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New Jersey's personal-use cannabis industry takes major step forward with Cannabis Regulatory Commission's adoption of initial rules

Rules marked by low application fees, priority considerations for minority groups and economicallydisadvantaged entrepreneurs

TRENTON – The New Jersey Cannabis Regulatory Commission (CRC) voted on Thursday afternoon to adopt the first set of rules that will guide the cultivation, manufacture, and sale of recreational cannabis in the state. The rule adoption paves the way for the opening of applications for cannabis business licenses – the next step in the process to make personal-use cannabis available for sale.

"We were ambitious with our timeline to make personal-use cannabis available, and I am pleased the Commission was able to create these regulations in record time," said **New Jersey Governor Phil Murphy**. "The regulations adopted today reflect the CRC's commitment to transparency and social equity. Prioritizing applications from women and minority entrepreneurs, from business owners living in economically-disadvantaged communities, and from small business owners will ensure the market grows the way we envisioned – in a way that is socially equitable and reflective of our state's diversity."

The approved rules address barriers to entry that have plagued some cannabis markets across the country. Those components include:

- Prioritizing applications from certified minority-, women-, and disabled veteran-owned businesses, and from applicants who live or will operate in one of several designated Impact Zones or economically-disadvantaged areas;
- Flexible application requirements for microbusinesses and those applying for conditional licenses:
- Application fees as low as \$100

"All the commissioners have worked diligently since the CRC was launched in April to bring these rules to fruition," said **Commission Chair Dianna Houenou**. "We know that there is a lot of interest in getting this market up and running and we were duty-bound to do it right. We are honored to be able to lay the foundation for an economically sound, socially equitable, and safe market."

The rules are immediately effective upon filing with the Office of Administrative Law and will remain effective for up to one year. The CRC will begin accepting applications for cannabis business licenses at a date soon to be announced.

"The rules will help create a market that is competitive, diverse, and that puts our core values of equity and safety first," noted **Jeff Brown, the CRC's executive director**. "They will ensure that entrepreneurs have access to the market, especially those how have been negatively impacted by cannabis prohibition; and ensure that consumers and stakeholders can have confidence in safe, well-regulated legal sales."

The rules are available <u>here</u>.