





The meeting will begin momentarily

We will take public comments at this meeting. Written comments for the record may also be submitted to the Cannabis Regulatory Commission before, during, and after the meeting in writing at nj.gov/cannabis.



June 30, 2022



Agenda

- Roll Call
- Executive Session (Anticipated 30 minutes)
- Approval of prior meeting minutes
- Chair's Remarks
- Executive Director's Report
- Consideration of proposed readoption of rules and proposed new rules concerning recreational (personal adult-use) cannabis
- Consideration of the Commission's report on recommended uses for social equity excise fees pursuant to N.J.S.A. 24:6I-50
- Recreational cannabis business applications
 - Consideration of applications for conditional licenses
- Public Comment
- Adjournment



Roll Call



Executive Session

Return: Approx. 30 mins



Approval of Meeting Minutes



Chair's Remarks



Executive Director's Report



Executive Director's Agenda

- Update on License Applications
- CRC Budget
- Data reporting on licensees
- Anticipated Releases



Executive Director's Agenda

1. Update on Permit/License Applications



Medicinal Cannabis Permits

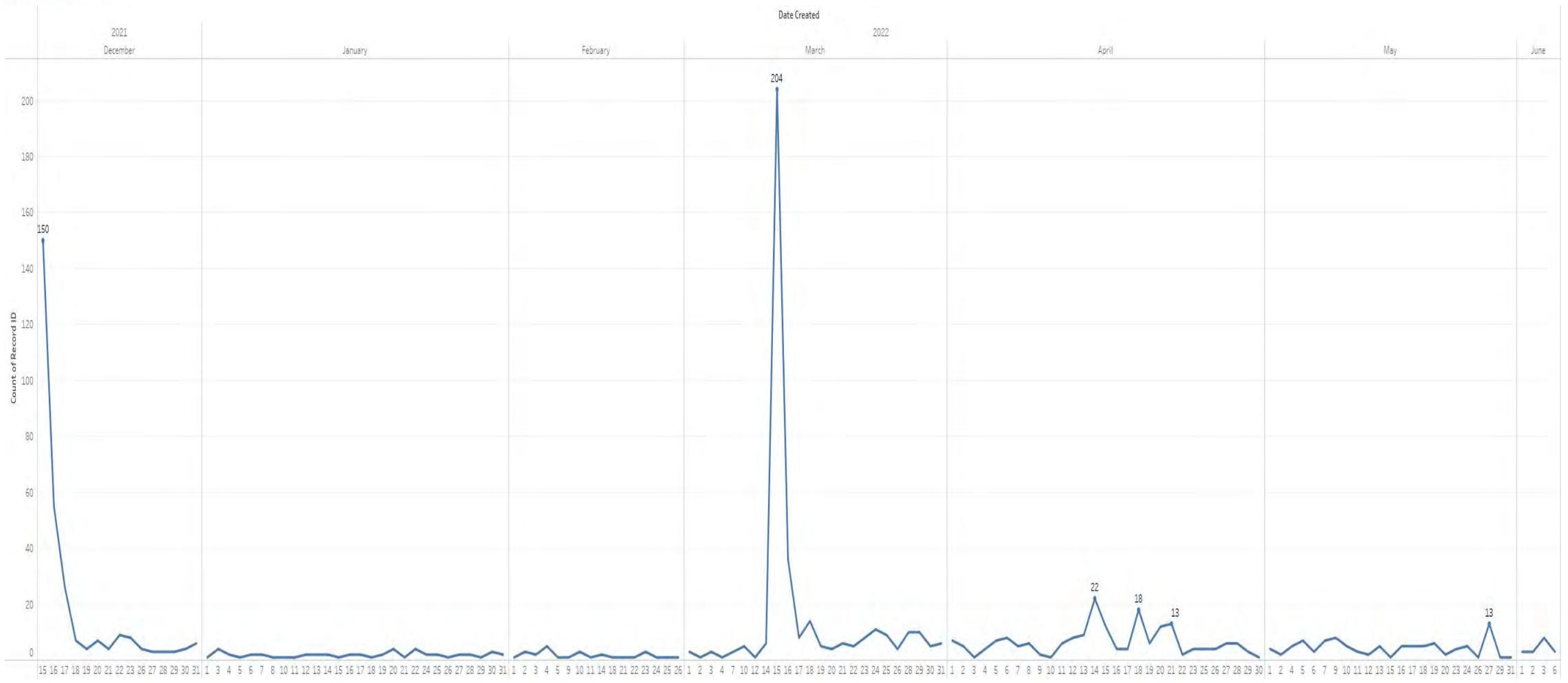
Update: First 2019 Permit Issuance

- Hillview Med issued first permit from 2019 RFA
 - Cultivator, Northern Region
 - Fastest implementation from both 2018 and 2019 RFAs
- Investigations/applicant verification progressing
- Deadlines are still the deadlines



Recreational Business Applications

Applications Received Thru June 9, 2022





Recreational Business Applications

Applications Received Thru June 9, 2022

- Out of 1200 applications received, only 350 have not received an initial review.
- More cure letters than approvals.
- CRC expects all currently submitted applications to receive a review over the next several months.



