



# NEW YORK STATE ENFORCEMENT AUTHORITIES

## OVERVIEW

Governor Kathy Hochul recently unveiled new initiatives to shut down illicit cannabis operations and protect the legal marketplace as part of the FY25 enacted budget. **The plan provides the Office of Cannabis Management and local municipalities with enhanced authority to take action against illicit cannabis storefronts and those who enable them.** The initiatives are the strongest set of policies enacted thus far to tackle the illicit cannabis marketplace in New York State. Below is more information about what this means for New Yorkers.

## HOW DOES THE FY25 BUDGET HELP OCM SHUT DOWN ILLCIT CANNABIS STOREFRONTS IN NEW YORK STATE?

### EXPANDED ENFORCEMENT POWERS FOR THE OFFICE OF CANNABIS MANAGEMENT

The Office is permitted to immediately padlock a business after an inspection if the inspection reveals the selling of illicit cannabis and an imminent threat to health and safety, if no part of the area to be sealed is used in part as a residence or is zoned for residential use, and the unlicensed activity is more than a de minimis part of the business activity.

#### The following circumstances permit immediate padlocking upon first inspection:

- Sale to minors,
- Products not tested or labeled according to New York Cannabis law,
- Unlicensed processing of cannabis,
- Violent conduct,
- The presence of unlawful firearms,
- Proximity to schools, houses of worship, public youth facilities, and/or
- Products leading to illness or hospitalization.

Unlicensed activity will be considered more than a “de minimis” part of the business by one or more of the following factors:

- Signs or symbols, indoors and out, advertising the sale of cannabis
- Advertising or other marketing content in connection with the unlicensed activity
- The volume of illicit cannabis products on site
- The variety of illicit cannabis products on site

Even if an imminent threat to health and safety is not present or an inspection reveals unlicensed sales are only a “de minimis” part of the business activity, the Office may share notices of violation (NOV) with other agencies, including SLA, Gaming, or DTF who may then take action in revoking any license the business has with their agency. The Office may padlock such business if it is found in violation of the Cannabis Law upon a subsequent inspection absent imminent threat or more than de minimis factors.

### ENHANCED PENALTIES FOR REMOVING OR DAMAGING A PADLOCK

Removing or mutilating the order to seal is punishable, on conviction, by a fine up to \$5,000 or by a class B misdemeanor, or both.

Removing or damaging a padlock is a Class A misdemeanor, Obstructing Governmental Administration, a crime with a maximum sentence of up to a year in jail.

## EXPANDED AUTHORITY FOR COUNTIES AND CITIES

County and city governments are granted authority, similar to OCM's, to seal/padlock illicit cannabis businesses provided that they enact a local law consistent with the enabling statute that at a minimum:

- Ensures consistent enforcement and procedures to conduct inspections, hearings, and padlocking businesses that mirror OCM's.
- Designates a point of contact to coordinate with OCM to report on enforcement activities.
- Requires hearings in City or County courts within 3 days of emergency padlocking and a court decision within 4 days after the hearing, for locations that were padlocked at first inspection due to imminent threat to health and safety.

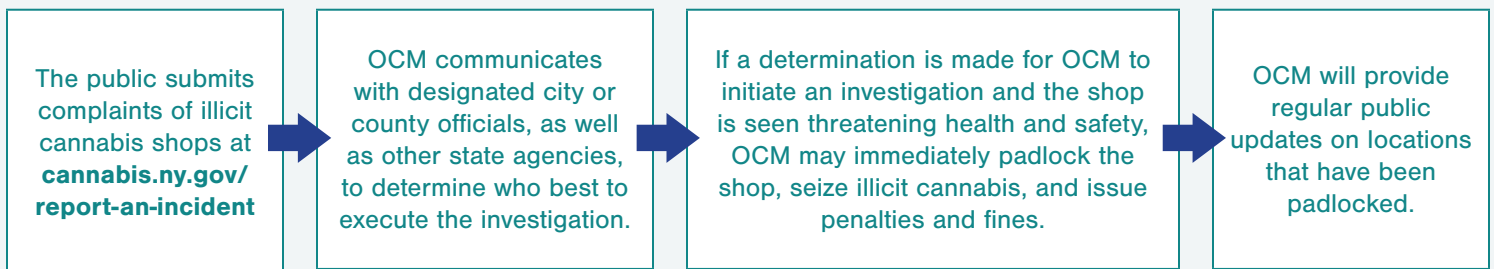
County and city governments can initiate emergency proceedings with orders to cease illicit activity against both businesses and landlords using Section 16-a of the Cannabis Law, upon 10 days' notice to OCM, with the option to collect penalties in those proceedings.

## ENHANCED PENALTIES FOR LANDLORDS OF ILLICIT CANNABIS BUSINESSES

Landlords who rent a business they know is at least customarily or habitually engaged in selling cannabis without a license will be subject to penalties increased to:

- Five times the rent from the time the landlord was notified of the violation, outside of NYC
- A fine of \$50,000 for any landlord notified of the violation in NYC

### THE FOLLOWING IS A BROAD OVERVIEW ON HOW A COMPLAINT TO OCM ORIGINATES, IS VETTED AND PRIORITIZED, AND SUBSEQUENTLY RESOLVED BY OCM:



## WHAT IS THE STATE'S ILLICIT CANNABIS ENFORCEMENT TASK FORCE?

The Task Force is a coordinated, state-wide inter-agency effort launched to shut down illegal cannabis businesses that threaten the public health and safety of consumers, the social equity efforts of OCM, and the sustainability of the legal market. **The following stakeholders will be engaged in the effort and will work alongside our partners in local law enforcement and city and county government statewide.**

- New York State Police
- Department of Taxation and Finance
- State Liquor Authority
- Department of Agriculture and Markets
- Department of State
- Department of Health
- Department of Labor
- Department of Motor Vehicles
- Department of Corrections and Community Supervision
- Department of Environmental Conservation
- Department of Financial Services
- Division of Homeland Security and Emergency Services
- Thruway Authority
- Office of General Services
- Office of Information Technology Services
- Workers Compensation Board

## TASKFORCE OBJECTIVES

- To close the doors of brick-and-mortar illicit cannabis operations through a sustained, coordinated effort
- To prevent the sale of illicit cannabis to underage buyers (under 21)
- To capture lost revenue and ensure illicit operators and the landlords who lease to them are held accountable for the negative impacts of their violation of State law
- To protect New Yorkers from the risk of consuming illicit cannabis products, and on the difference between legal and illicit retailers