



**RECOMMENDATIONS TO THE NEW JERSEY GOVERNOR AND
STATE LEGISLATURE FOR ALLOCATING SOCIAL EQUITY EXCISE
FEE REVENUE FROM CANNABIS SALES FOR SOCIAL EQUITY
INVESTMENTS**

April 23, 2026

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ABOUT THE CANNABIS REGULATORY COMMISSION

The New Jersey Cannabis Regulatory Commission (the “Commission” or “NJ-CRC”) is the independent licensing and regulatory agency for New Jersey’s medicinal and adult-use cannabis industry. The Commission officially launched on April 12, 2021, and has been working ever since to strengthen the Medicinal Cannabis Program and to establish the new, adult-use cannabis market. As of December 2025, **3112** recreational cannabis applications have been submitted by the public. Across all license categories, **69%** of our awardees are diversely owned businesses, and **23%** of awardees are social equity businesses. Applying the values of safety and equity, the Commission centers its work around creating and protecting access for patients, ensuring the production of safe products, and promoting diversity and inclusion in the industry to develop a national model for sensible, fair oversight.

Currently, the Commission is comprised of four commission members, appointed and confirmed by the State Senate, and an executive director who oversees agency staff. Commissioners serve staggered, five-year terms. (This process will change based on new legislation which will soon take effect). Information about public meetings of the Board of Commissioners is available on the Commission’s website. <https://www.nj.gov/cannabis/>.

SOCIAL EQUITY EXCISE FEE

The Social Equity Excise Fee is a per-ounce flat-rate fee assessed on all cannabis cultivated and sold in New Jersey’s adult-use cannabis market.

The NJ-CRC adopted regulations on August 19, 2021, that set the Social Equity Excise Fee at the statutorily required rate of 1/3 of 1% of the average retail price of cannabis. Permissible rates for the Social Equity Excise Fee are set in statute and the NJ-CRC’s regulations and may be adjusted annually based upon the statewide average retail price of usable cannabis for consumer purchase.

As a result of reductions in the average price of cannabis, the Social Equity Excise Fee (SEEF) rate for 2025 was voted on, and as of January 2026 the fee remains the same as it was in 2025 which is **\$2.50** per ounce. This fee (SEEF) is collected from cannabis cultivators when they sell or transfer products to other license classes.

The Social Equity Excise Fee is estimated to generate \$12.4 million in Fiscal Year 2026, and the NJ-CRC projects a \$2.50 per ounce Social Equity Excise Fee will bring in roughly \$14.1 million in Fiscal Year 2027.

By law, 15% of the generated revenue, or \$1.9 million is required to be deposited into the Underage Deterrence and Prevention Account, leaving \$10.5 million in Fiscal Year 2026 to potentially spend on recommended programs, which will be done at the discretion of the Governor and the Legislature.

In February 2026 the Commission’s Public Engagement and Education Committee held three (3) virtual public hearings to solicit input from New Jersey residents on how funds from cannabis tax revenue should be allocated by the Legislature according to the CREAMM Act.

We have heard from multiple stakeholder communities, there have been numerous requests for funding from the revenue generated through the Social Equity Excise Fee; therefore, the NJ-CRC further recommends that additional tax revenue collected from cannabis sales in Fiscal Year 2026 be allocated in accordance with this report.

THE STATUTORY MANDATE FOR INVESTMENTS IN SOCIAL EQUITY

Pursuant to N.J.S.A. 24:6I-50(d)(1)(a), NJ-CRC is required to make recommendations to the Governor and Legislature for social equity appropriations for any revenues collected during the current fiscal year for the Social Equity Excise Fee (also herein reference as the “excise fee”). To gather information to make these recommendations, the NJ-CRC is required to hold at least three regional public hearings throughout the State, with at least one hearing each in the northern, central, and southern regions of the state, to solicit public input on social equity investments.

Under the law, the Governor and Legislature, through the annual appropriations process, have the sole authority to allocate or distribute revenues generated from the excise fee.

The Commission’s role, as described in the statute, is limited to providing recommendations gathered from public comments during the Commission’s annual Social Equity Excise Fee hearings to the Governor and Legislature on how those revenues should be spent.