Recreational Business Applications

Factors impacting review time

- Number of incomplete applications
- Number of applications attesting to incorrect priority designation
- Applicants resubmitting without actually curing deficiencies



Executive Director's Agenda

2. Projected FY2023 CRC Budget



FY23 Projected Budget

For Fiscal Year 2023, the Cannabis Regulatory Commission has an expected appropriated budget of \$17 million. A breakdown of the budget is as follows:

- Approx. \$11,500,000 for staffing;
- Approx. \$2,000,000 for administrative program costs such as information technology, customer service, legal services, office supplies, etc.;
- Approx. \$2,000,000 for workgroup planning and development;
- Approx. \$1,000,000 for software systems such as the medicinal and recreational programs, seed to sale tracking, reporting, etc.; and
- Approx. \$500,000 for communication and outreach campaigns.



FY23 Projected Budget

- The CRC has more than tripled its original staff of six to over 50 during the 2022 Fiscal Year to accommodate the expanding program; an increase of approx. 264%.
- The projected FY23 budget will allow for the continued personnel expansion to ensure timely licensing review, compliance evaluations and investigations, continue to build the operational foundation of the Commission as it continues to establish and grow a responsible, regulated medicinal and recreational cannabis industry.
- Funding will also support workgroup planning in the form of access to capital, business development, and workforce development programs, as well as expanded public health education outreach and youth prevention efforts.



Executive Director's Agenda

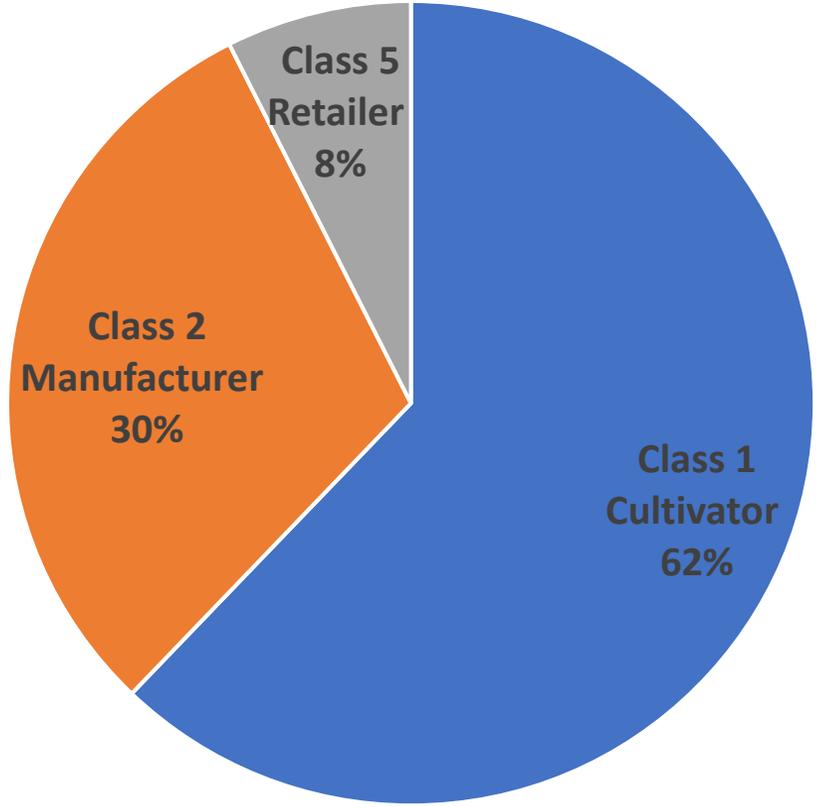
3. Data reporting on license-holders/awardees



