



This Week in New York

Covering New York State and City Government

A Publication of Pitta Bishop & Del Giorno LLC

May 12, 2023 Edition



"Obstacles don't define us. Rather, it is the unparalleled courage and character of us that defines us as a people. So my confidence in the future is steeped in our glorious past - in the face of adversity, we always persist. We persevere, we prevail." Governor Kathy Hochul



In the News-New York State



NYS Readies to Allow Medical Marijuana Providers to Enter the Adult-Use Market

Regulations Approved this Week Provide Pathway for Registered Organizations to enter Market by the End of the Year & Will Provide Funding for the State's Cannabis Social Equity Fund

New York's current medical cannabis providers, Registered Organizations (ROs), may expand into the Adult-Use Market after December 29th, under proposed [regulations](#) approved this week by the State Cannabis Control Board.

New York's 10 registered organizations are each currently allowed to operate up to 8 medical dispensaries. The Cannabis Law allows registered organizations participating in the adult-use market to co-locate up to 3 of these dispensaries for both medical and adult-use sales. The proposed regulations include a timed transition that would allow these registered organizations to open:

- first co-located adult-use and medical dispensary after December 29, 2023; and
- second and third co-located store after June 29, 2024.

In addition to a \$175,000 licensure fee, Registered Organizations Dispensary (ROD) licensees must pay fees, up to \$20 million, to support New York's Social & Economic Equity plan. The fee structure for this transition includes:

- \$5 million due at the time of licensure.
- \$5 million due within 180 days of the opening of the ROD's second co-located dispensary.
- \$5 million due within 30 days of reaching \$100 million in revenue.
- \$5 million due within 30 days of reaching \$200 million in revenue.

The two \$5 million revenue-based payments may be triggered at any point after the initial opening, depending upon sales. In addition, the balance of the \$20 million special licensing fee must be paid by December 31, 2033. Should the ROD license expire, or otherwise be revoked, cancelled, or abandoned, before December 31, 2033, the ROD would be required to pay the remainder of the \$20 million special fee.

Under the original regulations, released in November 2022, Conditional Adult Use Registered Dispensary (CAURD) licensees were to be given a 3-year head start in the adult use marketplace before the ROs were allowed to expand. However, the proposed regulations address changes in the marketplace.

The State has issued 215 CUARD licenses to date, with 10 state-approved locations opening since December 2022. Meanwhile, illegal shops have sprung up across the State, threatening the viability of the State's fledgling marketplace. The enacted FY24 State budget included increased enforcement authority for both the OCM and the State Tax Department to stem the illegal activity.

In addition, in March, a coalition of groups that were supposed to receive access consideration under the 2021 Marijuana Regulation and Taxation Act (including some ROs), filed a lawsuit in the state Supreme Court of Albany, alleging that state regulators overstepped their authority based on provisions of the MRTA.

In addition to the pathway, the regulations also provide that to preserve access for medical patients, ROs that expand to adult-use dispensary operations would be required to maintain a medical patient prioritization plan; keep a sufficient supply of medical cannabis products based on historical sales volumes; provide a separate medical consultation area within their retail facilities; have separate lines and access areas for certified patients; and establish priority service or express lanes for those patients.

The proposed regulations are subject to a 45-day public comment period.



Attorney General James Sues Gun Accessory Manufacturer for Aiding Buffalo Shooter

Asserts Mean Arms' Magazine Lock--that Can Easily Be Removed to Attach High-Capacity Magazines--Violates NY's Ban on Assault Weapons

New York Attorney General Letitia James this week filed a lawsuit against a gun accessory manufacturer, MEAN LLC (Mean Arms), for aiding the illegal possession of assault weapons in New York, including the weapon used in the mass shooting in Buffalo in May 2022. The suit was filed in New York State Supreme Court.

“The racist mass shooting at the Tops grocery store in Buffalo was one of the darkest days in the history of our state and our nation,” Attorney General James said. “We lost 10 innocent lives because a hate-fueled individual was able to make an AR-15 even deadlier through a simple change at home. Mean Arms sells the MA Lock device knowing that it can be easily removed to make guns more dangerous, and even gives directions on how to take this action. We cannot undo the devastating harm that was done, but this lawsuit against Mean Arms is part of our ongoing effort to pursue justice for the ten innocent lives that were unjustly taken.”

