

RESOLUTION NO. 2022-303

**A RESOLUTION IN COMPLIANCE WITH THE NEW
JERSEY CANNABIS REGULATORY COMMISSION
MEMORANDUM OF DECEMBER 10, 2021**

WHEREAS, the New Jersey Administrative Code, Title 17, Chapter 30 was adopted to set forth the rules regarding the licensing of personal use cannabis businesses within the State of New Jersey, among other regulations; and

WHEREAS, the New Jersey Cannabis Regulatory Commission (CRC) submitted a Memorandum dated December 10, 2021, a copy which is attached hereto that provides “Guidance for Local Support” which sets forth a requirement that the governing body of a municipality must adopt a resolution “as evidence of local support” containing a statement that includes:

- a. the license applicant’s legal name under which they are registered to do business in the State of New Jersey
- b. A determination that the municipality has authorized the type of cannabis business license being sought by the license-applicant to operate within its jurisdiction; and
- c. A confirmation that if the municipality has imposed a limit on the number of licensed cannabis businesses, the issuance of a license to the license applicant by the Commission would not exceed that limit; and

WHEREAS, City Council finds that the requirements that the Governing Body provide “local support” at the application stage as outlined herein above and in the Memorandum of the CRC is not a function of the legislative branch of the municipal government and to provide “local support” before obtaining site control and site plan approval from the appropriate Land Use Board is inappropriate; and

WHEREAS, City Council recognizes the benefits of licensing cannabis businesses within the City of Vineland including creation of economic development, tax ratables and job creation and therefore finds it to be in the best interest of the City to comply with the CRC Memorandum dated December 10 2021 to the extent it has the authority to do so; and

WHEREAS, Veterans for Alternative Medicine South Jersey LLC has applied to the CRC for approval of a conditional license for a cultivator to operate an adult personal-use cannabis business in the State of New Jersey and the CRC has found their application complete, has scored sufficiently high to be issued a conditional license, is qualified to hold a conditional license pursuant to N.J.A.C. 17:30-7.4 and has paid the appropriate fee to the CRC as outlined in the letter dated March 28, 2022 attached hereto and made a part hereof upon which Council shall rely; and

WHEREAS, Veterans for Alternative Medicine South Jersey LLC now seeks “local support” in the form specified in the aforementioned Memorandum and City Council finds it to be in the best interest of the City to provide a resolution as specified herein.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Vineland as follows:

a. in reliance upon the CRC investigation of Veterans for Alternative Medicine South Jersey LLC and the Notice of Application Acceptance, the license applicant's legal name is as set forth in the application and approval of the CRC dated March 28, 2022.

b. City Council has heretofore adopted Ordinance 2021-42, as amended by Ordinance 2022-26, authorizing cannabis business licenses including Cultivator licenses as more fully set forth in said Ordinance.

c. City Council has imposed a limit on the number of licensed cannabis businesses as set forth in said Ordinance and at the time of the adoption of this Resolution the issuance of a license to Veterans for Alternative Medicine South Jersey LLC for a cultivator's license would not exceed that limit.

BE IT FURTHER RESOLVED that nothing contained herein shall be relied upon as granting any form of license or land use approvals by the Governing Body or the Administration for the operation of any cannabis business within the City of Vineland and that the intent of this Resolution is solely to comply with the Memorandum of the New Jersey Cannabis Regulatory Commission dated December 10, 2021 so as to allow continued consideration for an annual license by the CRC.

Adopted:

President of Council

ATTEST:

City Clerk



MEMORANDUM

TO: Municipal Officials; Applicants for Cannabis Business Licensure
FROM: Jeff Brown, Executive Director
SUBJECT: Proof of Local Support; Municipal Preference; Fees
DATE: December 10, 2021

BACKGROUND

Pursuant to N.J.A.C. 17:30-7.1, N.J.A.C. 17:30-7.8, and N.J.A.C. 17:30-7.10 Alternative Treatment Centers (“ATCs”) and applicants for cannabis business licenses (“license-applicants”) need to submit proof of local support in the form of municipal approval as part of either their certification (ATCs) or application (cannabis business license applicants).

