

## Tribal Cannabis Update



January 29, 2021 | **CLIENT ALERTS**

On December 28, 2020, it was reported that the St. Regis Mohawk Tribe agreed to lease approximately 20 acres of tribal land to MMJ BioPharma Cultivation Inc., to cultivate cannabis for sale to researchers. The agreement has a 25-year term and required no financial investment from the Tribe. The Tribe will receive lease payments and a percentage of the revenue from the pharmaceutical sales.

Governor Cuomo has issued a proposed budget for FY 2022 that includes the legalization of adult-use cannabis—recreational cannabis—in New York State. The Governor’s budget contemplates the creation of a new state agency, the Office of Cannabis Management, which would regulate the licensure of cannabis cultivation. Pursuant to the proposed budget, the Office of Cannabis Management is tasked with recommending “that the state enter into tribal-state compacts with New York State Indian nations and tribes...authorizing such Indian nations and tribes to acquire, possess, manufacture, sell, deliver, transport, distribute or dispense adult-use cannabis and/or medical cannabis.” The tribal-state compact model proposed by Governor Cuomo has been used in other states where marijuana is legal such as Washington and Nevada.

Tribal governments in New York State are currently considering lobbying the Governor to adopt a more cooperative model for tribes seeking to engage in the cannabis industry.

Please contact any of the Lippes Mathias Indian Law Team Members below with questions regarding this client alert.

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