



NEW YORK STATE SENATOR

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O'Mara, Palmesano, Friend joined by regional law enforcement calling for a crackdown on illegal 'sticker stores' selling marijuana

THOMAS F. O'MARA January 12, 2023

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New York State needs to stop the proliferation of illegal marijuana "sticker stores" throughout the region we represent and statewide. These illegal operations diminish the quality of life and risk the safety of the communities and neighborhoods where they operate.

Watkins Glen, N.Y., January 12—State Senator Tom O'Mara (R,C-Big Flats), Assemblyman Phil Palmesano (R,C-Corning), and Assemblyman Chris Friend (R,C-Big Flats) today joined regional law enforcement representatives and other local leaders to call on Governor Kathy Hochul and the Democrat leaders of the State Legislature to approve legislation and crack

down on the proliferation of businesses, commonly known as “sticker stores,” illegally dispensing and selling marijuana throughout the Southern Tier and Finger Lakes regions, and statewide.

O’Mara, Palmesano, and Friend currently sponsor legislation ([S9365/A9815](#), Note: This legislation is being reintroduced and will receive new bill numbers for the 2023 legislative session) that, if enacted, would strengthen existing law, outlaw sticker stores, and establish criminal and civil penalties for violators. Any civil penalties collected by the state would be remitted to the county of the violating establishment.

They called on Hochul and the Democrat leaders of the Senate and Assembly to immediately enact the legislation.

In a joint statement, O’Mara, Palmesano, and Friend said, “New York State needs to stop the proliferation of illegal marijuana ‘sticker stores’ throughout the region we represent and statewide. These illegal operations diminish the quality of life and risk the safety of the communities and neighborhoods where they operate. New York State is establishing a legal and appropriately regulated network of adult-use recreational marijuana dispensaries, with all the necessary safeguards. While we opposed the legalization of marijuana from the outset, if it’s going to go forward, it needs to take place under a legally established system with the appropriate oversight. We need to make it clear that these illegal sticker stores cannot operate and that there are criminal and civil consequences for any owners who continue to do so.”

Calling on Hochul to step up state efforts to shut down the illegal operations, including the enactment of the legislation they sponsor, the area state legislators were joined in Watkins Glen today by the following regional law enforcement representatives and local leaders: Schuyler County Sheriff Kevin Rumsey; Schuyler County Administrator Fonda Chronis;

Schuyler County District Attorney Joe Fazzary; Schuyler County Attorney Steven Getman; Schuyler County Legislator Phil Barnes; Chemung County Sheriff William Schrom; Chemung County Executive Assistant District Attorney Wayne Witherwax; Chemung County Legislator Bill McCarthy; Steuben County Sheriff James Allard; Steuben County Legislator Hilda Lando; Tioga County Sheriff Gary Howard; Tioga County District Attorney Kirk Martin; Penn Yan Police Chief Todd Dunham; and Yates County District Attorney Todd Casella.

Schuyler County Sheriff Kevin Rumsey said, "I am concerned about the Sticker Shops in our communities who are knowingly and intentionally circumventing a statute to dispense marijuana. The state is working on creating a process for businesses to obtain a permit to sell it. Establishments that sell alcohol go through a lengthy process to obtain a permit to do so. To be able to legally sell marijuana will be and should be no different. The problem is that this process is being developed after making marijuana legal to possess. Perhaps, if the people who are responsible for enforcing and prosecuting New York State laws were consulted beforehand, some of these concerns could have been avoided."

Schuyler County District Attorney Joe Fazzary said, "Unfortunately, the state's recreational cannabis law was created without much forethought. For that reason, we are now fighting a battle against illegal marijuana drug dealers that is impossible to win. The simple fact is that these so-called "sticker shops" aren't legal. They are nothing more than open illegal drug markets. Many of them fail to pay NYS sales tax and hide their illegal gains from the IRS. If the governor and the legislature believe that these sticker shops will go away when licensed marijuana dealers open their doors, they are sadly mistaken. I applaud Assemblyman Palmesano and Senator O'Mara for their efforts to finally do something about these open market, illegal drug dealers."

