



## State Requirements for Adult-Use Retail Dispensary Licensees

***Information to be disclosed on our website that will address what OCM will be reviewing when reviewing an adult-use application or licensee***

### **Introduction**

The Office of Cannabis Management (the Office) has set forth a comprehensive application and review process for those looking to obtain an Adult-Use Retail Dispensary license in the state of New York.

This document intends to serve as an overview of some of the components that the Office reviews during the application process that may be of particular interest to local municipalities, including New York City Community Boards.

### **Expressing an Opinion**

Per Section 76 of Cannabis Law, local municipalities, including cities, towns or villages, and in the case of New York City, Community Boards, have the ability to express an opinion for or against the granting of licenses for adult-use cannabis dispensaries and/or on-site consumption sites. The expressed opinion of the municipality will then become part of the application record upon which the Office makes its recommendation to the Cannabis Control Board to grant or deny a license.

When expressing an opinion on an application, please include the following information in your submission to the Office:

- OCM Application ID Number
- Business Legal Name
- Name of the Applicant (Individual or Entity)
- In detail, reasons for recommending the granting or denying of the license



## **Enforcement**

In addition, Community Boards and local municipalities may relay to the state and/or local enforcement information about activities that may be in violation of the Cannabis Law. Suspected violations or complaints can be sent to [complaints@ocm.ny.gov](mailto:complaints@ocm.ny.gov).

Whenever possible please include the following information when submitting a complaint:

- Name of business
- Time of alleged illicit activity
- Location of alleged illicit activity
- Pictures of alleged illicit activity
- Indicate if there has been previous police contact (i.e., 911 calls)
- Proximity to sensitive use locations (e.g., school, house of worship)
- Contact information of the person reporting the alleged illicit activity (i.e., phone number in case there are follow up questions).

## **State Requirements:**

Below is an overview checklist of all the information the Office reviews for all adult-use applicants. Additional detail on the elements included in each category can be found at the end of this section.

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## Plans

Category	Elements Reviewed
<b>Plans</b>	<ul style="list-style-type: none"><li>- <b>Site Plan</b> including, but not limited to:<ul style="list-style-type: none"><li>o Location of the licensed premises</li><li>o Activities performed in each area of the licensed premises</li><li>o Entrances and exits to both the property and premises (including emergency exits)</li></ul></li><li>- <b>Energy &amp; Environmental Plan</b></li><li>- <b>Business Continuity Plan</b></li></ul>

## Dispensary Approval

Category	Elements Reviewed
<b>Dispensary Approval</b>	<p>The licensed premises of the dispensary will only be approved if the dispensary is in a location consistent with public convenience and advantage standards, as determined by the Cannabis Control Board. Factors that influence an approval decision include:</p> <ul style="list-style-type: none"><li>- Classes and character of other licenses in proximity to the location and in the particular municipality or subdivision</li><li>- Evidence that all necessary licenses and permits have been obtained from the state and all other governing bodies.</li><li>- Whether there is a demonstrated need for such license.</li><li>- Effect of the grant of the license on pedestrian or vehicular traffic, and parking, in proximity to the location.</li><li>- The existing noise level at the location and any increase in noise level that would be generated by the proposed premises.</li><li>- Any other factors specified by law or regulation that are relevant to determine that granting a license would promote public convenience and advantage and the public interest of the community.</li></ul>



### Store Interior

Category	Elements Reviewed
<b>Store Interior</b>	<ul style="list-style-type: none"><li>- Licensees must post inside the store, in a manner to ensure the information is plainly visible to all customers:<ul style="list-style-type: none"><li>o The licensee's retail dispensary license;</li><li>o Hours of operation;</li><li>o Public health and safety notifications that are clearly displayed for patrons to see and read, stating:<ul style="list-style-type: none"><li>• "Consuming cannabis is not allowed on this premises.";</li><li>• "Cannabis can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of cannabis."</li><li>• "Using cannabis, in any form, while you are pregnant or chest/breastfeeding passes THC to your baby and may be harmful to your baby. There is no known safe amount of cannabis use during pregnancy or while chest/breastfeeding."</li><li>• "Adult-use cannabis products are for use only by persons 21 years and older. KEEP OUT OF REACH OF CHILDREN AND PETS."</li></ul></li></ul></li><li>- Licensees must ensure that the interior of the store is kept in an orderly manner, even during periods of heavy customer traffic. This may require licensees to utilize a line with stanchions, pre-orders, an appointment schedule, a pick-up lane, or other traffic control methods.</li></ul>

