



Episode 19: "NYS Office of Cannabis Management"

Speakers: Aleece Burgio, host, Barclay Damon

[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 19 of The Cannabis Counselor. I'm your host, Aleece Burgio. And today we're going to be talking about the Office of Cannabis Management, the appointees, and the confirmations, and just what we're hearing in Albany regarding who's filling these positions.

And so we've talked about it briefly in other episodes, but there are a few different positions that need to be filled. We have an executive director, a social equity director, and then this five-person control board, and one of those people are the chair. So the big positions that we're looking at are the chair of the board, the executive director, and the social equity director. And, you know, it's interesting because everyone kind of anticipated for this board and the two positions to be filled by end of session, so middle of June. And we're just not seeing that. So right now, we're in the week of June 22, and we still don't have anything. We're hearing a bunch of different names. We're hearing Chris Alexander, possibly for social equity director.

But the big thing I want to talk about is what happened now with Norm Birenbaum. And so back in 2019, Norm was appointed as director of the cannabis programs for New York State when he was selected by Governor Cuomo. And I think everyone just kind of anticipated that Norm was going to be the executive director for this program. But we've seen a lot of issues with the legislators confirming him. And so there's been a lot of publications that have kind of come out and said, you know what? The legislators will not be confirming—specifically the Senate—won't be confirming Norm, which I'm sure is just a really tough situation for Norm being in.

But I think the legislators are looking for somebody who has a little bit more adult use cannabis experience. And more specifically, is the right person for the program to continue on these really progressive social equity provisions. Granted, we do have a social equity director, but there's so much really good language baked into this law that we don't want it to be lost. And when we talk about that, we're looking at ... at least 50% of these licenses going to social equity applicants. There's this whole component to it about where the money is going after the tax revenue, it's going 40% to a reinvestment fund. Where does that money go after? There is a few different people that they're looking at to fill this position.

But now I think, you know, if Norm is out, the governor's office has to be on the hunt for someone to fill this position, and it might not be immediate. And so, they're definitely going to have to look and see somebody with one, experience in this type of agency, right? They have to have experience in a New York State agency or another state's agency, because there's so much, so much that you need to know for background just to be part of that type of organization. So it's not just somebody who can be in cannabis who maybe has been in the cannabis industry space for a long time. And don't forget any member of the board, the social equity director, the executive director, none of them can have an interest in a cannabis company. So that's going to be really hard. You're going to opt out a lot of people because they can't have any indirect or direct interest, you know, a family member, if you're married, your wife or husband can't have that interest, your child can't have it. And so it kind of narrows the space down a little bit on who they're going to select for these positions.

My guess is that they're probably going to start taking a little bit of a national search. It would be smart to look for somebody who has been in the space for a bit on the agency side. So, on the side of the state, hopefully helping craft adult use cannabis regulations and rules, because, as we know and we've talked about this in other situations, the rules and regulations are supposed to come out. But there's this whole contingency timeline situation, right. We have to fill these positions almost immediately in order for us to get rules and regulation by fall, and not to say that rules and regulations aren't being drafted kind of on the side, maybe by people in the governor's office right now. But to really hunker down and draft these rules and regulations, there's so much there's so much that New York State has to think about.

I mean, yes, our legislation was great, but there are so many components to it that have to be really, really vetted. How much canopy is going to be allowed for a micro, how much canopy is going to be allowed for a production facility, for a cultivator? You know, what does an onsite consumption lounge, like, what are they going to be allowed to do? Are they going to be allowed to sell an allotted amount of weed to the consumer? And how do they select which weed they are allowed to sell? Is it through a partnership? Probably not. And just all those different things that have to be thought about. So rules and regs are so important here, there's so much that has to be done. Our hemp extraction regulations are a good start on what we're trying to look at right now, but we don't have anything in the queue on adult use. And there's a lot there, a lot of new licenses, a lot of things of first impression. And, you know, obviously, we want this program to be done in a timely manner—if we don't expedite this to an extent, not saying making emergency rules and regulations, but we're really looking to have something happen within the next four or five months so that people can start planning, right?

Once the rules and regulations come out is when you start building your application. You're going to know exactly, point by point, what the Cannabis Board is going to do to review your application. And I think it's ... it's going to be very labor-intensive. Applications might not open up until middle to the end of 2022, and it's going to take you that long to be able to get everything up and running. You know, you're thinking about localities, you're thinking about energy, you're thinking about social equity. And right now we're all just kind of like talking in the air. We're not totally, you know, sold on everything that

we're going to need to have in place. So we're all just kind of sitting on the edge of our seats, waiting for these positions to be filled.

You know, I am talking to people every day, every week about who we're hearing, and only a couple names are being said out loud. I do think keep your eye on Chris Alexander. He is going to be one of the positions. I think it's going to be social equity director, but overall, you know, not a ton of data surrounding who we're picking. But stay tuned! Once we know, you'll be the first to hear it from me. But thanks for tuning in, and we'll catch you next week.

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