

NEW YORK STATE LEGISLATURE

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Support for Cannabis Industry in End of Session Push

Three bills championed by Lupardo, Hinchey, and Cooney will help NY cannabis farmers and processors

(ALBANY, NY) – With the 2024 Legislative Session wrapping up late last week, Assemblywoman Donna Lupardo, Senator Michelle Hinchey, and Senator Jeremy Cooney today announced the passage of three pieces of legislation aimed at supporting New York's cannabis farmers and processors. The bills now await action by the Governor.

One bill seeks to **define cannabis as an agricultural crop** (A1234 Lupardo / S1752 Hinchey). Doing so would ensure the same benefits and protections for New York's cannabis growers that are already granted to farmers of other crops including grapes grown for wine and hops grown for beer. These protections, including Right-to-Farm provisions and a lower real property tax based on the land's agricultural assessment value, will help farmers lower their productions costs.

A second bill creating a **Cannabis Showcase Event Permit** (<u>A10398</u> Lupardo / <u>S9679</u> Hinchey) made its way through the Legislature in the final hours of the session. The bill builds on the Office of Cannabis Management's Cannabis Growers Showcases (CGS) created in 2023 to aid cultivators who struggled with the lack of legal retail markets. The Showcase program expired on January 1, 2024. When enacted, OCM will draft new regulations to update the regulatory structure of the previous program. This will once again allow cultivators to partner with dispensary licensees to sell their products and generate much needed income.

Finally, a bill was passed to allow cannabis cultivators and processors the option to pay their **cannabis excise tax annually instead of quarterly** (A10196 Lupardo / S9359 Cooney). The slow rollout of the adult-

use cannabis retail market created a backlog of products waiting to be sold. This has created a financial strain on farmers and processors who owe taxes on products before they are sold to consumers. This legislation will allow for flexibility in the market as it matures and could provide a financial lifeline.

Assemblywoman Donna Lupardo, Chair, Assembly Agriculture Committee said, "We have tried in every way possible to provide assistance to this under-appreciated segment of NY's cannabis industry, where financial losses have been staggering. While we continue to push for recognition of these losses, we also have to make legislative changes that recognize current needs and conditions. I'd like to thank my Senate partners for their leadership, dedication, and ongoing advocacy. We look forward to the Governor looking favorably on our efforts."

Senator Michelle Hinchey, Chair of the Senate Agriculture Committee, said, "New York called on its farmers to lead the growth of our burgeoning cannabis industry, and many answered the call but faced devastating financial losses due to a lack of retail markets. We've fought hard to deliver relief for our cannabis farmers, and this session we got legislation done to create more reliable sales avenues for growers and expand tax benefits. These wins are important and part of a wider solution that's needed to put New York's cannabis farmers and industry back on track. I thank Assemblywoman Lupardo and Senator Cooney for their partnership in this continued fight."

Senator Jeremy Cooney, Chair, Senate Subcommittee on Cannabis said, "These bills are about providing support to our farmers and entrepreneurs as they work to grow their businesses, including my bill to give processors and cultivators more financial flexibility while filing their taxes. I was proud to work with Senator Hinchey, Assemblymember Lupardo, and our colleagues in the Legislature to get these done before the end of session and show our farmers that we're committed to building a thriving legal cannabis market in New York."

Damien Cornwell, President, Cannabis Association of New York, said, "We're deeply thankful to Assemblywoman Lupardo and Senators Hinchey and Cooney for their steadfast support of this industry, and in particular, the hardworking New York farmers who have risked and lost so much to get this industry off the ground. This industry will be stronger for these changes in law that will protect cannabis farms from over taxation and provide financial responsibility, and we look forward to continuing to work with lawmakers to meet this growing industry's many needs."

Cannabis Farmers Alliance Board Members and Co-founders said, "Assemblywoman Lupardo and Senators Hinchey and Cooney have been our staunchest supporters, offering sound advice and policy guidance to ensure that cannabis cultivators have not been left behind during difficult times for the industry. From championing an unprecedented aid package during budget negotiations to rapidly repairing market deficiencies with legislation, they have worked in tandem with cultivators to ease our burdens. The tax reform bill and codification of event permits are common-sense policies that will improve the business climate for cultivators, and equally important, move the industry towards alignment with other adult use products. Without their support and advocacy, our farms would be imperiled and the entire

supply chain jeopardized. We urge the Governor to enact these thoughtful programs to make the market more equitable for all stakeholders."

Renée St. Jacques, Senior Associate Director of Public Policy at New York Farm Bureau, said, "Many New York farmers have taken the opportunity to enter this new market and it is important that cannabis is treated as a legitimate agricultural crop. These bills support the ability for New York farmers to grow cannabis and have a successful business in the state. The passing of this legislation demonstrates our steadfast dedication to fostering a flourishing legal cannabis industry in New York and supporting our agricultural community. Thank you to Assemblymember Lupardo, Senator Hinchey and Senator Cooney for working to get this legislation passed and continuing to support New York farmers."

Mack Hueber, President Empire Cannabis Manufacturers Association, said "Assemblywoman Lupardo and Senators Hinchey and Cooney have led the way for this industry in the Legislature and we couldn't be more thankful for the action they've taken to strengthen the entire cannabis supply chain by supporting the New York farmers who opened this market and are now facing hardship due to a slower than expected roll out. Cannabis farmers should be treated no differently under property tax law, and the protections afforded them this session are crucial as are the changes to excise tax law that provide much-needed payment flexibility along with expanding avenues for them to sell the products they work so hard to grow. With more than 130 dispensaries open, and more opening every week, New York's cannabis manufacturers are ready to scale production and the support of the legislature is critical to achieving our collective goals."

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