



ECMA Testimony for the FY-2027 Budget

About the Empire Cannabis Manufacturers Alliance (ECMA)

We are a coalition of New York’s cannabis processors representing varying operational sizes, product specialties, and regions of the state. ECMA aims to advocate for policies prioritizing product quality standards, a robust and diverse marketplace of brands, and a supply chain that brings economic development across the state.

The first and most foundational priority in [ECMA’s 2026 legislative platform](#) is “Supporting a Strong & Active Regulator.” A well-resourced Office of Cannabis Management (OCM) is not a bureaucratic preference—it is a prerequisite for a functioning legal market. We submit this testimony in support of increased appropriations for OCM’s compliance and enforcement divisions, and urge the Legislature to treat this investment as the foundational act of the FY 2026–27 budget.

A Growing Market, But Frozen Budget

New York’s legal cannabis market has grown substantially since adult-use sales began and continues to expand. Licensed dispensaries now operate across all regions of the state, with more than 315 CAURD licenses alone issued to Social and Economic Equity operators. Statewide, the legal market generates over [\\$1.5 billion in annual activity](#), with state excise taxes and local tax revenue accruing to the State and municipalities from every compliant transaction.

The OCM employs over 274 full-time staff. Yet only 30 are assigned to compliance and 30 to enforcement—a combined 60 people responsible for overseeing a \$1.5 billion statewide industry. That is roughly one compliance or enforcement officer for every \$25 million in regulated market activity. Meanwhile, the Trade Practices Bureau (TPB)—created in early 2025 to enforce the rules of fair competition—operates with only a handful of attorneys. The TPB’s founding leader has since resigned. These staffing levels have not meaningfully grown as the market has expanded. This is not a sustainable posture.

OCM’s Compliance Infrastructure Needs Manpower

New York’s seed-to-sale track-and-trace system is now operational, having been implemented at the end of 2025 after a significant vendor transition. This system is capable of flagging irregularities throughout the supply chain—detecting suspect product, tracing cannabis from cultivation to retail sale, and identifying the practice of “inversion,” in which illegal cannabis from other states is laundered into the legal supply chain through a licensed operator.

But a tool is only as effective as the people trained to use it. Consider the baggage screening systems at our airports. Those scanners can detect a weapon concealed in a suitcase—but the system only functions because trained TSA officers are watching the monitors, pulling flagged bags, and handing cases to law



enforcement for prosecution. Remove the personnel, and the scanner becomes decoration. The same is true here: track-and-trace can identify the violation, but OCM needs trained compliance staff to review the data, enforcement officers to take action, and sufficient legal staff to prosecute those violations through to a final resolution.

The Cost of Understaffing: The Omnium Case

The consequences of inadequate enforcement resources have already been demonstrated at significant cost. In 2025, OCM brought charges against Omnium Canna, a licensed operator accused of renting its license to unlicensed businesses—a scheme that allegedly allowed untracked, unverified cannabis to enter the legal market at scale. OCM issued a recall on \$30m worth of products across the marketplace. At the time this was announced, ECMA’s President, Mack Hueber, [stated in the New York Times](#) that the enforcement action “sends a necessary and powerful message that the New York cannabis industry is open for business only to those who will uphold their responsibility in bringing quality, safe, and transparently marketed products to its millions of consumers.”

What followed was a cautionary lesson in the limits of an underfunded enforcement apparatus. OCM was ultimately forced to withdraw the charges without prejudice. The Cannabis Control Board’s Tribunal vacated the recall order. The agency’s acting Executive Director resigned, and the Trade Practice Bureau—stood up specifically to address exactly this kind of market integrity violation—lost its leader in the aftermath. Licensed retailers were left without guidance. Consumers were left with uncertainty. And the bad actors at the center of the case faced no final accountability.

This outcome was not a failure of intent. It was a failure of capacity. The Omnium case is not an anomaly—it is a signal. Without adequate staff to build, sustain, and prosecute complex enforcement actions, bad actors will continue to operate with confidence that the agency cannot follow through. As ECMA has noted in its 2026 legislative platform, waning enforcement activity emboldens illicit operators to reopen, regroup, and re-enter the supply chain through more sophisticated methods.

Enforcement Capacity Is Revenue Protection

There is a direct and measurable relationship between OCM’s enforcement capacity and New York State’s cannabis tax revenue. Every unlicensed or non-compliant operator that escapes accountability is a competitor that shirks worker protections, fails to contribute to employment taxes, and, in some cases, avoids cannabis excise taxes—while undercutting the licensed businesses that do. Every compliant licensee who loses customers to illicit actors represents a lost tax dollar to the State.

An OCM with sufficient staff to investigate, charge, and successfully prosecute violations is one that protects the integrity of the tax base and supports long-term economic development. The budget investment required to expand compliance and enforcement staffing meaningfully will generate returns in the form of higher tax receipts, a more competitive legal market, and sustained consumer trust in the licensed supply chain.



Our Budget Request

ECMA respectfully urges the Legislature to take the following actions in the FY 2026–27 budget:

1. Appropriate sufficient funding to significantly expand OCM’s compliance and enforcement headcount while funding the newly operational track-and-trace system. The data is flowing. The market is large and growing. The agency now needs the trained personnel to act on what that system reveals.
2. Restore and strengthen the Trade Practices Bureau. The TPB was created to enforce fair competition in a \$1.5 billion market. It must be staffed accordingly, and its institutional leadership must be stabilized.
3. Direct OCM to convene an inter-agency enforcement task force—including the Office of the Attorney General, the New York State Police, the Department of Labor, and municipal partners—to coordinate action against illicit operators and inversion schemes that track-and-trace can now identify but that OCM alone cannot prosecute at scale.

Continued flat funding for compliance and enforcement in the face of exponential market growth is not a neutral budget choice. It is a subsidy for the illicit market—and a cost that licensed operators, equity entrepreneurs, and New York State taxpayers ultimately bear.