Chemung County Sheriff William Schrom said, “This proposed legislation, if passed, will close loopholes in the existing laws which is long overdue. Legitimate business owners have to adhere to the rules and regulations of the state to run their businesses legally and so should sticker stores. These stores have been allowed to operate with no oversight and are benefitting financially as a result. This is just another example of failed policy from our leadership who continues to be more concerned about quickly passing and implementing new ‘innovative’ policies without thinking them through first or having the appropriate oversites in place to ensure compliance. These stores continue to operate and distribute marihuana without any regulatory oversight to even ensure the product is safe.”

Steuben County Sheriff James Allard said, “The original and intentional crafting of legislation, which promoted and provided the unregulated transfer of edibles, marihuana and concentrates through gifting, is both reckless and unconscionable. The vast amount of unreported cash collected and distributed in this illicit business model makes it ripe for corruption by criminal organizations. None of the currently trafficked edibles, concentrates or marihuana are tested, certified or verified as safe. All that the current legislation has achieved is to create an entire new class of addicted persons in our communities with unknown future healthcare concerns, all of which makes our communities less safe.”

Yates County District Attorney Todd Casella said, “The legalization of marihuana was a decision by the State of New York. However, at the time of legalization the State had not yet created a licensing body or sufficient regulations to allow for the commercial sale of marihuana. This created a market and a demand for a product that was met by unlicensed and unregulated businesses and individuals selling or gifting marihuana across the state. The State also neglected to provide laws that would permit law enforcement to stop the sale of marihuana without a license leading to millions of dollars in sales and zero sales tax collected. In the wake of this legislation and unregulated market have come a steady stream of complaints

from citizens and there appears to be no effort by the State to curtail these operations. Law enforcement has very limited tools to do anything. This legislation is a step in the right direction to take control of this market, provide law enforcement the necessary tools to stop the unlicensed commercial sale of marijuana, and to help the State realize one of the stated legislative intents in legalizing marijuana, the generation of substantial sales tax revenues.”

New York State legalized adult-use recreational marijuana in 2021. Since then, commercial establishments, commonly known as "sticker stores," have used their businesses as a front to sell or gift cannabis without the requisite lawful authority or permission from the state. Sticker stores have taken advantage of what they consider a "loophole" in the state cannabis law because the law's language does not expressly prohibit the "gifting" of cannabis products to individuals. To take advantage of this perceived loophole, sticker stores sell a number of inexpensive items, such as stickers, at a substantially inflated price and then provide marijuana as a "free gift" along with their purchase.

In February 2022, the newly established state Office of Cannabis Management (OCM) deemed the practice of gifting “illegal under the Marijuana Regulation and Taxation Act (MRTA).” At that time, OCM identified more than two dozen alleged violators statewide and sent cease and desist letters to the owners of illegal operations.

OCM Executive Director Chris Alexander said at that time, “We want to make sure these operators fully understand the law and the consequences they face and now that these letters have been sent, we fully expect them to cease and desist their activities – if they don’t, we will take action. New York State is building a legal, regulated cannabis market that will ensure products are tested and safe for consumers while providing opportunities for those from communities most impacted by the over criminalization of the cannabis prohibition, and illegal operations undermine our ability to do that. We encourage New Yorkers to not partake in illicit sales where products may not be safe and we will continue to work to ensure that New Yorkers have a pathway to sell legally in the new industry.”

Despite OCM's enforcement actions and warnings, numerous stores locally and throughout New York continue to violate the law with minimal consequences. O'Mara and Palmesano said that the OCM's warnings have been ignored and illegal stores have proliferated statewide, including locally in **Watkins Glen, Corning, Elmira,** and **Owego,** where local police agencies have raided several stores and attempted to shut them down.

O'Mara, Palmesano, Friend and the regional law enforcement officers are concerned that the number of illegal businesses will continue to rise across the Southern Tier and Finger Lakes if the Governor and Legislature do not take action to stop these illegal stores from operating.