



MEMORANDUM

TO: ALTERNATIVE TREATMENT CENTERS
FROM: JEFF BROWN, EXECUTIVE DIRECTOR
SUBJECT: EXPANDED ALTERNATIVE TREATMENT CENTERS
DATE: NOVEMBER 23, 2021

OVERVIEW

Pursuant to N.J.S.A. 24:6I-46.a(3)(a)(ii), the New Jersey Cannabis Regulatory Commission (the “Commission”) will not require a full application from an Alternative Treatment Center (“ATC”) for the ATC to begin engaging in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items for adult Personal-Use. The application requirement is satisfied by the ATC’s previously approved permit application that was submitted to the Department of Health or to the Commission pursuant to N.J.S.A. 24:6I-7. Instead, the law requires an ATC to submit certifications to the Commission that, upon approval by the Commission at a public meeting, will allow the ATC to conduct Personal-Use cannabis activities.

REQUIRED CERTIFICATIONS AND INFORMATION

A fully licensed ATC shall not begin to engage in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items for the purpose of adult Personal-Use, until the ATC has submitted the following information and documentation to the Commission:

1. A letter of intent notifying the Commission of each class of cannabis business license sought by the ATC;
2. An explanation and commitment as to how the ATC will address equity and safety in its proposed operations related to Personal-Use cannabis;
3. Municipal approval for each class of cannabis business license sought by the ATC, which must include:
 - a. The ordinance(s) adopted by the municipality authorizing the operation of each class of cannabis business license being sought by the ATC, or written confirmation from the local municipality explaining that there exists no ordinance prohibiting the class of cannabis business license(s) and, thus, all classes are allowed pursuant to N.J.S.A. 24:6I-45;
 - b. An attestation by the ATC, and a detailed plan, that demonstrates how, as a condition of licensure, it will comply with all restrictions on the location, manner, and times of operation of cannabis businesses established by the municipality; and



- c. If the municipality has a governing body, a resolution by that governing body that includes:
 - i. The ATC's legal name under which they are registered to do business in the State of New Jersey;
 - ii. A determination that the municipality has authorized the type of cannabis business license being sought by the license-applicant to operate within its jurisdiction; and
 - iii. A confirmation that if the municipality has imposed a limit on the number of licensed cannabis businesses, the issuance of a license to the license applicant by the Commission would not exceed that limit.
 - d. If the municipality does not have a governing body, a letter of support from the municipality's executive that includes:
 - i. The license applicant's legal name under which they are registered to do business in the State of New Jersey;
 - ii. A determination that the municipality has authorized the type of cannabis business license being sought by the license-applicant to operate within its jurisdiction; and
 - iii. A confirmation that if the municipality has imposed a limit on the number of licensed cannabis businesses, the issuance of a license to the license applicant by the Commission would not exceed that limit.
 4. A certification to the Commission, including inventory data, projections, and supporting materials, that demonstrates the ATC has sufficient quantities of medicinal cannabis and medicinal cannabis products available to meet reasonably anticipated needs of registered qualifying patients;
 5. A certification to the Commission that the ATC will not make operational changes that reduce access to medicinal cannabis for current and newly registered qualifying patients in order to operate a cannabis establishment or delivery service. Such certification will include a detailed plan for prioritizing and meeting the needs of registered qualifying patients;
 6. A list of owners (including the percentage ownership of each individual listed), principals, management services contractors, financial sources, and vendor-contractors associated with the proposed cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items, as applicable. Any new owners (including the percentage ownership of each individual listed), principals, management services contractors, financial sources, or vendor-contractors will be required to comply with the provisions at N.J.A.C. 17:30-7.11, 7.12, and 7.13;



7. An attestation signed by a bona fide labor organization stating that the ATC has entered into a labor peace agreement with the bona fide labor organization;
8. Submission of fees equal to 20% of the total conversion certification fee; and
9. Any other information or documentation requested by the Commission.

All certifications and corresponding documentation must be electronically submitted to the Commission at crc.licensing@crc.nj.gov. Upon receipt of the required certifications and documentation, Commission staff will provide directions for submission of the expansion fee.

In determining whether to accept the ATC's certifications listed above, the Commission is required to assess:

1. Total qualifying patient enrollment in the Statewide medicinal cannabis program;
2. Qualifying patient enrollment at the ATC;
3. Statewide inventory and inventory of the ATC;
4. Statewide sales of medicinal cannabis and medicinal cannabis products, and sales at the ATC;
5. The current medicinal cannabis canopy of the ATC;
6. The total medicinal cannabis canopy needed to serve the ATC's qualifying patients on an ongoing basis;
7. The total medicinal cannabis canopy needed to serve the total number of qualifying patients in the medicinal cannabis program on an ongoing basis; and
8. The operational plans and capacity of the ATC to maintain or expand medicinal cannabis access for qualifying patients.

PROCEDURE FOR REVIEW

Upon receipt of all required certifications and requested information, Commission staff will review all materials provided and assess the criteria above. A recommendation will be provided to the Commissioners by the Executive Director, which will be followed by a vote of the Commission to either approve or deny the certification for the ATC to expand its operations for adult personal use.

ATCs must be fully permitted and fully compliant for medicinal cannabis and have a proven track record of producing and dispensing medicinal cannabis to qualified patients in order to be recommended to expand operations.

APPROVAL, FEES, AND ISSUANCE OF LICENSE

The Commission will only accept a certification from an ATC when an ATC has proven, by clear and convincing evidence, that engaging in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items, as applicable, will not impact access for registered



qualifying medicinal cannabis patients and will not impact the availability of medicinal cannabis or medicinal cannabis products.

The Commission will issue written notice to an ATC approving or denying the certification for an expanded ATC.

Following notice of approval, the ATC will be required to submit the appropriate conversion certification fee, as follows:

a. Medicinal Cannabis Cultivator Expansion	\$400,000
b. Medicinal Cannabis Manufacturer Expansion	\$300,000
c. Medicinal Cannabis Dispensary Expansion	\$100,000
d. Vertically Integrated ATC w/ 3 Dispensaries	\$1,000,000
e. Vertically Integrated ATC w/ 2 Dispensaries	\$900,000
f. Vertically Integrated ATC w/ 1 Dispensary	\$800,000

The written notice of approval will provide directions for submission of outstanding fees.

After an approved ATC has completed any necessary construction or preparation of an expanded ATC, the expanded ATC will request an onsite assessment. Commission staff will then conduct an onsite assessment of the expanded ATC and determine whether its premises, operations, and procedures are consistent with its application and compliant with the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act” (“CREAMMA”) and governing regulations. If the Commission staff determines the expanded ATC is compliant, it will issue the cannabis license(s) to the expanded ATC.

DENIAL

If an expanded ATC certification is denied, the Commission will provide a detailed written explanation of the reasons for denial and will provide the ATC with the opportunity to request an administrative hearing within 45 calendar days after the date of receipt of the denial.

FINAL REVIEW

The Commission’s decision on an expanded ATC certification after an administrative hearing is a final agency decision, subject to judicial review by, and of which jurisdiction and venue are vested in, the Appellate Division of the Superior Court of New Jersey pursuant to N.J.A.C. 17:30-17.9. All appeals should be directed to: Superior Court of New Jersey, Appellate Division, Richard J. Hughes Justice Complex, P.O. Box 006, Trenton, New Jersey 08625-0006.



Expanded ATCs are cannabis businesses and subject to all provisions of N.J.S.A. 24:6I-1 *et seq.*, N.J.S.A. 24:6I-31 *et seq.*, N.J.A.C. 17:30A-1, *et seq.*, and N.J.A.C. 17:30 *et seq.*