

New York Lawmakers Successfully Agree On Terms to Legalize Recreational Marijuana

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New York State officials finalized a deal to legalize recreational marijuana throughout the state. Projections suggest that state legalization could produce a \$4+ billion industry and create tens of thousands of jobs. Observers of the growing cannabis industry in America suggest New York could rival California in becoming one of the largest legalized recreational marijuana markets in the country.

Under the proposed legislation:

- Marijuana could be purchased from licensed dispensaries for personal, recreational use;
- Deliveries to lawful consumers would be allowed under authorized conditions;
- Club-like lounges or “consumption sites” would be licensed where marijuana, but not alcohol, could be consumed;
- Lawful adults could cultivate up to six marijuana plants at home, indoors or outdoors, for personal use.

Also under the current deal, retail sales of marijuana in New York State would be subject to a 9% state tax and 4% percent local tax. Collected tax revenues would be allocated as follows:

- approximately 40% of tax revenues would be reinvested in communities disproportionately impacted by the war on drugs;
- 40% would be steered to public education; and
- 20% percent would go toward drug treatment, prevention and education.

The deal also includes “equity programs” that would provide loans, grants and incubator programs for small farmers and people from disproportionately-impacted communities who want to enter the cannabis industry.

The proposal to legalize recreational marijuana in New York initially was being negotiated as part of the state budget, which is due April 1. However, state lawmakers said it would be fast-tracked for a stand-alone vote.

Even if promptly approved by the legislature and signed by the governor into law, the first sales of legal recreational marijuana are likely more than a year away: Officials first must establish an appropriate regulatory infrastructure, which includes writing the complex rules that will control a highly regulated market. As in other states that have legalized recreational marijuana, New York will have to create a new licensing system, and provide for the regulation of the entire distribution network from growers and cultivators, through producers and processors, to wholesalers and ultimately the retail dispensaries and their delivery agents.

To oversee the new marketplace, the proposed legislation contemplates the creation of a new five-member control board that would oversee the industry. Officials expect to model the marijuana board similar to the existing New York State Liquor Authority that regulates the state’s alcohol industry.

According to a [report](#) published in *The New York Times*, the new marijuana bill could be approved by the Democratic-controlled state legislature as soon as the last week of March, 2021.