According to the Attorney General, New York law bans the possession of assault weapons and high-capacity magazines that hold more than 10 rounds of ammunition. The Georgia-based Mean Arms manufactures, sells, and distributes a magazine lock, known as the MA Lock, that is marketed as a device to lock a magazine onto a semiautomatic rifle. However, the lock can easily be removed so that detachable magazines, including high-capacity magazines that hold more than 10 rounds of ammunition, can be inserted into a rifle.

The company sells the MA Lock to New York buyers directly and through third party sellers and claims that the product makes weapons compliant with New York's gun laws. However, the Attorney General asserts, the MA lock does not remove a semiautomatic rifle's capacity to accept a detachable magazine or convert illegal assault weapons into legal weapons in New York.

Attorney General James explained that in January 2022, the Buffalo shooter purchased a used AR-15 that had an MA Lock installed. According to his manifesto, he was able to easily remove the MA Lock from the AR-15 within a few minutes at home and add 30 round detachable magazines that he used to murder 10 people and injure three others.

The lawsuit alleges that the company deceptively and falsely advertises that installing an MA Lock on a weapon makes it legal in New York, thereby aiding and abetting the illegal possession of assault weapons in New York. Through her lawsuit, Attorney General James seeks to stop Mean Arms from doing business in New York and to require the company to pay restitution, damages, and civil penalties for its illegal practices that violated state laws and caused irreparable harm.



Comptroller DiNapoli: State Agency Overtime Costs Grew by 47.2% in 2022

Attrition of State Workers Accelerated, Decline in Size of Workforce Continues

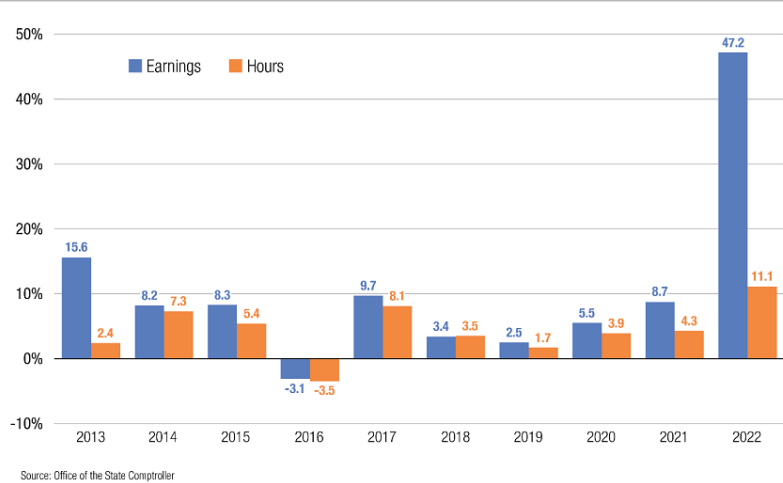
Overtime costs at state agencies rose 47.2% to more than \$1.36 billion in 2022, setting a new record, according to a report released this week by State Comptroller Thomas DiNapoli. Overtime hours increased 11.1% to 22.2 million over the same period. Overtime earnings comprised 7.5% of total payroll spending in 2022, a significant increase from the 4.6% average from 2013-2021.

Three agencies accounted for more than two-thirds of the state’s overtime including the Office for People With Developmental Disabilities (OPWDD), the Department of Corrections and Community Supervision (DOCCS), and the Office of Mental Health (OMH). Together they comprised 24% of the workforce but accounted for 67.5% of the overtime hours and 68.5% of the overtime earnings logged by all state agencies in 2022.

Overtime hours at the City University of New York (CUNY) and the Office of Children and Family Services increased more than 67% and 40%, respectively. Overtime earnings grew more than 51% and 112%, respectively.

