the government of the United States or any agency
16 thereof in enforcing the federal controlled substances act, 21 U.S.C. et
17 seq., solely for actions consistent with this chapter, except pursuant
18 to an order of a court of competent jurisdiction.

19 2. No school or landlord may refuse to enroll or lease to and may not
20 otherwise penalize a person solely for conduct allowed under this chap-
21 ter, except as exempted:

22 (a) if failing to do so would cause the school or landlord to lose a
23 monetary or licensing related benefit under federal law or regulations;

24 (b) if the institution has adopted a code of conduct prohibiting
25 cannabis use on the basis of religious belief; or

26 (c) if a property is registered with the New York smoke-free housing
27 registry, it is not required to permit the smoking of cannabis products
28 on its premises.

1 3. For the purposes of medical care, including organ transplants, a
2 certified patient's authorized use of medical cannabis must be consid-
3 ered the equivalent of the use of any other medication under the direc-
4 tion of a practitioner and does not constitute the use of an illicit
5 substance or otherwise disqualify a registered qualifying patient from
6 medical care.

7 4. An employer may implement policies prohibiting the use or
8 possession of cannabis in accordance with section two hundred one-d of
9 the labor law, provided such policies are in writing as part of an
10 established workplace policy, uniformly applied to all employees, and
11 the employer gives prior written notice of such policies to employees.

12 5. An employer may take disciplinary or adverse employment action
13 against an employee, including termination of employment, for violating
14 an established workplace policy adopted under subdivision four of this
15 section, or if the results of a drug test administered in accordance
16 with applicable state and local law demonstrate that the employee was
17 impaired by or under the influence of cannabis while in the workplace or
18 during the performance of work. For the purposes of this subdivision, a
19 drug test that solely yields a positive result for cannabis metabolites
20 shall not be construed as proof that an employee is under the influence
21 of or impaired by cannabis unless the test yields a positive result for
22 active tetrahydrocannabinol, delta-9-tetrahydrocannabinol, delta-8-tet-
23 rahydrocannabinol, or other active cannabinoid found in cannabis which
24 causes impairment.

25 6. Nothing in this chapter permits any person to undertake any task
26 under the influence of cannabis when doing so would constitute negli-
27 gence or professional malpractice, jeopardize workplace safety, or to
28 operate, navigate or be in actual physical control of any motor vehicle

1 or other transport vehicle, aircraft, motorboat, machinery or equipment,
2 or firearms under the influence of cannabis.

3 7. A person currently under parole, probation or other state super-
4 vision, or released on bail awaiting trial may not be punished or other-
5 wise penalized for conduct allowed under this chapter.

6 § 128. Registrations and licenses. 1. No registration or license
7 shall be transferable or assignable except that notwithstanding any
8 other provision of law, the registration or license of a sole proprietor
9 converting to corporate form, where such proprietor becomes the sole
10 stockholder and only officer and director of such new corporation, may
11 be transferred to the subject corporation if all requirements of this
12 chapter remain the same with respect to such registration or license as
13 transferred and, further, the registered organization or licensee shall
14 transmit to the office, within ten days of the transfer of license
15 allowable under this subdivision, on a form prescribed by the office,
16 notification of the transfer of such license.

17 2. No registration or license shall be pledged or deposited as collat-
18 eral security for any loan or upon any other condition; and any such
19 pledge or deposit, and any contract providing therefor, shall be void.

20 3. Licenses issued under this chapter shall contain, in addition to
21 any further information or material to be prescribed by the rules of the
22 office, the following information:

23 (a) name of the person to whom the license is issued;

24 (b) kind of license and what kind of traffic in cannabis is thereby
25 permitted;

26 (c) description by street and number, or otherwise, of licensed prem-
27 ises; and

1 (d) a statement in substance that such license shall not be deemed a
2 property or vested right, and that it may be revoked at any time pursu-
3 ant to law.

4 § 129. Laboratory testing permit. 1. The executive director, in
5 consultation with the commissioner of health, shall approve and permit
6 one or more independent cannabis testing laboratories to test medical
7 cannabis, adult-use cannabis and/or cannabinoid hemp.

8 2. To be permitted as an independent cannabis laboratory, a laboratory
9 must apply to the office, on a form and in a manner prescribed by the
10 office, and must demonstrate the following to the satisfaction of the
11 executive director:

12 (a) the owners and directors of the laboratory are of good moral char-
13 acter;

14 (b) the laboratory and its staff has the skills, resources and exper-
15 tise needed to accurately and consistently perform testing required for
16 adult-use cannabis, medical cannabis and/or cannabinoid hemp;

17 (c) the laboratory has in place and will maintain adequate policies,
18 procedures, and facility security to ensure proper: collection, label-
19 ing, accessioning, preparation, analysis, result reporting, disposal and
20 storage of adult-use cannabis, medical cannabis and/or cannabinoid hemp;

21 (d) the laboratory is physically located in New York state except for
22 laboratories only testing cannabinoid hemp or as authorized in regu-
23 lation; and

24 (e) the laboratory meets the requirements prescribed by this chapter
25 and by regulation.

26 3. The owner of a laboratory testing permit under this section shall
27 not hold a registration or license in any category of this chapter and
28 shall not have any direct or indirect ownership interest in such regis-

1 tered organization or licensee. No board member, officer, manager,
2 owner, partner, principal stakeholder or member of a registered organ-
3 ization or licensee under this chapter, or such person's immediate fami-
4 ly member, shall have an interest or voting rights in any laboratory
5 testing permittee.

6 4. The office shall require that the permitted laboratory report test-
7 ing results to the office in a manner, form and timeframe as determined
8 by the executive director.

9 5. The board is authorized to promulgate regulations, requiring
10 permitted laboratories to perform certain tests and services.

11 6. The executive director is authorized to enter into contracts or
12 memoranda of understanding with any other state for the purposes of
13 aligning laboratory testing requirements or establishing best practices
14 in testing of cannabis.

15 § 130. Special use permits. The office is hereby authorized to issue
16 the following kinds of permits for carrying on activities consistent
17 with the policy and purpose of this chapter with respect to cannabis.
18 The executive director has the authority to set fees for all permits
19 issued pursuant to this section, to establish the periods during which
20 permits are authorized.

21 1. Industrial cannabis permit - to purchase cannabis for use in the
22 manufacture and sale of any of the following, when such cannabis is not
23 otherwise suitable for consumption purposes, namely: (a) apparel, ener-
24 gy, paper, and tools; (b) scientific, chemical, mechanical and indus-
25 trial products; or (c) any other industrial use as determined by the
26 executive director in regulation.

27 2. Nursery permit - to produce clones, immature plants, seeds, and
28 other agricultural products used specifically for the planting, propa-

1 gation, and cultivation of cannabis, and to sell such to licensed
2 adult-use cultivators, registered organizations, and certified patients
3 or their designated caregivers.

4 3. Solicitor's permit - to offer for sale or to solicit orders for the
5 sale of any cannabis products and/or medical cannabis, as a represen-
6 tative of a registered organization or licensee under this chapter.

7 4. Broker's permit - to act as a broker in the purchase and sale of
8 cannabis products and/or medical cannabis for a fee or commission, for
9 or on behalf of a person authorized to cultivate, process, distribute or
10 dispense cannabis products, medical cannabis or hemp cannabis within the
11 state.

12 5. Trucking permit - to allow for the trucking or transportation of
13 cannabis products and/or medical cannabis by a person other than a
14 registered organization or licensee under this chapter.

15 6. Warehouse permit - to allow for the storage of cannabis, cannabis
16 products, or medical cannabis at a location not otherwise registered or
17 licensed by the office.

18 7. Delivery permit - to authorize licensed adult-use cannabis dispen-
19 saries or third-parties to deliver adult-use cannabis and cannabis
20 products directly to cannabis consumers.

21 8. Temporary retail cannabis permit - to authorize the retail sale of
22 adult-use cannabis to cannabis consumers, for a limited purpose or dura-
23 tion.

24 9. Caterer's permit - to authorize the service of cannabis products at
25 a function, occasion or event in a hotel, restaurant, club, ballroom or
26 other premises, which shall authorize within the hours fixed by the
27 office, during which cannabis may lawfully be sold or served on the
28 premises in which such function, occasion or event is held.

1 10. Packaging permit - to authorize a licensed cannabis distributor to
2 sort, package, label and bundle cannabis products from one or more
3 registered organizations or licensed processors, on the premises of the
4 licensed cannabis distributor or at a warehouse for which a permit has
5 been issued under this section.

6 11. Miscellaneous permits - to purchase, receive or sell cannabis,
7 cannabis products or medical cannabis, or receipts, certificates,
8 contracts or other documents pertaining to cannabis, cannabis products,
9 or medical cannabis, or to provide specialized or certified ancillary
10 services to support the implementation and purpose of this chapter, in
11 cases not expressly provided for by this chapter, when in the judgment
12 of the office it would be appropriate and consistent with the policy and
13 purpose of this chapter.

14 § 132. Municipal control and preemption. 1. The provisions of article
15 four of this chapter, authorizing the cultivation, processing, distrib-
16 ution and sale of adult-use cannabis to cannabis consumers, shall not be
17 applicable to a county, or city having a population of one hundred thou-
18 sand or more residents, which adopts a local law, ordinance or resol-
19 ution by a majority vote of its governing body, to completely prohibit
20 the establishment or operation of one or more types of licenses
21 contained in article four of this chapter, within the jurisdiction of
22 such county or city.

23 2. Except as provided for in subdivision one of this section, all
24 counties, towns, cities and villages are hereby preempted from adopting
25 any rule, ordinance, regulation or prohibition pertaining to the opera-
26 tion or licensure of registered organizations, adult-use cannabis
27 licenses or cannabinoid hemp licenses. However, counties, cities, towns
28 and villages, as applicable, may pass ordinances or regulations govern-

1 ing the hours of operation and location of licensed adult-use cannabis
2 retail dispensaries, provided such ordinances or regulations do not make
3 the operation of such licensed retail dispensaries unreasonably imprac-
4 ticable.

5 3. Local rules, ordinances, regulations or prohibitions enacted by a
6 county, city, town, or village shall not require an adult-use cannabis
7 applicant or licensee to enter into a community host agreement or pay
8 any consideration to the municipality other than reasonable zoning and
9 permitting fees.

10 4. Notwithstanding subdivision one of this section, adult-use canna-
11 bis, medical cannabis and cannabinoid hemp farming and farm operations,
12 on land located within an agricultural district, shall be deemed an
13 approved activity under the relevant county, city, town, or village land
14 use or zoning ordinances, rules, or regulations, inclusive of all neces-
15 sary ancillary farm operations as permitted by license pursuant to this
16 chapter.

17 § 133. Office to be necessary party to certain proceedings. The
18 office shall be made a party to all actions and proceedings affecting in
19 any manner the possession, ownership or transfer of a registration,
20 license or permit to operate within a municipality; to all injunction
21 proceedings; and to all other civil actions or proceedings which in any
22 manner affect the enjoyment of the privileges or the operation of the
23 restrictions provided for in this chapter.

24 § 134. Penalties for violation of this chapter. 1. Any person who
25 cultivates for sale or sells cannabis, cannabis products, medical canna-
26 bis or cannabinoid hemp without having an appropriate registration,
27 license or permit therefor, or whose registration, license, or permit
28 has been revoked, surrendered or cancelled, upon first conviction there-

1 of shall be guilty of a misdemeanor, punishable by a fine not more than
2 five thousand dollars per violation, per day, and upon second conviction
3 thereof shall be guilty of a class A misdemeanor punishable by a fine
4 not more than ten thousand dollars per violation, per day, or a sentence
5 of imprisonment not to exceed thirty days and upon all subsequent
6 convictions thereof shall be an E felony punishable by a fine not more
7 than twenty-five thousand dollars per violation, per day or a sentence
8 of imprisonment not to exceed one year.

9 2. Any registered organization or licensee, whose registration or
10 license has been suspended pursuant to the provisions of this chapter,
11 who sells cannabis, cannabis products, medical cannabis or cannabinoid
12 hemp during the suspension period, upon conviction thereof shall be
13 guilty of an A misdemeanor, punishable punished by a fine of not more
14 than five thousand dollars per violation, per day.

15 3. Any person who shall make any false statement in the application
16 for or renewal of a registration, license or a permit under this chapter
17 shall be guilty of a misdemeanor, and upon conviction thereof shall be
18 punishable by a fine of not more than five thousand dollars.

19 4. Any violation by any person of any provision of this chapter for
20 which no punishment or penalty is otherwise provided shall be a misde-
21 meanor.

22 5. Nothing in this section shall prohibit the office from suspending,
23 revoking, or denying a license, permit, registration, or application in
24 addition to the penalties prescribed herein.

25 § 135. Revocation of registrations, licenses and permits for cause;
26 procedure for revocation or cancellation. 1. Any registration, license
27 or permit issued pursuant to this chapter may be revoked, cancelled,

1 suspended and/or subjected to the imposition of a civil penalty for
2 cause, and must be revoked for the following causes:

3 (a) the registered organization, licensee, permittee or his or her
4 agent or employee has sold any illegal cannabis on the premises regis-
5 tered, licensed or permitted;

6 (b) for transferring, assigning or hypothecating a registration,
7 license or permit without prior written approval of the office;

8 (c) for failing to follow testing requirements prescribed under this
9 chapter or falsifying testing results;

10 (d) for knowingly distributing cannabis products to persons under
11 twenty-one years of age;

12 (e) for diverting, inverting or trafficking in cannabis to or from an
13 illegal and unlicensed, registered, or permitted source in violation of
14 this chapter; or

15 (f) for any other violation established in regulation which poses an
16 imminent and substantial threat to public health, public safety, or the
17 integrity of the state's cannabis regulatory structure.

18 2. Notwithstanding the issuance of a registration, license or permit
19 by way of renewal, the office may revoke, cancel or suspend such regis-
20 tration, license or permit and/or may impose a civil penalty against any
21 holder of such registration, license or permit, as prescribed by this
22 section, for causes or violations occurring during a license period
23 which occurred prior to the issuance of such registration, license or
24 permit.

25 3. (a) As used in this section, the term "for cause" shall also
26 include the existence of a sustained and continuing pattern of miscon-
27 duct, failure to adequately prevent diversion or disorder on or about
28 the registered, licensed or permitted premises, or in the area in front

1 of or adjacent to the registered or licensed premises, or in any parking
2 lot provided by the registered organization or licensee for use by
3 registered organization or licensee's patrons, which, in the judgment of
4 the office, adversely affects or tends to affect the protection, health,
5 welfare, safety, or repose of the inhabitants of the area in which the
6 registered or licensed premises is located, or results in the licensed
7 premises becoming a focal point for police attention, or is offensive to
8 public decency.

9 (b) (i) As used in this section, the term "for cause" shall also
10 include deliberately misleading the authority:

11 (A) as to the nature and character of the business to be operated by
12 the registered organization, licensee or permittee; or

13 (B) by substantially altering the nature or character of such business
14 during the registration or licensing period without seeking appropriate
15 approvals from the office.

16 (ii) As used in this subdivision, the term "substantially altering the
17 nature or character" of such business shall mean any significant alter-
18 ation in the scope of business activities conducted by a registered
19 organization, licensee or permittee that would require obtaining an
20 alternate form of registration, license or permit.

21 4. As used in this chapter, the existence of a sustained and continu-
22 ing pattern of misconduct, failure to adequately prevent diversion or
23 disorder on or about the premises may be presumed upon the third inci-
24 dent reported to the office by a law enforcement agency, or discovered
25 by the office during the course of any investigation, of misconduct,
26 diversion or disorder on or about the premises or related to the opera-
27 tion of the premises.

1 5. The denial, revocation, or suspension of any application, license,
2 permit, or registration issued to or submitted by a person, business, or
3 entity may also be grounds for the denial, suspension, or revocation of
4 any and all other licenses, permits, or registrations applied for by, or
5 issued to said person, business, or entity if the executive director
6 determines it necessary to protect public health and safety or that the
7 person, business, and/or entities involved no longer possess the good
8 moral character required to participate in the cannabis industry.

9 6. Any registration, license or permit issued by the office pursuant
10 to this chapter may be revoked, cancelled or suspended and/or be
11 subjected to the imposition of a monetary penalty in the manner
12 prescribed by this section.

13 7. The office may on its own initiative, or on complaint of any
14 person, institute proceedings to revoke, cancel or suspend any adult-use
15 cannabis retail dispensary license or adult-use cannabis on-site
16 consumption license and may impose a civil penalty against the licensee
17 after a hearing at which the licensee shall be given an opportunity to
18 be heard. Such hearing shall be held in such manner and upon such notice
19 as may be prescribed by regulation.

20 8. All other registrations, licenses or permits issued under this
21 chapter may be revoked, cancelled, suspended and/or made subject to the
22 imposition of a civil penalty by the office after a hearing to be held
23 in such manner and upon such notice as may be prescribed in regulation
24 by the executive director.

25 9. Notwithstanding any other provision of this chapter, the office
26 may: (a) revoke or refuse to issue any class or type of license, permit,
27 or registration if it determines that failing to do so would conflict
28 with any federal law or guidance pertaining to regulatory, enforcement

1 and other systems that states, businesses, or other institutions may
2 implement to mitigate the potential for federal intervention or enforce-
3 ment. This provision shall not be construed to prohibit the overall
4 implementation and administration of this chapter on account of the
5 federal classification of marijuana or cannabis as a schedule I
6 substance or any other federal prohibitions or restrictions; and

7 (b) the board may adopt rules and regulations based on federal guid-
8 ance, provided those rules and regulations are designed to comply with
9 federal guidance and mitigate federal enforcement against the registra-
10 tions, licenses, or permits issued under this chapter, or the cannabis
11 industry as a whole. This may include regulations which permit the shar-
12 ing of licensee, registrant, or permit holder information with desig-
13 nated banking or financial institutions, provided these regulations are
14 designed to aid cannabis industry participants' access to banking and
15 financial services.

16 § 136. Lawful actions pursuant to this chapter. 1. Contracts related
17 to the operation of registered organizations, licenses and permits under
18 this chapter shall be lawful and shall not be deemed unenforceable on
19 the basis that the actions permitted pursuant to the registration,
20 license or permit are prohibited by federal law.

21 2. The following actions are not unlawful as provided under this chap-
22 ter, shall not be an offense under any state or local law, and shall not
23 result in any civil fine, seizure, or forfeiture of assets against any
24 person acting in accordance with this chapter:

25 (a) Actions of a registered organization, licensee, or permittee, or
26 the employees or agents of such registered organization, licensee or
27 permittee, as permitted by this chapter and consistent with rules and

1 regulations of the office, pursuant to a valid registration, license or
2 permit issued by the office.

3 (b) Actions of those who allow property to be used by a registered
4 organization, licensee, or permittee, or the employees or agents of such
5 registered organization, licensee or permittee, as permitted by this
6 chapter and consistent with rules and regulations of the office, pursu-
7 ant to a valid registration, license or permit issued by the office.

8 (c) Actions of any person or entity, their employees, or their agents
9 providing a service to a registered organization, licensee, permittee or
10 a potential registered organization, licensee, or permittee, as permit-
11 ted by this chapter and consistent with rules and regulations of the
12 office, relating to the formation of a business.

13 (d) The purchase, possession, or consumption of cannabis, medical
14 cannabis and cannabinoid hemp, as permitted by this chapter and consist-
15 ent with rules and regulations of the office, obtained from a validly
16 registered, licensed or permitted retailer.

17 § 137. Review by courts. 1. The following actions by the office shall
18 be subject to review by the supreme court in the manner provided in
19 article seventy-eight of the civil practice law and rules:

20 (a) refusal by the office to issue a registration, license, or a
21 permit;

22 (b) the revocation, cancellation or suspension of a registration,
23 license, or permit by the office;

24 (c) the failure or refusal by the office to render a decision upon any
25 completed application for a license, registration or permit, or hearing
26 submitted to or held by the office within sixty days after such
27 submission of a completed application or hearing;

1 (d) the transfer by the office of a registration, license, or permit
2 to any other entity or premises, or refusal by the office to approve
3 such a transfer; and

4 (e) refusal to approve a corporate change in stockholders, stockhold-
5 ings, officers or directors.

6 2. No stay shall be granted pending the determination of such matter
7 except on notice to the office and only for a period of less than thirty
8 days. In no instance shall a stay be granted where the office has issued
9 a summary suspension of a registration, license, or permit for the
10 protection of the public health, safety, and welfare.

11 § 138. Illicit cannabis. 1. "Illicit cannabis" means and includes any
12 cannabis product or medical cannabis owned, cultivated, distributed,
13 bought, sold, packaged, rectified, blended, treated, fortified, mixed,
14 processed, warehoused, possessed or transported, on which any tax
15 required to have been paid under any applicable state law has not been
16 paid; or any adult-use cannabis or medical cannabis product the form,
17 packaging, or content of which is not permitted by the office, as appli-
18 cable.

19 2. Any person who shall knowingly possess or have under his or her
20 control any illicit cannabis is guilty of a misdemeanor.

21 3. Any person who shall knowingly barter or exchange with, or sell,
22 give or offer to sell or to give another any illicit cannabis is guilty
23 of a class A misdemeanor.

24 4. Any person who shall possess or have under his or her control or
25 transport any illicit cannabis with intent to barter or exchange with,
26 or to sell or give to another the same or any part thereof is guilty of
27 a class A misdemeanor. Such intent is presumptively established by proof
28 that the person knowingly possessed or had under his or her control one

1 or more ounces, or an equivalent amount as determined by the executive
2 director in regulation, of illicit cannabis. This presumption may be
3 rebutted.

4 5. Any person who, being the owner, lessee, or occupant of any room,
5 shed, tenement, booth or building, float or vessel, or part thereof,
6 knowingly permits the same to be used for the cultivation, processing,
7 distribution, purchase, sale, warehousing, transportation, or storage of
8 any illicit cannabis, is guilty of a misdemeanor.

