



NYSOCM Testimony: Joint Legislative Hearing on Fiscal Year 2026–2027 Executive Budget

Good morning, Committee Chairs, Senator Krueger and Assemblymember Pretlow. Thank you for the opportunity to testify today.

I'm Sue Filburn, Acting Executive Director of the Office of Cannabis Management. Joining me today is John Kagia the agency's Director of Policy and Simone Washington our Chief Equity Officer.

I want to thank Governor Hochul, the Executive Chamber and you, our partners in the legislature for the continued support and guidance. The growth and maturation OCM experienced in 2025 would not have been possible without the sustained commitment to building a regulated cannabis market that prioritizes equity, public health and safety, market integrity, practitioner education, and long-term stability.

Now, I want to share with you the significant progress OCM has made over the past year, as well as our vision for the work ahead.

OCM has worked diligently to expand and strengthen New York's cannabis marketplace, helping the industry take root while adapting to new opportunities and challenges.

None of this progress would be possible without our licensees, advocates, and industry leaders, many of whom have championed quality, innovation, and community engagement from the very beginning. We are grateful for their partnership as we continue shaping the future of cannabis in New York.

I would also like to recognize the dedicated employees of OCM. The agency has experienced significant rapid growth and transitions—changes that ultimately led me to be here today. Through it all, OCM staff have remained focused, professional, and deeply committed to the mission. Their expertise, resilience, and passion for serving New Yorkers are evident every day, and I am continually impressed by their dedication to this work.

Finally, thank you to the Cannabis Control Board, particularly Chair Jessica Garcia, whose leadership has reinvigorated the Board and strengthened its focus. I also extend my appreciation to the Cannabis Advisory Board, led by Chair Joseph Belluck and my colleagues across OCM's Executive Team for their steady leadership and shared commitment to building a cannabis program that works for all New Yorkers.

Challenges and Lessons Learned

Last year, OCM appeared before this Committee during a period marked by both momentum and transition. Today we are experiencing similar growth defined by meaningful changes that have strengthened the cannabis industry, and sharpened the agency's mission, focus, and resolve.

First, the school proximity legislation reaffirmed the importance of aligning licensing decisions with statutory requirements and community standards. Throughout this process, OCM worked collaboratively with impacted licensees, the Governor's Office, and you, the Legislature to amend the law in relation to dispensaries' proximity to schools.

With that coordination and clarity, none of the impacted businesses have been required to relocate and we are equipped to move forward with clear requirements on distance for dispensaries from schools.

Next, the implementation of seed-to-sale tracking marked a major operational milestone for New York's cannabis program. Working closely with Metrc, the state's vendor, —OCM undertook an extensive education and outreach effort to support licensees through the transition. This included webinars, in-person training across the state, and the distribution of 20 million free track-and-trace tags to processors to offset initial costs and reduce barriers to compliance.

Today, 90 percent of licensees are actively credentialed in the system, and the Office continues to work directly with those onboarding and troubleshooting implementation issues. This system now provides stronger oversight across the supply chain, enhances transparency, and helps protect businesses, particularly small operators—from market manipulation and product inversion.

Finally, fighting inversion is a top priority for OCM. That's why we launched the Trade Practices Bureau (TPB) last year. TPB plays a central role in safeguarding the integrity of New York's cannabis market and advancing the State's social and economic equity framework, while reinforcing a fair, transparent, and accountable marketplace.

As New York's cannabis market matures, protecting legally licensed businesses from bad actors through strong enforcement of fair trade practices will be central to OCM's focus.

Taken together, these experiences strengthened us as an agency. We improved our internal processes, clarified regulatory expectations, and reinforced the importance of transparency and accountability for us and the industry.

Opportunities and Progress

Over the past year, OCM expanded the retail market and supply markets by continued licensing. As of today, OCM has processed 2,186 licenses and more than 150 license renewals across all programs. The retail footprint grew from 261 in 2024 to 595 today with over 55% of adult-use



licenses issued to social and economic equity businesses. As New York’s legal cannabis market approaches \$3 billion in adult-use retail sales since the passage of the MRTA, we continue to see growth quarter over quarter and expect the adult-use market to eclipse \$2 billion in 2026. All regions saw sales growth from 2024 to 2025 with revenue more than doubling in several regions (Brooklyn, Bronx, Staten Island, Finger Lakes, Mid-Hudson). The cannabis industry has created thousands of jobs across the state and continues to grow the NYS’s workforce.