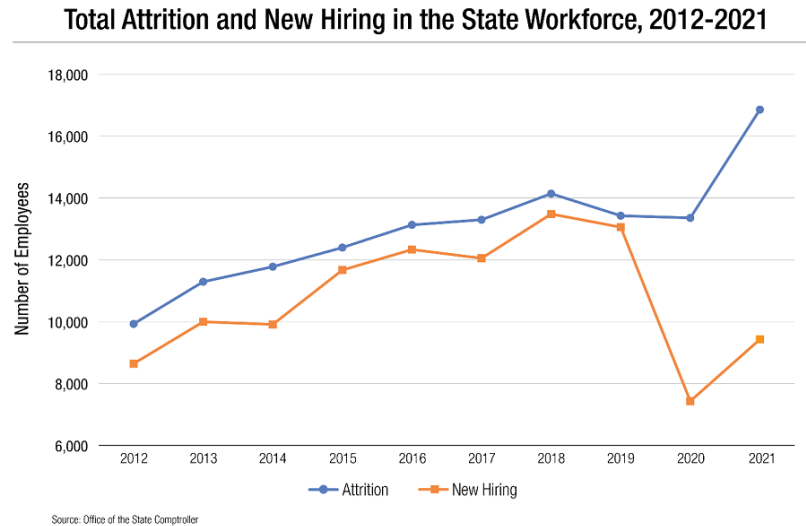
Pay per overtime hour averaged \$61.41. This rate is almost one-third higher than in 2021. The State Police paid the highest average hourly rate, at \$85.23 per overtime hour. OMH paid the next highest, at \$71.30, followed by Children and Family Services at \$67.98. The latter two agencies’ overtime pay per overtime hour went up over 61% and 51% respectively in 2022 compared to 2021, according to the Comptroller.

Annual Percent Increase in Overtime Hours and Earnings, 2013-2022

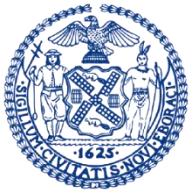


Meanwhile, during the 10-year period, the average annual number of employees working for the state, excluding SUNY and CUNY, declined from 160,829 employees in 2013 to roughly 142,396 in 2022.

The 2021 rate of attrition was the highest in the last ten years, with 16,858 people leaving the workforce, an increase of 26% from the prior year. New hiring declined sharply in 2020 but rebounded in 2021, though not enough to match attrition, Comptroller DiNapoli noted.



In the News-New York City



Speaker Adams and Organized Labor Unveil Fair Housing Framework Legislation to Set Local Affordable Housing Targets

New York City Council Speaker Adrienne Adams, along with representatives of organized labor, unveiled her *Fair Housing Framework* legislation. The Speaker’s bill would require the Department of Housing Preservation and Development (HPD) and Department of City Planning (DCP) to establish targeted housing production goals for each Community District to ensure each New York City neighborhood plays an equitable role in addressing the city’s housing crisis.

Speaker Adams explained that housing production in New York City has significantly fallen behind population growth – only 200,000 new units were created compared to over 600,000 new residents. From 2014-2021, 23 Council Districts produced over 1,000 units of housing with only five Districts producing more than 3,000 units.

The framework, Speaker Adams asserts, would help address housing production and investment disparities that have kept high-opportunity neighborhoods from equitably contributing to affordable housing development and communities experiencing underinvestment without sufficient resources. A brief on the legislation can be found [here](#).

“Speaker Adams’ ‘Fair Housing Framework’ legislation is a much-needed plan that will provide access to affordable homes all across New York City,” said Joe Azzopardi, Business Manager and Secretary Treasury of District Council 9. “While New York City is contending with a severe affordable housing crisis, legislation like the ‘Fair Housing Framework’ that clearly lays out a pathway to increase access to affordable housing is what we need to ensure New Yorkers, such as members of District Council 9, can continue calling this city home for decades to come.”

Specifics of *The Fair Housing Framework* legislation include:

Strategic Equity Framework: Policy goals and strategies:

- Increase low-income affordable housing production and preservation and voucher utilization in high opportunity community districts.
- Increase the number of low-income affordable housing units that are preserved and the availability and effectiveness of anti-displacement resources in high displacement-risk community districts.
- Increase the amount of neighborhood equity investments in underserved community districts, especially those that have experienced significant housing development.

Citywide Housing Needs Assessment: Determine the total number and type of housing units that need to be produced or preserved citywide:

- The assessment will consider criteria including rent burden, demographic trends, and the previous and projected growth of population, jobs and housing for 10 years.