9 § 139. Injunction for unlawful manufacturing, sale, distribution, or
10 consumption of cannabis. 1. If any person shall engage or participate
11 or be about to engage or participate in the cultivation, production,
12 distribution, traffic, or sale of cannabis products, medical cannabis or
13 cannabinoid hemp in this state without obtaining the appropriate regis-
14 tration, license, or permit therefor, or shall traffic in cannabis
15 products, medical cannabis or cannabinoid hemp contrary to any provision
16 of this chapter, or otherwise unlawfully, or shall traffic in illicit
17 cannabis or, operating either a place for profit or pecuniary gain, or a
18 not-for-profit basis, with a capacity for the assemblage of twenty or
19 more persons, shall permit a person or persons to come to such place of
20 assembly for the purpose of consuming cannabis products without having
21 the appropriate license or permit therefor, the office may present a
22 verified petition or complaint to a justice of the supreme court at a
23 special term of the supreme court of the judicial district in which such
24 city, village or town is situated, for an order enjoining such person
25 engaging or participating in such activity or from carrying on such
26 business. Such petition or complaint shall state the facts upon which
27 such application is based. Upon the presentation of the petition or
28 complaint, the justice or court may grant an order temporarily restrain-

1 ing any person from continuing to engage in conduct as specified in the
2 petition or complaint, and shall grant an order requiring such person to
3 appear before such justice or court at or before a special term of the
4 supreme court in such judicial district on the day specified therein,
5 not more than ten days after the granting thereof, to show cause why
6 such person should not be permanently enjoined from engaging or partic-
7 ipating in such activity or from carrying on such business, or why such
8 person should not be enjoined from carrying on such business contrary to
9 the provisions of this chapter. A copy of such petition or complaint and
10 order shall be served upon the person, in the manner directed by such
11 order, not less than three days before the return day thereof. On the
12 day specified in such order, the justice or court before whom the same
13 is returnable shall hear the proofs of the parties and may, if deemed
14 necessary or proper, take testimony in relation to the allegations of
15 the petition or complaint. If the justice or court is satisfied that
16 such person is about to engage or participate in the unlawful traffic in
17 cannabis, medical cannabis or cannabinoid hemp or has unlawfully culti-
18 vated, processed, or sold cannabis products, medical cannabis or canna-
19 binoid hemp without having obtained a registration or license or contra-
20 ry to the provisions of this chapter, or has trafficked in illicit
21 cannabis, or, is operating or is about to operate such place for profit
22 or pecuniary gain, with such capacity, and has permitted or is about to
23 permit a person or persons to come to such place of assembly for the
24 purpose of consuming cannabis products without having such appropriate
25 license, an order shall be granted enjoining such person from thereafter
26 engaging or participating in or carrying on such activity or business,
27 and allowing for the seizure of such illicit cannabis without limit. If,
28 after the entry of such an order in the county clerk's office of the

1 county in which the principal place of business of the corporation or
2 partnership is located, or in which the individual so enjoined resides
3 or conducts such business, and the service of a copy thereof upon such
4 person, or such substituted service as the court may direct, such
5 person, partnership or corporation shall, in violation of such order,
6 cultivate, process, distribute or sell cannabis products, medical canna-
7 bis or cannabinoid hemp, or illicit cannabis, or permit a person or
8 persons to come to such place of assembly for the purpose of consuming
9 cannabis products, such activity shall be deemed a contempt of court and
10 be punishable in the manner provided by the judiciary law, and, in addi-
11 tion to any such punishment, the justice or court before whom or which
12 the petition or complaint is heard, may, in his or its discretion, order
13 the seizure and forfeiture of any cannabis products and any fixtures,
14 equipment and supplies used in the operation or promotion of such ille-
15 gal activity and such property shall be subject to forfeiture pursuant
16 to law. Costs upon the application for such injunction may be awarded in
17 favor of and against the parties thereto in such sums as in the
18 discretion of the justice or court before whom or which the petition or
19 complaint is heard may seem proper.

20 2. The owner, lessor and lessee of a building, erection or place where
21 cannabis products, medical cannabis or cannabinoid hemp is unlawfully
22 cultivated, processed, distributed, sold, consumed or permitted to be
23 unlawfully cultivated, processed, distributed, sold or consumed may be
24 made a respondent or defendant in the proceeding or action.

25 3. The gift or transfer of cannabis in conjunction with the transfer
26 of any money, consideration or value, or another item or any other
27 services in an effort to evade laws, licensing, permitting, and regis-

1 tration requirements governing the sale of cannabis shall be considered
2 an unlawful activity under this chapter.

3 § 140. Persons forbidden to traffic cannabis; certain officials not to
4 be interested in manufacture or sale of cannabis products. 1. The
5 following are forbidden to traffic in cannabis:

6 (a) Except as provided in subdivision one-a of this section, a person
7 who has been convicted of a felony, unless subsequent to such conviction
8 such person shall have received an executive pardon therefor removing
9 this disability, a certificate of good conduct granted by the department
10 of corrections and community supervision, or a certificate of relief
11 from disabilities granted by the department of corrections and community
12 supervision or a court of this state pursuant to the provisions of arti-
13 cle twenty-three of the correction law to remove the disability under
14 this section because of such conviction;

15 (b) A person under the age of twenty-one years;

16 (c) A person who is not a citizen of the United States or an alien
17 lawfully admitted for permanent residence in the United States;

18 (d) A partnership or a corporation, unless each member of the partner-
19 ship, or each of the principal officers and directors of the corpo-
20 ration, is a citizen of the United States or an alien lawfully admitted
21 for permanent residence in the United States, not less than twenty-one
22 years of age, and has not been convicted of any felony, or if so
23 convicted has received, subsequent to such conviction, an executive
24 pardon therefor removing this disability a certificate of good conduct
25 granted by the department of corrections and community supervision, or a
26 certificate of relief from disabilities granted by the department of
27 corrections and community supervision or a court of this state pursuant
28 to the provisions of article twenty-three of the correction law to

1 remove the disability under this section because of such conviction;
2 provided however that a corporation which otherwise conforms to the
3 requirements of this section and chapter may be licensed if each of its
4 principal officers and more than one-half of its directors are citizens
5 of the United States or aliens lawfully admitted for permanent residence
6 in the United States; and provided further that a corporation organized
7 under the not-for-profit corporation law or the education law which
8 otherwise conforms to the requirements of this section and chapter may
9 be licensed if each of its principal officers and more than one-half of
10 its directors are not less than twenty-one years of age and none of its
11 directors are less than eighteen years of age; and provided further that
12 a corporation organized under the not-for-profit corporation law or the
13 education law and located on the premises of a college as defined by
14 section two of the education law which otherwise conforms to the
15 requirements of this section and chapter may be licensed if each of its
16 principal officers and each of its directors are not less than twenty-
17 one years of age;

18 (e) A person who shall have had any registration or license issued
19 under this chapter revoked for cause, until no less than two years from
20 the date of such revocation;

21 (f) A person not registered or licensed under the provisions of this
22 chapter, who has been convicted of a violation of this chapter, until no
23 less than two years from the date of such conviction; or

24 (g) A corporation or partnership, if any officer and director or any
25 partner, while not licensed under the provisions of this chapter, has
26 been convicted of a violation of this chapter, or has had a registration
27 or license issued under this chapter revoked for cause, until no less
28 than two years from the date of such conviction or revocation.

1 1-a. Notwithstanding the provision of subdivision one of this section,
2 a corporation holding a registration or license to traffic cannabis
3 products or medical cannabis may, upon conviction of a felony be auto-
4 matically forbidden to traffic in cannabis products or medical cannabis,
5 and the application for a registered organization or license by such a
6 corporation may be subject to denial, and the registration or license of
7 such a corporation may be subject to revocation or suspension by the
8 office pursuant, consistent with the provisions of article
9 twenty-three-A of the correction law. For any felony conviction by a
10 court other than a court of this state, the office may request the
11 department of corrections and community supervision to investigate and
12 review the facts and circumstances concerning such a conviction, and
13 such department shall, if so requested, submit its findings to the
14 office as to whether the corporation has conducted itself in a manner
15 such that discretionary review by the office would not be inconsistent
16 with the public interest. The department of corrections and community
17 supervision may charge the registered organization, licensee or appli-
18 cant a fee equivalent to the expenses of an appropriate investigation
19 under this subdivision. For any conviction rendered by a court of this
20 state, the office may request the corporation, if the corporation is
21 eligible for a certificate of relief from disabilities, to seek such a
22 certificate from the court which rendered the conviction and to submit
23 such a certificate as part of the office's discretionary review process.

24 2. Except as may otherwise be provided for in regulation, it shall be
25 unlawful for any police commissioner, police inspector, captain,
26 sergeant, roundsman, patrolman or other police official or subordinate
27 of any police department in the state, to be either directly or indi-
28 rectly interested in the cultivation, processing, distribution, or sale

1 of cannabis products or to offer for sale, or recommend to any regis-
2 tered organization or licensee any cannabis products. A person may not
3 be denied any registration or license granted under the provisions of
4 this chapter solely on the grounds of being the spouse of a public serv-
5 ant described in this section. The solicitation or recommendation made
6 to any registered organization or licensee, to purchase any cannabis
7 products by any police official or subordinate as hereinabove described,
8 shall be presumptive evidence of the interest of such official or subor-
9 dinate in the cultivation, processing, distribution, or sale of cannabis
10 products.

11 3. No elective village officer shall be subject to the limitations set
12 forth in subdivision two of this section unless such elective village
13 officer shall be assigned duties directly relating to the operation or
14 management of the police department or have direct authority over any
15 applicable local licensing requirements or approvals.

16 § 141. Access to criminal history information through the division of
17 criminal justice services. In connection with the administration of
18 this chapter, the office is authorized to request, receive and review
19 criminal history information through the division of criminal justice
20 services with respect to any person seeking a registration, license,
21 permit or authorization to cultivate, process, distribute or sell
22 medical cannabis or adult-use cannabis. At the office's request, each
23 person, member, principal and/or officer of the applicant shall submit
24 to the office his or her fingerprints in such form and in such manner as
25 specified by the division, for the purpose of conducting a criminal
26 history search and returning a report thereon in accordance with the
27 procedures and requirements established by the division pursuant to the
28 provisions of article thirty-five of the executive law, which shall

1 include the payment of the prescribed processing fees for the cost of
2 the division's full search and retain procedures and a national criminal
3 history record check. The executive director, or his or her designee,
4 shall submit such fingerprints and the processing fee to the division.
5 The division shall forward to the office a report with respect to the
6 applicant's previous criminal history, if any, or a statement that the
7 applicant has no previous criminal history according to its files. Fing-
8 erprints submitted to the division pursuant to this subdivision may also
9 be submitted to the federal bureau of investigation for a national crim-
10 inal history record check. If additional copies of fingerprints are
11 required, the applicant shall furnish them upon request.

12 § 3. Intentionally omitted.

13 § 4. Section 3302 of the public health law, as added by chapter 878 of
14 the laws of 1972, subdivisions 1, 14, 16, 17 and 27 as amended and
15 subdivisions 4, 5, 6, 7, 8, 11, 12, 13, 15, 18, 19, 20, 21, 22, 23, 24,
16 25, 26, 28, 29 and 30 as renumbered by chapter 537 of the laws of 1998,
17 subdivisions 9 and 10 as amended and subdivisions 34, 35, 36, 37, 38, 39
18 and 40 as added by chapter 178 of the laws of 2010, paragraph (a) of
19 subdivision 20, the opening paragraph of subdivision 22 and subdivision
20 29 as amended by chapter 163 of the laws of 1973, subdivision 31 as
21 amended by section 4 of part A of chapter 58 of the laws of 2004, subdi-
22 vision 41 as added by section 6 of part A of chapter 447 of the laws of
23 2012, and subdivisions 42 and 43 as added by section 13 of part D of
24 chapter 60 of the laws of 2014, is amended to read as follows:

25 § 3302. Definitions of terms of general use in this article. Except
26 where different meanings are expressly specified in subsequent
27 provisions of this article, the following terms have the following mean-
28 ings:

1 1. "Addict" means a person who habitually uses a controlled substance
2 for a non-legitimate or unlawful use, and who by reason of such use is
3 dependent thereon.

4 2. "Administer" means the direct application of a controlled
5 substance, whether by injection, inhalation, ingestion, or any other
6 means, to the body of a patient or research subject.

7 3. "Agent" means an authorized person who acts on behalf of or at the
8 direction of a manufacturer, distributor, or dispenser. No person may be
9 authorized to so act if under title VIII of the education law such
10 person would not be permitted to engage in such conduct. It does not
11 include a common or contract carrier, public warehouseman, or employee
12 of the carrier or warehouseman when acting in the usual and lawful
13 course of the carrier's or warehouseman's business.

14 4. ["Concentrated Cannabis" means

15 (a) the separated resin, whether crude or purified, obtained from a
16 plant of the genus Cannabis; or

17 (b) a material, preparation, mixture, compound or other substance
18 which contains more than two and one-half percent by weight of delta-9
19 tetrahydrocannabinol, or its isomer, delta-8 dibenzopyran numbering
20 system, or delta-1 tetrahydrocannabinol or its isomer, delta 1 (6) mono-
21 terpene numbering system.

22 5.] "Controlled substance" means a substance or substances listed in
23 section thirty-three hundred six of this [chapter] title.

24 [6.] 5. "Commissioner" means commissioner of health of the state of
25 New York.

26 [7.] 6. "Deliver" or "delivery" means the actual, constructive or
27 attempted transfer from one person to another of a controlled substance,
28 whether or not there is an agency relationship.

1 [8.] 7. "Department" means the department of health of the state of
2 New York.

3 [9.] 8. "Dispense" means to deliver a controlled substance to an ulti-
4 mate user or research subject by lawful means, including by means of the
5 internet, and includes the packaging, labeling, or compounding necessary
6 to prepare the substance for such delivery.

7 [10.] 9. "Distribute" means to deliver a controlled substance, includ-
8 ing by means of the internet, other than by administering or dispensing.

9 [11.] 10. "Distributor" means a person who distributes a controlled
10 substance.

11 [12.] 11. "Diversion" means manufacture, possession, delivery or use
12 of a controlled substance by a person or in a manner not specifically
13 authorized by law.

14 [13.] 12. "Drug" means

15 (a) substances recognized as drugs in the official United States Phar-
16 macopoeia, official Homeopathic Pharmacopoeia of the United States, or
17 official National Formulary, or any supplement to any of them;

18 (b) substances intended for use in the diagnosis, cure, mitigation,
19 treatment, or prevention of disease in man or animals; and

20 (c) substances (other than food) intended to affect the structure or a
21 function of the body of man or animal. It does not include devices or
22 their components, parts, or accessories.

23 [14.] 13. "Federal agency" means the Drug Enforcement Administration,
24 United States Department of Justice, or its successor agency.

25 [15.] 14. "Federal controlled substances act" means the Comprehensive
26 Drug Abuse Prevention and Control Act of 1970, Public Law 91-513, and
27 any act or acts amendatory or supplemental thereto or regulations
28 promulgated thereunder.

1 [16.] 15. "Federal registration number" means such number assigned by
2 the Federal agency to any person authorized to manufacture, distribute,
3 sell, dispense or administer controlled substances.

4 [17.] 16. "Habitual user" means any person who is, or by reason of
5 repeated use of any controlled substance for non-legitimate or unlawful
6 use is in danger of becoming, dependent upon such substance.

7 [18.] 17. "Institutional dispenser" means a hospital, veterinary
8 hospital, clinic, dispensary, maternity home, nursing home, mental
9 hospital or similar facility approved and certified by the department as
10 authorized to obtain controlled substances by distribution and to
11 dispense and administer such substances pursuant to the order of a prac-
12 titioner.

13 [19.] 18. "License" means a written authorization issued by the
14 department or the New York state department of education permitting
15 persons to engage in a specified activity with respect to controlled
16 substances.

17 [20.] 19. "Manufacture" means the production, preparation, propa-
18 gation, compounding, cultivation, conversion or processing of a
19 controlled substance, either directly or indirectly or by extraction
20 from substances of natural origin, or independently by means of chemical
21 synthesis, or by a combination of extraction and chemical synthesis, and
22 includes any packaging or repackaging of the substance or labeling or
23 relabeling of its container, except that this term does not include the
24 preparation, compounding, packaging or labeling of a controlled
25 substance:

26 (a) by a practitioner as an incident to his or her administering or
27 dispensing of a controlled substance in the course of his professional
28 practice; or

1 (b) by a practitioner, or by his or her authorized agent under his or
2 her supervision, for the purpose of, or as an incident to, research,
3 teaching, or chemical analysis and not for sale; or

4 (c) by a pharmacist as an incident to his or her dispensing of a
5 controlled substance in the course of his or her professional practice.

6 [21. "Marihuana" means all parts of the plant of the genus Cannabis,
7 whether growing or not; the seeds thereof; the resin extracted from any
8 part of the plant; and every compound, manufacture, salt, derivative,
9 mixture, or preparation of the plant, its seeds or resin. It does not
10 include the mature stalks of the plant, fiber produced from the stalks,
11 oil or cake made from the seeds of the plant, any other compound, manu-
12 facture, salt, derivative, mixture, or preparation of the mature stalks
13 (except the resin extracted therefrom), fiber, oil, or cake, or the
14 sterilized seed of the plant which is incapable of germination.

15 22.] 20. "Narcotic drug" means any of the following, whether produced
16 directly or indirectly by extraction from substances of vegetable
17 origin, or independently by means of chemical synthesis, or by a combi-
18 nation of extraction and chemical synthesis:

19 (a) opium and opiate, and any salt, compound, derivative, or prepara-
20 tion of opium or opiate;

21 (b) any salt, compound, isomer, derivative, or preparation thereof
22 which is chemically equivalent or identical with any of the substances
23 referred to in [subdivision] paragraph (a) of this subdivision, but not
24 including the isoquinoline alkaloids of opium;

25 (c) opium poppy and poppy straw.

26 [23.] 21. "Opiate" means any substance having an addiction-forming or
27 addiction-sustaining liability similar to morphine or being capable of
28 conversion into a drug having addiction-forming or addiction-sustaining

1 liability. It does not include, unless specifically designated as
2 controlled under section [3306] thirty-three hundred six of this [arti-
3 cle] title, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and
4 its salts (dextromethorphan). It does include its racemic and levorota-
5 tory forms.

6 [24.] 22. "Opium poppy" means the plant of the species *Papaver*
7 *somniferum* L., except its seeds.

8 [25.] 23. "Person" means individual, institution, corporation, govern-
9 ment or governmental subdivision or agency, business trust, estate,
10 trust, partnership or association, or any other legal entity.

11 [26.] 24. "Pharmacist" means any person licensed by the state depart-
12 ment of education to practice pharmacy.

13 [27.] 25. "Pharmacy" means any place registered as such by the New
14 York state board of pharmacy and registered with the Federal agency
15 pursuant to the federal controlled substances act.

16 [28.] 26. "Poppy straw" means all parts, except the seeds, of the
17 opium poppy, after mowing.

18 [29.] 27. "Practitioner" means:

19 A physician, dentist, podiatrist, veterinarian, scientific investi-
20 gator, or other person licensed, or otherwise permitted to dispense,
21 administer or conduct research with respect to a controlled substance in
22 the course of a licensed professional practice or research licensed
23 pursuant to this article. Such person shall be deemed a "practitioner"
24 only as to such substances, or conduct relating to such substances, as
25 is permitted by his license, permit or otherwise permitted by law.

26 [30.] 28. "Prescribe" means a direction or authorization, by
27 prescription, permitting an ultimate user lawfully to obtain controlled

1 substances from any person authorized by law to dispense such
2 substances.

3 [31.] 29. "Prescription" shall mean an official New York state
4 prescription, an electronic prescription, an oral prescription[, or an
5 out-of-state prescription[, or any one].

6 [32.] 30. "Sell" means to sell, exchange, give or dispose of to anothe-
7 er, or offer or agree to do the same.

8 [33.] 31. "Ultimate user" means a person who lawfully obtains and
9 possesses a controlled substance for his own use or the use by a member
10 of his household or for an animal owned by him or in his custody. It
11 shall also mean and include a person designated, by a practitioner on a
12 prescription, to obtain such substance on behalf of the patient for whom
13 such substance is intended.

14 [34.] 32. "Internet" means collectively computer and telecommuni-
15 cations facilities which comprise the worldwide network of networks that
16 employ a set of industry standards and protocols, or any predecessor or
17 successor protocol to such protocol, to exchange information of all
18 kinds. "Internet," as used in this article, also includes other
19 networks, whether private or public, used to transmit information by
20 electronic means.

21 [35.] 33. "By means of the internet" means any sale, delivery,
22 distribution, or dispensing of a controlled substance that uses the
23 internet, is initiated by use of the internet or causes the internet to
24 be used.

25 [36.] 34. "Online dispenser" means a practitioner, pharmacy, or person
26 in the United States that sells, delivers or dispenses, or offers to
27 sell, deliver, or dispense, a controlled substance by means of the
28 internet.

1 [37.] 35. "Electronic prescription" means a prescription issued with
2 an electronic signature and transmitted by electronic means in accord-
3 ance with regulations of the commissioner and the commissioner of educa-
4 tion and consistent with federal requirements. A prescription generated
5 on an electronic system that is printed out or transmitted via facsimile
6 is not considered an electronic prescription and must be manually
7 signed.

8 [38.] 36. "Electronic" means of or relating to technology having elec-
9 trical, digital, magnetic, wireless, optical, electromagnetic or similar
10 capabilities. "Electronic" shall not include facsimile.

11 [39.] 37. "Electronic record" means a paperless record that is
12 created, generated, transmitted, communicated, received or stored by
13 means of electronic equipment and includes the preservation, retrieval,
14 use and disposition in accordance with regulations of the commissioner
15 and the commissioner of education and in compliance with federal law and
16 regulations.

17 [40.] 38. "Electronic signature" means an electronic sound, symbol, or
18 process, attached to or logically associated with an electronic record
19 and executed or adopted by a person with the intent to sign the record,
20 in accordance with regulations of the commissioner and the commissioner
21 of education.

22 [41.] 39. "Registry" or "prescription monitoring program registry"
23 means the prescription monitoring program registry established pursuant
24 to section thirty-three hundred forty-three-a of this article.

25 [42.] 40. "Compounding" means the combining, admixing, mixing, dilut-
26 ing, pooling, reconstituting, or otherwise altering of a drug or bulk
27 drug substance to create a drug with respect to an outsourcing facility

1 under section 503B of the federal Food, Drug and Cosmetic Act and
2 further defined in this section.

3 [43.] 41. "Outsourcing facility" means a facility that:

4 (a) is engaged in the compounding of sterile drugs as defined in
5 section sixty-eight hundred two of the education law;

6 (b) is currently registered as an outsourcing facility pursuant to
7 article one hundred thirty-seven of the education law; and

8 (c) complies with all applicable requirements of federal and state
9 law, including the Federal Food, Drug and Cosmetic Act.

10 Notwithstanding any other provision of law to the contrary, when an
11 outsourcing facility distributes or dispenses any drug to any person
12 pursuant to a prescription, such outsourcing facility shall be deemed to
13 be providing pharmacy services and shall be subject to all laws, rules
14 and regulations governing pharmacies and pharmacy services.

15 § 5. Paragraphs 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25,
16 26, 27, 28, 29, 30, 31 and 32 of subdivision (d) of schedule I of
17 section 3306 of the public health law, paragraphs 13, 14, 15, 16, 17,
18 18, 19, 20, 21, 22, 23 and 24 as added by chapter 664 of the laws of
19 1985, paragraphs 25, 26, 27, 28, 29 and 30 as added by chapter 589 of
20 the laws of 1996 and paragraphs 31 and 32 as added by chapter 457 of the
21 laws of 2006, are amended to read as follows:

22 (13) [Marihuana.