Business License Type

Conditional Licensees as of June 9th, 2022

<u>License Type</u>	<u>Number</u>	<u>Percentage</u>
Class 1 Cultivator	92	62%
Class 2 Manufacturer	45	30%
Class 5 Retailer	11	8%
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Total	148	100 %



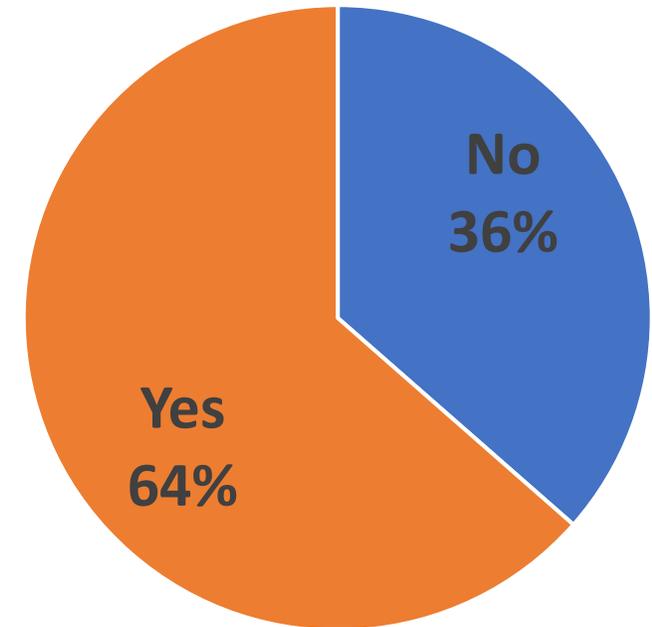
NOTE: Conditional licenses are meant to assist applicants with obtaining other documentation or local approvals needed for an annual license application. Conditional licenses do not authorize businesses to begin cannabis operations. Only annual license holders can begin business operations, obtain or possess cannabis.



Social Equity Businesses

Conditional Licensees as of June 9th, 2022

<u>License Type</u>	<u>No</u>	<u>Yes</u>	<u>Grand Total</u>
Cultivator	35	57	92
Manufacturer	19	26	45
Retailer	0	11	11
Grand Total	54	94	148





Diversely Owned Businesses

Conditional Licensees as of June 9th, 2022

<u>License Type</u>	<u>No</u>	<u>Yes</u>	<u>Total</u>
Class 1 Cultivator	46	46	92
Class 2 Manufacturer	25	20	45
Class 5 Retailer	8	3	11
Total	79	69	148



Diversely Owned Businesses

Conditional Licensees as of June 9th, 2022

<u>License Type</u>	<u>Number</u>	<u>Percentage</u>
Minority Owned	33	22%
Woman Owned	18	12%
Woman & Minority Owned	18	12%
Not Diversely Owned	79	53%
Total	148	100%



