



THE **Cannabis** COUNSELOR  
WITH ALEECE BURGIO

**Episode 6: “MRTA: Deep Dive Featuring Assemblywoman Crystal Peoples-Stokes”**  
Speakers: Aleece Burgio and New York State Assemblywoman Crystal Peoples-Stokes

**[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!

**[AB]** What’s up, everybody? This is episode six of the Cannabis Counselor, and we’re here today with Assemblywoman Crystal Peoples-Stokes diving into the Marijuana Regulation Taxation Act. Right now, it’s being stalled, but we’re going to find out what’s going on in the senate and the assembly, where we foresee this legislation going in the next year or two years if it passes. And what the problem areas have been. Stay tuned.

**[AB]** Hi, everyone. We’re here with Assemblywoman Crystal Peoples-Stokes. She is our assembly majority leader, and is the sponsor of the Marijuana Regulation and Taxation Act, which is an adult-use bill for those who should be consuming marijuana responsibly—for those over 21 years of age. Assemblywoman Peoples-Stokes, thank you so much for coming on today. How are you doing today?

**[Assemblywoman Crystal Peoples-Stokes]** I’m actually doing pretty well today. It’s a beautiful day. The sun is shining, I haven’t necessarily been out in it, but it looks good from inside.

**[AB]** I know, I’m taking your time up on this 60-degree day, which is kind of annoying.

**[CPS]** No worries. It’s my pleasure.

**[AB]** Oh, my gosh. Thanks for coming on. So I don’t want to take up too much of your time, but I would love to dive into the bill that’s being negotiated in Albany. We know now that the Cannabis Regulation Taxation Act has been removed from the budget. So it looks like most of the focus is now on the Marijuana Regulation Taxation Act, the bill that you and Senator Krueger sponsor. What are we seeing in terms of the big issues that have been negotiated thus far in terms of what’s kind of stalling the finalization of the bill?

**[CPS]** Well, I think we’ve gotten very good progress on issues like home grow, issues like community reinvestment, as well as some equity issues in terms of business. I think we clearly have gotten some real hard confirmations on how to include medical marijuana, as well as hemp into the Office of Cannabis Management. The board structure is kind of sort of in place. And so I think one of our biggest things now that we still need to get through is how we’re going to deal with the vehicle and traffic law. So the opposition has grown. They’re sending out a lot of letters. Even our own DA here is having press conferences ...



**[AB]** Yeah ...

**[CPS]** ... some desires to see some hard structures in the vehicle and traffic law ... a little resistance on my behalf. And I think others as well. It should be is ... we're not interested in setting up a system where people can just be stopped, and claim to be impaired when no one really knows how that looks in terms of marijuana yet. So the legislation is going to require some sort of a pilot program that will begin looking into what are unacceptable levels of THC in the system that would cause impaired driving. No one knows that yet. And so we do need to do the science to figure out how that looks. And so that will be included in the legislation as well.

**[AB]** So let me ask you this, are there other states that the legislators are looking to kind of base their ... I mean, obviously we wouldn't be, we'd be like the 17th state to legalize adult use if it happened within the next few weeks. Are we looking at other states to see how they've been handling traffic infractions and driving while under the influence?

**[CPS]** We are looking at them. But to be honest, no one has really delved into the real science of how impairment looks. I mean, people do know that if you use the product, whether you smoke it, eat it, or drink it, it could be in your system for two weeks. But that doesn't necessarily mean that you're going to be impaired. And so I think—I would really have wished that the other states have done a little bit more due diligence and figuring those things out because—much like the district attorneys of the state of New York—most legislators, including myself, put vehicle and traffic safety at high importance. They may not be that important in places like New York City where a lot of people don't drive. But a lot of people do drive everywhere else in the state. And so we need to make sure that both the public safety is in the right area, but we also need to protect the interests of the people who could be negatively impacted by unfair enforcement because there's not clarity on the science.

**[AB]** Absolutely. And just to your point, there, the way that marijuana is consumed—either through inhalation or consumption of an edible—the metabolism does it in such different ways that you could test positive for marijuana, but you might not have had it right before you started driving. So there's that really big disconnect between whether or not you're actually impaired.

And I think it's a much different type of level than, say, alcohol, because when it's alcohol, it's such an easy transition to say you had ingested this amount of alcohol because your blood alcohol level was at X, where it's funny to me that we still haven't had a mechanism or an instrument that's been created by all of our smart people in the United States to get some sort of instrument to figure that out. I know that we have clients that have been looking to invest in stuff for that because it's going to be huge once it launches.

**[CPS]** Oh, absolutely. And you know what? Maybe it's up to us as New Yorkers to come up with what that solution is. And so, again, the bill does specifically lay out opportunities for both our SUNY research systems, as well as our existing laboratory systems to begin working on coming up with something that could be potentially considered for that.

