



## MEMORANDUM

**TO:** Municipal Officials; Applicants for Cannabis Business Licensure  
**FROM:** Jeff Brown, Executive Director  
**SUBJECT:** Proof of Local Support; Municipal Preference; Fees  
**DATE:** December 10, 2021

---

### BACKGROUND

Pursuant to N.J.A.C. 17:30-7.1, N.J.A.C. 17:30-7.8, and N.J.A.C. 17:30-7.10 Alternative Treatment Centers (“ATCs”) and applicants for cannabis business licenses (“license-applicants”) need to submit proof of local support in the form of municipal approval as part of either their certification (ATCs) or application (cannabis business license applicants).

Both ATCs and license-applicants were provided additional guidance on municipal and local support provisions of the regulations in the Commission’s [Notice of Application Acceptance](#) adopted on November 9, 2021 and Expanded ATC Guidance.

Additionally, pursuant to N.J.A.C. 17:30-5.1, N.J.A.C. 17:30-6.3 and the Notice of Application Acceptance adopted by the Cannabis Regulatory Commission (“Commission”) on November 9, 2021, municipalities may submit their preference for licensure to the Commission.

This guidance clarifies those provisions based on questions received by the Commission.

### GUIDANCE FOR LOCAL SUPPORT

As stated in both the Notice of Application Acceptance and Expanded ATC Guidance, and in accordance with the aforementioned regulations, ATCs and license applicants shall submit the following as evidence of local support:

1. If the municipality has a governing body, a resolution by that governing body that includes:
  - a. The license applicant’s legal name under which they are registered to do business in the State of New Jersey;
  - b. A determination that the municipality has authorized the type of cannabis business license being sought by the license-applicant to operate within its jurisdiction; and
  - c. A confirmation that if the municipality has imposed a limit on the number of licensed cannabis businesses, the issuance of a license to the license applicant by the Commission would not exceed that limit.



2. If the municipality does not have a governing body, a letter of support from the municipality's executive that includes:
  - a. The license applicant's legal name under which they are registered to do business in the State of New Jersey;
  - b. A determination that the municipality has authorized the type of cannabis business license being sought by the license-applicant to operate within its jurisdiction; and
  - c. A confirmation that if the municipality has imposed a limit on the number of licensed cannabis businesses, the issuance of a license to the license applicant by the Commission would not exceed that limit.

Therefore, where a municipality has a governing body, the ATC or license applicant shall submit a resolution of support from that governing body.

Where a municipality has no governing body, the ATC or license applicant shall submit a letter of support from the municipality's executive.

In either case, the resolution or letter of support must include all three pieces of information listed in the Notice of Application Acceptance and the Expanded ATC Guidance:

1. The license applicant's legal name under which they are registered to do business in the State of New Jersey;
2. A determination that the municipality has authorized the type of cannabis business license being sought by the license-applicant to operate within its jurisdiction; and
3. A confirmation that if the municipality has imposed a limit on the number of licensed cannabis businesses, the issuance of a license to the license applicant by the Commission would not exceed that limit.

## **GUIDANCE FOR MUNICIPALITIES AND MUNICIPAL PREFERENCE**

As stated in both the Notice of Application Acceptance and in accordance with the aforementioned regulations, municipalities may submit their preferences in regard to licensing to the Commission, provided it:

1. Is received by the Commission in writing within 28 days from when the municipality receives application materials from the Commission;
2. Does not conflict with any letters or resolutions of support previously issued to license applicants by the municipality; and
3. Includes:
  - a. A letter of support or resolution (as applicable) that includes the license applicant's legal name under which they are registered to do business in the State of New Jersey;
  - b. A determination that the municipality has authorized the type of cannabis business license being sought by the license-applicant to operate within its jurisdiction; and



- c. A confirmation that if the municipality has imposed a limit on the number of licensed cannabis businesses, the issuance of a license to the license applicant by the Commission would not exceed that limit.

Municipalities that limit the number of cannabis businesses allowed to operate within the municipal borders should not issue letters or resolutions of support in excess of the number of cannabis businesses allowed to operate within the borders unless such letters or resolutions of support specify that license applicants that receive Commission approval first in time shall be deemed approved by the municipality until the local license limit is reached.

By utilizing this approach, municipalities can support a greater number of license applicants, while also maintaining compliance with Commission rules and guidance. However, if employing this approach municipalities should issue notification to all supported license applicants once a cap is reached and include a similar notification in any communication of preference to the Commission.

Municipalities are solely responsible for communicating to the Commission whether or not the issuance of a particular license to a license applicant is compliant with local codes and ordinances. Municipalities should consult their legal counsel for appropriate language that meets all the requirements in N.J.A.C. 17:30, the Notice of Application Acceptance and this guidance.

## **MUNICIPAL FEES**

Municipalities are reminded that, pursuant to N.J.A.C. 17:30-5.1:

- (i) A county or municipality government official shall not solicit from a cannabis business, and a cannabis business shall not offer, anything of value in exchange for zoning approval, proof of local support, or written approval for such cannabis business, or take any other action that would violate N.J.S.A. 40A:9-22.5 of the Local Government Ethics Law.

Municipalities are further reminded that, in accordance with N.J.S.A. 40:55D-18, fees established by a municipality for issuing zoning permits, certifications, or authorizations to cannabis business applicants must be reasonably based on the administrative costs for the issuance of such municipal permit, certificate, or authorization. The Commission encourages municipalities to use the Commission's fee schedule as a reference for fee-setting.

## **ADDITIONAL GUIDANCE**

Please refer to the attached materials for additional guidance regarding cannabis licensing and municipal oversight of cannabis businesses