



MEMORANDUM

TO: Cannabis Regulatory Commission Board

FROM: Paul Thomas Urbish, Director Office of Compliance & Investigations

SUBJECT: Extension Requests For 2019 Awardees

DATE: [December 2, 2022](#)

BACKGROUND: On December 7, 2021, the Board of Commissioners for the New Jersey Cannabis Regulatory Commission issued 30 Final Agency Decisions awarding dispensary endorsements to the highest-scoring applicants in the North, South, and Central regions. Each award is contingent on the applicants adhering to a collection of terms and conditions. Relevant to this memorandum, each awardee of a dispensary endorsement is required to be fully permitted within 12 months from the date of the award (December 7, 2022).

As of this date, several of the 30 dispensary awardees have reached out through their assigned Compliance Officer to request an extension of time in which to become fully permitted. Nearly half of the 30 dispensary awardees have requested an extension as of the date of this writing, and each day brings additional requests.

AUTHORITY: The authority for requiring full permitting by December 7, 2022, is based in the Commission's authority to impose restrictions and conditions via Final Agency Decision. There does not exist a statutory or regulatory requirement that the awardees from the 2019 Request for Application process become fully permitted within 12 months of the award decision. The restrictions and conditions imposed in the Final Agency Decision can be removed or amended by the Board, should it see fit.

Prior Final Agency Decisions have been amended, such as when the Commission determined to not enforce the restriction that each awardee must operate for one year prior to applying to the Commission to become an "Expanded ATC".

REQUESTS RECEIVED:

Thus far, the Commission has received requests for extension due to the following reasons:

- Due to changes in the governing bodies of multiple municipalities, approvals that were granted in advance of the 2019 RFA process have since been rescinded, requiring awardees to seek locations in new municipalities within the granted region, and enter into new agreements for real estate.



- Municipal delays from the governing bodies and zoning offices have resulted in the inability to have variance applications reviewed and considered.
- The intervening years have seen corporate changes, requiring legal review to restructure operations (which may result in further investigation by the Office of Compliance and Investigations).
- Following the pandemic, certain awardees have had difficulty procuring equipment and materials, as well as labor shortages.

RECOMMENDATION:

It is in the best interest of the patient population to have greater access points to their medicine across the State. Affording the 2019 RFA Dispensary Awardees an additional period of time of no more than 6 months to satisfy all municipal requirements, execute any necessary agreements, procure materials, build out their spaces, and become operational does not harm the industry and will assist the patient population.

To further establish the necessity of these awardees to move forward and become operational, I recommend requiring submission of a mobilization plan within 30 days that outlines the specific steps that will be taken in the coming months, establishing firm dates proposed for action, to ensure operations can commence by the end of the 6-month extension period.