23 (14)] Mescaline.

24 [(15)] (14) Parahexyl. Some trade or other names: 3-Hexyl-1-hydroxy-
25 7,8,9,10-tetra hydro-6,6,9-trimethyl-6H-dibenfo{b,d} pyran.

26 [(16)] (15) Peyote. Meaning all parts of the plant presently classi-
27 fied botanically as Lophophora williamsii Lemaire, whether growing or
28 not, the seeds thereof, any extract from any part of such plant, and

1 every compound, manufacture, salts, derivative, mixture, or preparation
2 of such plant, its seeds or extracts.

3 [(17)] (16) N-ethyl-3-piperidyl benzilate.

4 [(18)] (17) N-methyl-3-piperidyl benzilate.

5 [(19)] (18) Psilocybin.

6 [(20)] (19) Psilocyn.

7 [(21)] (20) Synthetic Tetrahydrocannabinols. [Synthetic] tetrahydro-
8 cannabinols not derived from the cannabis plant, or tetrahydrocannabi-
9 nols manufactured or created from the cannabis plant but which were not
10 produced by the cannabis plant during its cultivation or present at the
11 time of harvest that are equivalents of the substances contained in the
12 plant, or in the resinous extractives of cannabis, sp. and/or synthetic
13 substances, derivatives, and their isomers with similar chemical struc-
14 ture and pharmacological activity such as the following:

15 [/\] delta 1 cis or trans tetrahydrocannabinol, and their optical
16 isomers

17 [/\] delta 6 cis or trans tetrahydrocannabinol, and their optical
18 isomers

19 [/\] delta 3, 4 cis or trans tetrahydrocannabinol, and its optical
20 isomers (since nomenclature of these substances is not internationally
21 standardized, compounds of these structures, regardless of numerical
22 designation of atomic positions covered).

23 Tetrahydrocannabinol created or produced by decarboxylation of tetrah-
24 ydrocannabinolic acid produced from the cannabis plant through culti-
25 vation or present at the time of harvest and/or any U.S. Food and Drug
26 Administration approved product containing tetrahydrocannabinol shall
27 not be considered a synthetic tetrahydrocannabinol.

1 [(22)] (21) Ethylamine analog of phencyclidine. Some trade or other
2 names: N-ethyl-1-phenylcyclohexylamine, (1-phenylcyclohexyl) ethyla-
3 mine, N-(1-phenylcyclohexyl) ethylamine cyclohexamine, PCE.

4 [(23)] (22) Pyrrolidine analog of phencyclidine. Some trade or other
5 names 1-(1-phenylcyclohexyl)-pyrrolidine; PCPy, PHP.

6 [(24)] (23) Thiophene analog of phencyclidine. Some trade or other
7 names: 1-{1-(2-thienyl)-cyclohexyl}-piperidine, 2-thienylanalog of
8 phencyclidine, TPCP, TCP.

9 [(25)] (24) 3,4-methylenedioxymethamphetamine (MDMA).

10 [(26)] (25) 3,4-methylenedioxy-N-ethylamphetamine (also known as
11 N-ethyl-alpha-methyl-3,4 (methylenedioxy) phenethylamine, N-ethyl MDA,
12 MDE, MDEA.

13 [(27)] (26) N-hydroxy-3,4-methylenedioxyamphetamine (also known as
14 N-hydroxy-alpha-methyl-3,4 (methylenedioxy) phenethylamine, and
15 N-hydroxy MDA.

16 [(28)] (27) 1-{1-(2-thienyl) cyclohexyl} pyrrolidine. Some other
17 names: TCPY.

18 [(29)] (28) Alpha-ethyltryptamine. Some trade or other names:
19 etryptamine; Monase; Alpha-ethyl-1H-indole-3-ethanamine;
20 3-(2-aminobutyl) indole; Alpha-ET or AET.

21 [(30)] (29) 2,5-dimethoxy-4-ethylamphetamine. Some trade or other
22 names: DOET.

23 [(31)] (30) 4-Bromo-2,5-dimethoxyphenethylamine. Some trade or other
24 names: 2-(4-bromo-2,5-dimethoxyphenyl)-1-aminoethane; alpha-desmethyl
25 DOB; 2C-B, Nexus.

26 [(32)] (31) 2,5-dimethoxy-4-(n)-propylthiophenethylamine (2C-T-7), its
27 optical isomers, salts and salts of isomers.

28 § 6. Title 5-A of article 33 of the public health law is REPEALED.

1 § 6-a. Article 29-A of the agriculture and markets law is REPEALED.

2 § 7. Section 3382 of the public health law, as added by chapter 878 of
3 the laws of 1972, is amended to read as follows:

4 § 3382. Growing of the plant known as Cannabis by unlicensed persons.
5 A person who, without being licensed so to do under this article or
6 articles three, four or five of the cannabis law, grows the plant of the
7 genus Cannabis or knowingly allows it to grow on his land without
8 destroying the same, shall be guilty of a class A misdemeanor.

9 § 8. Subdivision 1 of section 3397-b of the public health law, as
10 added by chapter 810 of the laws of 1980, is amended to read as follows:

11 1. ["Marijuana"] "Cannabis" means [marijuana] cannabis as defined in
12 [section thirty-three hundred two of this chapter] subdivision three of
13 section three of the cannabis law and shall also include tetrahydrocan-
14 nabinols or a chemical derivative of tetrahydrocannabinol.

15 § 9. Subdivisions 5, 6 and 9 of section 220.00 of the penal law,
16 subdivision 5 as amended by chapter 537 of the laws of 1998, subdivision
17 6 as amended by chapter 1051 of the laws of 1973 and subdivision 9 as
18 amended by chapter 664 of the laws of 1985, are amended and a new subdi-
19 vision 21 is added to read as follows:

20 5. "Controlled substance" means any substance listed in schedule I,
21 II, III, IV or V of section thirty-three hundred six of the public
22 health law other than [marihuana] cannabis as defined in subdivision six
23 of this section, but including concentrated cannabis as defined in
24 [paragraph (a) of subdivision four of section thirty-three hundred two
25 of such law] subdivision twenty-one of this section.

26 6. ["Marihuana"] "Cannabis" means ["marihuana" or "concentrated canna-
27 bis" as those terms are defined in section thirty-three hundred two of
28 the public health law] all parts of the plant of the genus cannabis,

1 whether growing or not; the seeds thereof; and every compound, manufac-
2 ture, salt, derivative, mixture, or preparation of the plant, or its
3 seeds. It does not include the mature stalks of the plant, fiber
4 produced from the stalks, oil or cake made from the seeds of the plant,
5 any other compound, manufacture, salt, derivative, mixture, or prepara-
6 tion of the mature stalks, fiber, oil, or cake, or the sterilized seed
7 of the plant which is incapable of germination. It does not include all
8 parts of the plant cannabis sativa L., whether growing or not, having no
9 more than three-tenths of one percent tetrahydrocannabinol (THC).

10 9. "Hallucinogen" means any controlled substance listed in schedule
11 I(d) (5), [(18), (19), (20), (21) and (22)] (17), (18), (19), (20) and
12 (21).

13 21. "Concentrated cannabis" means: (a) the separated resin, whether
14 crude or purified, obtained from a plant of the genus cannabis; or (b) a
15 material, preparation, mixture, compound or other substance which
16 contains more than three percent by weight of delta-9 tetrahydrocannabi-
17 nol, or its isomer, delta-8 dibenzopyran numbering system, or delta-1
18 tetrahydrocannabinol or its isomer, delta 1 (6) monoterpene numbering
19 system.

20 § 10. Subdivision 4 of section 220.06 of the penal law is REPEALED.

21 § 11. Subdivision 10 of section 220.09 of the penal law is REPEALED.

22 § 12. Subdivision 3 of section 220.34 of the penal law, as amended by
23 chapter 537 of the laws of 1998, is amended to read as follows:

24 3. concentrated cannabis as defined in [paragraph (a) of subdivision
25 four of section thirty-three hundred two of the public health law]
26 subdivision twenty-one of section 220.00 of this article; or

27 § 13. Intentionally omitted.

1 § 14. Section 221.00 of the penal law, as amended by chapter 90 of the
2 laws of 2014, is amended to read as follows:

3 § 221.00 [Marihuana] Cannabis; definitions.

4 Unless the context in which they are used clearly otherwise requires,
5 the terms occurring in this article shall have the same meaning ascribed
6 to them in article two hundred twenty of this chapter. Any act that is
7 lawful under [title five-A of article thirty-three of the public health]
8 articles three, four or five, of the cannabis law is not a violation of
9 this article.

10 § 15. Section 221.00 of the penal law, as added by chapter 360 of the
11 laws of 1977, is amended to read as follows:

12 § 221.00 [Marihuana] Cannabis; definitions.

13 Unless the context in which they are used clearly otherwise requires,
14 the terms occurring in this article shall have the same meaning ascribed
15 to them in article two hundred twenty of this chapter.

16 § 16. Section 221.05 of the penal law, as amended by chapter 131 of
17 the laws of 2019, is amended to read as follows:

18 § 221.05 Unlawful possession of [marihuana] cannabis in the second
19 degree.

20 A person is guilty of unlawful possession of [marihuana] cannabis in
21 the second degree when he knowingly and unlawfully possesses [marihua-
22 na.]:

23 1. cannabis and is less than twenty-one years of age; or

24 2. cannabis in a public place, as defined in section 240.00 of this
25 part, and such cannabis is burning.

26 Unlawful possession of [marihuana] cannabis in the second degree is a
27 violation punishable only by a fine of not more than fifty dollars when
28 such possession is by a person less than twenty-one years of age and of

1 an aggregate weight of less than one-half of one ounce of cannabis or
2 less than two and one-half grams of concentrated cannabis or a fine of
3 not more than one hundred dollars when such possession is by a person
4 less than twenty-one years of age and of an aggregate weight more than
5 one-half of one ounce of cannabis but not more than one ounce of canna-
6 bis, or more than two and one-half grams of concentrated cannabis but
7 not more than five grams of concentrated cannabis. Unlawful possession
8 of cannabis in the second degree is punishable by a fine of not more
9 than one hundred twenty-five dollars when such possession is in a public
10 place and such cannabis is burning. The term "burning" shall mean and
11 include smoking and vaping as such terms are defined in section thirteen
12 hundred ninety-nine-n of the public health law.

13 § 16-a. Subdivision 8 of section 1399-n of the public health law, as
14 amended by chapter 131 of the laws of 2019, is amended to read as
15 follows:

16 8. "Smoking" means the burning of a lighted cigar, cigarette, pipe or
17 any other matter or substance which contains tobacco or [marihuana]
18 cannabis as defined in section [thirty-three hundred two of this chap-
19 ter] 220.00 of the penal law.

20 § 17. Section 221.15 of the penal law, as amended by chapter 265 of
21 the laws of 1979, the opening paragraph as amended by chapter 75 of the
22 laws of 1995, is amended to read as follows:

23 § 221.15 [Criminal] Unlawful possession of [marihuana] cannabis in the
24 [fourth] first degree.

25 A person is guilty of [criminal] unlawful possession of [marihuana]
26 cannabis in the [fourth] first degree when he or she knowingly and
27 unlawfully possesses [one or more preparations, compounds, mixtures or
28 substances containing marihuana and the preparations, compounds,

1 mixtures or substances are of] an aggregate weight of more than [two
2 ounces] one ounce of cannabis or more than five grams of concentrated
3 cannabis.

4 [Criminal] Unlawful possession of [marihuana] cannabis in the [fourth]
5 first degree is a [class A misdemeanor] violation punishable by a fine
6 of not more than one hundred twenty-five dollars. The provisions of this
7 section shall not apply to certified patients or designated caregivers
8 as lawfully registered under article three of the cannabis law.

9 § 18. Section 221.20 of the penal law, as amended by chapter 265 of
10 the laws of 1979, the opening paragraph as amended by chapter 75 of the
11 laws of 1995, is amended to read as follows:

12 § 221.20 Criminal possession of [marihuana] cannabis in the [third]
13 second degree.

14 A person is guilty of criminal possession of [marihuana] cannabis in
15 the [third] second degree when he or she knowingly and unlawfully
16 possesses [one or more preparations, compounds, mixtures or substances
17 containing marihuana and the preparations, compounds, mixtures or
18 substances are of] an aggregate weight of more than [eight] two ounces
19 of cannabis or more than ten grams of concentrated cannabis.

20 Criminal possession of [marihuana] cannabis in the [third] second
21 degree is a class [E felony] A misdemeanor punishable by a fine not more
22 than one hundred twenty-five dollars per ounce possessed in excess of
23 two ounces of cannabis or ten grams of concentrated cannabis. However,
24 where the defendant has previously been convicted of an offense defined
25 in this article or article two hundred twenty of this title, committed
26 within the three years immediately preceding such violation, it shall be
27 punishable (a) only by a fine of not more than two hundred dollars per
28 ounce possessed in excess of two ounces, if the defendant was previously

1 convicted of one such offense committed during such period, and (b) by a
2 fine of not more than two hundred fifty dollars per ounce possessed in
3 excess of two ounces or a term of imprisonment not in excess of fifteen
4 days or both, if the defendant was previously convicted of two such
5 offenses committed during such period. The provisions of this section
6 shall not apply to certified patients or designated caregivers as
7 lawfully registered under article three of the cannabis law.

8 § 19. Section 221.25 of the penal law, as amended by chapter 265 of
9 the laws of 1979, the opening paragraph as amended by chapter 75 of the
10 laws of 1995, is amended to read as follows:

11 § 221.25 Criminal possession of [marihuana] cannabis in the [second]
12 first degree.

13 A person is guilty of criminal possession of [marihuana] cannabis in
14 the [second] first degree when he or she knowingly and unlawfully
15 possesses [one or more preparations, compounds, mixtures or substances
16 containing marihuana and the preparations, compounds, mixtures or
17 substances are of] an aggregate weight of more than [sixteen] sixty-four
18 ounces of cannabis or more than eighty grams of concentrated cannabis.

19 Criminal possession of [marihuana] cannabis in the [second] first
20 degree is a class [D] E felony.

21 § 20. Sections 221.10 and 221.30 of the penal law are REPEALED.

22 § 20-a. Paragraph (c) of subdivision 8 of section 700.05 of the crimi-
23 nal procedure law, as amended by chapter 37 of the laws of 2014, is
24 amended to read as follows:

25 (c) Criminal possession of a controlled substance in the seventh
26 degree as defined in section 220.03 of the penal law, criminal
27 possession of a controlled substance in the fifth degree as defined in
28 section 220.06 of the penal law, criminal possession of a controlled

1 substance in the fourth degree as defined in section 220.09 of the penal
2 law, criminal possession of a controlled substance in the third degree
3 as defined in section 220.16 of the penal law, criminal possession of a
4 controlled substance in the second degree as defined in section 220.18
5 of the penal law, criminal possession of a controlled substance in the
6 first degree as defined in section 220.21 of the penal law, criminal
7 sale of a controlled substance in the fifth degree as defined in section
8 220.31 of the penal law, criminal sale of a controlled substance in the
9 fourth degree as defined in section 220.34 of the penal law, criminal
10 sale of a controlled substance in the third degree as defined in section
11 220.39 of the penal law, criminal sale of a controlled substance in the
12 second degree as defined in section 220.41 of the penal law, criminal
13 sale of a controlled substance in the first degree as defined in section
14 220.43 of the penal law, criminally possessing a hypodermic instrument
15 as defined in section 220.45 of the penal law, criminal sale of a
16 prescription for a controlled substance or a controlled substance by a
17 practitioner or pharmacist as defined in section 220.65 of the penal
18 law, criminal possession of methamphetamine manufacturing material in
19 the second degree as defined in section 220.70 of the penal law, criminal
20 possession of methamphetamine manufacturing material in the first
21 degree as defined in section 220.71 of the penal law, criminal
22 possession of precursors of methamphetamine as defined in section 220.72
23 of the penal law, unlawful manufacture of methamphetamine in the third
24 degree as defined in section 220.73 of the penal law, unlawful manufacture
25 of methamphetamine in the second degree as defined in section
26 220.74 of the penal law, unlawful manufacture of methamphetamine in the
27 first degree as defined in section 220.75 of the penal law, unlawful
28 disposal of methamphetamine laboratory material as defined in section

1 220.76 of the penal law, operating as a major trafficker as defined in
2 section 220.77 of the penal law, [criminal possession of marihuana in
3 the first degree as defined in section 221.30 of the penal law, criminal
4 sale of marihuana in the first degree as defined in section 221.55 of
5 the penal law,] promoting gambling in the second degree as defined in
6 section 225.05 of the penal law, promoting gambling in the first degree
7 as defined in section 225.10 of the penal law, possession of gambling
8 records in the second degree as defined in section 225.15 of the penal
9 law, possession of gambling records in the first degree as defined in
10 section 225.20 of the penal law, and possession of a gambling device as
11 defined in section 225.30 of the penal law;

12 § 20-b. Paragraph (c) of subdivision 4-b and subdivisions 6 and 9 of
13 section 1310 of the civil practice law and rules, paragraph (b) of
14 subdivision 4-b as added by chapter 655 of the laws of 1990 and subdivi-
15 sions 6 and 9 as added by chapter 669 of the laws of 1984, are amended
16 to read as follows:

17 (c) a conviction of a person for a violation of section 220.09,
18 220.16, 220.34 or 220.39 of the penal law, [or a conviction of a crimi-
19 nal defendant for a violation of section 221.30 of the penal law,] or
20 where the accusatory instrument charges any such felony, conviction upon
21 a plea of guilty to a felony for which the plea is otherwise authorized
22 by law, together with evidence which: (i) provides substantial indicia
23 that the defendant used the real property to engage in a continual,
24 ongoing course of conduct involving the unlawful mixing, compounding,
25 manufacturing, warehousing, or packaging of controlled substances [or
26 where the conviction is for a violation of section 221.30 of the penal
27 law, marijuana,] as part of an illegal trade or business for gain; and
28 (ii) establishes, where the conviction is for possession of a controlled

1 substance [or where the conviction is for a violation of section 221.30
2 of the penal law, marijuana], that such possession was with the intent
3 to sell it.

4 6. "Pre-conviction forfeiture crime" means only a felony defined in
5 article two hundred twenty or section [221.30 or] 221.55 of the penal
6 law.

7 9. "Criminal defendant" means a person who has criminal liability for
8 a crime defined in subdivisions five and six [hereof] of this section.
9 For purposes of this article, a person has criminal liability when (a)
10 he has been convicted of a post-conviction forfeiture crime, or (b) the
11 claiming authority proves by clear and convincing evidence that such
12 person has committed an act in violation of article two hundred twenty
13 or section [221.30 or] 221.55 of the penal law.

14 § 20-c. Paragraph (c) of subdivision 7 of section 480.00 of the penal
15 law, as added by chapter 655 of the laws of 1990, is amended to read as
16 follows:

17 (c) a conviction of a person for a violation of section 220.09,
18 220.16, 220.34[,], or 220.39[, or 221.30] of this chapter, or where the
19 accusatory instrument charges any such felony, conviction upon a plea of
20 guilty to a felony for which the plea is otherwise authorized by law,
21 together with evidence which: (i) provides substantial indicia that the
22 defendant used the real property to engage in a continual, ongoing
23 course of conduct involving the unlawful mixing, compounding, manufac-
24 turing, warehousing, or packaging of controlled substances [or where the
25 conviction is for a violation of section 221.30 of this chapter, mari-
26 juana] as part of an illegal trade or business for gain; and (ii) estab-
27 lishes, where the conviction is for possession of a controlled substance
28 [or where the conviction is for a violation of section 221.30 of this

1 chapter, marijuana], that such possession was with the intent to sell
2 it.

3 § 20-d. Paragraph (c) of subdivision 4 of section 509-cc of the vehi-
4 cle and traffic law, as amended by chapter 368 of the laws of 2015, is
5 amended to read as follows:

6 (c) The offenses referred to in subparagraph (i) of paragraph (b) of
7 subdivision one and subparagraph (i) of paragraph (c) of subdivision two
8 of this section that result in disqualification for a period of five
9 years shall include a conviction under sections 100.10, 105.13, 115.05,
10 120.03, 120.04, 120.04-a, 120.05, 120.10, 120.25, 121.12, 121.13,
11 125.40, 125.45, 130.20, 130.25, 130.52, 130.55, 135.10, 135.55, 140.17,
12 140.25, 140.30, 145.12, 150.10, 150.15, 160.05, 160.10, 220.06, 220.09,
13 220.16, 220.31, 220.34, 220.60, 220.65, [221.30,] 221.50, 221.55,
14 230.00, 230.05, 230.06, 230.11, 230.12, 230.13, 230.19, 230.20, 235.05,
15 235.06, 235.07, 235.21, 240.06, 245.00, 260.10, subdivision two of
16 section 260.20 and sections 260.25, 265.02, 265.03, 265.08, 265.09,
17 265.10, 265.12, 265.35 of the penal law or an attempt to commit any of
18 the aforesaid offenses under section 110.00 of the penal law, or any
19 similar offenses committed under a former section of the penal law, or
20 any offenses committed under a former section of the penal law which
21 would constitute violations of the aforesaid sections of the penal law,
22 or any offenses committed outside this state which would constitute
23 violations of the aforesaid sections of the penal law.

24 § 20-e. Subdivision 1 of section 170.56 of the criminal procedure law,
25 as amended by chapter 360 of the laws of 1977, is amended to read as
26 follows:

27 1. Upon or after arraignment in a local criminal court upon an infor-
28 mation, a prosecutor's information or a misdemeanor complaint, where the

1 sole remaining count or counts charge a violation or violations of
2 section 221.05, [221.10,] 221.15, 221.35 or 221.40 of the penal law and
3 before the entry of a plea of guilty thereto or commencement of a trial
4 thereof, the court, upon motion of a defendant, may order that all
5 proceedings be suspended and the action adjourned in contemplation of
6 dismissal, or upon a finding that adjournment would not be necessary or
7 appropriate and the setting forth in the record of the reasons for such
8 findings, may dismiss in furtherance of justice the accusatory instru-
9 ment; provided, however, that the court may not order such adjournment
10 in contemplation of dismissal or dismiss the accusatory instrument if:
11 (a) the defendant has previously been granted such adjournment in
12 contemplation of dismissal, or (b) the defendant has previously been
13 granted a dismissal under this section, or (c) the defendant has previ-
14 ously been convicted of any offense involving controlled substances, or
15 (d) the defendant has previously been convicted of a crime and the
16 district attorney does not consent or (e) the defendant has previously
17 been adjudicated a youthful offender on the basis of any act or acts
18 involving controlled substances and the district attorney does not
19 consent.

