

CRC Provides Guidance on Timeline for Rules and 2019 License Awards - *NJ Cannabis Blog*

RELATED ATTORNEYS

Sean Mack

RELATED PRACTICE AREAS

Cannabis & Hemp Law

Cannabis Blog

7.14.21

By: Sean Mack

On August 21, 2021, the NJ Cannabis Regulatory Commission will issue its initial regulations to govern the adult use cannabis industry in New Jersey. The CRC made that public announcement during its July 13, 2021, public meeting. The August 21 rules release date is compelled by state law, but given the substantial amount of work required to set up the CRC and to prepare the numerous and detailed regulations required by statute, there was significant speculation in the state whether the CRC would be able to meet the deadline.

The CRC did admit that the initial regulations to be released on August 21 will not be comprehensive. Instead, they are prioritizing completing those regulations that they believe are necessary in the first instance to allow the industry to begin to move forward. The CRC plans to continue working on comprehensive regulations after August 21 and will follow the formal rule making process, including substantial opportunities for public comments. The initial rules will be effective for only one year.

Many municipalities have said they are opting out of allowing any cannabis businesses in their towns until they see the CRC's regulations. Unfortunately if the initial rules are not comprehensive that likely means what is released on August 21, 2021 will not provide the clarity hoped for by many towns. For those towns waiting for clarity from the CRC rules, they may need to wait until the initial rules expire and are replaced by the formally adopted rules — August 21, 2022 may be the new date for town's to watch.

Of particular importance for potential applicants, based on the

confirmation that initial rules will be released on August 21, the statute then requires that the CRC begin accepting applications within 30 days thereafter, or September 20, 2021. If history repeats itself, as the state did in 2018 and 2019, there will be a 30 day application window between September 20 and October 20, 2021 during which the CRC will accept applications for adult use cannabis licenses. The statute does not limit which applications the CRC must begin accepting, so under the statute the CRC must begin accepting licenses for all license classes.

During the public hearing, the CRC also announced that it is close to finishing the scoring of the medical marijuana applications submitted in 2019, which had been delayed by court rulings. Following the scoring, the CRC will complete an internal review process. After the internal review, the CRC will provide notice of a public hearing at which the CRC will vote on the issuance of awards.