

**Town Board  
Public Information Meeting  
Marijuana Regulation & Tax Act  
August 24, 2021, at 7:00p.m.**

**Present: Town Board:** Supervisor Aaron, Councilor McCormack, Councilor Alexander, Councilor Legg, Councilor Tucker.

**Also, Present:** Sue Murphy, Karen Barkdull, Ed Evans, Joe Vecchio, Mike Balestra, Fran McCormack, Joshua Allyn, Kira Fiutak, F. Scott Molnar, John Paddock, Sharon Paddock, Ron Laxton, Jeanne Pascol, Tom Fernandez, Mary Sennett, Christine Buff, Brian Buff, Dede Washington, Sue Dove, Jorge Batlle, Beth Batlle, Betsy Foote, Susan Wolstenholme, Tara Lynn.

Supervisor Aaron introduced the Town Board and stated they were here this evening to hear comments from the community regarding the new Marijuana Regulation & Tax Act which was signed in 2021 legalizing adult-use cannabis, also known as cannabis or recreational marijuana in New York State.

Supervisor Aaron explained cities, towns, and villages can opt-out of allowing adult-use cannabis retail dispensaries or on-site consumption licenses from locating within their jurisdictions. Municipalities cannot opt-out of adult-use legalization. To opt-out of allowing adult-use cannabis retail dispensaries or on-site consumption licenses, a municipality must pass a local law by December 31, 2021. If a municipality does not opt-out by December 31, 2021, the municipality will be unable to opt-out at a future date. However, a municipality may opt back in, to allow either, or both, adult-use retail dispensary or on-site consumption license types by repealing the local law which established the prohibition.

Supervisor Aaron introduced Attorney Mike Balestra from Hancock and Easterbrook, Mr. Balestra is a Village of Skaneateles resident and had made a presentation to the Village Board regarding the new Marijuana Regulation and Tax Act and had offered to make this presentation to the Town Board.

Mr. Balestra thanked the Board for inviting him to speak and stated he was here as a resident of the Town not to advise or give any legal advice. He reviewed the newly adopted New York State Marijuana Regulation and Tax Act. The Marijuana Regulation and Taxation Act (MRTA) which legalizes cannabis for adults 21 years of age or older. This law sets out a framework that will comprehensively regulate cannabis in New York State. The Office of Cannabis Management (OCM) will license cultivators, processors, distributors, and dispensaries to grow and sell cannabis in New York. To protect consumer safety, there will be laboratory testing and packaging and labeling requirements for cannabis products.

He explained this law regulates Marijuana not Hemp or CBD. Marijuana is still illegal on a federal level; it is still a level 1 controlled substance.

Cities, towns, and villages can opt-out of allowing adult-use cannabis retail dispensaries or on-site consumption licenses from locating within their jurisdictions. Municipalities cannot opt-out of adult-use legalization. Adult-use cannabis possession and use by adults 21 years of age or older in accordance with the Marijuana Regulation & Taxation Act (MRTA), is legal in New York State.

To opt-out of allowing adult-use cannabis retail dispensaries or on-site consumption licenses, a municipality must pass a local law by December 31, 2021. If a municipality does not opt-out by December 31, 2021, the municipality will be unable to opt-out at a future date. However, a municipality may opt back in, to allow either, or both, adult-use retail dispensary or on-site consumption license types by repealing the local law which established the prohibition.

All local laws passed by municipalities opting out of allowing adult-use retail dispensaries or on-site consumption licenses are subject to a permissive referendum as outlined in section twenty-four of the Municipal Home Rule Law. This creates a process allowing voters of the municipality to, within 45 days, petition the outcome of a local law, which if successful, will trigger the question of whether or not to approve the local law, to be placed on the ballot at the next general election of state or local government officials for the municipality.