Majority Owner Race & Ethnicity

Conditional Licensees as of June 9th, 2022

<u>Race or Ethnicity</u>	<u>Grand Total*</u>
American Indian or Alaska Native	1
Asian	10
Black or African American	52
Hispanic or Latino*	21
Other Not Listed & Black or African American	1
Other or Not Listed	30
White	36
Not Disclosed	18

*A person can be more than one category (of 148 Conditional Licensees)



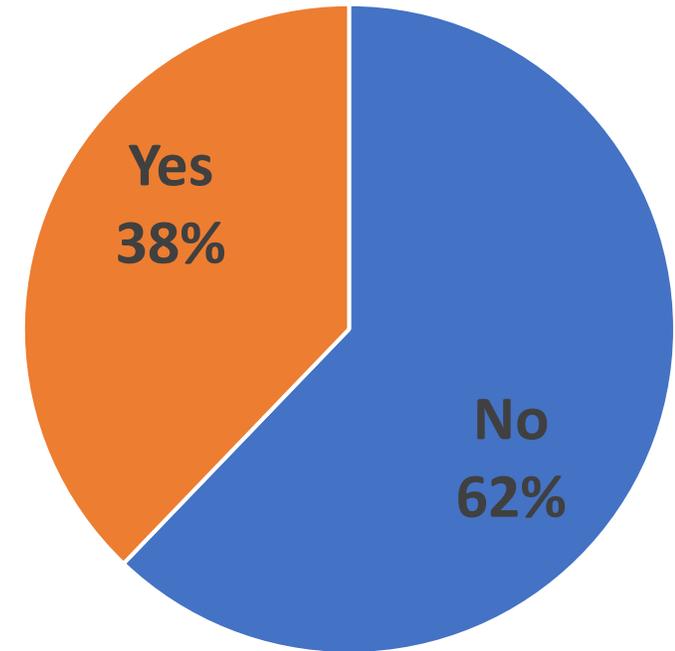
Majority Owner with Prior Marijuana Convictions

Conditional Licensees as of June 9th, 2022

Majority Owner w/ Marijuana

Convictions

	<u>Number</u>	<u>Percentage</u>
No	92	62%
Yes	56	38%
Grand Total	148	100%





Majority Owner with Prior Marijuana Convictions

Conditional Licensees as of June 9th, 2022

<u>License Type</u>	<u>No</u>	<u>Yes</u>	<u>Grand Total</u>
Class 1 Cultivator	58	34	92
Class 2 Manufacturer	30	15	45
Class 5 Retailer	4	7	11
Grand Total	92	56	148



Microbusiness Benchmark Data

Licensees as of June 9th, 2022

	<u>Total Number</u>	<u>Percent of Licensees</u>	<u>Benchmark</u>	<u>Plus/(Minus)</u>
Micro Businesses	60	39%	25%	14%

<u>License Type</u>	<u>Number of Microbusinesses</u>	<u>Percent of License Class</u>	<u>Benchmark</u>	<u>Plus/(Minus)</u>
Class 1 Cultivator	34	37%	15%	22%
Class 2 Manufacturer	20	44%	15%	29%
Class 5 Retailer	6	55%	15%	40%
Testing Laboratory	0	0	None	N/A



Diversly Owned Benchmark Data

Licensees as of June 9th, 2022

	<u>Number</u>	<u>Percent of Licensees</u>	<u>Benchmark</u>	<u>Plus/(Minus)</u>
Minority Owned	51	34%	15%	19%
Woman or Disabled- Veteran Owned	36	24%	15%	9%



Conditional License Benchmark Data

Licensees as of June 9th, 2022

	<u>Number</u>	<u>Percent of Licensees</u>	<u>Benchmark</u>	<u>Plus/(Minus)</u>
Conditional Licenses Issued	148	97%	35%	62%



Executive Director's Agenda

3. Anticipated Future Releases



Pending Actions/Releases

- Workplace Impairment
- April-June 2022 Sales Totals
- Next licensee data reporting: September



Readoption of Rules & Proposed New Rules



CRC Powers

Sources of CRC's powers:

- Jake Honig Compassionate Use Medical Cannabis Act
- The New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization (CREAMM) Act
- Regulations established by the Commission



CRC Powers

N.J.S.A. 24:6I-34 Commission Activities Associated with the Recreational Use of Cannabis

The initial rules and regulations adopted . . . shall be in effect for a period not to exceed one year after the date of filing with the Office of Administrative Law.

