



Office of Cannabis  
Management

20  
24

# MARIHUANA REGULATION AND TAXATION ACT IMPLEMENTATION REPORT

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# Letter from the Acting Executive Director

## Dear Members of the Cannabis Community, Agency Partners, and Stakeholders:

As Acting Executive Director of the Office of Cannabis Management (OCM), I am excited to share this Implementation Report, a collaboration between OCM, our State agency partners, and the Cannabis Control Board. This report gives a status update on OCM's progress in realizing the vision and goals of the Marijuana Regulation and Taxation Act (MRTA). It is also a reflection of the agency's commitment to transparency, accountability, and continued improvement.

When the MRTA passed in 2021, it was a historic moment. Never before had a state approached the development of its cannabis industry so clear-eyed and intentional about its obligations and responsibilities to its citizens. But making history comes with a deep responsibility to ensure that the foundation for future successes is not only strong, but resilient.

As stewards of Cannabis Law and its promise, OCM takes its responsibility to New Yorkers seriously. The agency is focused on adaptation—building staffing across all divisions as the dynamic needs of New York's legal cannabis market shift and change.

Candidly, OCM knows there is much work to be done, and we remain undaunted by the task ahead. In simplest form, OCM is a regulatory agency, to be sure—but what that means in conjunction with our public service mission is a matter of being expansive about what we can do. OCM continues to refine its data collection methods, improve customer service and consumer education, prioritize public health efforts, engage with stakeholders, and work diligently to shut down the illicit cannabis market. As public servants, OCM also understands that humility and openness to challenge is part of being a responsive, tuned-in, and relevant agency.

In this Implementation Report, you will learn more about OCM's vision, one that applies now and carries into the future. Rooted in equity and a commitment to restorative justice, OCM is actively shaping the next chapter of the market's potential each day.

Finally, I want to express my deep gratitude for the OCM staff across the state. In the few months I have been leading this agency, I am routinely amazed by the ingenuity, intelligence, drive, and creativity of OCM's teams, and how deeply folks center OCM's equity mission in every aspect of their work. Another thanks to OCM's incredible State partners, and to Governor Kathy Hochul for the bold trust and confidence that empowers OCM to be an agency that truly serves New Yorkers.

To the great future ahead,

A handwritten signature in black ink, appearing to read "Felicia A. B. Reid". The signature is stylized with long, sweeping lines.

**Felicia A. B. Reid, Esq.**

Executive Deputy Director and Acting Executive Director, Office of Cannabis Management



# Letter from the Chair of the Cannabis Control Board

**Dear New Yorker,**

As Chair of the New York State Cannabis Control Board (CCB), I am thrilled to invite you to read our first-ever Marijuana Regulation and Taxation Act (MRTA) Implementation Report.

The CCB is in charge of creating and enforcing rules for medical cannabis, adult-use cannabis, and cannabinoid hemp in New York State. Some of our key responsibilities include deciding who gets a license to operate in our fast-growing, legal cannabis industry, and we hold the power to deny, revoke, or suspend licenses if necessary. We also set regulations and provide guidance to the industry to make sure everyone is accountable to New Yorkers: both ensuring that consumers have access to safer, regulated cannabis products, and that everyone in our supply chain follows the rules put in place.

We work closely with the Office of Cannabis Management (OCM) each and every day to keep the public informed, engaged, and actively involved in the design, implementation, and realization of our legal cannabis market.

As OCM celebrates three years of service to our State, we know there's still much work ahead, and also, there is much to celebrate. In this report, you will get to read about our major milestones in economic development, public health, and social equity. The heart and soul of the MRTA is built on equity – and I am proud to report that we continue to surpass our statutory goals in building a richly diverse and vibrant market. OCM has worked closely with us to design a dynamic and responsive licensing and compliance framework – true cornerstones of the market – which we continue to improve upon each and every day, thanks in large part, to your feedback.

We will continue to promote environmental sustainability and remain committed to shutting down illicit operators so that our licensees have a real shot at thriving in a competitive regulated market.

It's no secret that we have had our share of growing pains. We acknowledge the opportunities to build upon what we've started and look forward to continuous improvement and adaptation to meet the rapidly evolving needs of our cannabis community and industry.

Our story is being shaped by every day New Yorkers like yourselves who are committed to transformative change from the Adirondacks to Western New York, from the east end of Long Island to the North Country. Thank you for your unwavering faith and partnership. We look forward to taking the next steps into a brighter future for OCM and the CCB.

My deepest gratitude to Governor Hochul, the staff, our partners across State government, and to the members of the public who make the time to attend and provide public comment at our CCB meetings.

Thank you,

*Tremaine Wright*

**Tremaine Wright**

Chair, Cannabis Control Board



# Executive Summary

## Introduction

The Marihuana Regulation and Taxation Act (MRTA) sets out one of the nation's most comprehensive and progressive legal frameworks for the regulation of the adult-use cannabis, medical cannabis, and cannabinoid hemp industries, with a focus on ensuring the greatest possible participation by communities historically impacted by cannabis prohibition. The legislation created a new Office of Cannabis Management (OCM) governed by a Cannabis Control Board (CCB) to implement this new framework and work with other State agencies and stakeholders to realize the full vision of the MRTA. The MRTA charges the CCB with assessing the progress of implementation of the MRTA and realization of its legislative intent over the three years that have passed since legalization. The following report, developed in collaboration between OCM and multiple State agency partners, presents key measures of progress in building New York's legal cannabis economy.

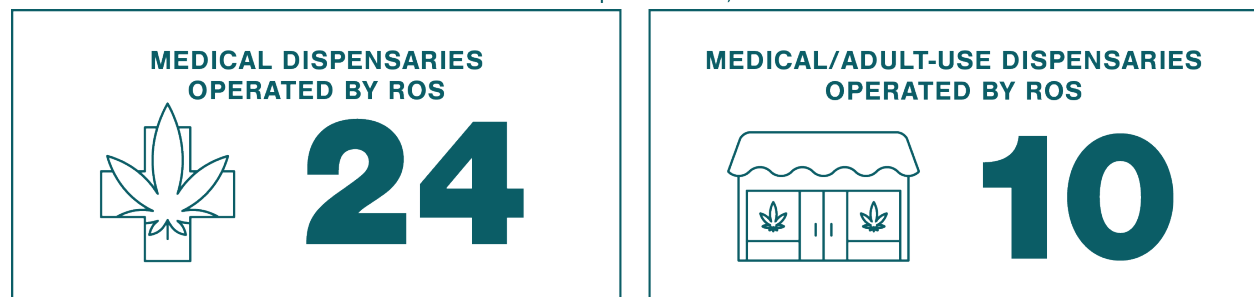
## Key Findings

### Economic and Fiscal Impacts

The MRTA legalized cannabis for adults 21 years of age or older, creating a legal New York State (NYS) cannabis market that presents economic opportunities to every corner of the State. Each new license, permit, or registration represents a new business and new jobs in our communities.



As of September 15, 2024



**60 Cannabis Growers Showcases** were approved by OCM, involving:




**75**  
AUCC



**19**  
AUCP




**12**  
CAURD LICENSEES



These events, held in **over 40 cities and towns** across New York, **generated \$10 million** in revenue by the program's end in December 2023.

TOTAL STATE REVENUE GENERATED ACROSS ADULT-USE, MEDICAL & CANNABINOID HEMP  
As of June 30, 2024



**\$142 Million**

Impact on Public Health and Safety

When the MRTA legalized cannabis in NYS, it shifted NYS's cannabis policy from a law enforcement framework to a holistic regulatory framework that aims to protect public health and safety, making cannabis products safer for consumers and prohibiting cannabis businesses from targeting youth.



SUBMISSIONS TO THE  
INCIDENT REPORTING FORM

**9,000**

**4 OF 5**  
OF ADVERSE HEALTH EVENTS  
REPORTED INVOLVED PRODUCTS  
NOT REGULATED BY OCM

**164**  
ADVERSE  
HEALTH EVENTS

**266**  
CONCERNS ABOUT A  
CANNABIS PRODUCT

**8,537**  
CONCERNS ABOUT A  
CANNABIS BUSINESS



# OVER 15,600

ADULT-USE AND MEDICAL CANNABIS LOTS SUBMITTED FOR LABORATORY TESTING

## 14.9%

of New Yorkers age 18 and older consumed cannabis in the past month in 2022.

## 7%

of New Yorkers age 18 and older consumed cannabis daily or near daily in the past month in 2022.\*

\*20 or more days in the past month.

### Reasons for Consuming:

## 34.5%

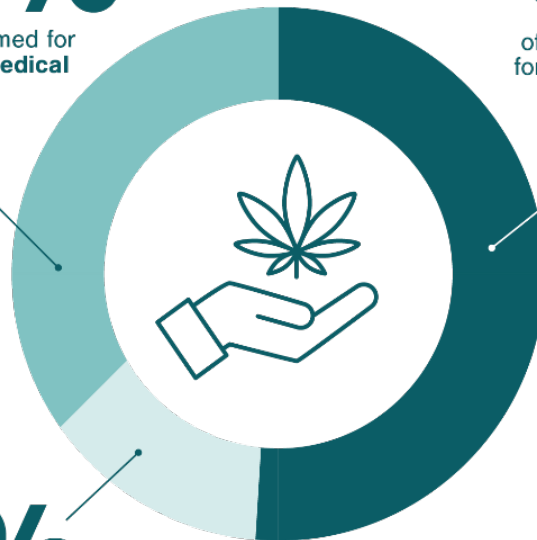
of New York adults consumed for both medical and non-medical reasons only.

## 52%

of New York adults consumed for non-medical reasons only.

## 13.5%

of New York adults consumed for medical reasons only.

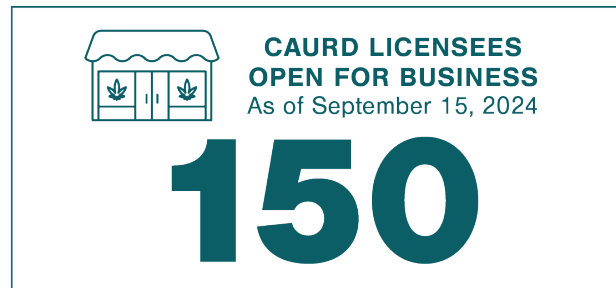
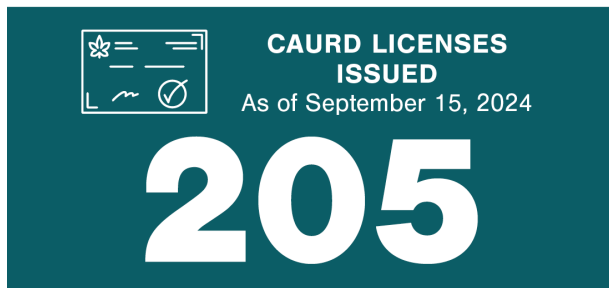


Progress on Achieving Social and Economic Equity Goals

The MRTA established a robust social and economic equity (SEE) program to incentivize participation in NYS’s new cannabis industry for the five distinct SEE groups identified in the MRTA: individuals from a community disproportionately impacted by cannabis prohibition; minority-owned businesses; women-owned businesses; distressed farmers; and service-disabled veterans.



Adult-Use Licenses Issued to SEE Certified Applicants by SEE Type:



# OVER 400,000

MARIHUANA-RELATED CONVICTIONS ELIGIBLE FOR EXPUNGEMENT

# OVER 200,000

CONVICTIONS HAVE BEEN SEALED

# OVER 107,000

CONVICTIONS HAVE BEEN SUPPRESSED WHILE WAITING TO BE SEALED

INDIVIDUALS NO LONGER HAVE A  
NYS CRIMINAL RECORD

# 24,400



**No person in New York State** remains incarcerated for solely a marijuana-related offense.

### Eliminating the Illicit Market

With the MRTA's mission of creating a regulatory framework that supports equitable licensing, economic development, and public health and safety, enforcement plays a critical role in making sure the rules apply to everybody. The current enforcement efforts protect the integrity and investment of entrepreneurs in the legal market, while holding accountable individuals selling illegal, untested, and unsafe products to communities across the state.



From May 2023 through September 2024



**67% of New Yorkers**  
who consumed cannabis in the past year reported  
purchasing from legal retail sources in 2023.

### Environmental Sustainability

Protecting the environment and improving the State's resiliency to climate change were two of the key intentions of the MRTA. OCM has promulgated regulations and developed supports for licensees to minimize the State cannabis industry's adverse environmental impacts and ensure NYS's cannabis regulatory framework is in alignment with NYS's Climate Leadership and Community Protection Act.



# Introduction

New York State's (NYS) legalization story began well before the Cannabis Law was passed. The 2014 Compassionate Care Act created the NYS Medical Cannabis Program. The first medical dispensaries opened in January 2016, providing New Yorkers who were suffering from certain serious conditions with access to medical cannabis. Two years into NYS having an active, regulated Medical Cannabis Program, the State called for an assessment of the potential impact of regulating cannabis for adult use in NYS during the 2018 Enacted Budget. The NYS Department of Health (DOH) was directed to evaluate the health, public safety, and economic impact of legalizing cannabis. The findings recommended a regulated adult-use cannabis market, paving the way for the passage of the Marijuana Regulation and Taxation Act (MRTA), signed into law on March 31, 2021. The MRTA created a first in the nation comprehensive regulatory framework to oversee the licensure, cultivation, production, distribution, sale, and taxation of medical cannabis, adult-use cannabis, and cannabinoid hemp within NYS. The foundation of this framework is rooted in three core principles and commitments:

- **Social Justice:** Establishing a robust social and economic equity (SEE) program to actively encourage members from communities disproportionately impacted by the policies of prohibition and other SEE individuals to participate in the new cannabis industry. In addition, the MRTA recognizes the harm caused by the way cannabis prohibition was enforced and directs 40% of the tax revenue from adult-use cannabis sales to be directed to communities affected by cannabis prohibition.
- **Public Health and Safety:** Protecting health and safety by administering a sophisticated quality assurance regulatory structure including standards for production and manufacturing; strict product testing; labeling, packaging, and advertising standards to ensure products are safer for consumers and are not targeted to youth; and disseminating public educational resources to help consumers make informed decisions.
- **Economic Development:** Encouraging small businesses and farmers to participate in the cannabis industry with the creation of a two-tier regulatory framework, microbusiness, cooperative, and delivery license types, and providing training and technical assistance opportunities for licensees.

The Legislature determined “[i]t is in the best interest of the State to regulate medical cannabis, adult-use cannabis, cannabinoid hemp, and hemp extracts under independent entities...” creating the Cannabis Control Board (CCB) and the Office of Cannabis Management (OCM).

The Legislature designed the MRTA to address the following problems with the regulatory framework for cannabis that existed at that time:

- Laws regarding cannabis were not beneficial to the welfare of the general public;
- They were ineffective in reducing or curbing cannabis consumption;
- They resulted in devastating collateral consequences, such as mass incarceration and other complex generational trauma that inhibit otherwise law-abiding citizen from accessing vital services, such as housing and employment opportunities;
- Existing laws created an illicit market that posed a threat to public health and safety and hindered efforts to deter minors from accessing cannabis; and
- Existing laws disproportionately impacted African-American and Latinx communities (Cannabis Law § 2).

## Legislative Mandate

The following report is issued pursuant to Section 42 of Chapter 92 of the Laws of 2021, which provides, in relevant part, that the CCB shall have duties including to "...conduct a study of the implementation of this act [MRTA]." "Such study shall be completed and presented to the governor, the temporary president of the senate and the speaker of the assembly, no later than October 1, 2024" (Section 42 of Chapter 92 of the Laws of 2021).

## Legislative Intent of the MRTA

By legalizing adult-use cannabis in NYS and creating the CCB and OCM to comprehensively regulate adult-use cannabis, medical cannabis, and cannabinoid hemp, the MRTA aims to achieve the following goals:

1. Economic and Fiscal Impacts
  - Goal 1.1: Build and maintain a regulated cannabis market
  - Goal 1.2: Generate new State revenue
  - Goal 1.3: Generate market sales revenue
  - Goal 1.4: Increase employment opportunities among businesses licensed, permitted, or registered by OCM and ancillary sectors
  - Goal 1.5: Reduce barriers to entry to the cannabis market
  - Goal 1.6: Strengthen New York's agricultural sector
2. Impact on Public Health and Safety
  - Goal 2.1: Make cannabis and medical cannabis products safer for New Yorkers
  - Goal 2.2: Prevent underage cannabis consumption
  - Goal 2.3: Prevent cannabis-impaired driving
  - Goal 2.4: Prevent unintentional exposure to or overconsumption of cannabis products
  - Goal 2.5: Inform policy by monitoring data related to cannabis consumption and cannabis-associated public health and safety outcomes
  - Goal 2.6: Prevent the occurrence of and support treatment for Cannabis Use Disorder
  - Goal 2.7: Expand the cannabis evidence base through research
  - Goal 2.8: Promote occupational health and safety in the New York cannabis workforce
  - Goal 2.9: Maintain and grow the Medical Cannabis Program
3. Progress on Achieving Social and Economic Equity Goals
  - Goal 3.1: Expunge and seal marijuana-related convictions
  - Goal 3.2: End arrests for certain cannabis-related offenses
  - Goal 3.3: Make substantial investments in communities and people most impacted by cannabis criminalization
  - Goal 3.4: Provide incubation services to social and economic equity applicants and licensees
  - Goal 3.5: License social and economic equity businesses
  - Goal 3.6: Assist licensees with access to capital
  - Goal 3.7: Improve equity in access to medical cannabis
4. Eliminating the Illicit Market
  - Goal 4.1: Shut down illicit cannabis operators
  - Goal 4.2: Reduce consumer participation in the illicit market
5. Environmental Sustainability
  - Goal 5.1: Protect the environment
  - Goal 5.2: Improve the State's resiliency to climate change

# Implementation Assessment

## 1. Economic and Fiscal Impacts

The MRTA legalized cannabis for adults 21 years of age or older, but cannabis legalization represents more than a shift in New York's drug enforcement policies — it introduces a path forward for NYS to bring economic opportunities to every corner of the State, to build an equitable cannabis industry, and to set a new example of how adequate resources, education, and support can enable entrepreneurs to maximize their opportunities in this rapidly evolving market.

### Goal 1.1: Build and maintain a regulated cannabis market

*Issuing licenses, permits, and registrations:* OCM is charged with overseeing the adult-use cannabis, medical cannabis, and cannabinoid hemp industries in NYS, including establishing the regulations governing how and when a person or business may apply for and receive a license. Licensing is the cornerstone of a regulated cannabis industry. The CCB and OCM approve licenses, permits, and registrations for businesses to participate in NYS's adult-use cannabis, medical cannabis, and cannabinoid hemp programs, ensuring that applicants meet eligibility criteria and that the applications submitted for licensure are complete and accurate (see Tables 1 to 3 for summary licensing data).

With a goal of awarding 50% of adult-use licenses to SEE applicants, OCM is actively promoting the participation of individuals from communities disproportionately impacted by cannabis prohibition policies, minority and women owned businesses, distressed farmers, and service-disabled veterans.<sup>1</sup>

Purchasing cannabis products from the NYS regulated cannabis market is safer than buying unregulated products. Licensees must meet certain safety standards for production and manufacturing of cannabis and cannabis products and regulated cannabis products sold to consumers must pass strict laboratory testing. Further, regulated cannabis products must be accurately labeled, adequately inform consumers, and must not target children or teens.<sup>2</sup>

Issuing licenses, permits, and registrations is the cornerstone of a robust, thriving cannabis market which generates revenues that benefits small businesses, their local communities, and all New Yorkers statewide.<sup>3</sup>

Underpinning licensing efforts are compliance and enforcement activities that verify all licensees follow the rules of NYS's legal and regulatory framework. OCM's Compliance Division conducts inspections and audits to assess adherence to State rules and to educate licensees regarding areas of non-compliance, allowing them an opportunity to initiate corrective action and remain in good standing both for the protection of public health and safety and for the protection of licensees' businesses. With cannabis products on the shelves and available to consumers, compliance monitoring is critical to protect the health and safety of consumers. See Section 4.

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<sup>1</sup> For more information see Goal 3.5: License social and economic equity businesses.

<sup>2</sup> For more information see Goal 2.1: Make cannabis and medical cannabis products safer for New Yorks and Goal 2.2: Prevent underage cannabis consumption.

<sup>3</sup> See Goal 1.2: Generate new State revenue for more information and data about the sales tax from adult-use and medical cannabis generated by sales. See Goal 1.3: Generate market sales revenue for sales revenue trends as indicators of how the NYS cannabis industry is growing. See Goal 1.4: Increase employment opportunities for information about how the expanding NYS cannabis industry means more jobs, both within the industry and ancillary sectors working with the cannabis industry.

Eliminating the Illicit Market for more information about OCM and its partners' efforts to shut down illicit operators and foster a fair playing field.

**Table 1: Summary of Adult-Use Cannabis License Applications as of September 15, 2024**

Application Status	License Type								Total
	AUCC	AU Cultivator	AUCP	AU Processor	CAURD	AU Retail Dispensary	AU Distributor	AU Micro-business	
Applications Submitted	358	429	55	583	904	4,325	396	1,364	8,414
Applications Provisionally Approved	0	0	0	0	292	60	0	10	362
Applications Denied	3	37	0	70	327	477	14	84	1,012
Applications Pending	52	218	12	368	80	3,582	292	1,094	5,698
Licenses Issued	303	174	43	145	205	206	90	176	1,342

AUCC: Adult-Use Conditional Cultivator; AUCP: Adult-Use Conditional Processor, CAURD: Conditional Adult-Use Retail Dispensary

**Table 2: Summary of Medical Cannabis Program Registrations as of September 15, 2024<sup>4</sup>**

Registration Type	# of Medical Dispensaries	# Medical/Adult-use Dispensaries	
Catia Medical LLC	ROD	3	0
Columbia Care NY LLC	ROND	2	n/a
Curaleaf NY, LLC	ROD	2	3
Etain, LLC	ROD	3	3
Fiorello Pharmaceuticals, Inc.	ROD	1	3
Hudson Health Extracts	RO Only	0	n/a
NYCANNA, LLC	ROD	3	0
PharmaCann of New York, LLC	ROD	3	1
Valley Agriceuticals, LLC	ROND	3	n/a
Vireo Health of New York LLC	ROND	4	n/a
Total # of Operational Dispensaries		24	10

RO: Registered Organization; ROD: Registered Organization with Dispensing; ROND: Registered Organization Non-Dispensing

<sup>4</sup> See Goal 2.9: Maintain and grow the Medical Cannabis Program for more information about Registered Organization Expansion and Registered Organization Transition to Registered Organizations with Dispensing and Registered Organizations Non-Dispensing.

**Table 3: Summary of Cannabinoid Hemp License and Permit Applications from October 1, 2021, to September 15, 2024**

Application Status	License/Permit Type					Total
	Processors	Farm Processors	Distributors	Retailers	Temporary Retailers	
Pending Applications Prior to Reporting Period	67	0	140	362	0	569
Applications Submitted During the Reporting Period	85	6	1,018	8,514	138	9,761
Applications Approved During the Reporting Period	74	5	842	7,135	77	8,133
Applications Denied During the Reporting Period	0	0	0	0	0	0
Applications Voided During the Reporting Period	56	0	173	369	15	613
Pending Applications at the Close of the Reporting Period	22	1	143	1,372	46	1,584

*Home Cultivation Regulations and Resources:* One of the pillars of access to cannabis is the legalization of home cultivation. First, the CCB approved regulations for medical cannabis home cultivation in September 2022, allowing registered medical cannabis patients and caregivers to cultivate up to six cannabis plants at home, with a maximum of three mature plants. These regulations were a significant step towards improving access to medical cannabis, offering patients more options for obtaining their medicine. The MRTA required the issuance of regulations governing the home cultivation of cannabis by adults aged 21 and older within 18 months of the first regulated sale of adult-use cannabis and this requirement was met when the CCB approved the Personal Home Cultivation of Cannabis Regulations in June 2024. OCM also released multiple resources to help New Yorkers cultivate cannabis safely.<sup>5</sup>



**11% of consumers reported growing cannabis at home in 2023.**

Of those who grew at home, approximately 42% of respondents who grew their own cannabis at home did so for personal consumption. Other commonly reported reasons for home cultivation by past 12-month consumers included lesser costs (36%), the ability to personalize plants (33%), the convenience of growing as opposed to buying (30%), preference (30%), and curiosity (29%).<sup>6</sup>

<sup>5</sup> Home Cultivation Overview: <https://cannabis.ny.gov/home-cultivation-overview>  
 Medical and Adult-Use Home Cultivation of Cannabis FAQs: <https://cannabis.ny.gov/home-cultivation-faqs>  
 Important Considerations for Cannabis Cultivation: <http://cannabis.ny.gov/home-cultivation-considerations>

<sup>6</sup> Hammond et al., 2024

## Goal 1.2: Generate new State revenue

*Taxation of adult-use cannabis products:* The MRTA originally established a wholesale potency tax, based on the total Tetrahydrocannabinol (THC) content in a cannabis product, to be imposed and remitted by distributors on the sale of adult-use cannabis products to adult-use cannabis retailers. However, the Fiscal Year 2025 Enacted State Budget repealed the wholesale potency tax on adult-use cannabis and replaced it with a 9% excise tax to simplify and streamline the tax collection and remittance responsibilities for licensees and the administration process for the Department of Taxation and Finance (DTF). This change went into effect on June 1, 2024. The MRTA also established a retail excise tax of 13% (9% on behalf of the State and 4% on behalf of localities) on the retail sale of adult-use cannabis products to consumers, which remains unchanged.

Vertically integrated entities such as Registered Organizations (RO) or microbusinesses that sell adult-use cannabis products directly to a retail customer must impose the 9% wholesale excise tax on 75% of the amount charged for the sale or transfer of those products; this is separate and apart from the additional 13% retail excise tax that is also imposed on 100% of the amount charged for the sale or transfer of those products to the consumer. The taxes imposed on adult-use cannabis products do not apply to sales to a person holding a cannabis research license under the Cannabis Law.<sup>7</sup>

*Taxation of medical cannabis:* The medical cannabis tax is a gross receipts tax that is imposed directly on the RO based on the amount of medical cannabis product sales. The tax cannot be added as a separate charge or line item on a sales slip, invoice, receipt, or other statement or memorandum of the price given to the retail customer.<sup>8</sup> Prior to June 1, 2024, ROs paid a 7% excise tax on the gross receipts from the sale or supply of medical cannabis to certified patients or designated caregivers. However, the Fiscal Year 2025 Enacted State Budget reduced the excise tax imposed on gross receipts from 7% to 3.15% in order to provide much needed relief to certified patients and improve their ability to access necessary medical cannabis products.

*Other Sources of Revenue:* OCM collects fees from applicants seeking licensure, registration, or permitting with OCM. Fee structures are available on OCM's website.<sup>9</sup> Enforcement inspections may lead to fines being levied against unlicensed operators following decisions issued through the administrative hearing process.<sup>10</sup>

*Establishment of the New York State Cannabis Revenue Fund:* Revenues collected by OCM and DTF first cover reasonable operational costs to administer the program, including support mechanisms for SEE applicants, and other enumerated priorities to implement the MRTA. The remaining revenue in the Cannabis Revenue Fund established by the MRTA is split three ways: 1) 40% to the State Lottery Fund for eligible school districts; 2) 40% to the Community Grants Reinvestment Fund (CGRF); and 3) 20% to the Drug Treatment and Public Education Fund (DTPE Fund) (Section 99-ii of the State Finance Law).

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<sup>7</sup> Adult-use cannabis products tax: <https://www.tax.ny.gov/bus/auc/>

<sup>8</sup> Excise tax on medical cannabis: <https://www.tax.ny.gov/bus/mc/medical-cannabis-tax.htm>

<sup>9</sup> Adult-Use Application and Licensing Fee Schedules: <https://cannabis.ny.gov/au-license-fees>

Medical Cannabis Program Applications: <https://cannabis.ny.gov/medical-cannabis-program-applications>

Cannabinoid Hemp Retailers & Distributors: <https://cannabis.ny.gov/retailers-distributors#licensing>

Cannabinoid Hemp Processors: <https://cannabis.ny.gov/processors#licensing>

<sup>10</sup> See Goal 4.1: Shut down illicit cannabis operators for more information about enforcement and fines



**Table 4: Adult-Use Cannabis Revenue by Type and by New York State Fiscal Year**

	4/1/2021-3/31/2022	4/1/2022-3/31/2023	4/1/2023-3/31/2024	4/1/2024-6/30/2024
<b>Application Fees</b>				
AUCC	\$120,000	\$ 614,000	\$ 0	\$ 0
AUCP	\$0	\$ 90,000	\$ 0	\$ 0
CAURD	\$0	\$ 1,640,000	\$ 0	\$ 0
AU Cultivator	---	---	\$ 253,500	\$ 121,125
AU Processor	---	---	\$ 380,000	\$ 166,250
AU Distributor	---	---	\$ 256,500	\$ 213,750
AU Retail Dispensary	---	---	\$ 2,601,500	\$ 302,500
AU Microbusiness	---	---	\$ 839,750	\$ 143,750
Laboratory Permits	---	\$ 16,000	\$ 44,991	\$ 30,601
Research Permits			\$ 1,000	\$ 250
ROND/ROD			\$ 21,927,000	\$ 40,000
Total	\$120,000	\$ 2,360,000	\$ 26,304,241	\$ 1,018,226
<b>State Tax Revenue</b>				
Total	\$ 0	\$ 1,166,000	\$ 41,917,000	\$ 26,044,000
<b>Total Adult-Use Cannabis Revenue</b>				
Total	\$120,000	\$ 3,526,000	\$ 68,221,241	\$ 27,062,226

**Table 5: Medical Cannabis Revenue by Type and by New York State Fiscal Year**

	4/1/2021-3/31/2022	4/1/2022-3/31/2023	4/1/2023-3/31/2024	4/1/2024-6/30/2024
<b>Application and Registration Fees</b>				
Application Fees	\$ 2,100,000	\$ 0	\$ 1,980,000	\$ 20,000
Relocation Fees	\$ 750	\$ 1,000	\$ 16,000	\$ 6,000
Total	\$ 2,100,750	\$ 1,000	\$1,996,000	\$ 26,000
<b>State Tax Revenue</b>				
Total	\$ 12,909,000	\$ 11,629,000	\$ 8,756,000	\$ 2,099,000
<b>Total Medical Cannabis Revenue</b>				
Total	\$ 15,009,750	\$ 11,630,000	\$ 10,752,000	\$ 2,125,000

**Table 6: Cannabinoid Hemp Revenue by Type and by New York State Fiscal Year**

	4/1/2021-3/31/2022	4/1/2022-3/31/2023	4/1/2023-3/31/2024	4/1/2024-6/30/2024
<b>Application Fees</b>				
Processor	\$111,500	\$ 65,100	\$ 36,500	\$ 22,500
Farm Processor	- - -	\$ 400	\$ 1,600	\$ 0
Manufacturing	- - -	\$ 1,500	\$ 12,000	\$ 6,000
Distributor	\$96,300	\$ 114,300	\$ 86,100	\$ 19,800
Retailer	\$656,400	\$ 897,900	\$ 956,100	\$ 302,400
Temporary Retailer	- - -	\$ 0	\$ 5,225	\$1,750
<b>Total Cannabinoid Hemp Revenue</b>				
<b>Total</b>	<b>\$864,200</b>	<b>\$ 1,079,200</b>	<b>\$ 1,097,525</b>	<b>\$ 352,450</b>

**Goal 1.3: Generate market sales revenue**

*Issuing licenses, permits, and registrations:* Issuing licenses, permits, and registrations is a critical function of OCM. A growing, thriving cannabis market will generate sales revenue for the State while displacing the entrenched illicit market.<sup>11</sup>

*Attracting consumers to the regulated NYS Cannabis Market:* Enforcement efforts to shut down illicit operators, coupled with accelerating licensure of legal operators and public education efforts to inform consumers about why they should purchase their cannabis from regulated dispensaries, collectively contribute towards attracting consumers to the regulated market.<sup>12</sup>

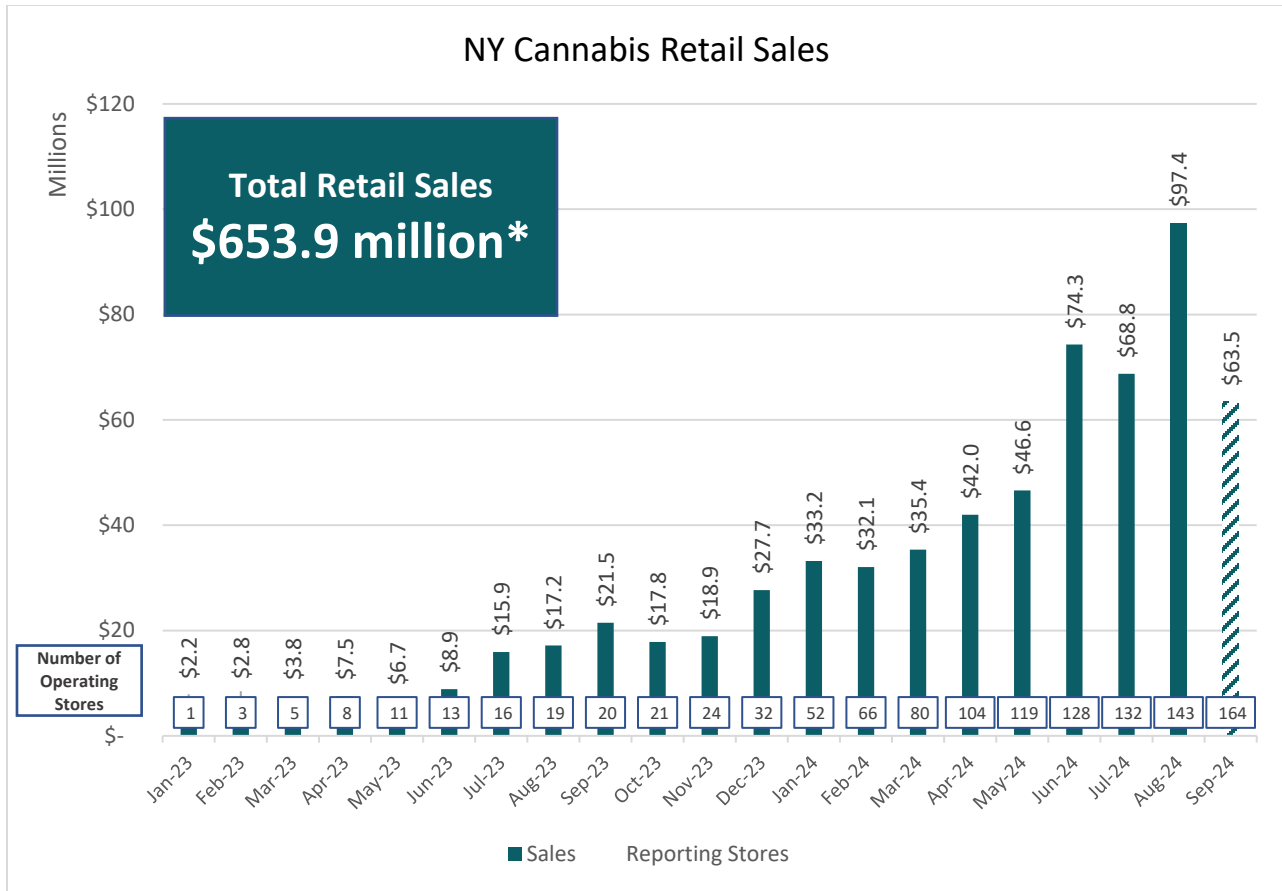
*Business supports for licensees:* OCM programs, such as the Cannabis Hub and Incubator Program (CHIP) and the Technical and License Assistance Providers, support SEE individuals beginning with their pursuit of various license types to maintaining operational compliance and ongoing growth in the industry. Healthy, thriving businesses across the supply chain will lead to strong sales revenue.<sup>13</sup>

*Market retail revenue trends:* The cannabis market in NYS has experienced significant growth since the inception of the first regulated retail dispensary. Reported monthly retail sales have surged from \$2.2 million in January 2023 to a peak of \$97.4 million in August 2024, leading to a total of \$653.9 million in sales since the market's launch through mid-September 2024. The surging sales figures showcased in Figure 1 reflect the quickening pace to consumer demand capture as more stores open, consumer awareness of and preference for of the legal market grows, and enforcement actions constrict the illicit market pushing consumers to the legal market.

<sup>11</sup> For more information, see Goal 1.1: Build and maintain a regulated cannabis market.

<sup>12</sup> For more information, see Goal 4.1: Shut down illicit cannabis operators and Goal 4.2: Reduce consumer participation in the illicit market.

