



**New York State Senate  
Subcommittee on Cannabis  
October 30, 2023  
Testimony**

**Anthony Miranda, New York City Sheriff  
Dasheeda Dawson, Founding Director, Cannabis NYC.**

Good morning, Chair Cooney, and members of the Senate’s Cannabis Subcommittee. My name is Anthony Miranda, and I am New York City’s Sheriff. We appreciate today’s opportunity to testify before the committee.

We are grateful for the city’s partnership with the state to support the legal cannabis market and create an equitable and safe cannabis industry across New York.

**PROTECTING NYC WHILE FOSTERING A LEGAL MARKET**

With this shared effort in mind, we want to start by thanking both houses of the legislature for passing S7508/A7692, which permits certain tax deductions related to the sale, production, or distribution of cannabis products. Once this legislation is signed by the governor, the availability of these deductions will add to the efforts that the city and state are making to encourage the legal market across the state.

While we look forward to our continued partnership in fostering the legal market, we must also work together to address the bad actors who endanger its success. The unlicensed sale or other distribution of cigarettes, other tobacco products (OTP), electronic cigarettes, and cannabis have developed into a considerable quality of life issue throughout the city. As you are aware, there has been a large increase in highly visible, illicit, unlicensed stores illegally selling cigarettes, vaping products, and, in many cases, cannabis. The lack of licensing, oversight, and control not only creates a health and safety concern for New Yorkers, but it also actively discourages and undermines the legal industry’s development.

These illegal retailers must be held accountable. With respect to cannabis, there is a difference between the recent proliferation of visible unlicensed stores and the previously existing unlicensed “legacy market” that the MRTA was aimed at protecting and transitioning to licensed businesses. Additionally, increased access to unregulated, hemp-derived, synthetic cannabis products poses a significant threat without proper oversight. The measures that the city takes to hold these illegal retailers accountable do not resemble the historic “War on Drugs” enforcement framework, which focused on criminal prosecution. Rather, our current efforts are primarily focused on preventing the operation of illegal retail businesses and issuing civil penalties where unlawful conduct is identified.

The Sheriff’s Joint Compliance Task Force, which Mayor Eric Adams initiated in November 2022, is a multiagency effort to address illegal “smoke shops” engaged in the illegal sale of cigarettes, other tobacco products, flavored vapes, cannabis, and other cannabis products. As of September 2023, the Task Force has conducted 1,175 compliance and intelligence inspections. A total of \$36,020,003 in civil penalties have

been issued. Even these significant efforts, however, have not been enough, because New York City and other localities still lack the necessary tools to support the Office of Cannabis Management's developing regulatory and enforcement system.

The Legislature has granted the greatest authority for enforcement of cannabis offenses to the New York State Office of Cannabis Management (OCM) and the New York State Department of Taxation and Finance (DTF). It would help New York City's enforcement efforts tremendously to be explicitly granted the authority to enforce cannabis offenses and initiate related legal proceedings under state law. The Senate and Assembly could pass legislation to clarify the critical role of local law enforcement agencies in the enforcement of illegal cannabis sales. Specifically, the legislature could clarify the procedures by which local law enforcement agencies inspect and seize cannabis that is intended for illegal sale. By granting law enforcement agencies in the city tasked with smoke shop enforcement a uniform set of robust tools, the state can establish a clear framework for limiting the proliferation of illegal cannabis.

This Administration will continue to support New Yorkers and justice-involved individuals who want to build and operate legitimate, thriving cannabis businesses. We appreciate the opportunity to testify at today's hearing and we are looking forward to hearing your thoughts and questions.

### **ABOUT CANNABIS NYC**

Good morning, my name is Dasheeda Dawson. I am here on behalf of the City of New York as the Founding Director of Cannabis NYC.

Located within the NYC Department of Small Business Services, Cannabis NYC was created by Mayor Eric Adams in August 2022 to lead the strategic development of the City's developing cannabis industry. We are on a mission to become the leading global hub demonstrating cannabis industry excellence, grounded in equity and education, across business, science, and culture.

