



MEMORANDUM

TO: Cannabis Regulatory Commission Board
FROM: Jeff Brown, Executive Director
SUBJECT: Extension of Conditional License Phase
DATE: [SEPTEMBER 9, 2022](#)

BACKGROUND: The Commission has issued hundreds of conditional licenses pursuant to governing regulations and the Commission’s Notice of Application Acceptance. Under the law, conditional licensees are required to apply for and “convert” to an annual license within 120 calendar days of the issuance of a conditional license. The law authorizes the Commission to extend the conditional license phase for an additional 45 calendar days. In the Final Agency Decisions issued to all conditional licensees, the Commission automatically granted an extension for an additional 45 calendar days, effectively giving conditional licensees 165 calendar days to apply to convert to an annual license. Many conditional licensees have requested an additional extension of the conditional license phase.

AUTHORITY: Pursuant to N.J.S.A. 24:6I-36b.(2)(d)(i), the conditional license phase commences on the date the conditional license is issued to the license applicant and expires after 120 calendar days. Pursuant to N.J.S.A. 24:6I-36b.(2)(d)(i) the NJ-CRC may extend the conditional license phase of any applicant for an additional 45 calendar days at its discretion. Additionally, pursuant to N.J.A.C. 17:30-7.6(a)(2)(i), a conditional license shall not be renewed, but may be extended for good cause, as deemed necessary by the Commission.

RECOMMENDATION: Due to the influx of conditional license applications required to be reviewed by the Commission, as well as the logistical hurdles faced by conditional licensees to convert to an annual license, good cause exists to grant conditional licensees an extension of the conditional license phase. Therefore, staff recommends an extension of the conditional license phase by an additional 45 calendar days from the date that the license was issued by the Commission.

APPENDIX

N.J.A.C. 17:30A-7.6 – Conditional Cannabis License Phase

(a) The conditional license phase:

1. Begins on the day that the conditional license is issued to the license applicant; and

2. Expires 120 days after the day that the conditional license was issued or at the end of an extension.

i. A conditional license shall not be renewed, but may be extended pursuant to this section or for good cause, as deemed necessary by the Commission.

ii. A conditional license shall expire if replaced with an annual license or can be revoked at the discretion of the Commission.

(b) A conditional license holder may apply for a 45-day extension of the conditional license, and the Commission may grant the extension on a case-by-case basis.

(c) The Commission shall grant an extension of the conditional license where the conditional license holder has submitted a complete conditional license conversion application, during the time the complete conditional license conversion application is under consideration by the Commission.