Mr. Balestra reviewed the types of businesses and licenses the State of New York had created with the MRTA. He stated the option for Town's to opt-out is only for allowing adult-use cannabis retail dispensaries or on-site consumption licenses. This does not allow the opportunity for Town's to opt-of and business that grows or cultivates cannabis or a "Microbusiness" which is a licensee that may act as a cannabis producer for the cultivation of cannabis, a cannabis processor, a cannabis distributor, and a cannabis retailer. A microbusiness license authorizes the limited cultivation, processing, distribution, delivery, and sale of their own adult-use cannabis and cannabis products.

Mr. Balestra stated New York had created this industry and office in the State Government but had not passed any regulations as of yet. The new Governor may expedite the process and there could be approvals or regulations by 2023.

Mr. Balestra explained towns, cities and villages are permitted to pass local zoning laws and regulations governing the time, place and manner of adult-use retail dispensaries and on-site consumption licenses provided that the local law and regulations do not make the operation of the license unreasonably impracticable as determined by the Cannabis Control Board. For example, cities, towns, and villages are permitted to pass laws and regulations pertaining to local zoning and the location of licensees, hours of operations and adherence to local building codes. Municipalities may not issue local licenses to cannabis licensees.

Mr. Balestra reviewed the local excise tax imposed on the sale of cannabis products from a retail dispensary to a cannabis consumer at 4 percent of the products price. This tax is distributed to local governments based on where the retail dispensary is located. 25 percent of the tax revenue goes to the county and 75 percent goes to the cities, town, or villages within the county as a proportion of cannabis sales. If a town and a village within the town both allow adult-use sales, the revenue shall be distributed based on agreed upon distribution agreement between the town and village. If no

such agreement exists, then the revenue distribution between the town and village will be divided evenly. There are no restrictions on what Towns or Village could spend this tax revenue. New York State estimates 75 million in tax revenue. The law for Towns and Villages is very limited, it only allows to opt-out of dispensaries and on-site consumption business, not microbusiness, growing, cultivating, or processing but would exclude the Town or Village from the tax revenue.

New York State has charted the path for this industry and the Town Board would do their best, but the Town had limited jurisdiction.

Mr. Balestra asked if anyone had any questions or comments:

Fran McCormack: Ms. McCormack asked about Microbusinesses and if they would be part of what the Town could opt-out of. Mr. Balestra stated no they would be allowed with the proper licenses regardless of the Town or Village opting out. Ms. McCormack stated the law protects the industry; Mr. Balestra said the State created the industry.

Mr. Balestra stated these businesses would be more possible in the Town than the Village. They would need the land to grow, cultivate and sell. Currently there are no zoning regulations, but the Town and Village would be able to create local zoning laws and regulations governing the time, place, and manner of operations of microbusiness.

Gene LaForte: Mr. LaForte asked if opting out would regulate operations of a microbusiness out of a home. Mr. Balestra stated the law only allows Town's to opt-out for allowing adult-use cannabis retail dispensaries or on-site consumption licenses. Town and Village are permitted to pass laws and regulations pertaining to local zoning and the location of licensees, hours of operations and adherence to local building codes.

Sue Dove: Ms. Dove asked about the timing of the permissive referendum. Mr. Balestra stated the local law is subject to permissive referendum. This allows for someone to file a petition against the Local Law opting out for 45 days after the Local Law is passed. They could petition the Town Board for a mandatory referendum and this would force a town wide vote.

Councilor McCormack: Councilor McCormack asked if the Town does nothing does that automatically opt the town in. Mr. Balestra answered yes.

Ron Laxton: Mr. Laxton asked why this an issue was. If this was a liquor store being proposed, we would not be here discussing this.

Josh Allyn: Mr. Allyn stated if the Town opts-out, they would be turning down a lot of tax money that would go directly to the Town. Marijuana is already here. Colorado legalized recreational marijuana and they have had no arrests of minors. Alcohol does not have that percentage.

Chris Buff: Ms. Buff stated she supported the local community, and this is a good alternative to those who cannot get medical marijuana. Marijuana has a positive effect for many medical patients.

Josh Allyn: Mr. Allyn agreed with Ms. Buff and stated this would help those with medical conditions and bring a lot of tax money to the Town. He would like the Town to benefit from the opportunity to get more tax revenue.

