MINUTES – PUBLIC MEETING NO. 22-01-27
JANUARY 27, 2022 – 1:00PM
Publicly Accessible Online via Zoom (or address when in-person)

1. CALL TO ORDER

The January 27, 2022 public meeting of the New Jersey Cannabis Regulatory Commission ("CRC") was called to order by Chairwoman Houenou at 1:07pm 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 December 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, Kelly Anderson-Thomas, Christopher Riggs, Justin Rodriguez.

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 Del Cid-Kosso 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 passed.

Executive session started at 1:10pm and ended at 1:32pm.

4. APPROVAL OF PREVIOUS MEETING’S MINUTES

The open, public portion of the meeting began at 1:41pm. Chairwoman Houenou asked for a motion to adopt the public meeting and executive session minutes for the January 7, 2022, meeting. Ms. Hogan noted that the minutes were shared with the Commission members prior to the meeting. Commissioner Barker made the motion, and Vice Chair Delgado seconded. Hearing no discussion, Chairwoman Houenou called the vote.

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

NAYS: None

The motion passed.

5. CHAIR’S REPORT

Chairwoman Houenou acknowledged some of the public comments from the January 7, 2022 public meeting and provided quick responses to the themes that were raised in the comments:

- Whether towns can opt out of having microbusinesses
- How applicants can understand whether their previous criminal convictions could impact their application or eligibility for a cannabis license
- Funding

Staff followed up on the individualized questions, but the Chairwoman encouraged everyone to visit the FAQs, webinars and guidance materials on our website, which cover the themes identified (above).

Chairwoman Houenou mentioned that the CRC has heard from several community groups in support of applicants for a license to get approved by the CRC. She reiterated the process of application review, which Director Brown has previous explained in detail. The CRC is bound to consider any applicable statutes, terms of the RFA and the information that is provided with an application properly submitted to the Commission. External documentation of community support not provided with the application when submitted, will not be considered.

The Chairwoman noted the change in the meeting’s agenda of removing the report from the Public Reporting and Education Committee. Chairwoman Houenou stated that the CRC is actively working to plan public hearings to solicit input from the community about what investments in communities should be raised at the state level. Our committee members are planning, and more details will be forthcoming about that and the report. The Chairwoman encouraged the public to keep their eyes on the CRC website and social media accounts for more information.
6. EXECUTIVE DIRECTOR’S REPORT

Executive Director Brown provided updates on Cultivator and Manufacturer Application Acceptance, 2019 RFA Awards, Expanded ATC Certifications, and the Public Information Campaign.

The CRC began taking applications for Cultivator, Manufacturers, and Testing Laboratories on December 15, 2021, at 9:00 a.m. The Commission also launched a new application system which has been consistently operational over the last month. There have been 336 total applications received and over 1,800 user accounts created as of January 27, 2022. Most application types are conditional licenses at 87% and 13% are annual licenses. Executive Director Brown noted that it is unlikely that the CRC will hit the 90-day turnaround based on staffing, but that the CRC will have them completed and before the Commission for approval as soon as possible.

Executive Director Brown stated that there are four vertically integrated awardees and ten cultivation awardees that are in the investigatory stage of permitting, which includes verification of information supplied in application, criminal history background checks, and verification of compliance with conditions in Final Agency Decisions. The dispensary awardees had five business days to accept the award and by January 6, 2022, they needed to submit proof of site control, municipal approval, and Minority/Women/Veteran Enterprise Business (MBE/WBE/VOB) certification status. Notification went out yesterday that the awardees are moving into the investigatory stage.

By law, existing Alternative Treatment Centers (“ATC”) do not need to go through formal application process to begin recreational sales. Executive Director noted that the expanded ATC certification process is outside of the normal application process. To date, the CRC has received eight of these certifications. Notably, each are required to address our core values of equity and safety. Executive Director Brown described the process for approval and mentioned that as of the last review conducted by staff, none of the submissions were complete. The initial round of completeness review is done for the most part and the CRC has received new materials so additional feedback is going out to ATCs. There are major deficiencies in these certifications and the one that pops up frequently is a lack of municipal approval.

Executive Director Brown reiterated the seriousness of compliance with the law that has been in effect since February, maintaining and improving supply and access for patients, and equity and safety.

Director of Communications, Toni-Anne Blake, detailed the CRC Public Information Campaign, which ensures that everyone knows about the opportunities to apply for a license and being employed by a cannabis business. The campaign images will be broadcasted on bulletin boards, bus panels, bus shelters, and digital ads.