Citywide Housing Production Targets: Five-year period for:

- Total housing units.
- Low-income Affordable housing.
- Supportive Housing.
- Units to accommodate aging households.
- Affordable Housing Preservation.

Citywide Housing Targets for the Community Districts: Include the above metrics and consider the following criteria:

- Access to opportunity and displacement risk and vulnerability based on the [Equitable Development Data Explorer](#).
- Infrastructure capacity.
- Climate change vulnerability.

Public Engagement

- HPD and DCP will consult with stakeholders, advocates and policy experts and hold at least 1 public meeting in each borough at least six months before submission of the plan.
-



Bills Approved by the City Council

Introduction 209-A--sponsored by Council Member Shaun Abreu--Prohibits discrimination in employment, housing, and public accommodations on the basis of a person's height or weight.

Introduction 434-A--sponsored by Council Member Pierina Sanchez--Expands the [Heat Sensors Program](#), which was established in 2020 as an additional tool for enforcing the Housing Maintenance Code. Under the Heat Sensors Program. This bill expands the number of participating buildings selected, refines the selection criteria for identifying participating buildings, improves notice to tenants, and increases HPD's inspection requirements.

Introduction 583-A--sponsored by Public Advocate Jumaane Williams--Increases penalties for violations issued by the Department of Housing preservation and Development and requires HPD to maintain a certification of correction watch list. Any listed landlord on this watch list would be prohibited from certifying correction of violations in multiple dwellings, unless HPD has attempted at least two re-inspections, or those violations are excluded from the calculations that identify buildings on the watch list.

Introduction 589-A--sponsored by Council Member Carlina Rivera--Requires the Department of Correction (DOC) to submit an annual report on incarcerated pregnant individuals' medical care and outcomes.

Introduction 644--sponsored by Council Member Nantasha Williams--Requires the Department of Education (DOE) to post information on its website informing people on how to establish afterschool programs.

Introduction 725--sponsored by Council Member Linda Lee—Requires the DOE to create a centralized website to allow schools to list their surplus school supplies for other schools to claim.

Introduction 806-A--sponsored by Council Member Carlina Rivera--Requires the establishment of a jail population review program to identify people in custody of the Department of Correction ("DOC") whose cases could be resolved or who could be safely released into community-based programs.

Introduction 875-B--sponsored by Council Member Pierina Sanchez--Amend the city's administrative code, the city's plumbing code, the New York City building code, the New York city mechanical code and the New York city fuel gas code, in relation to technical corrections, clarifications and modifications to provisions of the New York city construction codes.

Introduction 868--sponsored by Council Member Althea Stevens--Requires the DOE to report annually on the number of students in each building that provides a District 75 program, and the criteria the DOE uses to determine where D75 programs are established.

Briefs

TWU Local 100 Contract with MTA Expires Monday, May 15th at Midnight

The Transport Workers Union Local 100 contract representing approximately 40,000 bus and subway workers employed by the Metropolitan Transportation Authority (MTA) expires on Monday, May 15th at midnight.

TWU Local 100 President Richard Davis kicked off contract negotiations with the MTA on April 17th.

“When most of NYC was isolated at home, we were on the job, moving essential workers, keeping the hospitals open and staffed, ensuring the food supply chain was functioning so families could put food on the table. Many of our union brothers and sisters died, and many more fell sick and survived,” President Davis said in presenting the general demands culled from membership surveys and meetings. “My message to the MTA is this: Don’t try and nickel and dime us. Don’t try and balance the budget on our backs. Don’t dare suggest that we somehow owe a debt. We paid more than our fair share already.”

TWU International President John Samuelson indicated that the International fully backs Local 100 in this contract fight.

Senate Moves Legislation to Fight Cuts to Community Health Center Telehealth Funding

The Senate Health Committee will consider legislation next week to save community health centers from reimbursement cuts in telehealth services. Effective May 11th (the end of the federal Public Health Emergency), community health centers will be reimbursed at one-third of the in-person rate for offsite telehealth services.

