



# RECOMMENDATION REPORT

<b>MEETING DATE:</b> 7/18/23	<b>TOTAL REC. #:</b> 1	<b>REPORT DATE:</b> 6/26/23
<b>TO:</b> Deputy Director, Kelly Anderson-Thomas <b>THROUGH:</b> Chief Counsel, Christopher Riggs <b>FROM:</b> Director of Licensing, Megan Tagliaferri, Director of Compliance and Investigations, Paul Urbish		

## **BACKGROUND**

On August 19, 2021, the Cannabis Regulatory Commission (herein referenced as “Commission” or “CRC”) adopted rules pursuant to P.L. 2021, C.16 which established the licensure process for cannabis businesses and testing laboratories. N.J.A.C. 17:30-6 through 7 outlines the application process and requirements for both conditional license applicants and annual license applicants. The rules also include the eligibility requirements and limitations for Social Equity Businesses, Diversely-Owned Businesses, and Impact Zone Businesses.

This memo outlines the process and recommendations concerning 1 application for an annual license that has been reviewed, scored, and is recommended for approval by the CRC Staff. The business type breakdown for the application type is as follows:

Annuals: 1  
 Retailer 1

The governing regulations at N.J.A.C. 17:30-6.1(d) provide that the Commission shall review, score, and approve conditional and annual cannabis business license applications and issue licenses to applicants that receive a full score or greater, and shall have the full authority to establish the priority by which conditional and annual cannabis business license applications and applicants are reviewed, scored, approved, and issued, such that: 1. Social equity businesses, diversely owned businesses, and impact zone businesses always have priority over other license applicants; 2. Conditional license applicants always have priority over annual license applicants; 3. Microbusinesses license applicants always have priority over standard cannabis business license applicants; 4. License applicants given bonus points pursuant to N.J.S.A. 24:6I-36.d(2) have priority over license applicants with no bonus points; and 5. The priority of the review, scoring, and approval of license applications and issuance of licenses is consistent with meeting the market demands of the state, the Act and this chapter.

## **REVIEW PROCESS OVERVIEW**

To review license applications, the CRC has developed an application review process that aligns with the authorizing statutes, the CRC’s regulations, and the Notice of Application Acceptance. The process includes the following steps:

1. Priority Assignment – Applications are assigned to their relevant priority level based on responses to questions on the application. This assignment occurs for all applicants after they submit their applications into the licensing system.



2. Priority Verification – Once assigned a priority, the applications are then reviewed to ensure the applicant has submitted the proper documentation to support their priority assignment. If they have submitted the documentation, they remain in queue to be reviewed. This includes a review of any materials submitted to qualify as a Social Equity Business, a Diversely-Owned Business or an Impact Zone Business. If they have not submitted proof to back up their priority designation, the application is marked for rejection and curing.
3. Completeness Review – Applications are reviewed for completeness to ensure everything required by the Notice is included in the application. If an application is deemed incomplete, it is marked for rejection and curing.
4. Scoring – Applications that have been deemed complete are then scored in accordance with the rubric in the Notice. For conditional license applications, this includes an evaluation of their Business Plan and Management Profile, their Regulatory Compliance Plan, and their Plan to Obtain Liability Insurance. Conditional conversion and annual license applicants need to show they have municipal approval, site control, and have submitted all the required standard operating procedures and other application materials required by the Notice of Application Acceptance and CRC Regulations. Applications receive full points if they pass a measure, and no points if they fail. If an application fails in scoring, it is marked for rejection and curing.
5. Qualification, Limitations, Financial/Management Agreement Review – Following scoring, applications that have passed all mandatory measures are then reviewed to ensure they are compliant with:
  - a. N.J.A.C. 17:30-6.8 (Limitations on license holders, owners, principals, pass investors, financial sources, management services contractors and vendor-contractors);
  - b. N.J.A.C. 17:30-6.9 (Management services agreements);
  - c. N.J.A.C. 17:30-6.10 (Financial source agreements); and
  - d. N.J.A.C. 17:30-7.4 (Conditional license holder qualification).
6. Qualification Review – License-applicants for conditional conversion and annual applications are then reviewed for Qualification pursuant to N.J.A.C. 17:30-7.11. To be approved, they also must be cleared by the CRC’s Office of Compliance and Investigations and deemed qualified to hold a license. This includes a criminal history background check (N.J.A.C. 17:30-7.12) and probity review (N.J.A.C. 17:30-7.13).
7. Quality Control – Any application that is deemed eligible for approval following a qualification review, is then given a quality control review to ensure that the determination is accurate.
8. Recommendation to the CRC Board – Applications that pass a quality control check are then recommended for approval to the board.

### ***RECOMMENDATION AND JUSTIFICATION***

It is recommended that the Conditional, Conversion, and Annual applications listed below be presented to the Board of Commissioners for the New Jersey Cannabis Regulatory Commission for award in the designated license class. The below-listed applicants have satisfied the terms of the Notice of Application Acceptance most-recently





**REVIEW AND QUALITY CONTROL CONFIRMATION**

The licensing review and investigative process for this application was completed, as required, in the Office of Licensing and the Office of Compliance and Investigations. Quality control review was completed by Counsel's Office on June 14, 2023.

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Chief Counsel Christopher Riggs

**RECOMMENDATION SUMMARY**

The 1 annual application listed above has been deemed compliant with their priority designation, deemed complete, and scored for potential approval. They have also been reviewed for license-holder qualification provisions, for license-holder limitations, and any proposed financial source or management services agreements have received an initial review. At the time of proposed recommendation of approval, all businesses reviewed under the DOB status have an active certification in good standing. All recommended awards have been deemed qualified to hold a conditional or annual license following this review, probity and criminal history background check, if applicable.

CRC staff have determined that this license application is eligible for approval by the CRC. Therefore, CRC staff recommend the CRC Board approve this application for license.

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Director of Licensing  
Megan Tagliaferri

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Director of Compliance and Investigations  
Paul Urbish

Approved by:

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Deputy Executive Director  
Kelly Anderson-Thomas