

1 (a) appeal to persons less than twenty-one years of age and/or popu-
2 lations at-risk of increased adverse health consequences as determined
3 by the board in regulation; or

4 (b) disseminate false or misleading information to customers.

5 4. The board shall promulgate regulations requiring that:

6 (a) all advertisements and marketing accurately and legibly identify
7 the party or other business responsible for its content; and

8 (b) any broadcast, cable, radio, print and digital communications
9 advertisements only be placed where the audience is reasonably expected
10 to be twenty-one years of age or older, as determined by reliable,
11 up-to-date audience composition data. The burden of proving this
12 requirement lies with the party that has paid for or facilitated the
13 advertisement.

14 5. The board may establish procedures to review and enforce advertis-
15 ing and marketing requirements.

16 § 87. Social and economic equity, minority and women-owned businesses,
17 distressed farmers and service-disabled veterans; incubator program. 1.
18 The board, in consultation with the chief equity officer and executive
19 director, and after receiving public input shall create and implement a
20 social and economic equity plan and actively promote applicants from
21 communities disproportionately impacted by cannabis prohibition, and
22 promote racial, ethnic, and gender diversity when issuing licenses for
23 adult-use cannabis related activities, including mentoring potential
24 applicants, by prioritizing consideration of applications by applicants
25 who are from communities disproportionately impacted by the enforcement
26 of cannabis prohibition or who qualify as a minority or women-owned
27 business, distressed farmers, or service-disabled veterans. Such quali-
28 fications shall be determined by the board, with recommendations from
29 the state cannabis advisory board, the chief equity officer and execu-
30 tive director, by regulation.

31 2. The board's social and economic equity plan shall also promote
32 diversity in commerce, ownership and employment, and opportunities for
33 social and economic equity in the adult-use cannabis industry. A goal
34 shall be established to award fifty percent of adult-use cannabis
35 licenses to social and economic equity applicants and ensure inclusion
36 of:

37 (a) individuals from communities disproportionately impacted by the
38 enforcement of cannabis prohibition;

39 (b) minority-owned businesses;

40 (c) women-owned businesses;

41 (d) minority and women-owned businesses, as defined in paragraph (d)
42 of subdivision five of this section;

43 (e) distressed farmers, as defined in subdivision five of this
44 section; and

45 (f) service-disabled veterans.

46 3. The social and economic equity plan shall require the consideration
47 of additional criteria in its licensing determinations. Under the social
48 and economic equity plan, extra priority shall be given to applications
49 that demonstrate that an applicant:

50 (a) is a member of a community disproportionately impacted by the
51 enforcement of cannabis prohibition;

52 (b) has an income lower than eighty percent of the median income of
53 the county in which the applicant resides; and

54 (c) was convicted of a marijuana-related offense prior to the effec-
55 tive date of this chapter, or had a parent, guardian, child, spouse, or

1 dependent, or was a dependent of an individual who, prior to the effective date of this chapter, was convicted of a marijuana-related offense.

2
3 4. The board in consultation with the cannabis advisory board and the chief equity officer, shall also create an incubator program to encourage social and economic equity applicants to apply and, if granted an adult-use cannabis license, permit or registration, the program shall provide direct support in the form of counseling services, education, small business coaching and financial planning, and compliance assistance.

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10 5. For the purposes of this section, the following definitions shall apply:

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12 (a) "Minority-owned business" shall mean a business enterprise, including a sole proprietorship, partnership, limited liability company or corporation that is:

13
14 (i) at least fifty-one percent owned by one or more minority group members;

15
16 (ii) an enterprise in which such minority ownership is real, substantial and continuing;

17
18 (iii) an enterprise in which such minority ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise;

19
20 (iv) an enterprise authorized to do business in this state and independently owned and operated; and

21
22 (v) an enterprise that is a small business.