According to Health Committee Chair Gustavo Rivera, in memo of support of S6733, the Department of Health has interpreted the current law to mean Article 28-licensed community health centers are prohibited from claiming their full reimbursement rate when the patient and provider are both outside their brick-and-mortar facility. Clinics with an Article 31 or 32 license, on the other hand, can bill the full rate regardless of patient or provider location.

“Federally qualified health centers (FQHCs), also known as community health centers (CHCs), are located in medically underserved neighborhoods, providing quality and affordable healthcare services to all, regardless of immigration status, insurance coverage, or ability to pay,” Senator Rivera explained in the support memo. “CHCs act as an access point to quality health care services, particularly for low-income communities and communities of color. Among CHC patients, 89% are low-income, 68% are Black, Hispanic/Latinx, or otherwise people of color, 13% are uninsured, and 59% are enrolled in Medicaid or Child Health Plus. This patient population has disproportionately

experienced poor health outcomes due to pervasive structural inequities that have led to health disparities that were further exacerbated by the COVID-19 pandemic.”

Supporters of the legislation assert that implementing this lower reimbursement rate will prevent CHCs from retaining and recruiting providers, especially behavioral health providers, that are scarce and already in high demand. CHCs will be forced to reduce the number of behavioral health visits in the primary care setting available to patients and thereby limit access to care. The legislation will be considered on Tuesday, May 16th.

NYS Department of Financial Services Releases Updated Guidance for Vetting Banking Personnel

New York Department of Financial Services (DFS) Superintendent Adrienne Harris this week released [Proposed Vetting Guidance](#) to New York State banking organizations and financial institutions licensed or chartered under the New York Banking Law (Covered Institutions). The guidance serves as notification of the Department’s “updated expectations” regarding their review and assessment of the character and fitness of their directors and senior officers, both upon onboarding and on an ongoing basis.

The Proposed Regulatory Guidance on Character and Fitness Assessments addresses the following:

- Covered Institutions are expected to update and modernize their policies and procedures to require vetting of Designated Persons—including senior officers and members of any governing board—both at onboarding and on a regular ongoing basis, to confirm that no new circumstances or conflicts of interest have arisen that could compromise the organization.
- Covered Institutions should inform the Department promptly if, through character and fitness reviews, they determine that a previously vetted Designated Person is no longer fit to perform their current function, or they determine to transfer a Designated Person to another position or group or to make modifications to a Designated Person’s current functions on the basis of a character and fitness review.
- Covered Institutions should vet each Designated Person at the time that they become a Designated Person, regardless of whether the individual is currently or was previously a Designated Person at another Covered Institution. This includes the case of an organizational transaction—such as a merger or acquisition—in which an individual who served as a Designated Person at one Covered Institution joins the acquiring, purchasing, or surviving Covered Institution as a Designated Person.

The Department will review a Covered Institution’s policies, procedures, and adherence to this guidance as part of its regular examination framework. DFS encourages Covered Institutions to comment on the Proposed Guidance. Comments are due by June 30, 2023, and should be directed to BankingComments@dfs.ny.gov.

Bill Signed by Mayor Adams

Intro. 273-B--sponsored by New York City Councilmember Mercedes Narcisse--Requires the NYPD to provide officers with training related to recognizing and interacting with individuals with autism spectrum disorder. The training will include enhancing awareness and a practical understanding of autism spectrum disorder, development of the interpersonal skills to safely respond to emergencies involving someone with autism spectrum disorder, and instruction on interview and investigative techniques to utilize in cases involving individuals with autism spectrum disorder. The legislation takes effect immediately.

Coming Up

New York State

Monday, May 15th

Assembly Session, New York State Capitol Building, Assembly Chamber, Albany, 2 p.m.

Senate Session, New York State Capitol Building, Senate Chamber, Albany, 3 p.m.

Tuesday, May 16th

Assembly Session, New York State Capitol Building, Assembly Chamber, Albany, TBD

Senate Session, New York State Capitol Building, Senate Chamber, Albany, TBD

Wednesday, May 17th

Assembly Session, New York State Capitol Building, Assembly Chamber, Albany, TBD

Senate Session, New York State Capitol Building, Senate Chamber, Albany, TBD

Thursday, May 18th

Assembly Session, New York State Capitol Building, Assembly Chamber, Albany, TBD

Senate Session, New York State Capitol Building, Senate Chamber, Albany, TBD

New York City

Monday, May 15th

Joint - Committee on Finance & Aging, Council Chambers - City Hall, 10 a.m.