<sup>13</sup> For more information, see Goal 3.4: Provide incubation services to social and economic equity applicants and licensees.



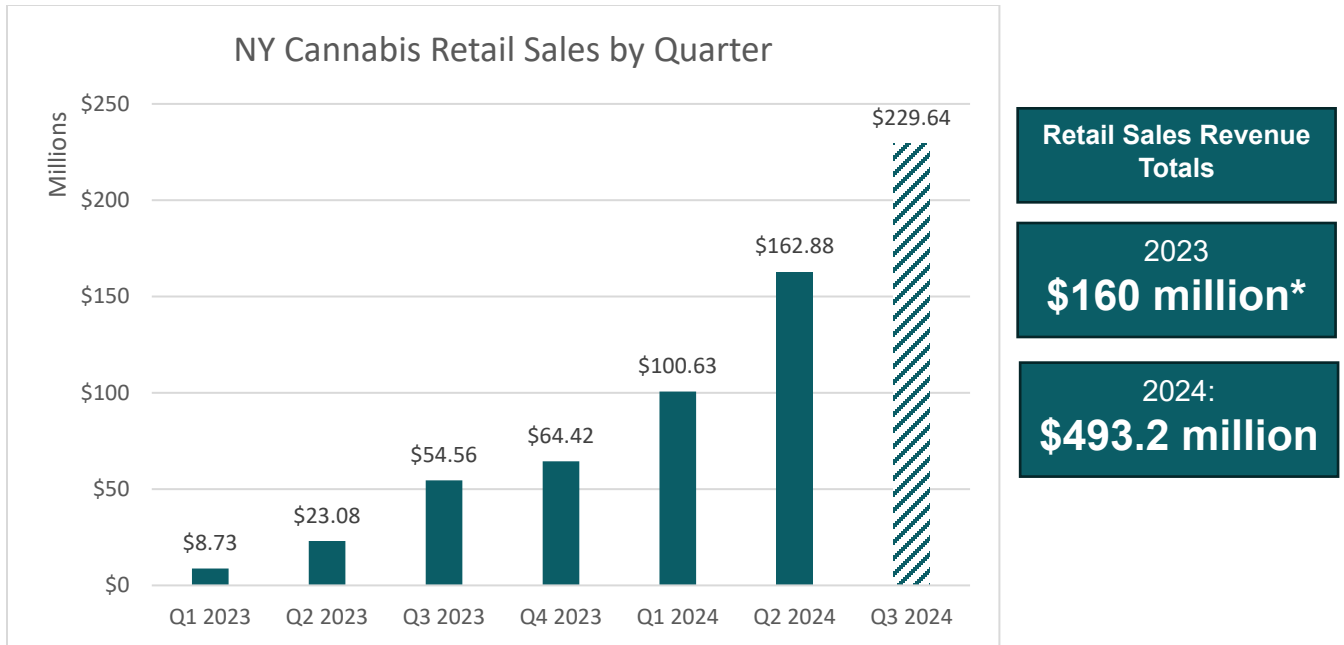
\* Total includes additional \$10 million in Cannabis Grower Showcase sales.

Note: Data for September 2024 reflect sales reported as of mid-September

**Figure 1: New York State Cannabis Retail Sales by Month: 2023-2024**

In calendar year (CY) 2023, cannabis retail market sales in NYS totaled \$160 million and have surged to \$493.2 million so far in CY 2024 (reported through mid-September 2024, Figure 2). Quarter-over-quarter sales revenue show a consistent upward trajectory, with Q2 2024 notably standing out at \$162.88 million compared to \$23.08 million in Q2 2023, and Q3 sales are well on pace to set a new record with sales of \$229.64 million through mid-September. The rise in 2024 Q2 sales is, in part, due to the State's ongoing efforts to enforce against the illicit cannabis market. The State's commitment to shutting down unlicensed cannabis storefronts has led to a 50% increase in legal cannabis sales statewide and a 97% increase in sales among downstate retailers.<sup>14</sup>

<sup>14</sup> For more information about enforcement efforts and metrics, see Goal 4.1: Shut down illicit cannabis operators



\* Total includes additional \$10 million in Cannabis Grower Showcase sales.  
 Note: Data for Q3 2024 reflect sales reported as of mid-September

**Figure 2: New York State Cannabis Quarter-Over-Quarter Retail Sales: 2023-2024**

**Goal 1.4: Increase employment opportunities among businesses licensed, permitted, or registered by OCM and ancillary sectors**

*Issuing licenses, permits, and registrations:* Issuing licenses, permits, and registrations is a critical function of OCM. New or expanding businesses across the cannabis supply chain require a robust workforce to meet the demand of the NYS cannabis market.<sup>15</sup>

*Workforce Development Outreach:* In collaboration with the Department of Labor (DOL) and the NYS Cannabis Workforce Initiative (CWI), and in partnership with the New York City Housing Authority and several other NYS public housing authorities, OCM's community affairs staff traveled to communities throughout NYS, particularly public housing residents and those disproportionately impacted by cannabis prohibition policies, to provide presentations about cannabis workforce development and job opportunities in the NYS cannabis industry. This initiative began in Spring 2023.

The CWI is a collaboration between the NYS School of Industrial & Labor Relations at Cornell University and the Workforce Development Institute. In addition to housing authorities, meetings were held in a variety of public gathering spaces such as community centers, gymnasiums, and libraries. Topics discussed by OCM staff included the establishment of the new cannabis market, license types available, and previous experience requirements for each license type. DOL provided information to attendees about available resources for resume writing, interviewing, and transferrable skills. The CWI staff also provided information about free trainings offered and supports available to NYS residents. This initiative concluded in August 2023; however, it will be

<sup>15</sup> For more information, see Goal 1.1: Build and maintain a regulated cannabis market.

offered on an ongoing basis in the future due to high stakeholder interest following the sessions held this year. OCM plans to expand future sessions to other venues across the state.

*Workforce Training:* The City University of New York through the Borough of Manhattan Community College and Lehman College offers the Cannabis Workforce & Business Development Training Program aimed at training individuals for customer service, processing and security jobs, and general cannabis business management skills. The program also features partnerships with local cannabis businesses who provide input on curriculum development and offer newly certified graduates entry level employment opportunities at these local businesses. The earliest curriculum offered through this program, the Cannabis Security Solutions program, has trained forty-nine people across its first three cohorts, thirty-nine of which received program certifications. Of these students, nine were able to find employment opportunities using their certification, with five students placed at local dispensaries in New York City. Three graduates of the program's courses have gone on to apply for adult-use cannabis licenses; two graduates are currently in review while one graduate is preparing to open. New classes on dispensary management, security, and processing skills will be offered in the Fall of 2024; currently 1,560 students have expressed interest in registering for these classes. The State University of New York also offers cannabis accreditation at three campuses through SUNY-approved micro credentials in cannabis cultivation, cannabis manufacturing and processing, and cannabis business.

*Reporting Composition of the NYS Cannabis Workforce:* Per the Cannabis Law, the CCB is required to collect and report data about the demographics of the owners and employees of businesses licensed, permitted, or registered by the CCB (Cannabis Law §10(17)). This information was first collected from those who applied for a Cannabinoid Hemp license or permit and for the ROs' owners and employees in 2023; results were provided in the 2023 Annual Report and will be updated in future annual reports. This information for Adult-Use licensees will be collected upon license application or renewal, depending on the license type, per the Cannabis Law, and will be reported in future annual reports. Additionally, an employment survey is in development with results anticipated later in 2024 that will be part of OCM's ongoing data collection efforts.

#### *Goal 1.5: Reduce barriers to entry to the cannabis market*

*New York State Conditional Adult-Use Retail Dispensary (CAURD) Grant Program:* The NYS CAURD Grant Program was created to provide CAURD licensees across the state with \$5 million in funding earmarked for capital improvements, startup costs, security, and other necessary investments to help jumpstart operations, to maintain compliance, and to ensure continued business development opportunities in the adult-use cannabis space. The Program will increase the production capacity, business infrastructure, and profitability of CAURD licensees who are authorized to sell NYS cannabis products. On behalf of OCM, Empire State Development will enter into a contract with an independent, third-party service to administer the CAURD Grant Program for this vital funding. All applicants are eligible to apply for a grant to cover eligible expenses and, once the third-party administrator is operational, applications will be accepted on a rolling basis until funding is exhausted.

*Waiving Certain Licensing Fees:* Discussed in more detail below under Goal 1.6: Strengthen New York's agricultural sector, the resolution to waive certain licensing fees for Adult-Use Conditional Cultivators (AUCCs) applying to transition to full licensure reduced some financial burden for the first cultivators in NY's cannabis market. Due to a delay in the roll-out of retail dispensaries at the

beginning of the adult-use market, this waiver of license fees by the CCB highlighted an understanding of the difficulties faced by many cultivators during the beginning of the market. Furthermore, in September 2024, the CCB approved waiving amendment fees until April 1, 2025, for licensees seeking to change certain aspects of their license.

*Reduced Application and Licensing Fees for Social and Economic Equity Applicants:* Social and economic equity entrepreneurs are eligible for a 50% reduction on application and licensing fees in order to promote access and business viability. These non-refundable fees often pose a significant barrier to entry for SEE applicants and reduced fees free up capital for use on other critical expenses when establishing their business.

*Cannabis Social Equity Investment Fund:* The Cannabis Social Equity Investment Fund, which was authorized as part of the FY 2023 Enacted Budget, is a public-private limited partnership formed to position social equity entrepreneurs to succeed in NYS's growing adult-use cannabis industry. It enables the State to partner with a private fund to finance the leasing and equipping of CAURD licensees in NYS to be operated by individuals who have been impacted by the inequitable enforcement of cannabis laws. It is the first of its kind in the nation. The Fund is intended to provide the selected CAURD licensees a turnkey retail opportunity, including the identification and leasing of suitable retail locations, design and construction, and fit-out of the spaces. As of September 15, 2024, 20 CAURD fund locations have opened throughout the state. In addition, 150 CAURD locations where the operators found and built out their own retail dispensary locations have opened across the state.

*Cannabis Tax Revisions:* As described under Goal 1.2: Generate new State revenue, the taxes on medical cannabis and adult-use cannabis were reduced and modified to lower the tax burden for licensees and simplify and streamline collection and remittance responsibilities, which in turn could provide licensees with more capital that can be reinvested in their businesses.


#### *Goal 1.6: Strengthen New York's agricultural sector*

*Cannabis Growers Showcases:* As a first-in-the-nation initiative, the Cannabis Growers Showcase (CGS) allowed licensed cannabis growers and processors to promote their products at market-style events where consumers could then purchase those products from a licensed retailer. These events were permitted to take place in various locations including standalone, temporary retail locations; licensed retail dispensary locations; licensed conditional cultivator or processor locations; or other approved event locations where the predominant population was expected to be of legal age to consume cannabis. The CGS program was launched in August 2023 and significantly expanded retail access in the State to people in areas not previously served by retail dispensaries, as well as afforded the opportunity for cultivators and processors to connect directly with consumers to inform them about the plant and their cannabis products. The temporary CGS initiative sunset in December 2023, and OCM plans to use findings and lessons learned for future event permits.



**60 Cannabis Growers Showcases** were approved by OCM, involving:



 These events, held in **over 40 cities and towns** across New York, **generated \$10 million** in revenue by the program's end in December 2023.

*Licensing Distressed Farmers:* The Cannabis Law establishes a goal of awarding 50% of all adult-use licenses to distinct SEE groups, including distressed farmers meeting the definition outlined in the MRTA.<sup>16</sup>

*Waiver of Certain Licensing Fees:* The resilience of NYS's food supply relies on a thriving agricultural sector; however, distressed farmers face several obstacles in operating productive farms. When it came time for AUCCs to apply to transition to full licensure, OCM and the CCB recognized that the AUCCs demonstrated sufficient need for financial assistance. This prompted the passing of a resolution to waive the applicable license fees due to the unusual and unique circumstances faced by the NYS cannabis market, which has resulted in severe financial distress for AUCCs including the difficulty of selling cannabis crops grown in 2022.

*Training and Technical Assistance for Cultivating Applicants and Licensees:* The Cannabis Hub and Incubation Program (CHIP) is an OCM initiative aimed at continuing to advance social and economic equity in the New York cannabis industry and includes supports for cultivating applicants and licensees, such as counseling services, education, small business coaching and financial planning, and compliance assistance.<sup>17</sup>

<sup>16</sup> For more information, see Goal 3.5: License social and economic equity businesses.

<sup>17</sup> For more information, see Goal 3.4: Provide incubation services to social and economic equity applicants and licensees.

## 2. Impact on Public Health and Safety

When the MRTA legalized cannabis in NYS, it shifted NYS's cannabis policy from a law enforcement framework to a holistic framework that aims to protect public health and safety. Through a sophisticated quality assurance regulatory structure that includes standards for production and manufacturing, strict product testing, labeling, packaging, and advertising; public education campaigns and materials; monitoring outcomes and emerging public health issues; research; and partnerships with public health and community stakeholders, OCM works to ensure products are safer for consumers and that products and businesses do not target youth.

### *Goal 2.1: Make cannabis and medical cannabis products safer for New Yorkers*

*Cannabis Laboratory Oversight:* OCM established 9 NYCRR Part 130: Cannabis Laboratories Regulations requiring that medical and adult-use cannabis products are sampled and tested by licensees independent from processors and manufacturers of those products. Emergency regulations were adopted on August 16, 2022, and a revised regulation was adopted on March 22, 2023. The regulations establish the requirements for permitting cannabis laboratories and approving cannabis sampling firms, as well as the testing requirements for both medical and adult-use cannabis. The regulatory oversight of cannabis testing laboratories is crucial for public health and safety, as it verifies accurate testing and reliable results for all cannabis products sold in NYS.

*Product Testing Requirements:* Laboratory testing of medical and adult-use cannabis products ensures certified medical cannabis patients and adult-use cannabis consumers have access to safer cannabis products that do not exceed thresholds for contaminants of concern such as microorganisms, metals, mycotoxins, and growth regulators, or are at least below regulatory limits. Sixteen laboratories are currently permitted by the CCB based on OCM's recommendation and renewed annually. Fifteen sampling firms are currently authorized by OCM. The application window for sampling firms remains open. OCM created a webpage providing information about cannabis testing, cannabis laboratories and cannabis sampling firms, application forms, evidence-based final product testing limits, and standards to support commercial laboratories and sampling firms, as well as guidance documents to help clarify laboratory testing requirements for AUCCs and AUCPs.<sup>18</sup> In April 2023, the Wadsworth Center was established as the State reference lab to test fraudulent, inaccurate, or compromised adult-use and medical cannabis and cannabinoid hemp products, develop methods, and assist OCM as subject matter experts.

*Product Packaging and Labeling Requirements:* OCM established regulations related to adult-use cannabis packaging and labeling requirements; 9 NYCRR Part 128 provides the regulatory framework for adult-use cannabis product packaging and labeling in a manner that protects public health and safety and limits the attractiveness to individuals under the age of 21. The regulations include minimum standards for retail packaging for adult-use cannabis products including but not limited to the requirements that adult-use cannabis products be placed in a retail package that is child resistant, tamper-evident, and includes clear labels with product ingredients, warnings, serving sizes, and potency of the cannabis product in a manner easily accessible to consumers. Further, the regulations outline prohibited practices including but not limited to packaging and labeling strategies wherein cannabis products are prohibited from being attractive to individuals under the age of 21 and promoting overconsumption. Likewise, 9 NYCRR Part 113 provides the requirements for packaging and labeling of medical cannabis products.

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<sup>18</sup> Cannabis Laboratories & Sampling Firms Webpage: <https://cannabis.ny.gov/laboratories-and-sampling-firms>

**Table 7: Regulated Cannabis Product Quarantines and Recalls Since December 29, 2022 (Date of First Adult-Use Sale) to June 30, 2024**

Quarantines and Recalls	Totals
Total Regulated Cannabis Product Lots Quarantined	72
Total Consumer Level Recalls Issued	2*

\* A consumer level recall is initiated when use or consumption could cause or has caused adverse health consequences. Examples that may lead to initiating consumer level recalls include, but are not limited to:

- Contaminated Product
- Untested Product (2 of 2 recalls)
- Undeclared Ingredients
- Unregulated Product (1 of 2 recalls)
- Mislabeling

There were no medical cannabis quarantines or recalls issued in this time period.

Top 3 Quarantine Reason	Percent of Quarantined Cannabis Product Lots (72)
Labeling/Packaging Deficiencies (Ex: Missing: Universal Symbol; Tamper Evident; Expiration/ Use by Dates)	38.6%
Use of Unapproved Solvents	27.4%
Packaging Attractive to Individuals Under 21	12.9%

**Table 8: Adult-Use Cannabis Product Testing Since August 16, 2022 (Emergency Laboratory Regulations Effectuated) to June 30, 2024**

<b>Total Number of Cannabis Product Lots Submitted for Testing</b>	<b>(Total) Percent of Lots Submitted for Testing Failed</b>
9,527	(707) 7.42%
<b>Failed Lots - Product Type Tested</b>	<b>(Total) Percent of Failed Lots Submitted for Testing</b>
Unextracted	(610) 13.35%
Extracted	(97) 2.28%
<b>Failed Unextracted Lots - Top Three Contaminants</b>	<b>(Total) Percent of Failed Lots Submitted for Testing</b>
Aspergillus species	(333) 54.59%
Metals	(124) 20.33%
Pesticides	(60) 9.84%
<b>Failed Extracted Lots - Top Three Contaminants</b>	<b>(Total) Percent of Failed Lots Submitted for Testing</b>
Pesticides	(32) 32.65%
Aspergillus species	(20) 20.41%
Metals	(13) 13.27%

Some failed unextracted lots failed for more than one contaminant. Unlike the ROs in NYS, adult-use licensees authorized to cultivate cannabis in NYS use an outdoor grow environment.

Contaminants from multiple sources (i.e., soils, fertilizers, herbicides, fungicides, and irrigation water) can be taken up by cannabis plants. Cannabis inflorescences provide unique ecological niches for fungal growth such as Aspergillus molds. Temperature and relative humidity conditions are higher within these tissues compared to the ambient environment, which provides a more conducive environment for fungal growth.<sup>19</sup>

Some failed extracted lots also failed for more than one contaminant. Pesticides can accumulate in cannabis and its related products throughout the growth and processing stages.<sup>20</sup>

**Table 9: Medical Cannabis Product Tested Since August 16, 2022 (Emergency Laboratory Regulations Effectuated) to June 30, 2024**

Total Number of Cannabis Product Lots Submitted for Testing	(Total) Percent of Lots Submitted for Testing Failed
5,606	(135) 2.41%
Failed Lots - Product Type Tested	(Total) Percent of Failed Lots Submitted for Testing
Unextracted	(113) 83.37%
Extracted	(22) 16.30%

The top contaminants in medical cannabis products that failed were microbial-related exceedances for total yeast and mold and total viable aerobic bacteria levels, and the presence of Aspergillus molds.

**Table 10: Adult-Use Cannabis Product Manufactured by Registered Organizations and Tested Since December 1, 2023 to June 30, 2024**

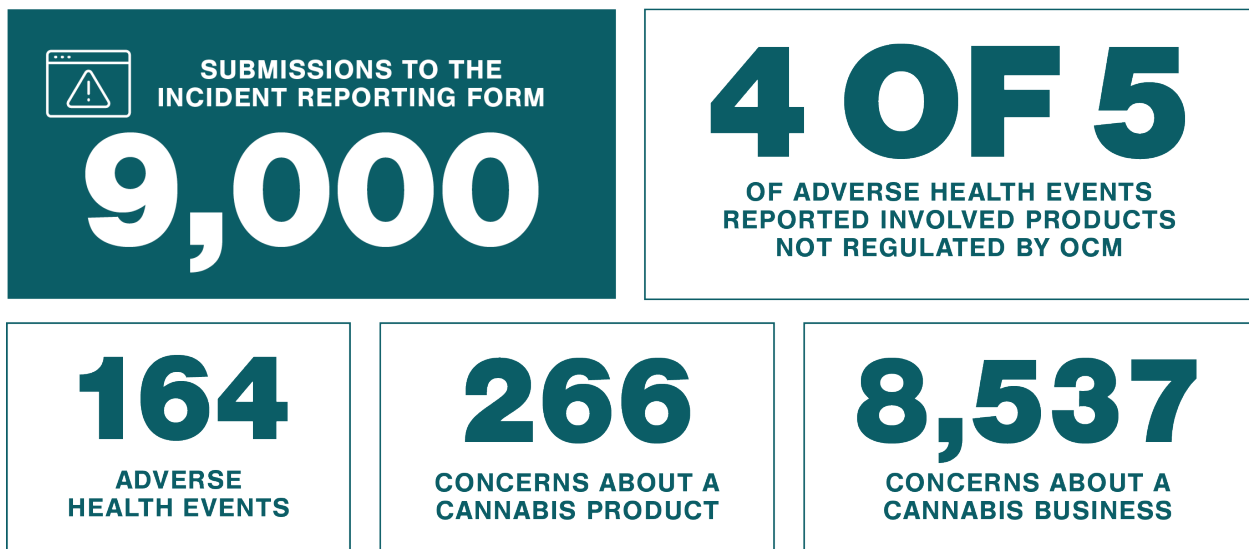
Total Number of Cannabis Product Lots Submitted for Testing	(Total) Percent of Lots Submitted for Testing Failed
538	(3) 0.56%
Failed Lots - Product Type Tested	(Total) Percent of Failed Lots Submitted for Testing
Unextracted (370 Total Lots)	(2) 0.54%
Extracted (168 Total Lots)	(1) 0.60%
Top Contaminants	(Total) Percent of Failed Lots Submitted for Testing (3)
Aspergillus	(2) 0.56%
Terpene Content	(1) 0.0%

<sup>19</sup> Punja et al., 2023

<sup>20</sup> Craven et al., 2019

*Processing and Manufacturing Requirements:* OCM also established regulations to include additional safeguards for product quality and safety. 9 NYCRR Part 113 and 9 NYCRR Part 123 provide requirements for processing and manufacturing of medical cannabis and adult-use cannabis products, including but not limited to prohibitions on ingredients that may be harmful to consumers and safety and health risk assessment of volatile solvents prior to being approved for use to manufacture cannabis products. In addition to a risk assessment of volatile solvents, licensees must provide documentation that a licensed professional engineer or registered architect has certified the completed installation of a professionally designed, commercially manufactured extraction system, that is compliant with all applicable state or local fire, safety or building codes, a letter from the municipal jurisdiction’s fire marshal, or their designee, stating that a final inspection of the facility has been conducted and that the processor has demonstrated and have a certificate of occupancy, or equivalent document, from the local building official that all permits for extraction related rooms or areas have been closed as applicable compliance with all applicable fire codes and/or regulations. These regulations also require good sanitary practices and good manufacturing practices similar to other industries that sell products that are consumed. These practices do not just protect the consumer but also the workers and the general public’s health and safety.

*Incident reporting form:* OCM implemented an online Incident Reporting Form in January 2023 to collect information related to an adverse health event, an enforcement matter, or a general product complaint. All information submitted is encrypted, stored securely, and is fielded by the relevant programmatic area within OCM. Action steps by OCM are determined by the nature of the incident reported. Individuals also have the option to upload photos of a reported product, which can be helpful in determining whether the product originated from a licensed dispensary or the unregulated market. The form is publicly available via OCM’s website and it has been promoted widely via social media, presentations, public education materials, community engagement sessions, and email correspondences out of OCM. Since implementation through June 30, 2024, nearly 9,000 submissions were received through the Incident Reporting Form.



*Adverse health event reporting and monitoring:* Adverse health events are any troublesome or undesired medical occurrences or symptoms related to the use of medical or adult-use cannabis products or devices submitted to OCM using the Incident Reporting Form. By tracking these adverse health events, OCM can identify correlations between reported products and their potential for public health risks. There have been 164 adverse health events reported using the Incident Reporting Form from January 1, 2023, to June 30, 2024.

- 133 incidents were reported from entities that are not regulated by OCM. These events were referred to enforcement.
- 20 incidents were reported about products purchased at regulated medical and adult-use dispensaries and were reviewed, dispensary staff were contacted, or the respondent was contacted for further information.
- 11 incidents were reported with inadequate details and did not offer sufficient information to determine product source or provide enough information to follow up with the respondents. These incidents were determined to not require enforcement oversight, and they were assessed by OCM as requiring no further action.

*Cannabis product concerns reporting and monitoring:* Both consumers and licensees can report a concern regarding a cannabis product, such as product safety, product mislabeling, product formulation, or product expiration date. Once a complaint has been submitted and received by OCM, OCM will assess the alleged products by investigating, including but not limited to, the collection of photographs of the products, review of the products testing history and results, and onsite inspections to verify the incident claims. Verified claims are assessed for risk to public health and safety and may lead to a statement of findings, fines, quarantines, or recalls. There have been 266 cannabis product concerns reported using the Incident Reporting Form from January 1, 2023, to June 30, 2024.

- 11 incidents reported and evaluated were about adverse health events.
- 136 incidents reported were about entities that are not regulated by OCM. These incidents were referred to enforcement.
- 42 incidents reported were about products purchased at regulated adult-use dispensaries and have been assessed for possible health and safety risks.
- 8 incidents reported were about products purchased at regulated medical cannabis dispensaries have been assessed for possible health and safety risks.
- 69 incidents were reported with inadequate details and did not offer sufficient information to determine product source or provide enough information to follow up with the respondents. These incidents were assessed by OCM as requiring no further action.

*Cannabis Business Concerns Reporting and Monitoring:* Anyone can report a concern about a cannabis business they encounter or observe in their community, including unlicensed business locations selling cannabis products, sales to a minor, or consumption in unauthorized areas. All incident reports of potential illicit shops are investigated by OCM's Enforcement Division (see Section 4. Eliminating the Illicit Market for more information). There have been 8,537 cannabis business concerns reported using the Incident Reporting Form from January 1, 2023, to June 30, 2024.

*Compliance Audits and Inspections:* Once a license is issued, licensees must comply with relevant laws, rules, regulations, and other requirements while engaging in licensed activities. In addition to responding to daily inquiries from licensees, OCM conducts on-site inspections and audits to



monitor licensees for areas of non-compliance, allowing them an opportunity to initiate corrective action and remain in good standing both for the protection of public health and safety and for the protection of licensees' businesses. With cannabis products on the shelves and available to consumers, compliance monitoring is critical to protect health and safety of consumers. Licensees are held to rules and requirements that mandate licensees and their staff to engage in licensed activities safely and that high-quality cannabis products are available to consumers; inspections validate that these rules and regulations are being followed.

*Public Education:* OCM has nearly 100 public education materials available on its website and in print. These materials address a multitude of topics, from what is legal since the passage of the MRTA, to the latest cannabis science. OCM has created educational materials to help consumers make informed decisions about what and how they consume, including resources about Certificates of Analysis (COA) and how to read one, what to look for on a cannabis product label, information on different cannabis product forms (such as concentrates and edibles), tips to prevent overconsumption, and resources in case consumers experience adverse health events. The webpage with educational materials available in several languages has been accessed over 35,000 times.<sup>21</sup>

For example, "The Guide to Safer Cannabis Consumption" was developed to aid new and returning cannabis consumers in learning about cannabis consumption and the differences between the regulated and unregulated markets. This booklet, available digitally in English and Spanish, provides an overview on the cannabis plant, standards for the regulated market, and how consumers might navigate the regulated market, from understanding product labels and resources to aid in the case of overconsumption. The Guide has been distributed across the State at community events and has been accessed digitally nearly 300 times.

The *Why Buy Legal* public education campaign, launched in April 2023 (\$2.5 million) featured consumer focused messaging about the safety standards the regulated market holds. Through video, audio, and digital advertisements, consumers were able to learn about labeling standards, product potency standardization, and lab testing. Image and video advertisements featured NYS licensed processing facilities and voices from the industry to share the rigorous standards in manufacturing and foster trust from consumers. Focus groups echoed that safety is top of mind for consumers across NYS. The Safer Product video advertisements reached over 10 million New Yorkers and drove the highest social engagements on social media platforms like Facebook, X (formerly known as Twitter), and Instagram.

### *Goal 2.2: Prevent underage cannabis consumption*

*Laws and Regulations Regarding Underage Possession and Sales:* The MRTA legalized the possession and consumption of adult-use cannabis for adults aged 21 and older and established civil penalties and required education for individuals under age 21 found to be in possession of cannabis or cannabis products. It also established that the issuance and subsequent payment of such civil penalties shall not qualify as a criminal accusation, admission of guilt, or criminal conviction. It is illegal for any licensee to sell, deliver, or give away cannabis or cannabis products to any person under the age of 21.

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<sup>21</sup> Adult-Use Cannabis Educational Materials: <https://cannabis.ny.gov/adult-use-information#educational-materials>

Adult-Use Regulations specify that retail dispensary staff shall inspect a customer's identification to verify they are aged 21 or older before completing a cannabis product sale, and delivery licensees must verify an individual is aged 21 or older before delivering the order (Parts 123.10 and 123.20). Non-in-person orders (e.g., online or telephone orders) are required to include an attestation from the individual that they are aged 21 or older and verify the customer's age at the time of delivery.

*Laws and Regulations Regarding Packaging, Labeling, Marketing, and Advertising:* Parts 128 and 129 establish parameters for the packaging, labeling, marketing, and advertising of cannabis products and businesses, including to ensure cannabis product packages and advertising are not attractive to and do not target underage consumers. This includes prohibitions on any packaging, labeling, or advertisement that includes cartoons, is similar to other products that are commonly marketed to children, using images, characters, games, or phrases, among other things, that are commonly used to market to children, or using images or audio of people appearing to be under the age of 21. Unregulated products are often packaged in a way that appeals to minors or mimics candy or snacks minors commonly consume, leading them to accidentally consume dangerous amounts of cannabis products.

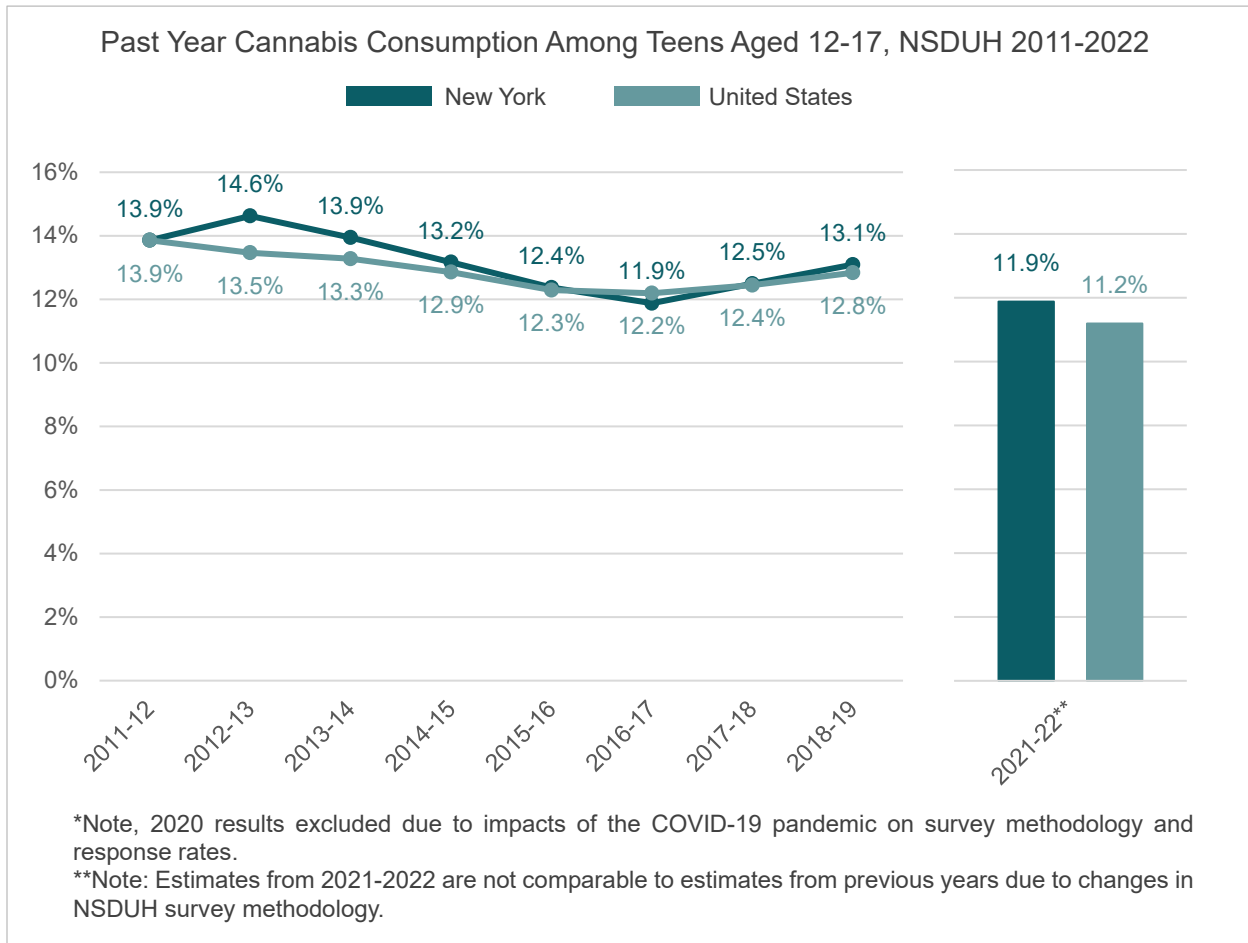
*Public Education:* Since its founding, OCM has launched public education campaigns and materials about the legal age for cannabis possession and the prevention of underage use. All materials developed by OCM emphasize that 21+ is the legal age for possession and consumption, the importance of safe storage practices to prevent cannabis from being accessed by young people, and resources in the case of accidental consumption by a young person. Since 2022, OCM has run two larger scale public education campaigns, *Cannabis Conversations* and *Why Buy Legal*, featuring these messages in video, image, and text formats across social media, mass transit, radio and television, streaming platforms, and billboards, reaching millions of New Yorkers. According to 2023 International Cannabis Policy Study (ICPS) results, about 4 in 10 New York respondents recalled seeing an education campaign or public health messages about cannabis in the past year, with higher prevalence of recall among younger respondents (55% for ages 16-25 and 48% for ages 26-35).<sup>22</sup>

*Underage Cannabis Consumption Trends:* Results from the National Survey on Drug Use and Health (NSDUH) indicate a small decrease in past-year cannabis consumption among teens aged 12 to 17 in both NYS and the United States (Figure 3). In NYS, past-year cannabis consumption among teens fluctuated between 2011-2012 and 2018-2019 before settling at a small decline, from 13.9% in 2011-12 to 13.1% in 2018-2019; past-year cannabis consumption among teens nationally similarly decreased by a small margin, from 13.9% in 2011-12 to 12.8% in 2018-2019. Estimates from 2021-2022 are not comparable to estimates from 2019 or earlier due to changes in the survey methodology. NYS continued to demonstrate a slightly higher prevalence of teen past-year cannabis consumption compared to the United States (11.9% and 11.2%, respectively).<sup>23</sup>

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<sup>22</sup> Hammond et al., 2024

