

New Jersey Cannabis Business Applications and Municipalities

The New Jersey Cannabis Regulatory Commission [announced on November 9th that it will begin accepting applications](#) next month. The initial deadline set by the state was not realized in September, but now it appears that the program roll out is back on track.

Applications for Class 1 Cultivator Licenses, Class 2 Manufacturer Licenses, and Testing Laboratory Licenses will be accepted starting on December 15th. Additionally, New Jersey will begin to accept licenses for Class 5 Retailers on March 15th, 2022. Adult-use sales are expected to begin in spring 2022.

New Jersey Cannabis Business Applications

Prior to the acceptance period, the New Jersey Cannabis Regulatory Commission (CRC) will host a “Pre-Application Webinar” on November 30. This webinar will reveal additional details on the licensing process as well as the web-based portal which will be used to submit completed applications digitally.

Since municipalities have the right to further tweak the licensing application process within their jurisdictions, applications will need to be read and approved by the CRC as well as local municipalities. On the municipality level, primary concerns will likely be with location-related issues like zoning or law enforcement concerns like loitering and false alarms.

Established medical dispensaries will not need to apply for adult-use licenses through the CRC. However, they must get approval on the municipality level. Medical dispensaries must also prove that they can handle the increase in sales from adult-use customers while still supplying patients with medical cannabis.

While voters showed overwhelming support for legalization in the 2020 election, this has not always been reflected in the roll out of the program. Most obvious in the fact that a majority of New Jersey municipalities have voted to ban cannabis businesses within their borders.

Which Municipalities Will Allow Cannabis Businesses?

As of early fall 2021, the terms “opt-in” and “opt-out” have become hot topics in New Jersey cannabis. Those municipalities that have “opted-in” are allowing cannabis businesses to open with the adult-use market launch. Conversely, those municipalities who have “opted-out” are either banning cannabis outright, or putting a temporary hold on cannabis business activities.

Nearly [400 of New Jersey's 565 municipalities](#) have voted to ban all cannabis businesses – including medical and adult-use. Some municipalities will only ban retail stores, while others will

only allow medical cannabis dispensaries, but only 98 municipalities will allow adult-use dispensaries to open when the New Jersey market launches.

Since 67% of voters approved cannabis legalization in New Jersey, many question why so few municipalities will allow cannabis businesses. More municipalities will likely come on board as the adult-use market in the state develops and are simply “opting-out” of the initial launch out of an [abundance of caution](#).

Municipal Control on Cannabis Businesses

The state of affairs in New Jersey highlights an often-overlooked element of cannabis legalization. Even if a state votes to legalize, individual municipalities still have considerable control over the market. This notion is true in hotbeds of the cannabis industry as well – both California and Colorado have many municipalities that have banned dispensaries.

The new adult-use market regulations in New Jersey dictate ways that municipalities can shape the cannabis programs within their borders. Some noteworthy limits set forth by [New Jersey municipalities](#) include:

- Create their own cannabis-related ordinances
- Set limits on the number of cannabis businesses
- Restrict the location of cannabis businesses (zoning)
- Develop and impose unique licensing requirements
- Devise their own punishments for ordinance infractions