Governor Murphy Approves Revisions to Cannabis License Applications



10/31/2023

On September 25, 2023, Governor Murphy signed into law revisions to the applications for cannabis establishment licenses. An applicant for a cannabis establishment license will now, in addition to the existing application requirements, be required to submit to the Cannabis Regulatory Commission (CRC) a copy of any service agreements entered into between the applicant and a third-party. Also, if an applicant for a Class 5 cannabis retailer license (Class 5 License) accepts an investment opportunity for significant financial or technical assistance, the arrangement between the applicant and the investor will be reviewed by the CRC. An investor may own up to 35% in up to seven entities owned by a certified minority, women, or a disabled-veteran that has been issued a Class 5 License. Additionally, any significant financial or technical assistance the applicant receives will need to be paid back with interest to the respective investor within certain defined time periods. The arrangement may not allow the investor to obtain a controlling interest in the holder of the Class 5 License in the event of a default under the arrangement.

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