



Office of Cannabis Management

KATHY HOCHUL
Governor

FELICIA A. B. REID
Acting Executive Director

July 28, 2025

Good Day,

I am writing to relay important information that will impact the location of your business. Please review the following carefully to understand the impact and next steps.

Over the last year, I have directed that the Office of Cannabis Management (OCM) conduct a thorough review of agency practices and decision-making protocol(s) to ensure compliance with mandates of the Marijuana Regulation and Taxation Act (MRTA), which includes the Cannabis Law. This review included any guidance under previous OCM executive leadership that directed the work of agency units. In doing so, my Office recently identified that the manner in which OCM has been assessing adult-use retail dispensary location distance requirements relative to schools, first established in 2022, is **not** in compliance with Cannabis Law § 72 (6). In short, a plain reading of the Cannabis Law and § 409 (2) of the Education Law compel the conclusion that a cannabis retail dispensary cannot be within 500 feet of a school's **property line**.

Since 2022, and in conflict with Cannabis Law § 72 (6), OCM reviewed applications and made recommendations to the Cannabis Control Board based on whether a dispensary was on the same road and within five hundred feet **of the entrance** of a building occupied exclusively as a school. However, whether a dispensary is on the "same road" and whether the school is in a building "occupied exclusively as a school" appears to have been borrowed from portions of OCM's regulations curtailing cannabis-related rule making by *municipalities* (see, 9 NYCRR §§ 119.1 and 119.4).

These provisions should never have applied to OCM location assessments as an agency of New York State; moreover, wherever a regulation conflicts with statute, the statute reigns.

Given that your location was reviewed in a manner that conflicts with Cannabis Law § 72 (6), **the current location of your business is in violation of the Cannabis Law based on the school(s) located at:**

[REDACTED]

I am keenly aware that this information will have repercussions for you, your business, and your community. You have poured your energy, time, savings, dedication, and heart into the promise of New York's cannabis industry. To give you this news, and for the weight of it, I am incredibly sorry.

For all pending and future application reviews, OCM will assess locations under the standard of the statute. As a licensee, you are not presently required to change the location of your business; however,

your location will become an issue at the time of license renewal. OCM cannot use the past unlawful standard of review to consider a license upon renewal.

To help lessen the potential impact of this practice correction on licensees, OCM is actively exploring the following:

- The Governor's Office and OCM will be proposing and aggressively pursuing legislation to address licensees whose businesses are at locations in conflict with Cannabis Law § 72 (6). This legislation would permit licensees to remain at their present licensed location.
- Importantly, although the Governor's Office and OCM will actively advocate for legislative redress, passage of proposed legislation is the prerogative of the New York State Legislature and is not a guarantee. Given this risk, and that OCM cannot renew licenses at locations that do not comply with Cannabis Law § 72 (6), licensees will need a new Cannabis Law § 72 (6)-compliant location before OCM can finalize license renewal.

While this may not fully alleviate all burdens that you may face due to this change, I hope that it is a solid first step in re-establishing trust between you and OCM. I recognize all that you have put into being a part of New York's cannabis industry and assure you that OCM will continue to make every effort to make this industry more accessible and equity-driven, while following the letter of the MRTA.

I want to reassure you and New York's cannabis community that social and economic equity remains OCM's core mission. Equity and lawful agency practice are not—and cannot be—mutually exclusive. We are working to mitigate the impact of this practice correction on the MRTA's equity goals in pursuing legislation to protect licensees. In the long view, I recognize that OCM cannot set up businesses and New York's equity goals to be hamstrung in the future by the agency not following the law in the present.

I know you will have questions about this news. The OCM Customer Service will be following up this letter with a call to every impacted licensee to address your concerns. OCM will post additional information at: <https://cannabis.ny.gov/proximity-correction>. You may also reach out to OCM at locations@ocm.ny.gov.

I appreciate your attention to this letter. I sincerely thank you for all your commitment to New York cannabis.

In service,

A handwritten signature in blue ink, appearing to read 'Felicia Reid', with a stylized flourish at the end.

Felicia A. B. Reid, Esq., *Acting Executive Director*



Office of Cannabis Management

KATHY HOCHUL
Governor

FELICIA A. B. REID
Acting Executive Director

July 28, 2025

Good Day,

I am writing to relay important information that will impact the proposed location of your business. Please review the following carefully to understand the impact and next steps.