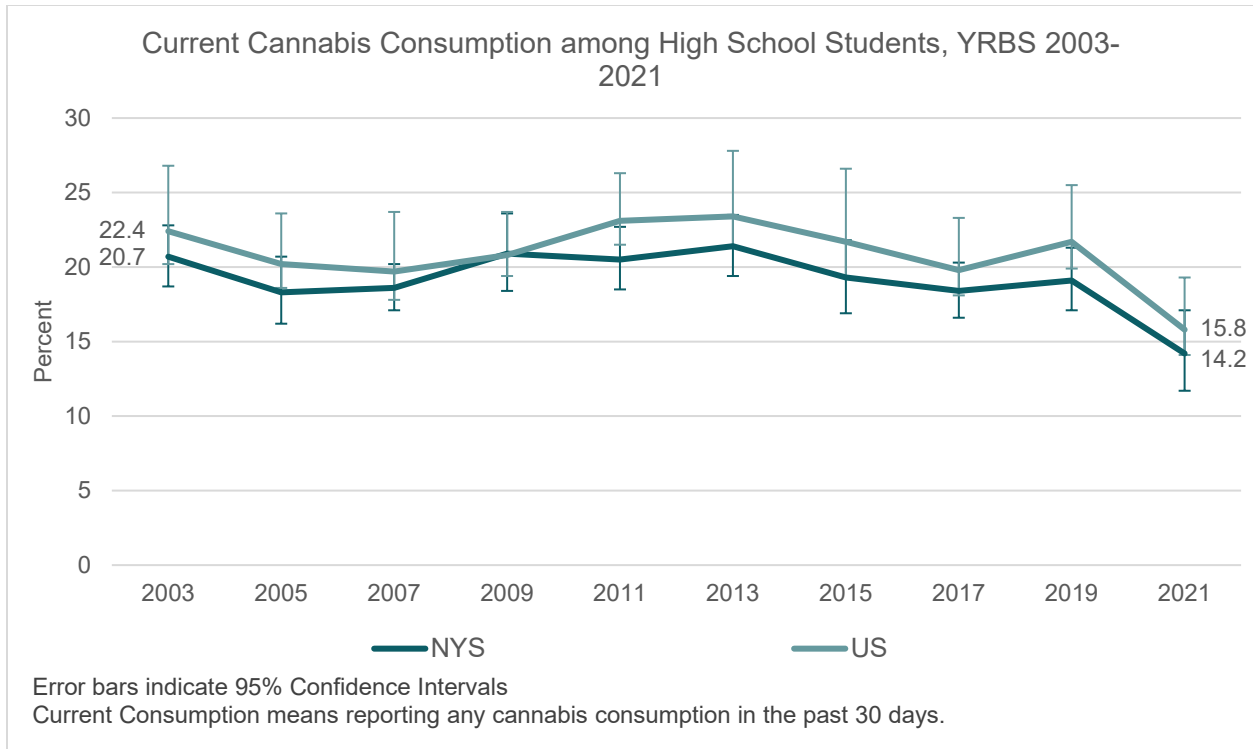
<sup>23</sup> U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, National Survey on Drug Use and Health, 2011-2022



**Figure 3: National and New York State Prevalence of Past Year Cannabis Consumption among Teens, aged 12 to 17, NSDUH 2011-2022**

When looking at a survey of high school students (grades 9-12), the prevalence of current cannabis consumption (or consumption in the past month) among NYS high school students across the past two decades from 2003-2019 has been relatively stagnant at an average of 19.7% (range 18.3%-21.4%, Figure 4). In 2021, the most recent available data at the time of publication, the prevalence decreased to 14.2%; however, this was not a statistically significant change from 2019 to 2021. This trend is similar to what is observed nationally among high school students. The national prevalence tends to be slightly higher than in NYS every year except 2009, though there is not a statistically significant difference.<sup>24</sup>

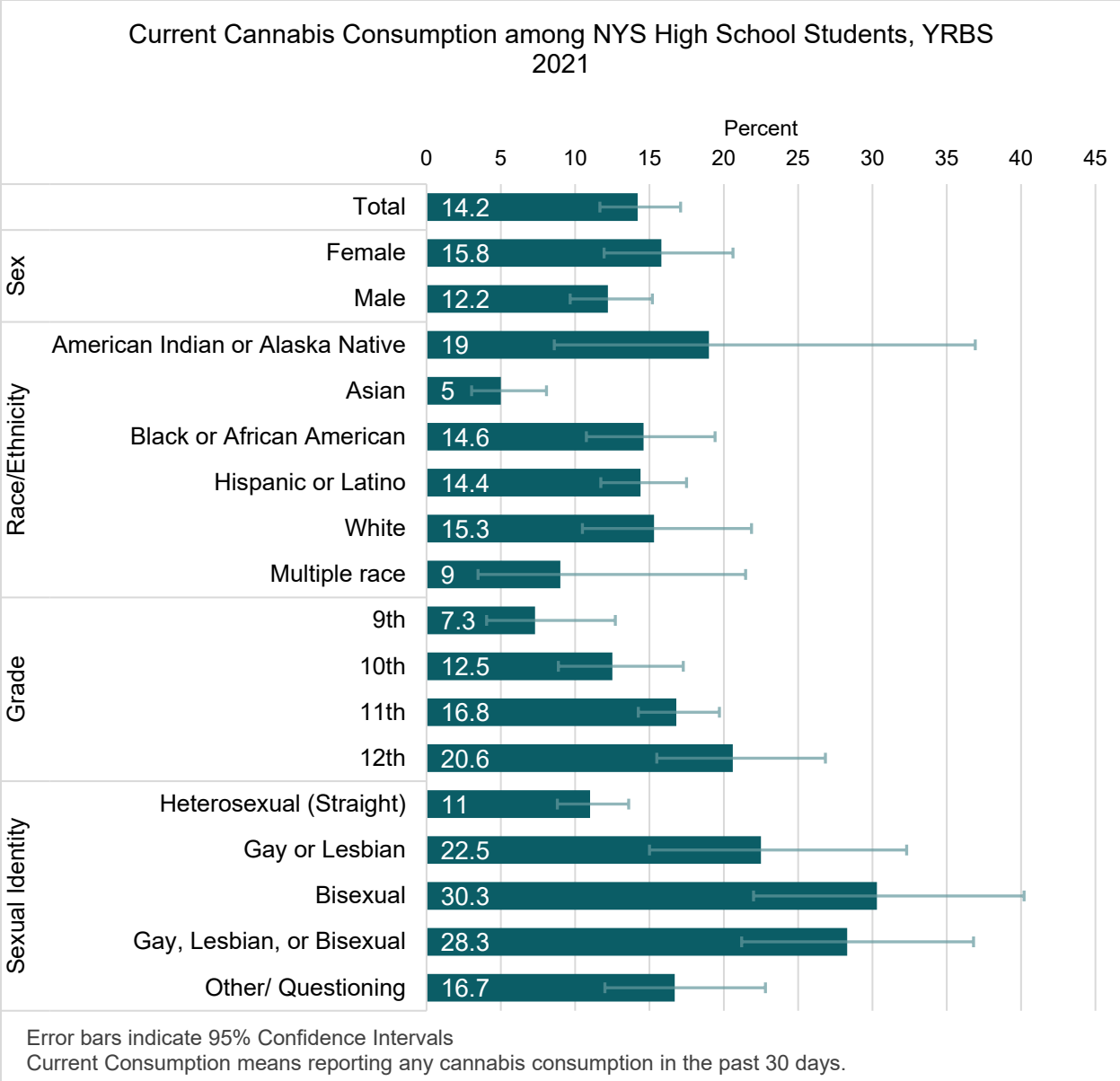
<sup>24</sup> Centers for Disease Control and Prevention, Youth Risk Behavior Survey, 2003-2021



**Figure 4: National and New York State Prevalence of Current Cannabis Consumption among High School Students, YRBS 2003-2021**

Among NYS high school students, female students were slightly more likely to report being current cannabis consumers than male students, though not statistically significant (Figure 5). Black or African American, Hispanic or Latino, and White high school students reported similar prevalence of current consumers and there were no statistically significant differences between those groups. Asian high school students had significantly lower prevalence compared to other high school students. As high school students age, the prevalence of current consumers increases—12<sup>th</sup> grade students had significantly higher prevalence compared to 9<sup>th</sup> grade students. Those who identify as Gay, Lesbian, and/or Bisexual reported the highest prevalence of current consumers, although those differences were not statistically significant.<sup>25</sup>

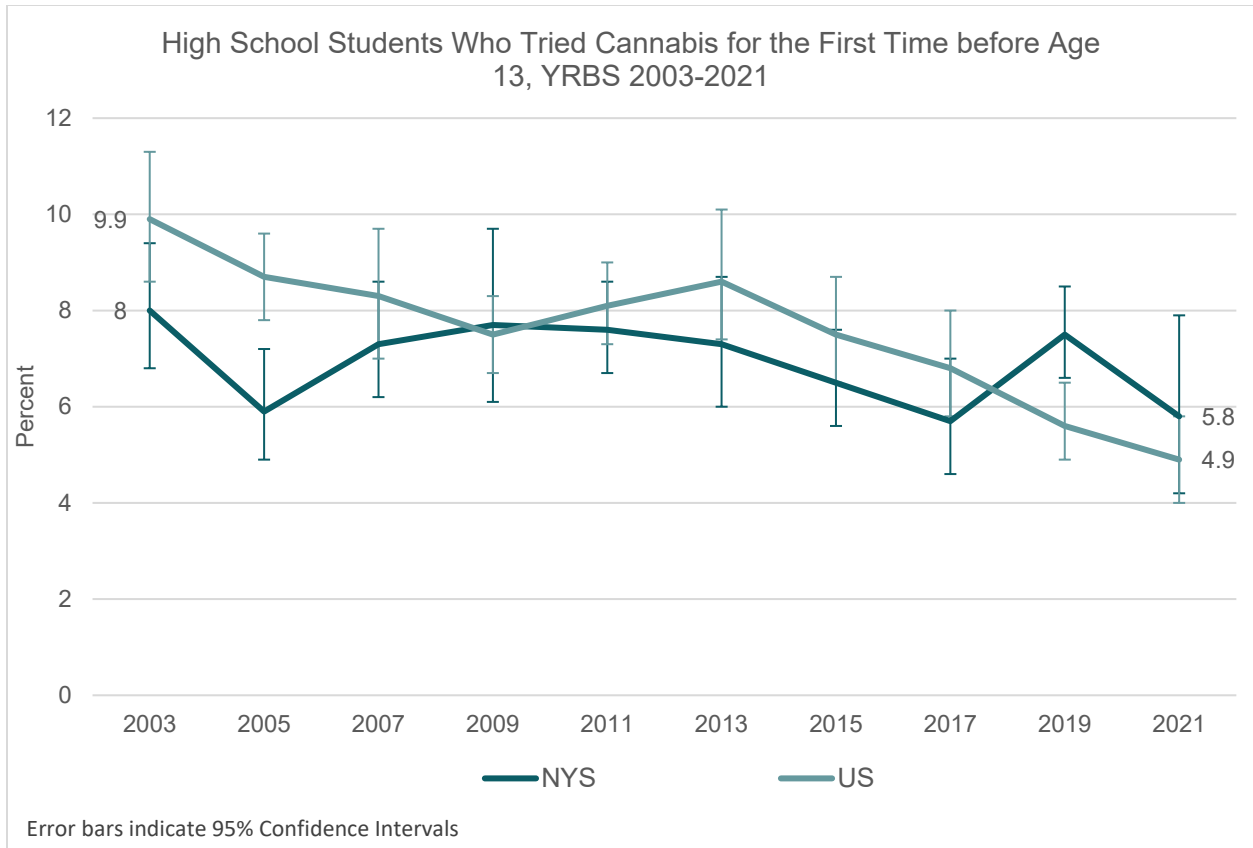
<sup>25</sup> Centers for Disease Control and Prevention, Youth Risk Behavior Survey, 2021



**Figure 5: Current Cannabis Consumption among New York State High School Students, YRBS 2021**

Across the past two decades, the prevalence of NYS high school students who report trying cannabis for the first time before age 13 has been relatively stagnant at an average of approximately 7% (range 5.7%-8%) and year over year there have not been statistically significant changes (Figure 6). Nationally, this metric has trended downward over the past two decades, from a high of 9.9% in 2003 to a low of 4.9% in 2021.<sup>26</sup>

<sup>26</sup> Centers for Disease Control and Prevention, Youth Risk Behavior Survey, 2003-2021



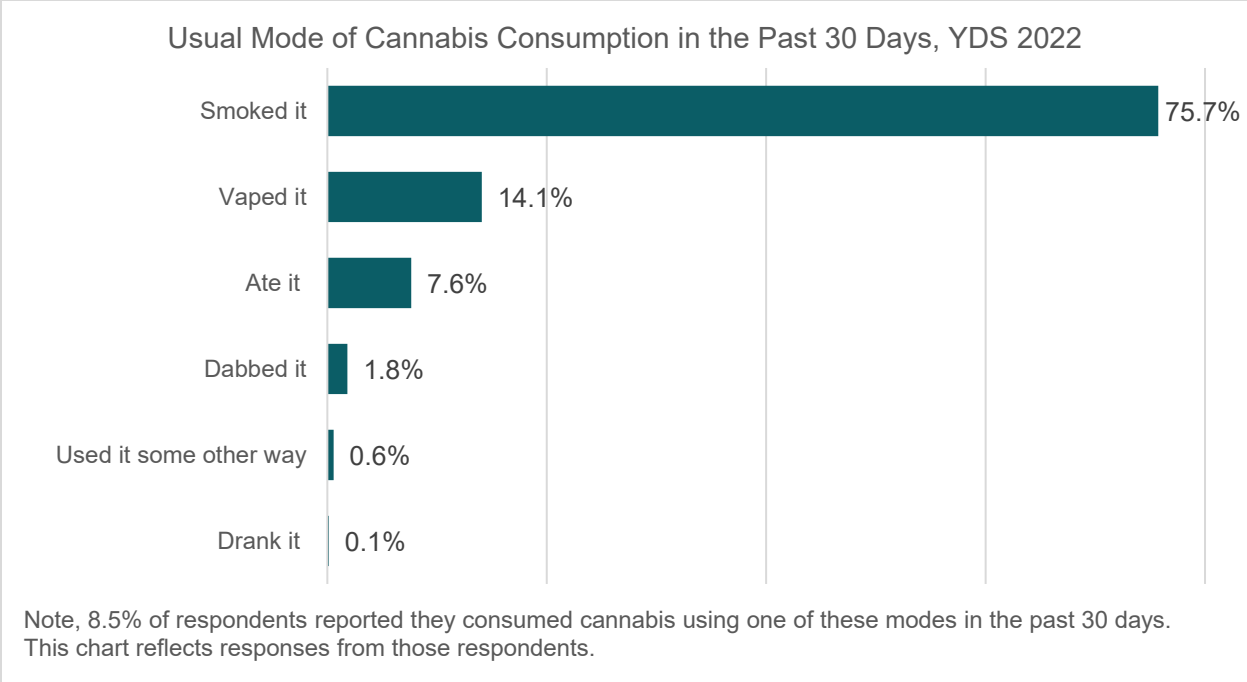
**Figure 6: National and New York State Prevalence of High School Students Who Tried Cannabis for the First Time before Age 13, YRBS 2003-2021**

In 2022, 8.5% of high schoolers who responded to the NYS Youth Development Survey (YDS) reported a usual mode of cannabis consumption.<sup>27</sup> Of those reporting a usual mode of consumption, the majority reported smoking cannabis (75.7%), whereas a smaller proportion reported vaping (14.1%), eating (7.6%), or dabbing (1.8%) cannabis (Figure 7). YDS respondents were asked how they got their cannabis during the past 30 days, with the option to select more than one source—17.2% of respondents reported at least one source of cannabis. About 30% got their cannabis from a friend while 13.4% encountered it at a party (Figure 8).<sup>28</sup>

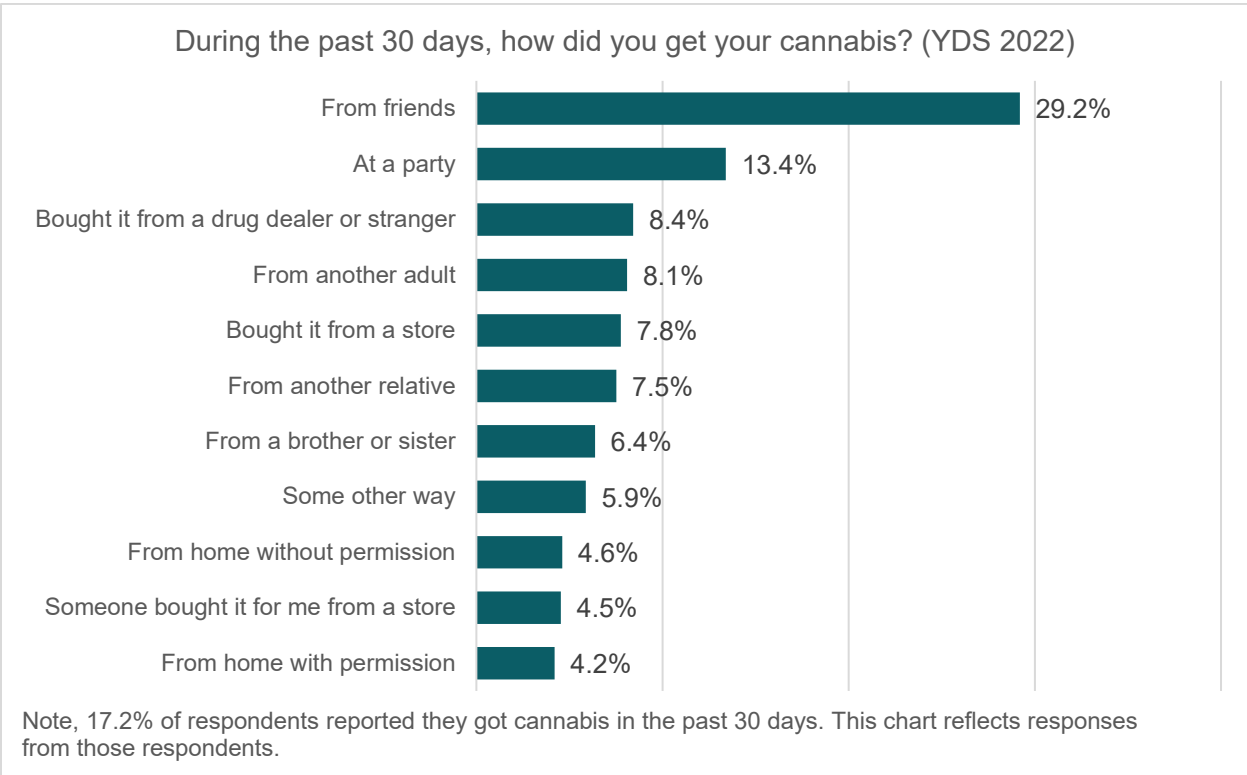
<sup>27</sup> Note, results of the YDS are not representative of the general population of NYS high schoolers. See the Appendix for more information.

<sup>28</sup> NYS Office of Addiction Services and Supports, Youth Development Survey, 2022



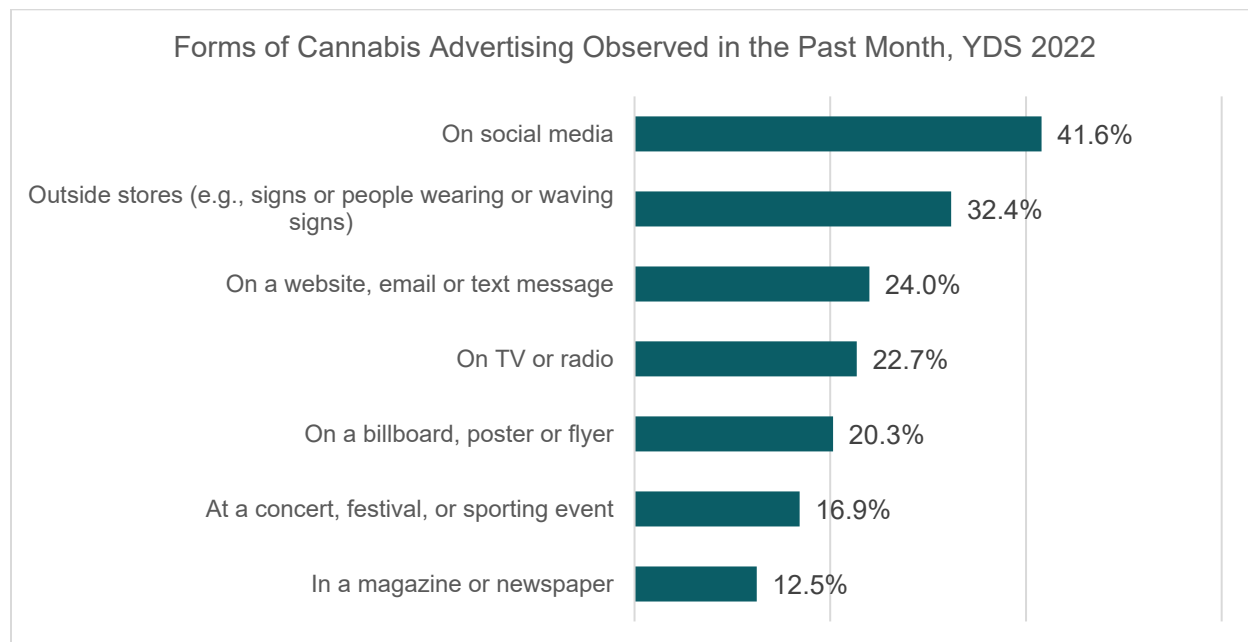


**Figure 7: Usual Mode of Cannabis Consumption in the Past 30 Days Reported by New York State Youth Development Survey Respondents, YDS 2022**



**Figure 8: Past Month Cannabis Sources Reported by New York State Youth Development Survey Respondents, YDS 2022**

Of the NYS high school students who responded to the YDS, about 2 in 5 saw cannabis advertisements on social media in the past month (Figure 9). Approximately 1 in 3 saw cannabis advertisements outside stores, and nearly 1 in 4 saw advertisements on a website or via email or texts. These figures are among all respondents, regardless of their consumption status, and reflect only exposures in the past month.<sup>29</sup>



**Figure 9: Forms of Cannabis Advertising Observed in the Past Month by New York State Youth Development Survey Respondents, YDS 2022**

**Goal 2.3: Prevent cannabis-impaired driving**

*Partnerships with the Governor’s Traffic Safety Committee and Department of Motor Vehicles:* Traffic Safety is an important social determinant to consider as part of the comprehensive regulatory framework of adult-use cannabis programs. OCM partners with the Department of Motor Vehicles (DMV) and is a member of the Governor’s Traffic Safety Committee (GTSC) to promote safer driving practices and increase traffic safety efforts in a manner that protects the public health and safety of all New Yorkers. OCM has worked with the DMV to expand capacity for cannabis-specific support staff to assist with continued coordination efforts to expand the Drug Evaluation and Classification program’s Advance Roadside Impaired Driving Enforcement (ARIDE) and Drug Recognition Expert (DRE) trainings across the State.<sup>30</sup> The ARIDE training coordinated by the GTSC is a two-day prerequisite to the DRE course that trains law enforcement officers to observe, identify, and articulate the signs of impairment related to drugs or alcohol (or a combination of both) in order to reduce the number of impaired driving incidents, serious injuries, and fatal crashes. The MRTA authorized, where appropriations were available, increasing DRE training to help law enforcement maintain safety on the State’s roadways (MRTA §60). A DRE is a police officer trained to recognize impairment in drivers under the influence of drugs other than, or in addition to, alcohol. A DRE is skilled in detecting and identifying persons under the influence

<sup>29</sup> NYS Office of Addiction Services and Supports, Youth Development Survey, 2022

<sup>30</sup> International Association of Chiefs of Police, 2023

of substances and in identifying the category or categories of drugs causing the impairment and ruling out medical causes of erratic driving. DREs complete training that has been approved by the National Highway Traffic Safety Administration and the International Association of Chiefs of Police. NYS has been participating in the DRE program since 1987. OCM has funded the expansion of the DRE program during the first two years of operations from agency funding.

The initial certification and training for a new DRE officer and subsequent maintenance requirements are intensive and time consuming, requiring time away from an officer's other duties. This can make it difficult to recruit officers willing to commit to the training and maintenance process or for supervisory officers to commit to losing an officer for a period of time due to resource constraints. The DRE Program relies on having sufficient DRE officers dispersed geographically across the State in order to respond to incidents in a timely manner. OCM with GTSC and DMV continues to collaborate on ways to better identify where training capacity may be increased and explore avenues to facilitate barriers for applicants that continue to increase the amount of live-saving DRE officers on the road in NYS.

*DOH Request for Information:* DOH issued a Request for Information on September 26, 2022, to identify the current state of research about devices that could detect impairment due to cannabis consumption and identify research institutions currently performing, or able to begin performing, this type of research. Results of the Request for Information are still under review. Until new technologies are developed and deployed, public education and the use of DREs continue to be the most effective measures in addressing impaired driving related to cannabis as recent studies show adverse implications of false positive oral fluid THC tests outweigh the possible road safety benefits.<sup>31</sup>

*Public education campaigns:* OCM collaborated with the GTSC to produce 6- and 15-second video and static ads in both English and Spanish as part of OCM's inaugural public education campaign *Cannabis Conversations*. These ads launched on April 20<sup>th</sup>, 2022, a celebratory date for cannabis consumers, reminding them of responsible consumption and the dangers of impaired driving. Messages were placed on highway billboards, gas pumps, convenience stores, and digital ads targeting drivers above the age of 21. Messages in the videos were also directed to passengers emphasizing that it remains illegal to consume cannabis in a vehicle, even when not driving. Impaired driving ads had over 11 million impressions across several platforms and approximately 97% of people who began watching one of these videos watched it to completion. Audience members were directed to the website where they found details on the law and motor vehicles and links to expanded information through the GTSC website.

In 2023, OCM had the opportunity to provide feedback on an additional traffic safety campaign spearheaded by our partners at the DMV. The two-month long traffic safety campaign ran from December 19, 2022, to February 12, 2023 (\$1 million). This campaign took the Cannabis Conversations message "Don't Drive High" a step further highlighting ways to avoid driving impaired by prompting folks to "Get a Ride or Stay Put" or "Make a Plan". Advertisements were developed in both English and Spanish and were seen on billboards across the State in addition to advertisements found on TV, radio, and digital streaming platforms.

*Data monitoring:* The Data Monitoring Plan described under Goal 2.5 includes monitoring the prevalence of motor vehicle crashes and resulting injuries and fatalities involving cannabis

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<sup>31</sup> Robertson et al., 2022

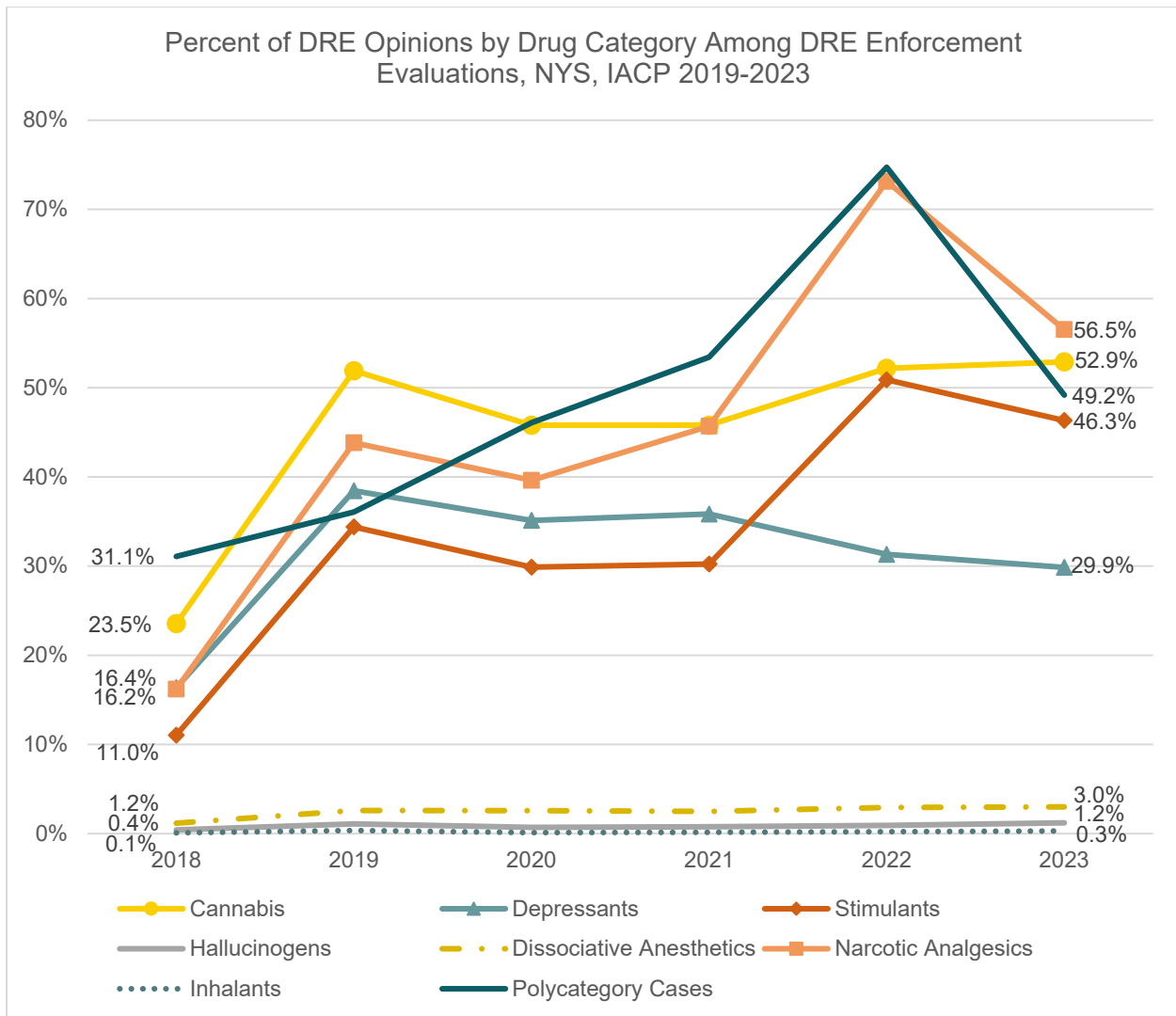
impairment. OCM partners with DMV and GTSC, to identify data sources and key performance indicators to quantify the burden of motor vehicle crashes involving cannabis impairment in NYS and address any issues with data quality and completeness. There are several limitations to available datasets monitoring cannabis-involved motor vehicle crashes and resulting injuries or fatalities. First, there are datasets that include drug testing results of drivers involved in motor vehicle fatalities; however, a positive drug test for cannabis does not necessarily indicate cannabis caused the motor vehicle crash as the presence alone of cannabis in one's system does not indicate impairment because an individual can test positive for cannabis weeks after consuming cannabis. In other data sources, it has not been possible to isolate cannabis specifically as the substance involved in a motor vehicle crash because it has been grouped with other illicit drugs in past data collection. To address the latter, a cannabis-specific code for traffic incidents and impaired driving is being added to necessary data collection forms. The revised data collection is under development.

*Drug Evaluation and Classification Program Trends:* By the end of 2023, NYS completed five DRE Schools including 83 students, bringing NYS's DRE-certified force to 407 officers. In 2023, 24 ARIDE trainings were held in NYS, training 832 officers to observe, identify, and articulate the signs of impairment on NYS's roadways.<sup>32</sup>

Among the DRE Enforcement Evaluations conducted in NYS, the proportion of DRE opinions identifying cannabis impairment has been relatively steady from 2019 to 2023 (51.9% to 52.9%, respectively, Figure 10). In 2019, it was the most common substance identified, but in 2023 it was second to depressants.

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<sup>32</sup> International Association of Chiefs of Police, 2023

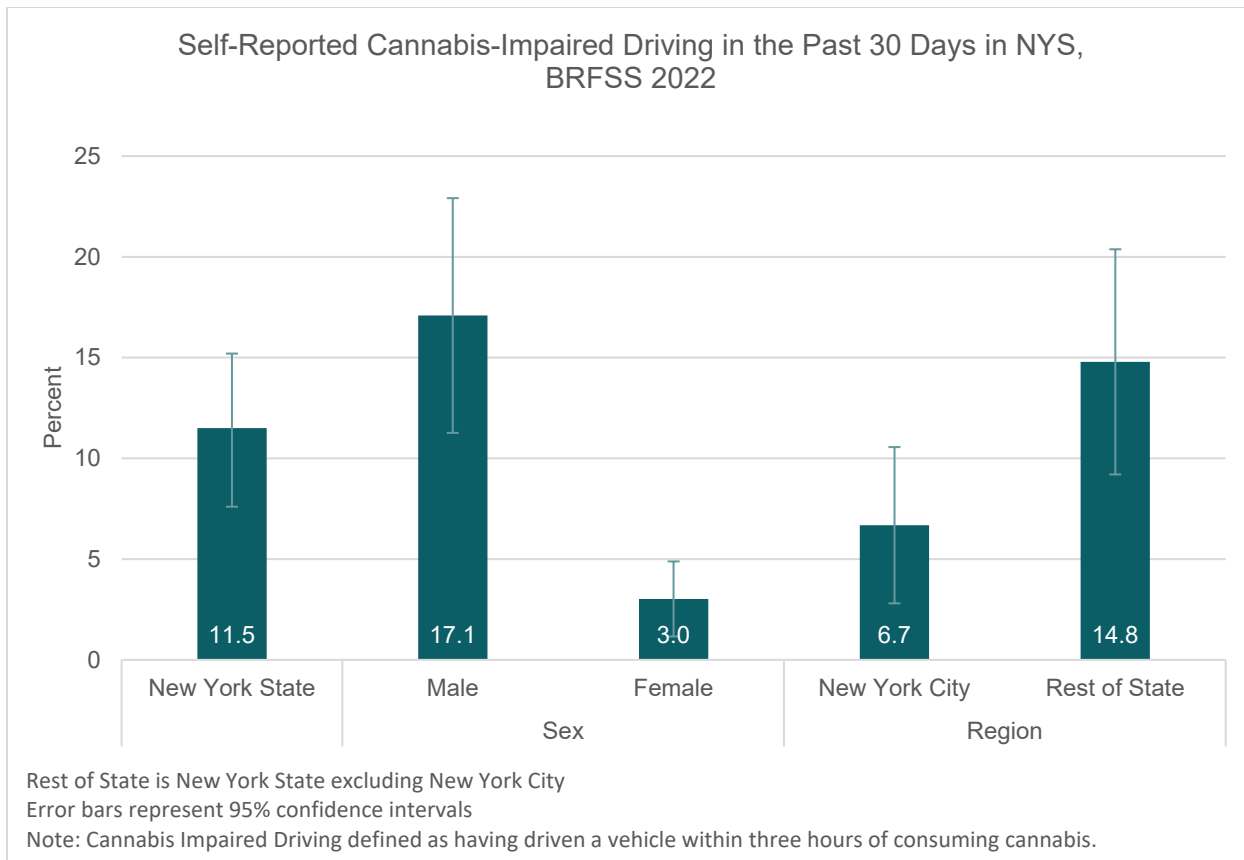


**Figure 10: Percent of Drug Recognition Expert Opinions by Drug Category Among Drug Recognition Expert Enforcement Evaluations in New York State, IACP 2019-2023**

*Self-reported cannabis impaired driving or riding with a cannabis impaired driver:* To assess the prevalence of self-reported cannabis impaired driving, current consumers were asked whether they drove within three hours of consuming cannabis in the past month. In 2022, about one in ten current consumers reported impaired driving (11.5%) (Figure 11). Male consumers were significantly more likely to report impaired driving (17.1%) than female consumers (3%). Those who reside outside New York City (or Rest of State [ROS]) were more likely to report impaired driving than New York City (NYC) residents (14.8% compared to 6.7%), although this difference was not statistically significant.<sup>33</sup> Of the NYS high school students who responded to the Youth Development Survey in 2022, 7.3% reported they rode in a car or other vehicle during the past month driven by someone who consumed cannabis within three hours of driving.<sup>34</sup>

<sup>33</sup> New York State Department of Health, Behavioral Risk Factor Surveillance System 2022

<sup>34</sup> NYS Office of Addiction Services and Supports, Youth Development Survey, 2022



**Figure 11: Self-Reported Cannabis-Impaired Driving in the Past 30 Days in New York State, BRFSS 2022**

**Goal 2.4: Prevent unintentional exposure to or overconsumption of cannabis products**

*Laws and Regulations Regarding Packaging, Labeling, Marketing, and Advertising:* As described under Goal 2.2: Prevent underage cannabis consumption, Parts 128 and 129 establish parameters for the packaging, labeling, marketing, and advertising of cannabis products and businesses. These rules aim to prevent unintentional exposure to cannabis products by requiring all retail packaging be child-resistant and prohibiting packaging and labeling from being attractive to those under 21 years of age, including mimicking products commonly marketed to children and teens. Unregulated products packaged in a way that mimics candy and snacks popular with children can be mistaken for regular food and ingested accidentally by children, possibly leading to an emergency department visit or even hospitalization.

