

December 3, 2024

The Honorable Kathy Hochul  
Governor of New York State  
State Capitol Building  
Albany, NY 12224

Dear Governor Hochul:

We write to you as a statewide community of advocates concerned about the administration's change in direction for the buildout of New York's cannabis market—in frustration with the legislative intent of the Marijuana Regulation and Taxation Act (“MRTA”). When you entered office, you publicly committed to New York having the most equitable and small business-focused cannabis market in the country, but we are seeing different priorities from your administration. Since the Office of Cannabis Management's ("OCM") inaugural executive director was forced out, the OCM, under the leadership of its interim executive director who is novel to both cannabis and economic markets, has pursued efforts in service of big corporations at the expense of small business and equity outcomes.

We are a group dedicated and determined to see New York's cannabis market fully realize its legal potential as set forth in the MRTA. We celebrated in 2021, when Governor Cuomo signed into law the MRTA, legalizing adult-use cannabis, after the legislature passed the law with community reinvestment, equity, and justice at the forefront. In light of the shortcomings of other states' legal cannabis markets, we have long fought for New York to chart a different course in legislation and implementation, knowing that true market success would require adopting radically intentional approaches to building out a legal market that ensures that everyday New Yorkers and their families—particularly those who have faced drug-related arrests and incarceration—have a meaningful market entry point and a fair opportunity to thrive. We applaud the initial efforts of OCM's inaugural leadership and see their intentionality in the data that was released earlier this year showing the impressive number of small businesses, social and economic equity groups, and justice-involved entrepreneurs comprising the cannabis retail market. And we appreciate the currently existing regulatory protections around competition, like the 1,000-foot proximity rule.

However, in the past few months, we have grown increasingly concerned by the lack of political leadership in fully implementing the MRTA, specifically the lack of funding of social and economic equity programs, a series of short-sighted regulatory decisions, and lack of appropriate OCM leadership. During this critical time of establishing New York's cannabis market, the Administration has irresponsibly failed to seat a permanent leader with appropriate economic development and cannabis experience and instead has appointed an interim director

who lacks experience in cannabis and economic development to serve in leadership. In a sharp pivot, OCM expanded its review of the November queue without regard to market capacity, only to push back its review of the less capitalized businesses in the December queue, effectively jeopardizing hundreds of small businesses' opportunity to open. The new licensing review has also deprioritized the previous review of those with Social and Economic Equity Group status and kept justice-involved entrepreneurs in the CAURD program waiting in the balance for location approvals. To diminish oversight of these changes, OCM has transformed the Chief Equity Officer role by redrafting the job description to ensure the next Chief Equity Officer holds less decision-making oversight of licensing and market regulations with cannabis equity in mind. Add to this the mounting financial challenges facing CAURD entrepreneurs caused by the failed commitment by this administration to help fund at least 150 CAURD licensees with low-interest loans.

We were once hopeful that this administration would fully appreciate the administrative challenges facing OCM and meaningfully invest resources and talent to ensure its success. But, today, given the hiring of OCM leadership who lack cannabis and economic market experience, persistent delays and confusion around the agency's licensing review of the December queue, and chronic understaffing of the agency writ large, we are led to believe that this administration woefully under-appreciates the urgent needs to fully implement and protect the MRTA, particularly its intent to ensure equity and fair opportunities for small businesses.

To ultimately restore confidence in the future of New York's cannabis market buildout, OCM's leadership must change to reflect expertise in cannabis, economic market development, and regulatory licensing. We believe many of these knee-jerk changes in licensing review and failed commitments to equity stem from a lack of experience and exposure to cannabis market development and regulatory licensing regimes, as well as a poor demonstration of a commitment to lead the agency according to the goals set out in the MRTA. Given our concerns, we implore you to appoint an Executive Director to OCM who has a demonstrated track record in the following areas:

- cannabis literacy, financial economic market development, or regulatory licensing operations;
- a proven commitment to equity and community engagement; and
- a proven commitment to small business growth.

The MRTA was enacted to ensure that New York's cannabis market prioritized health and safety, economic and racial equity, and sustainability. To achieve and sustain this effort, we implore you to heed our concerns and request. We appreciate your attention to this critical matter.

Signed,

024 Inc

Black Cannabis Industry Association, Inc. (BCIA)  
The Bronx Cannabis Hub  
Cannabis Social Equity Coalition of NYS  
CannaBronx  
The CannaDiva  
Drug Policy Alliance  
empCanna Media  
High Exposure Agency  
Hi-impact  
LYFE CHARMZ  
Minority Cannabis Business Association  
NAACP NY State Conference  
National Hispanic Cannabis Council Tristate Chapter  
NYC NORML  
Service Disabled Veterans in Cannabis Association  
Social Equity Empowerment Network New York  
VOCAL-NY