



MEMORANDUM

TO: CANNABIS REGULATORY COMMISSION BOARD
FROM: CHRISTOPHER RIGGS, ACTING EXECUTIVE DIRECTOR
SUBJECT: ANNUAL LICENSE RENEWALS FOR JULY AND AUGUST 2024
DATE: JUNE 17, 2024

BACKGROUND: Adult Use cannabis business licenses are effective for a period of one year from the date of license issuance and are required to be renewed annually. This applies to licenses issued through the normal adult-use licensing process, such as conversions and/or annual licenses, as well as licenses that have been issued to Alternative Treatment Centers to allow for the expansion of those businesses into the Adult Use market.

The annual renewal application consists of submission of the Adult Use Cannabis License Renewal Certification as well as the requisite fee (the fee is dependent on the number and class of licenses up for renewal by each entity – *see below*).

Notably, if the renewal is submitted by an expanded Alternative Treatment Center renewing after its first year of Adult Use operations, the following documents must be submitted:

- Certification as to the continued material accuracy of the expanded ATC’s previously approved ATC license application and its compliance with the provisions of the Act regarding its operations concerning cannabis and cannabis items.
- Updated written approval from the municipalities in which the expanded ATC is located, approving the continued operations as a cannabis business.

If the renewal is submitted by an expanded Alternative Treatment Center renewing after its second year of operations or thereafter, the license renewal process pursuant to N.J.A.C. 17:30–7.16 shall be followed.

If the renewal is submitted by an adult-use cannabis business licensee, the license renewal process pursuant to N.J.A.C. 17:30–7.16 shall be followed.

It is the obligation of each business to notify the New Jersey Cannabis Regulatory Commission throughout the year of any material changes to their business, including but not limited to the addition/subtraction of owners, on-boarding of new employees, and execution of additional



contracts. Any changes occurring toward the end of the license year may be submitted with the renewal documentation.

AUTHORITY:

N.J. Admin. Code § 17:30-9.4 (*for Expanded ATCs*)

...(m) An expanded ATC issued cannabis business licenses pursuant to N.J.A.C. 17:30-7.1 shall be authorized to use the premises for all activities under the Act and the Jake Honig Compassionate Use Medical Cannabis Act, P.L. 2009, c. 307 (N.J.S.A. 24:6I-1 et seq.), without being required to establish or maintain any physical barriers or separations between operations related to the medical use of cannabis and operations related to personal use of cannabis items...

...3. Not fewer than 90 days prior to the date on which the expanded ATC's cannabis business license is set to expire after its first year of operations, in order to renew its cannabis business license pursuant to N.J.A.C. 17:30-7.16, an expanded ATC shall:

- i. Certify to the Commission as to the continued material accuracy of the expanded ATC's previously approved ATC license application and its compliance with the provisions of the Act regarding its operations concerning cannabis or cannabis items; and
- ii. Submit a new written approval from the municipality in which the expanded ATC is located, approving the continued operations as a cannabis business.

4. After the end of the second year of expanded ATC's licensure, the license renewal process pursuant to N.J.A.C. 17:30-7.16 shall be followed.

N.J. Admin. Code § 17:30-7.16 (*for Expanded ATCs in their second year of operations and Adult Use cannabis business licenses*)

(a) A license holder holding an annual license, including an annual license converted from a conditional license, shall renew such annual license annually.

(b) The Commission may renew a license subject to conditions set forth in this chapter.

(c) A license holder shall submit a renewal application and the annual licensing fee pursuant to N.J.A.C. 17:30-7.17 no later than 90 days prior to the expiration of the current cannabis business



license. Submission within 90 days of expiration of the current cannabis business license may result in a lapse in the cannabis business's licensure and subject the cannabis business to enforcement action.

(d) Pursuant to (c) above, the following may be grounds for denial of a license renewal application:

1. Failure to provide truthful, correct, and current information;
2. Failure to maintain compliance with the Act or this chapter;
3. Failure to maintain its diversely owned business, impact zone business, social equity business, or microbusiness status;
4. The inclusion of a person or entity not deemed qualified to hold a license; or
5. The commission of three or more major violations within the preceding 12 months.