*Public Education:* The prevention of unintentional exposure and overconsumption of cannabis products is underscored in OCM’s public education materials and campaigns, as well as the advice to “Start Low, Go Slow,” especially for those adults new to cannabis.<sup>35</sup> OCM published a dedicated resource about safe cannabis storage practices in both English and Spanish that highlights steps consumers can take to prevent unintentional cannabis exposure and safety information to remedy unintentional exposure and undesired effects.<sup>36</sup> Additional materials

<sup>35</sup> All public education materials are available at <https://cannabis.ny.gov/adult-use-information>

<sup>36</sup> Cannabis Safe Storage: <https://cannabis.ny.gov/safe-storage-rack-card>



include product specific literature about edibles and concentrates, two product types frequently reported in cases of unintentional exposure or overconsumption.<sup>37</sup> *The Guide to Safer Cannabis Consumption* addresses steps that consumers can take to prevent overconsumption, such as identifying potency on packages and consuming less of a product for the first time.<sup>38</sup>

*Public Health Partnerships:* OCM partners closely with multiple business units across DOH regarding cannabis surveillance and identifying emerging public health issues. This includes efforts to conduct syndromic surveillance and establish sophisticated systems to query data from emergency departments, hospitals, poison centers, and other sentinel sources to detect adverse events that are associated with cannabis. Once in place, this system will support monitoring key metrics, including cannabis-related poisonings or injuries, as well as general cannabis-related healthcare burden and health outcomes potentially associated with cannabis consumption. Poison Centers—and the data they collect—are another critical first-line source for the early detection of defects or issues in products, packaging, or labeling that are impacting public health and safety. Poison centers also contribute to monitoring and addressing unintentional exposure to and unintentional overconsumption of cannabis products. NYS has two poison centers, the NYC Poison Center and the Upstate New York Poison Center, that field calls from the public, health care providers, and government agencies to provide general information about substances and to advise after a known or suspected exposure. OCM has established an ongoing partnership with the two NYS poison centers to regularly share information on emerging issues and work together to ensure staff have the most current information about cannabis and available products.

*Cannabis-Related Exposure Trends:* According to data extracted from America’s Poison Centers (APC) National Poison Data System (NPDS), cannabis-related exposure cases in NYS have increased over a six-year reporting period of 2018 to 2023 (Figure 12). Cannabis-related exposure cases increased by 176%, from 542 cases in 2018 to 1,498 cases in 2023. Cannabis-edible exposure cases accounted for 64% of all cannabis-related product exposure cases among New Yorkers in 2023, increasing significantly from comprising only 3.5% of cannabis-related exposure cases in 2018. Evidence suggests that this increase is primarily driven by products from the illicit market that are not held to the same requirements as regulated cannabis products, such as clearly labeling potency and being packaged in child-resistant packaging.

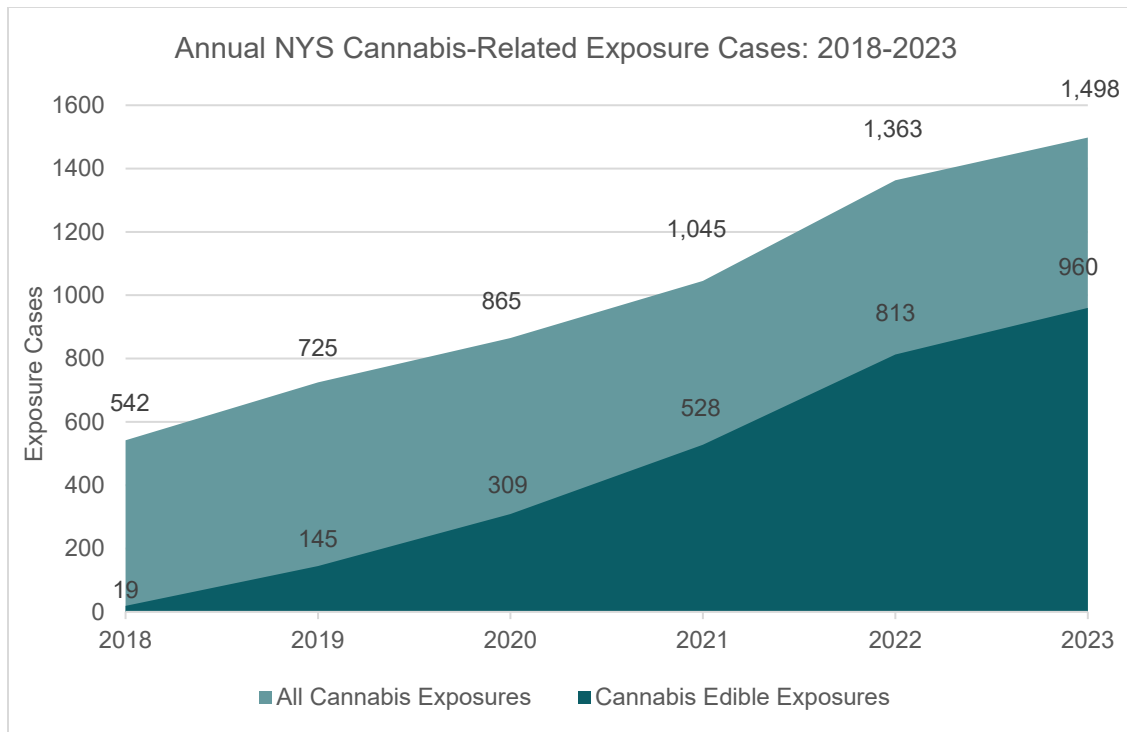
As demonstrated in both Figures 12 and 13, the increase in the number of cannabis exposure cases reported to NYS poison centers since 2018 has been mainly driven by edible products and by children ages 0-19. The aging population, particularly those aged 60 and older, accounted for the smallest proportion of cannabis-related product exposure cases.

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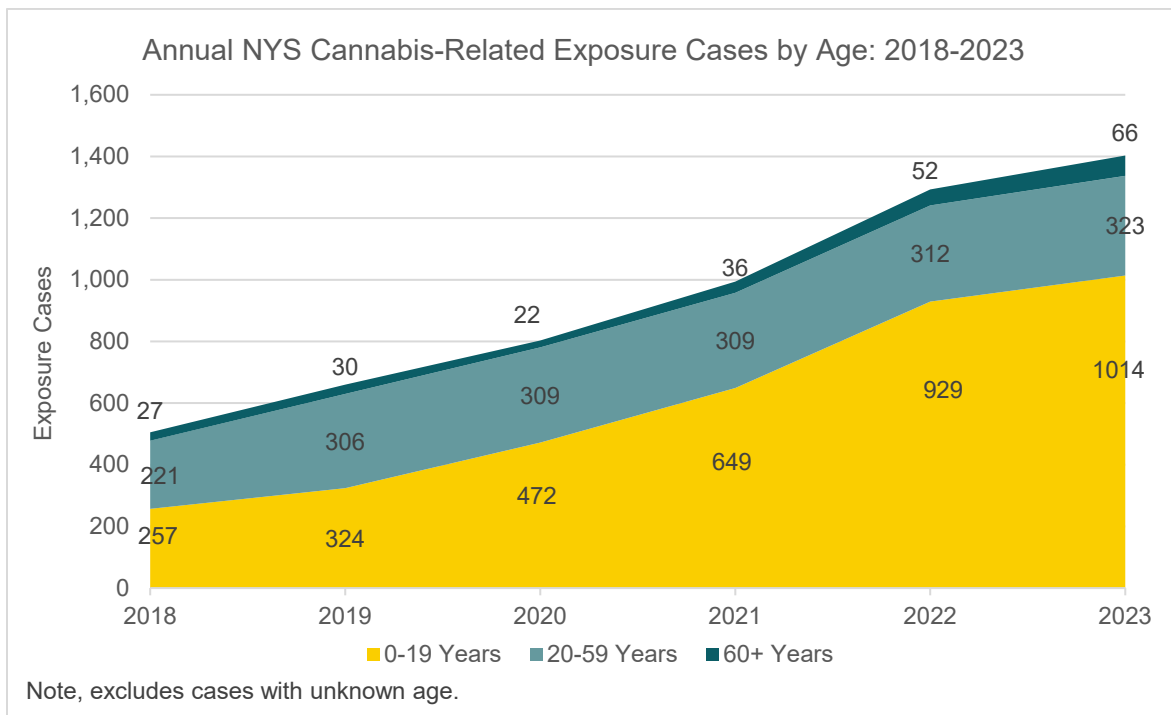
<sup>37</sup> Know Your Edibles: <https://cannabis.ny.gov/know-your-edibles>

Know Your Concentrates New York: <https://cannabis.ny.gov/know-your-concentrates-new-york>

<sup>38</sup> The Guide to Safer Cannabis Consumption: <https://cannabis.ny.gov/guide-safer-cannabis-consumption>

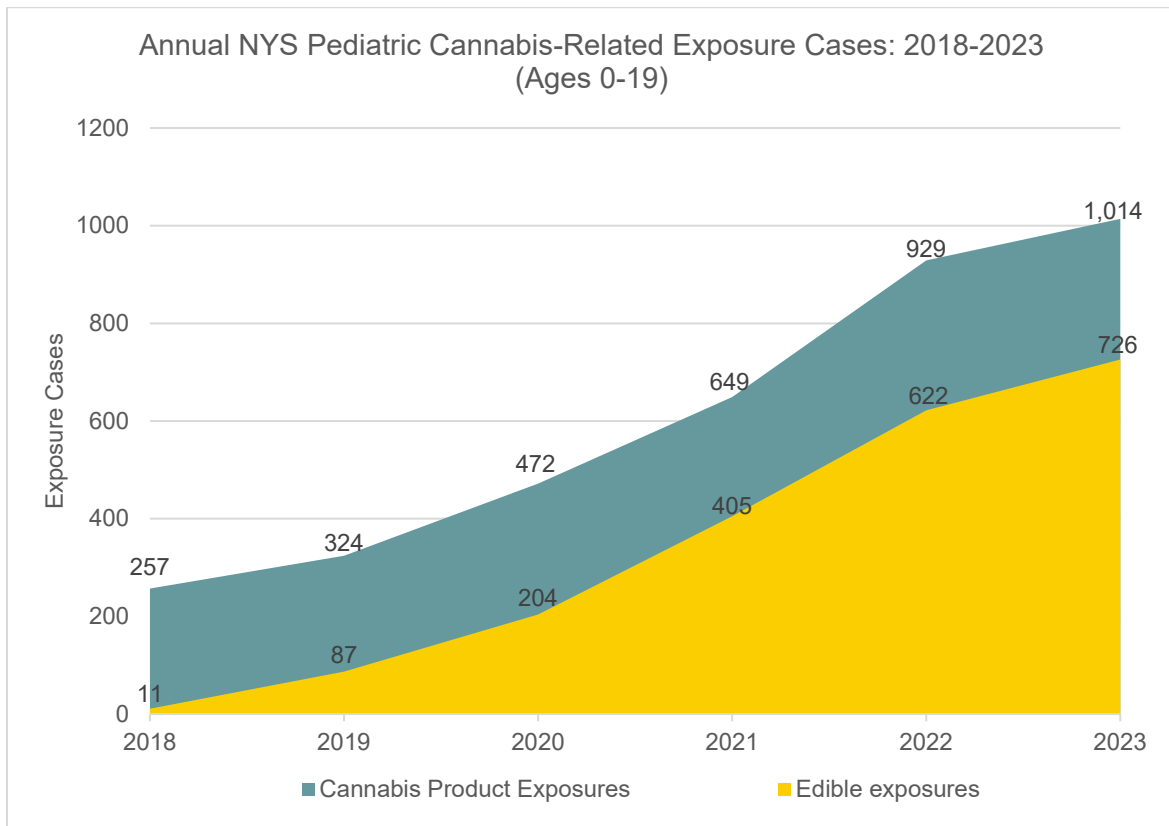


**Figure 12: Annual Cannabis-Related Exposure Cases in New York State, NPDS 2018-2023**

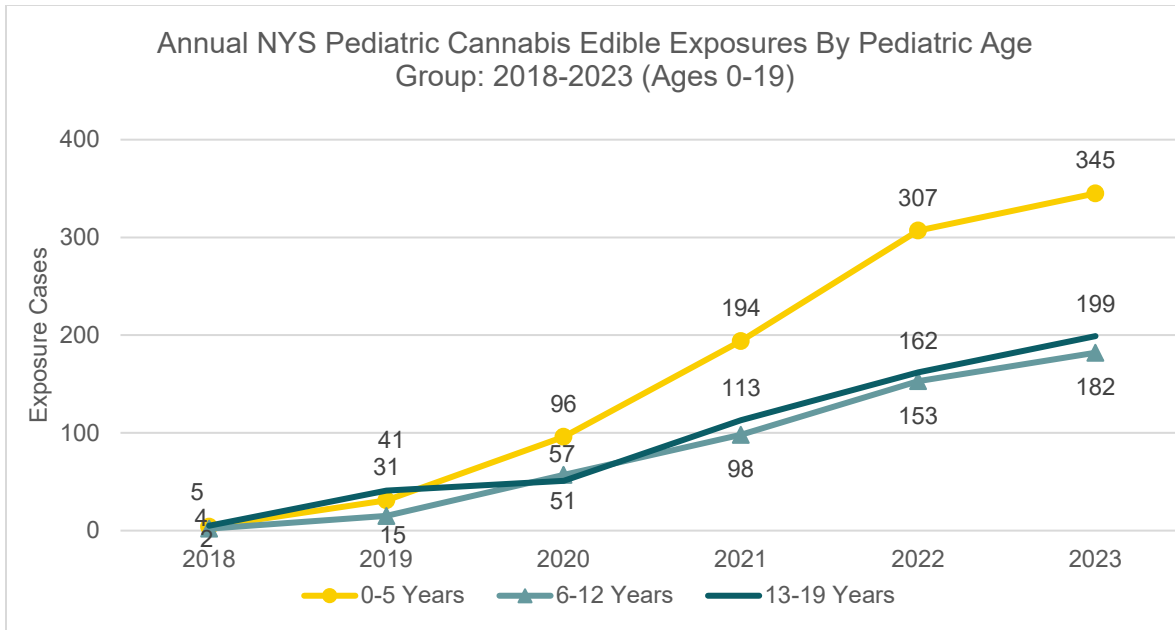


**Figure 13: Annual Cannabis-Related Exposure Cases in New York State by Age, NPDS 2018-2023**

*Pediatric Cannabis-Related Exposure Trends:* NYS poison center data also reveal pediatric cannabis edible exposure cases in NYS have increased by large margins over the reporting period, accounting for 72% of all cannabis-related pediatric exposure cases in 2023 (Figure 14). The most notable increase in cannabis-edible cases since 2018 was observed among the youngest children ages 0 to 5 (Figure 15). As stated earlier, evidence suggests that this increase is primarily driven by products from the illicit market, including intoxicating cannabinoid hemp products that are packaged in a manner to resemble other foods and candies that are typically marketed to children or might not be in child-resistant packaging. It is important to note that this type of packaging is not allowed in the regulated adult-use market. Nearly all pediatric exposures occur in a residence, stressing the importance of public messages about safe cannabis storage: keep cannabis locked, out of sight and out of reach of young people and pets.

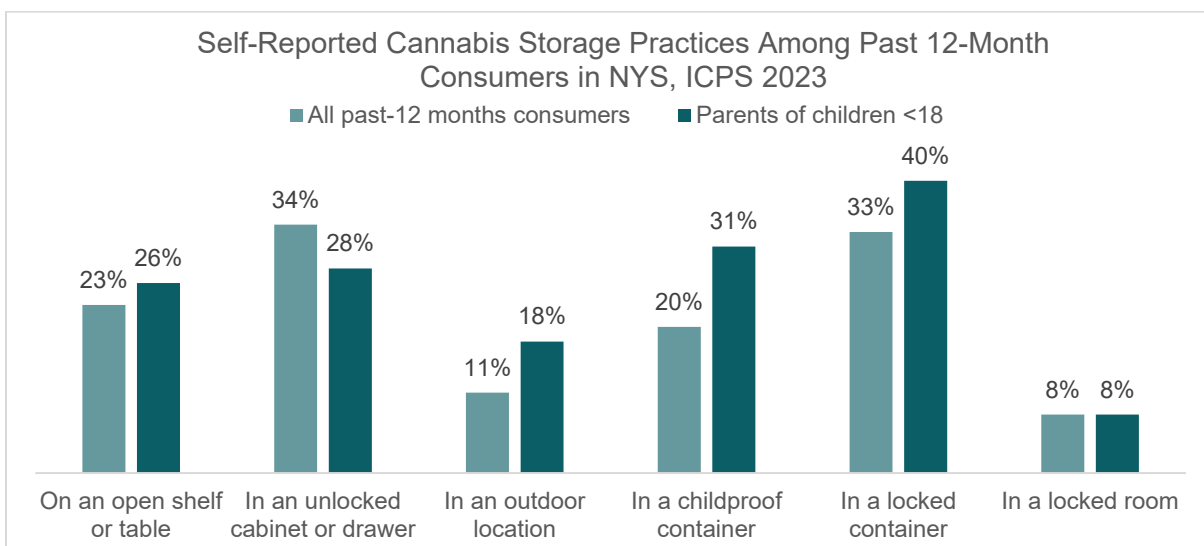


**Figure 14: Annual Pediatric Cannabis-Related Exposure Cases in New York State, Ages 0-19 Years, NPDS 2018-2023**



**Figure 15: Annual Pediatric Cannabis Edible Exposure Cases in New York State by Pediatric Age Group, Ages 0-19 Years, NPDS 2018-2023**

*Safe storage perceptions and behaviors:* The 2023 ICPS found that parents with children under 18 and who consumed cannabis in the past year were more likely to store cannabis in locked and childproof containers than past-year consumers generally; however, some parents reported storing cannabis on open tables or shelves as well (Figure 16).<sup>39</sup> Messaging about safe cannabis storage practices and having conversations with friends and family whose homes children and teens might visit is critical to helping prevent pediatric unintended cannabis exposures.



**Figure 16: Self-reported cannabis storage practices among past 12-month consumers in New York State, ICPS 2023**

<sup>39</sup> Hammond et al., 2024

### Goal 2.5: Inform policy by monitoring data related to cannabis consumption and cannabis-associated public health and safety outcomes

*Data Monitoring Plan:* OCM is investing in and implementing a robust data monitoring plan using a variety of sources that range from population-based surveys to healthcare data to sales data in collaboration with partner agencies. Cannabis legalization is expected to have wide-reaching effects and require a broad, diverse tapestry of data sources to assess the full impact legalization will have on public health and safety, particularly on certain priority populations. Data sources identified in the data monitoring plan address the critical priorities highlighted in the MRTA, such as underage use, traffic safety, impacts on pregnancy and breast/chestfeeding, and preventing accidental cannabis consumption or overconsumption (e.g., when a child ingests a cannabis product, or someone consumes more cannabis than they intended).

Overall, there are limitations in existing data systems to accurately quantify cannabis's role in outcomes and differentiate between regulated and unregulated cannabis impacts. In many data systems, the way data are currently collected does not allow for identifying cannabis specifically or differentiating between types of cannabis products in order to provide a more nuanced understanding of the impact of the legal cannabis market on public health and safety outcomes. OCM continues to work with partners to address those limitations and bolster the accuracy and specificity of ongoing surveillance.

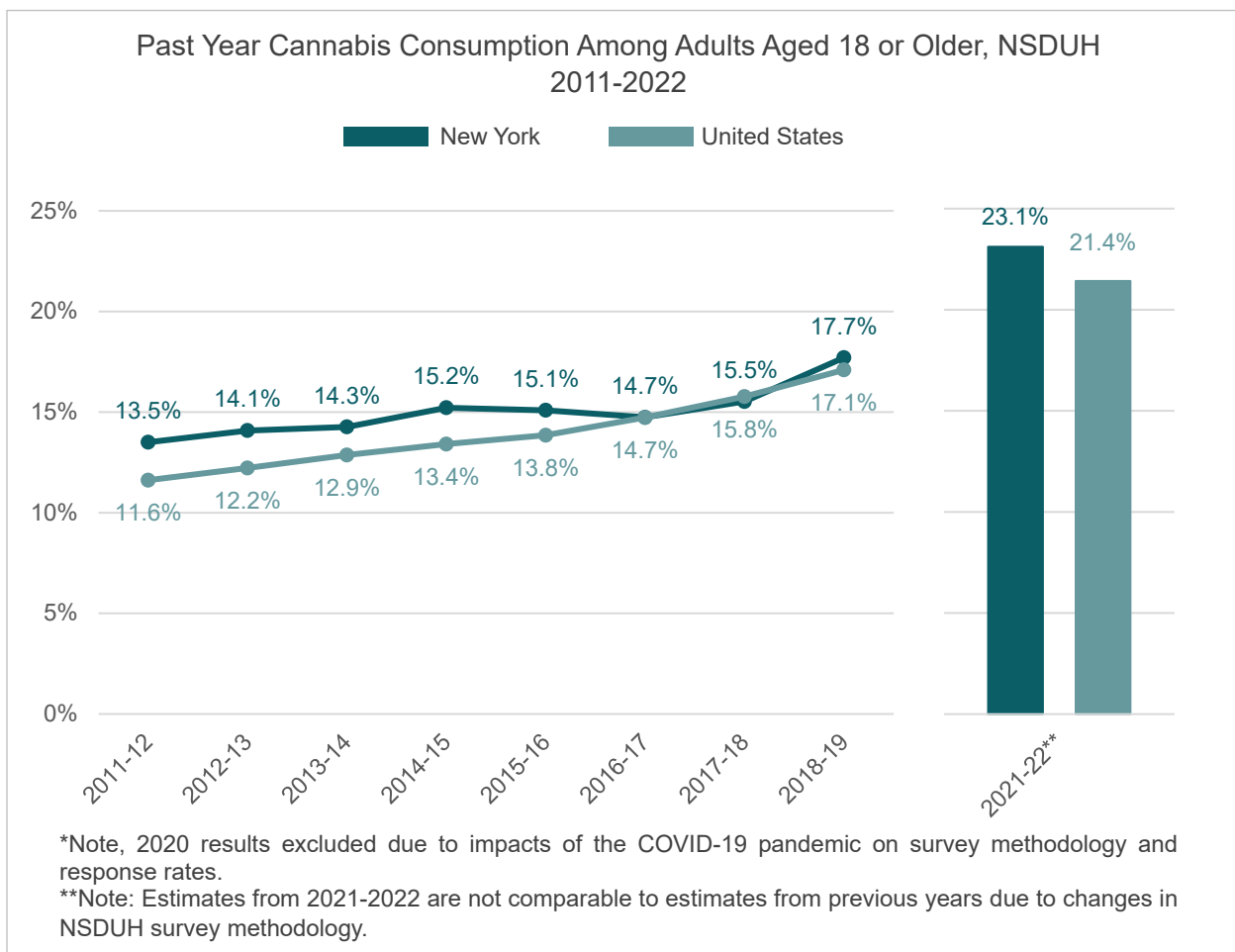
*Stakeholder Partnerships:* Improving public health and safety requires strong and comprehensive partnerships with a variety of stakeholders. OCM continues to establish and maintain partnerships and identify areas for collaboration with external partners, including routine communication between OCM and DOH, Department of Agriculture and Markets (AGM), the Office of Addiction Services and Supports (OASAS), the Office of Mental Health (OMH), Department of Environmental Conservation (DEC), and other local governments and state agencies. Continuing to build on and maintain regular avenues for communication and information sharing allows OCM to more holistically address public health and safety related to cannabis.

*Implementation of the Seed to Sale System:* BioTrack was selected as the vendor to build the State's seed to sale system and the initial roll out for licensees is anticipated in Fall 2024, which will include several months for integration activities. This will be the back-end system used by OCM, but all licensees are required to have an electronic seed to sale inventory management system upon commencing cannabis activities. OCM will be sending the seed to sale application programming interface (API) that licensees will use to integrate their own inventory management systems with the State's seed to sale system. Additionally, OCM announced in September 2024 that for licensees using the BioTrack seed to sale system, OCM will cover the first \$250,000 in tag purchases, which are unique identifiers for each piece of inventory required when implementing the BioTrackTHC inventory tracking solution.

A seed to sale system is an inventory control system that tracks the cultivation, processing, and sales of cannabis and cannabis products to consumers. The BioTrack reporting system will provide comprehensive data on various metrics of the state's cannabis industry across the supply-chain. This includes, but is not limited to, licensed cannabis businesses' sales and tax revenue generated, inventory levels, laboratory testing results, inventory transfers between licensees, and overall market trends. The system also captures data on cultivation volumes, product manufacturing additives and ingredients, and sales trends. Once available, BioTrack data will support ongoing data monitoring. OCM will use data that licensees transmit to its seed to sale system via the API to monitor activities with cannabis and cannabis products, assess for potential

compliance issues, and provide information needed to identify products within the supply chain if there is a recall. When it is implemented, the State's seed to sale system will aggregate licensee data and allow OCM staff to—at the click of a button—track a cannabis plant from the moment it is grown to the moment it is sold to a consumer in its final form, supporting ongoing data monitoring.

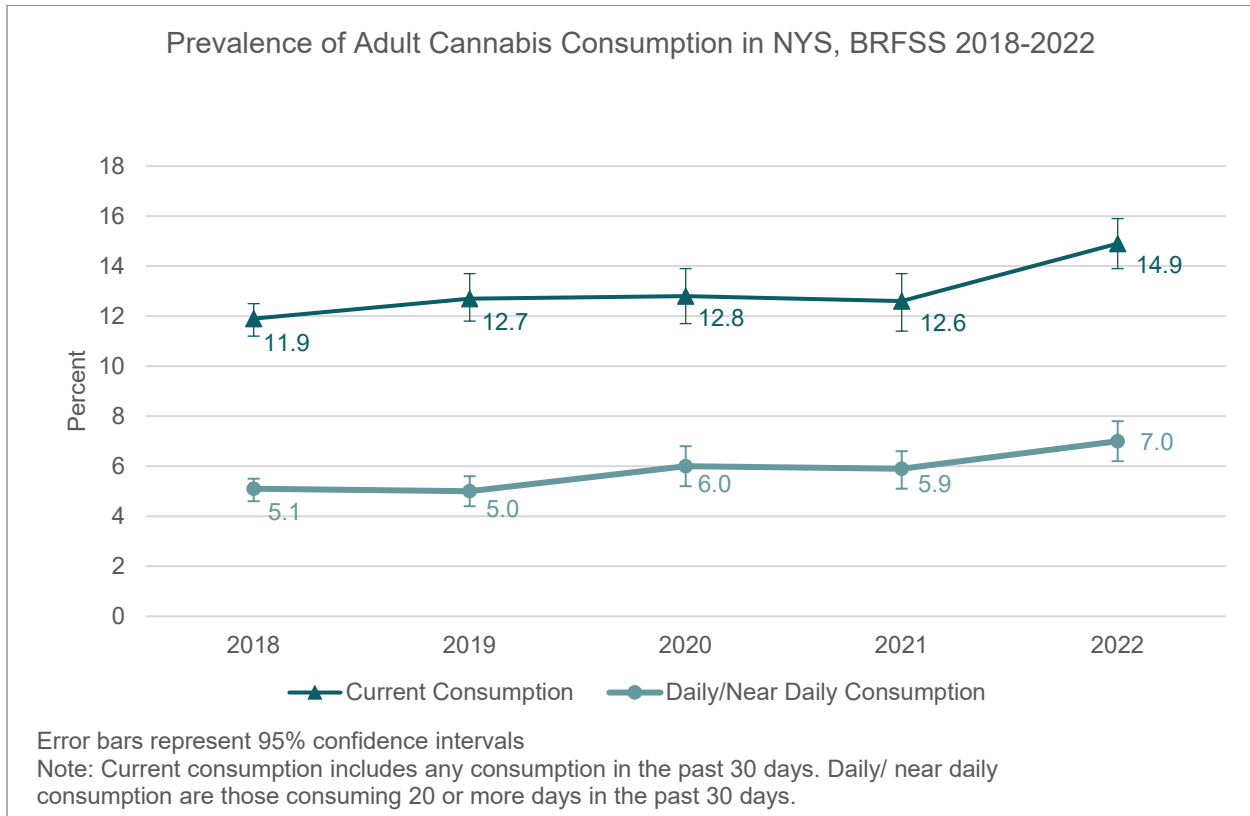
*Adult cannabis consumption trends:* Results from NSDUH indicate a gradual but consistent increase in past-year cannabis consumption among adults aged 18 and older in both NYS and the United States. NYS showed slightly higher prevalence of past-year cannabis consumption since 2011-2012, until 2016-2017 when rates converged (Figure 17). In NYS, past-year adult cannabis consumption increased from 13.5% in 2011-2012 to 17.7% in 2018-19, while past-year cannabis consumption nationally increased by a similar margin, from 11.6% in 2011-2012 to 17.1% in 2018-2019. Estimates from 2021-2022 are not comparable to estimates from 2019 or earlier due to changes in the survey methodology. NYS continued to demonstrate higher prevalence of adult past-year cannabis consumption compared to the United States (23.1% and 21.4%, respectively).<sup>40</sup>



**Figure 17: National and New York State Prevalence of Past Year Cannabis Consumption among Adults Aged 18 and Older, NSDUH 2011-2022**

<sup>40</sup> U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, National Survey on Drug Use and Health, 2011-2022

According to the Behavioral Risk Factor Surveillance System (BRFSS), the statewide prevalence of current cannabis consumption (or consuming in the past month) was relatively steady from 2018 to 2021 at about 12.6%, but a statistically significant increase to 14.9% was observed from 2021 to 2022 (Figure 18). After adjusting for age, this amounts to an estimated 2.2 million New Yorkers aged 21 and older consuming cannabis in the past month.<sup>41</sup> The prevalence of daily or near daily consumers (those consuming 20 or more days in the past 30 days) has increased slightly from 5.1% in 2018 to 7.0% in 2022.<sup>42</sup> This amounts to nearly 1.1 million New Yorkers aged 21 and older consuming daily or near daily.<sup>43</sup>



**Figure 18: Prevalence of Past Month Adult Cannabis Consumption in New York State, BRFSS 2018-2022**

Male respondents consistently report a higher prevalence of consumption than female respondents (19% compared to 11.2% in 2022). When stratified by age, those age 21-24 years have had the highest consumption prevalence since 2020 (29.3% in 2022) (Figure 19). Prior to 2020, those age 18-20 years (legally too young to consume in NYS) were among the highest prevalence groups—notably, this is the only age group to decline in prevalence post legalization in 2021. Other age groups have remained relatively steady at lower rates of consumption, with some modest increases from 2021 to 2022. Those who identify as lesbian, gay, bisexual,

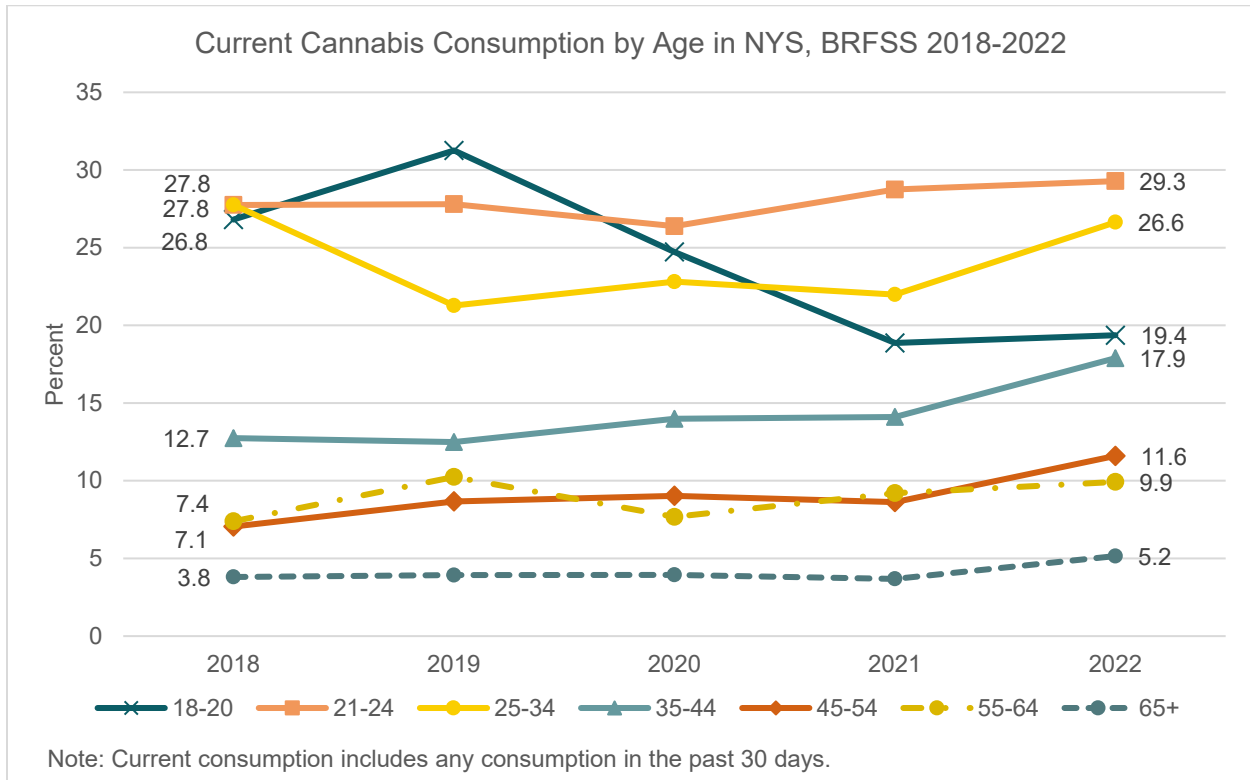
<sup>41</sup> U.S. Census Bureau, American Community Survey 2022

<sup>42</sup> New York State Department of Health, Behavioral Risk Factor Surveillance System 2018-2022

<sup>43</sup> U.S. Census Bureau, American Community Survey 2022



transgender, queer/questioning, and intersex (LGBTQI) have consistently demonstrated significantly higher prevalence as current consumers compared to those who identify as heterosexual/straight and cisgender (31.3% compared to 14.0% in 2022).<sup>44</sup>

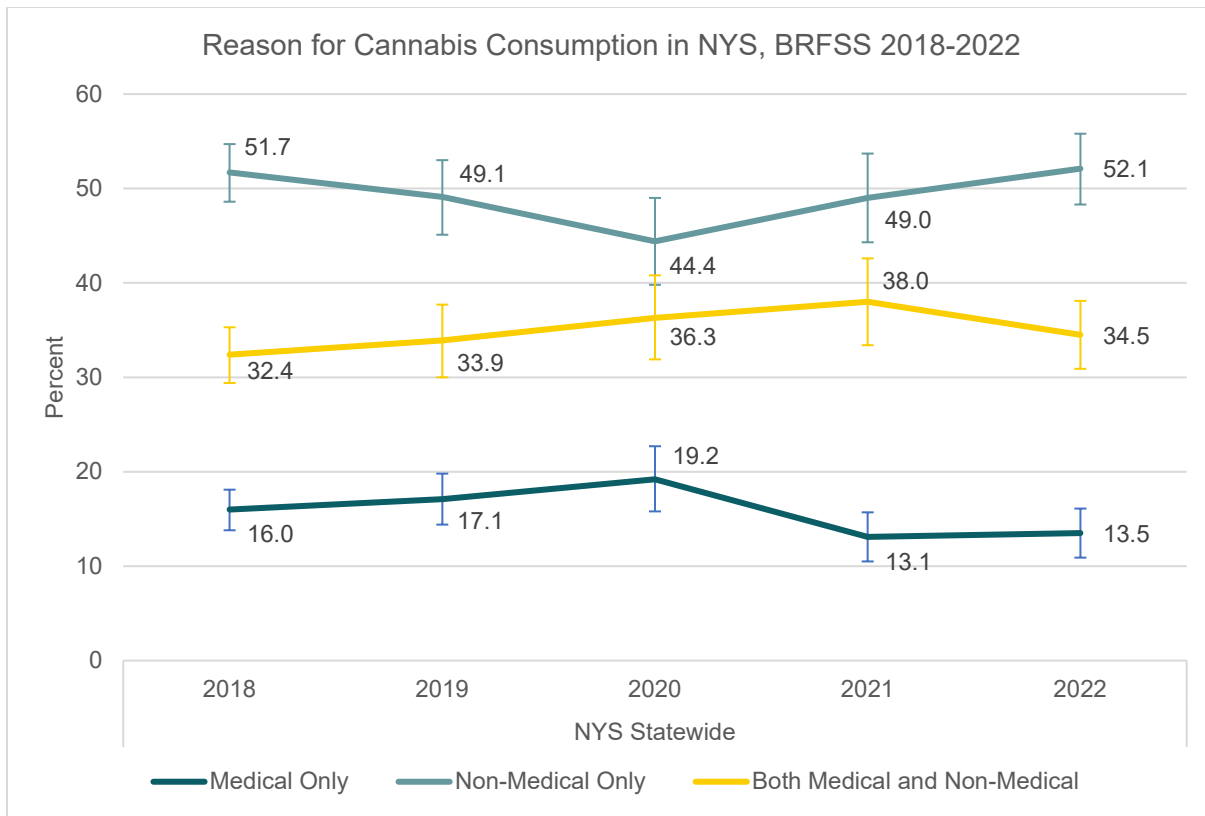


**Figure 19: Current Cannabis Consumption Among Adults Aged 18 and Older in New York State, by Age, BRFSS 2018-2022**

Current consumers were asked whether they usually consume for medical reasons, non-medical reasons, or both. In 2022, over half of current consumers did so for non-medical reasons only (52.1%), over a third consumed for both medical and non-medical reasons (34.5%), and the remaining 13.5% consumed for medical reasons only (Figure 20). This is a shift from pre-legalization, when the proportion of consumers reporting they consume for medical reasons only was increasing—from 16% in 2018 to 19.2% in 2020—and those reporting they consume for non-medical reasons only was decreasing—from 51.7% in 2018 to 44.4% in 2020.<sup>45</sup>

