



MEMORANDUM

TO: Board of Commissioners, New Jersey Cannabis Regulatory Commission

FROM: Christopher Riggs, Acting Executive Director

VIA: Office of Compliance and Investigations

SUBJECT: Recommendation to Certify that a Sufficient Number of Testing Laboratories Have Been Licensed

DATE: December 17, 2025

BACKGROUND: The Board of Commissioners (“Board”) adopted the regulations for the purpose of implementing the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act (N.J.S.A. 24:6I-31 et seq.) on August 19, 2022, with the relevant portion recodified and amended with an effective date of March 6, 2023. Those regulations establish a “testing laboratory testing requirements transition period”, during which time the New Jersey Cannabis Regulatory Commission (“NJ-CRC”) would establish requirements, receive and review applications, and issue licenses for cannabis Testing Laboratories to operate in the State. During this period of time, N.J.A.C. 17:30-19.2 through 19.7 would remain ineffective.

The first collection of Testing Laboratories was voted by the Board for licensure on May 24, 2022, establishing the first four adult-use cannabis Testing Laboratories in the State. Since that time, an additional four Testing Laboratories have been licensed and have begun operations. The Testing Laboratories are based out of Mount Laurel in Burlington County (2), Hamilton in Mercer County (2), East Hanover in Morris County, Bellmawr in Camden County, Riverdale in Morris County, Irvington in Essex County, providing the opportunity for licensees to utilize Testing Laboratories in the North, Central, and Southern portions of the state.

AUTHORITY: Adult Use cannabis business applicants and licensees are subject to the Personal Use Cannabis Rules set forth in N.J.A.C. 17:30. Pursuant to N.J.A.C. 17:30-19.8, in order for the requirements set forth at N.J.A.C. 17:30-19.2 through 19.7 to take effect, the Commission is required to certify that a sufficient number of testing laboratories have been licensed. That certification is to take place when the Commission is confident that a sufficient number of testing laboratories have been licensed to ensure that all personal use usable cannabis and cannabis



products can be promptly tested consistent with the requirements of N.J.A.C. 17:30-19.1 et seq. without disrupting access to medical patients (and consumers). Please note that the certification does not set a cap on the number of licensed Testing Laboratories, and nothing in the certification precludes the Commission from issuing additional licenses to Testing Laboratories as needed.

N.J.S.A. 24:6I-18 Licensing of testing laboratories

a.

(1) A laboratory that performs testing services pursuant to section 24 of P.L.2019, c. 153 (C.24:6I-17) shall be licensed by the commission and may be subject to inspection by the commission to determine the condition and calibration of any equipment used for testing purposes and to ensure that testing of medical cannabis and medical cannabis products is being performed in accordance with the requirements of section 26 of P.L.2019, c. 153 (C.24:6I-19), and the testing of usable cannabis, cannabis products, cannabis extracts, or any other cannabis resins is being performed in accordance with the requirements of section 18 of P.L.2021, c. 16 (C.24:6I-35). Each applicant for licensure pursuant to this section shall submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement with such bona fide labor organization. The maintenance of a labor peace agreement with a bona fide labor organization shall be an ongoing material condition of maintaining a license to test all forms of cannabis.

As used in this paragraph, “bona fide labor organization” means a labor organization of any kind or employee representation committee, group, or association, in which employees participate and which exists and is constituted for the purpose, in whole or in part, of collective bargaining or otherwise dealing with medical or personal use cannabis employers concerning grievances, labor disputes, terms or conditions of employment, including wages and rates of pay, or other mutual aid or protection in connection with employment, and may be characterized by: it being a party to one or more executed collective bargaining agreements with medical or personal use cannabis employers, in this State or another state; it having a written constitution or bylaws in the three immediately preceding years; it filing the annual financial report required of labor organizations pursuant to subsection (b) of 29 U.S.C. s.431, or it having at least one audited financial report in the three immediately preceding years; it being affiliated with any regional or national association of unions, including but not limited to state and federal labor councils; or it being a member of a national labor organization that has at least 500 general members in a majority of the 50 states of the United States.

(2) Any laboratory licensed pursuant to this section prior to the effective date of P.L.2021, c. 16 (C.24:6I-31 et al.)1 to only test medical cannabis and medical cannabis products shall



be authorized to test usable cannabis, cannabis products, cannabis extracts, or any other cannabis resins under an existing license in good standing, if the laboratory certifies to the commission that its facility, and the condition and calibration of any equipment used for testing meet the commission's accreditation requirements for licensure as a cannabis testing facility, its testing procedures will be performed in accordance with the requirements of section 18 of P.L.2021, c. 16 (C.24:6I-35), and it will not make operational changes that reduce the prompt testing of medical cannabis and medical cannabis products as required by subsection b. of section 24 of P.L.2019, c. 153 (C.24:6I-17). The commission shall acknowledge receipt of the laboratory's certification in writing to that laboratory, which shall serve as notice and recognition that the laboratory may test usable cannabis, cannabis product, cannabis extract, or any other cannabis resin under the existing license.

