



*A Town Official's  
Official  
Guide to Cannabis*

**The Marihuana Regulation  
and Taxation Act (MRTA):  
A Summary for Town Governments**

## Overview

In March 2021 the Marijuana Regulation and Taxation Act (MRTA) was adopted. The bill, which had been in the works for several years deals, creates an entirely new area of law, Cannabis Law, that creates state offices, establishes a licensing system, and comprehensively regulates different aspects of medicinal and adult use cannabis and hemp (or CBD). It also, among other things, makes changes to Tax Law, Public Health Law, and creates a new article in the Penal Code. To say the legalization and regulation of cannabis touches on nearly every level of governance isn't exactly an overstatement.

- Using this guide

As with most things in local government, there will be no one-size-fits-all approach in deciding whether allowing recreational marijuana sales is the right choice for your community. "If you build it, they will come" might take on a new meaning for your town and its development goals and ideals. For one town, the allure of job creation and tax revenue may outweigh any ancillary concerns of law enforcement, traffic and/or code enforcement or security concerns. For yet another town, the opposite may be true. This guide is meant to help towns navigate this new legislation. As always, for any questions regarding procedures enacted with MRTA, please contact the Association of Towns at (518)465-7933.

As of April 2021, regulations have not been released, and we anticipate this guide will be updated once they are. This guide does not cover every single aspect of the MRTA, instead it focuses on information that is most relevant to towns (for example, this does not go over laboratory testing requirements or packaging and labeling requirements). There are some questions that will have to wait until the regulations come out to be answered. Meanwhile, AOT hopes this gives our members a sense of what the new law says, and the role towns will play.

## The State Structure

- Cannabis Control Board ("the board")

The board will consist of five individuals (Cannabis Law § 7[1]). The chairperson is an appointee of the governor with the advice and consent of the Senate; two appointees lie solely with the governor; the Senate president will have an appointee, as will the Speaker of the Assembly (see Cannabis Law § 7[1],[2]), all of whom serve a three-year term (see Cannabis Law § 7[2]). The board's primary responsibility is to issue or deny applications for any of the various licenses listed in the MRTA, including licenses for adult-use dispensaries (see Cannabis Law § 10[1]). Among other things, the board is also responsible for drafting various regulations, rules, and an annual report on the effectiveness of the MRTA, including information such as how many licenses, permits and registrations were approved and in what region of the state and approving a social and economic equity plan (see Cannabis Law § 10 [2-24]).

- Office of Cannabis Management

In addition to the board, the MRTA also establishes the Office of Cannabis Management (OCM), which will be established within the Division of Alcoholic Beverage Control (see Cannabis Law § 8). An executive director, nominated by the governor with the advice and consent of the Senate, will oversee OCM (Cannabis Law § 9). OCM's responsibilities include, but are not limited to, any duties delegated by the Board, maintaining records, inspecting premises where cannabis is manufactured, sold, cultivated, processed or distributed, and generally advising and assisting the board (see Cannabis Law § 11[1]-[12]). Although not listed explicitly as one of OCM's duties, the legislation states that the board will make registration, license, and permit application determinations after receiving a recommendation and relevant application information from OCM (see Cannabis Law

§ 10[1]), and thus, it appears it will be responsible for preliminarily reviewing all applications.

- Chief Equity Officer

The MRTA has various social equity components to it, which will be discussed more in-depth later in this guide. To assist in the development of the social equity plan required by the law and to ensure compliance, the board, with the approval of at least four out of the five members, will appoint a chief equity officer (see Cannabis Law § 12 [1]). The CEO is also responsible for establishing a public education program and assisting communities that have been disproportionately impacted by cannabis enforcement in the licensing process (see Cannabis Law § 12 [2]).

- State Cannabis Advisory Board

Finally, the MRTA creates a 13-voting member state Cannabis Advisory Board (Cannabis Law § 14[1]). The governor has seven appointments, and the heads of the Senate and Assembly each have three (see Cannabis Law § 14[2]). In addition, there will be non-voting representatives from various state agencies such as the Department of Environmental Conservation, the Office of Children and Family Services, and the Department of Labor, among others. The Cannabis Advisory Board is in charge of collaborating with OCM and the board and to issue various recommendations. The Cannabis Advisory Board is also responsible for administering the Community Grants Reinvestment Funds, which are discussed later in this publication under the “*Social Equity*” heading.

