



**THE Cannabis COUNSELOR**  
FEATURING ALEECE BURGIO

**Episode 1, Part 2: CRTA Amendments**

Speaker: Aleece Burgio

Hey, everyone! This is a Barclay Damon Live broadcast. You're listening to the Cannabis Counselor and I'm your host Aleece Burgio. Let's get into it!

What's up, everybody? This is episode one, part B? Part two? It's the second part of episode one, where we talked about the Cannabis Regulation Taxation Act. And today we're talking about the amendments that came out between February 12 and February 19. Three big changes to the CRTA proposal and we're going to be going through them. One is the delivery license. The second is going to be the criminal penalties. And the third is the breakdown of the social equity fund.

So, you know—typical of a podcast—I went through the whole podcast one and talked about how there was no delivery license. It was such a shame. Oh my gosh. OK. Well, this week, Governor Cuomo has now amended his bill and he's put in a delivery license. So why is that important? A delivery license is critical, in my opinion, for an adult-use program because it allows a license structure for those who may not necessarily want to be in the cannabis industry. Like a plant-touching license structure, right? You know, when I say plant-touching, I mean like a producer, a processor, a retailer, a distributor. Those are all people who are part of the plant.

A delivery license could be like a security firm. It could be a group of people who, you know, maybe are...have a lot of trucks, low barrier to entry. It could be for a social equity applicant who doesn't have a ton of money to start up. It's a good opportunity to gather more people in the industry and expand it so that there's more ancillary businesses. Thank god we have this. Right? Because as of right now there's a huge hold on delivery in the black market. So if you would go to, you know, New York City or another big city, you can get marijuana delivered to your door. Black market. Through an app. It's ridiculous. OK?

Now, in order to combat that infrastructure, you have to incentivize black market operators to go into a legalized system. And that means that you have to make that transition pretty seamless for black market operators so that they can still capitalize on this business structure they've already created. And also the state has now regulatory authority over it. So there has to be that, kind of, that compromise between the two.

The second big thing that we want to talk about are criminal penalties. Now, criminal penalties have changed. Everybody was up in arms when the CRTA first came out because the criminal penalties for those who were being sold marijuana who were under 21...you would be...it would be a felony. And that totally contracts what was in the decriminalization bill and so lawmakers, readers, lawyers, people were like, "This doesn't make any sense." That's been changed; now it's a misdemeanor if you sell to someone who's under 21. But they do still make it a felony if you're selling more than 16 or 64 ounces. So something to think about when you're reading the bill.



The third big thing—and I want to break this down a little bit—is the \$100 million. So, as we talked about in episode one, Governor Cuomo is setting aside \$100 million over the course of four years, which he’s anticipating it being a \$350 million tax revenue generation over four years. So what that means is, you know, of the \$100 million, there’s going to be a lot of different opportunities to go back to communities who have been disproportionately impacted by the prohibition. Overall, \$350 million is kind of a low number. It’s been projected all over that it’s about a \$3.5 billion industry for New York State with ancillary businesses, with, you know, jobs, and income, and things like that. It’s anticipated to have over 60,000 new jobs. I think that’s another low number. So it’s a pretty large new source of income. And so, obviously, the two big bills—the MRTA and the CRTA—have been fighting over this social equity problem since the start of either bill. And the \$100 million breaking it down where it’s going is a good first step, but MRTA still would like more. But let’s talk about where this \$100 million could be going.

So Governor Cuomo wants to make sure that it goes to things like job placement, adult education, nutrition services, financial literacy, housing, substance abuse services, medical care, legal services, after-school care for your children, a laundry list of items for those who are social equity communities who’ve been disproportionately impacted to capitalize on in this scheme. There’s also going to obviously be grants for social equity applicants. We talked about this before: there should be low-interest loans to help get people into operation. You know, it’s still pretty early. The budget doesn’t get passed until April 1. Now we’ve seen the first round of amendments. I wouldn’t be shocked if we see another round of amendments and I have to do like a part, you know, three/part C scenario. It’s going to need to continuously change. Put it on the record here: I think taxation’s coming up next. So stay tuned. Episode two is on the MRTA, the Marijuana Regulation Taxation Act, and we’ll be breaking down everything Assemblywoman Stokes and Senator Krueger have been putting into the legislature since 2013 and we’ll be comparing it with what we’ve been learning in episode one and episode one part two/part B/part, you know, whatever this is.

So thank you for listening. Keep you posted. Thanks.

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