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MARIA DEL CID-KOSSO, Commissioner
CHARLES BARKER, Commissioner
JEFF BROWN, Executive Director

RESOLUTION 2023-<u>134</u> ACCEPTANCE OF CERTIFICATION FOR ALTERNATIVE TREATMENT CENTER DESIGN 710 LLC TO EXPAND OPERATIONS TO THE ADULT PERSONAL-USE CANNABIS MARKET

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, pursuant to N.J.S.A. 24:6I-46(a)(3)(a)(ii), for an Alternative Treatment Center ("ATC") to begin engaging in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of personal-use cannabis items, the Commission shall not require a full application from the ATC; and

WHEREAS, pursuant to N.J.S.A. 24:6I-46(a)(3)(a)(iii), an ATC "shall not engage in activities related to the growing, manufacturing, wholesaling, transporting or delivering of cannabis or cannabis items until it has certified to the [C]ommission that that it has sufficient quantities of medical cannabis and medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients, and the [C]ommission has accepted the alternative treatment center's certification"; and

WHEREAS, pursuant to N.J.S.A. 24:6I-46(a)(3)(a)(iv), in determining whether to accept an ATC's certification, the Commission "shall assess patient enrollment, inventory, sales of medical cannabis and medical cannabis products, and any other factors determined by the commission through regulation"; and

WHEREAS, pursuant to N.J.A.C. 17:30-7.1(b), the Commission requires submission of certain documentation and certifications from any ATC wishing to engage in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of personal use cannabis items, including but not limited to:

- 1. A letter of intent notifying the Commission of the licenses sought by the ATC;
- 2. Municipal approval for each class of license sought by the ATC;
- 3. Evidence that the ATC has sufficient quantities of medical cannabis and medical cannabis products to meet the reasonably anticipated needs of

registered qualifying patients, and that the ATC shall not make any operational changes that reduce access to medical cannabis for current and newly registered qualifying patients;

- 4. A list of owners, principals, management services contractors, financial sources, and vendor-contractors associated with the proposed cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of personal-use cannabis items, as applicable; and
- 5. An attestation signed by a bona fide labor organization stating that the ATC has entered into a labor peace agreement with such bona fide labor organization; and
- 6. A social equity plan in accordance with N.J.A.C. 17:30-9.4(e) to make a good faith effort to recruit and employ, or contract with as vendor-contractors, persons who would otherwise qualify for the provisions at N.J.A.C. 17:30-6.6(a)1 or 2; and

WHEREAS, pursuant to the Executive Director's Expanded Alternative Treatment Center memorandum of November 23, 2021, each currently permitted ATC was reminded of the overall process, requirements, fees, and review procedure that the ATCs must satisfy to be granted approval from the Commission to expand operations into the adult personal-use market; and

WHEREAS, on February 4, 2022, Executive staff for the Commission held an informational call with the current group of ATCs to address outstanding questions with the certification process and to ensure that the group was aware of all privileges and prohibitions regarding expanding ATC operations; and

WHEREAS, pursuant to N.J.A.C. 17:30-7.1(c), the Commission has assessed the following criteria before determining whether to accept each ATC's certification:

- 1. Total qualifying patient enrollment in the Statewide medical cannabis program;
- 2. Qualifying patient enrollment at the ATC that has submitted for certification;
- 3. Statewide inventory of medical cannabis items and inventory of the ATC that has submitted for each certification;
- 4. Statewide sales of medical cannabis and medical cannabis products, as well as the sales at the ATC that has submitted for certification;
- 5. The current medical cannabis canopy of the ATC that has submitted for certification;
- 6. The total medical cannabis canopy needed to serve the qualifying patients of the ATC that has submitted for certification, on an ongoing basis;
- 7. The total medical cannabis canopy needed to serve the total number of qualifying patients in the medical cannabis program on an ongoing basis; and
- 8. The operational plans and capacity of the ATC that has submitted for

certification to maintain or expand medical cannabis access for qualifying patients; and

WHEREAS, pursuant to N.J.A.C. 17:30-7.1(d), the Commission shall only accept a certification from an ATC when an ATC has proven, by clear and convincing evidence, that engaging in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items, as applicable, shall not adversely impact access for registered qualifying medical cannabis patients and shall not adversely impact the availability of medical cannabis or medical cannabis products; and

WHEREAS, pursuant to N.J.A.C. 17:30-7.1(e) the Commission shall approve an expanded ATC in accordance with the regulation 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 has determined that the following ATC has submitted complete and accurate and verifiable information:

DESIGN 710 LLC

NOW, THEREFORE, BE IT RESOLVED by the New Jersey Cannabis Regulatory Commission pursuant to N.J.S.A. 24:6I-46(a)(3)(a)(ii) and N.J.A.C. 17:30-7.1, the following ATC has satisfied the requirements set forth in regulation and the Commission has determined to accept their certifications to become an expanded alternative treatment center, allowing for expansion of operations in the adult personal-use market as set forth below, pending the payment of the requisite Expanded ATC certification fee:

ATC	Location(s)	License Requested
DESIGN 710 LLC	112 Park Place Atlantic City, New Jersey	Class 5 Cannabis Retailer

Pursuant to N.J.A.C. 17:30-7.1(g) and (h), and prior to commencement of operations in the adult personal-use market at the above-listed location, the expanded ATC must complete any necessary construction or preparation of expansion, comply with all terms and conditions contained in its Final Agency Decision, and satisfy a Commission onsite inspection to ensure that the premises, operations, and procedures are consistent with the documentation and certifications required, as well as compliant with the law and regulations.

The expanded ATC shall maintain compliance with applicable regulations and shall comply with any continued or future onsite assessments to evaluate current or future undertakings or guarantees included in the expanded ATC's certification materials.

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 18^{th} day of July 2023.

Dave Tuason, Deputy Counsel

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