<sup>44</sup> New York State Department of Health, Behavioral Risk Factor Surveillance System 2022

<sup>45</sup> New York State Department of Health, Behavioral Risk Factor Surveillance System 2018-2022



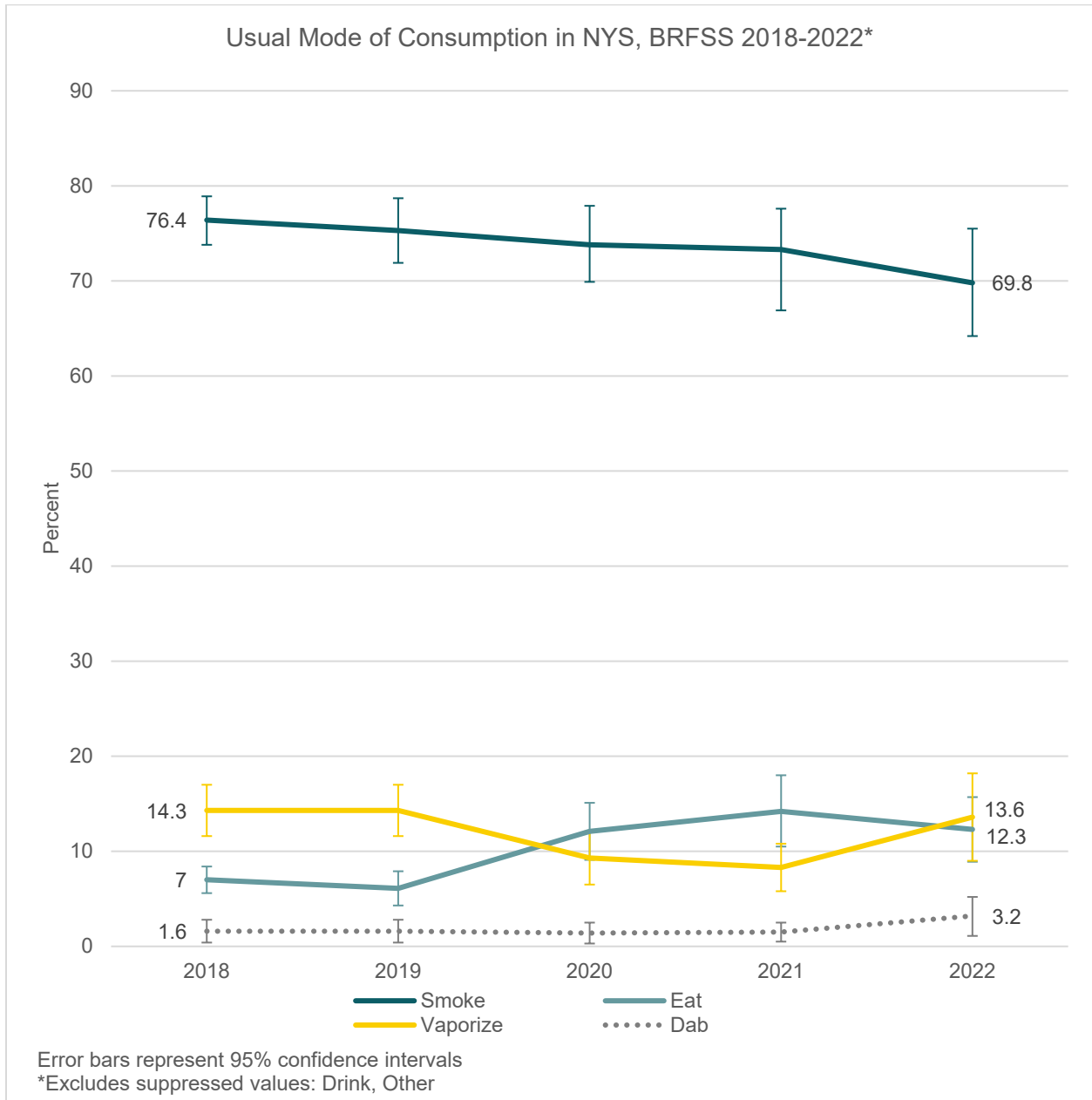
**Figure 20: Reasons for Cannabis Consumption in New York State Among Adults 18 and Older, BRFSS 2018-2022**

When asked to indicate their one usual mode of consumption, by far the most current consumers selected smoking (e.g., a joint, pipe, bong, or blunt), although the proportion has decreased over the five-year period from 76.4% in 2018 to 69.8% in 2022 (Figure 21). Vaporizing and eating cannabis products were the next two most frequently reported usual modes of consumption. The two modes alternated between second- or third-most common over the time period and were nearly the same at 13.6% reporting vaping and 12.3% reporting eating cannabis products as their usual mode in 2022. Since 2019, the proportion of consumers reporting eating cannabis products doubled from 6.1% to 12.3% in 2022. A large proportion of consumers reported more than one mode of consumption in the past month (39% in 2022) (Figure 22), and there was a statistically significant increase in multimodal consumption compared to the previous year. Similarly, there was a statistically significant increase in those reporting two modes of consumption from 2021 to 2022 (17.2% to 25.4%).<sup>46</sup>

In 2022, over half of current consumers reported purchases from stores, dispensaries or online as their usual source for cannabis (53.2%). Note that consumers were not asked to specify whether those were regulated versus unregulated dispensaries. More than 1 in 4 consumers still typically get their cannabis from their dealer or a friend (25.7%). Over 6% source from home grown cannabis, whether grown themselves or by someone else on their behalf. Male consumers are slightly more likely to source home grown cannabis than female (7.3% compared to 4.7%).

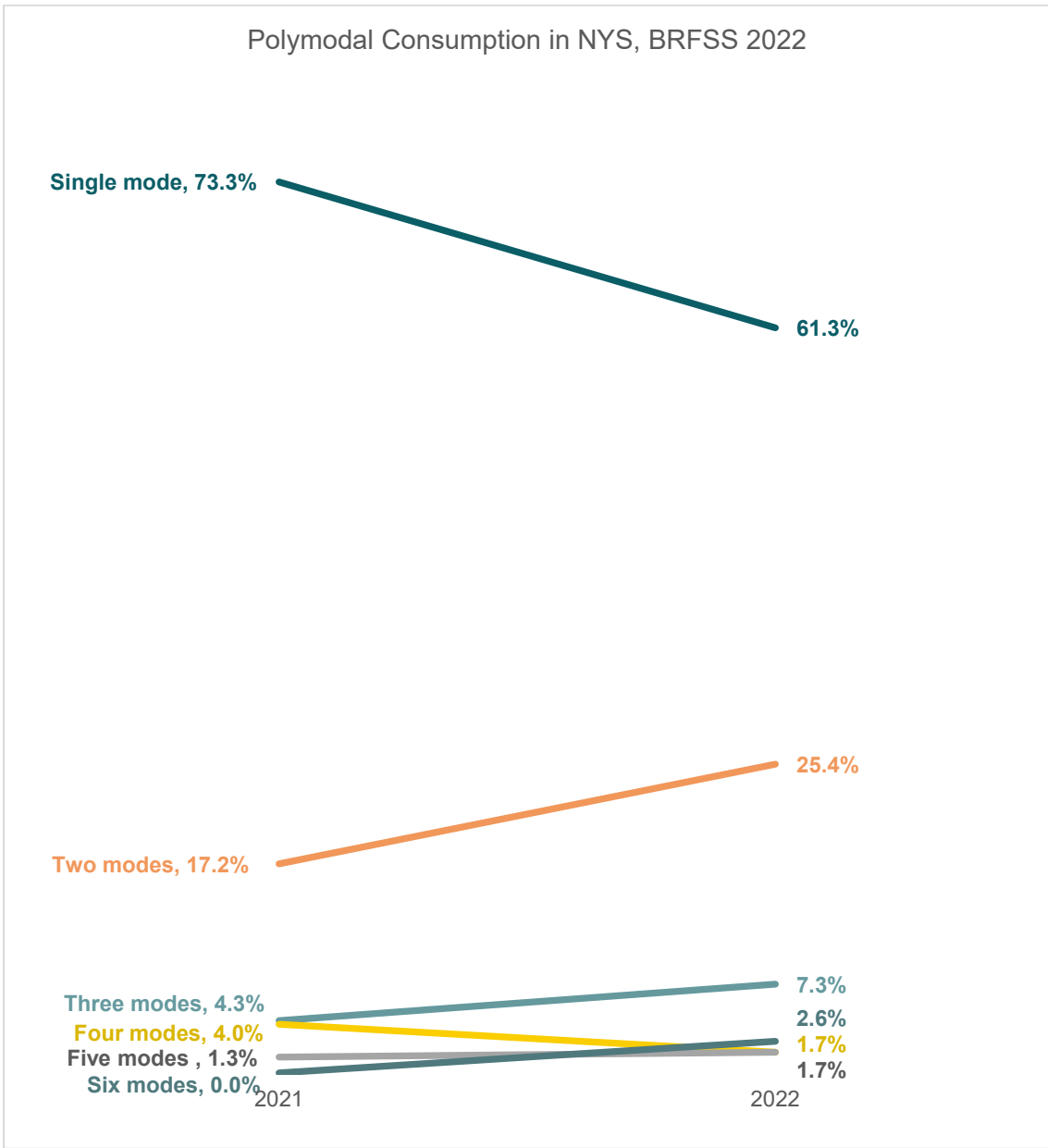
<sup>46</sup> New York State Department of Health, Behavioral Risk Factor Surveillance System 2018-2022

Statistically significant differences in home grow can be found between consumers who live in NYC versus ROS (2.5% compared to 8.3%) and between consumers who own their home versus rent their home (8.8% compared to 2.1%).<sup>47</sup>



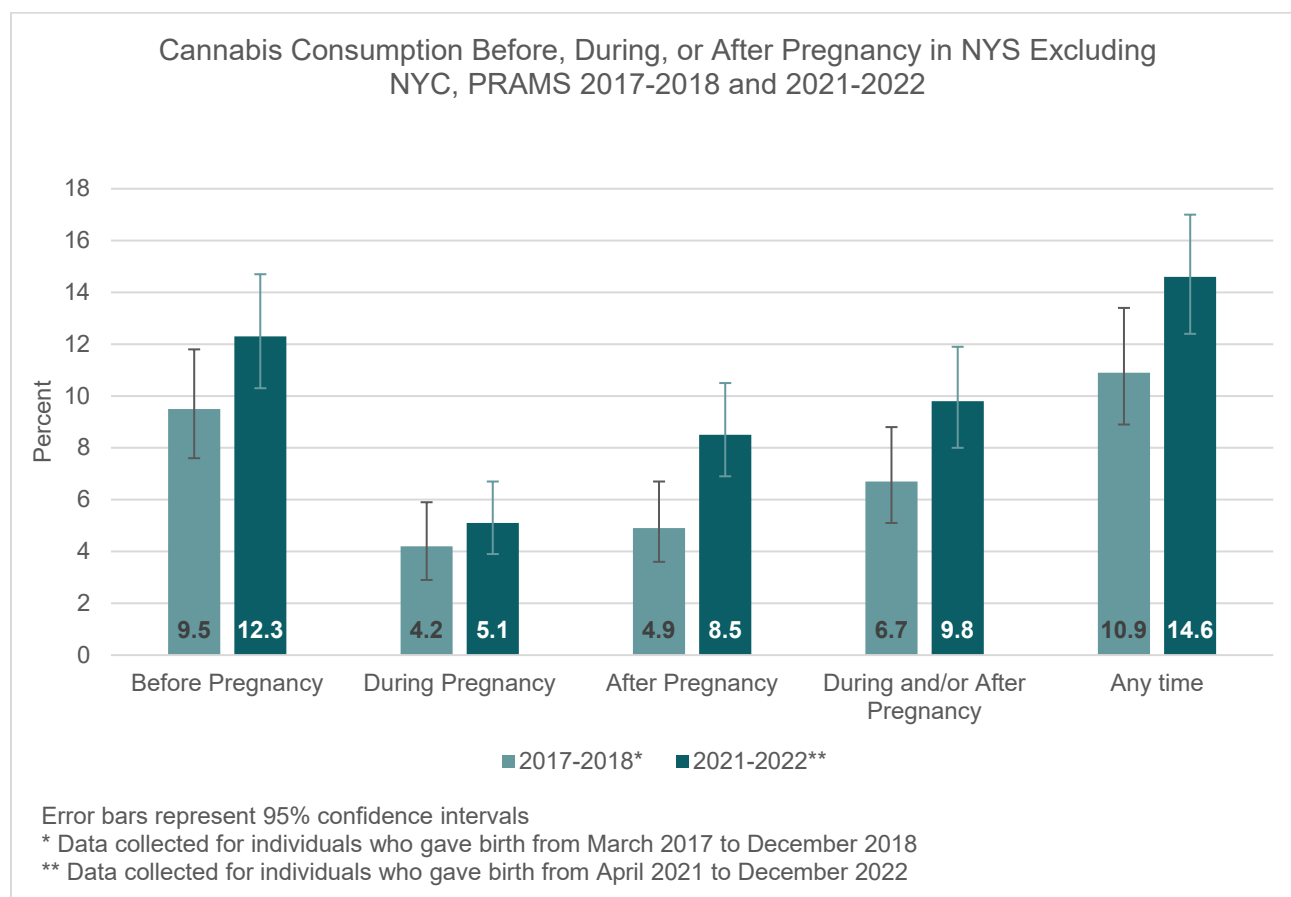
**Figure 21: Usual Mode of Adult Cannabis Consumption in New York State, BRFSS 2018-2022**

<sup>47</sup> New York State Department of Health, Behavioral Risk Factor Surveillance System 2021-2022



**Figure 22: Polymodal Cannabis Consumption Among Adults Aged 18 and Older in New York State, BRFSS 2022**

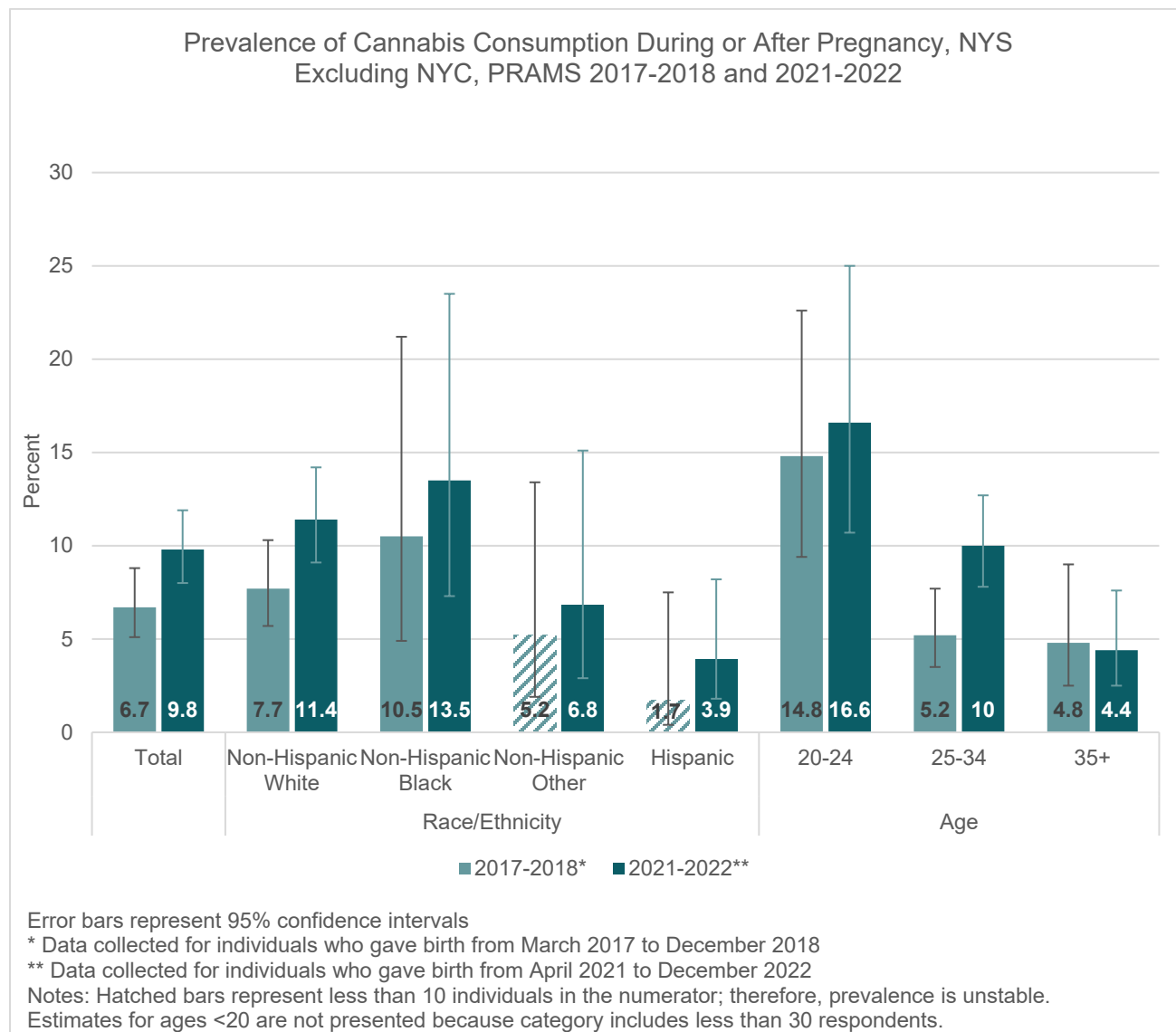
*Cannabis Consumption Before, During, and After Pregnancy:* Information about cannabis consumption before, during, and after pregnancy has been collected as a part of the Pregnancy Risk Assessment Monitoring System (PRAMS), among representative samples of people who recently gave birth in NYS outside of NYC. These data were collected prior to cannabis legalization (2017-2018) and during a period after legalization (2021-2022). The proportion of respondents who consumed cannabis anytime in the three months before, during, or after pregnancy increased from 10.9% to 14.6% pre and post legalization. This increase was driven mainly by increases in consumption before or after pregnancy, while the proportion of respondents who consumed during pregnancy demonstrated a smaller increase (4.2% to 5.1%) (Figure 23).<sup>48</sup>



**Figure 23: Cannabis Consumption Before, During, or After Pregnancy in New York State Excluding New York City, PRAMS 2017-2018 and 2021-2022**

<sup>48</sup> New York State Department of Health, Pregnancy Risk Assessment Monitoring System 2017-2018, 2021-2022

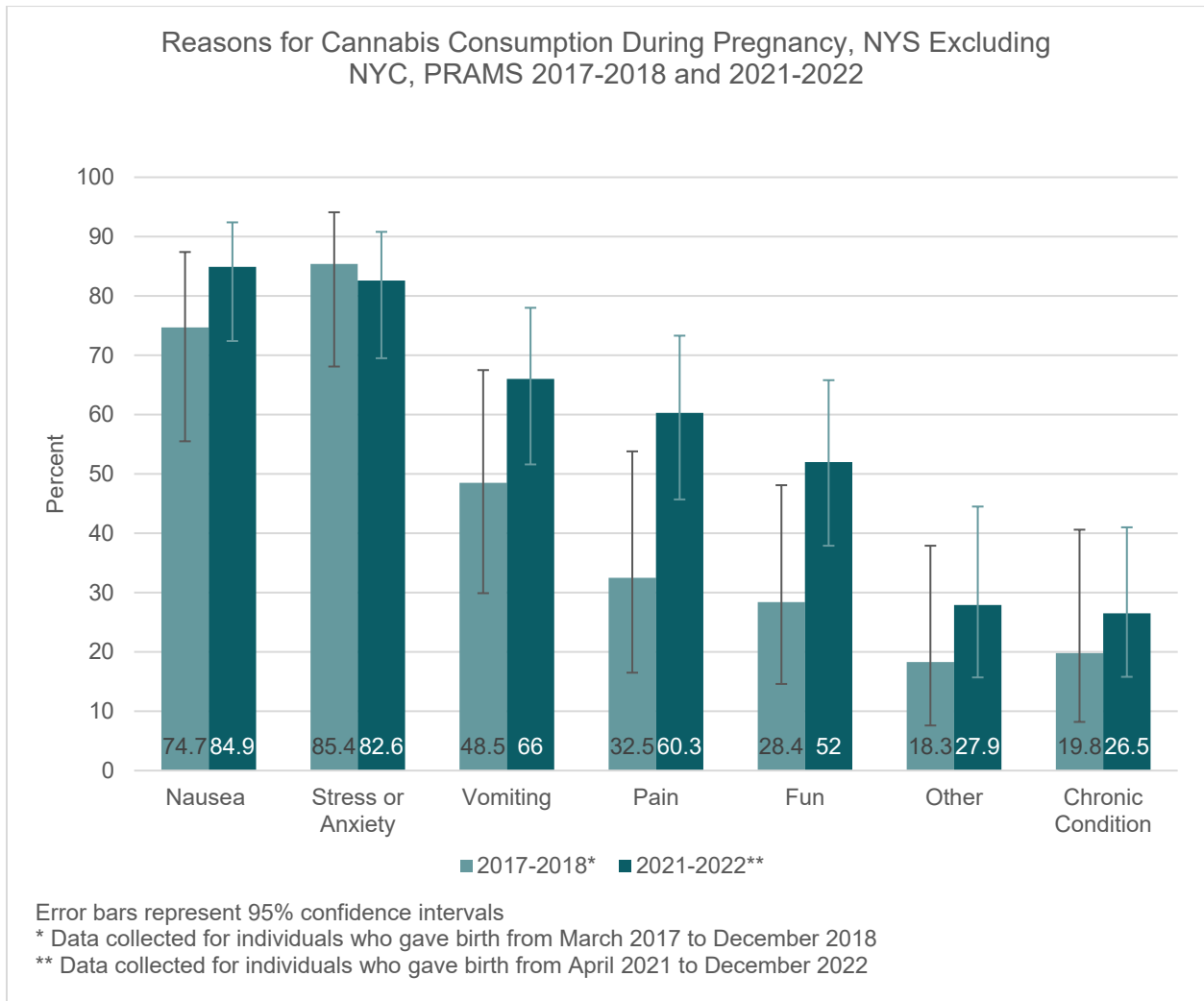
Among those who reported consuming cannabis during and/or after pregnancy (9.8% in 2021-2022), prevalence was higher among non-Hispanic Black (13.5%) and non-Hispanic White individuals (11.4%) compared to Hispanic individuals (3.9%). In 2021-2022, there was a statistically significant difference in cannabis consumption during and/or after pregnancy between race and ethnicity groups as well as among age groups (Figure 24). As expected, considering prevalence of consumption in the general population, prevalence of consumption during and/or after pregnancy was higher among younger respondents and decreased as age increased.<sup>49</sup>



**Figure 24: Prevalence of Cannabis Consumption During or After Pregnancy, New York State Excluding New York City, PRAMS 2017-2018 and 2021-2022**

<sup>49</sup> New York State Department of Health, Pregnancy Risk Assessment Monitoring System 2017-2018, 2021-2022

Of the 5.1% of respondents who consumed during pregnancy in 2021-2022, relieving nausea (84.9%) overtook stress or anxiety (82.6%) as the most common reason reported compared to those reported in 2017-2018. The largest pre-/post-legalization change observed was in relieving pain, which increased from 32.5% in 2017-2018 to 60.3% in 2021-2022. Prevalence of consuming for fun during pregnancy nearly doubled from 28.4% to 52% (Figure 25).<sup>50</sup>

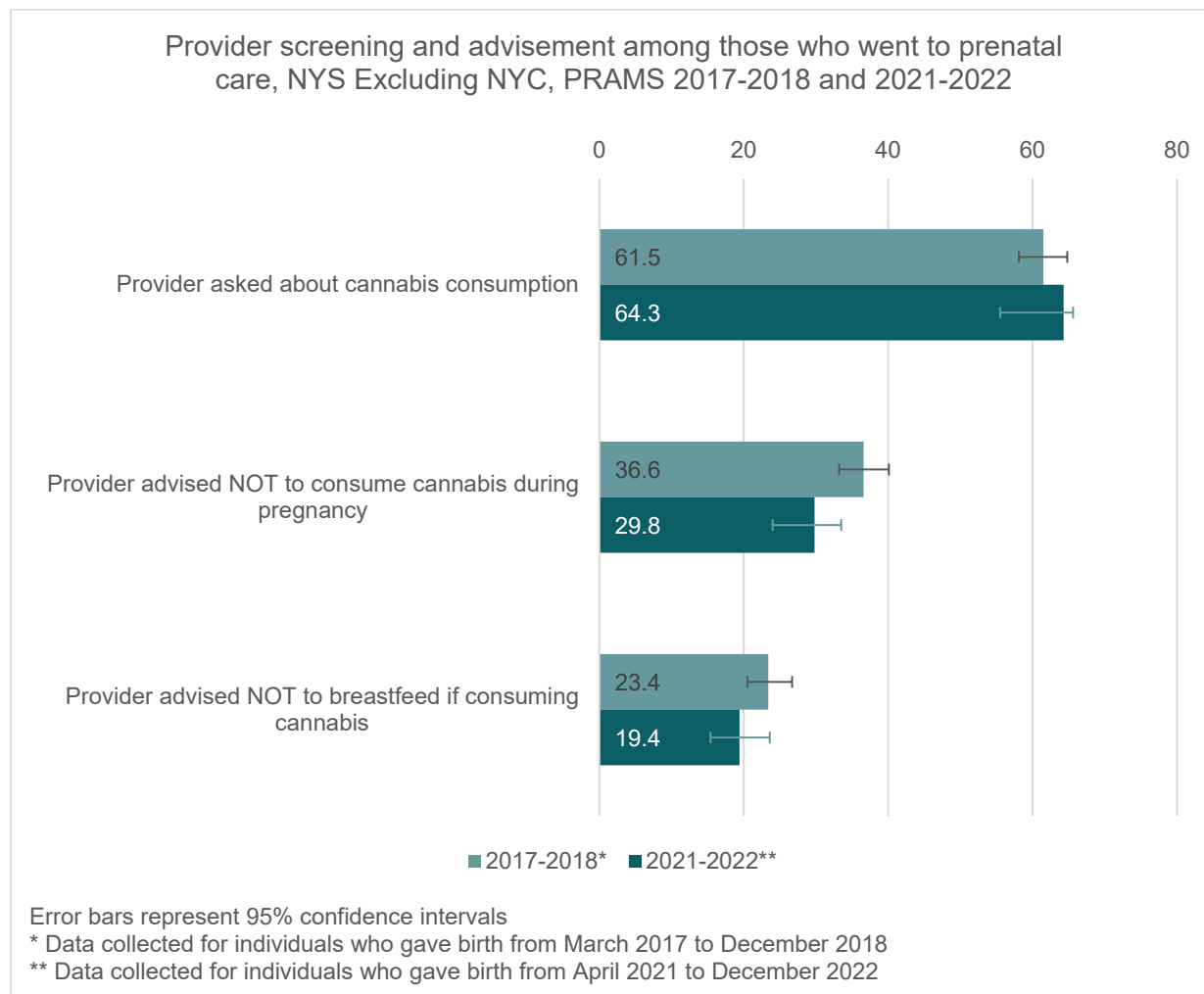


**Figure 25: Reasons for Cannabis Consumption During Pregnancy, New York State Excluding New York City, PRAMS 2017-2018 and 2021-2022**

<sup>50</sup> New York State Department of Health, Pregnancy Risk Assessment Monitoring System 2017-2018, 2021-2022



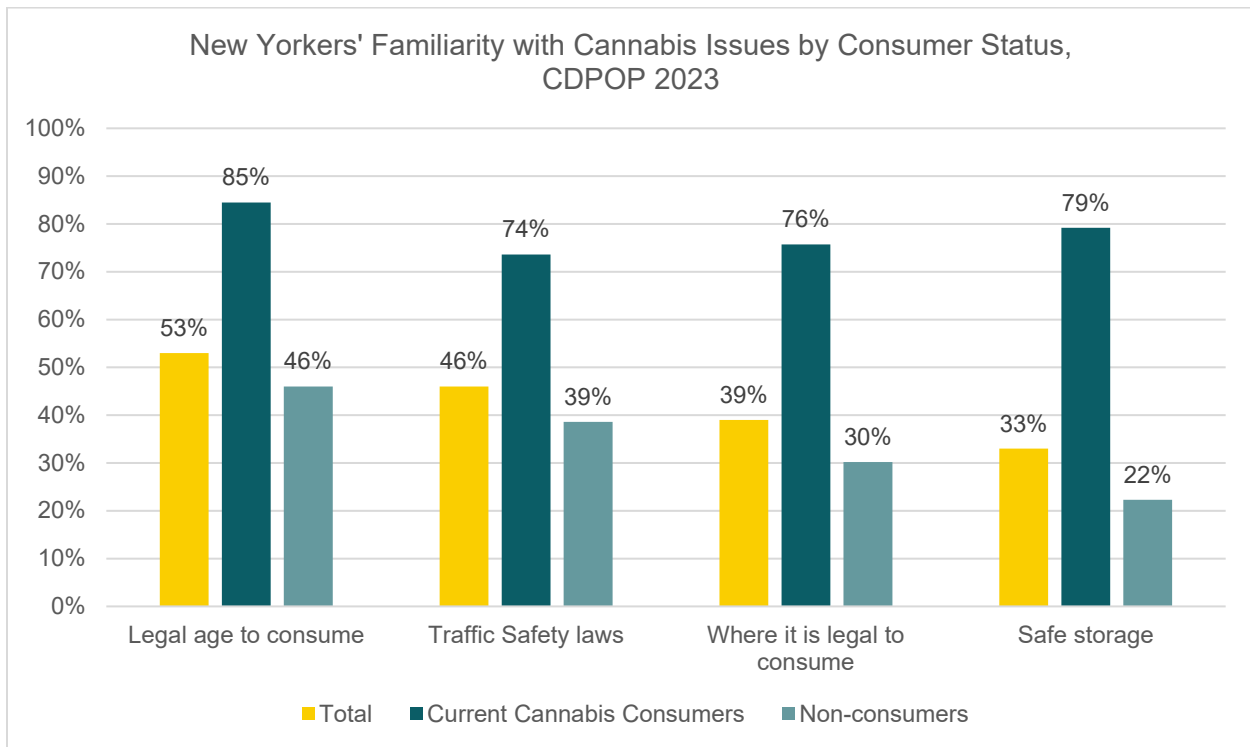
Among respondents who attended prenatal care visits, nearly two in three were asked about their cannabis consumption by their provider. This was consistent for both the pre- and post-legalization time periods. In 2021-2022, nearly 30% reported their provider advised them to not consume cannabis while pregnant and nearly 20% reported their provider advised them to not breastfeed if they are consuming cannabis. Both of those metrics decreased from pre-legalization levels (Figure 26).<sup>51</sup>



**Figure 26: Provider Screening and Advisement Among Those Who Went to Prenatal Care, New York State Excluding New York City, PRAMS 2017-2018 and 2021-2022**

<sup>51</sup> New York State Department of Health, Pregnancy Risk Assessment Monitoring System 2017-2018, 2021-2022

*Adult familiarity with cannabis issues:* NYS adults were polled in January and February of 2023 about their familiarity with certain public health and legal aspects of the Cannabis Law. Only about half of New Yorkers were familiar with the legal age to consume cannabis, while less than half were familiar with traffic safety laws regarding cannabis (46%), where it is legal to consume cannabis (39%), and how to safely store cannabis (33%) (Figure 27). Current consumers were more familiar with these aspects of the law, but still about a quarter of current consumers reported being unfamiliar with relevant traffic safety laws and about 1 in 5 were unfamiliar with safe storage practices.<sup>52</sup>



**Figure 27: New Yorkers’ Familiarity with Cannabis Issues by Consumer Status, CDPOP 2023**

**Goal 2.6: Prevent the occurrence of and support treatment for Cannabis Use Disorder**

*New York State Drug Treatment and Public Education Fund:* As described under Goal 1.2: Generate new State revenue, Article 6 § 99-jj of the Cannabis Law outlines the establishment of the NYS Drug Treatment and Public Education (DTPE) Fund. The DTPE Fund shall be disbursed by the Commissioner of OASAS, in consultation with OCM’s Executive Director and the Commissioners of DOH, OMH, and the State Education Department (SED), to develop and implement a youth-focused public health education and prevention campaign and a statewide public health campaign, provide substance use disorder treatment programs for youth and adults, and evaluate funded programs.

*Public education:* April 2024, OASAS launched a new Cannabis Toolkit for parents and mentors, designed to offer resources and information about cannabis and how to talk to young people about

<sup>52</sup> New York State Department of Health, Chronic Disease Public Opinion Poll 2023

the risks of underage cannabis use and the impact it can have. The toolkit provides evidence-based information and tips for starting and maintaining conversations with youth on things like cannabis potency, types of products, and the impact that cannabis and THC can have on the developing brain. It also offers important information on the risks of underage use, how to model healthy and safe behaviors, and discussing ways to avoid underage use altogether, all of which are hallmarks of OASAS prevention efforts. This free toolkit is available in both English and Spanish on the OASAS website.<sup>53</sup>

*NYS HOPEline:* Funded by OASAS, the HOPEline is available 24/7/365 and is staffed by specially trained and supervised mental health professionals with training in addiction.<sup>54</sup> People with lived addiction experience or peer advocates are also available at the request of the caller. Individuals may call or text to receive free and confidential information about addiction and problem gambling assessments, interventions, treatment, and support in NYS. OCM has promoted the HOPEline through multiple media, including requiring the HOPEline number on cannabis product labels and licensee advertising and including the information on public education materials.

*Data monitoring:* The Data Monitoring Plan described under Goal 2.5 includes monitoring both the prevalence of Cannabis Use Disorder (CUD, self-reported and clinically diagnosed) and the prevalence of those seeking treatment for CUD. OCM partners with DOH, OASAS, and OMH, working to identify data sources and key performance indicators to quantify the burden and response to CUD in NYS and address issues with data quality and completeness.

*New York State residents receiving CUD treatment at an OASAS-certified provider:* NYS residents who were admitted to an OASAS-certified substance use disorder (SUD) treatment program overall across all primary substances of use has decreased by 35%, from 275,903 admissions in 2015 to 179,036 admissions in 2022 (Figure 28). The number of NYS treatment admissions that reported cannabis as the primary substance of use decreased by a larger margin, by 65%, from 38,609 admissions in 2015 to 13,426 admissions in 2022. Of primary substances of use reported at admission in 2022, alcohol was the most common (45.9%) followed by heroin (23.9%). Cannabis reported as the primary substance of use comprised 7.5% of all admissions in 2022.<sup>55</sup>

Note that prior to cannabis legalization in March 2021, criminal legal-involved referrals were the most frequent type of referral due to cannabis to SUD treatment programs. Following the change in legal status in 2021, the decrease in the proportion of criminal legal referral admissions for cannabis SUD was about five times the decrease in the proportion of non-criminal legal referral admissions, indicating an impact of the law on admissions.

