

CLIENT ALERT: New York State Legalized Adult-Use Cannabis

Effective Immediately

Legal to Possess up to 3 ounces of Marijuana

New York State has legalized adult-use cannabis. Legislation will create the State Office of Cannabis Management and the Cannabis Control Board to oversee the entire cannabis industry, including recreational marijuana, medical marijuana and the emerging hemp and CBD fields.

Among other provisions, the legislation will establish:

Regulation:

- Create a number of new state licenses for cannabis, including separate licenses for cannabis farmers, distributors, product makers, dispensaries, and retail locations where people would be able to consume cannabis products on site.
- Anyone over the age of 21 will be allowed to grow up to three mature and three immature cannabis plants at their home, up to a maximum of 12 total plants per household. Card-carrying medical marijuana users will be able to begin growing within six months of the bill taking effect; Recreational users will have to wait until 18 months after the first dispensary opens.

Local Authority:

- Cities, towns, and villages will be given until the end of the year to opt out of having dispensaries or consumption sites within their borders.

Taxation:

- Cannabis will be taxed both at the distributor and retail level, with distributors paying a per-milligram tax on flowers, concentrate and edibles, while retail sales will have a state tax of 9% and a local tax of 4%. Significant tax revenue will be set aside for a new fund, which would be flagged for supporting social and economic equity programs.

Please contact Elizabeth Kase, Esq., partner and co-chair of the firm's cannabis practice group at EKase@Abramslaw.com or 516-328-2300, ext. 192 to guide you and your budding business.