Over the last year, I have directed that the Office of Cannabis Management (OCM) do a thorough review of agency practices and decision-making to ensure that those practices comply with mandates of the Marijuana Regulation and Taxation Act (MRTA), which includes the Cannabis Law. This review included any guidance given by previous OCM executive leadership that directed the work of agency units. In doing so, my Office recently identified that the manner, first established in 2022, in which OCM has been assessing whether an adult-use retail location meets distance requirements relative to schools is **not** in compliance with Cannabis Law § 72 (6).

Over the last year, I have directed that the Office of Cannabis Management (OCM) conduct a thorough review of agency practices and decision-making protocol(s) to ensure compliance with mandates of the Marijuana Regulation and Taxation Act (MRTA), which includes the Cannabis Law. This review included any guidance under previous OCM executive leadership that directed the work of agency units. In doing so, my Office recently identified that the manner in which OCM has been assessing adult-use retail dispensary location distance requirements relative to schools, first established in 2022, is **not** in compliance with Cannabis Law § 72 (6). In short, a plain reading of the Cannabis Law and § 409 (2) of the Education Law compel the conclusion that a cannabis retail dispensary cannot be within 500 feet of a school's **property line**.

Since 2022, and in conflict with Cannabis Law § 72 (6), OCM has reviewed applications and made recommendations to the Cannabis Control Board (Board) based on whether a dispensary is on the same road and within five hundred feet **of the entrance** of a building occupied exclusively as a school. However, whether a dispensary is on the "same road" and whether the school is in a building "occupied exclusively as a school" appears to have been borrowed from portions of OCM's regulations curtailing cannabis-related rule making by *municipalities* (see, 9 NYCRR §§ 119.1 and 119.4).

These provisions should never have applied to OCM location assessments as an agency of New York State, and moreover, wherever a regulation conflicts with statute, the statute reigns.

OCM directed you to submit your location under a standard borrowed from regulation, but that conflicts with Cannabis Law § 72 (6). As a result, **the proposed location of your business is in violation of the Cannabis Law based on the school(s) located at [REDACTED]** You will be required to submit a new retail dispensary location for consideration in order to move ahead in the application process.

For any applications still pending finalization and recommendation to the Board, OCM will assess locations under the standard of the statute. The standard of Cannabis Law § 72 (6) will also apply to any review of the December 2023 queue and future queues.

I am keenly aware that this information will have repercussions for you, your anticipated business, and your community. You have poured your energy, time, savings, dedication, and heart into the promise of New York's cannabis industry. To give you this news, and for the weight of it, I am sorry.

To help lessen the potential impact of this practice correction on applicants whose applications OCM has opened and reviewed:

The Governor's Office, OCM, and Empire State Development have coordinated to provide up to \$15M for applicants who previously received communication from the Office that their locations were compliant but now are not, given OCM's practice correction to comply with Cannabis Law § 72 (6).

Under the Program, these impacted applicants can seek coverage, up to \$250,000, of certain expenses related to:

- Finding a new location, and/or
- Location acquisition / capital improvements made to their original location.

OCM will contact impacted applicants with additional information on how to access the Program. Participation in the Program does not preclude an applicant from finding or securing another location that is compliant with Cannabis Law § 72 (6).

If an impacted applicant's application is complete and the *only* outstanding issue is having a proposed location that does not comply with Cannabis Law § 72 (6), OCM can issue the applicant a provisional license to be able to submit a new location for consideration. If the impacted applicant already has a provisional license, OCM and the Board will work to extend the provisional period.

While this may not fully alleviate all burdens that you may face due to this practice correction, I hope that it is a solid first step in re-establishing trust between you and OCM. I recognize all that you have put into the promise of New York's cannabis industry and assure you that OCM will continue to make every effort to make this industry accessible and equity-driven, while following the letter of the MRTA.

I want to reassure you and New York's cannabis community that social and economic equity remains OCM's priority. Equity and lawful agency practice are not—and cannot be—mutually exclusive. In the long view, I recognize that OCM cannot set up businesses and New York's equity goals to be hamstrung in the future by the agency not following the law in the present.

I know you will have questions about this change in practice. OCM Customer Service will conduct follow up calls with every impacted applicant to address your concerns. OCM will post additional information at: <https://cannabis.ny.gov/proximity-correction>. You may also reach out to OCM at locations@ocm.ny.gov.

In service,

A handwritten signature in blue ink, appearing to be 'F. Reid', with a stylized flourish at the end.

Felicia A. B. Reid, Esq., *Acting Executive Director*