Of the SUD treatment admissions with cannabis reported as the primary substance of use in 2022, nearly 40% were for Black individuals, 27.6% were for White individuals, and 26.9% were for Hispanic individuals (Figure 29). The largest decrease in the number of admissions with cannabis reported as the primary substance of use since 2015 was observed among Black individuals, decreasing 68.7%, followed by White individuals, decreasing 67.2%.<sup>56</sup>

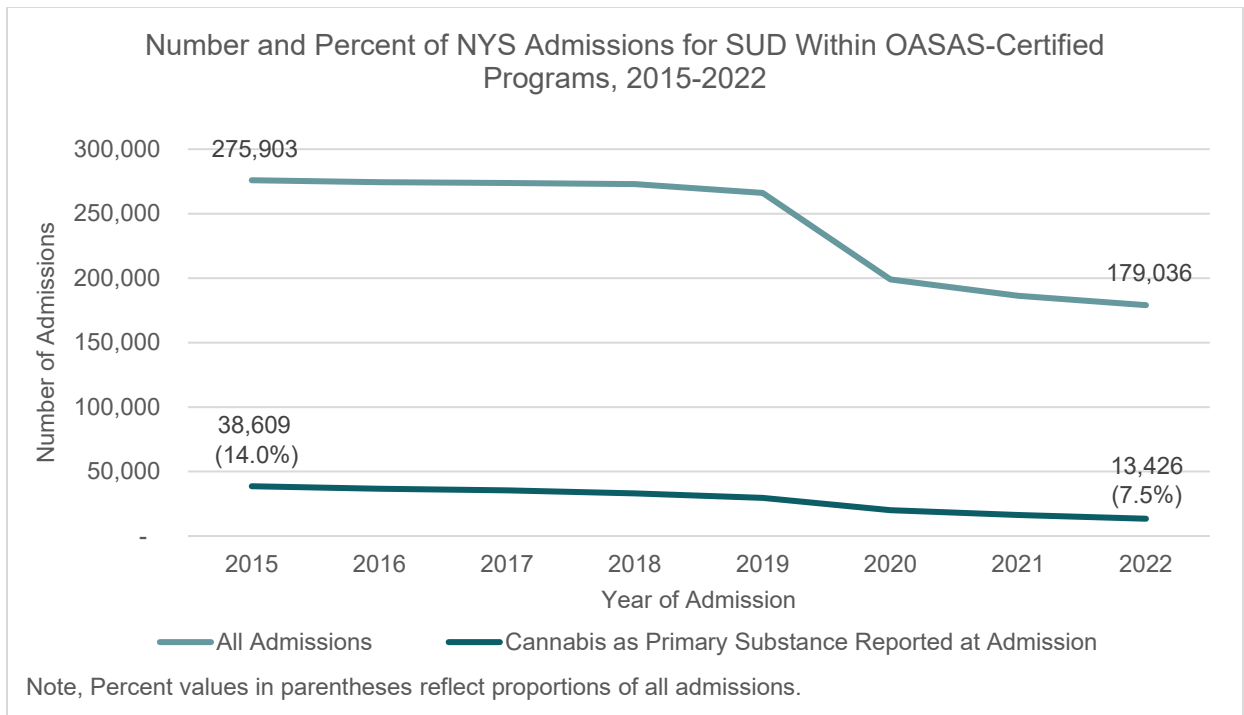
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<sup>53</sup> Office of Addiction Services and Supports, Cannabis Toolkit: <https://oasas.ny.gov/cannabis#what's-related>

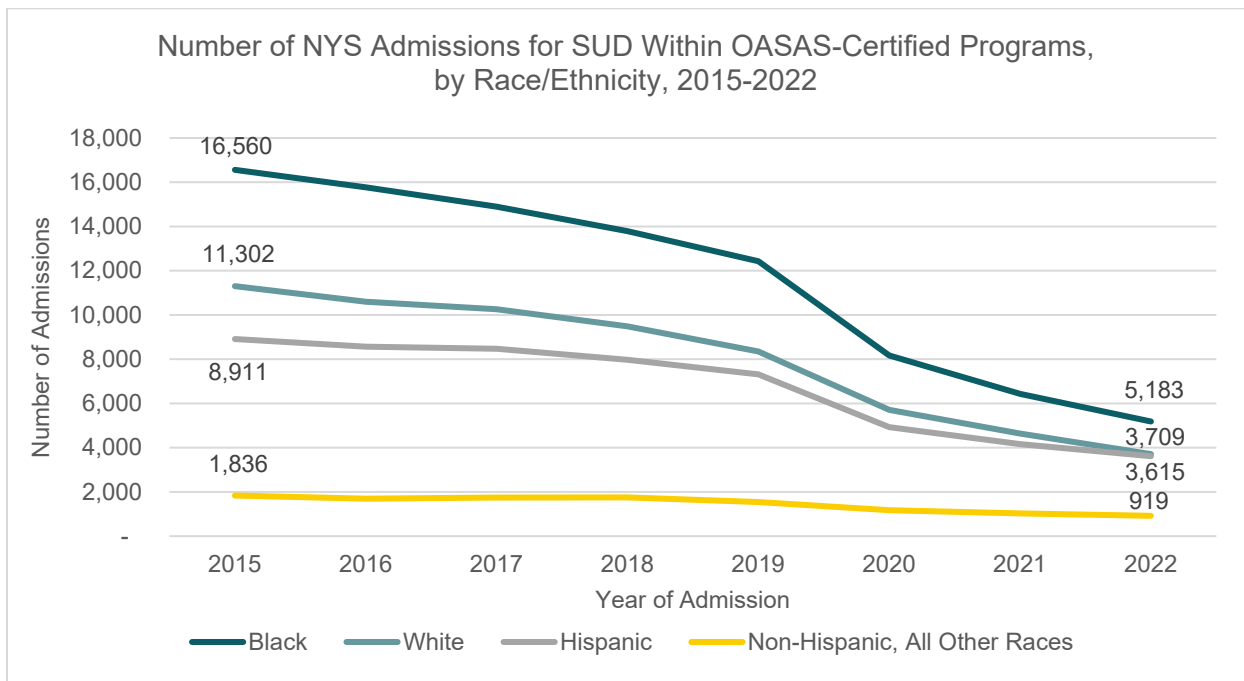
<sup>54</sup> HOPEline Services: <https://oasas.ny.gov/hopeline>

<sup>55</sup> New York State Office of Addiction Services and Supports, Data Warehouse, Client Data System

<sup>56</sup> New York State Office of Addiction Services and Supports, Data Warehouse, Client Data System

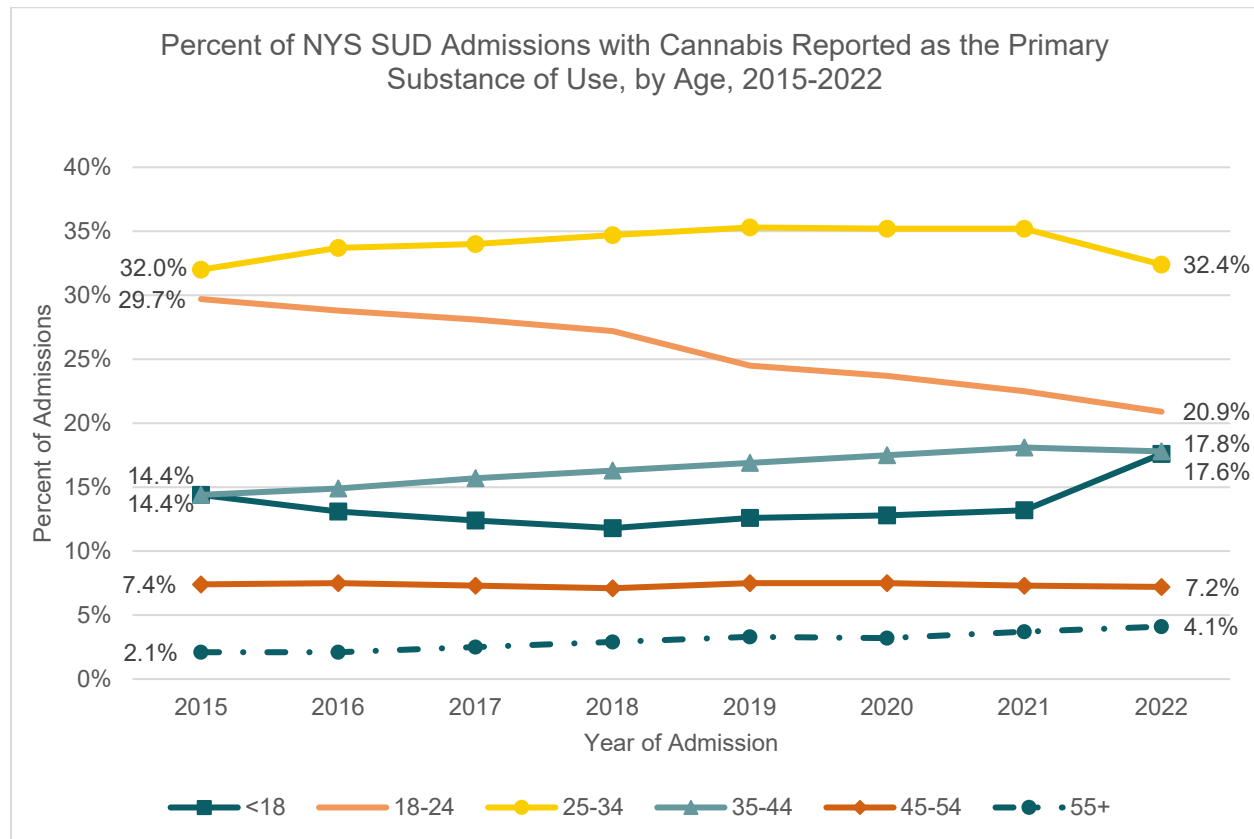


**Figure 28: Number and Percent of New York State Admissions for Substance Use Disorder Within Office of Addiction Services and Supports-Certified Programs, CDS 2015-2022**



**Figure 29: Number of New York State Admissions for Substance Use Disorder Within Office of Addiction Services and Supports-Certified Programs, by Race/Ethnicity, CDS 2015-2022**

When stratified by age at admission, the proportion of admissions with cannabis as the primary substance among the 18-24 age group decreased from 29.7% of all primary cannabis admissions in 2015 to 20.9% of all primary cannabis admissions in 2022 (Figure 30). Among the under 18 age group, admissions with cannabis reported as the primary substance of use remained relatively stable until 2021, when the proportion of admissions in this age group increased from 13.2% of primary cannabis admissions to 17% of primary cannabis admissions in 2022. The 25-34 age group had the highest reported prevalence of admissions with cannabis reported as the primary substance of use, representing 32% of admissions from 2015-2022.<sup>57</sup>

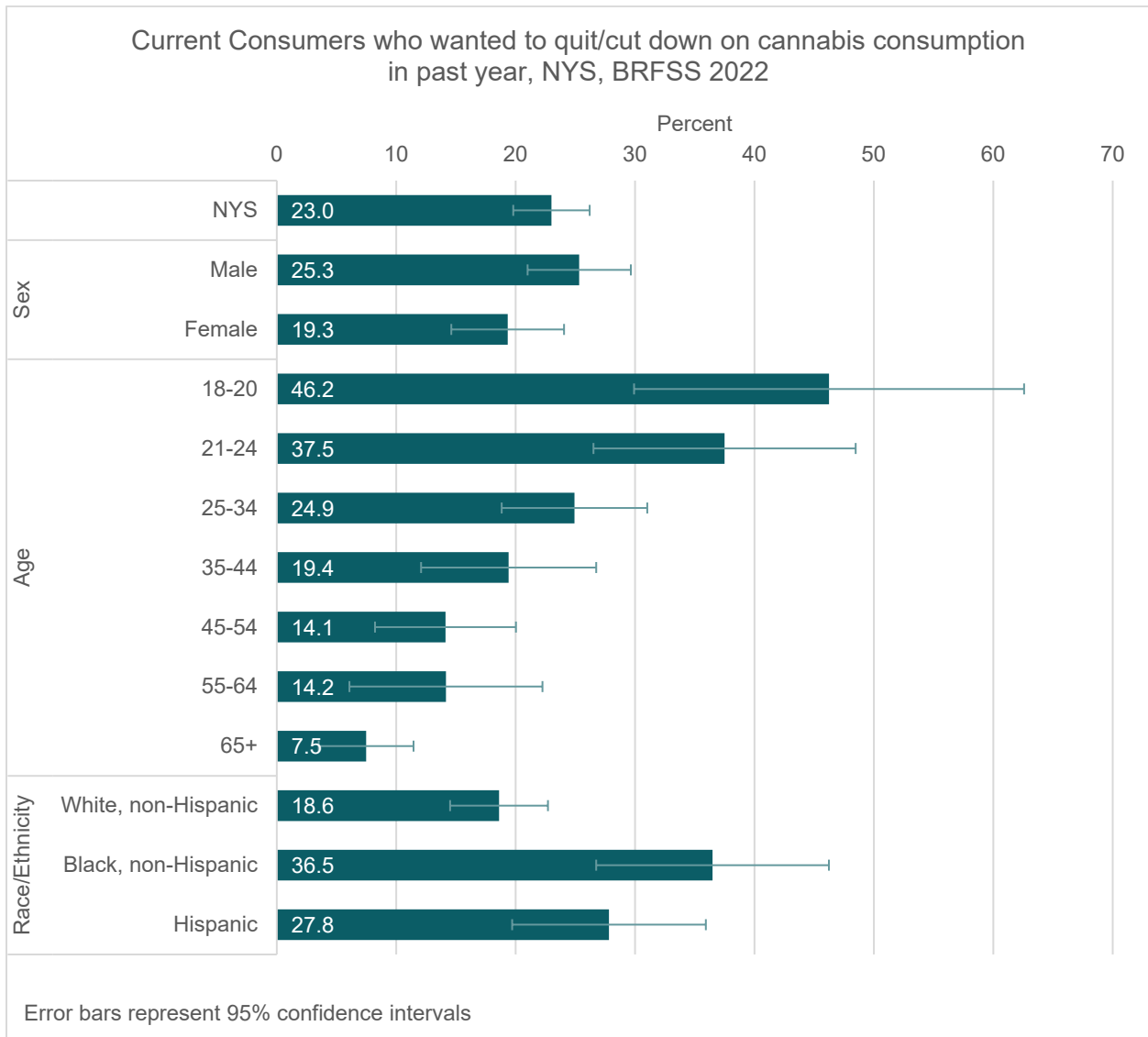


**Figure 30: Percent of New York State Substance Use Disorder Admissions with Cannabis Reported as the Primary Substance of Use, by Age, CDS 2015-2022**

*Self-reported problematic consumption:* Nearly 1 in 4 current cannabis consumers reported they wanted to quit or cut down their cannabis consumption in the past year (23%) (Figure 31). More male consumers reported wanting to quit or reduce their consumption than female consumers (25.3% compared to 19.3%), although this difference was not statistically significant. Younger current consumers were more likely to seek quitting or reducing their consumption, with 46.2% of those age 18-20 (legally underage consumers) looking to do so, followed by 37.5% of those age 21-24. When stratified by race/ethnicity, current consumers who identified as non-Hispanic Black were most likely to seek quitting or reducing consumption (36.5%) followed by Hispanic

<sup>57</sup> New York State Office of Addiction Services and Supports, Data Warehouse, Client Data System

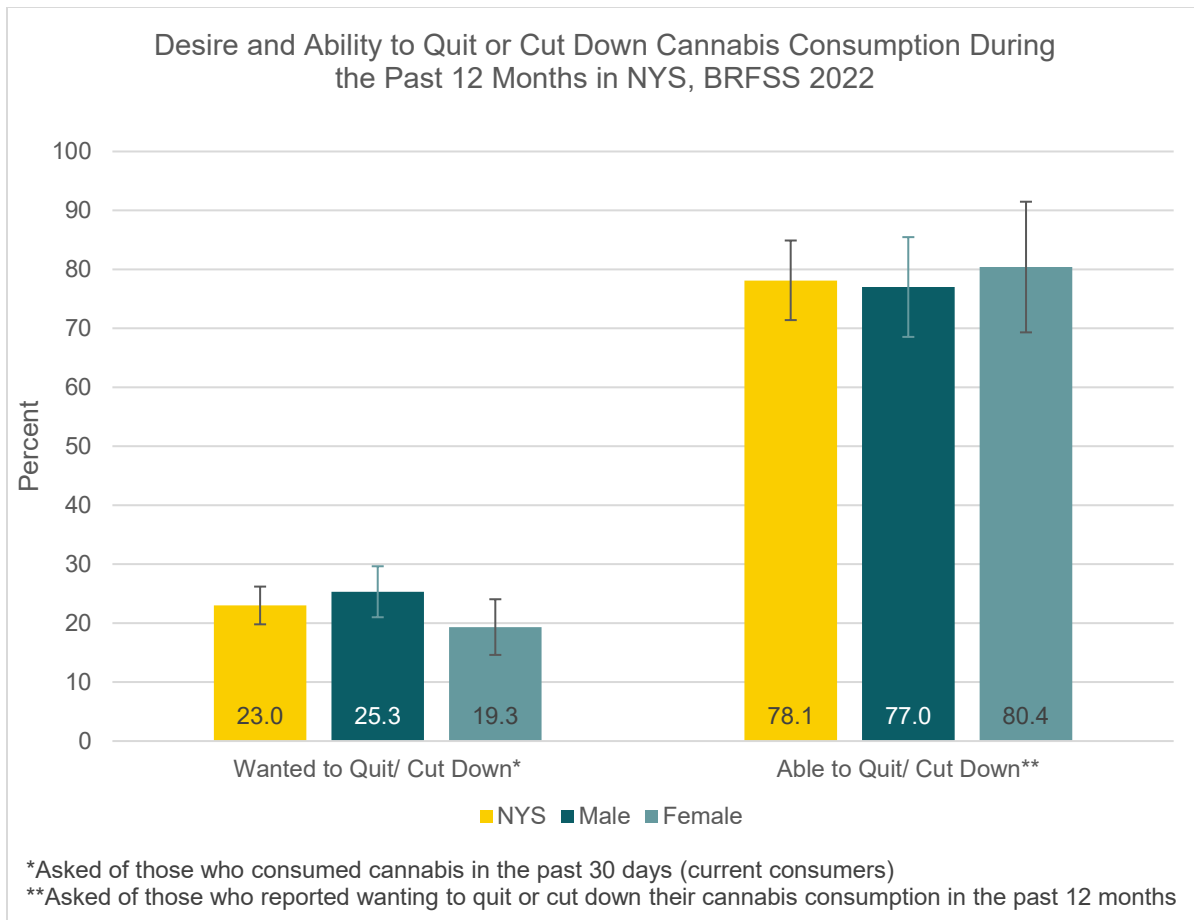
consumers (27.8%).<sup>58</sup> Of those who reported trying to quit or cut back their consumption in the past year, about 3 in 4 were able to do so (78.1%) (Figure 32).<sup>59</sup>



**Figure 31: Current Consumers Who Wanted to Quit or Cut Down on Cannabis Consumption in the Past Year in New York State, BRFSS 2022**

<sup>58</sup> New York State Department of Health, Behavioral Risk Factor Surveillance System 2022

<sup>59</sup> New York State Department of Health, Behavioral Risk Factor Surveillance System 2022



**Figure 32: Desire and Ability to Quit or Cut Down Cannabis Consumption During the Past 12 Months in New York State, BRFSS 2022**

**Goal 2.7: Expand the cannabis evidence base through research**

*Cannabis Research Regulations Effectuated:* Research is critical to our understanding of cannabis and contributes to advancements in science, agriculture, medicine, and society. Researchers have been limited in their ability to conduct cannabis related studies, but NYS has the opportunity to change this. With the framework set forth in the Cannabis Law, the creation of a Cannabis Research License, and the development of rules and regulations, OCM is encouraging studies into the chemical composition, agricultural production, consumer use, and potential therapeutic benefits of cannabis.<sup>60</sup>

Licensed researchers must meet certain reporting requirements. They must report annually to the CCB, which will determine whether the study continues to meet the research qualifications set out in regulation. They must make available documentation pertaining to the proper disposal of investigational products and any reportable occurrences, such as adverse events. Within 24 hours, licensees must notify appropriate authorities and OCM if there are urgent issues identified, such as diversion, theft, or records discrepancies. Other occurrences must be reported within ten

<sup>60</sup> Cannabis Research License: <https://cannabis.ny.gov/research>



business days, such as a breach of security or security alarm system failure. Licensees must also submit peer-reviewed and not peer-reviewed publications to OCM.

Fostering research collaborations between scientists, agronomists, engineers, and practitioners will lead to robust new innovations and evidence to uncover NYS cannabis' full potential. There is an opportunity for NYS to lead the nation and the world in cannabis science and research, as OCM continues to build a comprehensive regulated cannabis market.

*Goal 2.8: Promote occupational health and safety in the New York cannabis workforce*

*Laws and Regulations Regarding Occupational Health and Safety:* Licensees must comply with all requirements for worker health and safety standards in accordance with Part 125.6 of Title 9, as well as all applicable federal, state, and local laws and regulations related to worker training, safety, and health. Such standards include, but are not limited to:

- Having signed consent forms for employees trained in the application of chemicals,
- Maintaining safety data sheets consistent with OSHA standards pursuant to section 1910.1200 of Title 29 of the Code of Federal Regulations,
- Maintaining a written alcohol-free, drug-free, and smoke-free workplace policy,
- Assigning personal protective equipment to employees, and
- Providing emergency signage in all work areas.

*Compliance Monitoring:* OCM conducts inspections and audits to evaluate licensees' compliance with the relevant laws, rules, regulations, and other requirements, including those outlined above that are in place to protect the NYS cannabis workforce. From requiring that licensees provide proper personal protective equipment for employees to limit exposure to cannabis dust to verifying the authorized solvents are being used in product manufacturing to validating that security systems are active and operational to protect the employees and the business premises and everything in between—these are all critical aspects to protecting the occupational health and safety of licensees' employees.

*Responsible Workforce Training:* With the NYS cannabis market rapidly evolving, there is an increasing need for a well-informed and educated workforce. The adult-use cannabis regulations establish a requirement that the cannabis workforce, including all persons performing activities under a licensed cannabis business, must complete Responsible Workforce Training (9 NYCRR § 125.5). This training has four distinct components:

1. A Cannabis Product Safety and Responsibility course developed by OCM which focuses on protecting health and safety in the regulated cannabis industry;
2. A Cannabis Workforce Responsibility course developed by DOL;
3. At least two hours of training provided by a licensee that is intended to assist in training the particular activities specified by their license; and
4. An implicit bias training provided by a licensee.

The Cannabis Product Safety and Responsibility course aims to communicate key facts about cannabis products to help protect consumer safety; break down key points of the laws and regulations that will impact the workforce's daily operations; and safeguard against misinformation. The Cannabis Workforce Responsibility course aims to highlight the pivotal information that will encourage cannabis workforce health and safety; it will additionally explore rights including labor standards, protections, benefits eligibility, and other cannabis workforce

requirements. The course videos, additional learning resources, and attestation for record keeping are anticipated to be released in Fall 2024.

### Goal 2.9: Maintain and grow the Medical Cannabis Program

*Registered Organization Additional Dispensaries:* Providing communities equal access to medical cannabis is a vital strategy to support health equity in NYS. The MRTA includes a provision that increases the number of dispensing facilities a RO may operate from four to eight, provided however, the first two additional sites beyond the original four sites must be in medically underserved or unserved areas of the state as determined by the CCB.<sup>61</sup>

*Registered Organization Expansion:* The Cannabis Law states that additional ROs must be registered to expand access to medical cannabis. Such organizations are required to reflect the demographics of the state, represent communities that have been disproportionately impacted by cannabis prohibition, and be culturally, linguistically, and medically competent to serve unserved and underserved areas of the state. (N.Y. CANBS § 35(9)). In response to this mandate, OCM presented an opportunity to the general public to submit applications for new medical cannabis registrations as part of the RO Expansion program. The application period, which opened in October 2023 and closed in December 2023, sought applicants who demonstrate their ability and capacity to serve the public interest by providing affordable products for all patients, protecting environmental sustainability, meeting diversity, equity and inclusion goals, and showing medical, cultural, and linguistic competency to serve areas of the state identified to be medically unserved and underserved.<sup>62</sup> OCM received 10 applications and the CCB will identify new ROs in Fall 2024.

*Registered Organization Transition:* The Cannabis Law allows for the transition of an existing RO from operating as a strictly medical RO licensed under Cannabis Law Article 3 to an adult-use Registered Organization with Dispensing (ROD) or Registered Organization Non-Dispensing (ROND) licensed under Article 4. RODs are eligible to co-locate medical and adult-use sales at up to three of an RO's dispensaries (Co-located Dispensaries). Those Co-located Dispensaries are subject to the regulations set forth in Section 123.18 and Section 113.7 of Title 9, which define additional requirements for Co-located Dispensaries and how to apply for additional RODs. OCM began accepting applications on October 4, 2023. ROs must be in good standing with OCM and have four operational medical dispensing sites to apply for a ROD or ROND license. The following information, including but not limited to, must be submitted to OCM: a community impact plan, an energy and environmental plan, and a medical patient prioritization plan. Upon payment of the special license fee, RODs are approved to begin adult-use operations on or after December 29, 2023.<sup>63</sup>

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<sup>61</sup> For more information about medically unserved and underserved areas, see Goal 3.7: Improve equity in access to medical cannabis.

<sup>62</sup> For more information about medically unserved and underserved areas, see Goal 3.7: Improve equity in access to medical cannabis

<sup>63</sup> See Table 2 under Goal 1.1: Build and maintain a regulated cannabis market for summary data about ROs and RO Expansion approvals.

### 3. Progress on Achieving Social and Economic Equity Goals

The MRTA established a robust social and economic equity program to incentivize participation in NYS's new cannabis industry for individuals disproportionately impacted by cannabis prohibition through the implementation of the New York Social and Economic Equity (NYSEE) Plan.<sup>64</sup> The MRTA automatically expunges past marijuana convictions and mandates the investment of 40% of all adult-use cannabis tax revenue toward rebuilding communities harmed by the War on Drugs. It also establishes the goal of awarding 50% of all adult-use licenses to distinct SEE groups: individuals from a community disproportionately impacted by cannabis prohibition; minority-owned businesses; women-owned businesses; distressed farmers; and service-disabled veterans.

#### Goal 3.1: Expunge and seal marihuana-related convictions

*Expungement and Record Sealing:* OCM is committed to ensuring that all New Yorkers impacted by marihuana-related offenses are made aware of the process currently underway to expunge and seal their convictions. The MRTA provided for the automatic expungement of certain marihuana-related convictions by the Office of Court Administration (OCA) and Division of Criminal Justice Services (DCJS). This does not require filing any motions or paying any fees. The following convictions are included:

- Penal Law Section 221.05 Unlawful Possession of Marihuana in the Second Degree
- Penal Law Section 221.10 Unlawful Possession of Marihuana in the First Degree
- Penal Law Section 221.15 Criminal Possession of Marihuana in the Fourth Degree
- Penal Law Section 221.20 Criminal Possession of Marihuana in the Third Degree
- Penal Law Section 221.35 Criminal Sale of Marihuana in the Fifth Degree
- Penal Law Section 221.40 Criminal Possession of Marihuana in the Fourth Degree
- Penal Law Section 222.10 Restrictions on Cannabis Use
- Penal Law Section 222.15 Personal Cultivation and Home Possession of Cannabis
- Penal Law Section 222.25 Unlawful Possession of Cannabis
- Penal Law Section 222.45 Unlawful Sale of Cannabis
- Penal Law Section 240.36 Loitering in the First Degree where the sole controlled substance involved was marihuana and the conviction was only for a misdemeanor and/or violation
- Penal Law Section 220.03 Criminal Possession of a Controlled Substance in the Seventh Degree and the sole controlled substance involved was concentrated cannabis
- Penal Law Section 220.06 Criminal Possession of a Controlled Substance in the Fifth Degree and the sole controlled substance involved was concentrated cannabis.

Over 400,000 convictions were eligible for expungement. The law gave OCA and DCJS two years to expunge and then seal those convictions. As of June 30, 2024, a total of 202,189 convictions have been sealed under this process. As a result of the marihuana-related offense being their only conviction, 24,400 individuals no longer have a NYS criminal record barring them from seeking employment, housing, or professional licensure.

While waiting to be sealed, convictions are suppressed. Suppressed convictions no longer appear during a criminal background check or when an individual applies for employment, with the exception of police officer or peace officer, or professional licensure requiring a fingerprint-based criminal background check. As of June 30, 2024, 107,633 eligible convictions for violations of

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<sup>64</sup> New York Social and Economic Equity Plan: <https://cannabis.ny.gov/new-york-social-and-economic-equity-plan>

former Article 221 of the NYS Penal Law (PL 221 listed above) have been suppressed. Suppression of these convictions has resulted in approximately 11,000 individuals with no NYS criminal history. Eligible suppressed convictions are being processed on a rolling basis to be expunged and sealed.

No person in NYS remains incarcerated for solely a marijuana-related offense now eligible for expungement.

### Goal 3.2: End arrests for certain cannabis-related offenses

*Decriminalization of cannabis and possession of cannabis:* The MRTA repealed former Article 221 of the Penal Law, “Offenses Involving Marijuana”, and replaced it with Article 222, “Cannabis.” Article 222 authorizes adults 21 years and older to possess up to three ounces of cannabis and up to 24 grams of concentrated cannabis. Additionally, Article 222 authorizes adults to transfer such an amount to another adult, and allows adults to use, smoke, ingest, or consume cannabis or concentrated cannabis. Article 222 also restricts cannabis use in locations where tobacco use is prohibited, including school grounds. Further, Article 222 created new offenses for the unlawful or criminal possession or sale of cannabis, with penalties ranging from a fine up to a class C felony.

The MRTA also authorized the personal cultivation and home possession of cannabis in Penal Law provisions, authorizing adults 21 years and older to plant, cultivate, harvest, dry, and possess no more than three immature cannabis plants and three mature cannabis plants, or no more than six immature cannabis plants and six mature cannabis plants per private residence. These statutory provisions tasked OCM with regulating home cultivation, including for medical and adult-use purposes. The MRTA and subsequent regulations authorized the home possession of cannabis of up to five pounds of cannabis in one’s private residence, or the equivalent in concentrated cannabis, such as edibles and tinctures. The regulations authorizing the home cultivation of medical cannabis were finalized on October 5, 2022. The regulations authorizing the home cultivation of adult-use cannabis and further updating medical cannabis home cultivation regulations were finalized on June 26, 2024.<sup>65</sup>

*The odor of cannabis no longer considered probable cause:* The MRTA ended decades of stigma by preventing law enforcement from using the odor of burnt or unburnt cannabis as probable cause in investigating any crime. Further, provisions protect individuals for the possession of or the suspicion of the possession of cannabis or concentrated cannabis in the amounts authorized by the Penal Law, the presence of cash or currency in proximity to cannabis or concentrated cannabis in the amounts authorized by the Penal Law, and the planting, cultivation, harvesting, drying, processing, or possession of cultivated cannabis in the amounts authorized by the Penal Law.

### Goal 3.3: Make substantial investments in communities and people most impacted by cannabis criminalization

*Identifying communities disproportionately impacted by cannabis prohibition:* The enforcement of cannabis prohibition has had devastating effects on numerous communities, which continue to endure the collateral consequences of the state’s legacy of harsh drug laws. Decades of excessive policing and systemic arrest and incarceration rates have disproportionately harmed the economic, social, psychological, and financial well-being of these communities and their

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<sup>65</sup> See Goal 1.1 Build and maintain a regulated cannabis market for more discussion about home cultivation.

families. The MRTA mandates the CCB, in consultation with the Cannabis Advisory Board (CAB), Chief Equity Officer and Executive Director, to issue guidelines to determine how to assess which communities have been disproportionately impacted and how to assess if someone is a member of a community disproportionately impacted (CDI) by cannabis prohibition. Section 87 of the MRTA defines a CDI as “a history of arrests, convictions, and other law enforcement practices in a certain geographic area, including, but not limited to, precincts, zip codes, neighborhoods, and political subdivisions, reflecting disparate enforcement of cannabis prohibition during a specific time period relative to the rest of the state” (N.Y. CANBS § 87(5)(g)).

Based on this definition, OCM analyzed population and the number of cannabis-related arrests within census tracts over a period of time to identify CDIs. Utilizing data from decennial census surveys and data provided by the DCJS on the residential address of all individuals arrested in NYS from 1980 through 2021, OCM was able to determine the arrest rates for the state as a whole and for local census tracts. Where the local arrest rate substantially exceeded the state’s arrest rate, OCM designated the area as a CDI. The CDI census tracts demonstrate that approximately one quarter of NYS’s population experienced three quarters of the arrests over the last four decades. Those who live or have lived in a CDI are one of the groups eligible to apply for licensure as a SEE candidate.<sup>66</sup>

Results from the CDI analysis highlight the staggering racial disparities in cannabis arrests in NYS:

- OCM estimates that out of 1.3 million cannabis-related arrests from 1980 to 2021, 57% of those arrested were Black individuals and 25% were Hispanic individuals.
- Black New Yorkers were 15 times more likely to be arrested for marijuana than their White counterparts.
- Hispanic New Yorkers were 7.5 times more likely to be arrested for marijuana than their non-Hispanic White counterparts.
- Of those 1.3 million cannabis-related arrests, just over 245,000 resulted in a conviction for a misdemeanor or a felony. Of those 245,000 convictions, 62% of those convicted were Black and 21% were Hispanic.<sup>67</sup>

*Community Grants Reinvestment Fund:* Governed by the CAB and administered by OCM, the NYS Community Grants Reinvestment Fund (CGRF) will reinvest cannabis tax revenue to those communities most affected by past federal and state drug policies and cannabis prohibition. The establishment of the CGRF in the MRTA acknowledges decades of harm and loss at the individual, interpersonal, and community level caused by prohibition. By investing in community-based organizations that serve the most affected areas of the State, the Fund sets a course of restorative justice aimed at strengthening the services and institutions poised to address these systemic gaps and those who have contributed to the resilience of families and networks despite the devastating consequences of prior cannabis policies.

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<sup>66</sup> NYS Communities Disproportionately Impacted: <https://cannabis.ny.gov/communities-disproportionately-impacted>

<sup>67</sup> New York State Division of Criminal Justice Services, Computerized Criminal History System (September 2022). This includes all finger-printable arrests, regardless of conviction, for NYS Penal Law Article 221 as the most serious charge in an arrest event and follows each arrest through the criminal justice process.



The CGRF will receive 40% of the NYS Cannabis Revenue Fund, as described under Goal 1.2: Generate new State revenue, which will fund the Community Reinvestment Program (CRP).<sup>68</sup> The inaugural request for applications to the CRP is anticipated in Fall 2024, seeking to award community-based programs serving youth to address workforce development, housing, and mental health.

*Equity Roundtables:* As required by Section 87 of the Cannabis Law, the NYSEE Plan must be developed in consultation with the Chief Equity Officer, the Executive Director, and guided by public input to actively promote applicants from the five SEE groups identified in the MRTA: those from communities disproportionately impacted by cannabis prohibition, minority- or women-owned businesses, distressed farmers, or service-disabled veterans (N.Y. CANBS § 87(1)).

In carrying out the responsibility to ensure relevant public input, OCM organized a series of equity community roundtables to gather information from the various community groups that are most likely representative of the CDIs, minority-owned businesses, women-owned businesses, distressed farmers, and service-disabled veterans. The team engaged with community stakeholders representing each SEE group in both upstate and downstate regions of the state.

Community organizations recruited participants for roundtable sessions to ensure the integrity of the process. Over 400 NYS residents offered valuable insight and constructive solutions based on their lived experiences and identified barriers to accessing economic opportunities that their communities have historically encountered. In addition, dozens of participants described in detail the psychological and economic toll that the disproportionate enforcement of cannabis prohibition has had on their lives and on their communities. Findings from these roundtables are detailed in the NYSEE Plan.<sup>69</sup>

*Conditional Adult-Use Retail Dispensary (CAURD) License:* NYS's commitment to ensuring equity in the regulated cannabis industry and addressing the harm for individuals unjustly affected by the enforcement of cannabis prohibition is further supported by the CAURD program, a pillar of the States' Seeding Opportunity Initiative. Approved by the CCB and issued by OCM, CAURD licenses positioned either justice-involved entrepreneurs convicted of marijuana-related offenses or their eligible family members at the front end of the NYS adult-use market. The CAURD license was additionally made available to non-profit organizations that serve justice-involved individuals and communities disproportionately impacted by cannabis prohibition. Equity-owned businesses awarded this license in NYS were the first to open retail dispensaries and make legal adult-use cannabis sales in NYS with products grown by NYS farmers.<sup>12</sup>

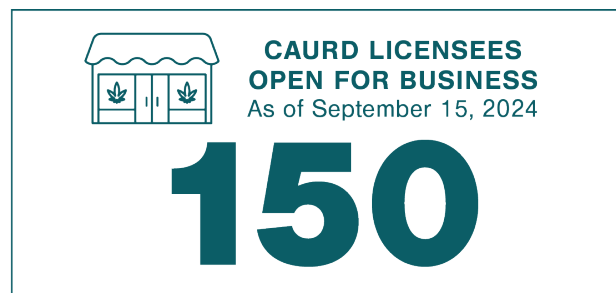
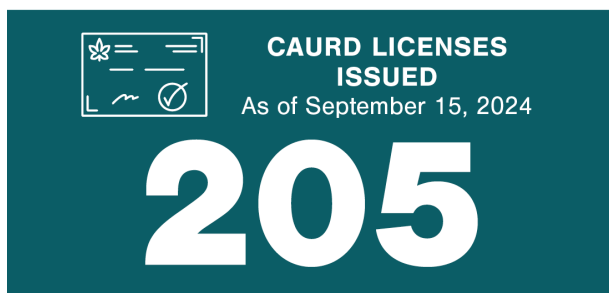
On July 14, 2022, the CCB directed OCM to file regulations to be effective for the CAURD License. The first provisional CAURD licenses were approved by the CCB on November 21, 2022, with over 900 applications received during the application window period. From August to December of 2023, CAURD application processing was slowed or halted due to ongoing five-month litigation. There were multiple lawsuits, including Article 78 proceedings, brought against OCM that challenged the CAURD program, including *Variscite NY One, Inc., v. The New York State Cannabis Control Board, et al.*, *Coalition for Access to Regulated and Safe Cannabis v. The New York State Cannabis Control Board, et al.*, and *Carmine Fiore, et al. v. The New York State Cannabis Control Board, et al.*, each of which resulted in significant delays of issuing licenses

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<sup>68</sup> Community Reinvestment Program website: <https://cannabis.ny.gov/reinvestment>

<sup>69</sup> NYSEE Plan: <https://cannabis.ny.gov/new-york-social-and-economic-equity-plan>

because of court-ordered injunctions against OCM. Such litigations were resolved, and OCM was able to move forward with continuing the CAURD program at the end of 2023. After the pause in licensing due to the litigation was lifted, on May 10, 2024, the CCB approved a resolution to extend the provisional license period by an additional 12 months from the date of provisional license receipt in response to regulations governing the CAURD program, which stipulate that licensees must commence operations within 12 months of provisional license issuance (Section 116.7(c)(8)). Furthermore, the resolution offered greater flexibility by permitting CAURDs to establish their retail dispensaries in any region across NYS, eliminating the previous requirement to locate within the region of provisional license receipt. As of publication of this report, OCM has reviewed and scored every CAURD application received. OCM is nearing the completion of issuing a final license determination on every initial CAURD application received.



