



MINUTES - PUBLIC MEETING NO.22-12-02 DECEMBER 02, 2022 - 1:00 PM

1. CALL TO ORDER

The December 2, 2022 public meeting of the New Jersey Cannabis Regulatory Commission ("CRC") was called to order by Chairwoman Houenou at 1:04 PM at 44 South Clinton Ave., Trenton, New Jersey 08608. Chairwoman Houenou noted a change in the agenda. Item number 8, consideration of litigation matters concerning New Jersey Highlands LLC application for clinical register permit has been removed from the agenda and will be considered at a future meeting.

Administrative Assistant Jolitha Joanem read the following statement: "Chairwoman, this is a rescheduled regular meeting of the New Jersey Cannabis Regulatory Commission. Adequate notice of this Meeting has been provided in accordance with the Senator Byron M. Baer Open Public Meetings Act. Notice of the Meeting was provided to the Asbury Park Press, Atlantic City Express, Bergen Record, Courier Post, Star Ledger, and the Trenton Times on November 16, 2022. The agenda and information regarding the meeting was also provided for publication and posted on the CRC website. The meeting time and location has also been posted on the website of the New Jersey Cannabis Regulatory Commission and with the Office of the Secretary of the State."

2. ROLL CALL

Executive Assistant Jolitha Joanem took the roll, and the following Commissioners were present:

Mr. Charles Barker, Ms. Maria Del Cid-Kosso, Mr. Samuel Delgado, Ms. Krista Nash, and Ms. Dianna Houenou.

No one was absent.

3. EXECUTIVE SESSION

Chairwoman Houenou called for a motion to go into Executive Session for approximately 45 minutes. Commissioner Barker made the motion, and Vice Chair Delgado seconded. Hearing no discussion, Chairwoman Houenou took the vote.

AYES: Chairwoman Houenou, Vice Chair Delgado, Commissioner Nash, Commissioner Barker, Commissioner Del Cid-Kosso

NAYS: None

The motion passed.

Executive session started at 1:06 pm and ended at 1:43pm.

4. APPROVAL OF PREVIOUS MEETING'S MINUTES

The open, public portion of the meeting began at 1:44pm. Chairwoman Houenou asked for a motion to adopt the public meeting and executive session minutes for the October 27, 2022 meeting. Ms. Joanem noted that the minutes were shared with the Commission members prior to the meeting. Chairwoman Houenou noted a correction for the record that the October 27th meeting was a regular meeting, not a special meeting. Vice Chair Delgado made the motion to adopt the meetings from October's executive session, and Commissioner Del Cid Kosso seconded. Hearing no discussion, Chairwoman Houenou called the vote.

AYES: Chairwoman Houenou, Vice Chair Delgado, Commissioner Nash, Commissioner Barker, Commissioner Del Cid-Kosso

NAYS: None

The motion passed.

5. CHAIR'S REPORT

Chairwoman Houenou recognized that this is the final regular meeting scheduled for the calendar year and took the opportunity to reflect on the work of the CRC for 2022 and look forward to 2023. Priorities for 2022 included formal rule proposal for recreational cannabis regulations, updating medicinal cannabis regulations, issuing licenses for recreational cannabis businesses and expanded ATCs, and beginning recreational cannabis sales. Chairwoman Houenou noted that the CRC had either accomplished or made significant strides of all of these priorities. In 2022, five additional medicinal cannabis businesses opened, expanding access for patients across the state. The Chairwoman also noted that there are currently 20 locations across the state open for recreational sales of cannabis. The Chairwoman acknowledged that there is still more work to do in the coming year, noting that the CRC has issued more than 800 conditional licenses. Almost a third of the licenses issues so far have been awarded to social equity businesses and more than half have gone to diversely owned businesses, fulfilling a major goal for the CRC. The Chairwoman stated that these benchmarks prove that the priority review process is functioning as it was designed. The Chairwoman also noted that the CRC has partnered with the New Jersey Business Action Center to develop their Cannabis Academy, a free program that will be launched next year to provide support to cannabis entrepreneurs. The Chairwoman looked forward to continued expansion in calendar year 2023 and commended the NJ CRC staff on their work over the past year.

6. EXECUTIVE DIRECTOR'S REPORT

Executive Director Brown shared that his reflection on the CRC's work in 2022, including relevant statistics, will be provided in January in order to include a complete picture of the year.

Executive Director Brown then provided updates on authorities that have been delegated by the commissioners to staff, applications, and what 2023 will bring for the NJ-CRC.

Authorities that have been delegated to staff members include: ATC and cannabis identification cards, facility modifications, changes in location prior to a permit or license being issued, and curbside and home-delivery plans.

ATC and cannabis identification cards are renewed annually and include all employees of cannabis businesses. There are currently 4305 ATC ID cards. Executive Director Brown expects this number to grow significantly in the coming years.

