Local Impact of Legalizing Adult-Use Cannabis

Although the New York State Conference of Mayors (NYCOM) is not taking a position on whether adult-use cannabis should be legalized, if such action is taken in New York, NYCOM strongly believes each community must have a voice in whether the adult-use cannabis industry operates within its boundaries, as the impacts of the cannabis industry will be most directly felt at the local level. Consequently, any State-enacted statutory/regulatory scheme which legalizes adult-use cannabis must provide a mechanism for cities and villages to opt-out of allowing adult-use cannabis business operations within their boundaries, preserve local land use and quality-of-life regulatory authority over cannabis businesses that a local government allows to operate within their boundaries, ensure that sufficient amounts of cannabis tax revenue is shared with local governments to offset the local costs of hosting cannabis businesses, and require State cannabis regulators to secure input from the local governments that will be impacted by State regulator decisions.

1. **Local Government Opt-Out.** Any legalization scheme must allow cities and villages, regardless of population size, to opt-out of allowing cultivators, processors, distributors, dispensaries, and on-site consumption establishments to operate within their jurisdictions. Such legislation should allow city and village governing bodies to pass local legislation opting out (or put the question to the voters via a referendum).

2. **Clear Authority for Local Regulation of Cannabis Operations.** Any legalization of adult-use cannabis should clearly establish that cities and villages that have not opted out will still retain the authority to regulate cultivators, processors, distributors, dispensaries, and on-site consumption establishments. Specifically, State legislation must clearly protect the applicability of city and village zoning and business regulations. Failing to do so will lead to uncertainty, conflict between cannabis operators and nearby property owners, and costly litigation.

3. **Revenue Sharing.** The impacts of legalizing adult-use cannabis will be felt most directly at the local level. Local government services, including but not limited to law enforcement, code enforcement, fire protection, and social services will be impacted. Fairness dictates that the local governments that will be shouldering the burden of hosting adult-use cannabis businesses and activities are made whole. Failure to include local revenue sharing will serve as a disincentive for communities to host cannabis operations and will result in local opposition to adult-use cannabis.

4. **Require the State Cannabis Regulatory Agency to Notify Local Governments of All Rule-Makings and Licensing Applications that Will Impact the Local Government.** Any adult-use cannabis program will, by necessity, give extensive regulatory authority to a State agency. To instill maximum confidence in such agency and its decision-making ability, the agency must be required to notify local governments of any proposed regulation or license impacting their community and give those local government officials sufficient opportunity to provide feedback regarding the proposed regulation or license.

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