Both ATCs and license-applicants were provided additional guidance on municipal and local support provisions of the regulations in the Commission’s [Notice of Application Acceptance](#) adopted on November 9, 2021 and Expanded ATC Guidance.

Additionally, pursuant to N.J.A.C. 17:30-5.1, N.J.A.C. 17:30-6.3 and the Notice of Application Acceptance adopted by the Cannabis Regulatory Commission (“Commission”) on November 9, 2021, municipalities may submit their preference for licensure to the Commission.

This guidance clarifies those provisions based on questions received by the Commission.

GUIDANCE FOR LOCAL SUPPORT

As stated in both the Notice of Application Acceptance and Expanded ATC Guidance, and in accordance with the aforementioned regulations, ATCs and license applicants shall submit the following as evidence of local support:

1. If the municipality has a governing body, a resolution by that governing body that includes:
 - a. The license applicant’s legal name under which they are registered to do business in the State of New Jersey;
 - b. A determination that the municipality has authorized the type of cannabis business license being sought by the license-applicant to operate within its jurisdiction; and
 - c. A confirmation that if the municipality has imposed a limit on the number of licensed cannabis businesses, the issuance of a license to the license applicant by the Commission would not exceed that limit.



2. If the municipality does not have a governing body, a letter of support from the municipality's executive that includes:
 - a. The license applicant's legal name under which they are registered to do business in the State of New Jersey;
 - b. A determination that the municipality has authorized the type of cannabis business license being sought by the license-applicant to operate within its jurisdiction; and
 - c. A confirmation that if the municipality has imposed a limit on the number of licensed cannabis businesses, the issuance of a license to the license applicant by the Commission would not exceed that limit.

Therefore, where a municipality has a governing body, the ATC or license applicant shall submit a resolution of support from that governing body.

Where a municipality has no governing body, the ATC or license applicant shall submit a letter of support from the municipality's executive.

In either case, the resolution or letter of support must include all three pieces of information listed in the Notice of Application Acceptance and the Expanded ATC Guidance:

1. The license applicant's legal name under which they are registered to do business in the State of New Jersey;
2. A determination that the municipality has authorized the type of cannabis business license being sought by the license-applicant to operate within its jurisdiction; and
3. A confirmation that if the municipality has imposed a limit on the number of licensed cannabis businesses, the issuance of a license to the license applicant by the Commission would not exceed that limit.

GUIDANCE FOR MUNICIPALITIES AND MUNICIPAL PREFERENCE

As stated in both the Notice of Application Acceptance and in accordance with the aforementioned regulations, municipalities may submit their preferences in regard to licensing to the Commission, provided it:

1. Is received by the Commission in writing within 28 days from when the municipality receives application materials from the Commission;
2. Does not conflict with any letters or resolutions of support previously issued to license applicants by the municipality; and
3. Includes:
 - a. A letter of support or resolution (as applicable) that includes the license applicant's legal name under which they are registered to do business in the State of New Jersey;
 - b. A determination that the municipality has authorized the type of cannabis business license being sought by the license-applicant to operate within its jurisdiction; and



- c. A confirmation that if the municipality has imposed a limit on the number of licensed cannabis businesses, the issuance of a license to the license applicant by the Commission would not exceed that limit.

Municipalities that limit the number of cannabis businesses allowed to operate within the municipal borders should not issue letters or resolutions of support in excess of the number of cannabis businesses allowed to operate within the borders unless such letters or resolutions of support specify that license applicants that receive Commission approval **first in time** shall be deemed approved by the municipality until the local license limit is reached.

By utilizing this approach, municipalities can support a greater number of license applicants, while also maintaining compliance with Commission rules and guidance. However, if employing this approach municipalities should issue notification to all supported license applicants once a cap is reached and include a similar notification in any communication of preference to the Commission.