Oversight - Executive Budget Hearings – Aging

Joint - Committee on Finance, Health, & Mental Health, Disabilities and Addiction, Council Chambers - City Hall, 11:45 a.m.

Oversight - Executive Budget Hearings – Health & Mental Health, Disabilities and Addiction

Tuesday, May 16th

Joint - Committee on Finance & Hospitals, Council Chambers - City Hall, 10 a.m.

Oversight - Executive Budget Hearings – Hospitals

Subcommittee on Zoning and Franchises, 250 Broadway - Committee Room, 14th Floor, 10 a.m.

Joint - Committee on Finance & Small Business, Council Chambers - City Hall, 12:15 p.m.

Oversight - Executive Budget Hearings – Small Business

Subcommittee on Landmarks, Public Sitings and Dispositions, 250 Broadway - Committee Room, 14th Floor, 1:30 p.m.

Wednesday, May 17th

Joint - Committee on Finance & Public Safety, Council Chambers - City Hall, 9 a.m.

Oversight - Executive Budget Hearings – Public Safety

Committee on Land Use, 250 Broadway - Committee Room, 14th Floor, 12 p.m.

Joint - Committee on Finance & Fire and Emergency Management, Council Chambers, 1:30 p.m.

Oversight - Executive Budget Hearings – Fire and Emergency Management

Thursday, May 18th

Joint - Committee on Finance & Cultural Affairs, Libraries and International Intergroup Relations, Council Chambers - City Hall, 10 a.m.

Oversight - Executive Budget Hearings – Cultural Affairs, Libraries and International Intergroup Relations

Friday, May 19th

Joint - Committee on Finance & Transportation and Infrastructure, Council Chambers, 10 a.m.

Oversight - Executive Budget Hearings – Transportation and Infrastructure

Joint - Committee on Finance & Public Housing, Council Chambers - City Hall, 12:30 p.m.

Oversight - Executive Budget Hearings – Public Housing

Joint - Committee on Finance & Criminal Justice, Council Chambers - City Hall, 2:30 p.m.

Oversight - Executive Budget Hearings – Criminal Justice

Disclaimer: The materials in this ***This Week in New York*** report are provided for informational purposes only and are not intended to be a comprehensive review of legislative or governmental or political developments, to create a client-consultant/lobbyist relationship, or to provide consulting, lobbying or political advice. Readers are cautioned not to attempt to solve specific problems on the basis of information contained in this ***This Week in New York***. If consulting, lobbying or government relations advice is required, please consult a professional expert in such matters. The information contained herein, does not necessarily reflect the opinions of Pitta Bishop & Del Giorno LLC, or any of its members or employees or its clients.

Neither Pitta Bishop & Del Giorno LLC, nor its members or employees make any warranty, expressed or implied, and assume no legal liability with respect to the information in this report, and do not guarantee that the information is accurate, complete, useful or current.

Accordingly, Pitta Bishop & Del Giorno LLC is not responsible for any claimed damages resulting from any alleged error, inaccuracy, or omission. This communication may be considered an advertisement or solicitation. To request that copies of this publication be sent to a new address or fax number, to unsubscribe, or to comment on its contents, please contact Theresa Cosgrove at tcosgrove@pittabishop.com or at (518) 449-3320.

To Our Clients: If you have any questions regarding any of the matters addressed in this newsletter, or regarding any legislative, government relations or political or consulting or related issues in general, please contact the Pitta Bishop & Del Giorno LLC professional with whom you usually work.

This Week in New York is a publication of Pitta Bishop & Del Giorno LLC.

**120 Broadway, 28th Floor
New York, New York 10271**
Telephone (212) 652-3890
Facsimile (212) 652-3891

**111 Washington Avenue, St. 401
Albany, New York 12210**
Telephone (518) 449-3320
Facsimile (518) 449-5812

**1220 19th Street NW
Washington, D.C. 20036**
Telephone (202) 964-4753
Facsimile (202) 964-5754