7. CONSIDERATION OF ADOPTION OF CANNABIS REGULATORY COMMISSION BY-LAWS

Chairwoman asked the CRC By-laws Committee to provide a summary of the by-laws for adoption for the public to understand how these by-laws will govern the Commission’s operations.
Commissioner Del Cid-Kosso assured the public that the by-laws will be available to them on the website following the meeting. The article has 14 pages and 11 articles, and the Committee members provided an overview of the key points in the by-laws.

The by-laws shall govern the activities of the Commission, its board members, and staff and the Commission shall comply with all applicable laws. The CRC assumes responsibility from the New Jersey Department of Health for the further development and expansion, regulation, and enforcement of activities associated with the medical use of cannabis. The CRC oversees the development, regulation, and enforcement of activities associated with the personal use of cannabis. The Board shall serve as the governing body of the Commission responsible for issuing final agency decisions, adopting regulatory policy, and ensuring the Commission operates in accordance with sound fiscal principles and with the highest ethical standards.

The Commission shall establish, and from time to time alter, a plan of organization, and employ personnel as it deems necessary under the direct or indirect supervision of a full-time Executive Director for the Commission. The plan of organization shall include the Office of Minority, Disabled Veterans, and Women Cannabis Business Development and any other Offices or positions as deemed necessary by the Commission to effectuate the purposes of the Acts.

For any action required or allowed to be done by a specific member of the Commission pursuant to the Acts and implementing regulations, the specified member will act as the designated officer of the Commission and has all the powers necessary to permit the discharge of the duty or duties delegated.

Regular meetings shall be held on such dates and at such times and places as the Chair or the Commission shall establish, unless extenuating or emergent circumstances prohibit the ability to hold a public meeting on the date and at the time established. The Commission shall adopt annually a schedule of regular meetings, and special meetings may be held at the call of the Chair. Regular meeting schedule shall be posted annually by January 10.

The Commission shall have permanent, standing committees as set forth in Section 5.02 and they shall not be subject to dissolution unless the Commission has adopted a resolution amending Section 5.02 to reflect the dissolution of the standing committees. The Commission has four permanent standing committees which are the Audit Committee, Public Engagement and Education Committee, Product Safety, Packaging, and Labeling Committee, and Permitting/Licensing Committee.

Chairwoman Houenou asked for a motion to adopt the resolution concerning the Cannabis Regulatory Commission By-laws. Commissioner Nash made the motion, and Commissioner Del Cid-Kosso seconded. Hearing no discussion, Ms. Hogan called the vote:

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

NAYS: Commissioner Barker

The resolution passed.

8. CONSIDERATION OF AMENDMENT TO COMMISSION'S INTERIM STANDARDS FOR LABORATORY TESTING OF MEDICINAL CANNABIS

Executive Director Brown provided a summary of the amendments to the interim lab testing standards. On June 1, 2021, the Commission adopted Interim Lab Testing Standards for medicinal
cannabis for ATCs pursuant to Jake Honig’s Law. The statute gave the Commission the ability to, in advance of the CRC’s own regulations for testing in medicinal cannabis, to designate interim standards by adopting another state’s regulations. The Commission adopted the State of Maryland’s regulations and the corresponding technical guidance. These are some of the most comprehensive standards in the country for medicinal cannabis.

Since that adoption, there’s been some back and forth and the CRC heard feedback from the ATCs in the industry about some of the challenges with operationalizing those standards. The Executive Director described that one of the big issues was around the batch sizes: Maryland’s standards require 10-pound batch size. This amendment would offer some flexibility on batch sizes but does so in accordance with the standards previously adopted by the Commission.

The resolution allows for sizes to be designated up to 100-pounds provided that samples are taken in accordance with the technical guidance in the Maryland standards and with the total weight required with the Maryland standards. Executive Director Brown’s estimation is that this will help to get more ATCs to choose third-party laboratories and begin to test under the interim standards for a wider range of testing than our state lab can do.

Chairwoman Houenou asked for a motion to adopt the resolution concerning the Amendment to the Commission’s Interim Standards for Laboratory Testing of Medicinal Cannabis. Commissioner Del Cid-Kosso made the motion, and Vice Chair Delgado seconded. Hearing no discussion, Ms. Hogan called the vote:

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

NAYS: None

The resolution passed.

9. PUBLIC COMMENT

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 tomorrow, January 28, 2022. Chair reminded the public that all submitted questions and comments are shared with the Commission members and are made public along with the minutes.

Director of Communications, Toni-Anne Blake, called on members of the general public. All speakers were given three (3) minutes to speak.