23
24 (b) "Minority group member" shall mean a United States citizen or permanent resident alien who is and can demonstrate membership in one of the following groups:

25
26 (i) black persons having origins in any of the black African racial groups;

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28 (ii) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American of either Indian or Hispanic origin, regardless of race;

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30 (iii) Native American or Alaskan native persons having origins in any of the original peoples of North America; or

31
32 (iv) Asian and Pacific Islander persons having origins in any of the far east countries, south east Asia, the Indian subcontinent or the Pacific islands.

33
34 (c) "Women-owned business" shall mean a business enterprise, including a sole proprietorship, partnership, limited liability company or corporation that is:

35
36 (i) at least fifty-one percent owned by one or more United States citizens or permanent resident aliens who are women;

37
38 (ii) an enterprise in which the ownership interest of such women is real, substantial and continuing;

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40 (iii) an enterprise in which such women ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise;

41
42 (iv) an enterprise authorized to do business in this state and independently owned and operated; and

43
44 (v) an enterprise that is a small business.

45
46 (d) A firm owned by a minority group member who is also a woman may be defined as a minority-owned business, a women-owned business, or both.

47
48 (e) "Distressed farmer" shall mean: (i) a New York state resident or business enterprise, including a sole proprietorship, partnership, limited liability company or corporation, that meets the small farm classification developed by the Economic Research Service of the United States;

1 States Department of Agriculture, has filed a schedule F with farm
2 receipts for the last three years, qualifies for an agriculture assess-
3 ment and meets other qualifications defined in regulation by the board
4 to demonstrate that they operate a farm operation as defined in section
5 three hundred one of the agriculture and markets law and has been
6 disproportionately impacted, including but not limited to incurring
7 operating losses, by low commodity prices and faces the loss of farmland
8 through development or suburban sprawl and meets any other qualifica-
9 tions as defined in regulation by board; or (ii) a New York state resi-
10 dent or business enterprise, including a sole proprietorship, partner-
11 ship, limited liability company or corporation, that is a small farm
12 operator and a member of a group that has been historically underrepre-
13 sented in farm ownership and meets any other qualifications as defined
14 in regulation by board.

15 (f) "Service-disabled veterans" shall mean persons qualified under
16 article seventeen-B of the executive law.

17 (g) "Communities disproportionately impacted" shall mean, but not be
18 limited to, a history of arrests, convictions, and other law enforcement
19 practices in a certain geographic area, such as, but not limited to,
20 precincts, zip codes, neighborhoods, and political subdivisions,
21 reflecting a disparate enforcement of cannabis prohibition during a
22 certain time period, when compared to the rest of the state. The board
23 shall, with recommendations from the state cannabis advisory board, the
24 chief equity officer and executive director, issue guidelines to deter-
25 mine how to assess which communities have been disproportionately
26 impacted and how to assess if someone is a member of a community dispro-
27 portionately impacted.

28 6. The board shall actively promote applicants that foster racial,
29 ethnic, and gender diversity in their workforce.

30 7. Licenses issued under the social and economic equity plan shall not
31 be transferred or sold within the first three years of issue, except to
32 a qualified social and economic equity applicant and with the prior
33 written approval of the board. In the event a social and economic equity
34 applicant seeks to transfer or sell their license at any point after
35 issue and the transferee is to a person or entity that does not qualify
36 as a social and economic equity applicant, the transfer agreement shall
37 require the new license holder to pay to the board any outstanding
38 amount owed by the transferor to the board as repayment of any loan
39 issued by the board as well as any other fee or assessment as determined
40 by the board.

41 § 88. Data collection and reporting. The board shall collect demo-
42 graphic data on owners and employees in the adult-use cannabis industry
43 and shall annually publish such data in its annual report.

44 § 89. Regulations. The board shall promulgate regulations with recom-
45 mendations from the state cannabis advisory board to implement this
46 article.

47 ARTICLE 5

48 CANNABINOID HEMP AND HEMP EXTRACT

49 Section 90. Definitions.

50 91. Rulemaking authority.

51 92. Cannabinoid hemp processor license.

52 93. Cannabinoid hemp retailer license.

53 94. Cannabinoid license applications.

54 95. Information to be requested in applications for licenses.