20 § 21. Section 221.35 of the penal law, as amended by chapter 265 of
21 the laws of 1979, the opening paragraph as amended by chapter 75 of the
22 laws of 1995, is amended to read as follows:

23 § 221.35 Criminal sale of [marihuana] cannabis in the fifth degree.

24 A person is guilty of criminal sale of [marihuana] cannabis in the
25 fifth degree when he or she knowingly and unlawfully sells, [without]
26 for consideration[, one or more preparations, compounds, mixtures or
27 substances containing marihuana and the preparations, compounds,
28 mixtures or substances are] cannabis or cannabis concentrate of [an

1 aggregate weight of two grams or less; or one cigarette containing mari-
2 huana] any weight.

3 Criminal sale of [marihuana] cannabis in the fifth degree is a [class
4 B misdemeanor] violation punishable by a fine not more than the greater
5 of two-hundred and fifty dollars or two times the value of the sale.

6 § 22. Section 221.40 of the penal law, as added by chapter 360 of the
7 laws of 1977, is amended to read as follows:

8 § 221.40 Criminal sale of [marihuana] cannabis in the fourth degree.

9 A person is guilty of criminal sale of [marihuana] cannabis in the
10 fourth degree when he or she knowingly and unlawfully sells [marihuana
11 except as provided in section 221.35 of this article] cannabis of an
12 aggregate weight of more than one ounce or more than five grams of
13 cannabis concentrate.

14 Criminal sale of [marihuana] cannabis in the fourth degree is a [class
15 A] misdemeanor punishable by a fine of not more than the greater of five
16 hundred dollars or two times the value of the sale or a maximum of three
17 months imprisonment, or both.

18 § 23. Section 221.45 of the penal law, as amended by chapter 265 of
19 the laws of 1979, the opening paragraph as amended by chapter 75 of the
20 laws of 1995, is amended to read as follows:

21 § 221.45 Criminal sale of [marihuana] cannabis in the third degree.

22 A person is guilty of criminal sale of [marihuana] cannabis in the
23 third degree when he or she knowingly and unlawfully sells [one or more
24 preparations, compounds, mixtures or substances containing marihuana and
25 the preparations, compounds, mixtures or substances are of an aggregate
26 weight of more than twenty-five grams] or an aggregate weight of more
27 than four ounces of cannabis or more than twenty grams of concentrated
28 cannabis.

1 Criminal sale of [marihuana] cannabis in the third degree is a [class
2 E felony] misdemeanor punishable by a fine of not more than the greater
3 of one thousand dollars or two times the value of the sale or a maximum
4 of one year imprisonment or both.

5 § 24. Section 221.50 of the penal law, as amended by chapter 265 of
6 the laws of 1979, the opening paragraph as amended by chapter 75 of the
7 laws of 1995, is amended to read as follows:

8 § 221.50 Criminal sale of [marihuana] cannabis in the second degree.

9 A person is guilty of criminal sale of [marihuana] cannabis in the
10 second degree when he knowingly and unlawfully sells [one or more prepa-
11 rations, compounds, mixtures or substances containing marihuana and the
12 preparations, compounds, mixtures or substances are of] an aggregate
13 weight of more than [four ounces, or knowingly and unlawfully sells one
14 or more preparations, compounds, mixtures or substances containing mari-
15 huana to a person less than eighteen years of age] sixteen ounces of
16 cannabis or more than eighty grams of concentrated cannabis or any
17 amount of cannabis or concentrated cannabis to any person under twenty-
18 one years of age. In any prosecution for unlawful sale of cannabis or
19 concentrated cannabis to someone under twenty-one years of age pursuant
20 to this section, it is an affirmative defense that: (a) the defendant
21 had reasonable cause to believe that the person under twenty-one years
22 of age involved was twenty-one years old or more; and (b) such person
23 under twenty-one years of age exhibited to the defendant a draft card,
24 driver's license or identification card, birth certificate or other
25 official or apparently official document purporting to establish that
26 such person was twenty-one years old or more.

27 Criminal sale of [marihuana] cannabis in the second degree is a class
28 D felony.

1 § 25. Section 221.55 of the penal law, as amended by chapter 265 of
2 the laws of 1979, the opening paragraph as amended by chapter 75 of the
3 laws of 1995, is amended to read as follows:

4 § 221.55 Criminal sale of [marihuana] cannabis in the first degree.

5 A person is guilty of criminal sale of [marihuana] cannabis in the
6 first degree when he knowingly and unlawfully sells [one or more prepa-
7 rations, compounds, mixtures or substances containing marihuana and the
8 preparations, compounds, mixtures or substances are of an aggregate
9 weight of] more than [sixteen] sixty-four ounces of cannabis or three
10 hundred and twenty grams of cannabis concentrate.

11 Criminal sale of [marihuana] cannabis in the first degree is a class C
12 felony.

13 § 26. The penal law is amended by adding a new section 221.60 to read
14 as follows:

15 § 221.60 Licensing of cannabis production and distribution.

16 The provisions of this article and of article two hundred twenty of
17 this title shall not apply to any person exempted from criminal penal-
18 ties pursuant to the provisions of this chapter or possessing, manufac-
19 turing, transporting, distributing, selling or transferring cannabis or
20 concentrated cannabis, or engaged in any other action that is in compli-
21 ance with article three, four or five of the cannabis law.

22 § 27. Intentionally omitted.

23 § 28. Paragraph (f) of subdivision 2 of section 850 of the general
24 business law is REPEALED.

25 § 29. Paragraph (h) of subdivision 2 of section 850 of the general
26 business law, as amended by chapter 812 of the laws of 1980, is amended
27 to read as follows:

1 (h) Objects, used or designed for the purpose of ingesting, inhaling,
2 or otherwise introducing [marihuana,] cocaine, hashish, or hashish oil
3 into the human body.

4 § 30. Section 114-a of the vehicle and traffic law, as added by chap-
5 ter 163 of the laws of 1973, is amended to read as follows:

6 § 114-a. Drug. The term "drug" when used in this chapter, means and
7 includes any substance listed in section thirty-three hundred six of the
8 public health law and any substance or combination of substances that
9 impair, to any extent, physical or mental abilities.

10 § 31. The article heading of article 20-B of the tax law, as added by
11 chapter 90 of the laws of 2014, is amended to read as follows:

12 EXCISE TAX ON MEDICAL [MARIHUANA] CANNABIS

13 § 32. The paragraph heading and subparagraph (i) of paragraph (b) of
14 subdivision 1 of section 1193 of the vehicle and traffic law, as amended
15 by chapter 169 of the laws of 2013, are amended to read as follows:

16 Driving while intoxicated or while ability impaired by drugs or while
17 ability impaired by the combined influence of drugs or of alcohol and
18 any drug or drugs; aggravated driving while intoxicated; misdemeanor
19 offenses. (i) A violation of subdivision two, three, or four [or four-a]
20 of section eleven hundred ninety-two of this article shall be a misde-
21 meanor and shall be punishable by a fine of not less than five hundred
22 dollars nor more than one thousand dollars, or by imprisonment in a
23 penitentiary or county jail for not more than one year, or by both such
24 fine and imprisonment. A violation of paragraph (a) of subdivision two-a
25 of section eleven hundred ninety-two of this article shall be a misde-
26 meanor and shall be punishable by a fine of not less than one thousand
27 dollars nor more than two thousand five hundred dollars or by imprison-

1 ment in a penitentiary or county jail for not more than one year, or by
2 both such fine and imprisonment.

3 § 33. Paragraph (c) of subdivision 1 of section 1193 of the vehicle
4 and traffic law, as amended by chapter 169 of the laws of 2013, is
5 amended by adding a new subparagraph (i-a) to read as follows:

6 (i-a) A violation of subdivision four-a of section eleven hundred
7 ninety-two of this article shall be a class E felony, and shall be
8 punishable by a fine of not less than one thousand dollars nor more than
9 five thousand dollars or by a period of imprisonment as provided in the
10 penal law, or by both such fine and imprisonment.

11 § 33-a. Subdivisions 1, 2 and 3 of section 1194 of the vehicle and
12 traffic law, as added by chapter 47 of the laws of 1988, paragraph (a)
13 of subdivision 2 as amended by chapter 196 of the laws of 1996, para-
14 graphs (b) and (c) of subdivision 2 as amended by chapter 489 of the
15 laws of 2017, clause (A) of subparagraph 1, subparagraphs 2 and 3 of
16 paragraph (b), subparagraphs 1, 2 and 3 of paragraph (c) of subdivision
17 2 as amended by chapter 27 of the laws of 2018, subparagraphs 1 and 2 of
18 paragraph (d) of subdivision 2 as amended by chapter 732 of the laws of
19 2006, and item (iii) of clause c of subparagraph 1 of paragraph (d) of
20 subdivision 2 as amended by section 37 of part LL of chapter 56 of the
21 laws of 2010, are amended to read as follows:

22 1. Arrest and field testing. (a) Arrest. Notwithstanding the
23 provisions of section 140.10 of the criminal procedure law, a police
24 officer may, without a warrant, arrest a person, in case of a violation
25 of subdivision one of section eleven hundred ninety-two of this article,
26 if such violation is coupled with an accident or collision in which such
27 person is involved, which in fact has been committed, though not in the

1 police officer's presence, when the officer has reasonable cause to
2 believe that the violation was committed by such person.

3 (b) Field testing. Every person operating a motor vehicle which has
4 been involved in an accident or which is operated in violation of any of
5 the provisions of this chapter shall, at the request of a police offi-
6 cer, submit to a breath test and/or oral/bodily fluid to be administered
7 by the police officer, and/or to an evaluation by a drug recognition
8 expert or advance roadside impairment detection enforcement certified
9 officer. If such test indicates that such operator has consumed alcohol
10 or drug or drugs, the police officer may request such operator to submit
11 to a chemical test or an evaluation conducted by a drug recognition
12 expert or advance roadside impairment detection enforcement certified
13 officer in the manner set forth in subdivision two of this section.

14 2. Chemical and drug recognition tests. (a) When authorized. Any
15 person who operates a motor vehicle in this state shall be deemed to
16 have given consent to an evaluation conducted by a drug recognition
17 expert or advance roadside impairment detection enforcement certified
18 officer or any portion thereof and/or a chemical test of one or more of
19 the following: breath, blood, urine, or saliva, for the purpose of
20 determining the alcoholic and/or drug content of the blood provided that
21 such test is administered by or at the direction of a police officer
22 with respect to a chemical test of breath, urine or saliva or, with
23 respect to a chemical test of blood, at the direction of a police offi-
24 cer:

25 (1) having reasonable grounds to believe such person to have been
26 operating in violation of any subdivision of section eleven hundred
27 ninety-two of this article and within two hours after such person has
28 been placed under arrest for any such violation; or having reasonable

1 grounds to believe such person to have been operating in violation of
2 section eleven hundred ninety-two-a of this article and within two hours
3 after the stop of such person for any such violation,

4 (2) within two hours after a breath test and/or oral/bodily fluid, or
5 an evaluation conducted by a drug recognition expert or advance roadside
6 impairment detection enforcement certified officer, as provided in para-
7 graph (b) of subdivision one of this section, indicates that alcohol
8 and/or drug or drugs, has been consumed by such person and in accordance
9 with the rules and regulations established by the police force of which
10 the officer is a member;

11 (3) for the purposes of this paragraph, "reasonable grounds" to
12 believe that a person has been operating a motor vehicle after having
13 consumed alcohol in violation of section eleven hundred ninety-two-a, or
14 alcohol and/or drug or drugs in violation of any other section of eleven
15 hundred ninety-two, of this article shall be determined by viewing the
16 totality of circumstances surrounding the incident which, when taken
17 together, indicate that the operator was driving in violation of such
18 subdivision. Such circumstances may include any visible or behavioral
19 indication of alcohol and/or drug or drugs consumption by the operator,
20 the existence of an open container containing or having contained an
21 alcoholic beverage and/or drug or drugs in or around the vehicle driven
22 by the operator, the odor of cannabis or burnt cannabis, or any other
23 evidence surrounding the circumstances of the incident which indicates
24 that the operator has been operating a motor vehicle after having
25 consumed alcohol and/or drug or drugs at the time of the incident; or

26 (4) notwithstanding any other provision of law to the contrary, no
27 person under the age of twenty-one shall be arrested for an alleged
28 violation of section eleven hundred ninety-two-a of this article.

1 However, a person under the age of twenty-one for whom a chemical test
2 or an evaluation conducted by a drug recognition expert or advance road-
3 side impairment detection enforcement certified officer is authorized
4 pursuant to this paragraph may be temporarily detained by the police
5 solely for the purpose of requesting or administering such chemical test
6 whenever arrest without a warrant for a petty offense would be author-
7 ized in accordance with the provisions of section 140.10 of the criminal
8 procedure law or paragraph (a) of subdivision one of this section.

9 (b) Report of refusal. (1) If: (A) such person having been placed
10 under arrest; or (B) after a breath test indicates the presence of alco-
11 hol and/or drug or drugs in the person's system; or (C) with regard to a
12 person under the age of twenty-one, there are reasonable grounds to
13 believe that such person has been operating a motor vehicle after having
14 consumed alcohol in violation of section eleven hundred ninety-two-a of
15 this article; and having thereafter been requested to submit to such
16 chemical test or an evaluation conducted by a drug recognition expert or
17 advance roadside impairment detection enforcement certified officer and
18 having been informed that the person's license or permit to drive and
19 any non-resident operating privilege shall be immediately suspended and
20 subsequently revoked, or, for operators under the age of twenty-one for
21 whom there are reasonable grounds to believe that such operator has been
22 operating a motor vehicle after having consumed alcohol in violation of
23 section eleven hundred ninety-two-a of this article, shall be revoked
24 for refusal to submit to such chemical test or any portion thereof, or
25 an evaluation conducted by a drug recognition expert or advance roadside
26 impairment detection enforcement certified officer or any portion there-
27 of, whether or not the person is found guilty of the charge for which
28 such person is arrested or detained, refuses to submit to such chemical

1 test or any portion thereof, or an evaluation conducted by a drug recog-
2 nitition expert or advance roadside impairment detection enforcement
3 certified officer or any portion thereof, unless a court order has been
4 granted pursuant to subdivision three of this section, the test shall
5 not be given and a written report of such refusal shall be immediately
6 made by the police officer before whom such refusal was made. Such
7 report may be verified by having the report sworn to, or by affixing to
8 such report a form notice that false statements made therein are punish-
9 able as a class A misdemeanor pursuant to section 210.45 of the penal
10 law and such form notice together with the subscription of the deponent
11 shall constitute a verification of the report.

12 (2) The report of the police officer shall set forth reasonable
13 grounds to believe such arrested person or such detained person under
14 the age of twenty-one had been driving in violation of any subdivision
15 of section eleven hundred ninety-two or eleven hundred ninety-two-a of
16 this article, that said person had refused to submit to such chemical
17 test, or an evaluation conducted by a drug recognition expert or advance
18 roadside impairment detection enforcement certified officer or any
19 portion thereof, and that no chemical test or evaluation conducted by a
20 drug recognition expert or advance roadside impairment detection
21 enforcement certified officer was administered pursuant to the require-
22 ments of subdivision three of this section. The report shall be
23 presented to the court upon arraignment of an arrested person, provided,
24 however, in the case of a person under the age of twenty-one, for whom a
25 test was authorized pursuant to the provisions of subparagraph two or
26 three of paragraph (a) of this subdivision, and who has not been placed
27 under arrest for a violation of any of the provisions of section eleven
28 hundred ninety-two of this article, such report shall be forwarded to

1 the commissioner within forty-eight hours in a manner to be prescribed
2 by the commissioner, and all subsequent proceedings with regard to
3 refusal to submit to such chemical test by such person shall be as set
4 forth in subdivision three of section eleven hundred ninety-four-a of
5 this article.

6 (3) For persons placed under arrest for a violation of any subdivision
7 of section eleven hundred ninety-two of this article, the license or
8 permit to drive and any non-resident operating privilege shall, upon the
9 basis of such written report, be temporarily suspended by the court
10 without notice pending the determination of a hearing as provided in
11 paragraph (c) of this subdivision. Copies of such report must be trans-
12 mitted by the court to the commissioner and such transmittal may not be
13 waived even with the consent of all the parties. Such report shall be
14 forwarded to the commissioner within forty-eight hours of such arraign-
15 ment.

16 (4) The court or the police officer, in the case of a person under the
17 age of twenty-one alleged to be driving after having consumed alcohol,
18 shall provide such person with a scheduled hearing date, a waiver form,
19 and such other information as may be required by the commissioner. If a
20 hearing, as provided for in paragraph (c) of this subdivision, or subdivi-
21 sion three of section eleven hundred ninety-four-a of this article, is
22 waived by such person, the commissioner shall immediately revoke the
23 license, permit, or non-resident operating privilege, as of the date of
24 receipt of such waiver in accordance with the provisions of paragraph
25 (d) of this subdivision.

26 (c) Hearings. Any person whose license or permit to drive or any non-
27 resident driving privilege has been suspended pursuant to paragraph (b)
28 of this subdivision is entitled to a hearing in accordance with a hear-

1 ing schedule to be promulgated by the commissioner. If the department
2 fails to provide for such hearing fifteen days after the date of the
3 arraignment of the arrested person, the license, permit to drive or
4 non-resident operating privilege of such person shall be reinstated
5 pending a hearing pursuant to this section. The hearing shall be limited
6 to the following issues: (1) did the police officer have reasonable
7 grounds to believe that such person had been driving in violation of any
8 subdivision of section eleven hundred ninety-two of this article; (2)
9 did the police officer make a lawful arrest of such person; (3) was such
10 person given sufficient warning, in clear or unequivocal language, prior
11 to such refusal that such refusal to submit to such chemical test or any
12 portion thereof or an evaluation conducted by a drug recognition expert
13 or advance roadside impairment detection enforcement certified officer
14 or any portion thereof, would result in the immediate suspension and
15 subsequent revocation of such person's license or operating privilege
16 whether or not such person is found guilty of the charge for which the
17 arrest was made; and (4) did such person refuse to submit to such chemi-
18 cal test or any portion thereof or an evaluation conducted by a drug
19 recognition expert or advance roadside impairment detection enforcement
20 certified officer or any portion thereof. If, after such hearing, the
21 hearing officer, acting on behalf of the commissioner, finds on any one
22 of said issues in the negative, the hearing officer shall immediately
23 terminate any suspension arising from such refusal. If, after such hear-
24 ing, the hearing officer, acting on behalf of the commissioner finds all
25 of the issues in the affirmative, such officer shall immediately revoke
26 the license or permit to drive or any non-resident operating privilege
27 in accordance with the provisions of paragraph (d) of this subdivision.
28 A person who has had a license or permit to drive or non-resident oper-

1 ating privilege suspended or revoked pursuant to this subdivision may
2 appeal the findings of the hearing officer in accordance with the
3 provisions of article three-A of this chapter. Any person may waive the
4 right to a hearing under this section. Failure by such person to appear
5 for the scheduled hearing shall constitute a waiver of such hearing,
6 provided, however, that such person may petition the commissioner for a
7 new hearing which shall be held as soon as practicable.

8 (d) Sanctions. (1) Revocations. a. Any license which has been revoked
9 pursuant to paragraph (c) of this subdivision shall not be restored for
10 at least one year after such revocation, nor thereafter, except in the
11 discretion of the commissioner. However, no such license shall be
12 restored for at least eighteen months after such revocation, nor there-
13 after except in the discretion of the commissioner, in any case where
14 the person has had a prior revocation resulting from refusal to submit
15 to a chemical test or an evaluation conducted by a drug recognition
16 expert or advance roadside impairment detection enforcement certified
17 officer or any portion thereof, or has been convicted of or found to be
18 in violation of any subdivision of section eleven hundred ninety-two or
19 section eleven hundred ninety-two-a of this article not arising out of
20 the same incident, within the five years immediately preceding the date
21 of such revocation; provided, however, a prior finding that a person
22 under the age of twenty-one has refused to submit to a chemical test
23 pursuant to subdivision three of section eleven hundred ninety-four-a of
24 this article shall have the same effect as a prior finding of a refusal
25 pursuant to this subdivision solely for the purpose of determining the
26 length of any license suspension or revocation required to be imposed
27 under any provision of this article, provided that the subsequent
28 offense or refusal is committed or occurred prior to the expiration of

1 the retention period for such prior refusal as set forth in paragraph
2 (k) of subdivision one of section two hundred one of this chapter.

3 b. Any license which has been revoked pursuant to paragraph (c) of
4 this subdivision or pursuant to subdivision three of section eleven
5 hundred ninety-four-a of this article, where the holder was under the
6 age of twenty-one years at the time of such refusal, shall not be
7 restored for at least one year, nor thereafter, except in the discretion
8 of the commissioner. Where such person under the age of twenty-one years
9 has a prior finding, conviction or youthful offender adjudication
10 resulting from a violation of section eleven hundred ninety-two or
11 section eleven hundred ninety-two-a of this article, not arising from
12 the same incident, such license shall not be restored for at least one
13 year or until such person reaches the age of twenty-one years, whichever
14 is the greater period of time, nor thereafter, except in the discretion
15 of the commissioner.

16 c. Any commercial driver's license which has been revoked pursuant to
17 paragraph (c) of this subdivision based upon a finding of refusal to
18 submit to a chemical test or an evaluation conducted by a drug recogni-
19 tion expert or advance roadside impairment detection enforcement certi-
20 fied officer or any portion thereof, where such finding occurs within or
21 outside of this state, shall not be restored for at least eighteen
22 months after such revocation, nor thereafter, except in the discretion
23 of the commissioner, but shall not be restored for at least three years
24 after such revocation, nor thereafter, except in the discretion of the
25 commissioner, if the holder of such license was operating a commercial
26 motor vehicle transporting hazardous materials at the time of such
27 refusal. However, such person shall be permanently disqualified from
28 operating a commercial motor vehicle in any case where the holder has a

1 prior finding of refusal to submit to a chemical test or an evaluation
2 conducted by a drug recognition expert or advance roadside impairment
3 detection enforcement certified officer or any portion thereof pursuant
4 to this section or has a prior conviction of any of the following
5 offenses: any violation of section eleven hundred ninety-two of this
6 article; any violation of subdivision one or two of section six hundred
7 of this chapter; or has a prior conviction of any felony involving the
8 use of a motor vehicle pursuant to paragraph (a) of subdivision one of
9 section five hundred ten-a of this chapter. Provided that the commis-
10 sioner may waive such permanent revocation after a period of ten years
11 has expired from such revocation provided:

12 (i) that during such ten year period such person has not been found to
13 have refused a chemical test or an evaluation conducted by a drug recog-
14 nition expert or advance roadside impairment detection enforcement
15 certified officer; or any portion thereof pursuant to this section and
16 has not been convicted of any one of the following offenses: any
17 violation of section eleven hundred ninety-two of this article; refusal
18 to submit to a chemical test or an evaluation conducted by a drug recog-
19 nition expert or advance roadside impairment detection enforcement
20 certified officer or any portion thereof pursuant to this section; any
21 violation of subdivision one or two of section six hundred of this chap-
22 ter; or has a prior conviction of any felony involving the use of a
23 motor vehicle pursuant to paragraph (a) of subdivision one of section
24 five hundred ten-a of this chapter;

25 (ii) that such person provides acceptable documentation to the commis-
26 sioner that such person is not in need of alcohol or drug treatment or
27 has satisfactorily completed a prescribed course of such treatment; and

1 (iii) after such documentation is accepted, that such person is grant-
2 ed a certificate of relief from disabilities or a certificate of good
3 conduct pursuant to article twenty-three of the correction law by the
4 court in which such person was last penalized.

