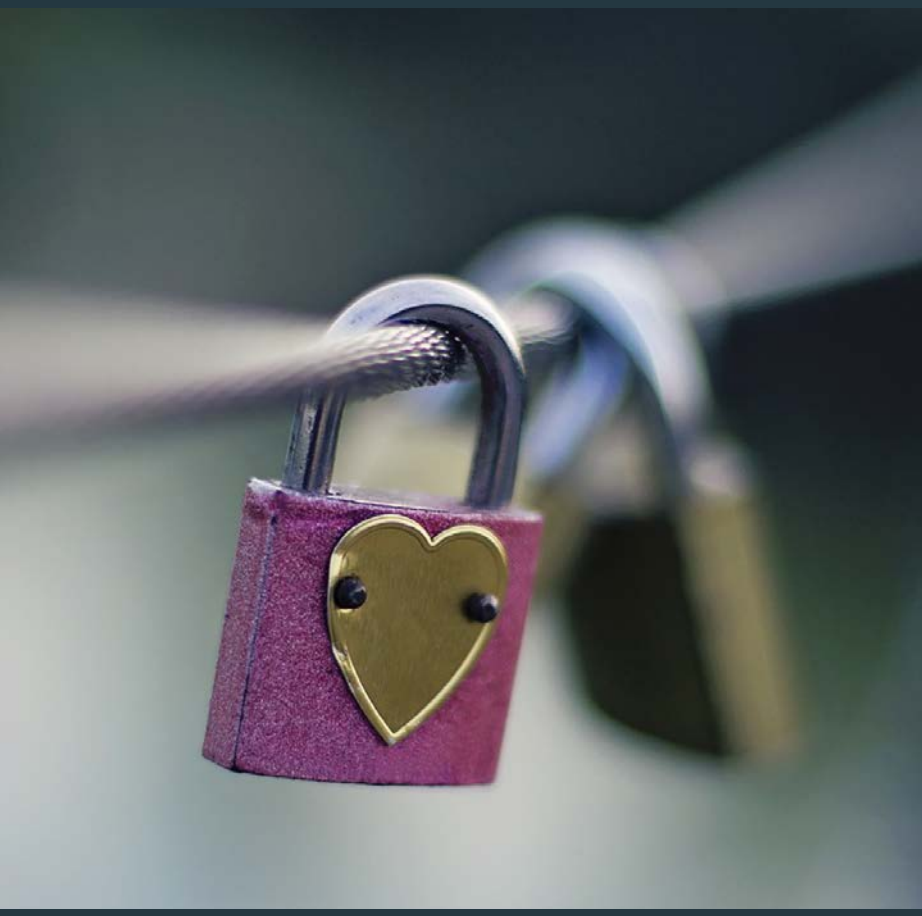




MARIJUANA REGULATION & TAXATION ACT

“MRTA”



KEY

PROVISIONS

NYS Law Adopted in 2021

- ❑ Medical marijuana allowed since 2014 continues w/ fewer restrictions

For those 21 and older:

- ❑ 3 oz for recreational use allowed
- ❑ Home cultivation will be allowed
- ❑ Smoking marijuana is allowed where tobacco smoking is allowed
- ❑ Smoking marijuana is not allowed in cars or near schools
- ❑ Retail marijuana sales from licensed dispensaries
- ❑ On-site marijuana use at licensed locations- not bars
- ❑ Certain marijuana crimes to be expunged

NYS Law Adopted in 2021

- ❖ **New State Licensing will cover:**

- **Medical Marijuana production & dispensing**

 - REGULATIONS HAVE NOT YET BEEN DEVELOPED FOR:**

- **Adult Use Cultivator, Processing, Distribution and/or Dispensary**

 - **Applicants must notify municipality**

- **Adult Use On-Site Consumption**

 - **Applicants must notify municipality**

- **Hemp and CBD**

TAXES & REVENUES FROM 2021 MRTA

Users will pay 13% sales tax:

❖ 9% sales tax will go to New York State

PLUS

❖ 4% State sales tax is shared locally:

- ❖ 25% stays with County
- ❖ 75% divided among municipalities based on local sales
- ❖ Town and Village will each be eligible for revenues once regulations are finalized
- ❖ If Village has sales, a Town-Village agreement is needed or revenue is shared 50-50
- ❖ Sales in the Town, outside the village, remain in the Town

STATE USE OF MARIJUANA REVENUES

NYS estimates a possible \$350 million/year in new revenues

After the State collects and uses funds to run cannabis program, their 9% revenue will be targeted to:

- ✓ 40% of remaining money goes to state lottery program for grants for school districts
- ✓ 20% to drug treatment and public education fund
- ✓ 40% to community grants reinvestment fund

Automatic Revenue unless we opt out

The NYS MRTA of 2021 will automatically accept and review applications for licensing of dispensaries for sales and/or for lounges for on-site consumption in all municipalities.

- The law provides an option for municipalities to opt out of allowing dispensaries and/or on-site consumption. The Village and Town make their own decisions. The Town's jurisdiction is for just outside the Village.
- If a municipality opts out of sales and on-site use, it receives no revenue

A municipality may NOT opt out of the law allowing personal use

Automatic Revenue unless we Opt Out

NO ACTION = ALLOWING DISPENSARIES & ON-SITE USE & REVENUE

- ***If*** the Town were to OPT OUT, it must do so by adopting a local law, which is subject to a permissive referendum
- If enough residents disagree with the Town's decision to opt out and file a sufficient number of signatures to object, the Town must hold a referendum
- The decision to opt out must be made by Dec. 31, 2021. If it is challenged & a referendum must be held, the referendum may be held after 12/31
- A municipality that opts out, may opt back in but may not opt out after 12/31/21
- Revenue is unlikely until 2023 the soonest; regulations are still in process

RESOURCES & REFERENCES

<https://cannabis.ny.gov/laws-regulations>

<https://www.nytimes.com/article/new-york-marijuana-legalization-facts.html>

Data for this presentation drawn from Association of NYS Towns “A Town Official’s Official Guide to Cannabis” April 2021