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MARIA DEL CID-KOSSO, Commissioner
CHARLES BARKER, Commissioner

JEFF BROWN, Executive Director

RESOLUTION 2023-70
DELEGATION OF AUTHORITY TO THE COMMISSION'S PERMITTING AND LICENSING COMMITTEE TO REVIEW AND APPROVE REQUESTS FOR EXTENSIONS OF PERMITTING AND LICENSING DEADLINES

WHEREAS, the authority to regulate and enforce activities related to medicinal cannabis previously was vested in the New Jersey Department of Health ("the Department"), and now vests in the New Jersey Cannabis Regulatory Commission ("the Commission") pursuant to P.L. 2019, c.153; and

WHEREAS, the Commission continuously receives from Alternative Treatment Centers ("ATCs") requests for extensions on deadlines pertaining to the 2019 Request for Application (RFA) Final Agency Decisions ("FADs"), which the Commission must decide whether to approve or deny; and

WHEREAS, the Commission continuously receives requests for an extension of the conditional license phase under N.J.A.C. 17:30-7.6(a), which also requires the Commission to approve or deny; and

WHEREAS, the Commission continuously requests for an extension of the 365-day deadline for personal-use cannabis businesses to become operational under N.J.A.C 17:30-7.14(f), which also requires the Commission to approve or deny; and

WHEREAS, pursuant to N.J.S.A. 24:6I-24(e), the Commission may designate its powers and authority as it deems necessary and appropriate to carry out its duties and implement the provisions of N.J.S.A. 24:6I-1 et al. and N.J.S.A. 24:6I-31 et al.; and

WHEREAS, the Commission approved and adopted a set of bylaws on January 27, 2022, of which section 5.02 establishes the Permitting and Licensing Committee and requires the Committee to "evaluate the regulations promulgated by the Commission for permitting and licensing of alternative treatment centers and cannabis businesses to ensure efficient licensing and permitting process for applicants"; and

WHEREAS, on July 1, 2019, the Department posted a Request for Applications ("RFA" or "2019 RFA") for select entities to operate ATCs; and

WHEREAS, Final Agency Decisions were issued by the Commission to each applicant for a cultivation and vertically integrated permit pursuant to the 2019 RFA on October 15, 2021;

and to each applicant for a dispensary permit pursuant to the 2019 RFA on December 7, 2021; and

WHEREAS, the Final Agency Decisions issued to all 2019 RFA cultivation and vertically integrated awardees on October 15, 2021, provide that "[a]n awardee for a cultivation endorsement or for a vertically integrated permit must be fully permitted within 18 months from the date of [the] award"; and

WHEREAS, the Final Agency Decisions issued to all 2019 RFA dispensary awardees on December 7, 2021, provide that "[a]n awardee for a dispensary endorsement must be fully permitted within 12 months from the date of [the] award"; and

WHEREAS, pursuant to N.J.A.C. 17:30-7.6(a) the conditional license phase for personal-use cannabis businesses: (1) begins on the day that the conditional license is issued to the license applicant; and (2) expires 120 days after the day that the conditional license was issued or at the end of an extension. Furthermore, a conditional license shall not be renewed, but may be extended in accordance with N.J.A.C. 17:30-7.6 for good cause as deemed necessary by the Commission; and

WHEREAS, pursuant to N.J.A.C 17:30-7.14(f) a license personal-use cannabis business applicant shall have 365 days from the date of the notice of approval to request a final onsite assessment; and

WHEREAS, pursuant to 17:30A-7.11, the Commission, in accordance with the general purposes and intent of N.J.S.A. 24:6I-1 et seq. and the regulations promulgated with respect thereto, may waive a regulatory requirement regarding the operations of an ATC, to the extent such waiver does not conflict with any other State law, if in the Commission's determination, such a waiver: (1) is necessary to achieve the purpose of N.J.S.A. 24:6I-1 et seq.; (2) is necessary to provide access to patients who would otherwise qualify for the use of medical cannabis to alleviate suffering from debilitating medical conditions; and (3) does not create a danger to the public health, safety, or welfare; and

