

Will There Be a Craft Marijuana Industry in New Jersey?

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As a New Jersey resident, beer lover, and novice craft brewer, I certainly appreciate the microbrewery expansion throughout the state. Currently, New Jersey has approximately 150 microbreweries. Many of these microbreweries create excellent craft beers and have become very popular with local residents despite the strict time and manner restrictions on operations. Fortunately, the New Jersey legislature realized in 2012 that the liberalization of alcohol licensing laws to allow for this microbrewery expansion was a good idea, as the craft beer expansion has swept the nation over the past decade.

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With adult-use marijuana being recently legalized in New Jersey and New York, the same industry idea that was kicked around to encourage microbreweries to open has been incorporated into the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act (CREAMMA) for cannabis “microbusinesses” to open.

So, what is a cannabis “microbusiness”?

Under CREAMMA, a microbusiness is a person or entity licensed by the Cannabis Regulatory Commission (CRC) as a marijuana cultivator (aka grower), manufacturer, wholesaler, distributor, retailer, or delivery service that may only, with respect to its industry business operations, and capacity and quantity of product:

1. Employ no more than ten employees
2. Operate a cannabis establishment occupying no more than 2,500 square feet, and in the case of a cannabis cultivator, grow on an area no larger than 2,500 square feet measured on a horizontal plane and grow above that plane no higher than 24 feet
3. Possess no more than 1,000 cannabis plants each month, except that a distributor’s possession of plants for transportation shall not be subject to this limit
4. For manufacturers, acquire each month no more than 1,000 pounds of usable cannabis

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5. For wholesalers, acquire each month no more than 1,000 pounds of usable cannabis, or the equivalent amount in any form of manufactured cannabis product or cannabis resin, or any combination thereof
 6. For retailers, acquire for retail sale each month no more than 1,000 pounds of usable cannabis, or the equivalent amount in any form of manufactured cannabis product or cannabis resin, or any combination thereof

Are any other specific conditions and restrictions placed on NJ cannabis microbusinesses?

Yes. CREAMMA includes the following cannabis microbusiness ownership requirements and restrictions:

1. It shall be 100% owned by current New Jersey residents who have resided in the state for at least the past two consecutive years
2. At least 51% of the owners, directors, officers, or employees of the microbusiness shall be residents of the municipality in which the microbusiness is located, or to be located, or a municipality bordering it
3. No owner, director, officer, or other person with a financial interest who also has decision making authority in the microbusiness shall hold any financial interest in any other licensed cannabis establishment, whether or not a microbusiness
4. No owner, director, officer, or other person with a financial interest who also has decision making authority for a licensed cannabis establishment, whether or not a microbusiness, shall hold any financial interest in a microbusiness

Cannabis Microbusiness FAQs

How long is my microbusiness license valid?

Under CREAMMA, the microbusiness license is valid for one year and may be renewed annually, or replaced, while still valid, with an annual license allowing the microbusiness to convert and continue its operations as a licensed person or entity that is not a microbusiness, based upon a process and criteria to be established by the CRC.

The maximum of 37 available cultivation licenses under CREAMMA does not apply to cultivators issued a microbusiness license.

Will I be able to sell my cannabis microbusiness license?

No. Under CREAMMA, an owner shall not “sell or transfer” the microbusiness license issued to it.

Can I obtain a cannabis consumption area for my microbusiness?

No. Under CREAMMA, only licensed cannabis retail establishments and medical cannabis dispensaries can pursue an endorsement for cannabis consumption areas. Perhaps in the future, CREAMMA will be expanded to include the ability for retail microbusinesses to pursue an endorsement for cannabis consumption areas.

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