Four facility modifications have been approved: Harmony (modification to their dispensary), Air Wellness (modification to their manufacturing facility), Terrascend (modification to their dispensary) Acreage (modification to their cultivation facility).

Approved location changes include: Roots Dispensary, New Jersey PharmaCanna, and Holistic Solutions. None of these have been issued permits yet.

One curbside and home-delivery plan approval was issued to Harmony for medicinal cannabis home delivery.

Executive Director Brown stated that there are no management service agreements or financial source agreements to report at this time.

Executive Director Brown then provided an application review update. As of the date of this public meeting, Executive Director Brown stated that the CRC had eclipsed 1500 application reviews. The majority have been for conditional licenses. The CRC has received just over 90 conversion applications and between 250 and 300 annual applications. Only 16 have not yet advanced to completeness review, primarily because there were issues with priority documentation.

The majority of applications received are in retail (810). The next is cultivation (under 400). Third is manufacturing.

71 percent of all applicants self-attest to being diversely-owned. 25 percent self-attest to being a social-equity business. 42 percent self-attest to being in, from, or pledged to hire at least 25 percent of their employees from an impact zone.

Executive Director Brown then shared that there are 113 conditional license applications, 6 conversion licenses applications, 8 annual applications, and 1 ATC expansion application up for consideration today.

Looking ahead to 2023, Executive Director expects to be able to review statistics pertaining to the CRC at the January meeting, including demographic data for employees of cannabis businesses. The CRC currently has data on roughly 70 percent of employees in the cannabis market. This will allow the CRC to be able to examine diversity and opportunity at every level of employment in the cannabis industry.

Executive Director Brown also stated that as soon as rules are approved for Delivery, Wholesale, and Distributors, the CRC will begin to accept applications for those businesses.

Executive Director Brown also expects to update medicinal rules and looks forward to the opening of many more businesses in the coming year.

7. PUBLIC ENGAGEMENT AND EDUCATION COMMITTEE REPORT

Commissioner Barker summarized the three public hearings held regionally in November regarding the Socially Equity Excise Fee. Commissioner Barker shared that there will be two more SEEF hearings in the coming weeks. Commissioner Barker shared several themes from the November meetings, including ensuring funds do not go to law enforcement, support for social programming like resources for indigenous communities, black maternal health care, educational resources, quality of life, community resource centers, organic farming, and more.

Commissioner Barker described the Social Equity Excise Fee as an essential part of the CRC's mission and shared a desire to see the money go to social equity programs in Impact Zones. Commissioner Barker commended the public for their ideas and expressed a strong desire to hear more from New Jerseyans.

Commissioner Nash noted the dates and times of future meetings, which will be held on Tuesday January 10th and Wednesday January 18th at 7:00 PM. These meetings will not be regional as New Jerseyans from any part of the state are encouraged to attend. Commissioner Nash described the comments and recommendations received from the previous three meetings as meaningful and holding the potential to repair people's lives. The input shared from these meetings will be shared with the legislature. Commissioner Nash shared that New Jerseyans can sign up to speak at the hearings at the NJ CRC's website and that the deadline to speak is 5:00 PM the day prior to each hearing and the deadline to submit written comments is January 20th.

Chairwoman Houenou thanked the Commissioners for their report.

8. ADOPTION OF NJ-CRC CODE OF ETHICS

Chairwoman Houenou provided a summary of the NJ-CRC Code of Ethics. The goals of the Code of Ethics are to promote trust and confidence in the agency's decisions, protect the Commissioners from private, commercial, economic, or political interference, and to protect the NJ CRC as a quasi-judicial entity.

The Code of Ethics covers pre-employment restrictions, required financial disclosures, duties during appointment or employment, outside activities and post-employment restrictions. Some notable prohibitions are having any interest in a regulated entity before or during employment, making any promise of Board action or recommendation, Commissioners having outside employment or talking to regulated entities about pending or impending matters.

The Code of Ethics has been approved by the State Ethics Commission and therefore will take effect immediately after adoption.

Chairwoman Houenou asked for a motion to adopt the resolution concerning the adoption of the Commission's Code of Ethics. Commissioner Del Cid-Kosso made the motion, and Vice Chair Delgado seconded. Hearing no discussion, Ms. Joanem called the vote:

AYES: Chairwoman Houenou, Vice Chair Delgado, Commissioner Nash, Commissioner Barker, Commissioner Del Cid-Kosso

NAYS: None

The resolution passed.

9. RULE PROPOSALS

Cannabis Consumption Areas

Executive Director Brown provided a summary of the rule proposals for Cannabis Consumption Areas. This rule authorizes cannabis consumption areas for licensed cannabis retailers and requires that both the CRC and municipality approves the area, entrants must be 21 years of age with a photo ID, medical patients are permitted in all consumption areas, consumption areas would be barred from overselling to the consumers and must ensure, to the best of their ability, safe consumption on their premises.