These rules and regulations shall thereafter be adopted, amended, or readopted, and any subsequent rules and regulations adopted, amended, or readopted, by the commission in accordance with the requirements of the standard regulatory process



Rule Overview: Key Points

- *Codifies licensing process including priority review and approval* for applications from target groups, like those with past marijuana convictions
- *Continues low application fees* and competitive licensing fees
- *Adds details for new license types:* wholesalers, distributors, and delivery services



Rule Overview: Key Points

- **Expands flexibility for microbusinesses** by clarifying that bathrooms and breakrooms don't factor into 2,500 sq ft.
- **Codifies purchase limits for recreational consumers:**
1 ounce of flower = 4 grams concentrates = 1,000 mg THC in edible form.
- **Improves safety** by making THC and CBD levels clearer and requiring retailers to provide info on safe use to consumers.



Rule Overview: Key Points

- **Fully establishes Social Equity Excise Fee to ensure ongoing investments to address equity:**
 - Until first stand-alone retail sale and nine months after: one third of one percent of average retail price
 - \$10 per ounce if avg price is above \$350 per ounce
 - \$30 per ounce if avg price is between \$250 and \$350
 - \$40 per ounce if avg is between \$200 and \$250
 - \$60 per ounce if avg is less than \$200
 - Lower fees for unusable cannabis



Rule Overview: Additional Details

New License Classes

- **Subchapter 12- Class 3 Wholesalers**
- **Subchapter 13- Class 4 Distributors**
- **Subchapter 16- Delivery Services**



Rule Overview: Proposal Process and Timeline

- The CRC adopted Recreational Rules on August 19, 2021, which were immediately effective for one year.
- The CREAMM Act requires that these rules be adopted, amended, or readopted prior to August 19, 2022.
- The notice of proposed readoption is targeted to be filed today, June 30, with a publication date of August 1 in the New Jersey Register
- 60-day comment period to close on September 30, 2022.



Rule Overview: Summary

- *Expands equity in New Jersey, both for cannabis businesses and beyond*
- *Creates new opportunities for businesses*
- *Improves safety for consumers and communities*



Vote on rules



Report on Recommended Uses for Social Equity Excise Fees (SEEF)



Statutory Requirement

- Revenues, including the Social Equity Excise Fee, is deposited into the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund.
- 15% of the monies in the Fund are dedicated to the subaccount Underage Deterrence and Prevention Account.



Social Equity Excise Fee

- NJ-CRC makes recommendations to the Governor & Legislature for spending excise fee money → Governor & Legislature decide where the money goes
- Social Equity Excise Fee = $\frac{1}{3}$ of 1% of average retail price
\$1.10 per ounce in Fiscal Year 2022
- NJ-CRC projections: \$191,250 in Fiscal Year 2022; \$3.5 million in Fiscal Year 2023



NJ-CRC Regional Hearings

3 public hearings: North, Central & South

4 common themes by participants:

1. Economic Development
2. Justice Reinvestment
3. Public Health
4. Workforce Development and Education



Core NJ-CRC Recommendation

NJ-CRC recommends investing the funds in **grants** and **low-interest loans** for aspiring entrepreneurs in **impact zones** and **economically disadvantaged** areas, or areas with other economic designations such as Urban Enterprise Zones.