## **Medical Cannabis**

Medical cannabis is a prescription – it has to be approved by a practitioner for a condition and can be dispensed only at certain places, and Article 3 of Cannabis Law covers all elements of the process, thus superseding the medical cannabis legislation already in place under Public Health Law Article 33 (this

## **MRTA At a Glance**

New York State was the 15<sup>th</sup> state to legalize adult-use recreational marijuana use, and is the 17<sup>th</sup> overall with some sort of weed law on the books. New York State regulations will be forthcoming. There will be a 13 percent tax on cannabis sales: 9 percent is an excise tax that will go to the state. There is also a 4 percent sales tax: 25 percent of that will go to counties, and 75 percent will be distributed to cities, towns, and villages in proportion to the amount of sales that take place within their jurisdiction. Once fully operational, recreational cannabis is expected to bring an estimated \$350 million annually in New York State and will potentially create 30,000 to 60,000 jobs, according to Gov. Andrew Cuomo. The legislation immediately decriminalized the possession of less than 3 ounces of marijuana for adults 21 and older.

While municipalities cannot opt out of legalized marijuana possession/use by adults over the age of 21, cities towns and villages have the ultimate choice of whether they would like to allow dispensaries and on-site consumption lounges within their limits. In order to opt out, a municipality must pass a local law by Dec. 31, 2021 or nine months after MRTA became effective. If a municipality does not opt out by Dec. 31, 2021, they will not have another opportunity to do so; however, those localities that passed a local law opting out may choose to opt back in at a later date by repealing their local law. All local laws associated with opting out of retail dispensaries or on-site consumption licenses are subject to permissive referendum. For a sample local law option out, please see Appendix A of this publication. For questions about permissive referenda, consult your town attorney or call our office at (518)465-7933. □

will be considered repealed within six months after the full board has been appointed and the governor provides notification of that happening.

- Certified patients, designated caregivers, designated caregiver facilities, and registry identification cards

To qualify for medical cannabis usage, a

person first has to be certified by a qualified practitioner as having a specified condition and would likely receive therapeutic or palliative benefit from medical use of cannabis for that condition (see Cannabis Law § 30[1][a]-[d]). *Condition* is defined as cancer, MS, Parkinson's, PTSD, and "any other condition certified by a practitioner" (Cannabis Law § 3[18]), and a practitioner is defined as someone who is licensed to prescribe controlled substances (see Cannabis Law § 3[41]). In addition, a practitioner must also receive at least two hours' worth of training (the exact requirements will be included in the aforementioned regulations) before being able to issue patient certifications (see Cannabis Law § 30[10]).

Once certified, patients or their caregivers must apply for a registry identification card, which must be presented when picking up medical cannabis (see Cannabis Law §§ 32; 34[4]). Registration cards are good for one year unless the practitioner certifying the patient places a shorter time limit on medical cannabis use (see Cannabis Law § 30[7]). To account for the fact that some patients may be too ill to pick up medical cannabis in person, certified patients may designate someone as their caregiver in their applications for a registry ID card. If the application is approved, the designated caregiver will get their own registration ID card and are authorized to pick up medical cannabis on behalf of the patient. One person may not be a designated caregiver for more than four certified patients (see Cannabis Law § 32 [5]) and must be 21 or older unless there is a sufficient case made for someone younger to do so (see Cannabis Law § 32[4]). In addition to an individual being a designated caregiver, an entity may apply to be a designated care facility, in which case the four-patient maximum does not apply (see Cannabis Law §§ 32[5]; 33). For example, a nursing home may apply and register as a designated care facility in order to be able to administer medical cannabis to residents who are certified patients.

- Registered organizations (aka medical cannabis dispensaries)

Entities that want to sell, deliver, transport, distribute, or dispense medical cannabis must apply to become a registered organization (see Cannabis Law §§ 34; 35), and no more than a 60-day supply can be dispensed at a time to a certified patient or their designated caregiver (see Cannabis Law § 34[5][a]). Registered organizations may also hold adult-use licenses, meaning that the same place will be able to distribute medical cannabis and sell recreational cannabis if it has both licenses.