WHEREAS, pursuant to N.J.A.C. 17:30-3.7, the Commission, in accordance with the general purposes and intent of N.J.S.A. 24:6I-31 et seq. and the regulations promulgated with respect thereto, may waive a regulatory requirement regarding the operations of a cannabis business, to the extent such waiver does not conflict with any other State law, if in the Commission's determination, such a waiver: (1) is necessary to achieve the purpose of the Act; (2) is necessary to provide access to cannabis items to consumers; and (3) does not create a danger to the public health, safety, or welfare; and

WHEREAS, the Commission has determined that extensions on deadlines pertaining to the 2019 Request for Application , extensions of the conditional license phase under N.J.A.C. 17:30-7.6(a), and extensions of the 365-day deadline to become operational under N.J.A.C 17:30-7.14(f) can be appropriately reviewed and acted on by the Commission's Permitting and Licensing Committee with relevant experience; and

WHEREAS, the Commission has determined that it is in the public interest to streamline Commission business and create greater operational efficiency by designating to the Commission's

Permitting and Licensing Committee the Commission's authority to accept, review, and act on the aforementioned items under the Commission's regulations;

NOW, THEREFORE, BE IT RESOLVED, by the New Jersey Cannabis Regulatory Commission, that the authority to grant extensions on deadlines pertaining to the 2019 Request for Application ATC permit awardees, grant extensions of the conditional license phase under N.J.A.C. 17:30-7.6(a), and grant extensions and waive the 365-day requirement to become operational under N.J.A.C 17:30-7.14(f) is delegated to the Permitting and Licensing Committee as follows:

- 1. The Commission's Permitting and Licensing Committee shall have the authority to grant extensions on deadlines pertaining to the 2019 RFA Final Agency Decisions issued to ATC permit awardees, so long as granting the extension would in the best interest of the patient population.
- 2. The Commission's Permitting and Licensing Committee shall have the authority to grant extensions of the conditional license phase in accordance with N.J.A.C. 17:30-7.6, so long as it finds good cause for such an extension.
- 3. The Commission's Permitting and Licensing Committee shall have the authority to approve a waiver of the 365-day requirement to become operational under N.J.A.C 17:30-7.14(f), pursuant to N.J.A.C. 17:30-3.7, so long as the Committee finds such waiver does not conflict with any other State law. Additionally, the Committee must find that waiving this requirement is necessary to achieve the purpose of N.J.S.A. 24:6I-31 et seq., is necessary to provide access to cannabis items to consumers, and does not create a danger to public health, safety, or welfare.
- 4. The Commission's Permitting and Licensing Committee shall have the authority to grant an extension of the 365-day deadline for a personal-use cannabis business to become operational under N.J.A.C 17:30-7.14(f), so long as it finds good cause for such an extension.
- 5. When considering whether to grant an extension or waiver, the Committee may consider any relevant evidence, fact, or reason that the Committee deems to constitute good cause, including but not limited to:
 - a. evidence of whether the need for an extension is or is not within the requestor's control;
 - b. evidence of actions demonstrating that the requestor is making progress towards becoming operational or compliant with a regulatory requirement;
 - c. whether an extension or waiver would support fair and equitable access to medicinal cannabis or personal-use cannabis;
 - d. the existence of any systemic or widespread conditions that are negatively impacting multiple regulated entities from meeting a particular regulatory deadline; or

- e. evidence that an extension would unfairly prevent other medical or personal-use cannabis businesses from becoming operational, or whether the requestor has engaged in anticompetitive practices.
- 6. When considering whether to grant an extension or waiver, the Committee shall not consider any of the following:
 - a. municipal resolutions, letters of recommendation or support, letters of opposition, or requests provided by any third party;
 - b. the requestor's promises of future actions if an extension is granted, unless such promises are accompanied by evidence that the requestor is making progress towards becoming operational or compliant with a regulatory requirement; or
 - c. the requestor's assigned priority when applying for a license or permit.

The Commission's Permitting and Licensing Committee shall, as soon as practicable, notify the Commission's Board of any decisions made pursuant to the authority(ies) delegated by this Resolution.

The authorities delegated herein shall take effect immediately and shall remain in effect until modified or rescinded by the Board.

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 13th day of January 2023.

Christopher Riggs, Chief Counsel

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