Economic Development

Financial Assistance

The most prevalent barriers to entry into the legal cannabis industry is access to capital

- Prioritize targeting revenue to support individuals and communities
- Grants and low interest loans
- Alleviate expenses (e.g., rents/ mortgages, utilities)
- Utilize place-base qualifiers and other criteria

Housing

Fund homeownership opportunities programs

- First-time homebuyer's program for families most harmed by the drug war.



Justice Reinvestment

No Money for Law Enforcement

- Use revenue from cannabis sales to fund law enforcement purposes where statutorily required
- Special consideration to efforts that disrupt cycles of violence, defuse confrontations, and offer healing and support services

Reentry Support Services

- Housing needs
- Job training and skill development
- Medication and wraparound services



Public Health

Mental Health

- Early Intervention Support Services
- Mental Health Urgent Care Centers

Healthcare

- Fund efforts by the Department of Health and other State agencies
- Maternal and restorative healthcare
- HIV/ AIDS work



Public Health

Harm Reduction Services

- State Regional Health Hubs
- Mental health and addiction services in Department of Human Services

Public Health and Safety Messaging

- Public service announcement campaign
- Data collection for educational health resources
- Clinical research studies
- Creation of technologies to identify cannabis impairment



Workforce Development & Education

Workforce Development

Fund programs that promote personal and professional development:

- Scholarships
- Vocational Training
- Professional Certificate Programs
- Apprenticeship Programs
- Business Development
- Financial Literacy

Youth Services

- Funding for at least 1 Community Resource Center in each county
- Wrap around services – recreation, tutoring, mental health services, after-school enrichment



Vote on SEEF Report



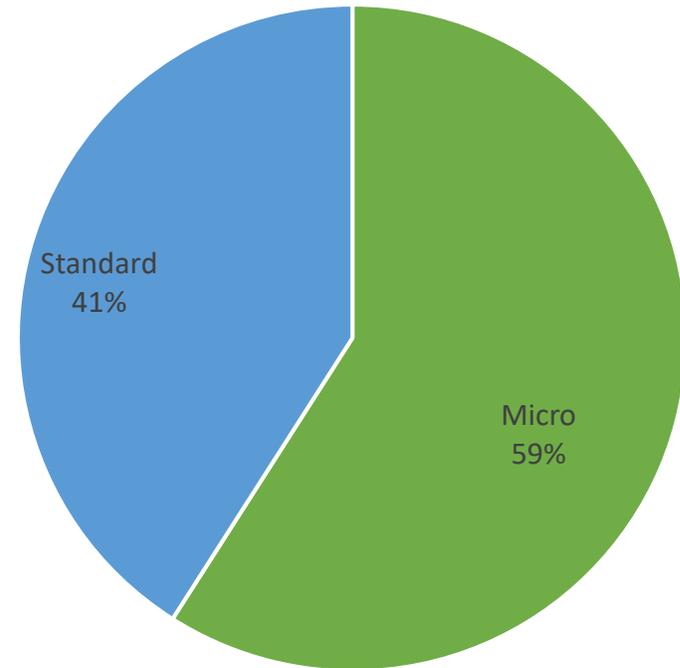
Recreational Cannabis



Business Categories

Proposed Conditional Licensees for Board Meeting June 30th, 2022

<u>Business Category</u>	<u>Number</u>	<u>Percentage</u>
Microbusiness	48	59%
Standard Business	<u>33</u>	<u>41%</u>
Grand Total	81	100%

