

# Classes of Licenses

- Class 1 – Cannabis Cultivator
- Class 2 – Cannabis Manufacturer
- Class 3 – Cannabis Wholesaler
- Class 4 – Cannabis Distributor
- Class 5 – Cannabis Retailer
- Class 6 – Cannabis Delivery Service

# Cannabis Cultivator (Class 1 License)

- **Cannabis grower**
  - Grows, cultivates, or produces cannabis in New Jersey, and sells.
  - Sells and may transport to other cannabis growers, processors, wholesalers or retailers, but not consumers.

# Cannabis Manufacturer (Class 2 License)

- **Cannabis manufacturer**
  - Processes cannabis items in New Jersey by purchasing or otherwise obtaining usable cannabis, manufacturing, preparing, and packaging cannabis items, and selling.
  - Optionally transporting these items to other cannabis processors, wholesalers or retailers, but not to consumers.

# Cannabis Wholesaler (Class 3 License)

- **Cannabis wholesaler**
  - Purchases or otherwise obtains, stores, sells, or otherwise transfers.
  - May transport cannabis items for the purpose of resale or other transfer to either another cannabis wholesaler or to a cannabis retailer, but not to consumers.

# Cannabis Distributor (Class 4 License)

- **Cannabis distributor**
  - Transports cannabis items in bulk intrastate from one licensed cannabis establishment to another licensed establishment.
  - May engage in temporary storage as necessary to carry out transportation activities.

# Cannabis Retailer

## (Class 5 License)

- **Cannabis retailer**
  - Purchases or otherwise obtains usable cannabis from cannabis cultivators and cannabis items from cannabis manufacture or cannabis wholesalers, and sells these to consumers from a retail store.
  - May use a cannabis delivery service or a certified cannabis handler for the off-premises delivery of cannabis items and related supplies to consumers.
  - Must accept consumer purchases to be fulfilled from its retailer store that are presented by a cannabis delivery services to be delivered to the consumer.

# Cannabis Delivery (Class 6 License)

- **Cannabis delivery service**
  - Provide courier services for consumer purchases of cannabis items fulfilled by cannabis retailer.
  - Make deliveries of cannabis items and related supplies to consumers.
- **Delivery**
  - Transportation of cannabis items and related supplies to a consumer.
  - Includes the use by a licensed cannabis retailer of any 3<sup>rd</sup>-party technology platform to receive, process, and fulfilling orders by consumers.
    - Provided that any physical acts in connection with filling the order and delivery must be accomplished by a certified cannabis handler performing work for or on behalf of the licensed cannabis retailer.

# Local Cannabis Tax

- By ordinance
- Cannot exceed:
  - 2% cannabis cultivator
  - 2% cannabis manufacturer
  - 1% cannabis wholesaler
  - 2% cannabis retailer
- Percentage based on receipts on each sale



# Local Cannabis Tax

- Paid directly to municipality (CFO) in manner prescribe by municipality.
- Delinquencies same as property taxes.
- Does not apply:
  - Transfers involving distributors for purpose of bulk transportation.
  - Delivery services to consumers.

# Municipal Regulations & Ordinances

- May enact ordinances that:
  - Govern times of operation, location, manner, & number of type of cannabis businesses.
  - Establish civil penalties for ordinance violation.
  - Permit consumption areas for retail licenses with municipal endorsement.
- Cannot prohibit cannabis delivery services (Class 6 Licenses).
- Nulls and voids any ordinance previously enacted ordinances prohibiting cannabis related activities.

# Cannabis Consumption Areas

- Retailer or medical dispensary.
- On premise consumption of personal use may occur.
- Apply to Cannabis Control Commission but municipality would review and endorse
  - Indoor: Structurally enclosed separate from retail or dispensing area.
  - Outdoor: Exterior structure on same premise, either separate from or connected to.
  - May transfer cannabis items purchased from the establishment to consumption area.

# Limitations of Locations

- Grocery stores
- Delis
- Indoor food markets
- Other stores engaging in retail food
- Premises licensed for retail sales of alcoholic beverages

# Opt-Out Ordinance

- 180 days from February 22, 2021.
- Prohibiting one or more types of cannabis businesses.
- Otherwise:
  - Class 1-4 & Class 6 would be permitted use in all industrial zones.
  - Retail selling of cannabis (Class 5) conditional use in all commercial zones or retail zones.
- Must wait 5 years to adopt ordinance to opt-out.

# License Applicant

- An applicant must:
  - Have at least 1 significantly involved person who lives in NJ for at least 2 years at the date of the application, and provide proof they are 21 or older.
  - Must meet the requirements of any rule or regulations adopted the Commission.
  - The owner, unless they hold less than 5%, any director, any officer, and employee undergo a criminal history record background check.

# License Background Check

- Each person must submit to being fingerprinted.
- No check of criminal history record background information unless written consent of applicant.
- If a person refuses, cannot be considered for the license.
- Each person must bear the cost of the criminal history record background check including all costs to administer and process.

# Applications

- **Must include, amongst others items:**
  - Quality control & quality assurance.
  - Recall plans.
  - Water management & waste disposal plans.
  - Odor mitigation practices.
  - Safety & Security plan.
  - Community Impact, Social Responsibility & Research Statement.



# License Process

- Submitted to Cannabis Regulatory Commission.
- Commission is required to forward a copy of the application to the municipality within 14 days.
- Municipality must determine whether the application complies with local restrictions on times of operation, location, manner, and the number of cannabis businesses.

# License Process

- Municipality must inform the Commission whether the application complies with local restrictions on times of operation, location, manner, and the number of cannabis businesses.
- Commission must approve a license that meets the requirements of this law.
  - Unless they find by clear and convincing evidence that the applicant would be manifestly unsuitable to perform the activities for the license class sought.

- Commission cannot consider:
  - Any conviction of a crime or offense involving a controlled dangerous substance or controlled substance analog that occurred prior to the effective date of the bill.
  - Any offense that is now legal under this bill.
  
- Commission must consider any conviction involving:
  - Fraud
  - Deceit
  - Embezzlement
  - Employing a minor in a drug distribution scheme
  - Similar indictable offense in this or another jurisdiction involving the use of a minor to dispense or distribute a controlled dangerous substance or controlled substance analog.