

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

RESOLUTION 2022-<u>49</u> EXTENSION OF THE CONDITIONAL LICENSE PHASE FOR CONDITIONAL LICENSES PREVIOUSLY ISSUED BY THE COMMISSION

WHEREAS, the New Jersey Cannabis Regulatory Commission ("the Commission"), established pursuant to P.L. 2019, c.153, known and cited as the "Jake Honig Compassionate Use Medical Cannabis Act," is charged with implementing the provisions of that Act as well as P.L.2021, c.16, known and cited as the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act"; and

WHEREAS, on August 19, 2021, the Commission adopted rules pursuant to N.J.S.A. 24:6I-35(a)(1) that established the licensure process for cannabis businesses and testing laboratories; and

WHEREAS, the Commission has issued 504 conditional licenses pursuant to N.J.A.C. 17:30-6 through 7 and the Commission's Notice of Application Acceptance; and

WHEREAS, pursuant to N.J.S.A. 24:6I-36(b)(2)(d)(i), the conditional license phase commences on the date the conditional license is issued to the license applicant and expires after 120 calendar days; and

WHEREAS, pursuant to N.J.S.A. 24:6I-36(b)(2)(d)(i) the Commission may extend the conditional license phase for an additional 45 calendar days at its discretion; and

WHEREAS, the Final Agency Decision issued by the Commission to each conditional license award winner stated that, to create better efficiency and to support new applicants, the Commission was automatically extending the conditional license phase for an additional 45 calendar days, thereby making the conditional license valid for a total of 165 days; and

WHEREAS, pursuant to N.J.A.C. 17:30-7.6(a)(2)(i), a conditional license shall not be renewed, but may be extended for good cause, as deemed necessary by the Commission; and

WHEREAS, current economic conditions have led to continued supply chain concerns as well as inflation, including increases in property acquisition or rental costs; and

WHEREAS, municipalities across New Jersey are continuing to adopt new ordinances, resolutions, and policies that allow for cannabis businesses to operate within the jurisdiction; and

WHEREAS, approximately 17 percent of current conditional license holders have

submitted a conditional cannabis business conversion application to convert to an annual license, suggesting that many conditional license holders may need more time to complete the additional requirements needed to submit a conditional cannabis business conversion application; and

WHEREAS, the Commission recognizes that taking steps to encourage the creation of new cannabis businesses can help expand the personal-use cannabis industry; and

WHEREAS, on September 9, 2022, the Commission adopted Resolution 2022-42, granting an extension of the conditional license phase by 45 calendar days for good cause; and

WHEREAS, the conditions described above still persist; and

WHEREAS, the Commission has determined that, because of the influx of applications required to be reviewed by the Commission and the logistical issues applicants are continuously experiencing, good cause exists to grant conditional licensees an additional 90 calendar day extension of the conditional license phase.

NOW, THEREFORE, BE IT RESOLVED by the New Jersey Cannabis Regulatory Commission pursuant to N.J.A.C. 17:30-7.6(a)(2)(i), Commission has determined that good cause exists to extend the conditional license phase conditional licenses issued by the Commission as follows:

- The conditional license phase for conditional licenses issued between March 24 and July 28, 2022, is hereby extended by two 45-day periods such that they are extended for an additional 90 calendar days. Therefore, each license will hereby expire after 300 calendar days from the date of issuance.
- 2. The conditional license phase for conditional licenses issued between July 29 and October 11, 2022, is hereby extended by an additional 45 calendar days such that each of license will hereby expire after 210 calendar days from the date of issuance.

Submitted by:

Dianna Houenou, Chair

CERTIFICATION

I hereby certify that the foregoing is a true copy of the Resolution adopted by the Cannabis Regulatory Commission at its meeting held on the 27th day of October, 2022.

Christopher Riggs, Chief Counsel

Vote on the Approval of This Resolution	Motion	Second	Yes	No	Abstain	Absent
Commissioner Barker			Х			
Commissioner Del Cid-Kosso		Х	Х			
Commissioner Delgado			Х			
Chairwoman Houenou			Х			
Commissioner Nash	X		Х			