Municipalities are solely responsible for communicating to the Commission whether or not the issuance of a particular license to a license applicant is compliant with local codes and ordinances. Municipalities should consult their legal counsel for appropriate language that meets all the requirements in N.J.A.C. 17:30, the Notice of Application Acceptance and this guidance.

MUNICIPAL FEES

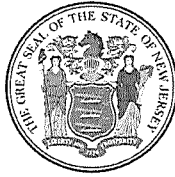
Municipalities are reminded that, pursuant to N.J.A.C. 17:30-5.1:

- (i) A county or municipality government official shall not solicit from a cannabis business, and a cannabis business shall not offer, anything of value in exchange for zoning approval, proof of local support, or written approval for such cannabis business, or take any other action that would violate N.J.S.A. 40A:9-22.5 of the Local Government Ethics Law.

Municipalities are further reminded that, in accordance with N.J.S.A. 40:55D-18, fees established by a municipality for issuing zoning permits, certifications, or authorizations to cannabis business applicants must be reasonably based on the administrative costs for the issuance of such municipal permit, certificate, or authorization. The Commission encourages municipalities to use the Commission's fee schedule as a reference for fee-setting.

ADDITIONAL GUIDANCE

Please refer to the attached materials for additional guidance regarding cannabis licensing and municipal oversight of cannabis businesses



State of New Jersey
CANNABIS REGULATORY COMMISSION
P.O. BOX 216
TRENTON, N.J. 08625-0216

PHILLIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

DIANNA HOUEYOU, *Chair*
SAMUEL DELGADO, *Vice Chair*
KRISTA NASH, *Commissioner*
MARIA DEL CID-KOSSO, *Commissioner*
CHARLES BARKER, *Commissioner*
JEFF BROWN, *Executive Director*

March 28, 2022

Veterans for Alternative Medicine South Jersey LLC
Blake Costa
bjames.costa@gmail.com
5 Ann Ct, Warren, RI 02885

Re: **FINAL AGENCY DECISION**
APPROVAL OF CONDITIONAL LICENSE APPLICATION

Dear Blake Costa:

Congratulations! The New Jersey Cannabis Regulatory Commission ("NJ-CRC") has received and reviewed your application for a Cultivator to operate an adult personal-use cannabis business in the state of New Jersey. Upon the completion of the NJ-CRC's review, your application for a conditional license has been approved.

Pursuant to N.J.A.C. 17:30-7.2(f), the NJ-CRC shall approve a conditional license application where the applicant (1) has submitted a complete conditional license application in accordance with N.J.A.C. 17:30-7.3 and the notice of application acceptance pursuant to N.J.A.C. 17:30-6.1; (2) has scored sufficiently high to be issued a conditional license in accordance with the criteria included in the notice of application acceptance pursuant to N.J.A.C. 17:30-6.1 and 7.3; (3) is qualified to hold a conditional license pursuant to N.J.A.C. 17:30-7.4; and (4) has submitted application fees pursuant to N.J.A.C. 17:30-7.17. The above-referenced entity has satisfied all criteria.

Following this written notice of approval, the license applicant must notify the NJ-CRC within five (5) business days whether it will accept the license, or if it will abandon the license. Acceptance or abandonment of the license can be supplied by a letter from the applicant's listed primary contact, submitted electronically to crc.licensing@crc.nj.gov. **Pursuant to N.J.A.C. 17:30-7.5(c), failure of the applicant to notify the NJ-CRC of its decision to accept or abandon the license by the specified deadline shall result in the license being deemed abandoned.**

Should you choose to accept this license, the NJ-CRC will continue to verify information contained in your application and notify you when to submit the required conditional license application approval fee established at N.J.A.C. 17:30-7.17.n Following receipt of the conditional license application approval fee, the NJ-CRC will issue the conditional license and provide the same to the applicant.