5 d. Upon a third finding of refusal and/or conviction of any of the
6 offenses which require a permanent commercial driver's license revoca-
7 tion, such permanent revocation may not be waived by the commissioner
8 under any circumstances.

9 (2) Civil penalties. Except as otherwise provided, any person whose
10 license, permit to drive, or any non-resident operating privilege is
11 revoked pursuant to the provisions of this section shall also be liable
12 for a civil penalty in the amount of five hundred dollars except that if
13 such revocation is a second or subsequent revocation pursuant to this
14 section issued within a five year period, or such person has been
15 convicted of a violation of any subdivision of section eleven hundred
16 ninety-two of this article within the past five years not arising out of
17 the same incident, the civil penalty shall be in the amount of seven
18 hundred fifty dollars. Any person whose license is revoked pursuant to
19 the provisions of this section based upon a finding of refusal to submit
20 to a chemical test while operating a commercial motor vehicle shall also
21 be liable for a civil penalty of five hundred fifty dollars except that
22 if such person has previously been found to have refused a chemical test
23 or an evaluation conducted by a drug recognition expert or advance road-
24 side impairment detection enforcement certified officer or any portion
25 thereof pursuant to this section while operating a commercial motor
26 vehicle or has a prior conviction of any of the following offenses while
27 operating a commercial motor vehicle: any violation of section eleven
28 hundred ninety-two of this article; any violation of subdivision two of

1 section six hundred of this chapter; or has a prior conviction of any
2 felony involving the use of a commercial motor vehicle pursuant to para-
3 graph (a) of subdivision one of section five hundred ten-a of this chap-
4 ter, then the civil penalty shall be seven hundred fifty dollars. No new
5 driver's license or permit shall be issued, or non-resident operating
6 privilege restored to such person unless such penalty has been paid. All
7 penalties collected by the department pursuant to the provisions of this
8 section shall be the property of the state and shall be paid into the
9 general fund of the state treasury.

10 (3) Effect of rehabilitation program. No period of revocation arising
11 out of this section may be set aside by the commissioner for the reason
12 that such person was a participant in the alcohol and drug rehabili-
13 tation program set forth in section eleven hundred ninety-six of this
14 article.

15 (e) Regulations. The commissioner shall promulgate such rules and
16 regulations as may be necessary to effectuate the provisions of subdivi-
17 sions one and two of this section.

18 (f) Evidence. Evidence of a refusal to submit to such chemical test or
19 any portion thereof or an evaluation conducted by a drug recognition
20 expert or advance roadside impairment detection enforcement certified
21 officer shall be admissible in any trial, proceeding or hearing based
22 upon a violation of the provisions of section eleven hundred ninety-two
23 of this article but only upon a showing that the person was given suffi-
24 cient warning, in clear and unequivocal language, of the effect of such
25 refusal and that the person persisted in the refusal.

26 (g) Results. Upon the request of the person who was tested, the
27 results of such test shall be made available to such person.

1 3. Compulsory chemical tests. (a) Court ordered chemical tests.
2 Notwithstanding the provisions of subdivision two of this section, no
3 person who operates a motor vehicle in this state may refuse to submit
4 to a chemical test of one or more of the following: breath, blood, urine
5 or saliva, for the purpose of determining the alcoholic and/or drug
6 content of the blood when a court order for such chemical test has been
7 issued in accordance with the provisions of this subdivision.

8 (b) When authorized. Upon refusal by any person to submit to a chemi-
9 cal test or any portion thereof as described above, the test shall not
10 be given unless a police officer or a district attorney, as defined in
11 subdivision thirty-two of section 1.20 of the criminal procedure law,
12 requests and obtains a court order to compel a person to submit to a
13 chemical test to determine the alcoholic or drug content of the person's
14 blood upon a finding of reasonable cause to believe that:

15 (1) such person was the operator of a motor vehicle [and in the course
16 of such operation a person other than the operator was killed or
17 suffered serious physical injury as defined in section 10.00 of the
18 penal law]; and

19 (2) a. either such person operated the vehicle in violation of any
20 subdivision of section eleven hundred ninety-two of this article, or b.
21 a breath and/or oral/bodily fluid test administered by a police officer
22 in accordance with paragraph (b) of subdivision one of this section
23 indicates that alcohol has been consumed by such person; and

24 (3) such person has been placed under lawful arrest; and

25 (4) such person has refused to submit to a chemical test or any
26 portion thereof, requested in accordance with the provisions of para-
27 graph (a) of subdivision two of this section or is unable to give
28 consent to such a test.

1 (c) Reasonable cause; definition. For the purpose of this subdivision
2 "reasonable cause" shall be determined by viewing the totality of
3 circumstances surrounding the incident which, when taken together, indi-
4 cate that the operator was driving in violation of section eleven
5 hundred ninety-two of this article. Such circumstances may include, but
6 are not limited to: evidence that the operator was operating a motor
7 vehicle in violation of any provision of this article or any other
8 moving violation at the time of the incident; any visible indication of
9 alcohol or drug consumption or impairment by the operator; the existence
10 of an open container containing an alcoholic beverage and/or drug or
11 drugs in or around the vehicle driven by the operator; the odor of
12 cannabis or burnt cannabis; any other evidence surrounding the circum-
13 stances of the incident which indicates that the operator has been oper-
14 ating a motor vehicle while impaired by the consumption of alcohol or
15 drugs or intoxicated at the time of the incident.

16 (d) Court order; procedure. (1) An application for a court order to
17 compel submission to a chemical test or any portion thereof, may be made
18 to any supreme court justice, county court judge or district court judge
19 in the judicial district in which the incident occurred, or if the inci-
20 dent occurred in the city of New York before any supreme court justice
21 or judge of the criminal court of the city of New York. Such application
22 may be communicated by telephone, radio or other means of electronic
23 communication, or in person.

24 (2) The applicant must provide identification by name and title and
25 must state the purpose of the communication. Upon being advised that an
26 application for a court order to compel submission to a chemical test is
27 being made, the court shall place under oath the applicant and any other
28 person providing information in support of the application as provided

1 in subparagraph three of this paragraph. After being sworn the applicant
2 must state that the person from whom the chemical test was requested was
3 the operator of a motor vehicle and in the course of such operation a
4 person, other than the operator, has been killed or seriously injured
5 and, based upon the totality of circumstances, there is reasonable cause
6 to believe that such person was operating a motor vehicle in violation
7 of any subdivision of section eleven hundred ninety-two of this article
8 and, after being placed under lawful arrest such person refused to
9 submit to a chemical test or any portion thereof, in accordance with the
10 provisions of this section or is unable to give consent to such a test
11 or any portion thereof. The applicant must make specific allegations of
12 fact to support such statement. Any other person properly identified,
13 may present sworn allegations of fact in support of the applicant's
14 statement.

15 (3) Upon being advised that an oral application for a court order to
16 compel a person to submit to a chemical test is being made, a judge or
17 justice shall place under oath the applicant and any other person
18 providing information in support of the application. Such oath or oaths
19 and all of the remaining communication must be recorded, either by means
20 of a voice recording device or verbatim stenographic or verbatim long-
21 hand notes. If a voice recording device is used or a stenographic record
22 made, the judge must have the record transcribed, certify to the accura-
23 cy of the transcription and file the original record and transcription
24 with the court within seventy-two hours of the issuance of the court
25 order. If the longhand notes are taken, the judge shall subscribe a copy
26 and file it with the court within twenty-four hours of the issuance of
27 the order.

1 (4) If the court is satisfied that the requirements for the issuance
2 of a court order pursuant to the provisions of paragraph (b) of this
3 subdivision have been met, it may grant the application and issue an
4 order requiring the accused to submit to a chemical test to determine
5 the alcoholic and/or drug content of his blood and ordering the with-
6 drawal of a blood sample in accordance with the provisions of paragraph
7 (a) of subdivision four of this section. When a judge or justice deter-
8 mines to issue an order to compel submission to a chemical test based on
9 an oral application, the applicant therefor shall prepare the order in
10 accordance with the instructions of the judge or justice. In all cases
11 the order shall include the name of the issuing judge or justice, the
12 name of the applicant, and the date and time it was issued. It must be
13 signed by the judge or justice if issued in person, or by the applicant
14 if issued orally.

15 (5) Any false statement by an applicant or any other person in support
16 of an application for a court order shall subject such person to the
17 offenses for perjury set forth in article two hundred ten of the penal
18 law.

19 (6) The chief administrator of the courts shall establish a schedule
20 to provide that a sufficient number of judges or justices will be avail-
21 able in each judicial district to hear oral applications for court
22 orders as permitted by this section.

23 (e) Administration of compulsory chemical test. An order issued pursu-
24 ant to the provisions of this subdivision shall require that a chemical
25 test to determine the alcoholic and/or drug content of the operator's
26 blood must be administered. The provisions of paragraphs (a), (b) and
27 (c) of subdivision four of this section shall be applicable to any chem-
28 ical test administered pursuant to this section.

1 § 33-b. Subdivision 1 of section 1227 of the vehicle and traffic law,
2 as amended by section 3 of part F of chapter 60 of the laws of 2005, is
3 amended to read as follows:

4 1. The drinking of alcoholic beverages or consumption of cannabis, or
5 the possession of an open container containing an alcoholic beverage or
6 cannabis, in a motor vehicle located upon the public highways or right-
7 of-way public highway is prohibited. Any operator or passenger violating
8 this section shall be guilty of a traffic infraction.

9 The provisions of this section shall not be deemed to prohibit the
10 drinking of alcoholic beverages the consumption of cannabis, or the
11 possession of an open container containing an alcoholic beverage or
12 cannabis by passengers in passenger vehicles operated pursuant to a
13 certificate or permit issued by the department of transportation or the
14 United States department of transportation. Furthermore, the provisions
15 of this section shall not be deemed to prohibit the possession of wine
16 which is: (a) resealed in accordance with the provisions of subdivision
17 four of section eighty-one of the alcoholic beverage control law; and
18 (b) is transported in the vehicle's trunk or is transported behind the
19 last upright seat or in an area not normally occupied by the driver or
20 passenger in a motor vehicle that is not equipped with a trunk.

21 § 34. Subdivision 1 of section 171-a of the tax law, as amended by
22 section 3 of part XX of chapter 59 of the laws of 2019, is amended to
23 read as follows:

24 1. All taxes, interest, penalties and fees collected or received by
25 the commissioner or the commissioner's duly authorized agent under arti-
26 cles nine (except section one hundred eighty-two-a thereof and except as
27 otherwise provided in section two hundred five thereof), nine-A,
28 twelve-A (except as otherwise provided in section two hundred eighty-

1 four-d thereof), thirteen, thirteen-A (except as otherwise provided in
2 section three hundred twelve thereof), eighteen, nineteen, twenty
3 (except as otherwise provided in section four hundred eighty-two there-
4 of), twenty-B, twenty-C, twenty-D, twenty-one, twenty-two, twenty-four,
5 twenty-six, twenty-eight (except as otherwise provided in section eleven
6 hundred two or eleven hundred three thereof), twenty-eight-A, twenty-
7 nine-B, thirty-one (except as otherwise provided in section fourteen
8 hundred twenty-one thereof), thirty-three and thirty-three-A of this
9 chapter shall be deposited daily in one account with such responsible
10 banks, banking houses or trust companies as may be designated by the
11 comptroller, to the credit of the comptroller. Such an account may be
12 established in one or more of such depositories. Such deposits shall be
13 kept separate and apart from all other money in the possession of the
14 comptroller. The comptroller shall require adequate security from all
15 such depositories. Of the total revenue collected or received under such
16 articles of this chapter, the comptroller shall retain in the comp-
17 troller's hands such amount as the commissioner may determine to be
18 necessary for refunds or reimbursements under such articles of this
19 chapter out of which amount the comptroller shall pay any refunds or
20 reimbursements to which taxpayers shall be entitled under the provisions
21 of such articles of this chapter. The commissioner and the comptroller
22 shall maintain a system of accounts showing the amount of revenue
23 collected or received from each of the taxes imposed by such articles.
24 The comptroller, after reserving the amount to pay such refunds or
25 reimbursements, shall, on or before the tenth day of each month, pay
26 into the state treasury to the credit of the general fund all revenue
27 deposited under this section during the preceding calendar month and
28 remaining to the comptroller's credit on the last day of such preceding

1 month, (i) except that the comptroller shall pay to the state department
2 of social services that amount of overpayments of tax imposed by article
3 twenty-two of this chapter and the interest on such amount which is
4 certified to the comptroller by the commissioner as the amount to be
5 credited against past-due support pursuant to subdivision six of section
6 one hundred seventy-one-c of this article, (ii) and except that the
7 comptroller shall pay to the New York state higher education services
8 corporation and the state university of New York or the city university
9 of New York respectively that amount of overpayments of tax imposed by
10 article twenty-two of this chapter and the interest on such amount which
11 is certified to the comptroller by the commissioner as the amount to be
12 credited against the amount of defaults in repayment of guaranteed
13 student loans and state university loans or city university loans pursu-
14 ant to subdivision five of section one hundred seventy-one-d and subdivi-
15 sion six of section one hundred seventy-one-e of this article, (iii)
16 and except further that, notwithstanding any law, the comptroller shall
17 credit to the revenue arrearage account, pursuant to section
18 ninety-one-a of the state finance law, that amount of overpayment of tax
19 imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B
20 or thirty-three of this chapter, and any interest thereon, which is
21 certified to the comptroller by the commissioner as the amount to be
22 credited against a past-due legally enforceable debt owed to a state
23 agency pursuant to paragraph (a) of subdivision six of section one
24 hundred seventy-one-f of this article, provided, however, he shall cred-
25 it to the special offset fiduciary account, pursuant to section ninety-
26 one-c of the state finance law, any such amount creditable as a liabil-
27 ity as set forth in paragraph (b) of subdivision six of section one
28 hundred seventy-one-f of this article, (iv) and except further that the

1 comptroller shall pay to the city of New York that amount of overpayment
2 of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A,
3 thirty-B or thirty-three of this chapter and any interest thereon that
4 is certified to the comptroller by the commissioner as the amount to be
5 credited against city of New York tax warrant judgment debt pursuant to
6 section one hundred seventy-one-1 of this article, (v) and except
7 further that the comptroller shall pay to a non-obligated spouse that
8 amount of overpayment of tax imposed by article twenty-two of this chap-
9 ter and the interest on such amount which has been credited pursuant to
10 section one hundred seventy-one-c, one hundred seventy-one-d, one
11 hundred seventy-one-e, one hundred seventy-one-f or one hundred seven-
12 ty-one-1 of this article and which is certified to the comptroller by
13 the commissioner as the amount due such non-obligated spouse pursuant to
14 paragraph six of subsection (b) of section six hundred fifty-one of this
15 chapter; and (vi) the comptroller shall deduct a like amount which the
16 comptroller shall pay into the treasury to the credit of the general
17 fund from amounts subsequently payable to the department of social
18 services, the state university of New York, the city university of New
19 York, or the higher education services corporation, or the revenue
20 arrearage account or special offset fiduciary account pursuant to
21 section ninety-one-a or ninety-one-c of the state finance law, as the
22 case may be, whichever had been credited the amount originally withheld
23 from such overpayment, and (vii) with respect to amounts originally
24 withheld from such overpayment pursuant to section one hundred seventy-
25 one-1 of this article and paid to the city of New York, the comptroller
26 shall collect a like amount from the city of New York.

1 § 34-a. Subdivision 1 of section 171-a of the tax law, as amended by
2 section 4 of part XX of chapter 59 of the laws of 2019, is amended to
3 read as follows:

4 1. All taxes, interest, penalties and fees collected or received by
5 the commissioner or the commissioner's duly authorized agent under arti-
6 cles nine (except section one hundred eighty-two-a thereof and except as
7 otherwise provided in section two hundred five thereof), nine-A,
8 twelve-A (except as otherwise provided in section two hundred eighty-
9 four-d thereof), thirteen, thirteen-A (except as otherwise provided in
10 section three hundred twelve thereof), eighteen, nineteen, twenty
11 (except as otherwise provided in section four hundred eighty-two there-
12 of), twenty-C, twenty-D, twenty-one, twenty-two, twenty-four, twenty-
13 six, twenty-eight (except as otherwise provided in section eleven
14 hundred two or eleven hundred three thereof), twenty-eight-A, twenty-
15 nine-B, thirty-one (except as otherwise provided in section fourteen
16 hundred twenty-one thereof), thirty-three and thirty-three-A of this
17 chapter shall be deposited daily in one account with such responsible
18 banks, banking houses or trust companies as may be designated by the
19 comptroller, to the credit of the comptroller. Such an account may be
20 established in one or more of such depositories. Such deposits shall be
21 kept separate and apart from all other money in the possession of the
22 comptroller. The comptroller shall require adequate security from all
23 such depositories. Of the total revenue collected or received under such
24 articles of this chapter, the comptroller shall retain in the comp-
25 troller's hands such amount as the commissioner may determine to be
26 necessary for refunds or reimbursements under such articles of this
27 chapter out of which amount the comptroller shall pay any refunds or
28 reimbursements to which taxpayers shall be entitled under the provisions

1 of such articles of this chapter. The commissioner and the comptroller
2 shall maintain a system of accounts showing the amount of revenue
3 collected or received from each of the taxes imposed by such articles.
4 The comptroller, after reserving the amount to pay such refunds or
5 reimbursements, shall, on or before the tenth day of each month, pay
6 into the state treasury to the credit of the general fund all revenue
7 deposited under this section during the preceding calendar month and
8 remaining to the comptroller's credit on the last day of such preceding
9 month, (i) except that the comptroller shall pay to the state department
10 of social services that amount of overpayments of tax imposed by article
11 twenty-two of this chapter and the interest on such amount which is
12 certified to the comptroller by the commissioner as the amount to be
13 credited against past-due support pursuant to subdivision six of section
14 one hundred seventy-one-c of this article, (ii) and except that the
15 comptroller shall pay to the New York state higher education services
16 corporation and the state university of New York or the city university
17 of New York respectively that amount of overpayments of tax imposed by
18 article twenty-two of this chapter and the interest on such amount which
19 is certified to the comptroller by the commissioner as the amount to be
20 credited against the amount of defaults in repayment of guaranteed
21 student loans and state university loans or city university loans pursu-
22 ant to subdivision five of section one hundred seventy-one-d and subdi-
23 vision six of section one hundred seventy-one-e of this article, (iii)
24 and except further that, notwithstanding any law, the comptroller shall
25 credit to the revenue arrearage account, pursuant to section
26 ninety-one-a of the state finance law, that amount of overpayment of tax
27 imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B
28 or thirty-three of this chapter, and any interest thereon, which is

1 certified to the comptroller by the commissioner as the amount to be
2 credited against a past-due legally enforceable debt owed to a state
3 agency pursuant to paragraph (a) of subdivision six of section one
4 hundred seventy-one-f of this article, provided, however, he shall cred-
5 it to the special offset fiduciary account, pursuant to section ninety-
6 one-c of the state finance law, any such amount creditable as a liabil-
7 ity as set forth in paragraph (b) of subdivision six of section one
8 hundred seventy-one-f of this article, (iv) and except further that the
9 comptroller shall pay to the city of New York that amount of overpayment
10 of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A,
11 thirty-B or thirty-three of this chapter and any interest thereon that
12 is certified to the comptroller by the commissioner as the amount to be
13 credited against city of New York tax warrant judgment debt pursuant to
14 section one hundred seventy-one-l of this article, (v) and except
15 further that the comptroller shall pay to a non-obligated spouse that
16 amount of overpayment of tax imposed by article twenty-two of this chap-
17 ter and the interest on such amount which has been credited pursuant to
18 section one hundred seventy-one-c, one hundred seventy-one-d, one
19 hundred seventy-one-e, one hundred seventy-one-f or one hundred seven-
20 ty-one-l of this article and which is certified to the comptroller by
21 the commissioner as the amount due such non-obligated spouse pursuant to
22 paragraph six of subsection (b) of section six hundred fifty-one of this
23 chapter; and (vi) the comptroller shall deduct a like amount which the
24 comptroller shall pay into the treasury to the credit of the general
25 fund from amounts subsequently payable to the department of social
26 services, the state university of New York, the city university of New
27 York, or the higher education services corporation, or the revenue
28 arrearage account or special offset fiduciary account pursuant to

1 section ninety-one-a or ninety-one-c of the state finance law, as the
2 case may be, whichever had been credited the amount originally withheld
3 from such overpayment, and (vii) with respect to amounts originally
4 withheld from such overpayment pursuant to section one hundred seventy-
5 one-1 of this article and paid to the city of New York, the comptroller
6 shall collect a like amount from the city of New York.

7 § 35. Section 490 of the tax law, as added by chapter 90 of the laws
8 of 2014, is amended to read as follows:

9 § 490. [Definitions] Excise tax on medical cannabis. 1. (a) [All
10 definitions of terms applicable to title five-A of article thirty-three
11 of the public health law shall apply to this article.] For purposes of
12 this article, the terms "medical cannabis," "registered organization,"
13 "certified patient," and "designated caregiver" shall have the same
14 definitions as in section three of the cannabis law.

15 (b) As used in this section, where not otherwise specifically defined
16 and unless a different meaning is clearly required "gross receipt" means
17 the amount received in or by reason of any sale, conditional or other-
18 wise, of medical [marihuana] cannabis or in or by reason of the furnish-
19 ing of medical [marihuana] cannabis from the sale of medical [marihuana]
20 cannabis provided by a registered organization to a certified patient or
21 designated caregiver. Gross receipt is expressed in money, whether paid
22 in cash, credit or property of any kind or nature, and shall be deter-
23 mined without any deduction therefrom on account of the cost of the
24 service sold or the cost of materials, labor or services used or other
25 costs, interest or discount paid, or any other expenses whatsoever.
26 "Amount received" for the purpose of the definition of gross receipt, as
27 the term gross receipt is used throughout this article, means the amount
28 charged for the provision of medical [marihuana] cannabis.

