



Testimony of the New York Cannabis Retail Association Economic Development Joint Budget Hearing February 26, 2026

My name is Britni Tantalo, and I am the owner of Flower City Dispensary near Rochester, NY. I am also the President of the New York Cannabis Retail Association (NYCRA), which represents over 350 members statewide.

Thank you, Chairs Krueger, Pretlow, Stirpe, Baskin and members of the New York State Senate and Assembly, for the opportunity to submit this testimony.

On behalf of NYCRA, I want to thank the Governor, the Assembly and the Senate for the significant actions you have taken to expand and enhance the cannabis market in New York. However, our industry still faces several challenges, some of which could be addressed in the 2026-27 budget.

- **Amend the Recently Enacted Proximity Law to Protect CAURD Licensees.**
The Governor recently signed legislation to address problems with the proximity law caused by inappropriate decisions made by the Office of Cannabis Management (OCM). While NYCRA supported this action and the goal of protecting our members from a calamitous impact on their businesses, because the legislation was never shared with us before it was acted on there was no time to analyze it. After consultation with numerous cannabis legal experts, we are very concerned that CAURD licensees – which comprise almost HALF of the impacted retailers—are not covered by this law. That opinion is held by every cannabis attorney we spoke with. To ensure these stores are protected, we call on the legislature to amend this law in the article VII bill to include “licensees authorized pursuant to Article 2 of the Cannabis Law.” This section of law is, according to the OCM and the Attorney General, the section of the Cannabis Law that establishes legal authority for the CAURD license. Adding this reference to the existing list of cannabis law retail licensing citations in Section 2 of the bill would ensure that CAURD licensees are clearly covered by the law, protecting them from lawsuits by individuals intent on putting a competitor out of business.
- **Require the State to Assume Financial Responsibility for the Mandated Seed-to-Sale System.**
NYCRA strongly supports the seed-to-sale system currently being implemented by OCM. However, the financing of this state oversight effort has been placed on the backs of cannabis licensees, forcing them to pay for a regulatory system that should be the responsibility of the state. In other states with STS systems, including Massachusetts, Michigan, and California, the regulator absorbs these costs. Compounding our concern is the expressed intent of the contracted

provider, Metrc, to raise their fees, something that is easy to do when private businesses are being saddled with the cost. The state receives cannabis-related revenue from the fees paid by every licensed cannabis entity, as well as from taxes paid throughout the cannabis market. The cost of the STS system should be covered by those revenues, rather than effectively taxing cannabis licensees again by burdening them with the cost of this regulatory function.

- **Support the Proposed \$6 Million for New Social Equity Retail Licensees.** The Executive budget includes \$6 million to provide start-up grants for new social equity retail licensees. These funds are a continuation of the \$5 million made available in June 2025 for CAURD licensees, a program that supported over 150 licensees. The new funding is an essential effort by the state to help new social equity cannabis retail businesses get their financial and operational footing.

Other actions that are of high priority for our members include:

- **Close Down the Illegal Market.** Illegal stores continue to be a huge problem in New York. Our members are living this reality daily: despite new laws designed to close these stores down, many legal retailers are still surrounded by illegal stores, and it is still common for an illegal store to be closed down, only to re-open a few days later. If New York is serious about closing illegal cannabis stores, NYCRA recommends that the legislature consider the following:
 - Amend the law to more closely align with tobacco market enforcement. Many current cannabis enforcement provisions—such as hours of operation, product labelling, and product weight rules—result in loopholes that illegal stores use to get charges against dismissed in court. These loopholes do not exist in the tobacco law, which as a result is much easier to enforce.
 - Increase the budget for OCM enforcement staff. NYCRA supports expanding OCM enforcement staff, as the breadth and depth of the illegal market is far beyond the current capacity of OCM to deal with.
 - Increase the cost of deciding to enter the illegal market by enacting a law to forever prohibit anyone operating an illegal store from receiving any cannabis license. Those of us who entered the legal market played by the rules and risked our own financial futures to do business; people who chose to break the law, sell dangerous products to children and don't pay taxes should never be allowed work within the system that they chose to ignore.
 - Consider a limited asset forfeiture system, targeted at the largest illegal operators. According to Manhattan prosecutors, their ability to close illegal cannabis retailers is limited to small stores. The larger, highly-profitable operators—who have numerous stores—have the legal bandwidth and financial resources to make their closure next to impossible. To close down these hugely profitable illegal operators, prosecutors need the ability to go after their money. The MRTA should be amended to permit asset forfeiture in limited cases, involving large illegal operators, with the money seized going into a special revenue account to provide grants to help legal social equity cannabis licensees open and sustain their businesses.
 - Establish a private right of action. OCM and local law enforcement do not have the capacity to close illegal cannabis operators. Just as in numerous other areas of the law, individuals who suffer direct financial harm due to illegal operators—i.e., licensed stores—should have the right to seek damages in court if they choose to do so.

Thank you again for the work the legislature has done to improve New York's cannabis market, and for the opportunity to submit this testimony.