

PHILLIP D. MURPHY
Governor

SHEILA Y. OLIVER Lt. Governor

DIANNA HOUENOU, Chair SAMUEL DELGADO, Vice Chair KRISTA NASH, Commissioner MARIA DEL CID-KOSSO, Commissioner CHARLES BARKER, Commissioner

JEFF BROWN, Executive Director

MINUTES – PUBLIC MEETING NO. 21-11-09 NOVEMBER 9, 2021 – 6:00PM

Publicly Accessible Online via Zoom (or address when in-person)

### 1. CALL TO ORDER

The November 9<sup>th</sup>, 2021 public meeting of the New Jersey Cannabis Regulatory Commission was called to order by Chairwoman Houenou at 6:03pm at 225 East State Street, Trenton, New Jersey 08608 via Zoom Webinar.

Executive Assistant Erin Hogan read the following statement:

"Madam Chairwoman, this is a Meeting of the New Jersey Cannabis Regulatory Commission. Adequate notice of this meeting has been provided in accordance with the Senator Byron M. Baer Open Public Meetings Act. The Meeting was noticed in the Asbury Park Press, Atlantic City Express, Bergen Record, Courier Post, and the Trenton Times in April 2021. Information regarding the virtual nature of the meeting due to the COVID-19 pandemic was posted in publications and on the CRC website. The meeting time and location has also been posted on the website of the New Jersey Cannabis Regulatory Commission and with the Office of the Secretary of the State."

### 2. ROLL CALL

Executive Assistant Hogan took the roll, and the following Commissioners were present:

Mr. Charles Barker, Ms. Maria Del Cid-Kosso, Mr. Samuel Delgado, Ms. Krista Nash, and Ms. Dianna Houenou.

No one was absent. The following staff members were present virtually: Jeff Brown, Erin Hogan, Toni-Anne Blake, Daniel Said.

#### 3. EXECUTIVE SESSION

Chairwoman Houenou called for a motion to go into Executive Session for approximately 30 minutes. Vice Chair Delgado made the motion, and Commissioner Nash seconded. Hearing no discussion, Ms. Hogan took the vote.

AYES: Chairwoman Houenou, Vice Chair Delgado, Commissioner Nash, Commissioner

Barker, Commissioner Del Cid-Kosso

NAYS: None

The motion was passed.

Executive session started at 6:06pm and ended at 6:45pm.

## 4. EXECUTIVE DIRECTOR'S REPORT

The open, public portion of the meeting began at 6:51pm. Executive Director Brown provided a report on the following items: 2019 RFA Update, 2018 RFA Remand Update, Review of Impact Zones and Economically Disadvantaged Area designations and expected release of a list of qualifying areas.

2019 RFA Update: Last meeting, the Commission awarded 14 awards in total for cultivation and vertical categories. The award winners have until Friday, November 12<sup>th</sup>, to confirm site control and that they have the MBE, VOB, or WBE certifications they applied with. There was a two-day debriefing period but on October 19<sup>th</sup> the Commission extended that debriefing period for three business days which concluded on October 22<sup>nd</sup>, 2021. Staff are trying to move as quickly as possible to finish review of the dispensary awards.

2018 RFA Remand Update: Director Brown summarized the 2018 request for applications remand and noted that the appellants' previously issued final agency decisions (FAD)were invalidated by the Court and remanded back to the Department of Health for further proceedings. The proceedings were transferred to the Commission when the Commission formed, and staff expect to conclude that process before the end of the year.

Review of Impact Zones and Economically Disadvantaged Area Designations and expected release of qualifying areas: Impact Zones are defined in the law, which the CRC cannot change. An Impact Zone is a municipality that meets certain criteria regarding unemployment rate, crime data, marijuana arrests, and/or population. There are five different qualifications outlined in that statute. The term "economically disadvantaged areas" was a term created by regulation and establish in the CRC rules. An economically disadvantaged area is a ZIP code that meets the following criteria: 80% or lower of the median NJ household income and 150% of the mean health insurance uninsured rate. The Commission is doing data analysis for these two designations so that it can make the results public and allow applicants to understand which areas qualify for the designations.