## ***Adult-Use Cannabis Licensing***

Adult-use cannabis is the legislation's way of referring to what many people think of as recreational pot. Article 4 of Cannabis Law covers adult-use cannabis, and it regulates each step in the process, from growing to processing to distributing to ultimately, consumer sales. Each step has its own separate license and there are, in fact, 10 different types of licenses under Article 4: adult-use cultivator, adult-use processor, adult-use cooperative, adult-use distributor, retail dispensary, microbusiness, delivery, nursery, on-site consumption, and registered organization adult-use cultivator-processor-distributor-retail-dispensary licenses. This guide primarily focuses on retail dispensary and on-site consumption licenses because those are the two over which towns have some authority.

- Applying for an adult-use license

The Cannabis Control Board will establish regulations on what information needs to be included in applications for adult-use licenses, but the legislation says the information may include, but is not limited to, certain financial information, evidence of good moral character, and a submission of fingerprints to the division of criminal justice services (Cannabis Law 62[2]). When reviewing applications, the board will take into account certain factors such

as whether the applicant is a social and economic equity applicant; if the applicant has all of the necessary permits from the state or other governing body; the number and type of licenses already granted within the community; and violations of laws in other jurisdictions, among many other things (Cannabis Law 64). Licenses are good for two years from the date they are issued and may be renewed (Cannabis Law 65, 66), and the board needs to approve any transfer in ownership or change in location (Cannabis Law 67).

- Retail dispensary / on-site consumption licenses

Retail dispensary licenses are for establishments to sell cannabis products to the consumer, just like a liquor store would sell wine to, hypothetically, an AOT attorney (Cannabis Law § 72). As previously mentioned, a single establishment could hold both a registered organization license and a retail dispensary license, thus allowing it to distribute medicinal cannabis at the same place where individuals would buy recreational cannabis.

There are also on-site consumption licenses, which are for establishments where people can buy cannabis products and consume or smoke them there, like a bar would with alcohol (Cannabis Law § 77). Before an on-site consumption license application is granted, the board will take additional considerations into account. For example, neither a retail dispensary nor an on-site consumption establishment can be within 500 feet of a school or 200 feet of a house of worship (Cannabis Law §§ 72[6]; 77[4]). Furthermore, holding an on-site consumption license precludes the same business from also being a registered organization (aka a medical cannabis dispensary) or holding various other adult-use licenses (Cannabis Law § 77 [3]). On site-consumption license applications are also subject to additional considerations (Cannabis Law § 77[5]).

- Notification to municipalities

An applicant for an adult-use retail dispensary license, registered organization adult-use cultivator-processor-distributor-retail-dispensary license, or an on-site consumption license must notify a municipality of its intention to file an application between 270 days and 30 days before it plans on filing (Cannabis Law § 76 [1]). Notification will go to the town clerk (or village clerk if in the village) and be made by certified mail, overnight delivery, or personal service (Cannabis Law § 76 [5]). The board will create a standardized form, but it has to include the following information:

- business name
- names of the applicants
- street address of the proposed establishment (and mailing address if different)
- name, address, and contact info for the applicant's attorney
- a statement on what the application is for (i.e. new establishment, transfer of license, renewal, or alteration of existing license)
- if the application is for a transfer, information about the old establishment
- if the application is for a renewal, the existing registration or license number

If a municipality submits an opinion to the board for or against granting a license, that opinion will be considered part of the official record of the application, and the board must respond to the municipality explaining how the opinion was considered in granting or denying the application (Cannabis Law § 76[4]).

- Local law opting out

In addition to the notification requirements for retail and on-site consumption licenses, towns, cities, and villages also have the ability to adopt local laws opting out of allowing retail dispensaries and on-site consumption sites (Cannabis Law § 131). The opt-out local law is subject to a

permissive referendum (or referendum on petition) following the procedure outlined in Municipal Home Rule Law § 24 (id.). This means that if a town adopts a local law opting out, and there is a petition with a sufficient number of qualifying signatures, then the town would have to put the local law to a vote. If a municipality wants to opt-out, it must adopt the local law by December 31, 2021 (id.). ***Please note that the law states that the local law must be ADOPTED by December 31, 2021, not that the referendum has to be done by that date.***

For towns with villages, any local law opting out would apply only to the town outside of the village (id.), and remember, municipalities can ONLY opt out of retail dispensaries and on-site consumption, nothing else. If a town is not sure how its residents feel about allowing retail sales or on-site consumption, the Association of Towns recommends holding public hearings or community roundtables to get a sense of what the community wants.