*Goal 3.4: Provide incubation services to social and economic equity applicants and licensees*

One of the pillars supporting development of an equitable cannabis market are entrepreneurs prepared to seek licensure and enter the industry. Set forth by N.Y. CANBS § 87.4 of the Cannabis Law, the CCB, in consultation with the CAB and the Chief Equity Officer, must create an incubator program to encourage SEE applicants to apply and, if granted an adult-use cannabis license, permit, or registration, provide direct support in the form of counseling services, education, small business coaching and financial planning, and compliance assistance. To that end, OCM has created NYS Cannabis Hub and Incubator Program (CHIP).<sup>70</sup> CHIP encompasses a variety of service-driven initiatives designed to advance opportunity across the broad spectrum of SEE applicants and licensees. CHIP offers a continuum of entry points into the industry, spanning the entire supply chain with services tailored to meet entrepreneurs where they are, including obtaining licenses, staying operationally compliant, and thriving in the cannabis market. These efforts were the initial steps taken to accelerate and incubate cannabis businesses to aid in meeting requirements outlined in the Cannabis Law.

*Cannabis Compliance Training and Mentorship Program:* The Cannabis Compliance Training and Mentorship (CCTM) Program is a 10-week virtual training program aiming to train four cohorts of trainees/mentees: legacy cultivators, legacy processors, traditional farmers, and traditional food and beverage processors. The program, developed by OCM in partnership with SUNY Morrisville and Cornell University, includes instruction from cannabis-experienced accountants and

<sup>70</sup> Visit the Social and Economic Equity page for more information about CHIP:  
<https://cannabis.ny.gov/social-and-economic-equity>



attorneys. Its goal is to diversify and expand the pool of cultivators and processors ready for the New York cannabis market.

OCM and DOL carried out a rigorous selection process in Fall 2022, followed by live virtual interviews in January 2023. The final cohort consists of 93 growers from the unregulated market, 43 processors from the unregulated market, 80 traditional farmers, and 26 traditional food and beverage processors. Participants will be equipped to operate in a regulated environment.

Approximately 66% of the inaugural cohort were historically underrepresented in farm ownership and/or SEE applicants per Section 87 of the Cannabis Law. Given that BIPOC farmers and producers make up only 1.3% of producers in NYS, the CCTM model has the potential to transform the agricultural landscape statewide.

The program commenced in January 2023, offering courses and technical training supported by SUNY Morrisville, Cornell University, OCM, and holders of AUCC and AUCP licenses. Participants engaged in up to 21 webinars covering topics like Cannabis Business Accounting, Labor Laws, Agricultural Human Resources, Plant Genetics, Lab Testing, and Good Manufacturing Practices. Each CCTM participant was paired with an AUCC or AUCP to facilitate a deeper understanding of establishing a business in a regulated marketplace.

*Technical and License Assistance Providers (TAPs):* OCM identified an urgent need for SEE applicants to receive technical assistance in completing the application process. To facilitate this support, OCM strategically collaborated with voluntary community-based organizations, municipalities, academic institutions, and key community stakeholders, bringing together over 60 TAPs to form a network dedicated to streamlining the license application and curing deficiency process for SEE applicants. During the 2023 license application window, TAPs provided volunteer-based technical assistance and application support for the adult-use and SEE applicants via virtual and in-person assistance.

- Engaged and trained over 60 TAPs to provide application assistance.
- Fulfillment of over 800 requests from SEE applicants.
- Coverage of all 10 NYS Empire State Development Regions within the TAP network.

*Technical Assistance Program (TAP) Grants:* TAP Grants provide funding to community-based organizations, not-for-profit, and educational institutions that support SEE applicants and early-stage licensees in the operationalization of their businesses. In the first round of funding, TAP grantees were awarded up to \$75,000 to provide expert guidance, equip SEE applicants and licensees with the knowledge, tools, and information necessary to successfully understand and navigate the application and licensing process, and provide support and training in regulatory compliance. Additionally, grantees provide 1:1 mentorship, application curing assistance, post-licensure support, new business guidance, supply chain education, and SEE certification assistance.

- The first round of TAP Grants awarded over \$650,000 in total funding to 9 grantees across NYS.

*CHIP Academy:* OCM established CHIP Academy to educate and support conditional and new licensees in maintaining compliance with regulations, Good Manufacturing Practices (GMPs), and best practices. The inaugural phase of the CHIP Academy (Part 1) began on November 1, 2023, and concluded on November 21, 2023. Each module averaged 120 views from AUCC and AUCP

participants, with an average of 50 questions answered per module. These educational modules guided and supported conditional license holders in completing adult-use applications and maintaining regulatory compliance.

Following the inaugural phase of CHIP Academy Part 1, Part 2 of the initiative began March 4, 2024, and concluded on May 28, 2024. CHIP Academy 2 included meeting with various stakeholders and licensees across NYS to identify gaps in knowledge and determine the most pressing educational needs. Following this assessment, a series of webinars and resources were designed to address these gaps and provide clarity on regulations for licensees. Collaboration with community cannabis leaders, industry experts, and conditional licensees was essential to gauge interest participation and secure instructors for the educational sessions. Instructional live webinars and online resources were provided as ongoing support to licensees and used to gather feedback and adjust sessions as needed.

- **Live Expert-Led Webinars:** CHIP Academy conducted virtual webinars at least twice weekly, covering essential skills and knowledge for licensees.
  - A total of **47** live virtual webinars were delivered.
  - **57.5** hours of teaching time were delivered in total.
  - Average participation of **23** attendees per live webinar (excluding introductory session).
  - Most viewed sessions (live)
    - Introduction to CHIP Academy - 179 live viewers
    - Breeding 1: Basics - 52 live viewers
    - Microbusiness Compliance Overview - 53 live viewers
    - Processing Regulations & Compliance Overview - 45 live viewers
    - Legal Considerations & Business Formation - 35 live viewers
- **Online Course Content:** Replays of the webinars were made available as online courses with additional resources and exercises, allowing participants to learn at their own pace.
  - Recorded sessions were viewed a total of **863** times.
  - Most viewed recorded sessions:
    - Introduction to CHIP Academy - 70 views
    - Cultivation Regulations & Compliance Overview - 62 views
    - Microbusiness Compliance Overview - 47 views
    - Inventory Tracking & Record Keeping Strategies - 43 views
    - Transitioning Cultivation into Compliance Part 1 - 41 views
    - Retail Regulations & Compliance Overview - 36 views
    - Distribution Regulations & Compliance Overview - 35 views
    - Cannabis Business Accounting, Capital Raise/Management, and THC Tax - 33 views

*CAURD Accelerator:* The CAURD Accelerator program, funded and administered by OCM, is a state-initiated specialized program designed to help create a fair cannabis market, by increasing CAURD licensees' chances of long-term success in the highly competitive cannabis retail market. The CAURD Accelerator strives to prepare CAURD licensees to successfully launch and operate their cannabis business, emphasizing cannabis compliance, marketing, and financial literacy. It provides one-on-one mentoring and intensive training through hands-on assistance, forty distinct workshops, and consultations with finance specialists. To provide this service, OCM partnered

with Our Academy, a 501(c)(3) with a long-standing track record of performing these services nationwide. Below are the components of the CAURD Accelerator program and key statistics highlighting the program's achievements:

- **Live NY Kickoff Event:** The 2023 CAURD accelerator program was launched on March 17, 2023, with a live event at Soho Works in Brooklyn, New York. Over 150 people attended the event, the majority of whom were CAURD licensees, but also included regulators, government leaders, and industry experts. The event included six live seminar-style workshops and was recorded for online learning content accessible to those who could not attend in-person.
- **Live Expert-Led Workshops:** Live sessions were conducted twice weekly, covering the essential core competencies for opening and operating a New York cannabis dispensary. The workshops offered comprehensive guidance and insights from industry experts.
  - 54 educational sessions were delivered, comprising 12 pre-recorded courses, 30 live virtual workshops, and 12 vendor demos.
  - A total of 63 hours of teaching time was delivered.
  - Average participation of 55 attendees in each live workshop and 13 participants in each vendor demo.
- **Online Courses:** Replays of the workshops are available as online courses with additional resources and exercises. These courses allow participants to review and reinforce the workshop content at their own pace. Over half of the participants (54%) completed 100% of the online courses.
- **MJ Unpacked Conference:** CAURD Accelerator sponsored ten brand showcases to attend the conference and showcase innovation, including 80 free conference passes for CAURD licensees, promoting inclusive participation at the event, and a meet-and-greet event connecting sponsored CAURD entrepreneurs with potential investors to support licensees attending the conference.
- **Community Space:** The program provided a dedicated Slack channel where accelerator participants were able to engage in discussions, share insights, and seek help from peers and program administrators. The Slack community served as a crucial communication channel, facilitating interactions between program administrators and participants. It effectively served its purpose as a means for program administrators to communicate important updates, such as scheduling live workshops and disseminating essential program-related information. Approximately 136 individuals joined and actively participated in this dedicated platform; these individuals were either licensees or someone who works closely with or for the licensee.
- **Office Hours:** The Office Hours aspect was crucial to providing comprehensive support to New York cannabis entrepreneurs. Participants had the opportunity to join 1:1 or group calls with subject matter experts, offering them a platform to address their specific questions and concerns. The program covered various essential areas such as finance, marketing, compliance, business plans, program support, and operations. Over 320 touchpoints were recorded between subject matter experts and participants.
- **Pro Forma Services & Consultation:** NYS's commitment to empowering CAURD licensees extended to providing comprehensive financial support through proformas. Business owners received complimentary proformas preparation, personalized 1:1 support, and consultation to understand and optimize their use. Established contracts allowed for the provision of up to 175 proformas, with initial access granted to the first 88 licensees during

the first cohort. Out of the 88 invited licensees eligible to have a pro forma prepared, approximately half have requested a pro forma.

*Accelerator Expansion:* Following the successful launch and operation of CAURD licensee cannabis enterprises, OCM initiated a contract expansion to include 750 CAURD and SEE Retail Dispensary licensees, offering comprehensive services and educational resources at no cost through December 15, 2024.

Key services provided by the program include live expert-led workshops, with 63 sessions delivered to date, and over 20 additional sessions planned. These workshops have engaged an average of 95 participants per session, totaling 75 hours of instructional time. Furthermore, the program offers online courses with interactive features, achieving a 92.3% satisfaction rate among participants. The accelerator continues to provide personalized one-on-one office hours, with over 690 recorded touchpoints, pro forma services to aid financial decision-making, and a free library of SOP templates for dispensary operations—collectively providing significant value to licensees.

**Goal 3.5: License social and economic equity businesses**

*Adult-Use License Application Review—SEE Eligibility:* The MRTA established the goal of awarding 50% of all adult-use licenses to SEE applicants. In support of this effort, the adult-use license applications include a section assessing eligibility for one of the five SEE groups identified in the MRTA.<sup>71</sup> The CCB approved the initial round of adult-use licenses in February 2024, totaling over 1,300 adult-use licenses issued by September 15, 2024. Of those adult-use licenses approved, 54.7% were awarded to SEE eligible applicants, surpassing the MRTA’s goal (see Tables 11 to 13). Adult-use licensing application reviews are ongoing.

**Table 11: Adult-Use Applications Received and Licenses Issued by Social and Economic Equity Certification Status as of September 15, 2024**

	Applications		Licenses Issued	
	#	%	#	%
SEE Certified	4,912	69.2%	435	54.7%
Non-SEE Certified	2,182	30.8%	360	45.3%
Total	7,094	100.0%	795	100.0%

<sup>71</sup> Adult-Use Social and Economic Equity Applicant Overview: <https://cannabis.ny.gov/au-see-applicant-overview>

**Table 12: Adult-Use Licenses Issued to Social and Economic Equity Certified Applicants by Social and Economic Equity Certification Type as of September 15, 2024**

License Type	SEE Certification Type				
	CDI*	Distressed Farmer	Minority-Owned	Service-Disabled Veteran	Women-Owned
AU Cultivator	3	14	14	8	28
AU Processor	2	8	13	4	27
AU Distributor	2	6	16	3	12
AU Retail Dispensary	4	1	91	9	69
AU Microbusiness	9	4	28	12	48
Total	20	33	162	36	184

\*CDI: Community Disproportionately Impacted by cannabis prohibition

**Table 13: Counts of Social and Economic Equity Certification Types Applied for as of September 15, 2024**

SEE Certification Type	SEE Certified	Not SEE Certified	Total
CDI	286	1,190	1,476
Distressed Farmer	62	63	125
Minority-Owned	1,007	2,146	3,153
Service-Disabled Veteran	102	172	274
Women-Owned	922	1,267	2,189
Total	2,379	4,838	7,217

\*Note, one SEE application could have applied for multiple SEE certification types.

**Goal 3.6: Assist licensees with access to capital**

**Banking and Financial Institution Access:** Due to federal prohibition, commercial banks and lending institutions have been extremely hesitant to provide standard cannabis business services. The inability of licensees and applicants to obtain capital from traditional financial institutions is a significant barrier to achieving social equity. While there have been a few success stories, the cost of establishing compliance systems to reduce risk exposure has resulted in financial institutions directing their limited services available to the more well-resourced cannabis businesses. NYS has taken steps to address this issue by educating lawmakers on the difficulties of cannabis banking and the importance of easy access to financial services for cannabis businesses and by speaking with over two dozen banking institutions about cannabis banking in NYS. In November 2023, Governor Hochul signed into law legislation that streamlined banking compliance between licensed cannabis businesses and financial institutions (Chapter 647 of Laws of 2023). While many financial institutions have flatly refused to serve the industry, an increasing number have declared their intention to fully enter the cannabis market and invest heavily in operations and systems to serve cannabis businesses.

**Assisting microbusinesses with pro forma and finance assistance:** The Cannabis Law explicitly states that the microbusiness license is designed to support SEE applicants. The adult-use

microbusiness license permits the licensee to cultivate, process, distribute, sell, and deliver their own products in the adult-use market. An adult-use microbusiness licensee must engage in cultivation and at least one other licensed activity, such as processing, distribution, or retail sales. To ensure the success and sustainability of future microbusiness licensees, OCM plans to engage a financial advisory firm in 2024 to create a dynamic financial pro forma template specifically tailored to these innovative small businesses. Eligible microbusiness licensees will receive a customized financial operating model, providing them with the flexibility to input key operating assumptions and generate clear financial projections. The tool will be a comprehensive, driver-based financial model encompassing revenue, operating costs, capital expenditures, and working capital considerations. Licensees will have access to a detailed assumptions page where they can easily update and input assumptions to manage their financial operations effectively.

### *Goal 3.7: Improve equity in access to medical cannabis*

*Identifying Medically Unserved and Underserved Areas of the State:* Providing communities equal access to medical cannabis is a vital strategy to support health equity in NYS. The Cannabis Law requires OCM to identify areas across the state that are medically unserved and underserved to prioritize for locations of additional RO dispensaries (See Cannabis Law §35(8) and (9)). These regions have concentrations of health-related issues and are medically underserved by traditional healthcare. They are also often unserved or underserved by medical cannabis dispensaries. OCM used a health disadvantage score to identify unserved and underserved census tracts derived from seven variables: population-provider ratio, population over 65 years old, uninsured rate, low birth weight, premature deaths, household disability rate, and travel time to healthcare provider. Of note, five out of seven of these variables (population over 65 years old, uninsured rate, low birth weight, premature deaths, household disability rate) are also recognized by NYS DOH as indicators of health disadvantage. Census tracts with a health disadvantage score in the 85th percentile (600 out of 4,919 in NYS) are considered unserved or underserved. Identifying these unserved and underserved areas of the State assisted ROs and RO applicants with meeting statutory requirements to locate certain dispensaries in such areas.<sup>72</sup>

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<sup>72</sup> For more information about RO additional dispensaries and RO expansion, see Goal 2.9: Maintain and grow the Medical Cannabis Program.



## 4. Eliminating the Illicit Market

For NYS's regulated cannabis industry to thrive and to ensure the cannabis regulatory framework supports equitable licensing, economic development, and public health and safety, the same rules must apply to everybody. This is why it is critical to stop the illicit cannabis operators in NYS and hold them accountable to the same rules everyone else is following, and it is critical for New York cannabis consumers to participate in the regulated market.

### Goal 4.1: Shut down illicit cannabis operators

*Enforcement efforts:* The current enforcement efforts protect the integrity and investment of entrepreneurs in the legal market, while holding accountable individuals selling illegal, untested, and unsafe products to communities across the state.<sup>73</sup>

The original enforcement authority granted in the MRTA mainly pertained to licensed entities, whereas authority to enforce against unlicensed cannabis business activity was limited. New enforcement legislation included in the Fiscal Year 2024 Enacted Budget provided enforcement power to OCM and DTF to enforce against unlicensed businesses, close stores engaged in the illegal sale of cannabis, and increase civil and tax penalties for those violations up to \$20,000 per day, significantly increasing efforts to combat the illicit cannabis market in NYS. The following year, Governor Kathy Hochul unveiled the strongest set of policies enacted thus far to tackle the illicit cannabis marketplace as part of the Fiscal Year 2025 Enacted Budget. This legislation provides OCM, counties, and cities with enhanced authority to act against illicit cannabis storefronts and those who enable them.

OCM's Enforcement Division is comprised of highly trained, sworn law enforcement investigators, as well as analysts and civilian support staff. The team's vital, collaborative work involves investigating all violations related to the Cannabis Law and regulations. Additionally, the team conducts background checks on license applicants and partners with local law enforcement to investigate and pursue cases related to cannabis violations.

The Enforcement Division upholds NYS's cannabis laws and regulations and supports the integrity of the legal cannabis market by:

- Investigating complaints of unlicensed or illegal cannabis activity through regulatory inspections and investigations;
- Shutting down businesses that violate cannabis laws and regulations;
- Preventing the sale of cannabis to minors;
- Stopping unsafe products from entering the cannabis market;
- Seizing prohibited, unlicensed, and illegal cannabis products; and
- Coordinating enforcement actions with local law enforcement and other state agencies.

The issuance of notices of violation may result in an administrative hearing and possibly fines being levied against the operator. The mission of the Office of Administrative Hearings (OAH) within OCM is to conduct fair, impartial hearings for operations regulated by OCM. The work of OAH to safeguard the due process rights of respondents is a key part of the mandate of OCM to protect the health, safety, and welfare of the public. Administrative Law Judges preside over administrative hearings brought by OCM's Office of General Counsel, as well as appeals of licensing decisions brought by licensees and prospective licensees. Since administrative hearings

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<sup>73</sup> New York State Enforcement Authorities Overview: <https://cannabis.ny.gov/enforcement-overview>

began in June 2023, 93 administrative hearings have been held, resulting in \$1,327,500 in fines levied through September 15, 2024. Eighteen administrative hearings had been appealed but no decisions had been issued in that time.

*NYS Illicit Cannabis Enforcement Task Force:* On May 21, 2024, Governor Hochul launched the NYS Illicit Cannabis Enforcement Task Force (ICE-T), a coordinated, statewide inter-agency effort launched to shut down illegal and illicit cannabis businesses that threaten public health and safety; the social and economic equity efforts of OCM; and the sustainability of the licensed cannabis market. The Task Force objectives included:

- Closing the doors of brick-and-mortar illicit cannabis operations through a sustained, coordinated effort;
- Preventing the sale of illicit cannabis to underage buyers (under 21);
- Capturing lost revenue and ensuring illicit operators and the landlords who lease to them are held accountable for the negative impacts of their violation of State law; and
- Protecting New Yorkers from the risk of consuming illicit cannabis products.

The ICE-T member agencies were critical in this collaborative effort, alongside our partners in local law enforcement and city and county government statewide (Table 14). The ICE-T concluded on August 22, 2024, after an aggressive coordinated effort to padlock as many unlicensed stores as possible statewide. Since the start of the ICE-T, State investigators seized over \$32 million in illicit cannabis products and padlocked over 350 unlicensed stores (Table 15). As a result of this effort, same-store sales statewide have increased 50% since enforcement actions began, and same-store sales downstate (New York City and Long Island) have increased 97%.

**Table 14: New York State Illicit Cannabis Enforcement Task Force Member Agencies**

Illicit Cannabis Enforcement Task Force Member Agencies	
New York State Police	Department of Corrections and Community Supervision
Department of Taxation and Finance	Department of Environmental Conservation
State Liquor Authority	Department of Financial Services
Department of Agriculture and Markets	Division of Homeland Security and Emergency Services
Department of State	Thruway Authority
Department of Health	Office of General Services
Department of Labor	Office of Information Technology Services
Department of Motor Vehicles	Workers' Compensation Board
Office of the Medicaid Inspector General	New York State Park Police
Office for People with Developmental Disabilities	Office of Children and Family Services
Justice Center for the Protection of People with Special Needs	



**Table 15: Cannabis Enforcement Summary since Inspection Authority Implemented\***

	Pre-NYS ICE-T 5/1/2023* - 5/20/2024	Post-NYS ICE-T 5/21/2024** - 9/18/2024	Total 5/1/2023 - 9/18/2024
Inspections Conducted	518	823	1,341
Inspections where Notices of Violation Issued	518	617	1,135
Inspections where Notices of Violation Issued and Store Padlocked	- - -	354	354
Unlicensed Products Seized (LBS)	18,771	8,547	27,318
Estimated Street Value of Seized Product	\$87,543,583	\$32,289,963	\$119,833,546

\*May 2023: Inspection authority implemented

\*\*May 2024: Padlocking authority implemented and NYS ICE-T established

Building on the significant progress made by the ICE-T, OCM Enforcement will continue to conduct inspections, issue violations to illicit operators, and padlock unlicensed stores, as well as work with local municipalities across the state to build their own enforcement capabilities as permitted by state law. OCM continues to prioritize recruitment and training of enforcement personnel to ensure there will be adequate staff to sustain the momentum of these efforts.

In addition to the padlocking authority granted to OCM, the most recent legislation, which was signed into law by Governor Hochul in 2024, granted the authority to seal unlicensed cannabis retail locations to the NYC Sheriff, in conjunction with local NYC administrative code changes. This authority was granted in the recognition of the unique challenges faced within New York City. Other municipalities can also pass local laws to allow for the enforcement against unlicensed cannabis retailers by agencies within that jurisdiction. OCM is working on creating and sharing a model local law to assist municipalities in adopting similar enforcement practices against unlicensed cannabis dispensaries.

#### **Goal 4.2: Reduce consumer participation in the illicit market**

*Supporting a thriving regulated cannabis market:* The efforts described under Goal 1.2: Build and maintain a regulated cannabis market, and under Goal 4.1: Shut down illicit cannabis operators, both contribute to directing New York cannabis consumers to regulated stores and reducing participation in the illicit market. Furthermore, to effectively reduce consumer participation in the illicit market, OCM, in alignment with the Cannabis Law, aims to drive consumers toward regulated dispensaries by improving access and convenience, including the option of delivery services, expanding access to medical marijuana in underserved and unserved communities, and implementing strategic practices in the regulated retail sector by ensuring competitive pricing, appropriate discounts, and promoting customer loyalty. By monitoring and analyzing consumer behavior and preferences for purchasing from the illicit market, OCM will be able to better understand the factors influencing consumer choices and successfully shift them towards regulated sources. As the regulated market expands, consumers will have increased access and

opportunities to purchase from regulated businesses. The closure of illicit operators will reduce the risk for and of consumers buying unregulated cannabis products.

*Providing consumers easy access to information about the regulated market:* In September 2024, OCM launched the Legal Online Cannabis Activities Locator (LOCAL) application. Developed in partnership with Cogent Technologies, LOCAL provides the public with a comprehensive, in-depth look at the NYS cannabis ecosystem in two views: a comprehensive map of all license types intended for applicants, licensees, and industry stakeholders; and a dispensary only map intended for consumers who are looking for the nearest legal dispensary.<sup>74</sup> This resource, in tandem with the Licensed Cannabis Dispensary Verification Tool posted in the windows of every licensed dispensary,<sup>75</sup> makes it easy for consumers to know they are buying from a NYS regulated dispensary.

*Public education:* In April 2022, OCM launched NYS's first statewide cannabis public education campaign, *Cannabis Conversations*. The State invested \$5 million to reach New Yorkers across all regions with important messages about what is legal and what is not under the new Cannabis Law, including who can legally consume cannabis, where and how one can legally and safely consume, state and federal law, and information about impaired driving.

In April 2023, OCM launched NYS's second statewide adult-use cannabis public education campaign, *Why Buy Legal* (\$2.5 million). This campaign aimed to reach existing and potential consumers 21 years and older with messages emphasizing why consumers should choose regulated businesses. Assets included information about what to expect from one's experience at a licensed adult-use retail dispensary and how to identify a regulated dispensary.

OCM continues to use its communication platforms such as e-newsletters and social media to raise the visibility and recognition of tools to identify licensed dispensaries and regulated products. These tools are also integrated across educational materials and community engagement sessions. OCM is working on additional materials and increasing messaging about recognizing licensed dispensaries for the general public.

Interactions with the public are other opportunities OCM harnesses to share knowledge and help New Yorkers be well-informed about what is legal or illegal and why it is safer to participate in the regulated cannabis market. Whether at formal outreach events like "Why Buy Legal" or speaking with an enforcement investigator in the field, OCM staff are eager to share their expertise.

*Consumer purchasing trends:* According to the 2023 ICPS, NYS residents aged 21 and older who consumed cannabis in the past year reported purchasing 67% of their cannabis from legal retail sources, an increase from 61% in 2022. This aligns with other jurisdictions where only medical cannabis is legal; as NYS's regulated cannabis market expands, it is expected this metric will increase to align with other jurisdictions where adult-use cannabis is legal. New Yorkers who purchased cannabis from an illicit source reported a variety of reasons. The most common reasons reported in 2023 were perceived higher prices in the regulated market (24%), dealer loyalty (22%), not having a prescription for medical cannabis (20%), and considering regulated

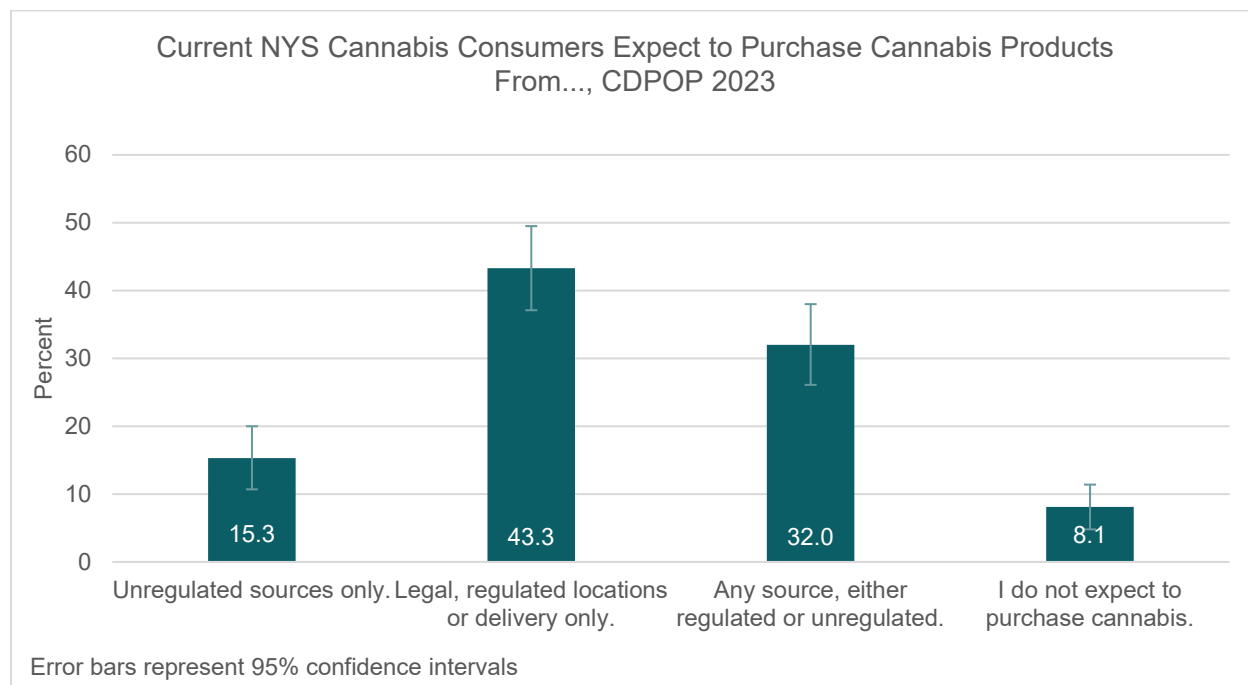
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<sup>74</sup> Legal Online Cannabis Activities Locator (LOCAL): <https://local.cannabis.ny.gov>

<sup>75</sup> Dispensary Location Verification: <https://cannabis.ny.gov/dispensary-location-verification>

sources as less convenient (18%).<sup>76</sup> Understanding consumers' perceptions about different cannabis sources can inform public education efforts.

When NYS adults were polled in January and February of 2023 about where they expect to purchase cannabis products from in the future, approximately 2 in 5 current cannabis consumers reported they expect to purchase from regulated sources only (Figure 33). Over 30% of current consumers expected to purchase from either regulated or unregulated sources, while a smaller proportion expected to purchase from unregulated sources only (15.3%).<sup>77</sup>



**Figure 33: Current New York State Cannabis Consumers' Expectations about Future Cannabis Purchases, CDPOP 2023**

<sup>76</sup> Hammond et al., 2024

<sup>77</sup> New York State Department of Health, Chronic Disease Public Opinion Poll 2023

## 5. Environmental Sustainability

Protecting the environment and improving the State's resiliency to climate change were two of the key intentions of the MRTA.<sup>78</sup> OCM has promulgated regulations and developed supports for licensees to minimize the State cannabis industry's adverse environmental impacts and ensure NYS's cannabis regulatory framework is in alignment with NYS's Climate Leadership and Community Protection Act.

### Goal 5.1: Protect the environment

*Energy Use Standards and Emissions Management:* Energy use and the associated emissions can be a primary source of adverse environmental impacts, particularly in indoor and controlled cannabis production environments. Prescriptive energy regulations, planning, data collection, and benchmarking form the base of OCM's approach to managing the cannabis industry's energy use. Both medical and adult-use licensees are required to maintain and submit plans to OCM related to monitoring and managing resource consumption and control emissions of carbon and other greenhouse gasses to minimize any adverse environmental impact of cannabis production.

Energy use and associated emissions regulations include the installation of energy meters, efficiency standards for horticultural lighting equipment, nation-leading limitations on the use of refrigerants in heating, ventilation, and air conditioning (HVAC) and dehumidification equipment, and prohibitions on the use of fossil fuel combustion as a primary energy source. In line with these regulations, HVAC and refrigeration equipment must utilize refrigerants with a twenty-year global warming potential of 10 or less. Additionally, the approved odor control technology is restricted to methods with limited secondary impact to air quality.

*Waste Minimization:* After energy use and associated emissions generation, waste generation ranks among the top areas of concern for adverse environmental impacts of the cannabis industry. OCM has taken a two-tiered approach to minimize the amount of waste generated by the State's cannabis industry by focusing on two primary sources: waste generated through cultivation and processing and waste generated by consumer packaging. Regulations limit the total waste generated by licensees by requiring low-THC waste to be repurposed or sold to secondary markets, as applicable, and limit the total waste landfilled by licensees by not subjecting low-THC waste to 50/50 mix restrictions and by mandating THC waste only be landfilled if no other options exist. The Environmental Sustainability Product Packaging Plan required in Part 128 includes a retail packaging sustainability program that may include, but is not limited to, reuse strategies for collecting cannabis packaging to be refilled or reused.

*Protection of Air, Water, and Land:* OCM's energy and environmental standards take a holistic approach to resource protection and land stewardship. It accomplishes this by building on the State's existing environmental regulations and emphasizing best management practices identified by regulators and businesses in other legal states and grey markets. This includes crafting cultivation tiers to encourage lower energy-use outdoor and mixed light production over more energy-intensive indoor production.

Licensees in both medical and adult-use cannabis markets are required to engage in resource tracking and reporting to develop a benchmark of their energy and water use and associated emissions and to better understand current resource consumption by cannabis production. Licensees authorized to cultivate will meet these requirements using the PowerScore platform,

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<sup>78</sup> Cannabis Industry Energy and Environmental Sustainability: <https://cannabis.ny.gov/sustainability>

designed to track and report metrics including energy and water use and waste and emissions generation. Licensees will not have to pay to use the PowerScore platform. The benchmarks generated using the PowerScore results can guide licensees in future strategies to reduce resource use and associated operating costs and can aid OCM in assessing the industry's adherence to State climate laws, identifying areas for efficiency to benefit the State and national industries, and guide future policy decisions.

*Energy and Environmental Sustainability Planning and Reporting:* Energy and environmental sustainability plans are another key feature of OCM's approach to environmental impact management. Both medical and adult-use licensees will be required to maintain such plans throughout their licensure and shall be required to submit them at various stages of operation, such as upon license renewal. Such plans include information about areas such as horticultural lighting efficiency, odor control technology, and HVAC and dehumidification equipment. ROs must submit and maintain a Medical Cannabis Product Packaging Recycling Plan, detailing each RO's efforts towards recycling medical cannabis packaging. Additionally, all licensees authorized to engage in the packaging and labeling of adult-use cannabis products are required to submit an Environmental Sustainability Product Packaging Plan and all licensees authorized to engage in the packaging and labeling of medical cannabis products must submit an Environmental Sustainability Program Plan for medical cannabis product packaging. These packaging plans describe the licensee's steps towards reducing the level of cannabis consumer packaging waste that is landfilled or incinerated.

*Data monitoring:* The mandated energy and environmental sustainability reporting will be phased in over time for different licensees. Key performance indicators (KPI) were not available as of publication of this report. Those licensed to cultivate led the way when PowerScore was first implemented on August 31, 2024, and resource tracking KPIs will be available by licensee and statewide when the first report is due August 31, 2025, including:

- Estimated energy consumed per square foot (kBtu/sqft)
- Estimated energy consumed per pound of cannabis produced (kBtu/lb)
- Waste generated per pound of yield
- Waste generated per square foot
- Estimated water usage in gallons per square foot of operating space
- Estimated water usage in gallons per pound of cannabis produced
- Estimated carbon dioxide equivalent for energy source used per square foot (CO<sub>2e</sub>/sqft)
- Estimated carbon dioxide equivalent for energy source used per pound of cannabis produced (CO<sub>2e</sub>/lb)

Licensees involved in packaging cannabis products for retail sale will be required to report certain KPIs about consumer packaging on an annual basis. When these data are available, they will inform environmental sustainability planning and waste minimization strategies. Such KPIs include, but are not limited to:

- Total weight of packaging sold, offered for sale, or distributed in the past year
- Number of cannabis products sold in reusable packages
- Number of reusable packages refilled
- Total cost of packaging material

### Goal 5.2: Improve the State's resiliency to climate change

*Promoting Social and Economic Equity:* OCM's adult-use energy and environmental sustainability regulations were developed with consideration to legacy growers and less capitalized licensees. This includes aspects like holding smaller-scale cultivation licensees to less stringent standards and allowing them two licensing periods to come into compliance with some energy and environmental standards. This structure was designed to allow licensees authorized to cultivate the opportunity to determine if they are eligible to apply for and receive financial incentives from their utility services provider to exceed OCM's prescriptive energy standards.