b. There shall be no upper limit on the number of laboratories that may be licensed to perform testing services.

c. A person who has been convicted of a crime involving any controlled dangerous substance or controlled substance analog as set forth in chapter 35 of Title 2C of the New Jersey Statutes except paragraph (4) of subsection a. of N.J.S.2C:35-10, or any similar law of the United States or any other state shall not be issued a license to operate as or be a director, officer, or employee of a medical cannabis testing laboratory, unless such conviction occurred after the effective date of P.L.2009, c. 307 (C.24:6I-1 et al.) and was for a violation of federal law relating to possession or sale of cannabis for conduct that is authorized under P.L.2009, c. 307 (C.24:6I-1 et al.) or P.L.2015, c. 158 (C.18A:40-12.22 et al.).

d.

(1) The commission shall require each applicant for licensure as a medical cannabis testing laboratory to undergo a criminal history record background check, except that no criminal history record background check shall be required for an applicant who completed a criminal history record background check as a condition of professional licensure or certification.

For purposes of this section, the term "applicant" shall include any owner, director, officer, or employee of a medical cannabis testing laboratory. The commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable federal and State laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this section.



An applicant who is required to undergo a criminal history record background check pursuant to this section shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this section unless the applicant has furnished the applicant's written consent to that check. An applicant who is required to undergo a criminal history record background check pursuant to this section who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall not be considered for a license to operate, or authorization to be employed at, a medical cannabis testing laboratory. An applicant shall bear the cost for the criminal history record background check, including all costs of administering and processing the check.

(2) The commission shall not approve an applicant for a license to operate, or authorization to be employed at, a medical cannabis testing laboratory if the criminal history record background information of the applicant reveals a disqualifying conviction as set forth in subsection c. of this section.

(3) Upon receipt of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the commission shall provide written notification to the applicant of the applicant's qualification or disqualification for a license to operate or be a director, officer, or employee of a medical cannabis testing laboratory.

If the applicant is disqualified because of a disqualifying conviction pursuant to the provisions of this section, the conviction that constitutes the basis for the disqualification shall be identified in the written notice.

(4) The Division of State Police shall promptly notify the commission in the event that an individual who was the subject of a criminal history record background check conducted pursuant to this section is convicted of a crime or offense in this State after the date the background check was performed. Upon receipt of that notification, the commission shall make a determination regarding the continued eligibility to operate or be a director, officer, or employee of a medical cannabis testing laboratory.

(5) Notwithstanding the provisions of subsection c. of this section to the contrary, the commission may offer provisional authority for an applicant to be an owner, director, officer, or employee of a medical cannabis testing laboratory for a period not to exceed three months if the applicant submits to the commission a sworn statement attesting that the person has not been convicted of any disqualifying conviction pursuant to this section.



(6) Notwithstanding the provisions of subsection c. of this section to the contrary, no applicant to be an owner, director, officer, or employee of a medical cannabis testing laboratory shall be disqualified on the basis of any conviction disclosed by a criminal history record background check conducted pursuant to this section if the individual has affirmatively demonstrated to the commission clear and convincing evidence of rehabilitation. In determining whether clear and convincing evidence of rehabilitation has been demonstrated, the following factors shall be considered:

- (a) the nature and responsibility of the position which the convicted individual would hold, has held, or currently holds;
- (b) the nature and seriousness of the crime or offense;
- (c) the circumstances under which the crime or offense occurred;
- (d) the date of the crime or offense;
- (e) the age of the individual when the crime or offense was committed;
- (f) whether the crime or offense was an isolated or repeated incident;
- (g) any social conditions which may have contributed to the commission of the crime or offense; and
- (h) any evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational schooling, successful participation in correctional work-release programs, or the recommendation of those who have had the individual under their supervision.

N.J.S.A. 24:6I-35 Regulation of cannabis

a. The commission shall adopt rules and regulations, pursuant to subsection d. of section 6 of P.L.2021, c. 16 (C.24:6I-34), which shall be consistent with the intent of P.L.2021, c. 16 (C.24:6I-31 et al.). The commission may create an expert task force to make recommendations to the commission about the content of such regulations. Such regulations shall include: ...