Another consideration is revenue. As discussed later, revenue sharing with municipalities is done in proportion to the sales that take place within its boundaries, so if zero sales take place in the town because it opted out, then the town gets zero percent of the revenue. Furthermore, while the deadline to opt out is December 31, 2021, the town board may, in the future, rescind that local law. To illustrate – let’s say the town adopts a local law opting out in October 2021 and in two years, the town board rescinds that local law in October 2023. In October 2024, if the town board wants to opt-out again, it would not be allowed to because a local law opting out cannot be adopted later than December 31, 2021.

- Time/place/manner restrictions on retail dispensaries and on-site consumption establishments

If a town decides to allow retail dispensaries

and on-site consumption sites, it may adopt local laws regulating the time/place/manner of those establishments so long as it does not make the operation of them unreasonably impractical (Cannabis Law § 131 [2]). Towns are otherwise pre-empted from adopting any rule or local law on the operation or licensure of registered organizations, adult-use cannabis licenses, or cannabinoid hemp licenses (id.).

## ***Tax / Revenue Sharing with Towns***

There is the potential for a town to gain some revenue from legalized adult-use cannabis. There are two different levels of taxes on sales to consumers — one is a 9 percent tax that will go to the state, and the other is a 4 percent tax that is distributed on a quarterly basis as follows: from the 4 percent, 25 percent will stay with the county, the remaining 75 percent will be distributed between towns, cities and villages in the county in proportion to the amount of sales that take place within their jurisdiction (see Tax Law §§ 493[b],[c]; 496-b[2]). When a retail dispensary is located in a village in a town that also allows retail sales, then the money is split between the village and town in accordance with an agreement executed between the two governing boards, or in the absence of an agreement, the money is split 50/50 (see Tax Law § 496-b[2]). In other words, if a town opts out, but a village allows sales, the town will NOT get any money. Here are some examples to illustrate how revenue sharing will work:

**Example 1:** In one quarter, \$100,000 is collected from the 4 percent tax on all the retail sales in the county. Within the county, two towns and one city have retail sales in their jurisdiction, meaning \$25,000 will go to the county (that is, 25 percent of the \$100,000). The remaining \$75,000 will be split between the two towns and the city in proportion to the sales in their boundaries. Let’s say 33 percent of the sales take place

in the city, 33 percent are in Town A, and 33 percent are in Town B – this means the city and two towns would each get \$25,000.

**Example 2:** Same scenario as Example 1 except 50 percent of the sales take place in the city, 20 percent of sales take place in Town A, and 30 percent of sales take place in Town B. In this scenario, the city would receive \$37,500 (that is 50 percent of the remaining \$75,000). Town A will receive \$15,000 (20 percent of the \$75,000) and Town B will receive \$22,500 (the remaining 30 percent of the \$75,000).

**Example 3:** \$100,000 is collected from the 4 percent tax for the quarter. Two towns have retail dispensaries, as do two villages. Retail sales are split evenly among all, with 25 percent of sales taking place in Town A, Town B, Village C and Village D. Village C is within Town X that did NOT opt out, whereas Village D is in Town Y that DID opt out. 25 percent of the \$100,000 goes to the county (\$25,000). The rest will be distributed as follows: Town A and Town B will each receive \$18,750 (that's 25 percent of the remaining \$75,000). Village D will also get \$18,750 (25 percent of \$75,000) because it is located in a town that opted out and therefore is not eligible to receive any revenue. The amount that Village C will get depends on if there is an agreement between the village and town boards outlining how the money will be apportioned. If there is no agreement then, by default, Town X will receive \$9,375 (50 percent of \$18,750), as will Village C.

Another way to think about town/village cannabis revenue sharing is this:

- Town opts out, but village within town has sales = town does not get revenue
- Town does NOT opt out and the village within town has sales = revenue from village sales is split pursuant to an agreement or, by default, 50/50
- Town does NOT opt out, the village DOES opt out, and sales take place within town = town gets revenue, does not have to share with village

- Town does NOT opt out, the village does not opt out, but retail sales only take place in town = town gets revenue, does not have to share with village.

