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# CITY OF NEW YORK MANHATTAN COMMUNITY BOARD 10

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## Community Board 10's 2024 CANNABIS SMOKE SHOP RESOLUTION

**WHEREAS**, the purpose of the Marihuana Regulation and Taxation Act (MRTA) is to promote public health, public safety, and social equity through creating a well-regulated marketplace for the cultivation, production, and retail of recreational cannabis for responsible consumption by those who are 21 years of age or older;

**WHEREAS**, a number of retail facilities have opened in the district which sell cannabis;

**WHEREAS**, such facilities operate without licenses or oversight from the New York State Office of Cannabis Management (OCM);

**WHEREAS**, the source and safety of the cannabis products sold by these facilities is unknown;

**WHEREAS**, during Community Board 10's (CB10) 2023 cannabis forum, Sheriff Anthony Miranda, NYC Sheriff's Department, reported that traces of metal and other unsafe and unregulated materials including, but not limited to, fentanyl were found when testing confiscated cannabis from the illegal smoke shops in NYC;

**WHEREAS**, in August 2023, The New York Times reported high school students witnessing smoke shops selling illegal products, such as edibles, to 14-year-old children;

**WHEREAS**, in 2023, the National Institutes of Health (NIH) reported that cannabis use is still widespread amongst adolescents, with greater than 10% of 8<sup>th</sup> graders and greater than 35% of 12<sup>th</sup> graders endorsing use in the past year;

**WHEREAS**, according to the NIH, the substantial portion of adolescents reporting cannabis use illuminates the need for further research into possible adverse health risks;

**WHEREAS**, in New York State, it is illegal to sell any type of cannabis product to individuals under the age of 21;

**WHEREAS**, in August 2023, The New York City Council reported over 8,000 illegal smoke shops in New York City;

**WHEREAS**, in 2022, the CUNY Graduate School of Public Health & Health Policy reported over 125 illegal smoke shops in Harlem;

**WHEREAS**, in August of 2023, NYC Local Law 107 prohibits commercial landlords from knowingly leasing retail space to smoke shops that sell unlicensed cannabis resulting in landlords facing a \$5,000 for the first violation after a written warning and \$10,000 for each subsequent violation;

**WHEREAS**, the existence of such illegal shops undermine the viability of retailers established under the MRTA and reduces the amount of tax dollars allocated to the Community Reinvestment Fund;

**WHEREAS**, but that such unlicensed retailers have continued to proliferate;

**WHEREAS**, in February 2024, Governor Hochul's Executive Budget includes a plan to broaden the authority of the Office of Cannabis Management and local government agencies to padlock stores selling cannabis without a license;

**WHEREAS**, Governor Hochul's plan includes: 1) expanding the powers of OCM to streamline padlocking of illicit shops; 2) authorizing local government to execute OCM padlock orders to ensure swift action to close unlicensed dispensaries; and 3) establishing local registries of licensed cannabis businesses to assist and empower local governments, including New York City, to padlock unlicensed businesses through their own laws and resources;

**BE IT RESOLVED**, that CB10 supports further research into possible adverse health risk of adolescent use of cannabis in New York State;

**BE IT RESOLVED**, that the City shall expand on Local Law 107 by imposing significant fines on landlords who enter into leases with cannabis establishments that do not have a provisional, full, or CAURD license from the OCM, and that the City adopts the following framework: if the eviction proceeding of the smoke shops have not begun, the landlord(s) in violation will receive 1) \$50,000 fine per day for the first violation; 2) after 30 days, \$100,000 fine per day; 3) after a subsequent 30 days, \$250,000 fine per day and 3) failure to pay the penalty amount and remove the illegal establishment(s) will result in the City confiscating the building from the landlord;

**BE IT RESOLVED**, that OCM send final recommendations to the NYS Cannabis Control Board to decline awarding licenses to any cannabis license applicants who have been identified as actively operating as an illegal smoke shop;

**BE IT RESOLVED**, New York City to immediately increase the financial supportive allocated to the New York City Sheriff's office to further empower and expedite the enforcement of shutting down establishments that are operating illegally;

**THEREFORE BE IT RESOLVED**, that during the April 3, 2024 General Board Meeting, the board unanimously voted, 24 Yes, 0 No, 0 Abstention and 0 Recusal in support of the specifics of the Governor's plan to address smoke shops, previously stated in the final whereas, but would like to see further collaborative efforts between OCM, NYC Mayor's Office and other relevant entities that oppose illegal smoke shops in Harlem.