



State of New Jersey

CANNABIS REGULATORY COMMISSION

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KRISTA NASH, *Commissioner*
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CHARLES BARKER, *Commissioner*
JEFF BROWN, *Executive Director*

RESOLUTION 2023-177 **ADVISORY NOTICE ON REGULATORY POLICY: RENEWAL PROCESS FOR** **NEWLY PERMITTED MEDICINAL CANNABIS BUSINESSES**

WHEREAS, the New Jersey Cannabis Regulatory Commission (“the Commission”), established pursuant to P.L.2019, c.153, known and cited as the “Jake Honig Compassionate Use Medical Cannabis Act,” (“Honig Act”) is charged with implementing the provisions of the Honig Act as well as P.L.2021, c.16, known and cited as the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act” (“CREAMM Act”); and

WHEREAS, the Commission is vested with broad powers, which encompass “all powers necessary or proper to enable it to carry out the commission's duties, functions, and powers” under both the Honig Act and the CREAMM Act; and

WHEREAS, the Commission has the authority to oversee all aspects of licensure and permitting of regulated businesses; and

WHEREAS, pursuant to N.J.A.C. 17:30A-7.6(a), an entity must have a valid permit issued by the Commission in order to operate an Alternative Treatment Center (“ATC”) in the state; and

WHEREAS, pursuant to N.J.A.C. 17:30A-7.6(c), “a permit shall be in effect for a period of one year and shall be renewable thereafter, subject to N.J.A.C. 17:30A-7.7”; and

WHEREAS, N.J.A.C. 17:30A-7.7 sets forth the process for renewing an ATC permit and states:

(a) 60 days prior to the expiration of an ATC permit, an ATC that seeks to renew the permit shall submit to the permitting authority an application for renewal of the permit with all required documentation and the required fees pursuant to N.J.A.C. 17:30A-7.10.

....

(b) The permit period for an alternative treatment center shall be from January 1st (or the date of approval of the application, if later) through December 31st of a given year.

WHEREAS, a permit renewal application is subject to a fee of \$20,000, in accordance

with N.J.A.C. 17:30A-7.10(a)(1); and

WHEREAS, pursuant to N.J.A.C. 17:30A-7.6(c) and N.J.A.C. 17:30A-7.7(b), regardless of when during the year an ATC is awarded a permit, that permit expires at the end of the calendar year on December 31st; and

WHEREAS, prior to the expiration on December 31, the ATC is required to submit a renewal application to renew the permit for the following year; and

WHEREAS, pursuant to N.J.A.C. 17:30A-7.7, an ATC must submit a renewal application, along with the required fees; and

WHEREAS, the regulations, as written, are subject to interpretation on the question of whether an ATC that was issued its initial permit fewer than 365 days before the permit's expiration date must submit the standard permit renewal application and pay the \$20,000 renewal fee; and

WHEREAS, clarifying and codifying the Commission's interpretation of its regulations pertaining to such renewal applications will provide notice to all applicants as to how the Commission applies these provisions and processes permit renewals;

NOW, THEREFORE, BE IT RESOLVED, by the New Jersey Cannabis Regulatory Commission, N.J.A.C. 17:30A-7.6 and N.J.A.C. 17:30A-7.7 is interpreted, and shall be applied, as follows:

1. As part of the ATC permit renewal process, an ATC that received its first permit from the Commission 365 or more days before the current permit's expiration date shall submit the standard permit renewal application. The ATC shall pay the \$20,000 renewal fee upon approval of the permit renewal.
2. As part of the ATC permit renewal process, an ATC that received its first permit from the Commission fewer than 365 days before the current permit's expiration date shall submit an abbreviated permit renewal application, which shall include, at minimum, indication of whether the ATC is in compliance with the conditions stipulated in the ATC's Final Agency Decision. The ATC is not required to pay the \$20,000 renewal fee.

BE IT FURTHER RESOLVED, for any entity issued an initial permit between December 7 and December 31, 2023, the permit will expire on December 31, 2024.

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 7th day of December 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			X		
Vice Chair Delgado		X		X		
Chairwoman Houenou				X		
Commissioner Nash				X		



Medicinal Cannabis Alternative Treatment Center Permit Renewal Overview

Executive Summary

As the end of the calendar year approaches, medicinal cannabis alternative treatment center (“ATC”) permits are due for renewal and extension through calendar year 2024. Medicinal cannabis ATC permits are valid for the calendar year (N.J.A.C. 17:30A-7.7) and must be renewed at the end of each year when the ATC has been in operation for at least one year (N.J.A.C. 17:30A-7.6).