### Outdoor Signage

Category	Elements Reviewed
<b>Outdoor Signage</b>	<p>Licensees authorized to conduct retail sales to consumers may advertise outdoors using signs, provided such signs:</p> <ul style="list-style-type: none"><li>- are for the purpose of alerting individuals to the location of a retail dispensary authorized to sell cannabis products to consumers;</li></ul>



Category	Elements Reviewed
	<ul style="list-style-type: none"><li>- are limited to, at a maximum, the following information:<ul style="list-style-type: none"><li>o licensee's name, entity name, or doing business as name;</li><li>o dispensary address, phone number, email address and website URL; and</li><li>o the nature of the business;</li></ul></li><li>- are affixed to a building or permanent structure;</li><li>- are not on vehicles; and</li><li>- do not total more than <b>two</b> in number per licensed premises.</li><li>- Marketing or advertising is prohibited on any signs and placards, regardless of their size or purpose, in arenas, stadiums, other sport venues, shopping malls (unless alerting individuals to the location of a retail dispensary located within that mall), fairs that receive state allocations, and video game arcades.</li><li>- A licensee shall remove the outdoor sign if the Office determines the outdoor sign violates the provisions of Cannabis Law.</li><li>- Or if the licensee fails to provide records to the Office upon request that establishes the outdoor sign meets the requirements of Cannabis Law and this Part.</li></ul>

### Adult-Use Marketing & Advertising Prohibitions

Category	Elements Reviewed
<b>Adult-Use Marketing &amp; Advertising Prohibitions</b>	<p>No marketing, advertising, or advertisement shall:</p> <ul style="list-style-type: none"><li>- depict noncompliant cannabis products;</li><li>- use or display images designed in any manner to be attractive to individuals under <b>twenty-one (21)</b>;</li><li>- use audio that may be attractive to individuals under twenty-one, including but not limited to using children's voices or cartoon voices;</li><li>- be on or in the form of a billboard, unless otherwise allowed pursuant to Outdoor Signage under Section 129.4;</li></ul>



Category	Elements Reviewed
	<ul style="list-style-type: none"><li>- use or display colloquial references to cannabis or depictions of cannabis, cannabis products, paraphernalia, or the imagery or action of smoking or vaping, including but not limited to the words “stoner”, “chronic”, “weed”, “pot”, or “sticky buds,” unless such reference is used in the licensee’s name, entity name, doing business as name, or logo;</li><li>- be false or misleading, including making any health claims or a representation that use of cannabis has curative or therapeutic effects;</li><li>- promote overconsumption or rapid consumption;</li><li>- promote product potency or THC concentration;</li><li>- promote price, price reductions, or any other discount, customer loyalty program, or</li><li>- coupon, except as part of an environmental sustainability program pursuant to Section 128.4(a) of Part 128 or otherwise approved by the Office;</li><li>- falsely portray cannabis or cannabis products as being in compliance with Article 3 and Article 5 of the Cannabis Law;</li><li>- assert that cannabis or cannabis products are safe because they are regulated by the Board or Office;</li><li>- include medical symbols that might reasonably lead a consumer to think the product is a medical product;</li><li>- utilize unsolicited pop-up or banner advertising on the internet other than on age- restricted websites for people twenty-one and over who consent to view cannabis-related material;</li><li>- produce any items for sale or promotional gifts, such as T-shirts or novelty items, bearing a symbol of or references to cannabis. This prohibition shall not pertain to cannabis paraphernalia sold to consumers;</li><li>- advertise through free promotional items including, but not limited to, gifts, giveaways, discounts, points-based reward systems, customer loyalty programs, coupons, and "free" or</li></ul>



Category	Elements Reviewed
	"donated" cannabis products, except for: the provision of branded exit packages by a licensee for the benefit of customers after a retail purchase is completed, the provision of free promotional items as part of an environmental sustainability program pursuant to the retail packaging sustainability program under Section 128.4(a), or otherwise approved by the Office; or use a commercial mascot.