Hasaan Austin: He thanks the CRC for all their hard work. He is a managing partner for NTM Biz Development who works with municipalities to help realize social equity. He states that social equity can be defined in many ways as it’s a multi-layered problem that required multi-layered solutions. He encourages public and stakeholders to manage their expectations because there are a lot of moving parts.

Sarah Ahrens: She is the founder and CEO of True Labs for Cannabis, which is an analytical testing lab and the only certified woman-owned cannabis testing lab on the East Coast. The New Jersey Cannabis Business Association formed the Laboratory Testing Committee a few months ago to ensure regulators understand the needs of the cannabis business community. The Laboratory Testing committee is dedicated to defining a consensus that lab testing standards for NJ are safe
for consumer and patient health. They are looking to help the Commission quickly create a robust cannabis testing program with best-in-class standards.

**Daniel McCarthy:** His company is MegaLeaf, LLC and they applied for a conditional microbusiness cultivation license as a social equity applicant and minority-owned business. Because his application was one of the first received by the State, he was hoping to hear back by now. He wants to know the different milestones the CRC is waiting to hit before reaching out and a timeline for guidance with ATC certifications. He also questions whether or not there will be in-person meetings regarding the application to understand whether or not he can leave the state to visit an ill family member.

**Patricia Gregory:** She is one of the founders of Guadco 2, LLC, who is a 2019 RFA dispensary applicant that was denied in the central region due to only receiving one out of 30 points for WBE status. She states that they are, in fact, woman-owned and woman-operated. They did not submit a NJ Treasury WBE Certification because they were a newly formed entity without much revenue. She is requesting the CRC to reconsider the score for this criteria and they will also submit the request in writing.

**Perri Byrd:** She is a Zen Leaf employee and, on the Union Bargaining Committee. She thanks the commission for standing behind workers recently and allowing them to continue to take tips.

**Dr. Carl Christianson:** He is the Chief Science Officer for True Labs for Cannabis. He comments on the amendment to the interim testing standards. He states that the idea of collecting samples is for a representative sample. The change to the 100-pound batch size may alleviate the need for ATCs to pay for so much testing, but still requires the labs to collect all of the samples they should have otherwise. Now, labs can only realize ten percent of the compliance sample and the data will not be representative of the entire batch because the new material utilized will only be a fraction of the amount submitted. He thinks the CRC should go back to the original batch definition.

**Janna Williams:** She is a disabled veterans and thanks the Commission for putting opportunities for people like her to participate in the cannabis industry in the by-laws.

**Kim Hesse:** Is there guidance set for the fees that the municipalities can charge cannabis businesses? If not, can it be expected in the future, or will the regulatory fee schedule be the only guide? Does the CRC have a general guide for the municipal applications?

**Chirali Patel:** She comes on behalf of Blaze Responsibly and wants the CRC to convene a town hall forum for the public to ask questions and have them answered. She also brought up an incident at a certain ATC where they stated that cash was the only form of payment accepted there. She requests, for the patient’s sake, that the CRC clarify what approved methods of payment there are.

**Sheril Murray Powell, Esq.:** She is a cannabis agricultural, dietary supplement, and trade attorney and business development manager for CSI, a 45-year screening company. She is also a board member for The Unprescribed and ASTM D37 Cannabis Committee’s DEI subcommittee Chair. She congratulates the CRC on their by-laws and was encouraged when seeing the Permitting and Licensing Committee. She is happy to see the vetting process begin with the 2019 RFA awardees and thinks the adjustment made with the lab testing standards was great for the community.
Dr. Monique Hamilton: She is Board certified in internal medicine and the co-founder and lead physician for the Dr. Monihami Medical Center (DMMC). She applauds the CRC for their enforcement of social justice and equity and states that it is imperative for social equity to be applied to medical marijuana. It would be helpful if there were a subsidy program available for disadvantaged patients.

Kris Ware: He is speaking on behalf of Dazed & Confused, LLC who is looking to submit a dispensary application in March. He is looking for more information on consumption lounges as they are not clearly defined in the regulations yet. Would a consumption lounge be part of the 2,500 square foot restriction in regards to the inside of a microbusiness?

10. ADJOURNMENT

Chairwoman Houenou advised the public to look at the information and guidance on the CRC website that was provided for municipal partners, as well as the webinars so that we can all work together to collectively provide an equitable landscape as the cannabis industry gets up and running in New Jersey.

Chairwoman Houenou called for a motion to adjourn. Vice Chair Delgado made the motion to adjourn, and seconded by Commissioner Nash. 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 2:48pm.

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 January 27th, 2022.

Christopher Riggs
Chief Counsel

Date: 2/24/22

Erin Hogan
Executive Assistant

Date: 2/24/2022