The other thing we want to do is invest in additional resources into law enforcement, in particular the troopers who actually provide training to other law enforcement agencies on how to do drug recognition. And so we want to add value to that as well.

**[AB]** Absolutely. Is this an issue that we think could potentially not have the bill pass, or is this something that is going to be vetted through either separately or try to come to like a preliminary agreement in order to have this legislation passed?



**[CPS]** Well, I think we're going to have to have it inclusive of the legislation, and I think that it will not hold up the progress. I think what it's called for is some rational conversations about it. I mean, keep in mind that we do serve with a lot of former prosecutors, but they have that prosecutorial attitude about just everything. And so bringing the conversation to a level where people understand that just because you would like to see something available doesn't mean it is and you don't want to infringe on people's rights without having all of the knowledge. And so it makes sense to do the proper research to figure these things out. So that's what we'd like to see the legislation call for.

**[AB]** Absolutely. I've recently heard Norm Birenbaum, who is the potential executive director for the Office of Cannabis Management, and then Axel [Bernabe, NYS Governor Cuomo's assistant counsel for health], obviously part of the governor, say that this might be a 12- to 18-month process to get applications ready to go. I mean, it makes sense in terms of how long it usually takes to get regulations and rules up and running with a comment period. Is that what you foresee as well? Is 12 to 18 months realistic for when people will be able to buy marijuana, or is there an expedited process maybe in play?

**[CPS]** Well, let me just say, I'm not in concurrence on who the staff may be. I mean, I'd certainly like to see a little bit more diversity there, immediately, day one, but I will say that we use every other state—and country, quite honestly—who have had to craft regulation after passing legalization, it has taken about that long. But we're New Yorkers and we've seen what other people have done. We've seen what they've done right, and what they've done wrong. And I believe that, as a result of that knowledge of those other 17 states and one country, actually, now even two countries, Mexico, we could probably craft something in a little less time than that. So I would say at least year.

**[AB]** Agreed ... especially, and I don't know if this is something that's being talked about, but just something that I've seen, obviously on the West Coast, is that you allow medical operators to sell earlier because the infrastructure is there. So not necessarily, they're getting a massive jump start, but it is allowed to go out to consumer and revenue from the budget pretty early on with that availability of infrastructure. Is that something that's being thought about, or is that ...

**[CPS]** Oh, yeah ... Absolutely. I mean, here you have at least 10 registered organizations who already have the capacity to grow and cultivate and process, actually. So the slowness of the process of ramping up to having enough product in the market, I don't think it's going to be one of our issues, and so that could encourage things to happen a lot quicker.

**[AB]** Absolutely. Now, I think talking about medical marijuana program is important as well, because New York is a little behind in terms of the strength of their medical program and transitioning it to the adult-use program. How does the legislation plan to encourage or incentivize the medical marijuana participants and certified patients to remain and not just kind of let it falter and go just completely over to adult use, are there protections in place?

**[CPS]** In my estimation, what has held up the medical aspect of it is that the health department doesn't react as quickly as it could. And really, some of these changes in the strength and people's access to it and ... could have happened a lot quicker. So I think the value in the legislation is removing the medical operation from the health department and putting it with the Office of Cannabis Management so that the cannabis plant in its entirety from medical, to responsible adult use, to hemp will all be run through one agency. And I think that would add a lot of value not only to the needs of patients, but certainly to the expediency of moving it to access.



**[AB]** Absolutely. And now you were talking about home grow early on. And I know that your bill includes six plants available for home grow as a medical marijuana card holder. Is that right? Or is that through any ...

**[CPS]** Yes, my bill does require six. And I think we haven't firmed up exactly what the amended bill will look like, but I believe it will still be close to that number.

**[AB]** Interesting. And another interesting thing. So we're doing a HempLab series with Zach Sarkis and Jason Klimek on Tuesdays for people who are kind of learning about the MRTA. And it's a free webinar for those who are kind of just trying to digest it through layman's kind of visibility. And one thing that we caught in your bill that I didn't necessarily see in the beginning was that the distribution license isn't ... in the CRTA you'd be able to have a producer, processor, and then if you had both, you could have a distribution license. But in your bill, you can have a producer, processor, and then you couldn't have a distribution license. Is there any reasoning behind that, that you thought was ... ?

**[CPS]** The major reasoning behind structuring the licensing in a different way is so that you can get more access to equity businesses and so that people don't necessarily need to be as capitalized to do multiple things at the same time. And the bill does require ... it sets a goal for equity businesses. And so if you set a goal for equity businesses, yet you have a licensing structure that prohibits that, then those two things, they work against each other. And so we've kind of structured it in a way that hopefully will create a lot more equity businesses.

