

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 2023-<u>119</u>** VACATING CERTAIN PRIOR AWARDS FOR EXPANDED ALTERNATIVE TREATMENT CENTER HARMONY FOUNDATION OF NEW JERSEY, INC.

**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" or "NJ-CRC") pursuant to P.L. 2019, c.153; and

**WHEREAS**, pursuant to N.J.S.A. 24:6I-35(a)(1), the Commission shall adopt rules and regulations, which include procedures for the application, issuance, denial, renewal, suspension, and revocation of an annual license or conditional license to operate as a cannabis establishment, distributor, or delivery service; and

**WHEREAS**, N.J.A.C. 17:30-7.1 establishes the requirements for an alternative treatment center ("ATC") operating in the medical cannabis market to become an "expanded ATC" and concurrently operate in the personal-use cannabis market; and

**WHEREAS**, at its December 2, 2022, Board meeting, the Commission accepted the certifications submitted by Harmony Foundation of New Jersey, Inc. ("Harmony") to become an expanded ATC pursuant to N.J.A.C. 17:30-7.1 and determined to issue the following licenses to Harmony:

License Approved	Location			
Class 1 Cannabis	600 Meadowlands Parkway,			
Cultivator	Suite 14 and 15, Secaucus, NJ			
	07094			
Class 1 Cannabis	144 Route 94, Lafayette, NJ			
Cultivator	07848			
Class 2 Cannabis	144 Route 94, Lafayette, NJ			
Manufacturer	07848			
Class 5 Cannabis	600 Meadowlands Parkway,			
Retailer	Suite 14 and 15, Secaucus, NJ			
	07094			

**WHEREAS**, pursuant to N.J.A.C. 17:30-7.1(e) the Commission shall approve an expanded ATC in accordance with regulations where:

- (1) An ATC has submitted complete and accurate and verifiable information, as determined by the Commission;
- (2) The Commission accepts the ATC's certifications pursuant to N.J.A.C. 17:30-7.1(b) through (d); and
- (3) The ATC pays the Expanded ATC certification fee pursuant to N.J.A.C. 17:30-7.17; and

**WHEREAS**, the Commission, in its Final Agency Decision letter dated December 13, 2022, notified Harmony of the award and instructed Harmony to remit payment in the amount of \$800,000 for expanded ATC certification fees pursuant to N.J.A.C. 17:30-7.17; and

**WHEREAS**, Harmony did not submit payment for the expanded ATC certification fees in response to the December 13, 2022, Final Agency Decision; and

**WHEREAS**, the Commission sent Harmony a final notice dated February 10, 2023, for the invoice payment for ATC Expansion, which explained that the Commission had not yet received payment for the approved licenses and informed Harmony that payment was due within 60 days. The final notice further stated that "[i]f the expanded ATC certification fee payment in the amount of \$800,000 is not received by the NJ-CRC by April 11, 2023, the [] licenses will not be issued, and [Harmony] will be required to submit a new request for expansion, which will require NJ-CRC board approval"; and

**WHEREAS**, Harmony subsequently submitted a payment of \$100,000 to the Commission on February 21, 2023 for the Class 5 Cannabis Retailer license, and the Commission issued same to Harmony on February 24, 2023 in accordance with N.J.A.C. 17:30-7.1; and

**WHEREAS**, more than 60 days have passed since the Commission's February 10 final notice was issued to Harmony; and

**WHEREAS**, to date, Harmony has not submitted payment for the remaining balance of \$700,000 for two Class 1 Cannabis Cultivator and one Class 2 Cannabis Manufacturer licenses;

**NOW, THEREFORE, BE IT RESOLVED** by the New Jersey Cannabis Regulatory Commission that Resolution 2022-61, which approved Harmony for four personal-use cannabis business licenses, is hereby vacated with respect to the award of two Class 1 Cannabis Cultivator and one Class 2 Cannabis Manufacturer licenses for failure to pay the expanded ATC certification fees as required by N.J.A.C. 17:30-7.17. Harmony shall continue to be considered an expanded ATC with respect to its personal-use cannabis retail operations at 600 Meadowlands Parkway, Suite 14 and 15, Secaucus, NJ 07094. However, no other personal-use cannabis business license shall be issued to Harmony pursuant to Resolution 2022-61, and Harmony shall not be authorized to engage in the activities of a Class 1 Cannabis Cultivator or Class 2 Cannabis Manufacturer at any location. **BE IT FURTHER RESOLVED** that nothing in this Resolution shall be construed to preclude Harmony from subsequently submitting new certification materials to obtain a Class 1 Cannabis Cultivator or Class 2 Cannabis Manufacturer license in accordance with N.J.A.C. 17:30-7.1. If the Commission accepts the new certifications, Harmony shall be required to pay any applicable expanded ATC certification fees pursuant to N.J.A.C. 17:30-7.17 and satisfy any other applicable regulatory requirements before any license is issued to Harmony.

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  $1^{st}$  day of June 2023.

Ch Ste

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			
Vice Chair Delgado			Х			
Chairwoman Houenou			X			
Commissioner Nash	X		X			