1 2. There is hereby imposed an excise tax on the gross receipts from
2 the sale of medical [marihuana] cannabis by a registered organization to
3 a certified patient or designated caregiver, to be paid by the regis-
4 tered organization, at the rate of seven percent. The tax imposed by
5 this article shall be charged against and be paid by the registered
6 organization and shall not be added as a separate charge or line item on
7 any sales slip, invoice, receipt or other statement or memorandum of the
8 price given to the retail customer.

9 3. The commissioner may make, adopt and amend rules, regulations,
10 procedures and forms necessary for the proper administration of this
11 article.

12 4. Every registered organization that makes sales of medical [marihua-
13 na] cannabis subject to the tax imposed by this article shall, on or
14 before the twentieth date of each month, file with the commissioner a
15 return on forms to be prescribed by the commissioner, showing its
16 receipts from the retail sale of medical [marihuana] cannabis during the
17 preceding calendar month and the amount of tax due thereon. Such returns
18 shall contain such further information as the commissioner may require.
19 Every registered organization required to file a return under this
20 section shall, at the time of filing such return, pay to the commission-
21 er the total amount of tax due on its retail sales of medical [marihua-
22 na] cannabis for the period covered by such return. If a return is not
23 filed when due, the tax shall be due on the day on which the return is
24 required to be filed.

25 5. Whenever the commissioner shall determine that any moneys received
26 under the provisions of this article were paid in error, he may cause
27 the same to be refunded, with interest, in accordance with such rules
28 and regulations as he may prescribe, except that no interest shall be

1 allowed or paid if the amount thereof would be less than one dollar.
2 Such interest shall be at the overpayment rate set by the commissioner
3 pursuant to subdivision twenty-sixth of section one hundred seventy-one
4 of this chapter, or if no rate is set, at the rate of six percent per
5 annum, from the date when the tax, penalty or interest to be refunded
6 was paid to a date preceding the date of the refund check by not more
7 than thirty days. Provided, however, that for the purposes of this
8 subdivision, any tax paid before the last day prescribed for its payment
9 shall be deemed to have been paid on such last day. Such moneys received
10 under the provisions of this article which the commissioner shall deter-
11 mine were paid in error, may be refunded out of funds in the custody of
12 the comptroller to the credit of such taxes provided an application
13 therefor is filed with the commissioner within two years from the time
14 the erroneous payment was made.

15 6. The provisions of article twenty-seven of this chapter shall apply
16 to the tax imposed by this article in the same manner and with the same
17 force and effect as if the language of such article had been incorpo-
18 rated in full into this section and had expressly referred to the tax
19 imposed by this article, except to the extent that any provision of such
20 article is either inconsistent with a provision of this article or is
21 not relevant to this article.

22 7. All taxes, interest and penalties collected or received by the
23 commissioner under this article shall be deposited and disposed of
24 pursuant to the provisions of section one hundred seventy-one-a of this
25 chapter, provided that an amount equal to one hundred percent collected
26 under this article less any amount determined by the commissioner to be
27 reserved by the comptroller for refunds or reimbursements shall be paid
28 by the comptroller to the credit of the medical [marihuana] cannabis

1 trust fund established by section eighty-nine-h of the state finance
2 law.

3 8. A registered organization that dispenses medical [marihuana] canna-
4 bis shall provide to the department information on where the medical
5 [marihuana] cannabis was dispensed and where the medical [marihuana]
6 cannabis was manufactured. A registered organization that obtains [mari-
7 huana] cannabis from another registered organization shall obtain from
8 such registered organization information on where the medical [marihua-
9 na] cannabis was manufactured.

10 § 36. Section 491 of the tax law, as added by chapter 90 of the laws
11 of 2014, subdivision 1 as amended by section 1 of part II of chapter 60
12 of the laws of 2016, is amended to read as follows:

13 § 491. Returns to be secret. 1. Except in accordance with proper judi-
14 cial order or as in this section or otherwise provided by law, it shall
15 be unlawful for the commissioner, any officer or employee of the depart-
16 ment, or any officer or person who, pursuant to this section, is permit-
17 ted to inspect any return or report or to whom a copy, an abstract or a
18 portion of any return or report is furnished, or to whom any information
19 contained in any return or report is furnished, or any person engaged or
20 retained by such department on an independent contract basis or any
21 person who in any manner may acquire knowledge of the contents of a
22 return or report filed pursuant to this article to divulge or make known
23 in any manner the contents or any other information relating to the
24 business of a distributor, owner or other person contained in any return
25 or report required under this article. The officers charged with the
26 custody of such returns or reports shall not be required to produce any
27 of them or evidence of anything contained in them in any action or
28 proceeding in any court, except on behalf of the state, [the state

1 department of health] office of cannabis management, or the commissioner
2 in an action or proceeding under the provisions of this chapter or on
3 behalf of the state or the commissioner in any other action or proceed-
4 ing involving the collection of a tax due under this chapter to which
5 the state or the commissioner is a party or a claimant or on behalf of
6 any party to any action or proceeding under the provisions of this arti-
7 cle, when the returns or the reports or the facts shown thereby are
8 directly involved in such action or proceeding, or in an action or
9 proceeding relating to the regulation or taxation of medical [marihuana]
10 cannabis on behalf of officers to whom information shall have been
11 supplied as provided in subdivision two of this section, in any of which
12 events the court may require the production of, and may admit in
13 evidence so much of said returns or reports or of the facts shown there-
14 by as are pertinent to the action or proceeding and no more. Nothing
15 herein shall be construed to prohibit the commissioner, in his or her
16 discretion, from allowing the inspection or delivery of a certified copy
17 of any return or report filed under this article or of any information
18 contained in any such return or report by or to a duly authorized offi-
19 cer or employee of the [state department of health] office of cannabis
20 management; or by or to the attorney general or other legal represen-
21 tatives of the state when an action shall have been recommended or
22 commenced pursuant to this chapter in which such returns or reports or
23 the facts shown thereby are directly involved; or the inspection of the
24 returns or reports required under this article by the comptroller or
25 duly designated officer or employee of the state department of audit and
26 control, for purposes of the audit of a refund of any tax paid by a
27 registered organization or other person under this article; nor to
28 prohibit the delivery to a registered organization, or a duly authorized

1 representative of such registered organization, a certified copy of any
2 return or report filed by such registered organization pursuant to this
3 article, nor to prohibit the publication of statistics so classified as
4 to prevent the identification of particular returns or reports and the
5 items thereof. This section shall also not be construed to prohibit the
6 disclosure, for tax administration purposes, to the division of the
7 budget and the office of the state comptroller, of information aggre-
8 gated from the returns filed by all the registered organizations making
9 sales of, or manufacturing, medical [marihuana] cannabis in a specified
10 county, whether the number of such registered organizations is one or
11 more. Provided further that, notwithstanding the provisions of this
12 subdivision, the commissioner may, in his or her discretion, permit the
13 proper officer of any county entitled to receive an allocation, follow-
14 ing appropriation by the legislature, pursuant to this article and
15 section eighty-nine-h of the state finance law, or the authorized repre-
16 sentative of such officer, to inspect any return filed under this arti-
17 cle, or may furnish to such officer or the officer's authorized repre-
18 sentative an abstract of any such return or supply such officer or such
19 representative with information concerning an item contained in any such
20 return, or disclosed by any investigation of tax liability under this
21 article.

22 2. The commissioner, in his or her discretion and pursuant to such
23 rules and regulations as he or she may adopt, may permit [the commis-
24 sioner of internal revenue of the United States, or] the appropriate
25 officers of any other state which regulates or taxes medical [marihuana]
26 cannabis, or the duly authorized representatives of such [commissioner
27 or of any such] officers, to inspect returns or reports made pursuant to
28 this article, or may furnish to such [commissioner or] other officers,

1 or duly authorized representatives, a copy of any such return or report
2 or an abstract of the information therein contained, or any portion
3 thereof, or may supply [such commissioner or] any such officers or such
4 representatives with information relating to the business of a regis-
5 tered organization making returns or reports hereunder. The commissioner
6 may refuse to supply information pursuant to this subdivision [to the
7 commissioner of internal revenue of the United States or] to the offi-
8 cers of any other state if the statutes [of the United States, or] of
9 the state represented by such officers, do not grant substantially simi-
10 lar privileges to the commissioner, but such refusal shall not be manda-
11 tory. Information shall not be supplied to [the commissioner of internal
12 revenue of the United States or] the appropriate officers of any other
13 state which regulates or taxes medical [marihuana] cannabis, or the duly
14 authorized representatives [of such commissioner or] of any of such
15 officers, unless such [commissioner,] officer or other representatives
16 shall agree not to divulge or make known in any manner the information
17 so supplied, but such officers may transmit such information to their
18 employees or legal representatives when necessary, who in turn shall be
19 subject to the same restrictions as those hereby imposed upon such
20 [commissioner,] officer or other representatives.

21 3. (a) Any officer or employee of the state who willfully violates the
22 provisions of subdivision one or two of this section shall be dismissed
23 from office and be incapable of holding any public office in this state
24 for a period of five years thereafter.

25 (b) Cross-reference: For criminal penalties, see article thirty-seven
26 of this chapter.

27 § 37. The tax law is amended by adding a new article 20-C to read as
28 follows:

1 ARTICLE 20-C

2 TAX ON ADULT-USE CANNABIS PRODUCTS

3 Section 492. Definitions.

4 493. Imposition of tax.

5 494. Registration and renewal.

6 495. Returns and payment of tax.

7 496. Records to be kept; penalties.

8 496-a. Returns to be secret.

9 496-b. Administrative provisions.

10 496-c. Illicit cannabis penalty.

11 § 492. Definitions. For purposes of this article, the following defi-
12 nitions shall apply:

13 (a) "Adult-use cannabis product" means cannabis, concentrated canna-
14 bis, and cannabis infused products. For purposes of this article, under
15 no circumstances shall adult-use cannabis product include medical canna-
16 bis or hemp as defined in section three of the cannabis law.

17 (b) "Cannabis" means all parts of a plant of the genus cannabis,
18 whether growing or not; the seeds thereof; the resin extracted from any
19 part of the plant; and every compound, manufacture, salt, derivative,
20 mixture, or preparation of the plant, its seeds or resin. For purposes
21 of this article, cannabis does not include medical cannabis or hemp as
22 defined in section three of the cannabis law.

23 (c) "Cannabis flower" means the flower of a plant of the genus canna-
24 bis that has been harvested, dried, and cured, and prior to any process-
25 ing whereby the plant material is transformed into a concentrate,
26 including, but not limited to, concentrated cannabis, or an edible or
27 topical product containing cannabis or concentrated cannabis and other
28 ingredients. Cannabis flower excludes leaves and stem.

1 (d) "Cannabis trim" means all parts of a plant of the genus cannabis
2 other than cannabis flowers that have been harvested, dried, and cured,
3 and prior to any processing whereby the plant material is transformed
4 into a concentrate, including, but not limited to, concentrated canna-
5 bis, or an edible or topical product containing cannabis and other
6 ingredients.

7 (e) "Cultivation" has the same meaning as described in subdivision two
8 of section sixty-eight of the cannabis law.

9 (f) "Cultivator" has the same meaning as described in subdivisions one
10 and two of section sixty-eight of the cannabis law.

11 (g) "Illicit cannabis" means and includes any adult-use cannabis prod-
12 uct or medical cannabis on which any tax required to have been paid
13 under this chapter has not been paid; or any adult-use cannabis or
14 medical cannabis product, the form, packaging, or content of which is
15 not permitted by the office of cannabis management, as applicable.

16 (h) "Person" means every individual, partnership, limited liability
17 company, society, association, joint stock company, corporation, estate,
18 receiver, trustee, assignee, referee, and any other person acting in a
19 fiduciary or representative capacity, whether appointed by a court or
20 otherwise, and any combination of the foregoing.

21 (i) "Processor" has the same meaning as described in subdivisions one
22 and two of section sixty-nine of the cannabis law.

23 (j) "Retail dispensary" means a dispensary licensed to sell adult-use
24 cannabis products pursuant to section seventy-two of the cannabis law.

25 (k) "Sale" means any transfer of title, possession or both, exchange
26 or barter, rental, lease or license to use or consume, conditional or
27 otherwise, in any manner or by any means whatsoever for a consideration
28 or any agreement therefor.

1 (l) "Transfer" means to grant, convey, hand over, assign, sell,
2 exchange or barter, in any manner or by any means, with or without
3 consideration.

4 (m) "Wet cannabis" means a whole plant of the genus cannabis that has
5 been harvested and weighed within two hours of harvesting and has not
6 undergone any processing, including, but not limited to drying, curing,
7 trimming or increasing the ambient temperature in the room in which such
8 plant is held.

9 § 493. Imposition of tax. (a) There is hereby imposed and shall be
10 paid a tax on the cultivation of the following: (1) cannabis flower at
11 the rate of one dollar per dry weight gram; (2) cannabis trim at the
12 rate of twenty-five cents per dry-weight gram; and (3) wet cannabis at
13 the rate of fourteen cents per gram. This tax shall be paid by the
14 person to whom such flower, trim, or wet cannabis has been sold or
15 transferred and shall accrue at the time of such sale or transfer. Where
16 a person who processes or distributes cannabis flower, cannabis trim, or
17 wet cannabis is licensed under the cannabis law as a microbusiness,
18 cooperative or registered organization, such person shall be liable for
19 the tax imposed by this subdivision.

20 (b) In addition to the tax imposed by subdivision (a) of this section,
21 there is hereby imposed a tax on the sale or transfer of adult-use
22 cannabis products by any person to a retail dispensary at the rate of
23 twenty percent of the amount charged by such person for such adult-use
24 cannabis products, which shall accrue at the time of such sale or trans-
25 fer. Where the retail dispensary is operated by a person licensed under
26 the cannabis law as a registered organization, such tax shall be paid by
27 the retail dispensary at the rate of twenty percent of the price charged
28 to the retail customer and shall accrue at the time of such sale.

1 (c) In addition to the taxes imposed by subdivisions (a) and (b) of
2 this section, there is hereby imposed a tax on the sale or transfer of
3 adult-use cannabis products by any person to a retail dispensary at the
4 rate of two percent of the amount charged by such person for such
5 adult-use cannabis products, which shall accrue at the time of such sale
6 or transfer. The tax imposed by this subdivision shall be in trust for
7 and on account of a city having a population of one million or more, or
8 a county, other than a county wholly within such a city, in which the
9 retail dispensary is located. Where the retail dispensary is operated
10 by a person licensed under the cannabis law as a registered organiza-
11 tion, such tax shall be paid by the retail dispensary at the rate of two
12 percent of the price charged to the retail customer.

13 (d) It shall be presumed that all adult-use cannabis products within
14 the state are subject to tax until the contrary is established, and the
15 burden of proof that the taxes imposed by subdivisions (a), (b), and (c)
16 of this section have been paid shall be upon the person in possession
17 thereof where such person holds any license under the cannabis law.
18 Every person holding a license under the cannabis law who possesses
19 adult-use cannabis products upon which such taxes have not been paid
20 shall be liable for the payment of such taxes, and the failure of such
21 person to produce to the commissioner or his or her authorized represen-
22 tative upon demand an invoice for any adult-use cannabis products in his
23 or her possession shall be presumptive evidence that the tax thereon has
24 not been paid and that such person is liable for the tax thereon, unless
25 evidence of such invoice or payment is later produced.

26 (e) Notwithstanding any other provision of law to the contrary, the
27 taxes imposed by article twenty of this chapter shall not apply to any
28 product subject to tax under this article.

1 § 494. Registration and renewal. (a) Every person to whom cannabis
2 flower, cannabis trim or wet cannabis is sold or transferred, and every
3 person licensed as a microbusiness, cooperative or registered organiza-
4 tion under the cannabis law must file with the commissioner a properly
5 completed application for a certificate of registration before engaging
6 in business. In order to apply for such certificate of registration,
7 such person must first be in possession of a valid license from the
8 office of cannabis management. An application for a certificate of
9 registration must be submitted electronically, on a form prescribed by
10 the commissioner, and must be accompanied by a non-refundable applica-
11 tion fee of six hundred dollars. A certificate of registration shall not
12 be assignable or transferable and shall be destroyed immediately upon
13 such person ceasing to do business as specified in such certificate, or
14 in the event that such business never commenced.

15 (b) The commissioner shall refuse to issue a certificate of registra-
16 tion to any applicant and shall revoke the certificate of registration
17 of any such person who does not possess a valid license from the office
18 of cannabis management. The commissioner may refuse to issue a certif-
19 icate of registration to any applicant where such applicant: (1) has a
20 past-due liability as that term is defined in section one hundred seven-
21 ty-one-v of this chapter; (2) has had a certificate of registration
22 under this article, a license from the office of cannabis management, or
23 any license or registration provided for in this chapter revoked within
24 one year from the date on which such application was filed; (3) has had
25 a certificate of registration under this article, a license from the
26 office of cannabis management, or any license or registration provided
27 for in this chapter suspended where the suspension is in effect on the
28 date the application is filed or ended less than one year from such

1 date; (4) has been convicted of a crime provided for in this chapter
2 within one year from the date on which such application was filed or the
3 certificate was issued as applicable; (5) willfully fails to file a
4 report or return required by this article; (6) willfully files, causes
5 to be filed, gives or causes to be given a report, return, certificate
6 or affidavit required by this article which is false; or (7) willfully
7 fails to collect or truthfully account for or pay over any tax imposed
8 by this article.

9 (c) A certificate of registration shall be valid for the period speci-
10 fied thereon, unless earlier suspended or revoked. Upon the expiration
11 of the term stated on a certificate of registration, such certificate
12 shall be null and void.

13 (d) Every holder of a certificate of registration must notify the
14 commissioner of changes to any of the information stated on the certif-
15 icate, or of changes to any information contained in the application for
16 the certificate of registration. Such notification must be made on or
17 before the last day of the month in which a change occurs and must be
18 made electronically on a form prescribed by the commissioner.

19 (e) Every holder of a certificate of registration under this article
20 shall be required to reapply prior to such certificate's expiration,
21 during a reapplication period established by the commissioner. Such
22 reapplication period shall not occur more frequently than every two
23 years. Such reapplication shall be subject to the same requirements and
24 conditions as an initial application, including grounds for refusal and
25 the payment of the application fee.

26 (f) Any person who is required to obtain a certificate of registration
27 under subdivision (a) of this section who possesses adult-use cannabis
28 products without such certificate shall be subject to a penalty of five

1 hundred dollars for each month or part thereof during which adult-use
2 cannabis products are possessed without such certificate, not to exceed
3 ten thousand dollars in the aggregate.

4 § 495. Returns and payment of tax. Every person to whom cannabis
5 flower, cannabis trim or wet cannabis is sold or transferred, and every
6 person licensed as a microbusiness, cooperative or registered organiza-
7 tion under the cannabis law shall, on or before the twentieth day of the
8 month, file with the commissioner a return on forms to be prescribed by
9 the commissioner, showing the total weight of cannabis flower, cannabis
10 trim, and wet cannabis subject to tax pursuant to subdivision (a) of
11 section four hundred ninety-three of this article and the total amount
12 of tax due thereon in the preceding calendar month, and the total amount
13 of tax due under subdivisions (b) and (c) of such section on its sales
14 or transfers to, or sales by, a retail dispensary during the preceding
15 calendar month, along with such other information as the commissioner
16 may require. Every person required to file a return under this section
17 shall, at the time of filing such return, pay to the commissioner the
18 total amount of tax due for the period covered by such return. If a
19 return is not filed when due, the tax shall be due on the day on which
20 the return is required to be filed.

21 § 496. Records to be kept; penalties. (a) Records to be kept. Every
22 person to whom cannabis flower, cannabis trim or wet cannabis is sold or
23 transferred, and every person licensed as a microbusiness, cooperative
24 or registered organization under the cannabis law shall maintain
25 complete and accurate records in such form as the commissioner may
26 require including, but not limited to, such items as the weight of the
27 cannabis flower, cannabis trim, and wet cannabis sold or transferred to
28 or produced by such person; the geographic location of every retail

1 dispensary to which such person sold or transferred adult-use cannabis
2 products; and any other record or information required by the commis-
3 sioner. Such records must be preserved for a period of three years after
4 the filing of the return to which such records relate and must be
5 provided to the commissioner upon request.

6 (b) Penalties. In addition to any other penalty provided in this arti-
7 cle or otherwise imposed by law: every person to whom cannabis flower,
8 cannabis trim or wet cannabis is sold or transferred, and every person
9 licensed as a microbusiness, cooperative or registered organization
10 under the cannabis law who fails to maintain or make available to the
11 commissioner the records required by this section is subject to a penal-
12 ty not to exceed five hundred dollars for the first month or part there-
13 of for which the failure occurs. This penalty may not be imposed more
14 than once for failures for the same monthly period or part thereof. If
15 the commissioner determines that a failure to maintain or make available
16 records in any month was entirely due to reasonable cause and not to
17 willful neglect, the commissioner must remit the penalty for that month.

