



BRONX BOROUGH PRESIDENT VANESSA L. GIBSON

New York State Subcommittee on Cannabis Testimony of Bronx Borough President Vanessa L. Gibson Monday October 30, 2023

Thank you Senator Cooney and the members of New York State Senate Subcommittee on Cannabis, Senate Standing Committee on Finance, Senate Standing Committee on Agriculture, and Senate Standing Committee on Investigations and Government Operations for convening this hearing today to discuss the issues facing the nascent cannabis industry in our state.

As Bronx Borough President, I have seen firsthand how marijuana prohibition has left its scars on our borough. The financial and social fabric of The Bronx is still recovering from many of our residents facing incarceration and its subsequent effects due to marijuana criminalization. A 2018 report from the New York City Comptroller on the harms of cannabis prohibition found that, between the years of 2010 and 2017, nearly half of The Bronx's neighborhoods were among the top ten in arrest rate for marijuana-related offenses citywide. It was under this backdrop of historical over-policing and criminalization that cannabis legalization passed in our state in 2021.

With provisions to ensure an equitable division of the gains of this new industry, the Marijuana Regulation and Taxation Act (MRTA) seemed poised to right the injustices that The Bronx has faced for decades. I have been proud to support the growth and development of this industry in our borough. My office has partnered with State and City agencies as well as local grassroots organizations to host a series of events which aim to educate Bronxites on how to navigate the licensure process, operate in compliance to state regulations, and connect them to informational resources. The Bronx has a vibrant entrepreneurial spirit and I know that if given the necessary tools and resources, our residents will seize the opportunity to create new businesses that will define the cannabis market for the years to come.

However, most of our entrepreneurs have not yet been able to enter the legal cannabis market due to regulatory and other delays in licensing and approvals. In the two and a half years since the passage of the MRTA, we have seen a rollout that has not resulted in the anticipated number of licensed dispensaries. In October 2022, Governor Hochul announced that 20 licensed shops would be open by the end of that year with an additional 20 being opened each month afterwards. This has not come close to fruition. Two years after the launching of the Office of Cannabis Management, we have only seen only 23 licensed cannabis shops open across the entire state. The Bronx, despite being among the areas most negatively impacted by cannabis prohibition, has seen only one single licensed cannabis dispensary open for business. To truly accomplish MRTA's goal of providing justice for those harmed by cannabis criminalization, The Bronx must be able to share in the economic benefits from the legal market.

Even as the rollout of licensed dispensaries has been sluggish, New York City is seeing a deluge of unlicensed cannabis retailers, with the Sheriff's Office estimating earlier this year that there were 1,400 illegal dispensaries operating citywide. These businesses are appearing in nearly every commercial corridor. We have heard many Bronxites raise concerns about these unlicensed shops,

and I am very concerned with their proliferation as well. They are not regulated and do not go through a community review process before opening. My office has heard many complaints from members of the community regarding these unlicensed shops, including that these shops attract crime, are often located close to houses of worship and schools, and are not accountable to the community that they inhabit. There must be more enforcement by both the State and the City against these illegal shops.

The proliferation of these unlicensed shops is in part the result of delays in the licensure and approval processes of opening legal dispensaries. At this moment, marijuana is legal in New York State, but it is very difficult to purchase legally. This forces lawful buyers to obtain their product from unlawful sellers. This is an unsustainable and counterproductive situation, and OCM must improve their operations and regulations to ensure that more licensed shops are able to open. They must also recommend potential law changes to the Legislature for passage in the next session in the new year.

The Legislature must also provide additional resources and create more tools for enforcement actions against the unlawful sellers. These shops are undermining the legal market as it develops and are breaking the law. And yet they seem to operate with impunity. Local enforcement agencies such as the New York City Sheriff's Office can only do so much without more state involvement and resources. This enforcement action will not only benefit the legal market, but it will also improve public safety in our neighborhoods.

Community boards in The Bronx have told my office that they have received insufficient instruction on the process for reviewing applications. Retail applicants are required to notify community boards 30 days before submitting their application to the state. Community boards received no information on this before they began to be notified by the applicants themselves. Bronx community boards have said that retail applicants have tried to increase their chances of getting board approval by submitting several applications for the same address, hoping that one will get approval from the board. There has been confusion among the boards on how to handle situations like this. Additionally, the proliferation of unlicensed retailers has caused some of the boards to deny legitimate applications due to quality of life and public safety concerns. OCM must provide more assistance to the boards to help them move towards approval of the licenses while cracking down on the unlawful sellers.

I believe that we can right the wrongs of cannabis prohibition and create a flourishing industry in our state. However, the current system punishes those who attempt to open cannabis dispensaries the right way and rewards those that do it the wrong way. The State must take quick and effective action to set the course of the cannabis industry on the right path, including improving the licensure process, increasing available resources, providing better assistance to license holders, improving guidance to community boards about how to evaluate retail dispensary applications, and improving enforcement against unlicensed retailers in conjunction with law enforcement. Thank you again to the Chairs and members of the committees for holding this hearing. Together, I hope we will be able to enact real improvements to the way the state regulates legal cannabis market to ensure that lawful retailers – and only lawful retailers – are able to open and operate across our state.