In Rochester, OCM celebrated the opening of New York State’s 500th licensed retail dispensary, and we are now preparing to mark the 600th dispensary opening in the coming days.

OCM continues to foster social and economic equity work that is both innovative and governed by communities served through many of its projects including the Conditional adult-use retail dispensary (CAURD) grant program in partnership with Empire State Development, the Technical Assistance Provider’s grants, the Microbusiness Pro-forma project, and the Cannabis Hub and Incubation program academy.

The agency in partnership with the Cannabis Advisory Board distributed \$5 million in cannabis tax revenue to youth-focused nonprofit organizations across the state, from Buffalo to Brooklyn—an important example of how this program is reinvesting revenue earned from cannabis taxes back into the communities. 50 organizations received \$100,000 for programs that support housing, workforce development and mental health. Over 82% of the grants were awarded to organizations with zip codes containing one of more communities disproportionately impacted by prior cannabis prohibition.

OCM expanded the medical cannabis program and cannabis research. The CCB licensed two additional Registered Organizations to bring the total to 19 and 7 cannabis research licenses have been issued. OCM partnered with Northwell Health for the 2nd annual NYS Medical Cannabis Symposium. This two-day event featured several educational programs and direct training for clinicians and practitioners from across the state.

OCM continues to protect public health through our education campaigns. OCM launched its Cannabis Education Library, where New Yorkers can order educational resources to share free of charge. We also launched the Cannabis Education Advisory Panel (CEAP). This statewide body of experts was convened to advise on the development, review and evaluation of youth-related cannabis education resources.

OCM continues to keep New Yorkers safe. This past year, the Enforcement and Investigations division continued to conduct regulatory inspections, executed court issued access orders and assisted law enforcement during search warrants and conducted undercover operations to stem the trafficking and sale of illicit cannabis. To date we’ve padlocked more than 500 illicit locations. OCM

completed over 2,017 enforcement actions in 2025 resulting over \$20 million of illicit cannabis product seized and paving the way for legal, regulated stores.

OCM's compliance and laboratory teams continue to conduct inspections and monitor adherence to legal cannabis market rules. In fact, over 97% of the tested cannabis product lots passed state-mandated testing, and the compliance team conducted double the number of inspections in 2025 than 2024.

Together, these outcomes reflect an agency willing to confront complexity, learn from experience, and continue moving forward in service of a regulated, equitable, and sustainable cannabis market.

What began as a year of transition concluded as a year of progress—one that positions OCM to capitalize on new opportunities with renewed confidence and momentum.

Looking Ahead

Looking forward, OCM remains focused on guiding New York's cannabis market from its early development into a phase defined by stability, accountability, and long-term success. We are committed to building a safe, effectively-regulated market for the more than 2.2 million New Yorkers who consume cannabis regularly.

As the Marihuana Regulation and Taxation Act marks its fifth anniversary, New York continues to advance the roadmap envisioned by the Legislature—one grounded in equity, responsible growth, public health and safety.

Our goal is not growth for its own sake, but responsible growth—growth that supports compliant businesses, protects communities, and ensures the benefits of legalization are broadly shared.

In the coming year, OCM will continue refining our regulatory framework through roundtables with our stakeholders to provide greater efficiency, clarity, transparency and predictability for licensees, while strengthening enforcement against illicit activity that undermines both communities and legal operators.

We are investing in improved coordination with state and local partners, enhanced technology, data and compliance systems, and clearer guidance to help businesses succeed in the legal market.

Most important is our continued commitment to social and economic equity. This includes expanding technical assistance, supporting access to capital and real estate, and ensuring communities disproportionately impacted by past cannabis enforcement are meaningfully participating in—and benefiting from—this industry.



Office of Cannabis Management

KATHY HOCHUL
Governor

SUSAN FILBURN
Acting Executive Director

The next phase of New York’s cannabis program is about trust, transparency, and resilience. OCM is committed to building a regulatory system that works not just today, but for years to come—and to ensuring New York continues to lead with intention, integrity, and equity as this market matures.

Thank you again, Senator Krueger and Assemblymember Pretlow, and members of the legislature for welcoming the Office of Cannabis Management to this hearing. I appreciate the opportunity to share our progress and look forward to continuing this important work on behalf of the people of New York.