### Security Plan & Storing of Cannabis

Category	Elements Reviewed
<b>Security Plan &amp; Storage of Cannabis</b>	<p>The licensee must take the following specific security measures:</p> <ul style="list-style-type: none"><li>- Implementing and maintaining a security plan. A security plan must include, at a minimum, a description of the measures a licensee will undertake to:<ul style="list-style-type: none"><li>o Prevent unauthorized access to the licensed premises by unauthorized persons and protect the physical safety of all individuals on the premises;</li><li>o Deter theft or loss of cannabis products;</li><li>o Prevent loitering and ensure that only individuals engaging in activity expressly or by necessary implication permitted by the Cannabis Law are allowed to remain on the premises of the licensee;</li><li>o Lock all perimeter doors and windows; and</li><li>o Provide for safe cash storage and handling, and transportation of cash to financial institutions;</li></ul></li><li>- Securing all entrances to the licensed facility to prevent unauthorized access;</li><li>- Ensuring that both the inside, and the outside perimeter of the licensed facility are sufficiently illuminated to facilitate surveillance; and</li><li>- Maintaining trees, bushes and other foliage outside of the licensed premises so as to prevent a person from concealing themselves from sight.</li></ul>



## Security System

Category	Elements Reviewed
<b>Security System</b>	<p>Licensees are required to have a security system at the dispensary that utilizes commercial grade equipment to prevent and detect diversion, theft, or loss. The system, at a minimum, must include:</p> <ul style="list-style-type: none"><li>- A perimeter alarm that communicates with an internal designee and a third-party commercial central monitoring station when intrusion is detected;</li><li>- Video camera surveillance in all areas that may contain cannabis products, all surveillance areas or rooms and at all points of entry and exit, and in any parking lot, which shall be appropriate for the normal lighting conditions of the area under surveillance. Video camera surveillance shall meet the following additional requirements:</li><li>- Video cameras shall be directed at all safes, vaults, sales areas, and any other areas where cannabis products are stored, handled, transferred or sold and for the purpose of securing cash;</li><li>- Video cameras shall:<ul style="list-style-type: none"><li>o be positioned at entry and exit points, and at each point-of-sale area, to allow for the capture of clear and certain identification of any person entering or exiting the facility or at the point-of-sale, with a date and time stamp;</li><li>o be able to continuously record during hours of operation (retained for 60 days), even when the power is out; and</li><li>o have remote access capability.</li></ul></li><li>- A failure notification system that provides an audible, text or visual notification of any failure in the security system. The failure notification system shall provide an alert to the licensee's designated representative(s) within five minutes of the failure, either by telephone, email, or text message;</li><li>- Limiting access to any surveillance areas and keeping all on-site surveillance rooms locked. A licensee shall make available to the Office or the Office's authorized representative, upon request, a current list of all individuals who have access to any surveillance room or equipment; and</li></ul>





Category	Elements Reviewed
	<ul style="list-style-type: none"><li>- Keeping all locks, storage and security equipment in full operating order and shall test and inspect such equipment at regular intervals, not to exceed 30 calendar days from the previous inspection and test. Records of security tests must be maintained for five years and made available to the Office upon request.</li></ul>

### Storage

Category	Elements Reviewed
<b>Storage</b>	Cannabis and cannabis products shall be stored in a secure, locked safe, vault, or other approved equipment or location within the licensed premises to prevent diversion, theft or loss, and in such a manner, as to protect against physical, chemical and microbial contamination, and deterioration of the cannabis and cannabis products.

### Incident Reporting

Category	Elements Reviewed
<b>Incident Reporting</b>	A licensee shall notify the Office in a manner prescribed by the Office, of any breach of security or other incident set forth in this Section immediately and, in no instance, more than 24 hours following discovery of the security breach or incident.

### Additional Resources

For more in-depth information please consider the following resources:

- [Marihuana Regulation and Taxation Act](#)
- [Proposed Adult-Use Regulations](#)
- [Guidance for Adult-Use Retail Dispensaries](#)
- [CAURD Application Mockup](#)
- [CAURD Post Selection Application Mockup](#)