Here's the deal. At the end of the day, some large company is going to essentially be able to control this entire market. But, day one, we would like to see the initial startup be New Yorkers wanting to either start a business or already being in the business and wanting to grow their business around the space. And so it's important to not have all of them all combined.

**[AB]** So I definitely completely agree on that point. I love that in your bill, 50 percent of the licenses will be for social equity applicants, which I think is entirely necessary.

**[CPS]** Included in that social equity applicant is also disadvantaged farmers.

**[AB]** Yup. And are we including hemp as a disadvantaged farmer?

**[CPS]** Excuse me?

**[AB]** Is hemp going to be a disadvantaged farmer? Hemp farmers?

**[CPS]** I'm not sure if it's going to be for hemp, but it definitely will be for adult use.

**[AB]** Okay, that's interesting. Will hemp farmers be considered social equity is what I meant by that. Would they fall under that ... because they've had ... 2019 and 2020 have been tough years for them. Is that a category that makes sense?

**[CPS]** That's all going to depend on, how the regulators look at ... anybody can make themselves disadvantaged, and that's not what we're looking for here. We're looking for the folks that have really been disadvantaged in whatever way: as a result of COVID, etc. So they'll be looking at that very closely. And I think it's important to do so.



**[AB]** I think that kind of ties into the categories of your social equity, who can fall under a social equity category, which is like women, communities that have been disproportionately impacted by the prohibition, minority as defined by New York law. Do you foresee a lot of loopholes happening where people are going to put it just in their wives' names?

**[CPS]** That's the American way, isn't it?

**[AB]** Yeah. No, I agree. I'm not saying it's wrong. I'm just saying I foresee this being a big tackling.

**[CPS]** I would hope that we're able to efficiently and effectively review people. There's a maximum—and I can't tell you what that number is right now—but there's a maximum investment that you have to have in order to be considered any of that. So ... With the right ...

**[AB]** People will find loopholes.

**[CPS]** We're going to try to pull those people out who don't belong there, but want to take advantage of a system that wasn't really designed for them.

**[AB]** No, absolutely. I just want to touch base. The thing about the distribution licenses, which I think is important, is that creates an added fee, right? When you have an additional licensee, the product continues to get an additional price on it with a new structure. If it's producer-to-distributor, that product price is managed a little bit easier in terms of how it will be taxed and how it transfers over.

So I think that's something interesting to kind of think about, too. I completely understand your perspective on it, which is ... don't, you know, pigeonhole these licenses where one person owns three of the things, but, you know, taxation's so important moving forward, because if the product is too high of a price, they'll still go black market. And there's a really delicate balance between having something that's economically feasible and inclusive versus over-taxed.

**[CPS]** Well, here's one thing we know about consumers, they are looking for a good product, even though there's still a very large underground market in the state of New York. There are a lot of people who go to Massachusetts because they know what it is they're buying. And as you know, on the street, there are people adding a lot of things to the plant that shouldn't be there, and it's very harmful to folks. And so consumers are interested in a good quality product. This we know already. And so I think that our tax structure should be that it doesn't force people to stay underground, that it encourages them because they are good consumers and knowledgeable consumers, to go for the product that they know is clean and safe, and healthy, and it's not going to have detrimental effects to their health status. I think that our tax structure will do that. That's not something that's clear yet, but we're still working on that.

**[AB]** That's great. Anything else to wrap us up on this issue? Anything you want the viewers to know on the Marijuana Regulation Taxation Act?



**[CPS]** Well, you know what, I will say that people should be mindful that there is a concerted opposition to allowing New York State to move forward with this issue. And while some folks are listening to them, it's not a good thing to listen to them, because quite honestly, there is nothing wrong with this product. It is something that should be available only for responsible adults. And, quite honestly, if we don't make it available to them—a good product in New York State—then they'll just go other places. And New Jersey, they'll be up and going before we know it. Illinois already went before we did. Massachusetts is already there. Canada is even there. So we're being surrounded ...

**[AB]** Virginia, which is wild ...

**[CPS]** Other places where you can get a good quality product. And so either we'll have New York dollars going to those other places or, we'll keep New York dollars in and around the state of New York, and it would be not only beneficial to the communities that have been harmed by mass incarceration, but it will be beneficial to local governments as well.

**[AB]** Thank you so much, Assemblywoman Stokes, we loved having you and you have been so educational on this topic. I hope to have you back on soon. Thanks.

**[CPS]** Thank you so much. It's a pleasure to be with you. Always good to see you, too.

**[AB]** The Cannabis Counselor Podcast is available on YouTube, LinkedIn, Apple Podcasts, Spotify, and Google Play! Like, follow, share, and continue to listen. Thanks!