## **Personal Cultivation**

The MRTA allows for personal cultivation at private residences; however, the sections governing personal cultivation will not go into effect until regulations on home cultivation have been put in place (Penal Law 222.15 [9]). The law requires personal cultivation regulations on medical cannabis be in place no later than six months after the effective date of the law and no later than 18 months following the first authorized retail sale (id.). Once personal cultivation is allowed, an individual may have three mature and three immature plants in their private residence, and each residence cannot exceed a total of six mature and six immature plants (Penal Law § 222.15[1][a]-[c],[2]). Therefore, for example, six people live on the same property – the maximum number of plants allowed for that property would be 12 (6 mature and 6 immature plants), not 6 plants per person. Certified patients or their designated caregivers may be allowed to grow more plants than that in proportion to the need for more plants, and more regulations will be forthcoming on this (see Cannabis Law § 41). Also, home cultivation is limited to private residences; one could not, for example, grow plants at the office (Penal Law § 222.15[3])

Furthermore, only those 21 or older may cultivate plants at home, it must be stored on the grounds of the private residence, and reasonable steps must be taken to ensure that cannabis is in a secured place and not accessible by anyone under the age of 21 (Penal Law § 222.15 [4],[5]). Finally, personal cultivation is just that – it is for personal use, not a license to sell cannabis grown in your home to other individuals. However, the law does authorize transferring up to 3 ounces of cannabis to a person 21

or older without compensation (Penal Law § 222.05[b]).

The law gives counties, cities, towns, and villages the authority to reasonably regulate home cultivation; however, any local rules cannot completely or in practice prohibit home cultivation (Penal Law § 222.15 [6]). If a town does enact local rules on home cultivation, the violation cannot be considered more than an infraction, and it cannot carry a discretionary civil penalty of more than \$200 (id.).

## ***Police-Related Issues***

- Possession

Under MRTA, a person 21 or older can possess, display, transport, or obtain up to 3 ounces of cannabis or 24 grams of concentrated cannabis (Penal Law § 222.05). Additionally, a person may lawfully possess 5 pounds of cannabis in their personal residence or on the grounds of another person's residence. In other words, don't travel with 5 pounds of cannabis, keep that amount at home, and stick to 3 ounces.

- Inspecting licensed operations

Peace and police officers may inspect all licensed or permitted premises and all records of licensed operators (see Cannabis Law § 79). Inspections cannot interrupt ordinary business or compromise the licensees' safety and security procedures. Inspections may include, but are not limited to, ensuring the licensee or permittee is complying with the NYS Cannabis Law and regulations, and other applicable state and local building codes, fire, health, safety, and other applicable regulations.

- Reasonable suspicion

MRTA explicitly states that evidence such as the cannabis odor, possession (in the legal amount), or money placed near cannabis can be the basis, either on its own or in combination with other factors, for believing a crime has been committed (see Penal Law § 222.05). However, the prohibition against using the odor of burnt cannabis as the basis

for reasonable suspicion does not apply when an office is investigating whether a person is driving while impaired. But even if someone is pulled over, and there is the smell of burnt cannabis, the smell does not provide probable cause to search any area of a vehicle that is not readily accessible to the driver and is not reasonably likely to contain evidence relevant to the driver's condition.

## ***Public Smoking and Consumption***

With respect to smoking and vaping, cannabis is treated the same as tobacco. Public Health Law Article 13-E prohibits smoking or vaping cannabis in certain indoor areas such as, but not limited to, places of employment, bars, public transportation, and child care centers. Cars, however, are a notable exception where tobacco can be smoked or vaped but not cannabis (see Vehicle & Traffic Law § 1227(1)). Additionally, someone cannot smoke or vape cannabis on school grounds within 100 feet of entrance, exit or outdoor areas of an elementary or secondary school or of a public library (this does not apply to smoking or vaping in a residence if the real property boundary line falls within 100 feet) or on a school bus (see Penal Law § 222.10 and Public Health Law Article 13-E).

As far as local regulation of smoking, local governments may impose stricter rules than what is required under Public Health Law Article 13-E. Public Health Law § 1399-r also states that "Nothing herein shall be construed to restrict the power of any county, city, town, or village to adopt and enforce additional local law, ordinances, or regulations which comply with at least the minimum applicable standards set forth in this article." Finally, local governments may impose their own smoking and vaping restrictions for property owned or controlled by the municipality, including parks and playgrounds.