Application fees for a consumption area total \$1000. Microbusiness licensing would be \$1000 and standard licensing will be \$5000. Consumption areas can be indoor or outdoor but must be enclosed. No alcohol or tobacco use will be allowed. No food sales will be allowed; however, consumers may be allowed to bring food in or have it delivered to the consumption area.

Executive Director Brown expressed confidence that this rule will balance equity and safety, open new opportunities for businesses and consumers and recommended it be adopted.

Chairwoman Houenou asked for a motion to adopt the resolution concerning the adoption of the proposed rules for Cannabis Consumption Areas. Commissioner Nash made the motion, and Commissioner Del Cid Kosso seconded. Commissioner Barker noted that this is a rule proposal and as such is an opportunity for public comment period and the public has 60 days to respond. Commissioner Del Cid Kosso noted her enthusiasm for this step and thanked the staff for their work. Ms. Joanem called the vote:

AYES: Chairwoman Houenou, Vice Chair Delgado, Commissioner Nash, Commissioner Barker, Commissioner Del Cid-Kosso

NAYS: None

The resolution passed.

10. CONSIDERATION OF ADULT-USE CANNABIS APPLICATIONS

A) Conditional licenses

Executive Director Brown outlined the application process and scoring and noted there are 113 conditional license applications up for consideration that have been through the required steps and are recommended for approval. The list of conditional license applications can be found on the NJ CRC website.

Chairwoman Houenou asked for a motion to adopt the resolution concerning consideration of the Conditional Licenses for Class 1 Cannabis Cultivator, Class 2 Cannabis Manufacturer, and Class 5 Cannabis Retailer licenses. Commissioner Barker made the motion, and Commissioner Nash seconded. Ms. Joanem called the vote:

AYES: Chairwoman Houenou, Vice Chair Delgado, Commissioner Nash, Commissioner Barker, Commissioner Del Cid-Kosso

NAYS: None

The resolution passed.

B) Conditional license conversions to annual licenses

Executive Director Brown provided a summary of the review and application process for conversion licenses and noted that there are 6 applicants that have been reviewed and are recommended for approval. Executive Director Brown then shared some best practices for conditional license holders who are seeking to convert their license to an annual: complete fingerprinting as soon as possible and respond to investigators and provide documentation as quickly as possible.

Chairwoman Houenou asked for a motion to approve the resolution concerning the consideration of converting from Conditional Licenses to Annual Licenses. Commissioner Nash made the motion, and Commissioner Del Cid Kosso seconded. Ms. Joanem called the vote:

AYES: Chairwoman Houenou, Vice Chair Delgado, Commissioner Nash, Commissioner Del Cid-Kosso

NAYS: Commissioner Barker

The resolution passed.

C) Annual licenses

Executive Director Brown provided a summary of the review and application process for annual licenses and noted that there are 8 applicants that have been reviewed and are recommended for approval.

Chairwoman Houenou asked for a motion to adopt the resolution concerning the Annual Licenses. Commissioner Del Cid Kosso made the motion, and Vice Chair Delgado seconded. Ms. Joanem called the vote:

AYES: Chairwoman Houenou, Vice Chair Delgado, Commissioner Nash, Commissioner Del Cid-Kosso

NAYS: Commissioner Barker

The resolution passed.

D) Expanded ATC certification

Executive Director Brown provided a summary and recommendation of Harmony ATC's expansion into adult-use sales. Harmony ATC has committed to all patient access standards and is recommended for approval for both cultivation and dispensation at their Secaucus facility as well as cultivation and manufacturing at their Lafayette facility.

The Class 1 Cultivation license will be issued to Harmony after Harmony has completed harvesting all medical cannabis plants at their Lafayette facility to ensure that cultivation in Secaucus continues to meet the needs of patients.

Additionally, if patient-only point of sale systems are insufficient, Harmony will move adult-use point of sales back to serving patients as well.

Chairwoman Houenou asked for a motion to adopt the resolution concerning the expansion of Harmony ATC to adult use operations. Vice Chair Delgado made the motion, and Commissioner Del Cid Kosso seconded. Ms. Joanem called the vote:

AYES: Chairwoman Houenou, Vice Chair Delgado, Commissioner Nash, Commissioner Del Cid-Kosso

NAYS: Commissioner Barker

The resolution passed.

11. AMENDMENT TO REQUIREMENTS IMPOSED ON 2019 RFA MEDICINAL CANNABIS PERMIT AWARDEES

Executive Director Brown provided a summary of the amendment and recommended extending the deadline for final agency decisions for the 2019 RFA dispensary awardee for six months. This will allow them additional time to become operational. Some municipal governments have changed, there are supply chain issues, and other challenges that warrant an extension.