18 § 496-a. Returns to be secret. (a) Except in accordance with proper
19 judicial order or as in this section or otherwise provided by law, it
20 shall be unlawful for the commissioner, any officer or employee of the
21 department, or any officer or person who, pursuant to this section, is
22 permitted to inspect any return or report or to whom a copy, an abstract
23 or a portion of any return or report is furnished, or to whom any infor-
24 mation contained in any return or report is furnished, or any person who
25 in any manner may acquire knowledge of the contents of a return or
26 report filed pursuant to this article to divulge or make known in any
27 manner the content or any other information contained in any return or
28 report required under this article. The officers charged with the custo-

1 dy of such returns or reports shall not be required to produce any of
2 them or evidence of anything contained in them in any action or proceed-
3 ing in any court, except on behalf of the state, the office of cannabis
4 management, or the commissioner in an action or proceeding involving the
5 collection of tax due under this chapter to which the state or the
6 commissioner is a party or a claimant or on behalf of any party to any
7 action or proceeding under the provisions of this article, when the
8 returns or the reports or the facts shown thereby are directly involved
9 in such action or proceeding, or in an action or proceeding related to
10 the regulation or taxation of adult-use cannabis products on behalf of
11 officers to whom information shall have been supplied as provided in
12 this section, in any of which events the courts may require the
13 production of, and may admit in evidence so much of said returns or
14 reports or of the facts shown thereby as are pertinent to the action or
15 proceeding and no more. Nothing herein shall be construed to prohibit
16 the commissioner, in his or her discretion, from allowing the inspection
17 or delivery of a certified copy of any return or report filed under this
18 article or of any information contained in any such return or report by
19 or to a duly authorized officer or employee of the office of cannabis
20 management or by or to the attorney general or other legal represen-
21 tatives of the state when an action shall have been recommended or
22 commenced pursuant to this chapter in which such returns or reports or
23 the facts shown thereby are directly involved; or the inspection of the
24 returns or reports required under this article by the comptroller or
25 duly designated officer or employee of the state department of audit and
26 control, for purposes of the audit of a refund of any tax paid by the
27 wholesaler under this article; nor to prohibit the delivery to such
28 person or a duly authorized representative of such person, a certified

1 copy of any return or report filed by such person pursuant to this arti-
2 cle, nor to prohibit the publication of statistics so classified as to
3 prevent the identification of particular returns or reports and the
4 items thereof. This section shall also not be construed to prohibit the
5 disclosure, for tax administration purposes, to the division of the
6 budget and the office of the state comptroller, of information aggre-
7 gated from the returns filed by all persons subject to the taxes imposed
8 by this article, whether the number of such persons is one or more.
9 Provided further that, notwithstanding the provisions of this subdivi-
10 sion, the commissioner may, in his or her discretion, permit the proper
11 officer of any city having a population of one million or more and a
12 county, other than a county wholly within such a city, entitled to
13 receive any distribution of the monies received on account of the tax
14 imposed by subdivision (c) of section four hundred ninety-three of this
15 article, or the authorized representative of such officer, to inspect
16 any return filed under this article, or may furnish to such officer or
17 the officer's authorized representative an abstract of any such return
18 or supply such officer or representative with information concerning an
19 item contained in any such return, or disclosed by any investigation of
20 tax liability under this article.

21 (b) The commissioner, in his or her discretion, may permit the appro-
22 priate officers of any other state that regulates or taxes cannabis or
23 the duly authorized representatives of any such officers, to inspect
24 returns or reports made pursuant to this article, or may furnish to such
25 other officers, or their duly authorized representatives, a copy of any
26 such return or report or an abstract of the information therein
27 contained, or any portion thereof, or may supply any such officers or
28 such representatives with information relating to the business of a

1 person making returns or reports hereunder solely for purposes of tax
2 administration. The commissioner may refuse to supply information pursu-
3 ant to this subdivision to the officers of any other state if the stat-
4 utes of the state represented by such officers do not grant substantial-
5 ly similar privileges to the commissioner, but such refusal shall not be
6 mandatory. Information shall not be supplied to the officers of any
7 state that regulates or taxes cannabis, or the duly authorized represen-
8 tatives of any such officers, unless such officers or other represen-
9 tatives shall agree not to divulge or make known in any manner the
10 information so supplied, but such officers may transmit such information
11 to their employees or legal representatives when necessary, who in turn
12 shall be subject to the same restrictions as those hereby imposed upon
13 such officers or other representatives.

14 (c) Any officer or employee of the state who willfully violates the
15 provisions of subdivision (a) or (b) of this section shall be dismissed
16 from office and be incapable of holding any public office in this state
17 for a period of five years thereafter, and subject to criminal penalties
18 pursuant to article thirty-seven of this chapter.

19 § 496-b. Administrative provisions. (a) The provisions of article
20 twenty-seven of this chapter shall apply to the tax imposed by this
21 article in the same manner and with the same force and effect as if the
22 language of such article had been incorporated in full into this section
23 and had expressly referred to the tax imposed by this article, except to
24 the extent that any provision of such article is either inconsistent
25 with a provision of this article or is not relevant to this article.

26 (b) (1) All taxes, interest, and penalties collected or received by the
27 commissioner under this article shall be deposited and disposed of
28 pursuant to the provisions of section one hundred seventy-one-a of this

1 chapter, provided that an amount equal to one hundred percent collected
2 under this article less any amount determined by the commissioner to be
3 reserved by the comptroller for refunds or reimbursements shall be paid
4 by the comptroller to the credit of the cannabis revenue fund estab-
5 lished by section ninety-nine-hh of the state finance law. Of the total
6 revenue collected or received under this article, the comptroller shall
7 retain such amount as the commissioner may determine to be necessary for
8 refunds. The commissioner is authorized and directed to deduct from the
9 registration fees under subdivision (a) of section four hundred ninety-
10 four of this article, before deposit into the cannabis revenue fund
11 designated by the comptroller, a reasonable amount necessary to effectu-
12 ate refunds of appropriations of the department to reimburse the depart-
13 ment for the costs incurred to administer, collect, and distribute the
14 taxes imposed by this article.

15 (2) Notwithstanding the foregoing, the commissioner shall certify to
16 the comptroller the total amount of tax, penalty and interest received
17 by him or her on account of the tax imposed by subdivision (c) of
18 section four hundred ninety-three of this article in trust for and on
19 account of a city having a population of one million or more and a coun-
20 ty, other than a county wholly within such a city, in which a retail
21 dispensary is located. On or before the twelfth day of each month, the
22 comptroller, after reserving such refund fund, shall pay to the appro-
23 priate fiscal officer of each such city having a population of one
24 million or more and a county, other than a county wholly within such a
25 city, the taxes, penalties and interest received and certified by the
26 commissioner for the preceding calendar month.

27 § 496-c. Illicit cannabis penalty. (a) In addition to any other civil
28 or criminal penalties that may apply, any person in possession of or

1 having control over illicit cannabis, as defined in section four hundred
2 ninety-two of this article, after notice and an opportunity for a hear-
3 ing, shall be liable for a civil penalty of not less than four hundred
4 dollars per ounce of illicit cannabis plant material, ten dollars per
5 milligram of tetrahydrocannabinol contained in illicit cannabis infused
6 products, one hundred dollars per gram of illicit cannabis concentrate
7 or extract, two hundred fifty dollars per immature illicit cannabis
8 plant, and one thousand dollars per mature cannabis plant, but not to
9 exceed eight hundred dollars per ounce of illicit cannabis plant materi-
10 al, twenty dollars per milligram of tetrahydrocannabinol contained in
11 illicit cannabis infused products, two hundred dollars per gram of
12 illicit cannabis concentrate or extract, five hundred dollars per imma-
13 ture illicit cannabis plant, and two thousand dollars per mature canna-
14 bis plant for a first violation, and for a second or subsequent
15 violation within three years following a prior violation shall be liable
16 for a civil penalty of not less than eight hundred dollars per ounce of
17 illicit cannabis plant material, twenty dollars per milligram of tetrah-
18 ydrocannabinol contained in illicit cannabis infused products, two
19 hundred dollars per gram of illicit cannabis concentrate or extract,
20 five hundred dollars per immature illicit cannabis plant, and two thou-
21 sand dollars per mature cannabis plant but not to exceed one thousand
22 dollars per ounce of illicit cannabis plant material, forty dollars per
23 milligram of tetrahydrocannabinol contained in illicit cannabis infused
24 products, four hundred dollars per gram of illicit cannabis concentrate
25 or extract, one thousand dollars per immature illicit cannabis plant,
26 and four thousand dollars per mature cannabis plant.

1 (b) No enforcement action taken under this section shall be construed
2 to limit any other criminal or civil liability of anyone in possession
3 of illicit cannabis.

4 § 38. Subdivision (a) of section 1115 of the tax law is amended by
5 adding a new paragraph 3-b to read as follows:

6 (3-b) Adult-use cannabis products as defined by article twenty-C of
7 this chapter.

8 § 39. Intentionally omitted.

9 § 40. Section 12 of chapter 90 of the laws of 2014 amending the public
10 health law, the tax law, the state finance law, the general business
11 law, the penal law and the criminal procedure law relating to medical
12 use of marihuana, is amended to read as follows:

13 § 12. This act shall take effect immediately [and]; provided, however
14 that sections one, three, five, seven-a, eight, nine, ten and eleven of
15 this act shall expire and be deemed repealed seven years after such
16 date; provided that the amendments to section 171-a of the tax law made
17 by section seven of this act shall take effect on the same date and in
18 the same manner as section 54 of part A of chapter 59 of the laws of
19 2014 takes effect and shall not expire and be deemed repealed; and
20 provided, further, that the amendments to subdivision 5 of section
21 410.91 of the criminal procedure law made by section eleven of this act
22 shall not affect the expiration and repeal of such section and shall
23 expire and be deemed repealed therewith.

24 § 41. The office of cannabis management, in consultation with the
25 division of the budget, the department of taxation and finance and the
26 department of health shall conduct a study of the effectiveness of this
27 act. Such study shall examine all aspects of the program, including the
28 economic and fiscal aspects of the program, the impact of the program on

1 the public health and safety of New York residents and the progress made
2 in achieving social justice goals and toward eliminating the illegal
3 market for cannabis products in New York. The office shall make recom-
4 mendations regarding the appropriate level of taxation as well as any
5 recommended changes to the taxation and regulatory structure of the
6 program. In addition, the office shall also recommend changes, if any,
7 necessary to improve and protect the public health and safety of New
8 Yorkers. Such study shall be conducted two years after the effective
9 date of this act and shall be presented to the governor, the temporary
10 president of the senate and the speaker of the assembly, no later than
11 October 1, 2023.

12 § 42. Section 102 of the alcoholic beverage control law is amended by
13 adding a new subdivision 8 to read as follows:

14 8. No alcoholic beverage retail licensee shall sell cannabis, nor have
15 or possess a license or permit to sell cannabis, on the same premises
16 where alcoholic beverages are sold.

17 § 43. Subdivisions 1, 4, 5, 6, 7 and 13 of section 12-102 of the
18 general obligations law, as added by chapter 406 of the laws of 2000,
19 are amended to read as follows:

20 1. "Illegal drug" means any controlled substance [or marijuana] the
21 possession of which is an offense under the public health law or the
22 penal law.

23 4. "Grade one violation" means possession of one-quarter ounce or
24 more, but less than four ounces, or distribution of less than one ounce
25 of an illegal drug [other than marijuana, or possession of one pound or
26 twenty-five plants or more, but less than four pounds or fifty plants,
27 or distribution of less than one pound of marijuana].

1 5. "Grade two violation" means possession of four ounces or more, but
2 less than eight ounces, or distribution of one ounce or more, but less
3 than two ounces, of an illegal drug [other than marijuana, or possession
4 of four pounds or more or fifty plants or distribution of more than one
5 pound but less than ten pounds of marijuana].

6 6. "Grade three violation" means possession of eight ounces or more,
7 but less than sixteen ounces, or distribution of two ounces or more, but
8 less than four ounces, of a specified illegal drug [or possession of
9 eight pounds or more or seventy-five plants or more, but less than
10 sixteen pounds or one hundred plants, or distribution of more than five
11 pounds but less than ten pounds of marijuana].

12 7. "Grade four violation" means possession of sixteen ounces or more
13 or distribution of four ounces or more of a specified illegal drug [or
14 possession of sixteen pounds or more or one hundred plants or more or
15 distribution of ten pounds or more of marijuana].

16 13. "Drug trafficker" means a person convicted of a class A or class B
17 felony controlled substance [or marijuana offense] who, in connection
18 with the criminal conduct for which he or she stands convicted,
19 possessed, distributed, sold or conspired to sell a controlled substance
20 [or marijuana] which, by virtue of its quantity, the person's prominent
21 role in the enterprise responsible for the sale or distribution of such
22 controlled substance and other circumstances related to such criminal
23 conduct indicate that such person's criminal possession, sale or
24 conspiracy to sell such substance was not an isolated occurrence and was
25 part of an ongoing pattern of criminal activity from which such person
26 derived substantial income or resources and in which such person played
27 a leadership role.

1 § 44. Paragraph (g) of subdivision 1 of section 488 of the social
2 services law, as added by section 1 of part B of chapter 501 of the laws
3 of 2012, is amended to read as follows:

4 (g) "Unlawful use or administration of a controlled substance," which
5 shall mean any administration by a custodian to a service recipient of:
6 a controlled substance as defined by article thirty-three of the public
7 health law, without a prescription; or other medication not approved for
8 any use by the federal food and drug administration, except for the
9 administration of medical cannabis when such administration is in
10 accordance with article three of the cannabis law and any regulations
11 promulgated thereunder as well as the rules, regulations, policies, or
12 procedures of the state oversight agency or agencies governing such
13 custodians. It also shall include a custodian unlawfully using or
14 distributing a controlled substance as defined by article thirty-three
15 of the public health law, at the workplace or while on duty.

16 § 44-a. Subdivision 1 of section 151 of the social services law, as
17 amended by section 2 of part F of chapter 58 of the laws of 2014, is
18 amended to read as follows:

19 1. Unauthorized transactions. Except as otherwise provided in subdivi-
20 sion two of this section, no person, firm, establishment, entity, or
21 corporation (a) licensed under the provisions of the alcoholic beverage
22 control law to sell liquor and/or wine at retail for off-premises
23 consumption; (b) licensed to sell beer at wholesale and also authorized
24 to sell beer at retail for off-premises consumption; (c) licensed or
25 authorized to conduct pari-mutuel wagering activity under the racing,
26 pari-mutuel wagering and breeding law; (d) licensed to participate in
27 charitable gaming under article fourteen-H of the general municipal law;
28 (e) licensed to participate in the operation of a video lottery facility

1 under section one thousand six hundred seventeen-a of the tax law; (f)
2 licensed to operate a gaming facility under section one thousand three
3 hundred eleven of the racing, pari-mutuel wagering and breeding law;
4 [or] (g) licensed to operate an adult-use cannabis retail dispensary
5 pursuant to the cannabis law: or (h) providing adult-oriented enter-
6 tainment in which performers disrobe or perform in an unclothed state
7 for entertainment, or making available the venue in which performers
8 disrobe or perform in an unclothed state for entertainment, shall cash
9 or accept any public assistance check or electronic benefit transfer
10 device issued by a public welfare official or department, or agent ther-
11 eof, as and for public assistance.

12 § 44-b. Subdivision 3 of section 151 of the social services law is
13 amended by adding a new paragraph (d) to read as follows:

14 (d) A violation of the provisions of subdivision one of this section
15 taking place at the licensed premises by a person, firm, establishment,
16 entity or corporation licensed pursuant to the cannabis law to operate
17 an adult-use cannabis retail dispensary shall subject such person, firm,
18 establishment, entity or corporation to penalties and injunctions pursu-
19 ant to section sixteen of article two of the cannabis law.

20 § 45. Paragraphs (e) and (f) of subdivision 1 of section 490 of the
21 social services law, as added by section 1 of part B of chapter 501 of
22 the laws of 2012, are amended and a new paragraph (g) is added to read
23 as follows:

24 (e) information regarding individual reportable incidents, incident
25 patterns and trends, and patterns and trends in the reporting and
26 response to reportable incidents is shared, consistent with applicable
27 law, with the justice center, in the form and manner required by the
28 justice center and, for facilities or provider agencies that are not

1 state operated, with the applicable state oversight agency which shall
2 provide such information to the justice center; [and]

3 (f) incident review committees are established; provided, however,
4 that the regulations may authorize an exemption from this requirement,
5 when appropriate, based on the size of the facility or provider agency
6 or other relevant factors. Such committees shall be composed of members
7 of the governing body of the facility or provider agency and other
8 persons identified by the director of the facility or provider agency,
9 including some members of the following: direct support staff, licensed
10 health care practitioners, service recipients and representatives of
11 family, consumer and other advocacy organizations, but not the director
12 of the facility or provider agency. Such committee shall meet regularly
13 to: (i) review the timeliness, thoroughness and appropriateness of the
14 facility or provider agency's responses to reportable incidents; (ii)
15 recommend additional opportunities for improvement to the director of
16 the facility or provider agency, if appropriate; (iii) review incident
17 trends and patterns concerning reportable incidents; and (iv) make
18 recommendations to the director of the facility or provider agency to
19 assist in reducing reportable incidents. Members of the committee shall
20 be trained in confidentiality laws and regulations, and shall comply
21 with section seventy-four of the public officers law[.]; and

22 (g) safe storage, administration, and diversion prevention policies
23 regarding controlled substances and medical cannabis.

24 § 46. Sections 179.00, 179.05, 179.10, 179.11 and 179.15 of the penal
25 law, as added by chapter 90 of the laws of 2014, are amended to read as
26 follows:

27 § 179.00 Criminal diversion of medical [marihuana] cannabis; defi-
28 nitions.

1 The following definitions are applicable to this article:

2 1. "Medical [marihuana] cannabis" means medical [marihuana] cannabis
3 as defined in [subdivision eight of section thirty-three hundred sixty
4 of the public health law] section three of the cannabis law.

5 2. "Certification" means a certification, made under section [thirty-
6 three hundred sixty-one of the public health law] thirty of the cannabis
7 law.

8 § 179.05 Criminal diversion of medical [marihuana] cannabis; limita-
9 tions.

10 The provisions of this article shall not apply to:

11 1. a practitioner authorized to issue a certification who acted in
12 good faith in the lawful course of his or her profession; or

13 2. a registered organization as that term is defined in [subdivision
14 nine of section thirty-three hundred sixty of the public health law]
15 section thirty-four of the cannabis law who acted in good faith in the
16 lawful course of the practice of pharmacy; or

17 3. a person who acted in good faith seeking treatment for a medical
18 condition or assisting another person to obtain treatment for a medical
19 condition.

20 § 179.10 Criminal diversion of medical [marihuana] cannabis in the first
21 degree.

22 A person is guilty of criminal diversion of medical [marihuana] canna-
23 bis in the first degree when he or she is a practitioner, as that term
24 is defined in [subdivision twelve of section thirty-three hundred sixty
25 of the public health law] section three of the cannabis law, who issues
26 a certification with knowledge of reasonable grounds to know that (i)
27 the recipient has no medical need for it, or (ii) it is for a purpose
28 other than to treat a serious condition as defined in [subdivision seven

1 of section thirty-three hundred sixty of the public health law] section
2 three of the cannabis law.

3 Criminal diversion of medical [marihuana] cannabis in the first degree
4 is a class E felony.

5 § 179.11 Criminal diversion of medical [marihuana] cannabis in the
6 second degree.

7 A person is guilty of criminal diversion of medical [marihuana] canna-
8 bis in the second degree when he or she sells, trades, delivers, or
9 otherwise provides medical [marihuana] cannabis to another with know-
10 ledge or reasonable grounds to know that the recipient is not registered
11 under [title five-A of article thirty-three of the public health law]
12 article three of the cannabis law.

13 Criminal diversion of medical [marihuana] cannabis in the second
14 degree is a class B misdemeanor.

15 § 179.15 Criminal retention of medical [marihuana] cannabis.

16 A person is guilty of criminal retention of medical [marihuana] canna-
17 bis when, being a certified patient or designated caregiver, as those
18 terms are defined in [subdivisions three and five of section thirty-
19 three hundred sixty of the public health law, respectively] section
20 three of the cannabis law, he or she knowingly obtains, possesses,
21 stores or maintains an amount of [marihuana] cannabis in excess of the
22 amount he or she is authorized to possess under the provisions of [title
23 five-A of article thirty-three of the public health law] article three
24 of the cannabis law.

25 Criminal retention of medical [marihuana] cannabis is a class A misde-
26 meanor.

27 § 47. Section 220.78 of the penal law, as added by chapter 154 of the
28 laws of 2011, is amended to read as follows:

1 § 220.78 Witness or victim of drug or alcohol overdose.

2 1. A person who, in good faith, seeks health care for someone who is
3 experiencing a drug or alcohol overdose or other life threatening
4 medical emergency shall not be charged or prosecuted for a controlled
5 substance offense under article two hundred twenty or a [marihuana]
6 cannabis offense under article two hundred twenty-one of this title,
7 other than an offense involving sale for consideration or other benefit
8 or gain, or charged or prosecuted for possession of alcohol by a person
9 under age twenty-one years under section sixty-five-c of the alcoholic
10 beverage control law, or for possession of drug paraphernalia under
11 article thirty-nine of the general business law, with respect to any
12 controlled substance, [marihuana] cannabis, alcohol or paraphernalia
13 that was obtained as a result of such seeking or receiving of health
14 care.

15 2. A person who is experiencing a drug or alcohol overdose or other
16 life threatening medical emergency and, in good faith, seeks health care
17 for himself or herself or is the subject of such a good faith request
18 for health care, shall not be charged or prosecuted for a controlled
19 substance offense under this article or a [marihuana] cannabis offense
20 under article two hundred twenty-one of this title, other than an
21 offense involving sale for consideration or other benefit or gain, or
22 charged or prosecuted for possession of alcohol by a person under age
23 twenty-one years under section sixty-five-c of the alcoholic beverage
24 control law, or for possession of drug paraphernalia under article thir-
25 ty-nine of the general business law, with respect to any substance,
26 [marihuana] cannabis, alcohol or paraphernalia that was obtained as a
27 result of such seeking or receiving of health care.

1 3. Definitions. As used in this section the following terms shall have
2 the following meanings:

3 (a) "Drug or alcohol overdose" or "overdose" means an acute condition
4 including, but not limited to, physical illness, coma, mania, hysteria
5 or death, which is the result of consumption or use of a controlled
6 substance or alcohol and relates to an adverse reaction to or the quan-
7 tity of the controlled substance or alcohol or a substance with which
8 the controlled substance or alcohol was combined; provided that a
9 patient's condition shall be deemed to be a drug or alcohol overdose if
10 a prudent layperson, possessing an average knowledge of medicine and
11 health, could reasonably believe that the condition is in fact a drug or
12 alcohol overdose and (except as to death) requires health care.

13 (b) "Health care" means the professional services provided to a person
14 experiencing a drug or alcohol overdose by a health care professional
15 licensed, registered or certified under title eight of the education law
16 or article thirty of the public health law who, acting within his or her
17 lawful scope of practice, may provide diagnosis, treatment or emergency
18 services for a person experiencing a drug or alcohol overdose.

19 4. It shall be an affirmative defense to a criminal sale controlled
20 substance offense under this article or a criminal sale of [marihuana]
21 cannabis offense under article two hundred twenty-one of this title, not
22 covered by subdivision one or two of this section, with respect to any
23 controlled substance or [marihuana] cannabis which was obtained as a
24 result of such seeking or receiving of health care, that:

25 (a) the defendant, in good faith, seeks health care for someone or for
26 him or herself who is experiencing a drug or alcohol overdose or other
27 life threatening medical emergency; and

1 (b) the defendant has no prior conviction for the commission or
2 attempted commission of a class A-I, A-II or B felony under this arti-
3 cle.

4 5. Nothing in this section shall be construed to bar the admissibility
5 of any evidence in connection with the investigation and prosecution of
6 a crime with regard to another defendant who does not independently
7 qualify for the bar to prosecution or for the affirmative defense; nor
8 with regard to other crimes committed by a person who otherwise quali-
9 fies under this section; nor shall anything in this section be construed
10 to bar any seizure pursuant to law, including but not limited to pursu-
11 ant to section thirty-three hundred eighty-seven of the public health
12 law.