## ***Social Equity Issues***

Social equity is one of the MRTA’s primary goals. To that end, the board, in consultation with the chief equity officer and executive director of OCM, after receiving public input, will develop and implement a social and

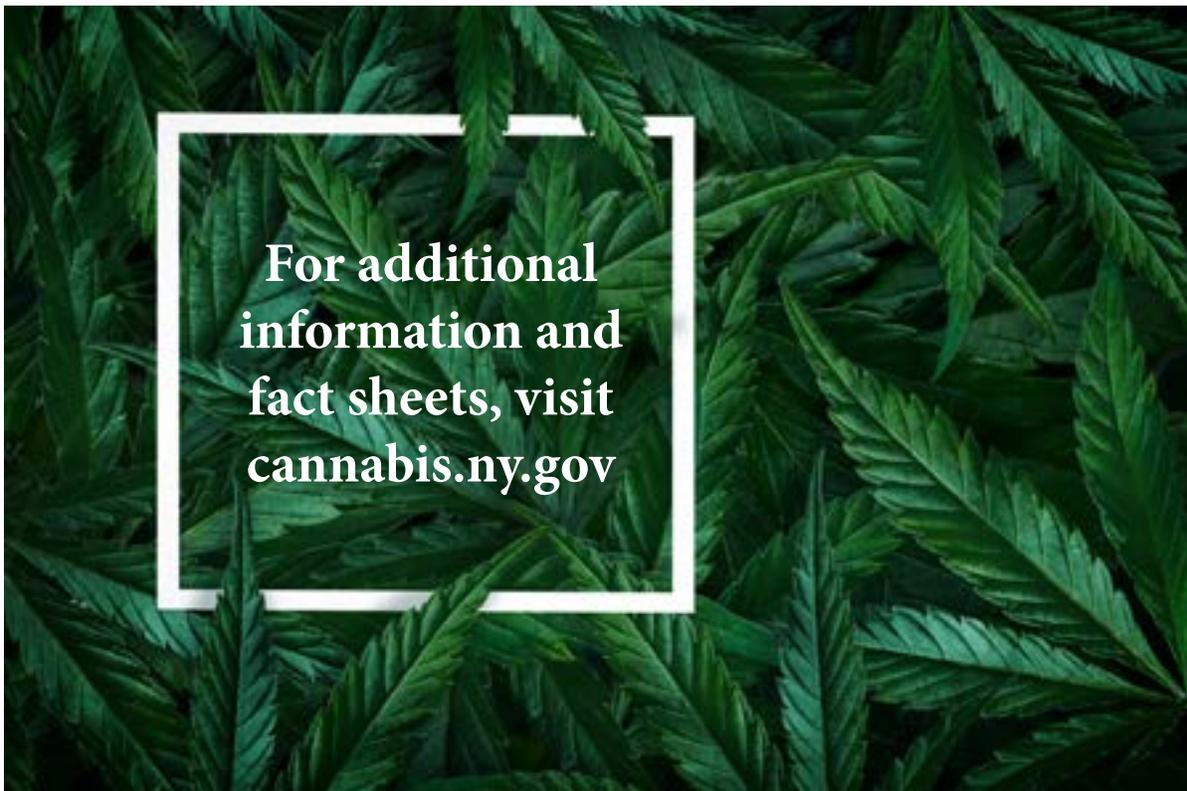
economic equity plan and actively promote and encourage applicants from communities that have been disproportionately impacted by the former prohibition on cannabis. The legislation specifically states that a goal is

	<b>Massachusetts</b>	<b>New Jersey</b>	<b>New York</b>	<b>Quebec, Canada</b>
<b>Possession Limits (Cannabis)</b>	1 ounce outside residence/10 ounces at home	6 ounces	3 ounces outside residence/5 pounds at home	1.06 ounce (30 g) outside residence and 5.3 ounces (150 g) at home
<b>Possession Limits (Concentrates)</b>	5 grams	17 grams	24 grams	7.5 grams
<b>Home Grow</b>	Yes	No	Yes	Yes*
<b>Public Consumption</b>	No*	Yes, but cannot be used wherever tobacco smoking is prohibited	Yes, but cannot be used wherever tobacco smoking is prohibited	Local option, but cannot be used wherever tobacco smoking is prohibited
<b>THC Content Tax</b>	No	No	0.5 cents per mg for flower, 0.8 cents per mg for concentrates, and 3 cents per mg for edibles	No
<b>Cannabis Lounges</b>	At local option	At local option	At local option	No
<b>Age Limit</b>	21	21	21	21
<b>Local Government Opt Out</b>	Yes	Yes	Yes	Yes
<b>Total Tax (Excise + Sales, if applicable)</b>	17 percent (10.75 excise tax + 6.25 sales)	None but 6.625 percent sales tax	13 percent (9 percent state excise; 4 percent local excise)	C\$1/g or 10% of the pre-tax transaction plus 9.975 percent sales tax
<b>Maximum Tax Possible</b>	20 percent	8.63 percent	22.88 percent	19.98 percent
	<i>*local jurisdictions may set their own rules around cafes, smoke rooms, or other options for social consumption</i>	<i>*and one percent of the receipts from each sale by a cannabis wholesaler</i>		<i>*home grow in Quebec is being litigated</i>