Since last October, we have engaged in the City's largest public education and outreach tour across the five boroughs and helped hundreds of cannabis entrepreneurs with technical assistance and business services. We work with over 120 City leaders across 15 agencies developing an interagency hub of citywide resources and services organized intentionally and strategically to execute our mission to develop a thriving, sustainable and equitable cannabis industry in New York City.

New York arrested more people than any other state in the country for cannabis possession. New York City was the arrest capital for the state during the height of the so-called "War on Drugs" during a 40-year period spanning 1970 to 2010, where nearly 60% of arrests were of Black men. The negative impacts of government's past policies have been felt multi-generationally, particularly in communities disproportionately impacted by cannabis criminalization.

We now also know through history, science, and current advocacy that cannabis as a plant is inherently medicinal, inclusive of both hemp and marijuana, and can be leveraged agriculturally, nutritionally, industrially, socially, medicinally, and even, spiritually. Moreover, the top 3 reasons consumers shop an adult-use "recreational" market are to manage sleep, pain and/or anxiety.

Given all of this, we should be proud that New York is the first state to pass a law focused on social and economic equity as a critical outcome in the development of this new legal industry. New York is the first state to open an adult use market supply chain that prioritized licensing opportunities to those previously

arrested for cannabis, small business entrepreneurs and distressed hemp farmers. Cannabis NYC is proudly supporting over 200 of the state's provisionally-approved Conditional Adult Use Retail Dispensary (CAURD) licensees, many of which are pioneering the transition from legacy to legal. As an example, we are working diligently in partnership with the NYC Economic Development Corporation (EDC) to launch the Cannabis NYC Loan Fund, specifically to support social and economic equity licensees in our jurisdiction.

However, the proliferation of illegal stores continues to present a community safety and public health risk for New Yorkers, while also jeopardizing the successful roll out of equity-centered legalization and regulation. Through our public education and outreach efforts, we've learned that our communities are frustrated, confused, and even angered by what they feel represents New York cannabis legalization thus far. Additionally, big cannabis is attempting to thwart the state's efforts to focus licensing on those most harmed by pushing lawsuits that position groups of historically excluded against each other. The delays not only negatively impact the more than 700 licensees in the state, particularly those most harmed, we know it provides more space for illegal stores harming our neighborhoods.

The good news is we can course correct as we learn more about what is needed to achieve the goals of the Marijuana Regulation and Taxation Act. As the mindset on cannabis evolves, more required education is needed for government agencies. This is why New York City has partnered with organizations such as the Cannabis Regulators of Color Coalition (CRCC) and Association for Cannabis Health Equity and Medicine (ACHEM) to ensure our new policies are informed by global experts in cannabis policy, business, and science. In particular, more public health education focused on the medical cannabis program is a priority for Cannabis NYC because we know a more informed and educated consumer population also decreases the risk of adverse reactions and poor experiences. It also contributes to more interest in the industry's multibillion dollar entrepreneurial and workforce opportunities, for which Cannabis NYC continues to build out the framework to support with financing, license applications and other business services. Rather than allow big cannabis to diminish the intention of the state's efforts, we also encourage the Legislature to commit more financial support for social and economic equity licensees as they weather the storm of cannabis capitalism and greed happening in our state.

Lastly, as indicated by Sheriff Miranda's testimony, establishing clear and uniform standards for the enforcement of illegal stores by local law enforcement will help clear the way for the state's equity initiatives supporting small, minority and legacy business owners transitioning into licensed, legal entities.

It took nearly 100 years to destroy our previous relationship and knowledge of the plant, and it will take more than a couple of years to repair and restore the harms of the past. The Administration is committed to these efforts. Public health and safety are at the core of creating an equitable cannabis industry in our state, and those who jeopardize the industry should be held accountable through enforcement strategies grounded in equity and education.

Cannabis NYC will continue to support New Yorkers and justice-impacted individuals who want to build and operate legitimate, thriving cannabis businesses.