

NEW YORK LAUNCHES CANNABINOID HEMP RETAIL LICENSE AND DISTRIBUTOR PERMITS

Hodgson Russ Hemp and Medical Cannabis Alert
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On January 25, 2021, the New York State Department of Health ("Department") launched its Cannabinoid Hemp Retail License Application and Distributor Permit Application. The Retail License and Distributor Permit are part of the Department's new Cannabinoid Hemp Program ("Program"), which New York State Governor Andrew Cuomo announced in October 2020.

Cannabinoid hemp products include many products containing cannabinoids such as cannabidiol or "CBD," which come in the form of tinctures, oils, topicals, pills, capsules, and food or beverages that are intended for human or animal consumption or application. The Cannabinoid Hemp Retail Licenses and Distributor Permits are not applicable to recreational adult-use marijuana, but New York's adult-use legislation is currently pending.

Retail License Application

As part of the Program, businesses selling cannabinoid hemp products—both online and in person—must obtain a Cannabinoid Hemp Retail License from the Department. To apply, an applicant must submit an online application via the New York Business Express website.

Among other requirements, cannabinoid hemp retail applications must include: (1) a summary and description of the type of cannabinoid hemp products the applicant intends to sell; (2) the sources of the cannabinoid hemp products from whom the applicant intends to purchase, including the name and contact information of any manufacturer or distributor; (3) proof that the applicant is registered to collect sales tax in New York State; and (4) an attestation that the applicant will comply with the rules and regulations of the Program.

A \$300 license fee for each retail location must be submitted with all applications to be licensed by the Department, and licenses must be renewed annually.

In addition, a retailer applicant who submits a complete application before April 1, 2021 may sell cannabinoid hemp products before having the application approved, provided they adhere to all other requirements of the Program.

Attorneys

Arielle Doolittle
Christopher Doyle
Carol Fitzsimmons
Patrick Fitzsimmons
Joseph Goldberg
Patrick Hines
Kinsey O'Brien
Matthew Parker
Gary Schober
Daniel Spitzer
Melissa Subject
William Turkovich

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The Department will prioritize applicants who previously held valid research partnership agreements with the New York State Department of Agriculture and Markets. All other applications will be reviewed in the order they are received, so new applicants should act fast.

Distributor Permit Application

Distributors of cannabinoid hemp products must obtain a Distributor Permit before selling or distributing cannabinoid hemp products manufactured outside of New York State to licensed Retailers. The permit ensures that products coming from out-of-state meet all the requirements of the Program.

To apply, an applicant must complete an online Distributor Permit application. Like the Retail License application, a Distributor Permit applicant must also submit a summary and description of the types of products they intend to distribute, and the sources of the products. The application requires a \$300 permit fee and must be renewed annually.

Although the Program proposed regulations for processing cannabinoid hemp products, the Department of Health is not yet accepting Processor License applications. A Processor License is necessary to extract or manufacture cannabinoid hemp in New York State. The Department of Health will share more information regarding Processor Licenses as it becomes available.

For more information, please contact [Melissa Subject](#) (716.848.1719), [Patrick Hines](#) (716.848.1679) or any member of Hodgson Russ's [Hemp & Medical Cannabis Practice](#).