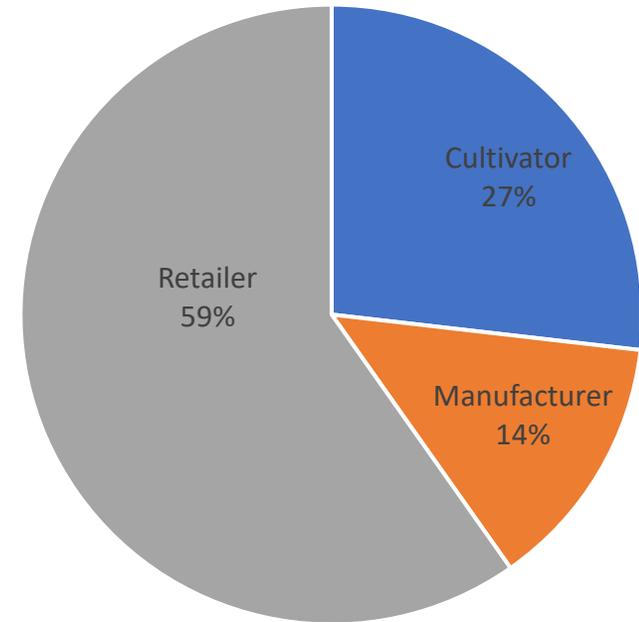




License Type

Proposed Conditional Licensees for Board Meeting June 30th, 2022

<u>License Type</u>	<u>Number</u>	<u>Percentage</u>
Class 1 Cultivator	22	27%
Class 2 Manufacturer	11	14%
Class 5 Retailer	48	59%
Total	81	100 %





Consideration of Conditional License Applications

No.	Applicant ID	Applicant Business Name	License Type	Business Category
1	1346	Jerzey Grow LLC	Cultivation	Micro
2	1679	Alpha Genetix	Cultivation	Micro
3	1740	Roman Brothers Cannabis, Inc.	Cultivation	Micro
4	1935	Scarlet Gardens LLC	Cultivation	Micro
5	1972	Ganja Kulture LLC	Cultivation	Micro
6	2008	A Grow Culture LLC	Cultivation	Micro
7	1141	PR NJ LLC	Cultivation	Standard
8	1174	Suufi Cannabis Inc.	Cultivation	Standard
9	1187	Grasshopper Farms NJ LLC	Cultivation	Standard
10	1263	Forchion Farms LLC	Cultivation	Standard
11	1691	Green Leaf Pharma NJ	Cultivation	Standard
12	1739	Cannabilities, LLC	Cultivation	Standard
13	1945	Cann SC LLC	Cultivation	Standard
14	1031	Achira Inc.	Cultivation	Micro
15	1066	Iron Falls Growery LLC	Cultivation	Micro



Consideration of Conditional License Applications

No.	Applicant ID	Applicant Business Name	License Type	Business Category
16	1072	High Street Industries	Cultivation	Micro
17	1092	FullTilt Labs LLC	Cultivation	Micro
18	1125	Woke Gardens LLC	Cultivation	Micro
19	1192	Power Grow, LLC	Cultivation	Micro
20	1251	City Soleil LLC	Cultivation	Micro
21	1305	Garden State Green Genetics	Cultivation	Micro
22	1295	Grow Equity Ventures LLC	Cultivation	Standard
23	1250	Shnicks Shnacks	Manufacturing	Micro
24	1744	Ganja Kulture LLC	Manufacturing	Micro
25	1919	Sweetes Sweets LLC	Manufacturing	Micro
26	1161	PR NJ LLC	Manufacturing	Standard
27	1178	Suufi Cannabis Inc.	Manufacturing	Standard
28	1271	Forchion Farms LLC	Manufacturing	Standard
29	1975	Grasshopper Farms NJ LLC	Manufacturing	Standard
30	1036	FullTilt Labs LLC	Manufacturing	Micro