OCM has also partnered with the NYS Energy Research and Development Authority (NYSERDA) and Resource Innovation Institute to develop and deliver free webinars on cannabis resource efficiency specific to OCM's regulations to elevate understanding of efficiency issues without additional cost to the licensee.

*Licensee Resource Tracking and Reporting:* As described under Goal 5.1: Protect the environment, medical and adult-use licensees are required to collect data and report about their energy and water use and associated emissions. Cultivation licensees will lead the way in meeting these requirements by using the PowerScore platform. By mandating resource tracking for cultivation licensees, OCM meets the MRTA's intentions, positions NYS as a global leader in resource-efficient cannabis production, and ensures the industry stays compliant with the greenhouse gas emissions reductions required by the State climate law, the Climate Leadership and Community Protection Act (CLCPA). Once benchmarks have been established, OCM can effectively support industry licensees to reach a goal of net zero carbon generation, waste minimization, and water protection. The data collected through PowerScore will be used to identify program success and challenges for licensed cannabis cultivation in NYS, ultimately serving as guidance for future policy, education, and funding decisions.

*Cannabis Research License:* OCM's research license provides the State's cannabis industry the opportunity to examine novel methods for minimizing the adverse environmental impacts of the cannabis industry while using cannabis as a tool to improve the State's resiliency to climate change.<sup>79</sup> Areas of research that could support the cannabis industry's sustainability include but are not limited to sustainable packaging innovation; novel waste management approaches; cannabis resource efficiency; and projects that examine the role of cannabis in climate justice and foster economic development, job creation or technology advancements that can be translated to other State industries.

*Environmental Sustainability Partnerships:* OCM partnered with multiple teams at the DEC, including the Office of Climate Change, to develop regulatory language and supporting guidance documents to ensure policies are in alignment with State climate goals, including the CLCPA. OCM also worked with the NYS Department of Public Service (DPS) to communicate timelines for licensing rollout and regulatory requirements to prevent licensees from overtaxing utilities in NYS.

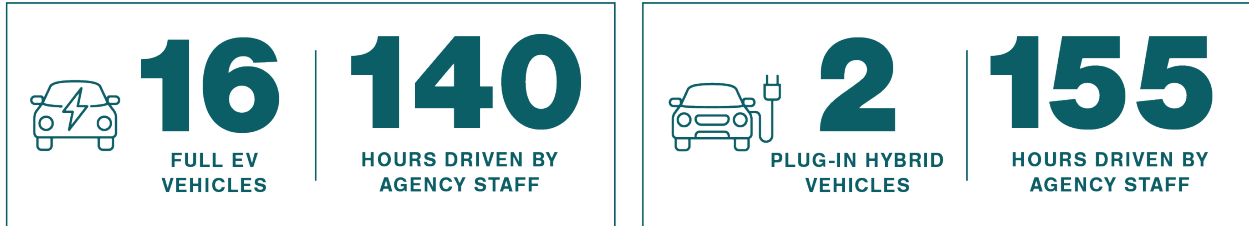
*Compliance with Governor's Executive Order 22:* OCM has secured a fleet of vehicles that are used to perform on-site inspections, enforcement details, and other outreach events. Seventeen of those vehicles are fully electric, with four additional hybrid vehicles. The Governor's Executive

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<sup>79</sup> For more information about the cannabis research license, see Goal 2.7: Expand the cannabis evidence base through research.

Order 22 (EO22) establishes that light-duty and medium-duty fleet vehicles must be comprised of entirely zero emission vehicles (ZEV) by 2035 and 2040, respectively. OCM is committed to sustainability and decarbonization efforts and is proactive in meeting EO22 requirements, having already established a 70% ZEV fleet.

**OCM Fleet:**





# Recommendations

As a living piece of legislation, the MRTA will require changes over time to meet evolving conditions and needs. The legislative mandate for this report calls for recommendations specifically regarding the level of taxation of adult-use cannabis and changes necessary to improve and protect public health and safety. Below are recommendations regarding those two areas as well as other aspects of cannabis regulation to support and strengthen the efforts already underway to achieve the purposes and intent of the MRTA.

## Analyzing Economic and Fiscal Impacts

The Fiscal Year 2025 Enacted State Budget revised the tax on adult-use cannabis in order to simplify and streamline the tax collection and remittance responsibilities for licensees and the administration process for DTF. The change removed the variable THC potency tax originally established in the MRTA and replaced it with a percent-based excise tax on the transfer of cannabis products from a distributor to a cannabis retailer. The THC potency tax worked well for products that had consistent THC milligram levels such as edibles and beverages but proved difficult to calculate and administer for cannabis products with variable levels of THC from batch to batch such as flower products.

No change was made to the cannabis retail excise tax imposed on the sale of cannabis products to consumers or to the statutory allocation of the retail excise tax revenues intended for the county or municipality where the cannabis dispensary is located. NYS has an effective cannabis tax rate which is very similar to other jurisdictions that have legalized adult-use sales. Due to the recency of the change, no further changes to adult-use cannabis taxation are recommended at this time. However, cannabis is a fast-developing industry across the country and changes to how cannabis is regulated at the federal level could have impacts to the state-level market in New York. OCM and CCB will be actively monitoring these changes moving forward so NYS is prepared to adapt if needed.

The Fiscal Year 2025 Enacted State Budget reduced the excise tax on medical cannabis from 7% to 3.15%; OCM and CCB recommend exploring additional options to reduce the cost of medical cannabis for patients, including examining the medical cannabis excise tax to align the taxation of therapeutic cannabis products with other medicines and to increase affordability for patients who cite cost as a factor negatively impacting their participation in the medical market.

The costs of doing business, including some that are required of licensees in regulation, such as utilizing the seed to sale tracking system, can be expensive for newer or smaller businesses at a time when many producers are still recovering from the market's constricted growth during the injunctions on licensing in 2023. We recommend continuing to explore additional avenues to reduce regulatory-related costs for licensees, including those involved in cultivation, to help alleviate some of the burdens of establishing and maintaining a small business. This could include measures similar to those already taken by OCM, such as:

- Waiving certain costs for using the seed to sale system, including the plant tags that growers are required to apply to every plant;
- Waiving license fees or license renewal fees for certain operators; or
- Waiving fees for making amendments to a license, such as changing a location, amending the entity's true parties of interest, or changing the scope of activities the licensee is authorized to engage in.



To further focus on operational regulatory compliance, OCM and CCB recommend expanding the Compliance Trade Practices Unit within OCM to play a critical role in compliance and enforcement efforts around business structure rules, specifically around true parties of interest rules and rules regarding undue influence and control between licensees in different tiers of the market. Taking action against unscrupulous actors who are violating the Cannabis Law and regulations is necessary to help ensure an even playing field for licensees in the market.

Additionally, OCM and CCB are committed to a continued review of the cannabis regulations to ensure the regulations protect public health and safety but also balance regulatory burdens that could no longer be applicable given the rapidly changing cannabis industry. For example, the CCB recently issued updated packaging, labeling, marketing, and advertising regulations to go out for public comment. These proposed regulations would remove certain criteria that previously restricted how a cannabis licensee could advertise products and their store.

Further, we recommend measuring and tracking the economic impact of cannabis in the state to quantify the legal industry's role in NYS's economy. Key indicators for economic impact may include, but are not limited to, the number and types of jobs created, the compensation and benefits paid to employees in regulated businesses, the sales revenues generated, the taxes raised for the state and local governments, and the industry's spending on ancillary products and services (e.g., real estate, operating infrastructure, professional services, etc.). Other economic indicators may include the capital raised for investment in licensed businesses, the impact of legalization on the state's spending on prohibition enforcement, and the economic impact and growth of canna-tourism. Establishing and tracking these indicators over time will be critical to monitoring the health of the industry and to understanding its contributions to the State's economy.

### **Improving and Protecting Public Health and Safety**

Ensuring market-wide compliance adherence is critical to protecting public health and safety as well as to the equitable and sustainable growth of the legal market. We recommend increasing the number of staff charged with monitoring licensee compliance with legal and regulatory requirements to ensure these requirements are adhered to and corrective actions are made by licensees to promote the availability of safer products for New Yorkers and help protect cannabis workforce safety.

We recommend continuing to explore amendments to existing regulations that aim to alleviate burdens on licensees while maintaining rules that preserve the safety and quality of cannabis products, inform consumers, and protect against the packaging, labeling, and marketing of cannabis products in a manner that targets individuals under 21.

We recommend continuing to build and maintain a comprehensive data strategy to establish critical infrastructure to acquire, organize, analyze, and deliver data to assess regulatory inputs against socioeconomic, public health and safety, and enforcement outcomes across NYS government and geographic regions. This will leverage data that supports evidence-driven cannabis policy, agency operations, ethical and transparent governance, and will support efforts to expand the cannabis evidence base.

We recommend expanding and continuing investments in public communication and education about key components of legalized adult-use cannabis related to public health and legal aspects of the program and closely monitoring outcomes related to public health and safety. These elements are vital within OCM's public health framework to address key priorities outlined in the

MRTA. These include preventing underage cannabis consumption, safely storing cannabis to prevent unintentional exposures, avoiding overconsumption, addressing cannabis use disorder, mitigating the impact of cannabis legalization on traffic safety, providing essential information to the public—especially consumers—to make informed decisions on cannabis consumption, and consistently monitoring the effects of cannabis legalization on public health and safety while identifying emerging issues.

### **Achieving Social and Economic Equity Goals**

The CCB and OCM are proud of the social and economic equity efforts that have been achieved in the NYS cannabis market during the first three years of implementation but also recognize more work will need to be done to maintain and continue this progress. As the cannabis market evolves, it will be critical to not only continue to prioritize opportunities for SEE applicants for licensure but also to help ensure that SEE licensees run successful businesses. We recommend that OCM continues to prioritize social and economic equity initiatives and release updated NYSEE Plans that reflect the current environment and priorities as the cannabis industry is extremely dynamic. This work should include continued engagement with communities most affected by cannabis prohibition.

We recommend continuing to explore and expand technical assistance and incubation opportunities for SEE licensees across the supply-chain to provide licensees with the tools to run a successful business, building on the success of the CHIP and Accelerator Programs. We also recognize that some of the largest barriers to entry in the cannabis market is the lack of access to capital due to the inability to access traditional business loans or assistance due to cannabis federal illegality. We recommend additional programming and support be offered from the State to SEE licensees to help address capital needs for licensees in the form of low interest loans or grants.

Additionally, certain marijuana-related offenses require the affected individual to appear before a judge to be resentenced before the conviction can be expunged, rather than occurring automatically without further action or expense by the affected individual. These individuals are still dealing with the ramifications of prohibition-related convictions. We recommend efforts continue to ensure that all New Yorkers impacted by marijuana-related offenses are made aware of the process currently underway to expunge and seal their convictions.

### **Addressing the Illicit Market**

The proliferation of unlicensed cannabis shops continues to pose a public health threat given that products on their shelves may not be tested, may come from out of state, and are too often packaged in a manner to attract youth. We recommend the continuation of collaborative efforts with state and local partners to shut down unlicensed cannabis distribution channels. Building on the initial efforts of the NYS Illicit Cannabis Enforcement Task Force, OCM should expediently and significantly expand its enforcement resources to ensure sustained pressure on the unregulated market. Additionally, OCM and other state partners should work quickly to support municipal law enforcement across the state in building sustainable enforcement programs in their jurisdictions.

We also recommend that the scope of enforcement efforts, where possible, expand to include online delivery services and other non-storefront distributors which continue to be a significant vector for illicit cannabis distribution.

OCM also recommends continued work to educate local municipalities about their ability to pass local laws to authorize the inspection authority to enforce against unlicensed cannabis businesses. OCM plans to release a model local law which will help municipalities adopt a uniform policy toward their enforcement authority against unlicensed cannabis businesses operating in their jurisdiction. To shut down the illicit market, local municipalities will play a vital role in continuing the enforcement efforts to ensure action is taken against businesses selling cannabis without a license throughout all corners of the state.

Finally, we recommend the State work with other regulators in the Northeast and across the country to develop enforcement strategies against the entities trafficking cannabis across state lines. The illegal cannabis sold in NYS is largely trafficked from other states. Some of it is legal product being diverted out of other regulated markets and some is illegally produced and sold. Understanding and identifying the distribution networks that are supplying NYS will be critical to eradicating the majority of illicit supply currently found in the state.

### **Increasing Public Education and Engagement**

The transition from an unregulated, illicit market to a legal regulated one presents significant opportunities to build public understanding of the changes to the law and engage stakeholders across the state on the impact, implications, and opportunities created by this new market. There are several stakeholder groups that should be prioritized for outreach during these early stages of market growth:

- **Consumers:** OCM should build and deploy a campaign aimed at educating consumers about the legal market as access to legal retailers quickly increases and legal product diversity grows. This campaign should build off OCM's *Why Buy Legal* campaign, to educate consumers about the differences between the legal and unregulated markets, help them identify legal retailers and products, and caution about risks of purchasing and consuming unregulated cannabis.
- **K-12 Educators:** Aligning with the priority of reducing access to cannabis among minors, OCM should work with educators to develop programs aimed at reducing use of cannabis, especially among school age students while on school grounds, tracking cannabis-related incidents on school grounds, and benchmarking and sharing best practices from programs that are effective at reducing use among minors.
- **The Business Community:** Businesses in the financial and real estate markets are critically important to the medium-term growth of NYS's industry. Thousands of licensees will be looking to raise capital and secure properties over the coming years and OCM can play a vital role in engaging stakeholders from these sectors, educating them about the opportunities (and risks) of participating in the legal market, and, where possible, facilitating connections between interested parties. An outreach strategy aimed at these two sectors is especially important as capital and real estate are persistently cited as the two biggest challenges facing new cannabis licensees.
- **Higher Education Institutions:** For NYS to become a leading market globally, it will be important to have a strong pipeline of entrepreneurs, innovators, researchers, and scientists working in the State's academic institutions to advance the business and science of cannabis, and to nurture the next generation of industry leaders. OCM should develop outreach programs to educate the academic community about the opportunities presented by the fast-growing industry, identify education tracks that will be most valuable as the market grows, and to normalize this industry as any other market in the state.

- **The Tourism and Hospitality Sector:** As one of the world's leading travel destinations, cannabis tourism will be a significant opportunity for NYS. As cannabis consumers visit the state and innovators build products and experiences to serve them, OCM should engage the hospitality sector to support these businesses as they navigate the new market and understand how to capitalize on the growing canna-tourism opportunities.

### **Increasing Market Efficiency**

Access to market intelligence and industry insights remains a significant challenge for many cannabis businesses in new markets, where the data is limited and the systems that can quickly transform those data into actionable insights are not in place. The lack of visibility into supply chain trends, such as how much product is being produced, which products are selling, and how consumer preferences are evolving as the market matures, impacts the ability for operators to align their operations with current and expected market conditions. In other legal markets, the lack of visibility into the market's growth has been an important contributor to overproduction which has led to acute price compression and resulted in acute financial losses for growers.

We recommend OCM build a comprehensive market reporting program that provides near-real time visibility into key metrics related to licensing, production, sales, quality assurance, and consumer preferences. The seed to sale system will be an important data source for this reporting program, which can be supplemented with surveys of businesses and consumers, and data from other sources such as product laboratory tests. The reporting schedule for these data will be determined by the type of information and how quickly it changes. For example, retail sales may be reported weekly whereas canopy under cultivation, which is less dynamic, may be reported monthly or quarterly.

### **Supporting Environmental Sustainability**

Cannabis Law mandates that a retail package shall be child resistant. While essential for safety and reducing pediatric unintentional exposures, child-resistant packaging for flower and pre-roll packaging containers have significant environmental impact because of excessive plastic materials needed to meet the requirements. Given the low risk of intoxication from consuming raw cannabis flower that has not been decarboxylated, adopting a child-deterrent packaging that discourages children from attempting to open the product would suffice as adequate protection. This change could reduce plastic waste because child-deterrent packaging does not require intricate mechanisms, thereby using less packaging material, while still upholding safety standards. We recommend reevaluating the child-resistant packaging requirement for cannabis flower and pre-rolls in favor of environmentally sustainable practices.

We recommend creating financial incentives to stimulate investment in and adoption of sustainable packaging, such as a tax credit for costs incurred while purchasing complaint packaging or innovation contests. Implementation of tax credits or similar financial incentives will reduce financial burden on licensees and may help foster innovation and achieve environmental and economic sustainability, especially for licensees transitioning from the legacy market and those with less access to funding, helping to achieve the social and economic equity goals of the MRTA. Creating a sustainable packaging innovation contest that encourages the development of eco-friendly packaging solutions could provide a platform for showcasing packaging with design efficacy, sustainable materials, and cost effectiveness.

We recommend establishing a cannabis-specific recycling program to reduce the volume of packaging waste generated by the cannabis industry. This could include amending the environmental conservation law to lawfully permit cannabis retailers to charge a deposit on single-use plastic containers for cannabis products, potentially diverting reusable waste away from already overburdened landfills and increase the availability of post-consumer recycled (PCR) plastic. Implementing a cannabis packaging reclamation initiative could be critical at this early stage in the legal market's growth while consumer behavior is still being established, enabling collaborative efforts between the State and licensees to get consumers into the practice of recycling their packaging.

High-efficiency lighting and other efficient cultivation equipment comes with a greater purchasing cost than low-efficiency equipment, but offers cultivators lower operating costs over time, increasing the odds of their financial success while limiting environmental impact. Legacy growers and less-capitalized operations may be shut out of purchasing high-efficiency equipment at the outset due to a lack of capital and financing options, harming their long-term profit potential. This is especially important in the face of OCM's commitment to fostering an equitable industry and given the long-term cannabis price compression as witnessed in other states. We recommend a model similar to Colorado's Cannabis Resource Optimization Program (CROP),<sup>80</sup> which leverages Legislative funds and public-private partnerships, including with the state Green Bank, to provide cost-free energy audits, technical assistance, and low-interest loans to implement efficiency upgrades.

### **Looking to the Future**

OCM continues to look ahead with an eye towards future cannabis policy changes on the federal level. OCM submitted comments to the federal government related to the reevaluation of the classification of cannabis under the Controlled Substances Act.<sup>81</sup> OCM expressed support for the historic step of reevaluating where cannabis falls in the Controlled Substances Act and requested further federal guidance to help signal the federal government's cannabis enforcement priorities and commitment to allow states to regulate cannabis through their state-run programs. OCM will continue to monitor and plan for changes in cannabis laws at the federal level to best serve the cannabis industry in NYS.

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<sup>80</sup> Colorado's Cannabis Resource Optimization Program (CROP): <https://energyoffice.colorado.gov/crop>

<sup>81</sup> OCM's Submission of Public Comment regarding Rescheduling of Marijuana:  
<https://cannabis.ny.gov/office-cannabis-management-submission-public-comment>

# Acknowledgements

This report reflects efforts to implement the full vision of the MRTA that include contributions from partner State agencies and other stakeholders. It was prepared in consultation with certain State agencies and other partners who provided information about their contributions to the implementation of the MRTA as well as the relevant data presented in the report.

New York City Poison Center

New York State Department of Agriculture and Markets

New York State Department of Corrections and Community Supervision

New York State Department of Environmental Conservation

New York State Department of Financial Services

New York State Department of Health

New York State Department of Labor

New York State Department of Motor Vehicles

New York State Department of Public Service

New York State Department of State

New York State Department of Taxation and Finance

New York State Division of the Budget

New York State Division of Criminal Justice Services

New York State Division of Homeland Security and Emergency Services

New York State Education Department

New York State Empire State Development

New York State Energy Research and Development Authority

New York State Governor's Traffic Safety Committee

New York State Justice Center for the Protection of People with Special Needs

New York State Liquor Authority

New York State Office for People with Developmental Disabilities

New York State Office of Addiction Services and Supports

New York State Office of Children and Family Services

New York State Office of Court Administration

New York State Office of General Services

New York State Office of Information Technology Services

New York State Office of the Medicaid Inspector General

New York State Office of Mental Health

New York State Office of the State Comptroller

New York State Park Police

New York State Police

New York State Thruway Authority

New York State Workers' Compensation Board

Upstate New York Poison Center



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# Appendix

## Data Source Methods and Limitations

### Behavioral Risk Factor Surveillance System

The Behavioral Risk Factor Surveillance System (BRFSS) is an annual telephone survey of adults developed by the Centers for Disease Control and Prevention (CDC) and conducted in all 50 States, the District of Columbia, and several US Territories. The New York Behavioral Risk Factor Surveillance System is administered by the New York State (NYS) Department of Health (DOH) to provide statewide and regional information on behaviors, risk factors, and use of preventive health services related to the leading causes of chronic and infectious diseases, disability, injury, and death. Demographic information is also collected to permit analyses of specific populations. While all data collected are self-reported, some variables are calculated based on given responses. Interviews are conducted throughout the year in both English and Spanish, using standard calling procedures. Beginning in 2011, BRFSS began reaching households with landline telephones and households with cell phones only. NYS's BRFSS sample is designed to be representative of the adult population (age 18 and older) living in private residences or college housing who have either a landline or cellular telephone. Adults living in group homes or congregate settings are excluded from the survey. The BRFSS is designed to provide information for NYS, NYS excluding New York City, and New York City (the five boroughs combined).

Unweighted BRFSS data represent the actual responses of each respondent, before any adjustment is made for variation in respondents' probability of selection, disproportionate selection of population subgroups relative to the state's population distribution, or nonresponse. Weighted BRFSS data represent results that have been adjusted to compensate for these issues. The analyses in this report use the final weight.

Although the overall number of respondents in the BRFSS is large enough to make statistical inferences, care is needed in conducting analyses of smaller subgroups. Users need to attend to the subgroup sample size when analyzing subgroup data, especially within a single data year or geographic area. Reliability of an estimate depends on the actual unweighted number of respondents in a category, not on the weighted number. Interpreting and reporting weighted numbers based on a small, unweighted number of respondents can make a given finding appear to be much more precise than it is. The BRFSS follows a rule of not reporting or interpreting percentages unless: (1) They come from a total sample (n) of 50 or more observations in the denominator and 10 or more observations in the numerator; and (2) They have a coefficient of variation of less than 30 and a confidence interval with a halfwidth less than or equal to 10.<sup>82</sup> As a cross-sectional survey, causality cannot be inferred from BRFSS data. While the BRFSS survey is offered in both English and Spanish, results might exclude residents who do not speak those languages. Questions in the cannabis module are based on self-report and rely on recall of behaviors over the past month and year, which can lead to social desirability bias as there remain stigma associated with cannabis consumption and to recall bias in responses. The module also instructs respondents to respond to some questions about hemp or CBD-only products and others about cannabis products, excluding CBD-only products. There is much confusion among consumers and the general population about differentiating hemp and cannabis products, which may impact responses.

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<sup>82</sup> New York State Department of Health, Behavioral Risk Factor Surveillance System, 2024

### Chronic Disease Public Opinion Poll

The NYS Chronic Disease Public Opinion Poll (CDPOP) was conducted January 4 - February 27, 2023, among 1,658 NYS residents with 1,348 voters contacted through a dual frame (landline and cell phone) mode and 310 responses drawn from a proprietary online panel (Lucid) of New Yorkers. Telephone calls were conducted in English and respondent sampling was initiated by asking for the youngest person in the household. Telephone sampling was conducted via a stratified dual frame probability sample of landline and cell phone telephone numbers weighted to reflect known population patterns. The landline telephone sample was obtained from ASDE Survey Sampler and the cell phone sample was obtained from Dynata. Data from both collection modes (phone and web) were merged and statistically adjusted by age, region, race/ethnicity, income, and gender to ensure representativeness of NYS's adult population. It has an overall margin of error of +/- 2.7 percentage points including the design effects resulting from weighting.<sup>83</sup>

While the poll strives to ensure representativeness of NYS's adult population, offering the poll in English only might exclude results from residents for whom English is not their primary language. Poll questions about cannabis might be impacted by social desirability bias as there remain stigma associated with cannabis consumption. The cannabis-related poll questions were not cognitively tested, so responses might be impacted by variations in respondents' understanding of the questions.

### International Cannabis Policy Study

The International Cannabis Policy Study (ICPS) seeks to examine the impacts of cannabis legalization and of specific policies on cannabis consumption trends and patterns, cannabis retail environments, individuals' risk behaviors, and risk perceptions. Annual prospective cohort surveys have been deployed in up to six countries, including the United States, to calculate national estimates. Since 2021, NYS has funded an expanded sample of NYS residents to generate state-level estimates. Participants are residents ages 16-65 recruited using the Nielsen Consumer Insights Global Panel who have not participated in previous waves of the ICPS survey. The United States survey is deployed in English only. Post-stratification sample weights are constructed using Census estimates and current smoking trends according to benchmark national surveys.<sup>84, 85</sup>

Challenges to recruiting survey participants affect all population-based surveys, including the ICPS, causing low response rates that can impact sampling methods. Using the Nielsen panel and an online survey format aids recruiting a representative sample for the ICPS. On the other hand, there could be a degree of self-selection bias attributable to surveying those who opt in to participating in the Nielsen panel. Participants are limited to those aged 16-65 while those over age 65 are excluded due to low prevalence of cannabis consumption in this age group; there are some sources that indicate older adults are a fast-growing consumer group. The survey deployed in the United States is available in English only at this time, under-representing those who speak a primary language other than English. Responses to the survey rely on self-report, so can be impacted by recall bias or by social desirability bias. Similarly, longitudinal comparisons of prevalence might be impacted by bias, such as prevalence prior to legalization in a jurisdiction might be underreported because people were hesitant to report illegal activity.<sup>86</sup>

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<sup>83</sup> New York State Department of Health & Siena College Research Institute, 2021

<sup>84</sup> Hammond, 2024

<sup>85</sup> Hammond et al., 2020

<sup>86</sup> Hammond et al., 2020

### National Poison Data System

There are 55 poison centers across the United States, including the District of Columbia and all territories, that field calls from the public, health care providers, and government agencies to provide general information about substances and to advise after a known or suspected exposure. These calls are answered by specialists in poison information (SPIs), who are typically nurses or pharmacists with specialized toxicology training, or by poison information providers (PIPs), who are allied health professionals supervised by a SPI to handle information or low-acuity calls. Case information is documented from the call and coded into a data system. All poison centers submit data to the National Poison Data System (NPDS). In some instances, poison centers follow cases to assist with ongoing management. NYS has two poison centers, the New York City Poison Center, covering the five boroughs and Westchester, Nassau, and Suffolk Counties, and the Upstate New York Poison Center, covering the remainder of the state.<sup>87, 88</sup>

The NPDS is a passive reporting system, relying on callers to voluntarily contact a poison center; neither lay individuals nor healthcare providers are required to report an exposure. This leads to under reporting of the prevalence of exposures. When individuals do call, accurate case information relies on the caller's knowledge about the product consumed and on the SPI or PIP's knowledge about cannabis products and their understanding of what the caller is reporting. Transcription errors or differences in coding between poison centers can also impact results. Social desirability bias can impact whether people call at all or how forthcoming they are with information about the case, impacting data accuracy and completeness. Exposures are not confirmed via laboratory testing, so there is the possibility of misclassification of which substance(s) were involved or which caused the adverse effects.<sup>89</sup>

### National Survey on Drug Use and Health

The National Survey on Drug Use and Health (NSDUH) has been conducted annually since 1971 by the Substance Abuse and Mental Health Services Administration (SAMHSA) to generate nationally representative data on the use of tobacco, alcohol, and drugs; substance use disorders; mental health issues; and receipt of substance use and mental health treatment among the civilian, noninstitutionalized population aged 12 or older in the United States. Prior to 2021, data were collected via in-person interviews only; beginning in 2021, a multimodal approach was implemented, in which participants can complete the survey in person or via a web-based survey. Stratified sampling is used to recruit participants based on multiple levels, including geography, household, and age. State-level estimates are generated by combining two years of data.<sup>90</sup>

NSDUH data are based on self-report and relies on participants to provide accurate and honest reports about sensitive topics, such as their substance use and substance use treatment experiences or mental health. Procedures are in place to protect individuals' privacy and support recall but recall or social desirability bias could impact results. The sampling frame aims to represent the civilian, noninstitutionalized population of the United States aged 12 or older. It excludes active-duty military, residents of institutions (e.g., hospitals, prisons, nursing homes), and people who are homeless but not in shelters, potentially skewing some estimates. As a cross-

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<sup>87</sup> Gummin et al., 2023

<sup>88</sup> Carpenter et al., 2020

<sup>89</sup> Carpenter et al., 2020

<sup>90</sup> U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, February 2024

sectional survey, NSDUH measures prevalence at a point in time and does not measure how drug use patterns can change within individuals over time.<sup>91</sup>

### [New York State Office of Addiction Services and Supports \(OASAS\) Data Warehouse, Client Data System](#)

NYS OASAS collects information about people who receive substance use disorder (SUD) treatment services at one of over 900 OASAS-certified SUD treatment programs. Data collected at the client level are stored and maintained securely in the OASAS Data Warehouse Client Data System (CDS). Information collected includes assessments, admissions, discharges, levels of care, provider/program details, as well as continuing care for medication management of opioid use disorder. People may be admitted for SUD treatment multiple times and receive a range of services through many levels of care over any number of years.

Analyses using CDS data in this report reflect SUD treatment admissions with cannabis reported as a primary substance. Admissions are defined as the beginning of a treatment episode. Individuals may be using multiple substances throughout the course of their SUD and may also indicate up to three substances at the time of admission (reported as either primary, secondary, or tertiary substance of use). These analyses include NYS residents who received SUD treatment at any OASAS-certified service and program type. Significant others and transfer admissions are excluded from these analyses. Age reflects the age of an individual at SUD treatment admission.

CDS data has its limitations. Data submitted to the CDS do not include patients treated for SUD by the U.S. Department of Veterans Affairs (VA), treated for SUD in programs located outside of NYS, treated in hospitals for care not related to SUD, or transferred to other systems of care not related to treatment of SUD. The accuracy of reporting is dependent on the timeliness, completeness, consistency, and quality of data received by treatment programs. Due to program reporting lag, admissions data are considered substantially complete three to four months after the admission transaction date while discharges are considered substantially complete 6 months after discharge transaction date. Data can be updated and received through the CDS indefinitely.

### [Pregnancy Risk Assessment Monitoring System—New York State outside of New York City](#)

Pregnancy Risk Assessment Monitoring System (PRAMS) is an ongoing mail and telephone survey of residents who have recently given birth to a live-born infant. The PRAMS project was developed by the CDC in 1987 to collect information from residents about behaviors and experiences before, during, and after pregnancy. The goal of the PRAMS project is to provide information to support research and guide policy changes and interventions that improve maternal and infant health and reduce adverse outcomes such as infant low birth weight and maternal and infant morbidity and mortality. In NYS, PRAMS data are independently collected by the New York City Department of Health and Mental Hygiene (NYCDOHMH) for residents in New York City (NYC) and by the NYSDOH for residents outside of NYC.

Using a similar sampling approach as NYC, with oversampling of low-birth-weight births, approximately 135 residents are randomly selected each month from the birth records of residents living in NYS outside of NYC. Each sample consists of 1) a stratum of births of low-birth-weight (<2,500 grams) infants with a sampling ratio of 3/22 and 2) a stratum of normal-birth-weight

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<sup>91</sup> U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, 2023

(>=2,500 grams) infants with a sampling ratio of 1/121. The monthly samples are selected for residents between two and four months after giving birth. Survey packets, including a small gift as an incentive, are mailed to selected residents. For selected residents who do not respond after three questionnaires are sent, attempts to reach them by phone are made. Respondents are offered a \$50 Target gift card as a thank you if they mail back the completed questionnaire or complete the questionnaire over the phone. The survey is available in English or Spanish and data collection procedures and instruments are standardized to allow comparisons between states.

Since PRAMS utilizes a random sampling method, estimates generated from PRAMS data are subject to sampling error. The standard error of an estimate measures the sampling variability among all possible samples that could have been drawn from the sampling frame. The variation for each estimate in the population is expressed via confidence interval (CI). Furthermore, the sampling weights are incorporated in the analyses to produce the weighted percent and 95% CI of the response for selected questions. Unknown or missing values are not included in the analysis.<sup>92</sup> While PRAMS is offered in both English and Spanish, results might exclude residents who do not speak those languages. Questions in the cannabis module are based on self-report and rely on recall of behaviors over the past month and year, which can lead to social desirability bias as there remain stigma associated with cannabis consumption and to recall bias in responses. The questionnaire used in 2021-2022 instructed respondents to exclude hemp or CBD-only products when answering questions in the cannabis module. Consumers are often confused by or unaware of the differences between cannabis and hemp products, leading to under- or over-reporting. Finally, NYS PRAMS data are independently collected by the New York City Department of Health and Mental Hygiene (NYCDOHMH) for residents in New York City (NYC) and by the NYSDOH for residents outside of NYC. The NYSDOH PRAMS implemented the full cannabis supplement reflected in this report, capturing these data for residents who have given birth in NYS outside of NYC only. Implementing a cannabis supplement in the NYC PRAMS survey would provide statewide data pertaining to perinatal cannabis consumption and healthcare provider screening and advice practices.

### Youth Development Survey

Youth Development Survey (YDS) was designed and conducted under the partnership between the NYS OASAS and its vendor, International Survey Associates. OASAS first produced a probability sample of school districts, and International Survey Associates implemented a multi-state, stratified, systematic random sampling method. With this methodology, the samples of schools are proportional to the size of the school district, and the samples of students are proportional to the number of enrolled students in their schools.

There are limitations to the YDS data collected during the 2021-2022 school year. First, although designed as a probability sample, the sampling strategy was dependent on school districts' agreement to join the survey. Therefore, the sample of schools was subject to selection bias. Second, due to the COVID-19 pandemic, schools underwent a series of difficulties, including closure, virtual classrooms, and staff turnover. Therefore, the participation rate at the district level was lower than designed. Third, due to the above-mentioned issues in the data collection stage, the results are not representative of all students in NYS. Compared with 2021 Youth Risk Behavior

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<sup>92</sup> New York State Department of Health, Pregnancy Risk Assessment Monitoring System, 2024

Surveillance System (YRBSS) data, YDS data had lower prevalence rates in several substance use variables (e.g., "Tried smoking before 13", "Currently using cannabis", "Ever used cocaine") but higher prevalence in other variables (e.g., "Tried marijuana before 13"). Further evidence that results are not representative of NYS high school students is found in the geographic distribution of respondents: although YDS data surveyed 42,593 students, they only covered 17 counties out of 62 counties of NYS. Among the 17 counties, about one-quarter of the students were from New York City's five school districts; and in NYC, about one-half of the students were from one district. In order to balance the sample population, weights were used to account for counties not included in the survey sample. However, the results and findings from analyzing YDS data should be interpreted with caution and not be generalized to all NYS students.

### Youth Risk Behavior Surveillance System

The Youth Risk Behavior Surveillance System (YRBSS) is a suite of surveys to assess behaviors associated with poor health in high school students (grades 9 through 12). Ongoing surveys include a national survey administered by the CDC, and state, tribal, territorial, and large urban school district surveys deployed by local departments of health or education of students in both private and public high schools in the United States. These surveys provide representative samples of high school students, and for some jurisdictions of middle school students, using a three- or two-stage, cluster sample design (depending on if national or other jurisdictional surveys). The surveys are administered every other year, typically from February to May of each odd-numbered year. Topic areas measured include: student demographics; youth health behaviors and conditions, including sexual health; substance use behaviors; and student experiences in their schools, homes, and communities.

YRBSS data are based on student self-reported, so some outcomes could be under- or overreported. Participants are recruited from among teens who attend school, excluding those who are not attending school. Therefore, results cannot be considered representative of all teenagers; rather it is representative of high school students. Evidence suggests teenagers who do not attend school are more likely to engage in risk behaviors than those who attend school. A potential bias could be introduced because parental permission procedures are not consistent across all jurisdictions; however, CDC has demonstrated that, provided response rates are high, the type of parental permission typically does not affect prevalence estimates.