Audience Member: She stated she is a nurse and had seen the benefits of marijuana to patients who abuse alcohol and opioids. Marijuana is not an abused addictive substance. Alcohol is the main abused drug which causes sever addictions. No one has died from an overdose of marijuana.

Audience Member: She stated she is a member of the medical community and disagreed with marijuana benefiting medical patients. Marijuana leads to abusing other drugs. Opting out now does not mean the Town couldn't opt in, in the future. The Town Board needs to consider that.

Scott Molnar: Mr. Molnar asked if the Town Board passed a Local Law to opt out would the 45 days as set forth by the permissive referendum need to be completed before December 31, 2021. Mr. Balestra stated no, the Board would have to introduce the local law, hold a public hearing, and pass the local law by December 31, 2021. Then the clock would start ticking on the 45 days and that could go to 2022.

Audience Member: A member of the audience asked about microbusiness and what they could sell and if the Town would be able to opt out of microbusinesses. Mr. Balestra stated microbusinesses could only sell what they grow and cultivate on the same property, The State of New York would have a licensing process for this type of business. And no, the Town could not opt out of micro businesses as the regulations are written now. We are only able to opt out of allowing adult-use cannabis retail dispensaries or on-site consumption licenses.

John Paddock: Mr. Paddock asked if the Board had contacted our local stated government officials and asked their opinion on this new law and ask them for advice.

George Battle: Mr. Battle stated this is money driven and it should not be. This can add to the problem of the careless use of smoking. He is a fireman and has been for 40 years and smoking has caused many fires. Smoking also causes lung caner and heart disease and he did not want to encourage any type of smoking.

Audience member: A member of the audience responded and said she was a nurse and the carcinogens in cigarettes that cause lung cancer is not the same.

Scott Molnar: Mr. Molnar asked in zoning could regulate microbusiness and other licenses that the Town can not opt out of. Mr. Balestra stated yes there is a provision for zoning but provided that the local law and regulations do not make the operation of the license unreasonably impracticable as determined by the Cannabis Control Board.

Councilor Legg: Councilor Legg reviewed the Town's options:

1. The Town would do nothing therefore opting into all Marijuana license types issued by the State of New York.
2. The Town would introduce a local law, hold a public hearing and the Board could adopt a Local Law opting out of allowing adult-use retail dispensaries or on-site consumption licenses are subject to a permissive referendum as outlined in section twenty-four of the Municipal Home Rule Law. This creates a process allowing voters of the municipality to petition the outcome of a local law, which if successful, will trigger the question of whether or not to approve the local law, to be placed on the ballot at the next general election of state or local government officials for the municipality.

The law for Towns and Villages is very limited, it only allows to opt out of dispensaries and on-site consumption business, not microbusiness, growing, cultivating, or processing but would exclude the Town or Village from the tax revenue. But the town is permitted to pass local zoning laws and regulations governing the time, place and manner of adult-use retail dispensaries and on-site consumption licenses

The local excise tax imposed on the sale of cannabis products from a retail dispensary to a cannabis consumer is 4 percent of the products price. This tax is distributed to local governments. 25 percent of the tax revenue goes to the county and 75 percent goes to the cities, town, and village. If a town and a village within the town both allow adult-use sales, the revenue would be distributed based on agreed upon distribution agreement between the town and village. If no such agreement exists, then the revenue distribution between the town and village will be divided evenly and there are no restrictions on what Towns or Village could spend this tax revenue.

Audience Member: A member of the audience asked what the next steps would be.

Supervisor Aaron stated the next steps are for the Town Board to gather information from the State and our community and decide by December 31, 2021.

Councilor Alexander asked for anyone to submit their comments in writing to the Town Board and the Board would review them. They could submit their comments to the Town Clerk at 24 Jordan Street, Skaneateles or by email at [jstenger@townofskaneateles.com](mailto:jstenger@townofskaneateles.com).

Supervisor Aaron and the Board thanked Attorney Mike Balestra for coming this evening. They also thanked all the residents that came and gave their comments.

Respectfully Submitted,



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Julie A. Stenger  
Town Clerk