# 5. CONSIDERATION OF 2021 PERSONAL-USE (RECREATIONAL) NOTICE OF APPLICATION ACCEPTANCE

Executive Director Brown provided a summary of the 2021 Personal-Use (Recreational) Notice of Application Acceptance:

The issuance of licenses and all corresponding activities that go along with that are core to what the legislature has tasked the Commission within the CRC's authorizing statutes. The Notice of Application Acceptance provides public notice to potential license applicants and stakeholders of the CRC. The CRC will begin accepting applications for certain personal use or recreational cannabis licenses on December 15<sup>th</sup> and March 15<sup>th</sup>.

Applications for Class 1 cultivator licenses, Class 2 manufacturing licenses, and testing laboratories would be accepted starting December 15, 2021 at 9:00am. 90 days later on March 15, 2022, the CRC would begin accepting applications for Class 5 retailer licenses.

Important details in the notice include eligibility requirements for all applicants, the application prioritization process, application requirements, forms to be submitted and supporting documents, scoring criteria and why an applicant may be approved or denied. It also provides clarity on local approval and municipal preference.

This notice does not include distributors, wholesalers, and delivery services or the certification process for alternative treatment centers wishing to engage in recreational cannabis business activities.

There are no deadlines – the CRC will be accepting applications on a continuous basis unless the CRC amends the notice of application acceptance. There are no limitations established on the number of licenses, however there is a limit of 37 cultivation licenses established by the statues in effect until February 22, 2023, which is two years after the enactment of the CREAMM Act.

Chairwoman Houenou called for a motion and Commissioner Del Cid-Kosso moved to approve the resolution approving the Notice of Application Acceptance for certain classes of personaluse cannabis licenses proposed by CRC staff. Vice Chair Delgado seconded the motion. Hearing no discussion, Ms. Hogan took the vote.

AYES: Chairwoman Houenou, Vice Chair Delgado, Commissioner Nash, Commissioner

Del Cid-Kosso

NAYS: Commissioner Barker The motion was passed

### 6. PUBLIC COMMENTS

Chairwoman Houenou reminded the public that they can submit their comments to the CRC before, during and after the public meeting in writing via the CRC website at nj.gov/cannabis/meetings by end of the day on November 10<sup>th</sup>, 2021. Chair reminded the public that all submitted questions and comments are shared with the Commission members and are made public along with the minutes.

Invited speakers and the public were given the opportunity to share questions, ideas, and concerns with members of the commission surrounding topics of: a universal cannabis symbol; edible cannabis and medicinal cannabis items; and recreational distribution, wholesale, and delivery licensing.

Director of Communications, Toni-Anne Blake, called on the invited speakers to speak first.

Dr. David Hammond, University of Waterloo School of Public Health and Health Systems: Packaging is a very important means of communicating with consumers and particularly true in a legal regulated market, which provides both an opportunity and a mandate for labeling. The purpose of the universal symbol is to identify a product as a THC containing cannabis product and to avoid unintentional ingestion. The goal of the universal symbol is not to convey potency levels, ingredients or communicate health effects but to identify the product. Universal symbols are important because there are a wide variety of products. The research behind warning symbols supports two policy priorities. The first concerns the ability of the symbol to be noticed to be effective based on its color and size. The use of color increases noticeability, like

contrasting yellow and black, as does having larger symbols that are positioned on the principal display area (front of package). The second priority is that warnings must be understood to be effective. The threshold should be that the symbol is understood by young children. Avoid overly designed symbols which can be mistaken as brand imagery. Avoid the word "THC" and exclamation marks. Choose a symbol that functions on its own without the need to read.

Dr. David Nathan, Doctors for Cannabis Regulation: Dr. Nathan agrees with Dr. Hammond that color and size are important when selecting a universal cannabis symbol. A symbol that is best for one jurisdiction might not be good for another. The International Intoxicating Cannabis Product Symbol (IICPS) developed in New Jersey. As recognized by Dr. Hammond, the letters "THC" might not be recognized by children. Dr. Nathan states that these letters are discriminatory. The only appropriate symbol is the cannabis leaf, which is included in the IICPS, and he invites NJ CRC to use this as its universal cannabis symbol. At least three other states are using this symbol, including Vermont, which has adopted the symbol but with different colors. Dr. Nathan thinks requiring many different colors in the symbol is unfair to small businesses who cannot afford three different production colors.

