

CAURD Crash Course: Applying for a cannabis dispensary license in New York

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Level Set: Cannabis Legalization in NYS

On March 31, 2021 New York State passed the Marijuana Regulation & Taxation Act (MRTA).

- Anyone 21+ can:
 - Possess up to 3 oz cannabis inside or outside of home
 - In the future, will be able to possess up to 5lbs in home
 - Can possess higher amounts if prescribed by a doctor
 - Smoke cannabis where one could otherwise smoke a cigarette
 - Give lawful amounts of cannabis to other people 21 + as long as no compensation is exchanged
- Past cannabis convictions automatically expunged
- Established a regulatory system for the legal cultivation, processing, and sale of cannabis for adults (NY's Adult Use Program)

Social Equity in the MRTA

The law requires an equity plan be developed to provide loans, grants, and incubator programs to ensure broad opportunities for participation in the new legal industry by people from disproportionately impacted communities as well as small farmers.

Goal of 50% of licenses going to equity applicants

Social Equity

A goal shall be established to award fifty percent of adult-use cannabis licenses to social and economic equity applicants and ensure inclusion of:

- (a) individuals from communities disproportionately impacted by the enforcement of cannabis prohibition;
- (b) minority-owned businesses;
- (c) women-owned businesses;
- (d) minority and women-owned businesses;
- (e) distressed farmers; and
- (f) service-disabled veterans.

(CAN § 87(2))

Social Equity

Under the social and economic equity plan, extra priority shall be given to applications that demonstrate that an applicant:

- (a) is a member of a community disproportionately impacted by the enforcement of cannabis prohibition;
- (b) has an income lower than eighty percent of the median income of the county in which the applicant resides; and
- (c) was convicted of a marihuana-related offense prior to the effective date of this chapter, or had a parent, guardian, child, spouse, or dependent, or was a dependent of an individual who, prior to the effective date of this chapter, was convicted of a marihuana-related offense.

(CAN § 87(3))

Timeline

- **March 31, 2021** - MRTA passed
- **September 2021** - Governor Hochul appoints staff to Office of Cannabis Management/Cannabis Control Board
- **March 9, 2022** - Office of Cannabis Management (OCM) announces that the first 100-200 retail cannabis (CAURD) licenses will go to New Yorkers who have been directly impacted by cannabis prohibition.
- **May 31, 2022** - Public comment period on regulations closes.
- **July 14, 2022** - OCM announces final CAURD regulations
- **Application period expected to open in mid-August 2022**

*Conditional Adult-Use Retail Dispensary Licenses
(aka “CAURD Licenses”) - NY’s first shot at equity*

The New York Times

New Yorkers With Marijuana Convictions Will Get First Retail Licenses

Officials intend to reserve the first 100 or more retail licenses to sell marijuana in New York for people who have been convicted of related offenses, or their relatives.

What Are CAURD Licenses?

- Conditional Adult-Use Retail Dispensary (CAURD) License.
- CAURD licensees are the first retail dispensaries to open for legal adult-use cannabis sales in New York State, establishing businesses owned by justice-involved individuals from the start of NY's adult-use cannabis industry
- CAURD licenses are coupled with financial assistance to secure real estate, build out the dispensaries, including equipment and furniture, and operational and admin supports and services
- CAURD licensees are expected to start sales before the end of 2022

Can I Choose Where My CAURD is located?

- CAURD licensee awardees will be assigned a dispensary location in one of the fourteen (14) geographic regions of NYS
- While you can't choose your selection you can show your top 5 regional preferences.

Why Are These Dispensary Licenses Called “Conditional” Licenses?

- These adult-use dispensary licenses have a four (4) year conditional period.
- During the conditional period:
 - You cannot change your license location
 - Cannot sell your license
 - No owners can have ownership in a cultivator, processor, microbusiness, cooperative or distributor license
 - Must maintain CAURD ownership and control eligibility requirements

CAURD Licenses - Eligibility

- Applicants must be “justice involved”
- Applicants must have an interest in an existing, profitable business
- Applicants must have a presence in New York state

CAURD Licenses - Eligibility

“Justice Involved” requirement

At least one person applying for licenses must have been:

- convicted of a cannabis-related offense in NYS prior to MRTA;
- had a parent, legal guardian, child, spouse, or dependent who was convicted of a cannabis-related offense in NYS prior to MRTA;
- was the dependent of someone who was convicted of a cannabis-related offense in NYS prior to MRTA.

Spouse includes two people who were in a registered and legal domestic partnership because they could not be legally married prior to the passage of the Marriage Equality Act in 2011.