(8) Health and safety regulations and standards for the cultivation of cannabis, and the manufacture and sale of cannabis items, including, but not limited to, requirements that:

- (a) Establish accreditation and licensure criteria for cannabis testing facilities, which shall include, as a condition for licensure, the maintenance of a labor peace agreement and entrance into, or good faith effort to enter into, a collective



bargaining agreement in accordance with subsection c. of section 19 of P.L.2021, c. 16 (C.24:6I-36). The commission shall also incorporate the licensing measures established by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development, and the assessment of their effectiveness, pursuant to subparagraph (b) of paragraph (1) of subsection c. of section 32 of P.L.2019, c. 153 (C.24:6I-25), and apply them to the licensing of cannabis testing facilities in order to promote the licensing of persons from socially and economically disadvantaged communities, and minority businesses and women's businesses, as these terms are defined in section 2 of P.L.1986, c. 195 (C.52:27H-21.18), and disabled veterans' businesses as defined in section 2 of P.L.2015, c. 116 (C.52:32-31.2). The license shall permit a cannabis testing facility to test cannabis items in accordance with the provisions set forth in P.L.2021, c. 16 (C.24:6I-31 et al.), as well as test medical cannabis and medical cannabis products in accordance with the provisions of the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c. 307 (C.24:6I-1 et al.);

(b) The commission issue licenses for a sufficient number of cannabis testing facilities, if those facilities:

(i) Meet the requirements for licensure, in order to ensure that the testing of representative samples of cannabis items in accordance with the procedures set forth in paragraph (13) of this subsection can be completed in not more than 14 days following their submission to any facility. Other factors that may be considered by the commission in determining whether a sufficient number of cannabis testing facilities are currently licensed include the current licensees' experience or expertise in testing highly regulated products, demonstrated testing efficiency and effectiveness, existing research partnerships or capability to form and maintain research partnerships focusing on cannabis or cannabis items, and any other factors established in regulation by the commission; and

(ii) Permit the commission to inspect any licensed cannabis testing facility to determine the condition and calibration of any equipment used for testing, and to ensure that a facility's testing procedures are performed in accordance with the commission's accreditation requirements for licensure;

(c) Every licensed cannabis cultivator and cannabis manufacturer shall permit representatives of cannabis testing facilities to make scheduled and unscheduled visits to their premises in order to obtain random samples of cannabis items, in a quantity established by the commission, to be transported to cannabis testing



facilities for inspection and testing to certify compliance with health, safety, and potency standards adopted by the commission;

(d) Prescribe methods of producing cannabis, and manufacturing and packaging cannabis items; conditions of sanitation; safe handling requirements; approved pesticides and pesticide testing requirements, to the extent not inconsistent with approved pesticides and requirements otherwise established under federal and State law; and standards of ingredients, quality, and identity of cannabis items manufactured, packaged, or sold by cannabis establishments;...

N.J.A.C. 17:30-19.8 Testing laboratory testing requirements transition period

(a) The requirements at N.J.A.C. 17:30-19.2 through 19.7 shall take effect at such time as the Commission certifies that a sufficient number of testing laboratories have been licensed pursuant to N.J.S.A. 24:6I-18 or 35 and N.J.A.C. 17:30-18 to ensure that all personal use usable cannabis and cannabis products can be promptly tested consistent with the requirements of this subchapter without disrupting patient access to medical cannabis.

1. The Commission shall publish in the New Jersey Register a notice of certification that a sufficient number of testing laboratories have been licensed.
2. Once the requirements at N.J.A.C. 17:30-19.2 through 19.7 have taken effect, a licensed testing laboratory shall not make operational changes that reduce the prompt testing of medical cannabis and medical cannabis products, thereby disrupting patient access to medical cannabis, in order to test samples of personal use usable cannabis and cannabis products.

REQUESTS: NJ-CRC Staff requests that the Board consider whether the current number of licensed Testing Laboratories for testing cannabis in the State of New Jersey (8) is sufficient to ensure that all personal use usable cannabis and cannabis products can be promptly tested with the requirements of N.J.A.C. 17:30-19.1 et seq.

RECOMMENDATION: Staff recommends certification, and thereafter publishing such certification, that a sufficient number of Testing Laboratories have been licensed in order to put into effect the requirements of N.J.A.C. 17:30-19.2 through 19.7. At this time, we have confirmed the operational Testing Laboratories that are licensed in this State have not exceeded their capacity to perform the requisite tests as required by the regulations in a prompt manner. In fact, concerns have been raised by multiple testing laboratories that there may not be enough cannabis-testing related work for each of the eight licensed Testing Laboratories to continue operations in the State. While complaints were received in the early days of the Commission that testing was taking too



long, since the licensure of additional labs, the Office of Compliance and Investigations (“OCI”) has received zero complaints from licensed Cultivators and Manufacturers related to the general timeframe of cannabis testing. Additionally, by certifying that a sufficient number of Testing Laboratories have been licensed, it affords OCI a greater ability to investigate and issue a Notice of Violation for violations of N.J.A.C. 17:30-19.2 through 19.7, which at this time are not in effect. Please note that with this certification, the Commission would only be certifying that a sufficient number of Testing Laboratories have been licensed to ensure that all personal use usable cannabis and cannabis products can be promptly tested; the Commission is not setting a cap on the number of Testing Laboratories that may be licensed.