(e) Renewal materials submitted to the Commission pursuant to N.J.S.A. 24:6I-7.2 or this section shall not be considered a public record pursuant to N.J.S.A. 47:1A-1 et seq., or the common law concerning access to government records.

N.J. Admin. Code § 17:30-7.17

... 6. Annual microbusiness cannabis cultivator initial or renewal licensing fee

\$1,000

7. Annual standard cannabis cultivator initial or renewal licensing fee

i. Tier I

\$5,000

ii. Tier II

\$10,000

iii. Tier III

\$20,000

iv. Tier IV

\$30,000

v. Tier V

\$40,000



- vi. Tier VI
\$50,000
- 8. Annual microbusiness cannabis manufacturer initial or renewal licensing fee
\$1,000
- 9. Annual standard cannabis manufacturer initial or renewal licensing fee:
 - i. With premises up to 10,000 square feet
\$20,000
 - ii. With premises greater than 10,000 square feet
\$30,000
- 10. Annual microbusiness cannabis retailer initial or renewal licensing fee
\$1,000
- 11. Annual standard cannabis retailer initial or renewal licensing fee
\$10,000
- 12. Annual microbusiness cannabis wholesaler initial or renewal licensing fee
\$1,000
- 13. Annual standard cannabis wholesaler initial or renewal licensing fee
\$10,000
- 14. Annual microbusiness cannabis distributor initial or renewal licensing fee
\$1,000
- 15. Annual standard cannabis distributor initial or renewal licensing fee
\$3,000
- 16. Annual microbusiness cannabis delivery service initial or renewal licensing fee
\$1,000
- 17. Annual standard cannabis delivery service initial or renewal licensing fee
\$3,000...



(g) An expanded ATC shall pay initial or renewal licensing fees in accordance with the license(s) it holds, pursuant to (d) above...

EXPANDED ATCS - FIRST YEAR OF OPERATIONS:

Brute’s Roots:

License Number	Location	Expiration Date
RE000690	Egg Harbor Twp	7/28/2024

COMPLETENESS REVIEW: The Commission requires that each renewal application be submitted on the Adult Use Cannabis License Renewal Certification form. Any material changes or business updates are supplied either via Entity Disclosure Form for the business or submission of contracts, as appropriate. An expanded ATC must submit a new written municipal approval after its first year of operations only. After its second year of operations, the license renewal process pursuant to N.J.A.C. 17:30–7.16 shall be followed. Further, all adult-use cannabis business licensees follow the renewal process under N.J.A.C. 17:30–7.16.

The above expanded ATC in its first year of operations has provided the required documentation to satisfy the statutory and regulatory criteria for each license listed for renewal.

Pursuant to the terms of the FADs, each ATC is required to submit quarterly progress reports that include specifics on good faith efforts being made to ensure business’s social equity plan presented in its application or certification to the Commission is being achieved. N.J.A.C. 17:30-9.4(e) A license holder shall make a good faith effort to recruit and employ, or contract with, as vendor-contractors, persons who would otherwise qualify for the provisions at N.J.A.C. 17:30-6.6(a)1 or 2. (Social Equity Business).

A “good faith effort” means that the license applicant or license holder shall demonstrate that it took all necessary and reasonable steps to achieve employee and vendor-contractor participation by the persons who are among the qualifying groups, which by their scope, quality, quantity, intensity, and appropriateness to the objective, could reasonably be expected to obtain sufficient participation from such persons.

The above expanded ATC has provided the required documentation to satisfy the statutory and regulatory criteria and have made good faith social equity efforts to recruit and employ, or contract with, as vendor-contractors, persons who would otherwise qualify for the provisions at N.J.A.C. 17:30-6.6(a)1 or 2. (Social Equity Business).



RECOMMENDATION: Staff recommend renewal of the above license and authorization to continue operations for the next license year. The applicant has submitted all the requisite information and documentation to support their application for renewal, has satisfied the requirements of the Commission and has satisfied the requirements of the applicable regulations. All submitted documentation has been provided to and reviewed by staff of the Office of Licensing and the Office of Compliance and Investigations, as well as the Directors of those Offices.

CRC staff have determined that the license renewal application is eligible for approval by the CRC. Therefore, CRC staff recommends the CRC Board approve the above renewal.