to have 50 percent of adult-use licenses go to social and economic applicants (see Cannabis Law § 87).

In addition, the legislation establishes the Community Grants Reinvestment Fund (see State Finance Law § 99-kk), to be funded by 40 percent of revenue leftover after paying for expenses such as administration and various studies, and in joint custody of the state comptroller and commissioner of tax and finance. It will be governed, administered, and awarded by the state cannabis advisory board. The purpose of the fund is to provide grants for qualified, community-based, nonprofit organizations and approved local government entities to reinvest in communities disproportionately

affected by past federal and state drug policies. Grants should be used to for things like supporting job placement, job skills services, adult education, mental health treatment, substance use disorder treatment, housing, financial literacy, community banking, nutrition services, services to address adverse childhood experiences, afterschool and child care services, system navigation services, to name a few, as well as legal services to address barriers to re-entry, including but not limited to, providing representation and related assistance with expungement, vacatur, substitution and resentencing of marijuana-related convictions, and linkages to medical care, women's health services and other community-based supportive services. The grants may also be used to further support the social and economic equity program created by article four of the cannabis law and as established by the cannabis control board.



**For additional  
information and  
fact sheets, visit  
[cannabis.ny.gov](https://cannabis.ny.gov)**

**Sample Local Opting out of Adult Use Cannabis Retail Dispensaries and On-Site Consumption Sites**

Local Law No \_\_\_\_\_ of the year 2021

*[Choose one of the three titles]*

*A local law to opt out of allowing cannabis retail dispensaries and on-site consumption sites as authorized under Cannabis Law Article 4*

*A local law to opt out of allowing cannabis retail dispensaries as authorized under Cannabis Law Article 4*

*A local law to opt out of allowing on-site consumption sites as authorized under Cannabis Law Article 4*

Be it enacted by the Town of \_\_\_\_\_, County of \_\_\_\_\_ as follows:

**Section 1. Legislative Intent**

It is the intent of this local law to opt out of allowing cannabis retail dispensaries and on-site cannabis consumption sites in the Town of \_\_\_\_\_ that would otherwise be allowed under Cannabis Law Article 4.

*[add more justifications if you like]*

**Section 2. Authority**

This local law is adopted pursuant to Cannabis Law § 131 which expressly authorizes the town board to adopt a local law requesting the Cannabis Control Board to prohibit the establishment of cannabis retail dispensary licenses and/or on-site consumption licenses within the jurisdiction of the town and is subject to a permissive referendum, the procedure of which is governed by Municipal Home Rule Law § 24.

**Section 3. Local Opt-Out**

*[Choose one of the three options]*

*The Town Board of the Town of \_\_\_\_\_ hereby opts out of allowing cannabis retail dispensaries and on-site cannabis consumption sites from being established and operated within the town's jurisdiction.*

*The Town Board of the Town of \_\_\_\_\_ hereby opts out of allowing cannabis retail dispensaries from being established and operated within the town's jurisdiction.*

*The Town Board of the Town of \_\_\_\_\_ hereby opts out of allowing on-site cannabis consumption sites from being established and operated within the town's jurisdiction.*

**Section 4. Severability.**

If any clause, sentence, paragraph, subdivision, or part of this Local Law or the application thereof to any person, firm or corporation, or circumstance, shall be adjusted by any court of competent jurisdiction to be invalid or unconstitutional, such order or judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, or part of this Local Law or in its application to the person, individual, firm or corporation or circumstance, directly involved in the controversy in which such judgment or order shall be rendered.

**Section 5. Permissive Referendum/Referendum on Petition**

This local law is subject to a referendum on petition in accordance with Cannabis Law § 131 and the procedure outlined in Municipal Home Rule Law § 24.

**Section 5. Effective date.**

This local law shall take effect immediately upon filing with the Secretary of State.