

## Legalization of Marijuana

### For Dispensaries and Lounges in the Village of Rhinebeck

New York State has legalized the possession and use of cannabis. However, the regulated retail sale of adult-use cannabis is not expected to begin until late 2022 or early 2023.

The State regulatory framework being created is analogous the Alcoholic Beverage Control Law and the New York State Liquor Authority. The framework is not complete, but several components are known.

- There will be retail stores (sometimes called dispensaries – analogous to wine and liquor stores) and on-site consumption sites (sometimes called lounges - analogous to bars).
- The State is prohibiting retail sale and / or on-site consumption within 500 feet of a school and 200 feet of a house of worship. (analogous to alcohol sales laws)
- All cannabis sales will be subject to a 4% local sales tax which will be distributed to the county where sales take place. Counties are entitled to retain 25% of the local tax collected and must distribute the remaining 75% to the municipalities within the county in proportion to sales in each locale. (Communities without sales will not receive revenue.)
- If a retail dispensary is located in a village within a town that also permits cannabis retail sales, then the county must distribute the monies attributable to such retail dispensary to the town and village as agreed upon by the governing bodies of those local governments. In the absence of such an agreement, the county must evenly divide the monies between the town and village. The moneys will be distributed on a quarterly basis.
- Under State law, cannabis smoking and vaping is treated the same as smoking or vaping tobacco products and is prohibited in all the same places.
- Villages may pass local laws and regulations governing the time, place and manner of the operation of retail dispensaries and/or on-site consumption sites, provided such laws or regulations do not make operations unreasonably impracticable.
- Police officers will be able to inspect all licensed or permitted premises and all records of licensed operators.

At the local level, State law for retail and on-site consumption is currently opt-in; unless the Village passes a local law (opt-out) preventing cannabis sales prior to Dec 31, 2021.

If the Village opts-in; retail and / or on-premises sales cannot be prohibited but can be subject to local zoning.

If the Village opts-out, then it may opt-in later.

- To effectuate the opt-out, such local governments must adopt a local law subject to a permissive referendum on or before December 31, 2021.
- No city, village, or town may opt out after December 31, 2021.

Issues with Opting-in:

- Village code does not directly address cannabis sales.
- Would dispensaries be considered a retail use under current zoning code?
- How are lounges to be regulated?
- Is the cannabis – alcohol analogy useful?

The Village regulates the districts wherein retail stores and restaurants may be located. Other than that, the Village defers to State and County regulations.

Wine and liquor stores are considered retail establishments under Village law. There are no Village laws regulating wine and liquor sales directly.

Bars are considered part of an establishment licensed under the laws of New York State primarily for the sale of alcoholic beverages and their consumption on the lot

### Choices

The Village has several choices prior to Dec 31:

- allow both dispensaries and lounges
- allow dispensaries but prohibit lounges
- allow lounges but prohibit dispensaries
- prohibit both dispensaries and lounges