



## Avoiding violations

Proactive compliance is key to operating successfully in New Jersey's regulated cannabis market. Each license holder has a dedicated NJ-CRC compliance officer—get to know yours. They can help clarify rules and prevent missteps before they become violations.

The [definitions of violations](#) and the [classification of violations](#) can be found in the [Personal-Use Cannabis Rules \(N.J.A.C. 17:30-20\)](#). Use it as a guide to audit your operations regularly.

Below is a primer of cannabis violations and the associated penalties.

- **Category 1 (most severe)**
  - Shows a pattern of violating Commission regulations which poses serious risk of harm to health, safety, or welfare.
  - **Example:** Repeatedly selling contaminated products
  - **Penalty:** License revocation
- **Category 2**
  - Failure to comply with administrative requirements which poses an immediate and serious risk of harm or actual harm to health, safety or welfare.
  - **Example:** Selling or transferring cannabis to minors.
  - **Penalty:** Up to \$500,000 fine, suspension, revocation.
- **Category 3**
  - Submission of fraudulent, false or misleading information to the Commission; or falsifying or concealing records.
  - **Example:** Falsifying required testing results.
  - **Penalty:** Up to \$500,000 fine, revocation.
- **Category 4**
  - Failure to register with the Commission, obtain a Cannabis Business Identification Card, complete training courses, or have the ID card on hand when required.
  - **Example:** Employees working without the required NJ-CRC ID card.
  - **Penalty:** Fines from \$10,000 to \$50,000 suspension.
- **Category 5**

- Violations of other Commission regulations or municipality ordinances that do not constitute a major violation.
- **Example:** Improper record-keeping or product labeling issues.
- **Penalty:** Fines from \$5,000 to \$50,000

### **Additional info and resources**

Penalties can escalate with repeat offenses, and each day not in compliance counts as a separate violation.

**Disclaimer:** The violations category summarizes NJ-CRC regulations; see [N.J.A.C. 17:30-20.7 for details](#). The examples provided are descriptive only and are not definitive or considered legal advice.