13 6. The bar to prosecution described in subdivisions one and two of
14 this section shall not apply to the prosecution of a class A-I felony
15 under this article, and the affirmative defense described in subdivision
16 four of this section shall not apply to the prosecution of a class A-I
17 or A-II felony under this article.

18 § 48. Subdivision 1 of section 260.20 of the penal law, as amended by
19 chapter 362 of the laws of 1992, is amended as follows:

20 1. He knowingly permits a child less than eighteen years old to enter
21 or remain in or upon a place, premises or establishment where sexual
22 activity as defined by article one hundred thirty, two hundred thirty or
23 two hundred sixty-three of this [chapter] part or activity involving
24 controlled substances as defined by article two hundred twenty of this
25 [chapter or involving marihuana as defined by article two hundred twen-
26 ty-one of this chapter] part is maintained or conducted, and he knows or
27 has reason to know that such activity is being maintained or conducted;
28 or

1 § 49. Section 89-h of the state finance law, as added by chapter 90 of
2 the laws of 2014, is amended to read as follows:

3 § 89-h. Medical [marihuana] cannabis trust fund. 1. There is hereby
4 established in the joint custody of the state comptroller and the
5 commissioner of taxation and finance a special fund to be known as the
6 "medical [marihuana] cannabis trust fund."

7 2. The medical [marihuana] cannabis trust fund shall consist of all
8 moneys required to be deposited in the medical [marihuana] cannabis
9 trust fund pursuant to the provisions of section four hundred ninety of
10 the tax law.

11 3. The moneys in the medical [marihuana] cannabis trust fund shall be
12 kept separate and shall not be commingled with any other moneys in the
13 custody of the commissioner of taxation and finance and the state comp-
14 troller.

15 4. The moneys of the medical [marihuana] cannabis trust fund, follow-
16 ing appropriation by the legislature, shall be allocated upon a certifi-
17 cate of approval of availability by the director of the budget as
18 follows: (a) Twenty-two and five-tenths percent of the monies shall be
19 transferred to the counties in New York state in which the medical
20 [marihuana] cannabis was manufactured and allocated in proportion to the
21 gross sales originating from medical [marihuana] cannabis manufactured
22 in each such county; (b) twenty-two and five-tenths percent of the
23 moneys shall be transferred to the counties in New York state in which
24 the medical [marihuana] cannabis was dispensed and allocated in propor-
25 tion to the gross sales occurring in each such county; (c) five percent
26 of the monies shall be transferred to the office of [alcoholism and
27 substance abuse services] addiction services and supports, which shall
28 use that revenue for additional drug abuse prevention, counseling and

1 treatment services; and (d) five percent of the revenue received by the
2 department shall be transferred to the division of criminal justice
3 services, which shall use that revenue for a program of discretionary
4 grants to state and local law enforcement agencies that demonstrate a
5 need relating to [title five-A of article thirty-three of the public
6 health law] article three of the cannabis law; said grants could be used
7 for personnel costs of state and local law enforcement agencies. For
8 purposes of this subdivision, the city of New York shall be deemed to be
9 a county.

10 § 50. The state finance law is amended by adding a new section 99-hh
11 to read as follows:

12 § 99-hh. New York state cannabis revenue fund. 1. There is hereby
13 established in the joint custody of the state comptroller and the
14 commissioner of taxation and finance a special fund to be known as the
15 "New York state cannabis revenue fund" (the "fund").

16 2. Monies in the fund shall be kept separate from and shall not be
17 commingled with any other monies in the custody of the comptroller or
18 the commissioner of taxation and finance. Provided, however that any
19 monies of the fund not required for immediate use may, at the discretion
20 of the comptroller, in consultation with the director of the budget, be
21 invested by the comptroller in obligations of the United States or the
22 state. The proceeds of any such investment shall be retained by the fund
23 as assets to be used for purposes of the fund.

24 3. Except as set forth in subdivisions two and four of this section,
25 monies from the fund shall not be used to make payments for any purpose
26 other than the purposes set forth in subdivisions two and four of this
27 section.

1 4. The "New York state cannabis revenue fund" shall consist of monies
2 received by the commissioner of taxation and finance pursuant to subdi-
3 visions (a) and (b) of section four hundred ninety-three of the tax law
4 and all other monies credited or transferred thereto from any other fund
5 or source. Monies of such fund shall be expended for the following
6 purposes: administration of the regulated cannabis program, data gather-
7 ing, monitoring and reporting, the governor's traffic safety committee,
8 implementation and administration of the initiatives and programs of the
9 social and economic equity plan in the office of cannabis management,
10 substance abuse, harm reduction and mental health treatment and
11 prevention, public health education and intervention, research on canna-
12 bis uses and applications, program evaluation and improvements, and any
13 other identified purpose recommended by the executive director of the
14 office of cannabis management and approved by the director of the budg-
15 et.

16 § 51. Subdivision 2 of section 3371 of the public health law, as
17 amended by chapter 90 of the laws of 2014, is amended to read as
18 follows:

19 2. The prescription monitoring program registry may be accessed, under
20 such terms and conditions as are established by the department for
21 purposes of maintaining the security and confidentiality of the informa-
22 tion contained in the registry, by:

23 (a) a practitioner, or a designee authorized by such practitioner
24 pursuant to paragraph (b) of subdivision two of section thirty-three
25 hundred forty-three-a [or section thirty-three hundred sixty-one] of
26 this article, for the purposes of: (i) informing the practitioner that a
27 patient may be under treatment with a controlled substance by another
28 practitioner; (ii) providing the practitioner with notifications of

1 controlled substance activity as deemed relevant by the department,
2 including but not limited to a notification made available on a monthly
3 or other periodic basis through the registry of controlled substances
4 activity pertaining to his or her patient; (iii) allowing the practi-
5 tioner, through consultation of the prescription monitoring program
6 registry, to review his or her patient's controlled substances history
7 as required by section thirty-three hundred forty-three-a [or section
8 thirty-three hundred sixty-one] of this article; and (iv) providing to
9 his or her patient, or person authorized pursuant to paragraph (j) of
10 subdivision one of this section, upon request, a copy of such patient's
11 controlled substance history as is available to the practitioner through
12 the prescription monitoring program registry; or

13 (b) a pharmacist, pharmacy intern or other designee authorized by the
14 pharmacist pursuant to paragraph (b) of subdivision three of section
15 thirty-three hundred forty-three-a of this article, for the purposes of:

16 (i) consulting the prescription monitoring program registry to review
17 the controlled substances history of an individual for whom one or more
18 prescriptions for controlled substances or certifications for [marihua-
19 na] cannabis is presented to the pharmacist, pursuant to section thir-
20 ty-three hundred forty-three-a of this article; and (ii) receiving from
21 the department such notifications of controlled substance activity as
22 are made available by the department; or

23 (c) an individual employed by a registered organization for the
24 purpose of consulting the prescription monitoring program registry to
25 review the controlled substances history of an individual for whom one
26 or more certifications for [marihuana] cannabis is presented to that
27 registered organization[, pursuant to section thirty-three hundred
28 sixty-four of this article]. Unless otherwise authorized by this arti-

1 cle, an individual employed by a registered organization will be
2 provided access to the prescription monitoring program in the sole
3 discretion of the commissioner.

4 § 52. Subdivision 3 of section 853 of the general business law, as
5 added by chapter 90 of the laws of 2014, is amended to read as follows:

6 3. This article shall not apply to any sale, furnishing or possession
7 which is for a lawful purpose under [title five-A of article thirty-
8 three of the public health law] the cannabis law.

9 § 53. Subdivision 5 of section 410.91 of the criminal procedure law,
10 as amended by chapter 90 of the laws of 2014, is amended to read as
11 follows:

12 5. For the purposes of this section, a "specified offense" is an
13 offense defined by any of the following provisions of the penal law:
14 burglary in the third degree as defined in section 140.20, criminal
15 mischief in the third degree as defined in section 145.05, criminal
16 mischief in the second degree as defined in section 145.10, grand larceny
17 in the fourth degree as defined in subdivision one, two, three, four,
18 five, six, eight, nine or ten of section 155.30, grand larceny in the
19 third degree as defined in section 155.35 (except where the property
20 consists of one or more firearms, rifles or shotguns), unauthorized use
21 of a vehicle in the second degree as defined in section 165.06, criminal
22 possession of stolen property in the fourth degree as defined in subdivision
23 one, two, three, five or six of section 165.45, criminal
24 possession of stolen property in the third degree as defined in section
25 165.50 (except where the property consists of one or more firearms,
26 rifles or shotguns), forgery in the second degree as defined in section
27 170.10, criminal possession of a forged instrument in the second degree
28 as defined in section 170.25, unlawfully using slugs in the first degree

1 as defined in section 170.60, criminal diversion of medical [marihuana]
2 cannabis in the first degree as defined in section 179.10 or an attempt
3 to commit any of the aforementioned offenses if such attempt constitutes
4 a felony offense; or a class B felony offense defined in article two
5 hundred twenty where a sentence is imposed pursuant to paragraph (a) of
6 subdivision two of section 70.70 of the penal law; or any class C, class
7 D or class E controlled substance [or marihuana] cannabis felony offense
8 as defined in article two hundred twenty or two hundred twenty-one.

9 § 54. Subdivision 5 of section 410.91 of the criminal procedure law,
10 as amended by section 8 of part AAA of chapter 56 of the laws of 2009,
11 is amended to read as follows:

12 5. For the purposes of this section, a "specified offense" is an
13 offense defined by any of the following provisions of the penal law:
14 burglary in the third degree as defined in section 140.20, criminal
15 mischief in the third degree as defined in section 145.05, criminal
16 mischief in the second degree as defined in section 145.10, grand larceny
17 in the fourth degree as defined in subdivision one, two, three, four,
18 five, six, eight, nine or ten of section 155.30, grand larceny in the
19 third degree as defined in section 155.35 (except where the property
20 consists of one or more firearms, rifles or shotguns), unauthorized use
21 of a vehicle in the second degree as defined in section 165.06, criminal
22 possession of stolen property in the fourth degree as defined in subdivision
23 one, two, three, five or six of section 165.45, criminal
24 possession of stolen property in the third degree as defined in section
25 165.50 (except where the property consists of one or more firearms,
26 rifles or shotguns), forgery in the second degree as defined in section
27 170.10, criminal possession of a forged instrument in the second degree
28 as defined in section 170.25, unlawfully using slugs in the first degree

1 as defined in section 170.60, or an attempt to commit any of the afore-
2 mentioned offenses if such attempt constitutes a felony offense; or a
3 class B felony offense defined in article two hundred twenty where a
4 sentence is imposed pursuant to paragraph (a) of subdivision two of
5 section 70.70 of the penal law; or any class C, class D or class E
6 controlled substance or [marihuana] cannabis felony offense as defined
7 in article two hundred twenty or two hundred twenty-one.

8 § 55. The criminal procedure law is amended by adding a new section
9 440.46-a to read as follows:

10 § 440.46-a Motion for resentencing; persons convicted of certain marihuana
11 offenses.

12 1. A person currently serving a sentence for a conviction, whether by
13 trial or by open or negotiated plea, who would not have been guilty of
14 an offense or who would have been guilty of a lesser offense on and
15 after the effective date of this section had this section been in effect
16 at the time of his or her conviction may petition for a recall or
17 dismissal of sentence before the trial court that entered the judgment
18 of conviction in his or her case to request resentencing or dismissal in
19 accordance with article two hundred twenty-one of the penal law.

20 2. Upon receiving a motion under subdivision one of this section the
21 court shall presume the movant satisfies the criteria in subdivision one
22 of this section unless the party opposing the motion proves by clear and
23 convincing evidence that the movant does not satisfy the criteria. If
24 the movant satisfies the criteria in subdivision one of this section,
25 the court shall grant the motion to vacate the sentence or to resentence
26 because it is legally invalid. In exercising its discretion, the court
27 may consider, but shall not be limited to, the following: (a) the
28 movant's criminal conviction history, including the type of crimes

1 committed, the extent of injury to victims, the length of prior prison
2 commitments, and the remoteness of the crimes. (b) the movant's disci-
3 plinary record and record of rehabilitation while incarcerated.

4 3. A person who is serving a sentence and resentenced pursuant to
5 subdivision two of this section shall be given credit for any time
6 already served and shall be subject to supervision for one year follow-
7 ing completion of his or her time in custody or shall be subject to
8 whatever supervision time he or she would have otherwise been subject to
9 after release, whichever is shorter, unless the court, in its
10 discretion, as part of its resentencing order, releases the person from
11 supervision. Such person is subject to parole supervision under section
12 60.04 of the penal law or post-release supervision under section 70.45
13 of the penal law by the designated agency and the jurisdiction of the
14 court in the county in which the offender is released or resides, or in
15 which an alleged violation of supervision has occurred, for the purpose
16 of hearing petitions to revoke supervision and impose a term of custody.

17 4. Under no circumstances may resentencing under this section result
18 in the imposition of a term longer than the original sentence, or the
19 reinstatement of charges dismissed pursuant to a negotiated plea agree-
20 ment.

21 5. A person who has completed his or her sentence for a conviction
22 under the former article two hundred twenty-one of the penal law, wheth-
23 er by trial or open or negotiated plea, who would not have been guilty
24 of an offense or who would have been guilty of a lesser offense on and
25 after the effective date of this section had this section been in effect
26 at the time of his or her conviction, may file an application before the
27 trial court that entered the judgment of conviction in his or her case
28 to have the conviction, in accordance with article two hundred twenty-

1 one of the penal law: (a) dismissed because the prior conviction is now
2 legally invalid and sealed in accordance with section 160.50 of this
3 chapter; (b) redesignated (or "reclassified") as a violation and sealed
4 in accordance with section 160.50 of this chapter; or (c) redesignated
5 (reclassified) as a misdemeanor.

6 6. The court shall presume the petitioner satisfies the criteria in
7 subdivision five of this section unless the party opposing the applica-
8 tion proves by clear and convincing evidence that the petitioner does
9 not satisfy the criteria in subdivision five of this section. Once the
10 applicant satisfies the criteria in subdivision five of this section,
11 the court shall redesignate (or "reclassify") the conviction as a misde-
12 meanor, redesignate (reclassify) the conviction as a violation and seal
13 the conviction, or dismiss and seal the conviction as legally invalid
14 under this section had this section been in effect at the time of his or
15 her conviction.

16 7. Unless requested by the applicant, no hearing is necessary to grant
17 or deny an application filed under subdivision five of this section.

18 8. Any felony conviction that is vacated and resentenced under subdi-
19 vision two or designated as a misdemeanor or violation under subdivision
20 six of this section shall be considered a misdemeanor or violation for
21 all purposes. Any misdemeanor conviction that is vacated and resentenced
22 under subdivision two of this section or designated as a violation under
23 subdivision six of this section shall be considered a violation for all
24 purposes.

25 9. If the court that originally sentenced the movant is not available,
26 the presiding judge shall designate another judge to rule on the peti-
27 tion or application.

1 10. Nothing in this section is intended to diminish or abrogate any
2 rights or remedies otherwise available to the petitioner or applicant.

3 11. Nothing in this and related sections is intended to diminish or
4 abrogate the finality of judgments in any case not falling within the
5 purview of this section.

6 12. The provisions of this section shall apply equally to juvenile
7 delinquency adjudications and dispositions under section five hundred
8 one-e of the executive law if the juvenile would not have been guilty of
9 an offense or would have been guilty of a lesser offense under this
10 section had this section been in effect at the time of his or her
11 conviction.

12 13. The office of court administration shall promulgate and make
13 available all necessary forms to enable the filing of the petitions and
14 applications provided in this section no later than sixty days following
15 the effective date of this section.

16 § 56. Transfer of employees. Notwithstanding any other provision of
17 law, rule, or regulation to the contrary, upon the transfer of any func-
18 tions from the department of health to the office of cannabis management
19 for the regulation and control of medical cannabis pursuant to this act,
20 employees performing those functions shall be transferred to the office
21 of cannabis management pursuant to subdivision 2 of section 70 of the
22 civil service law. Employees transferred pursuant to this section shall
23 be transferred without further examination or qualification and shall
24 retain their respective civil service classifications, status and
25 collective bargaining unit designations and collective bargaining agree-
26 ments. The civil service department may re-classify any person employed
27 in a permanent, classified, competitive, or exempt class position imme-
28 diately prior to being transferred to the office of cannabis management

1 pursuant to subdivision 2 of section 70 of the civil service law, to
2 align with the duties and responsibilities of their positions upon
3 transfer. Employees whose positions are subsequently re-classified to
4 align with the duties and responsibilities of their positions upon being
5 transferred to the office of cannabis management shall hold such posi-
6 tions without further examination or qualification. Notwithstanding any
7 other provision of this act, the names of those competitive permanent
8 employees on promotion eligible lists in their former department shall
9 be added and interfiled on a promotion eligible list in the new office,
10 as the state civil service department deems appropriate.

11 § 57. Transfer of records. All books, papers, and property of the
12 department of health related to the administration of the medical mari-
13 juana program shall be deemed to be in the possession of the executive
14 director of the office of cannabis management and shall continue to be
15 maintained by the office of cannabis management.

16 § 58. Continuity of authority. For the purpose of succession of all
17 functions, powers, duties and obligations transferred and assigned to,
18 devolved upon and assumed by it pursuant to this act, the office of
19 cannabis management shall be deemed and held to constitute the continua-
20 tion of the department of health's medical marijuana program.

21 § 59. Completion of unfinished business. Any business or other matter
22 undertaken or commenced by the department of health pertaining to or
23 connected with the functions, powers, obligations and duties hereby
24 transferred and assigned to the office of cannabis management and pend-
25 ing on the effective date of this act, may be conducted and completed by
26 the office of cannabis management.

27 § 60. Continuation of rules and regulations. All rules, regulations,
28 acts, orders, determinations, and decisions of the department of health

1 pertaining to medical marijuana, including the functions and powers
2 transferred and assigned pursuant to this act, in force at the time of
3 such transfer and assumption, shall continue in full force and effect as
4 rules, regulations, acts, orders, determinations and decisions of the
5 office of cannabis management until duly modified or abrogated by the
6 board of the office of cannabis management.

7 § 61. Terms occurring in laws, contracts and other documents. Whenever
8 the department of health, or commissioner thereof, is referred to or
9 designated in any law, contract or document pertaining to the functions,
10 powers, obligations and duties hereby transferred to and assigned to the
11 office of cannabis management, such reference or designation shall be
12 deemed to refer to the board of cannabis management, or the executive
13 director thereof, as applicable.

14 § 62. Existing rights and remedies preserved. No existing right or
15 remedy of any character shall be lost, impaired or affected by any
16 provisions of this act.

17 § 63. Pending actions and proceedings. No action or proceeding pending
18 at the time when this act shall take effect, brought by or against the
19 department of health, or the commissioner thereof, shall be affected by
20 any provision of this act, but the same may be prosecuted or defended in
21 the name of the executive director of the office of cannabis management.
22 In all such actions and proceedings, the executive director of the
23 office of cannabis management, upon application to the court, shall be
24 substituted as a party.

25 § 63-a. Severability. If any clause, sentence, paragraph, subdivision,
26 section or part of this act shall be adjudged by any court of competent
27 jurisdiction to be invalid, such judgment shall not affect, impair, or
28 invalidate the remainder thereof, but shall be confined in its operation

1 to the clause, sentence, paragraph, subdivision, section or part thereof
2 directly involved in the controversy in which such judgment shall have
3 been rendered. It is hereby declared to be the intent of the legislature
4 that this act would have been enacted even if such invalid provisions
5 had not been included herein.

6 § 64. This act shall take effect immediately; provided, however that:

7 (i) sections 92, 93 and 109 of article 5 of the cannabis law as added
8 by section two of this act shall take effect January 1, 2021;

9 (ii) section six-a of this act shall take effect on the same date as
10 chapter 614 of the laws of 2019, takes effect;

11 (iii) the amendments to subdivision 1 of section 171-a of the tax law
12 made by section thirty-four of this act shall not affect the expiration
13 of such subdivision and shall expire therewith, when upon such date the
14 provisions of section thirty-four-a of this act shall take effect;

15 (iv) the taxes imposed by section thirty-seven of this act shall apply
16 on and after April 1, 2021 to: (1) the sale or transfer of cannabis
17 flower, cannabis trim or wet cannabis to any person; (2) cultivation of
18 cannabis flower, cannabis trim or wet cannabis by a person licensed
19 under the cannabis law as a microbusiness, cooperative or registered
20 organization; (3) the sale or transfer of adult-use cannabis products to
21 a retail dispensary; and (4) the sale of adult-use cannabis products to
22 a consumer by a retail dispensary operated by a person licensed under
23 the cannabis law as a registered organization; and provided, further,
24 that the exemption provided by section thirty-eight of this act shall
25 apply to sales made or uses occurring on and after April 1, 2021;

26 (v) the amendments to article 179 of the penal law made by section
27 forty-six of this act shall not affect the repeal of such article and
28 shall be deemed to be repealed therewith;

1 (vi) the amendments to section 89-h of the state finance law made by
2 section forty-nine of this act shall not affect the repeal of such
3 section and shall be deemed repealed therewith;

4 (vii) the amendments to section 221.00 of the penal law made by
5 section fourteen of this act shall be subject to the expiration of such
6 section when upon such date the provisions of section fifteen of this
7 act shall take effect;

8 (viii) the amendments to subdivision 2 of section 3371 of the public
9 health law made by section fifty-one of this act shall not affect the
10 expiration of such subdivision and shall be deemed to expire therewith;

11 (ix) the amendments to subdivision 3 of section 853 of the general
12 business law made by section fifty-two of this act shall not affect the
13 repeal of such subdivision and shall be deemed to be repealed therewith;
14 and

15 (x) the amendments to subdivision 5 of section 410.91 of the criminal
16 procedure law made by section fifty-three of this act shall not affect
17 the repeal of such section and shall be subject to the expiration and
18 reversion of such subdivision when upon such date the provisions of
19 section fifty-four of this act shall take effect.

20 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
21 sion, section or part of this act shall be adjudged by any court of
22 competent jurisdiction to be invalid, such judgment shall not affect,
23 impair, or invalidate the remainder thereof, but shall be confined in
24 its operation to the clause, sentence, paragraph, subdivision, section
25 or part thereof directly involved in the controversy in which such judg-
26 ment shall have been rendered. It is hereby declared to be the intent of
27 the legislature that this act would have been enacted even if such
28 invalid provisions had not been included herein.

1 § 3. This act shall take effect immediately provided, however, that
2 the applicable effective date of Parts A through BB of this act shall be
3 as specifically set forth in the last section of such Parts.