Dr. Diane Calello, New Jersey Poison Center: Dr. Calello is a pediatric toxicologist. She states that the role of the Poison Center is to keep eyes on safety. With increased use of cannabis, there has been an increased call to pediatric poison centers. She wants to remind the group that the intent of this meeting is to protect public health. There are two goals which are (1) the need for safe adult use to naïve users who are unfamiliar with cannabis and (2) pediatric prevention of unintended exposures. We can avoid unintended consumption by adults, and we can keep products out of reach of children. She supports Dr. Hammond in want to deter children from using these products. The universal symbol should include plain language paired with symbols and icons, should convey caution and be accessible in multiple languages. CRC should include the Poison Control Center (PCC) phone number and what to do with adverse events in the event something goes wrong. The classic "Mr. Yuk" symbol is no good because it's unclear whether it entices or deters toddlers. The red hand is more understandable to kids. Washington has reported a decrease in emergencies when incorporating PCC number on packaging. Consider messaging about "start low go slow" and educational programs. In terms of food safety, cannabis service and manufacturing should have the same standards to minimize risk of foodborne illness. Avoid lookalikes, but use child resistant closures and standardized dose of service size.

Professor Rob Mejia, Stockton University: Professor Mejia brought the attention to a new issue, which is that there is a new class of edibles and beverages which are fast acting and fast delivery. These take effect in 20 minutes or less and are more potent, which is gaining popularity. Edibles account for 12% of legal sales and will increase to 14% in two years. Beverages make up 3%. Consumer should be able to tell if the edible is a fast delivery or a regular edible. The quality of the hemp in the CBD-infused market needs to be subject to the same lab test as edibles. We don't want anyone, especially medical patients, to get tainted CBD oil. Cannabis must be from NJ but cannabis oil can be from another state. His recommendation is to conduct an eight-member committee similar to that in Ohio that sits between the CRC and stakeholders/companies. CRC should occupy three of the eight seats and rotate stakeholders yearly. QR codes for test results, nutrition, dosages, side effects, warnings and allergens should be included on the package. CRC should consider an edible operator license which someone would receive after being trained. All edibles should be produced in a certified kitchen. Allowing shared kitchens for social equity applicants is a good idea but the shared kitchen should be held to the same standards as the other cannabis folks. Gummies, chocolates, baked goods, power bars, granola, chips, butters, oil, maple syrup and honey should be allowed for

home cooks. Infused beverages should also be allowed. 10mg has become standard across the country and 100mg for total product. Commission should focus on consumer education. People often make two key mistakes when using edibles: they are impatient, and they take too large of a dose. A good number of edible users are over 50 years old and cannot see small print warnings and instructions, so those need to be made bigger.

Ken Wolski, Coalition for Medicinal Marijuana New Jersey: The CRC can best protect public health while allowing for greater variety of cannabis items by doing exactly what it's doing now, and that is by developing regulations for the production, testing, labeling, packaging, and distribution of these items. The CRC should quickly adopt dosing and administration guidelines and share these with the cannabis-consuming community and healthcare community in order to increase the safety and appropriate use of edible products. The Jake Honig Law in 2019 called for dosing administration guidelines and education in the cannabinoid system but we have not seen these programs yet. The Commission does not have to reproduce them because they are already available - a company called Cannabis Expertise offers a number of these programs. The Jake Honig Law also called for institutional caregivers, where an individual in a healthcare organization will take the marijuana and bring it back to the patients in these institutions. Cannabis safety regulations must work in conjunction with food safety requirements to ensure consumer safety in edible cannabis products. The sale of edible cannabis products should require a license from the CRC to ensure compliance. Dietary restrictions should be taken into consideration for edible items as edible products are appropriate for sick people in both markets.

Ms. Blake called on members of the public who signed up to speak. All speakers were given three (3) minutes to speak.

Chirali Patel: THC onset time and effects depends on the user. Factors like whether someone is taking an edible on an empty stomach, or they are habitual users, can be why cannabis affects people differently. CRC should consider this on the packaging. It can take 30 mins or 2 hours to feel an effect. It is all dependent on the dosage taken and if they've had a meal or alcohol in their systems. There needs to be access to a variety of edibles along with warnings. CRC should work with Department of Health for food and safety processes.

Hasaan Austin: Municipalities opt out because they may not be prepared for complexity of the cannabis market yet. It is okay to opt out and reevaluate how social equity will be realized and then, presumably be more prepared when opting in. Applicants should not be scared because if and when a municipality opts back in, hopefully that means they are more prepared.

