

A Q&A with NJ-CRC Chief Counsel On What's New for 2024

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For this December issue of our cannabis law column, we asked Christopher Riggs, chief counsel of the NJ-CRC, to respond to some questions that would (i) provide insight into the operations of the NJ-CRC, (ii) highlight the key developments in 2023, (iii) provide some helpful pointers to attorneys practicing in the cannabis field, and (iv) provide a preview of what is to come in 2024.

By **Michael F. Schaff and Jennie M. Miller** | December 21, 2023

In the nearly three years since New Jersey legalized cannabis, many of you readers have dealt with the New Jersey Cannabis Regulatory Commission (NJ-CRC) in some capacity. For this December issue of our cannabis law column, we asked Christopher Riggs, chief counsel of the NJ-CRC, to respond to some questions that would (i) provide insight into the operations of the NJ-CRC, (ii) highlight the key developments in 2023, (iii) provide some helpful pointers to attorneys practicing in the cannabis field, and (iv) provide a preview of what is to come in 2024. In preparing this article, it confirmed our prior dealings with the NJ-CRC—that the NJ-CRC is a resource that is easily accessible and helpful to the legal community (but, of course, be sure to check the NJ-CRC FAQs first).

We would like to extend our sincerest gratitude to Christopher Riggs and the NJ-CRC staff whose time and effort made this article possible.

Could you please describe the purpose of the NJ-CRC and its day-to-day functions?

The New Jersey Cannabis Regulatory Commission is responsible for the regulation of the state's medicinal and adult-use cannabis markets, which means writing and implementing the regulations that govern how cannabis businesses are licensed and operate. The day-to-day work of the Commission includes providing support for participants in the Medicinal Cannabis Program, accepting and reviewing applications for recommendation to the board of commissioners, and monitoring and inspecting awarded businesses as they set up operations and after they are open.

From an operational perspective, how has the NJ-CRC grown since it was first seated in April of 2021 (new/increased staff, divisions, offices etc.)?

The agency began with the five governor-appointed commissioners, a governor-appointed executive director, and a skeletal staff that came over from the Department of Health to support the Medicinal Cannabis Program. Today the agency has 78 employees, with the largest contingency supporting licensing and compliance functions.

Could you identify and describe what you believe are the three most critical regulatory developments that we have seen from the CRC in 2023 (medicinal and/or adult-use, recreational)?

1. Removing the restrictions on vertical integration. See <https://www.nj.gov/cannabis/news-events/20230209.shtml>
2. Expanding allowed edible cannabis products. See <https://www.nj.gov/cannabis/news-events/20231017.shtml>
3. Removing the wait for new Alternate Treatment Centers (ATCs) to expand into adult-use. See <https://www.nj.gov/cannabis/news-events/20220411a.shtml>

What developments have been most exciting to roll out? Why?

That is hard to say. New Jersey is still an emerging market, yet we are already a positive example for other states for a number of reasons—including making social equity an inextricable part of our application process. Developments at the NJ-CRC have been thoughtful and supported by what is best for our state, our operators, and the New Jersey public.

What developments have been the most challenging to roll out? Why?

NJ-CRC is an agency that operates in an industry that does not yet exist at the federal level. This presents unique challenges. However, all of our actions are mandated by law and we are required to follow standard procedures. The real challenge lies in accomplishing everything that needs to be done in a timely manner.

What are the most common questions you receive from attorneys who represent applicants who seek to enter the adult-use, recreational cannabis space? How do you respond?

“What is the easiest/fastest/best way to apply for a cannabis business license?” The application process is straightforward, and our website has all the information about applying anyone could need. Getting to as level a playing field as possible starts with making sure everyone has the same access to the same information. This ensures that everyone has the same path to licensure. See, e.g., <https://www.nj.gov/cannabis/businesses/>.

What are the most common mistakes you see from applicants who seek to enter the adult-use, recreational cannabis space?

It is important for applicants (and their attorneys) to remember that applications are being accepted on a rolling basis. There is no deadline and applications are reviewed based on priority application status. It is better to take a bit of extra time to complete the application and submit paperwork correctly, than to have to cure your application later. That will be a delay.

What advice do you have for attorneys representing applicants who seek to enter the adult-use, recreational cannabis space?

Please remain patient and review our website for frequently asked questions (FAQs) and answers. Most of the questions we hear from attorneys are answered on the website. If the question is not answered, feel free to ask. We are committed to ensuring that everyone has access to all the information needed to provide all required application materials.

If you could convey one message to members of the public who might consider entering the cannabis space, what would be that message?

Do your homework. Like any new business, the road to success may contain speed bumps. Read the website and educate yourself on all the regulatory requirements that apply to operating a cannabis business.

What might we expect to see from the NJ-CRC in 2024?

Have there been any developments from a regulatory perspective in the medical-use cannabis space?

We should have clinical registrant regulations completed sometime in 2024 and this will help to advance cannabis research for the benefit of medicinal application.

Are there any similar developments expected in the adult-use, recreational cannabis space?

Regulations regarding edible manufacturing and sales, and those for consumption areas will be enacted in 2024.

Recently, we've seen allegations from both attorneys and applicants claiming there has been corruption and politicking at the municipal level with respect to the local cannabis licensing process (see, e.g., <https://www.nj.com/marijuana/2023/11/corruption-unfair-play-is-stalling-njs-legal-cannabis-market-here-are-some-fixes-insiders-say.html>). What might we expect to see from the NJ-CRC to address these issues in the upcoming year?

We try to maintain an open dialogue with municipalities through town halls and one-on-one meetings, and have issued guidance on how they can align their local approval process with the state's licensing process (Municipal Preference Guidance .pdf (nj.gov)). However, as per the CREAMM Act, we do not have any oversight as to how the municipalities craft their ordinances or their approval processes. We advise anyone with concerns about any illegal activities at the municipal level to report them to the Office of the Attorney General's Office, specifically the Office of Public Integrity & Accountability.

Disclaimer: Cannabis remains a scheduled narcotic under federal law, and anyone considering entering this field should first consult with competent counsel. The information contained in this article does not constitute legal advice and is for informational purposes only.

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