Acceptance of the license, submission of the conditional license application approval fee, and issuance of the conditional license by the NJ-CRC to the applicant triggers the beginning of the conditional license phase as established at N.J.A.C. 17:30-7.6. During the conditional license phase, the conditional license holder must (1) establish control of the proposed site; (2) gain municipal approval; and (3) develop and submit a conditional license conversion application. 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. **To create better efficiency and to support new applicants, the NJ-CRC will automatically extend the conditional license phase for the above-listed applicant for an additional 45 calendar days.** The applicant may satisfy the conditional license phase and begin the process to convert to an annual license at any time prior to the end date for the conditional license phase. The additional 45 calendar days are offered as a courtesy and to prevent the necessity of the applicant submitting a formal request for extension.

During the conditional license phase, the conditional license holder shall not engage in purchasing, possessing, selling, cultivating, manufacturing, or selling cannabis or cannabis products. N.J.A.C. 17:30-7.6(e). Failure to adhere to this restriction may subject the applicant to adverse action by the Commission and may expose the applicant to law enforcement action.

The following activities are permitted during the conditional license phase:

1. The conditional license holder may obtain additional funding by adding new loans or gifts from new or existing financial sources not listed in the conditional license application. Conditional license applicants are reminded, however, that during the conversion phase, the NJ-CRC may investigate and may conduct probity review of the license applicant, its owners, principals, and related entities and their finances, ownership, and control structure (See N.J.A.C. 17:30-7.7(e)), and conditional license holders are therefore advised to not execute any additional financing agreements that have not been received and reviewed by the NJ-CRC;
2. The conditional license holder may change the proposed location of the cannabis business, and such new location shall be reflected in the conditional license conversion application;
3. The conditional license holder may notify the NJ-CRC of its intention to abandon the license, which will then be returned to the Commission; and
4. The majority share of the ownership interest in the license holder shall remain the same as at the time of license issuance, however:
 - a. An owner or passive investor of the conditional license holder may transfer ownership interest to another qualified party; and
 - b. The conditional license holder may add new qualified owners and principals.

Certain businesses are subject to the following additional restrictions:

1. A Diversely-Owned Business conditional license holder shall not make any ownership interest transfer that causes the license applicant to no longer comply with the Diversely-Owned business criteria, pursuant to N.J.A.C. 17:30-6.4;
2. An Impact Zone Business conditional license holder shall not make any ownership interest transfer that causes the license applicant to no longer comply with the Impact Zone Business criteria, pursuant to N.J.A.C. 17:30-6.5;
3. A Social Equity Business conditional license holder shall not make any ownership interest transfer

- that causes the license applicant to no longer comply with the Social Equity Business criteria, pursuant to N.J.A.C. 17:30-6.6;
4. A Microbusiness conditional license holder shall not make any ownership interest transfer that causes the license applicant to no longer comply with the Microbusiness criteria, pursuant to N.J.A.C. 17:30-6.7; and
 5. A conditional license holder shall not violate the limitations on owners and principals, pursuant to N.J.A.C. 17:30-6.8.

Prior to the end of the conditional license phase, the applicant must submit its conditional cannabis business conversion application pursuant to N.J.A.C. 17:30-7.8. If granted, the license will be converted from a conditional license to an annual license, subject to all conditions set forth in N.J.A.C. 17:30-7.9 through 7.14.

As a conditional license awardee, you are subject to the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization (“CREAMM”) Act as well as all regulations implementing the CREAMM Act, set forth at N.J.A.C. 17:30. The NJ-CRC recommends that you familiarize yourself with those sections of the regulation pertaining to conditional cannabis licenses, specifically N.J.A.C. 17:30-7.2 through 7.8.

Again, congratulations on your successful application and thank you for your interest in working with the NJ-CRC to establish a safe and equitable cannabis industry for the state of New Jersey. Should you have any questions regarding this correspondence, please submit your inquiry to the NJ-CRC Licensing inbox at crc.licensing@crc.nj.gov.

Sincerely,

A handwritten signature in black ink, appearing to be 'DH' with a long horizontal line extending to the right.

Dianna Houenou
Chairperson
New Jersey Cannabis Regulatory Commission