Eric Sopko: He thanks the board for all of their progress and everyone involved in legalizing his medicine. When he was 12, he was diagnosed with juvenile rheumatoid arthritis and had to have two hips replaced. He has been riddled with a lot of stress and diseases so he took a homeopathic approach, which includes plant based medicine. He has never been healthier than when taking marijuana. Mr. Sopko is a true advocate of cannabis. There is a lack of education and most people don't know about his medicine. He and his wife started an education company because he has been arrested multiple times for his medicine and even served in NJ state prison for three years. He is afraid because Toms River opted out and he doesn't know anyone in the neighboring municipalities who have opted in and that he will have no power.

Sara Kuglin: From Happy High LLC. She is worried that they won't be able to purchase a building as a social equity applicant.

**Beau Huch:** It has been a nightmare trying to figure out if the dispensary permit applicants will be able to participate in 2021 RFA while they wait for the 2019 RFA to conclude. They are sitting on property. Is there a time that the CRC will address whether or not we will have clinical registrant permits?

Brian C. Cooper, PhD.: He agrees with Professor Mejia about products. The Commission should consider putting limits on the maximum number of milligrams that are allowable in a particular package. He is against having a separate class for edibles licensing. It is onerous in terms of financials that would need to be paid to the State for licensing and an unnecessary layer of bureaucracy. The new development in cannabis of fast-acting edibles is something to be looked at by the CRC. Having packaging that is explicit while not requiring a large amount of regulation is something to consider from a business perspective.

**Donna Ross:** She is a 2019 minority applicant for an ATC. She read the applicant evaluation for minority-owned, women-owned, or veteran-owned business certification measures. Her business is comprised of 83% African American minority ownership and they produced two certificates of business ownership, for which they received a score of 20 out of 30. The reviewers did not give them points for demonstrating, by photographic evidence and driver's licenses, that they are actually minorities. Moving forward, she would like to apply for other license, but the Commission's rules don't allow her or her team members to qualify as applicants for social equity licensure because they don't have criminal records or live in an impoverished area. Is the CRC going to address this issue or rewrite the policy to considering fulfilling the spirit of the law as intended?

Darrin Chandler: Lost in the 2019 RFA. He states that the scoring was wacky. Have any black people won in the past round? I know the process is still unfinished and I feel for the dispensary applicants, but none are black-owned and these are the most important to the supply chain. What is the CRC doing to prioritize this for recreational licenses? Last meeting the CRC boasted that the winners are minority-owned and women-owned. Currently the market is not equitable. We need to clarify these before the next webinar. Are they going to score as soon as the application comes in and will it be digital or physical? If it's digital, look at Los Angeles' 2019 process.

Zach Katzen: On the Atlantic City (AC) Cannabis Advisory Committee. One of great parts about the cannabis industry is all of the ancillary businesses that come with it. There are so many businesses that are connected to the casino industry but are not gaming related and it's the same thing with cannabis. I work in public arts here in AC and one thing that artists and graphic designers are excited about is this new industry. Cannabis is usually creative in packaging and design. Please consider artists in packaging. In liquor stores, we see an array of colors and alcohol is more dangerous than cannabis. We must be mindful. Customers will be pressuring delivery services for edibles. These companies are going to be picking up edibles and adding them in to their services.

**Travis Ally:** Is the CRC satisfied with the 2019 RFA rounds and specifically with the diversity of winners with no black owned companies? Is the CRC okay with this disparity in scores moving forward? The scores undermine the process. How does a black and veteran-owned company only receive few points?

**Osbert Orduna:** Bringing the Commission's attention to a major issue of inequality that currently exists within the CRC's published regulations that unconstitutionally discriminates

against disabled veterans not residing in NJ. NJ has over 60,000 service-connected disabled veterans, yet only 150 certified service-disabled veteran businesses exist. The regulations contain language that discriminates against non-resident disabled veterans who are seeking to operate a cannabis business in NJ. This is not equity and inclusion.

### 7. ADJOURNMENT

Chairwoman Houenou called for a motion to adjourn. Vice Chair Delgado made the motion to adjourn and Commissioner Del Cid-Kosso seconded. Chairwoman Houenou called the vote.

AYES: Chairwoman Houenou, Commissioner Delgado, Commissioner Nash, Commissioner Barker, Commissioner Del Cid-Kosso

NAYS: None

The public meeting adjourned at 8:56pm.

### **CERTIFICATION**

I hereby certify that the foregoing minutes represent a true and complete summary of the public meeting held by the Cannabis Regulatory Commission on Tuesday, November 9, 2021.

Christopher Riggs

Date: 12/9/2/

Erin Hogan
Executive Assistant

Date: 12 | 8 | 20 21