Commissioner Del Cid Kosso asked about a mobilization plan for each 2019 awardee and Executive Director Brown confirmed that each awardee will be required to have a mobilization plan associated with this approval.

Commissioner Barker asked if there was a timeline for the plan and Executive Director Brown responded there was not at this time but would update the Commissioners after it was approved.

Chairwoman Houenou asked for a motion to approve the resolution concerning the amendment to requirements imposed on 2019 RFA medicinal cannabis permit awardees. Commissioner Nash made the motion, and Commissioner Barker seconded. Ms. Joanem called the vote:

AYES: Chairwoman Houenou, Vice Chair Delgado, Commissioner Nash, Commissioner Barker, Commissioner Del Cid-Kosso

NAYS: None

The resolution passed.

12. BOARD MEETING SCHEDULE FOR CALENDAR YEAR 2023

Vice Chair Delgado provided a summary of the proposed schedule. Vice Chair Delgado expressed a desire to maintain consistency in the public meeting schedule, which include ten opportunities to meet. There are no meetings in August or November 2023.

Chairwoman Houenou asked for a motion to approve the resolution concerning the regular meeting schedule for 2023. Commissioner Nash made the motion, and Commissioner Del Cid Kosso seconded. Commissioner Barker asked that the NJ-CRC consider adding meetings in November and August to provide further access to the public. Vice Chair Delgado responded by sharing his willingness to be flexible and amend the schedule if necessary. Ms. Joanem called the vote:

AYES: Chairwoman Houenou, Vice Chair Delgado, Commissioner Nash, Commissioner Del Cid-Kosso

NAYS: Commissioner Barker

The resolution passed.

13. PUBLIC COMMENT

Chairwoman Houenou reminded the public that they can submit their comments to the CRC before, during, and after the public meeting in writing via the CRC website at nj.gov/cannabis/meetings until 5:00 PM Monday, December 5, 2022. Chair reminded the public that all submitted questions and comments are shared with the Commission members and are made public along with the minutes.

Ms. Joanem called on members of the general public. All speakers were given three (3) minutes to speak.

Fred Jackson: Mr. Jackson, from Taste of Earth LLC, let the Commission know that all of his questions were already answered.

Gian Lombardi: Part owner of a diversely owned, impact zone, conditional conversation applicant. Mr. Lombardi expressed concerns about delays in getting businesses operating. Specifically, Mr. Lombardi noted economic burdens on applicants, the black market pop up shops, and higher prices. Mr. Lombardi also noted that there are many factors outside of the CRC's control that are related to the timeline of a business opening. However, he encouraged the CRC to adhere to its own regulations concerning a 30-day limit on conditional license reviews and 90 limit to the annual license on application review.

Jessie Marie Villars: Owner and CEO of Baked by the River and CEO of Cannabis Equity Employment. Ms Villars expressed appreciation for the creation of priority applications. However, she expressed dismay at the number of applicants taking advantage of loopholes in the application process. She also advocated for the inclusion of an LGBTQ+ priority status. She also noted promises that cannabis businesses have made as part of their application process (hiring etc. and would like to know how businesses will be held accountable to follow through on these

promises. She was pleased to hear that the CRC will be providing employment statistics and congratulated the Commission on an exceptional first year.

Todd Johnson: Mr. Johnson thanked the Commission and said that New Jersey's model would be a success for the nation. Mr. Johnson serves as the Executive Director and founding member of the New Jersey Cannabis Trade Association, which was formed in 2020 as a way to communicate directly with the NJ DOH during the pandemic. Mr. Johnson shared some of the work the NJCTA has done over the past several years.

Xavian Jackson: Cofounder of Taste of Earth LLC, a disabled veteran and minority owned business in an impact zone. Mr. Jackson has received 9 cure letters. Mr. Jackson would like to know the best way to communicate with the CRC and expressed frustration at the application process.

Chairwoman Houenou again reminded the public of the opportunity to submit written comment online.

14. ADJOURNMENT

Chairwoman Houenou called for a motion to adjourn. Vice Chair Delgado made the motion to adjourn and was seconded by Commissioner Barker. Chairwoman Houenou called the vote.


AYES: Chairwoman Houenou, Commissioner Delgado, Commissioner Nash, Commissioner Barker, Commissioner Del Cid-Kosso

NAYS: None

The public meeting adjourned at 2:53 pm.

CERTIFICATION

I hereby certify that the foregoing minutes represent a true and complete summary of the public meeting held by the Cannabis Regulatory Commission on December 2, 2022.



Christopher Riggs
Chief Counsel

Date: 3/9/22

Date: