



MEMORANDUM

TO: CANNABIS REGULATORY COMMISSION BOARD
FROM: CHRISTOPHER RIGGS, ACTING EXECUTIVE DIRECTOR
SUBJECT: REGULATION WAIVER REQUESTS
DATE: JUNE 12, 2025

BACKGROUND: Over the course of the prior months, adult use licensees and medicinal operators have submitted requests for the Commission to waive specific regulations. This memorandum will outline those specific requests, and will also provide recommendations.

AUTHORITY: Pursuant to N.J.A.C. 17:30-3.7(a), The Commission, in accordance with the general purposes and intent of the Act and this chapter, 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.

REQUESTS:

1. Requested Waiver of Expanded ATC Certification Fees under NJAC 17:30-7.17(d)(5)

Docket number WR008 – Noble Valley Harvest Company (“Noble Valley”) requests a waiver of the expanded Alternative Treatment Center (“ATC”) certification fee for medical cannabis cultivators under N.J.A.C. 17:30-7.17(d)(5). Noble Valley argues that the Commission should waive the certification fee for the Company because, as a Tier 1 permittee, they are capped at 5,000 square feet, and that therefore, the fee should be reduced to an amount that is proportionate to their canopy size. Noble Valley states that they are seeking this waiver due to the difficulties in accessing capital and investor support, especially as a medical-only entity, and that the \$400,000 certification fee for a cultivator of their size places them at a great disadvantage to succeed in the current market.

RECOMMENDATION FOR WR008: Waiving the expanded Alternative Treatment Center conversion fee for cultivators under N.J.A.C. 17:30-7.17(d) would most likely meet the second and third factors under N.J.A.C. 17:30-3.7(a). The Commission may determine that waiving the medical cannabis cultivator expansion fee is necessary to allow cannabis businesses to grow,



which would result in additional access to cannabis items to consumers. Additionally, granting this waiver is unlikely to create a danger to the public health, safety, or welfare.

However, it is a policy decision whether the Commission wishes to waive the medical cannabis cultivator expansion fee as set forth in N.J.A.C. 17:30-7.17(d). The Commission may determine that a waiver is not desired because keeping the medical cannabis cultivator expansion fee the same is necessary to ensure a fair system, especially given that many expanded ATCs have already been subject to that same fee regardless of their Tier.

2. Requested waiver of N.J.A.C. 17:30-16.3(b)(5)

Docket number WR024 – Nova Farms Woodbury LLC (“Nova Farms”), a Class 2 Cannabis Manufacturer license holder, requests a waiver of the regulatory requirement that direct printing on the package of, or labels affixed to, unusable cannabis packaged for the purposes of manufacturing of cannabis items include a sequential serial number, batch or lot number, and bar code to identify the batch or lot associated with cultivation or manufacturing. In lieu of including a bar code on its labels, Nova Farms request the use of a QR code. Nova Farms argues that N.J.A.C. 17:30-16.3(b)(15) allow for the use of a QR code and QR code functions like a bar code for track and trace, recordkeeping, and auditing. Although N.J.A.C. 17:30-16.3(b)(15) allows for the use of an optional “QR code for each batch/lot that links to the complete written report”, the regulation does not state that a QR code can be used in lieu of a bar code. Nova Farms asserts that the scanners used by NJ-CRC investigators to scan bar codes and monitor inventory, can also be used to scan QR codes and obtain the same information as a bar code provides allowing NJ-CRC investigators to identify the batch or lot associated with cultivation and manufacturing.

RECOMMENDATION FOR WR024: Waiving the requirement that a bar code is necessary to identify the batch or lot associated with cultivation or manufacturing would most likely meet the second and third factors under N.J.A.C. 17:30-3.7(a). The Commission may determine that allowing the use of a QR code, in lieu of a bar code, is necessary to provide more options to businesses, which would result in additional access to cannabis items to consumers. Additionally, granting this waiver is unlikely to create a danger to the public health, safety, or welfare. However, it is a policy decision whether the Commission determines whether a QR code functionally serves the same purpose as a bar code.