Consideration of Conditional License Applications

No.	Applicant ID	Applicant Business Name	License Type	Business Category
31	1089	Achira Inc.	Manufacturing	Micro
32	1274	Royal Dynastic Organics LLC	Manufacturing	Micro
33	1237	Blue Violet Grow, LLC	Manufacturing	Standard
34	1706	Premium marijuana shop	Retailer	Micro
35	1449	High Society Club LLC	Retailer	Micro
36	1513	Burkina Boiz	Retailer	Micro
37	1571	Larry's Best Buds LLC	Retailer	Micro
38	1594	Lovely Leaf	Retailer	Micro
39	1600	Nirvana Dispensaries LLC	Retailer	Micro
40	1634	Strictly CBD LLC	Retailer	Micro
41	1642	CannaVibes	Retailer	Micro
42	1660	Hazy Gardens LLC	Retailer	Micro
43	1664	Loud House LLC	Retailer	Micro
44	1669	Canabee	Retailer	Micro
45	1683	Bakin Bad LLC	Retailer	Micro



Consideration of Conditional License Applications

No.	Applicant ID	Applicant Business Name	License Type	Business Category
46	1688	Yummy Lipz Dispensary	Retailer	Micro
47	1697	Terra ReLeaf LLC	Retailer	Micro
48	1733	High Key 201 LLC	Retailer	Micro
49	1748	MariJayne's Touch	Retailer	Micro
50	1756	Island VibeZ	Retailer	Micro
51	1783	CannAbyss Dispensary	Retailer	Micro
52	1837	Royal Roll L.L.C.	Retailer	Micro
53	1898	Drty Jrzy Kdz	Retailer	Micro
54	1911	Treehouse Dispensary LLC	Retailer	Micro
55	1960	Jersey Leaf, LLC	Retailer	Micro
56	1970	Greenhouse Garden LLC	Retailer	Micro
57	1973	JC Element LLC	Retailer	Micro
58	1974	Treehouse Ventures LLC	Retailer	Micro
59	2019	RB Fire Company	Retailer	Micro
60	2025	Green Haven Industries	Retailer	Micro



Consideration of Conditional License Applications

No.	Applicant ID	Applicant Business Name	License Type	Business Category
61	2033	Peaches Garden, LLC	Retailer	Micro
62	1401	VicTree Gardens LLC	Retailer	Standard
63	1413	Canna Remedies LLC	Retailer	Standard
64	1450	Medusa NJ LLC	Retailer	Standard
65	1495	Shore Releaf Dispensary LLC	Retailer	Standard
66	1506	Phasal LLC	Retailer	Standard
67	1525	West Orange Wellness LLC	Retailer	Standard
68	1551	Ivy Hall NJ LLC	Retailer	Standard
69	1576	Emerald Isle Dispensary Inc	Retailer	Standard
70	1603	Mantis Cannabis of New Jersey, LLC	Retailer	Standard
71	1615	Story Dispensary of Springfield LLC	Retailer	Standard
72	1665	Cottonmouth Dispensary	Retailer	Standard
73	1700	Kind Kulture LLC	Retailer	Standard
74	1711	Woodbury Cannabis Company	Retailer	Standard
75	1766	Deo's Garden LLC	Retailer	Standard



Consideration of Conditional License Applications

No.	Applicant ID	Applicant Business Name	License Type	Business Category
75	1766	Deo's Garden LLC	Retailer	Standard
76	1776	Mariamba, LLC	Retailer	Standard
77	1784	Merry Juana	Retailer	Standard
78	1826	Soulful Harvest LLC	Retailer	Standard
79	1836	West Retail Corporation	Retailer	Standard
80	1968	NJ Green Care	Retailer	Standard
81	2011	Buddy LLC	Retailer	Standard



**Vote on proposed
awards**



Public Comment



Public Comment

1. Speakers signed up in advance.
2. 3 minutes per speaker.
3. Please keep comments focused on items the NJ-CRC has the power to address or should be aware of.
4. Do not use this time to market or advertise private businesses.
5. Must be listed by name or phone number submitted on request to speak.
6. Host will ask you to unmute when it is your turn.
7. On phone - *6 to mute or unmute when it is your turn
8. May also submit comments in writing at NJ.gov/cannabis/meetings



Adjournment

Next meeting: Thursday, July 28 at 1 p.m.

Details will be posted on nj.gov/cannabis/meetings