CAURD Licenses - Eligibility

“Justice Involved” requirement

- Qualifying cannabis-related offenses are marijuana offenses under old NY penal code Articles 221, 220, and 240.36, which were repealed by MRTA
- Arrests for these offenses that ultimately led to a conviction of another offense (i.e. non-drug offense, violation, or misdemeanor) by means of a plea deal or other mechanism also qualify as a cannabis-related offense.
- Individuals who can provide evidence that they (or their parent, guardian, spouse, child, etc.) were arrested for a cannabis-related offense before 3/31/21, are considered “justice-involved” if they were ultimately convicted of another offense, such as a non-drug offense, violation, or misdemeanor.

CAURD Licenses - Eligibility

“Justice Involved” requirement

Or applicant is a nonprofit organization that:

- has tax exempt status
- serves justice individuals or communities with historically high rates of arrest/conviction/incarceration
- operates and manages a social enterprise for at least 2 years
- creates job opportunities for justice involved individuals
- has justice involved individuals on its board
- has at least 5 full time employees

CAURD Licenses - Eligibility

Additional CAURD Ownership and Control Requirements

- At least 51% of the Applicant must be owned by individuals or nonprofits who meet the justice-impacted requirement
- At least 30% of the Applicant must be owned by a single individual or nonprofit who meets the justice-impacted requirement
- Such eligible individual or nonprofit must maintain sole control of the Applicant and have a significant NYS presence

CAURD Licenses - Eligibility

Qualifying Business Requirement for Individual with Sole Control

The individual with sole control and 30% ownership of the Applicant, must also:

- hold or have held, for a minimum of 2 years, at least 10% ownership interest in a business;
- have exercised control over that business;
- and that business must have had a net profit for at least 2 years during the time that the individual held the ownership interest.

CAURD Licenses - Eligibility

How to demonstrate a presence in New York state:

- Significant presence in NYS as an individual or by having a corporate location
- Incorporation or organization in NYS
- A majority of ownership are residents of NYS (at least 180 days in current year or 540 days in last 3 years)

CAURD Applications

Mock-Up available on [OCM website](#)

[TOP](#) ^ **Cannabis Control Board Meetings**

SECTIONS

- Overview
- Upcoming Board Meetings
- Attending a Board Meeting
- Board Meeting Archive
- Full Board Meeting July 14, 2022**
- Full Board Meeting June 23rd, 2022
- Full Board Meeting June 1st,

Full Board Meeting July 14, 2022

[Meeting Notice](#)
[Watch the Meeting](#)
[Read the Transcript](#)

	CCB AUCC Approval Resolution 7.14.22	 DOWNLOAD
	List of Approved AUCC 7-14-22	 DOWNLOAD
	CCB CAURD Application Resolution	 DOWNLOAD
	CAURD Mockup	 DOWNLOAD



CAURD Licenses

Application and Guidance

Application Portal is expected to open mid-August 2022

OCM will provide at least 14 days advance written notice through its website prior to the Application Portal opening

OCM has promised additional CAURD guidance and FAQs, delivery date uncertain

Are you interested in
applying?

The Bronx Cannabis Hub is here to help

THE  BRONX
CANNABIS^{HUB}

Have you or a close family member been arrested for a cannabis-related offense?

Are you interested in applying for a cannabis retail dispensary license?

The Bronx Cannabis Hub can help you navigate this process.

The Hub's aim is to ensure that the social equity provisions of New York's cannabis law are realized by providing information, opportunities, and support to the communities that were most harmed by cannabis prohibition.

Please visit our website at thebronxcannabishub.org for more information:



THE  BRONX
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¿Ha sido usted o un familiar cercano detenido por un delito relacionado con el cannabis?

¿Está interesado en solicitar una licencia de dispensario de cannabis al por menor?

El Bronx Cannabis Hub puede ayudarle a navegar por este proceso.

El objetivo del Hub es garantizar que las disposiciones de equidad social de la ley del cannabis de Nueva York se cumplan proporcionando información, oportunidades y apoyo a las comunidades más perjudicadas por la prohibición.

Visite nuestro sitio web en thebronxcannabishub.org para obtener más información:



This is not the only opportunity for a license

If you don't qualify for the CAURD license, there will be other opportunities. There is a goal of 50% of all licenses going to social equity applicants, so those criteria will be helpful going forward

Other dispensary licenses

- Adult-use Retail Dispensary License

Other types of adult use licenses

- Cultivator (Growing)
- Nursery (Seeds, Clones, Mothers etc.)
- Processor (Extraction)
- Distributor (Wholesale Distribution (B2B))
- Delivery (Direct to Consumer)
- On-Site Consumption (Ex. Lounge)
- Microbusiness (Cultivator, Processor, Retailer, Distributor, Delivery)
- Cooperative (Cultivation, Processing, Distribution)
- Laboratory Testing

Q&A

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