

Legal marijuana is coming, but New York is far from ready

Prepare for Hurricane Mary Jane **BY NOAH POTTER**

It is almost beyond doubt that the state will pass a law by summer fully legalizing cannabis for adults. A working group appointed by Gov. Andrew Cuomo will release draft legislation soon—possibly this month.

But no one is prepared for the wave about to hit.

Start with this: New York City has the largest and most sophisticated cannabis market in the United States, yet the city government is not formally represented in the governor's working group.

Second, city officials have never spoken with one voice about crucial details of cannabis regulation. Individual City Council members have endorsed legalization, but the council as a whole has not discussed what form of market control it wants. The city comptroller's office has issued three reports on legalization, and Manhattan District Attorney Cyrus Vance two. Brooklyn Borough President Eric Adams and others have endorsed it. But voices speaking in isolation won't make this work.

Mayor Bill De Blasio, whose own task force on cannabis legalization released a report last month, wants progressive policies and extensive local autonomy on key elements of those measures, including regulating retailers, expunging cannabis convictions and prioritizing licenses for populations that suffered most from cannabis prohibition.

The city's regulatory authority will be determined by the state, which could reserve those powers for itself. The state law will be shaped by how much leverage the city can exert before the Legislature votes on a bill in a few months. The de Blasio administration must draft the language it wants and line up support from state legislators—something it has struggled to do on other issues.

Unanswered questions

There is no indication of whether the mayor intends to give regulatory authority to an existing agency or a newly created one.

There are no projections as to how much money the transition to a legal market will cost or how much tax revenue can be generated. Taxes must be low enough to persuade consumers to buy their product legally. Tax rates are likely going to be the front line of engagement as the city and the state fight over who keeps how much and who pays for what.

The mayor expects the law will permit on-site consumption, that is, Amsterdam-style cannabis "cafés"—as it should if legalization is to succeed. If so, the city must ensure that cannabis is not completely subject to the state's Clean Indoor Air Act, which bans smoking in almost every indoor space other than private residences.

There will be a gap of at least a year between the governor's signing of a bill and the date on which legal retail sales begin. The city must have a plan for this transition period because the market is not going to sit quietly and wait for permission to operate. It will operate more openly in the interim, and the government will struggle to justify arresting people for activity that will soon be legal.

There must be a projection of what will happen, especially to licensees ushered to the front of the line, when the federal government legalizes interstate commerce of cannabis and the surplus arriving here from western states increases, potentially causing

prices to plummet.

At a minimum, success requires three immediate steps.

1. The city must convene an intragovernmental work group to formulate a legalization agenda with local social-justice activists, the industry, other stakeholders and the public at large. If that group does not draft the city's regulations, it's high time to figure out who will.

2. The city and state must create a transparent forum for communicating about the particulars of the state law.

3. The city must start planning for the transition period.

Now that both the state and the city recognize that cannabis prohibition is a massive policy debacle that has ruined countless lives, there is no going back. They cannot justify failing to legalize the market. Unfortunately, all branches of government failed to start transparently formulating their positions and communicating with each other long ago.

Everyone has an interest in successful legalization

of the cannabis market. If legalization does not go well, no elected official will benefit from a political rival's embarrassment, because no one will escape blame. It's time to start collective planning in a big hurry before the wave hits. ■

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