The Social Equity Excise Fee, by statute, is to be used to provide financial assistance to individuals as well as organizations and government entities, including municipalities designated as “Impact

Zones,” to create, expand, or promote educational and economic opportunities and activities, for the health and well-being of both communities and individuals.¹

The NJ-CRC is charged with making recommendations for the use of this excise fee that may include, but are not limited to, recommending investments in the following categories of social equity programs:

- (a) educational support, including GED preparedness assistance, vocational programming, and extended learning time programs:
- (b) economic development, including job readiness training, business marketing, and community activities to stimulate economic activity or increase or preserve residential amenities:
- (c) social support services, including food assistance, mental health services, treatment and recovery for substance use disorders, youth recreation, life skills support services, and services for adults and juveniles being released from incarceration; and
- (d) legal aid for civil and criminal cases.

Before the beginning of the next fiscal year, the Legislature is required to provide the Commission with a list of investments that will be made through the annual appropriations process, including identifying the recipients. The Legislature’s statement must also include details on how the investment is intended to support and advance social equity.

Funds from the excise fee were first allocated in Fiscal Year 2026 with \$11.924 million having been disbursed as of March 2026. The balance in the SEEF fund as of March 2026 is \$3.667 million.

PUBLIC RECOMMENDATIONS FOR INVESTMENTS

The NJ-CRC presents its recommended uses of the excise fee revenue to the New Jersey Governor and Legislature based on public input received by the NJ-CRC at its three (3) virtual public hearings held January 15, 21, and 29 of 2026. The recordings and slides are on the NJ-CRC’s website under [Public Meetings>Public Hearings tab](#).

¹ The NJ-CRC analyzed data in accordance with the statutory definition of an “impact zone” to generate a list of 87 New Jersey municipalities that qualify for the designation. A list of the qualifying municipalities, along with the NJ-CRC’s analysis, is included as an appendix and is available on the NJ-CRC’s website at <https://www.nj.gov/cannabis/businesses/priority-applications/impact-zones.shtml>.

Beginning November 17, 2025 through January 2026, information about the virtual hearings was posted on the Commission’s website, social media pages, and via the Commission’s media list comprised of over 256 recipients.

Additionally, promotion of the hearings was distributed to members of the public subscribed to the NJ-CRC’s email newsletter, as well as shared directly with stakeholders, advocacy groups, and community organizations.

There were 25 attendees who provided comments during the hearings, and the Commission also received 35 written submissions that were applicable to the topic at hand.

As the agency responsible for overseeing the cannabis industry, the NJ-CRC does not make any representations as to the viability, efficacy, or appropriateness of the investments described in this report. Nor does the NJ-CRC make any representations about whether the initiatives suggested by public commenters are consistent with best practices in a particular subject area. Rather, this report elevates the recommendations and desires expressed by members of the public who participated in the Commission’s regional hearings. The Governor and Legislature are encouraged to consult with the relevant subject matter experts to understand the appropriateness and viability of the concepts presented here.

The NJ-CRC has organized the common themes communicated by participants of the regional hearings into the following four (4) key public policy categories in recommending the distribution of revenues from the Social Equity Excise Fee: economic and community development; criminal justice reform and reinvestment; workforce development and youth services; and public health.

ECONOMIC & TECHNICAL ASSISTANCE RECOMMENDATIONS

Financial and Technical Assistance for Cannabis Businesses – Public input suggested using revenue to provide continued and additional access to capital for diversely owned and social equity businesses. Additional funding through grants and loans from the New Jersey Economic Development Authority’s cannabis equity program was recommended to support individuals wishing to enter the cannabis industry. Grant funding for social equity businesses is crucial to not only help these fledgling businesses, but also to break the cycle of poverty and allow those affected by disparate criminal justice practices to become a part of the industry.

Technical Assistance for Cannabis Applicants or Cannabis Businesses – Applicants and license holders alike must remain vigilant about the ever-changing cannabis laws and regulations in New Jersey. As such, the comprehensive education program offered by the New Jersey Business Action Center’s (NJBAC’s) Cannabis Training Academy (CTA) educates participants on state

cannabis license application and, importantly, regulatory compliance and is necessary to promote success within the industry and expand economic development within the State.