There are two cohorts to be considered by the Commission for the issuance of 2024 ATC Permits. First, the ATCs that have been in operation for at least one year or longer and are required to submit a full renewal application and fees. These ATCs, are required to submit a renewal application satisfying the renewal requirements (N.J.A.C. 17:30A-7.7) along with the required fees. The “Permitting Renewal Application” is essentially an updated Entity Disclosure Form that verifies the ATC has not made any changes that have not been disclosed to the CRC and assists CRC staff with determining whether there are any other compliance or investigatory issues.

The second cohort are ATCs that have not been operational for a full year, and therefore are not required to submit a full renewal application. For these ATCs, all from the 2019 Request for Applications (“RFA”), the RFA fee – which ranged from \$20,000 to \$60,000 per application – covers the first full year of permitting and then the permit is renewable thereafter. The ATCs that fall into this cohort will need to be issued a 2024 ATC Permit, but consistent with the regulations are not required to submit a full renewal application or fees. For this cohort, CRC staff have requested attestations from the ATCs that they are still in compliance with post-award conditions of their awards as well as their continued intention to serve the medicinal cannabis market.

Renewal Overview and Background

Through three RFAs that date back to 2011 (2011, 2018 and 2019), applicants for ATC permits have submitted fees with their RFA application. In 2011 and 2018, the fees included a \$2,000 application fee along with a check for \$18,000 that would only be cashed in the case of successful applications. The 2019 RFA, issued under updated regulations, required application fees between \$2,000 (cultivation and dispensing) and \$6,000 (vertically integrated) along with approval fees for successful applications between \$18,000 and \$54,000. These RFA fees cover the first full year of permitting in accordance with N.J.A.C. 17:30A-7.7.

Additionally, because ATCs are investigated prior to initial permitting, ATCs have not been required to submit a full renewal application until they are in operation for at least one year. Because permits are on the calendar year, this means that whenever there is a round of permitting and ATCs become operational during the calendar year, the ATCs will get some extra time on that initial permit before a renewal application is required. Once they have been operational for a full year, however, they then need to submit a renewal for the next calendar year, including the full renewal application and fees.



N.J.A.C. 17:30A-7.7 requires the submission of an application for the renewal of their permit 60 days prior to expiration of said permit. This renewal form, developed originally by the Department of Health, is a form that asks for relevant information regarding the financing and operation of the ATC. Pursuant to N.J.A.C. 17:30A-7.10 the fee for the review of a permit renewal application is \$20,000.

ATCs should not utilize the permit renewal form to seek material changes to their permit pursuant to N.J.A.C. 17:30A-7.8. Changes of location, changes of ownership, name changes, and facility modifications all require distinct applications to the CRC. See N.J.A.C. 17:30A-7.8.

Once a renewal application and the required fees are received, CRC staff review to verify that no material changes have been made that would otherwise require approval under N.J.A.C. 17:30A-7.8 and that the ATC is otherwise in compliance with regulations governing the management, operation, and financing of the ATC.

If an ATC submits the renewal application, the fees, and is otherwise deemed in compliance with the Act and Chapter, then the ATC's permit is renewed.

For ATCs that have been operational for less than one year, CRC staff have requested updates to verify they are still in compliance with all post award conditions and that no material changes have been made that would otherwise impact the ATCs operations or require disclosure/approval by the CRC.

Review and Verification

Renewal materials for both cohorts, are reviewed by CRC Compliance and Investigations staff, reviewed by CRC Office of Legal, reviewed by the Office of the Executive Director, and are then presented to the Board of Commissioners for consideration.

All ATCs seeking renewal are reviewed for:

- Completeness and accuracy.
- Material factors that could impact renewal/extension of permit:
 - Undisclosed material changes; and
 - Compliance with governing regulations and any conditions imposed upon the ATC by the CRC.

For 2019 awardees, several post-award conditions are specifically verified regarding:

- Certification status (MBE, WBE, DVOB).
- Maintenance of Labor Peace Agreement.
- Management services agreements.
- Financial source agreements.