

# **Cannabis Dispensary License Guide**

Understanding the Path to a Long Island Cannabis License



*Revised March 27, 2025*



Investing in a cannabis dispensary on Long Island requires navigating New York’s licensing process, managed by the Office of Cannabis Management (OCM). The process prioritizes social equity and involves several steps, from eligibility checks to securing a compliant location. On Long Island, opportunities are limited to certain Suffolk County townships, as Nassau County has opted out.

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## **Licensing Process**

The process starts with determining eligibility, requiring applicants to be at least 21 years old with no disqualifying criminal history. Social equity applicants, such as those with prior cannabis convictions, get priority under the CAURD program. Applications involve submitting business plans, financial statements, and proof of at least \$200,000 in liquid assets, followed by OCM review, which can take 6-12 months. Once approved, investors must find a location compliant with local zoning laws, varying by township.

## **Detailed Analysis of the Cannabis Dispensary Licensing Process on Long Island**

This detailed analysis examines how interested investors can obtain a cannabis dispensary license in New York, focusing on the process as managed by the Office of Cannabis Management (OCM) and its implications for Long Island, particularly Nassau and Suffolk Counties, as of March 27, 2025. The study leverages official OCM guidelines, news reports, and local regulatory frameworks to provide a comprehensive guide, acknowledging the complexity and potential for future changes, especially with townships like Islip reconsidering opt-out decisions.

## **Introduction**

Long Island, comprising both Nassau and Suffolk Counties, presents a unique opportunity for investors in the burgeoning legal cannabis market. With its proximity to New York City and a diverse, affluent population, the region is poised for growth in the adult-use cannabis sector. However, navigating the complex licensing and regulatory environment is crucial for success. New York State legalized adult-use cannabis with the Marijuana Regulation and Taxation Act (MRTA), signed into law on March 31, 2021, allowing for the sale of recreational cannabis to adults 21 and older. The OCM was established to regulate the market, issuing licenses for various cannabis businesses, including retail dispensaries. The licensing process is designed to prioritize social equity, with initial focus on Conditional Adult-Use Retail Dispensary (CAURD) licenses for “justice-involved” individuals—those with prior cannabis-related convictions or their family members—as a way to right past wrongs from the war on drugs. General Adult-Use Retail Dispensary (AURD) licenses are now being issued, expanding

opportunities for investors, but the process remains complex, involving multiple steps and compliance with local laws.

## Eligibility Criteria

Before applying for a license, potential investors must meet certain eligibility requirements set by the OCM:

- **Age Requirement:** Applicants must be at least 21 years old, as per OCM guidelines [Eligibility Criteria](#).
- **Criminal History:** No disqualifying criminal convictions, such as felonies related to drug trafficking or violent crimes, are allowed, ensuring a clean legal background for applicants.
- **Social Equity Priority:** Priority is given to social equity applicants, defined as individuals with prior cannabis convictions, their family members, or those from disproportionately impacted areas, under the CAURD program. This is part of New York's effort to address past injustices, as reported by Newsday [New York's Cannabis Equity Program](#), requiring proof of eligibility, such as court records or residency documentation.

## Types of Licenses

New York offers two main types of retail licenses, each with distinct purposes:

- **Conditional Adult-Use Retail Dispensary (CAURD) License:**
  - Specifically for social equity applicants, providing a pathway for those impacted by past cannabis prohibition to enter the legal market.
  - Offers initial market access with lower barriers, but limited to specific eligibility criteria, as outlined on the OCM website [Licensing Overview](#).
- **Adult-Use Retail Dispensary (AURD) License:**
  - Open to a broader range of applicants, including general investors, requiring meeting standard eligibility and application standards.
  - Typically involves higher competition and application fees, with over 5,250 licenses issued or approved by December 2024, per Governor Hochul's announcement [New York Cannabis Market Update](#).

# Application Process

The application process involves several key steps, as detailed on the OCM website

## Application Process:

- **Pre-Application:**
  - Determine eligibility and gather necessary documentation, including proof of identity, criminal background checks, and financial statements.
  - Ensure compliance with social equity requirements if applying for CAURD, which may involve additional documentation like court records.
  
- **Application Submission:**
  - Submit a detailed application through the OCM portal, including a business plan, organizational structure, and funding sources.
  - Application fees vary depending on the license type, with CAURD at around \$2,000 and AURD at \$5,000, as per OCM financial requirements **Financial Requirements**.
  - Demonstrate access to at least \$200,000 in liquid assets, covering initial costs like real estate and build-out, which can escalate in high-demand areas like Long Island.
  
- **Review and Approval:**
  - The OCM reviews applications, which can take 6-12 months from submission to approval, as reported by MJBizDaily [New York Cannabis Licensing Delays](#).
  - Successful applicants receive a license and must then comply with ongoing regulations, such as regular reporting, inventory tracking, and security inspections, before opening for business.