- Higher Education and Public Libraries – Participants supported funding to community colleges or resources being given to public libraries. Commenters expressed that these institutions are critical to helping serve communities that struggle with access to resources. They extend across the entire state and impact numerous communities that rely on these facilities to bring resources to people of all backgrounds.

CRIMINAL JUSTICE REFORM & REINVESTMENT RECOMMENDATIONS

- Apprentice Programs and Workforce Development Initiatives – These programs assist in creating career pathways to opportunities for those communities harmed by prohibition.
- Criminal Justice Reform and Reinvestment - Especially Reentry Support Services to returning citizens who were formerly incarcerated, specifically those in impact zones.
- Low-interest or Forgivable loans – Direct Grants – Working capital support by providing assistance to businesses so that they can operate sustainably in the first year, which can be critical in reducing business failure rates while assisting in job creation.
- Reentry Support Services – Hearing participants emphasized the need for educational and vocational support for incarcerated and formerly incarcerated persons. Research has shown that educational and vocational programs enhance employment opportunities, reduce recidivism, and increase self-esteem further ensuring successful reintegration into the community after incarceration.
- Housing for the unhoused and those being reintegrated into the community.

WORKFORCE DEVELOPMENT AND YOUTH SERVICES RECOMMENDATIONS

- Workforce Development – The public expressed interest in using revenue for critical educational support services, including scholarships for young people and adults, vocational training, cannabis-specific apprenticeship programs, professional certificate programs, business development, and financial literacy. Commenters felt that more

can be done to educate people about the variety of careers that exist in the cannabis industry, and many programs are slow to adapt cannabis-specific curriculums.

- Youth Services – The public expressed that tax revenue should support afterschool and out-of-school programs that help children develop healthy life habits, offer recreational opportunities, and offer safe spaces that can protect children from after-school dangers. Some examples of proposed uses of funds include community centers or even faith-based facilities so that they may continue to offer programs to serve this vulnerable population.
- Lunch Programs– Use the SEEF funds to provide lunch and breakfast to student in communities disproportionately impacted by over policing.

PUBLIC HEALTH RECOMMENDATIONS

- Healthcare Services – Commenters suggested that revenue from cannabis sales support the expansion of healthcare services in communities most impacted by cannabis prohibition and to ensure that New Jersey is building healthy infrastructure, healthy people, healthy communities, and a healthy society.
- Insurance Coverage – There are patients who qualify for medical cannabis but lack the ability to pay the current out-of-pocket-costs. If cannabis was covered by medical insurance and administered by anyone with prescriptive privileges in the State of New Jersey, hospitals and other medical institutions, impoverished patients would be better served.
- Maternal Health Services – The NJ-CRC received recommendations that revenues should support both resources for and education of maternal health issues. Commenters stated that providing funding to Maternal/Child health can improve chronic disease outcomes for vulnerable populations thereby saving lives and reducing health disparities.
- Education for Physicians – Commenters suggested that money be used to teach physicians more about the endocannabinoid system to better serve patients in the state.
- Harm Reduction Services – Speakers called for investments in Local Health Agencies where a large percentage of indigent care is provided.
- Provide training for healthcare providers to counsel patients thereby avoiding accidental harm.
- Educating parents and caregivers on the safe storage of cannabis and cannabis infused products.

- Underage prevention and safe use messaging.

CONCLUSION

The Commission appreciates everyone who shared their ideas with the NJ-CRC and thanks the Governor and Legislature for considering the recommendations provided herein.

In summary, with the balance of 3.667 million undisbursed SEEF funds plus the estimated generated \$5.9 million in 2026, the NJ-CRC expects roughly \$9.6 million to be available from the Social Equity Excise Fee revenue in Fiscal Year 2027 and recommends that revenue be invested in grants and low interest loans to small businesses attempting to gain licensure as a cannabis business, especially those owned and operated by individuals from economically disadvantaged areas and individuals with past marijuana conviction..

The NJ-CRC Commissioners and staff look forward to continuing to work with State partners to amplify the expressed wishes of New Jerseyans and ensure that the social equity investments to be made with cannabis Social Equity Excise Fee revenue will benefit those most harmed by the failed war on drugs, uphold the pillars of the NJ-CRC, and reflect the diversity of our great Garden State.

APPENDIX

U.S. Census Bureau (2010). 2020

Municipality	County	Population
Asbury Park City	Monmouth	16,116
Atlantic City, NJ	Atlantic	39,558
Bass River township	Burlington	1,443
Bellmawr borough	Camden	11,583
Berlin borough	Camden	7,588
Berlin township	Camden	5,357
Bordentown township	Burlington	11,367
Bridgeton city, NJ	Cumberland	25,349
Brooklawn borough	Camden	1,955
Buena borough	Atlantic	4,603
Buena Vista township	Atlantic	7,570
Burlington city	Burlington	9,920
Burlington township	Burlington	22,594
Camden city, NJ	Camden	77,344
Carneys Point township	Salem	8,049
Carteret borough	Middlesex	22,844
Cinnaminson township	Burlington	15,569
City of Orange township, NJ	Essex	30,134
Commercial township	Cumberland	5,178
Deptford township, NJ	Gloucester	30,561
Dover town	Morris	18,157
East Brunswick township, NJ	Middlesex	47,512
East Hanover township	Morris	11,157
East Orange city, NJ	Essex	64,270
Elizabeth city, NJ	Union	124,969
Evesham township, NJ	Burlington	45,538
Ewing township, NJ	Mercer	35,790
Franklin township	Gloucester	16,820
Franklin township, NJ	Somerset	62,300
Garfield city, NJ	Bergen	30,487
Glassboro borough	Gloucester	18,579
Gloucester City	Camden	11,456
Gloucester township, NJ	Camden	64,634
Haledon borough	Passaic	8,318
Hamilton township, NJ	Atlantic	26,503
Hanover township	Morris	13,712
Hillside township	Union	21,404
Irvington township, NJ	Essex	53,926

Jersey City city, NJ	Hudson	247,597
Lawrence township, NJ	Mercer	33,472
Lindenwold borough	Camden	17,613
Lower township	Cape May	22,866
Lumberton township	Burlington	12,559
Mantua township	Gloucester	15,217
Maurice River township	Cumberland	7,976
Metuchen borough	Middlesex	13,574
Middle township	Cape May	18,911
Millville city, NJ	Cumberland	28,400
Monroe township, NJ	Gloucester	39,132
Monroe township, NJ	Middlesex	39,132
Morris Plains borough	Morris	5,532
Morristown town	Morris	18,411
Mount Ephraim borough	Camden	4,676
Mount Holly township	Burlington	9,536
New Brunswick city, NJ	Middlesex	55,181
Newark city, NJ	Essex	277,140
North Brunswick township, NJ	Middlesex	40,742
North Plainfield borough	Somerset	21,936
North Wildwood city	Cape May	4,041
Palmyra borough	Burlington	7,398
Passaic city, NJ	Passaic	69,781
Paterson city, NJ	Passaic	146,199
Paulsboro borough	Gloucester	6,097
Pemberton township, NJ	Burlington	27,912
Pennsauken township, NJ	Camden	35,885
Perth Amboy city, NJ	Middlesex	50,814
Plainfield city, NJ	Union	49,808
Pleasantville city	Atlantic	20,249
Prospect Park borough	Passaic	5,865
Riverdale borough	Morris	3,559
Roselle borough	Union	21,085
Salem city	Salem	5,146
Seaside Heights borough	Ocean	2,887
South Plainfield borough	Middlesex	23,385
Southampton township	Burlington	10,464
Trenton city, NJ	Mercer	84,913
Tuckerton borough	Ocean	3,347
Vineland city, NJ	Cumberland	60,724
Washington township, NJ	Gloucester	48,559
Wayne township, NJ	Passaic	54,717
West Deptford township	Gloucester	21,677
Westampton township	Burlington	8,813

Wildwood city	Cape May	5,325
Willingboro township, NJ	Burlington	31,629
Winslow township, NJ	Camden	39,499
Woodbury city	Gloucester	10,174



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