## Local Considerations on Long Island

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Long Island's townships have varying stances on allowing retail cannabis dispensaries, impacting where investors can operate:

- **Nassau County:**
  - All three townships (Hempstead, North Hempstead, Oyster Bay) have opted out, meaning no retail dispensaries are permitted, as confirmed by local votes reported in Newsday [Hempstead Opts Out of Marijuana Sales](#). This limits opportunities unless policies change, with no current indications of reversal.
- **Suffolk County:**
  - Townships that have opted in: Babylon, Brookhaven, Riverhead, and Southampton, allowing retail dispensaries with specific zoning requirements.
  - Townships that have opted out: East Hampton, Huntington, Islip, Shelter Island, Smithtown, and Southold, with Islip considering a reversal with a public hearing on April 8, 2025, as reported by Newsday [Islip Reconsiders Cannabis Sales](#).

Each opted-in township has specific zoning requirements for dispensaries, affecting location availability:

- **Babylon:**
  - Zoned Commercial (C) or Light Industrial (LI), minimum 500 ft from schools or houses of worship, minimum 1,000 ft from residential zones or other dispensaries, and at least 10 parking spaces required, per local codes [Babylon Zoning Codes](#).
- **Brookhaven:**
  - Permitted in Commercial (J-2) or Light Industrial (L-1) zones, minimum 500 ft from schools, daycares, or parks, minimum 200 ft from houses of worship, and minimum 1,000 ft from other dispensaries, as reported in Newsday [Brookhaven Cannabis Zoning](#).

- **Riverhead:**
  - Permitted in Business (B-1) or Industrial (I) zones, minimum 500 ft from schools or residential areas, minimum 200 ft from houses of worship, and minimum 1,000 ft from other dispensaries, per local regulations [Riverhead Zoning Laws](#).
- **Southampton:**
  - Restricted to Village Business (VB) districts, minimum 1,000 ft from schools, libraries, or playgrounds, minimum 300 ft from religious sites, and no locations within 2,000 ft of another dispensary, as detailed in local codes [Southampton Town Zoning](#).

## Existing Dispensaries on Long Island

As of March 27, 2025, the following state-licensed dispensaries are operational, with one tribal dispensary included for completeness:

Township	Dispensary Name	Address	Phone Number	Website	Notes
Babylon	Strain Stars LLC	1815 Broadhollow Rd, Farmingdale, NY 11735	(631) 277-9333	<a href="#">Strain Stars</a>	State-licensed
Babylon	Happy Days Dispensary, Inc.	105 Route 109, Farmingdale, NY 11735	(631) 277-9333	<a href="#">Happy Days</a>	State-licensed
Riverhead	Strain Stars - Riverhead	1871 Old Country Rd, Riverhead, NY 11901	(631)-381-0905	<a href="#">Strain Stars Riverhead</a>	State-licensed, opened Dec 2024
Southampton	Little Beach Harvest	56 Montauk Highway, Southampton, NY 11968	(631) 283-6100	<a href="#">Little Beach Harvest</a>	Tribally owned, not state-licensed

## Financial Requirements and Projections

Investing in a dispensary requires significant upfront capital and ongoing financial management:

- **Initial Investment:** Applicants typically need to demonstrate access to at least \$200,000 in liquid assets, covering application fees, legal costs, and real estate, as per OCM financial requirements [Financial Requirements](#).
- **Revenue Potential:** Existing dispensaries report serving 200-300 customers daily, with average transactions of \$50, leading to annual gross sales of \$3.6M to \$5.4M, as calculated from Strain Stars' performance reported by Newsday [Strain Stars Opens in Farmingdale](#).
- **Market Growth:** New York's legal cannabis market is projected to reach \$2.7 billion by 2027, with a 16.9% annual growth rate, indicating strong potential for investors, per market research [New York Cannabis Market Forecast 2027](#).

## Conclusion and Investor Strategy

For interested investors, the key is to start with eligibility checks, prepare a robust application, and partner with experts like Jones Hollow Realty Group to find compliant locations in opted-in townships. The potential for high returns, with towns receiving \$41,400 annually per dispensary in tax revenue, makes it an attractive venture, particularly in Suffolk's opted-in areas. Monitoring developments, such as Islip's potential opt-in, will be crucial for maximizing opportunities in this dynamic market.

## Key Points

- Research suggests getting a cannabis dispensary license in New York involves multiple steps, starting with eligibility checks, and can take several months.
- It seems likely that investors need to apply through the Office of Cannabis Management (OCM), with priority for social equity applicants under the CAURD program.
- The evidence leans toward a complex process, including background checks, financial proof, and compliance with local zoning laws, especially on Long Island where many townships have opted out.
- An unexpected detail is that towns receive \$41,400 annually per dispensary in tax revenue, which may encourage local support for new dispensaries.