

CBD (Cannabis Business Development) Grant Program
Program Specifications
May 2025

<p>Program Purpose</p>	<p>The CBD Grant is a pilot cannabis equity grant program that will deliver essential financial support to recreational cannabis businesses in New Jersey that have received their annual license digital card as per the final recommendation issued by NJ Cannabis Regulatory Commission (NJCRC) Office of Licensing. These businesses face unique barriers, including high startup costs and limited access to capital due to federal restrictions. This grant will help alleviate and manage the financial burden of ongoing State and local compliance, as well as operating expenses for early-stage companies, strengthening the long-term viability and equity of New Jersey’s budding recreational cannabis industry.</p>
<p>Funding Source</p>	<p>The CBD Grant program will allocate \$5 million from the New Jersey FY25 State Appropriation Act, Notwithstanding the provisions of P.L.2021, c.16 (C.24:6I-31 et al.), including paragraph (1) of subsection b. of section 41 of P.L.2021, c.16(C.24:6I-50), or any other law or regulation to the contrary, revenues deposited into the “Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund” are appropriated for the following purpose....\$5,000,000 for New Jersey Economic Development Authority cannabis equity grant programs.</p> <p>Pursuant to N.J.S.A. 24:6I:-49, NJEDA must reserve a portion of any available funds for businesses operating in Impact Zones to stimulate economic development in historically underserved areas. To remain aligned with other NJEDA cannabis programs, 5% of this grant will also be set aside for businesses located in a NJCRC Impact Zone. These zones are designated by the NJCRC on factors such as past marijuana arrests, law enforcement activity, unemployment, and population.</p> <p>Additionally, any remaining funds from previously board-approved NJEDA cannabis programs can be carried over to support businesses through the CBD program. Under this program, the NJEDA board will also have the authority to accept any additional funds that may be appropriated by the State Governor in the future to support approvals under this product.</p>
<p>Eligible Applicants and Restrictions</p>	<p>At the time of application, eligible applicants must possess a valid and current annual license digital card as per the final recommendation issued by NJ Cannabis Regulatory Commission (NJCRC) Office of Licensing in one of the following categories:</p> <ul style="list-style-type: none"> - Class 1 – Cultivator - Class 2 – Manufacturer - Class 5 – Retailer - Testing Lab License (Medicinal-Only Testing Labs Ineligible) <p>Additional Requirements:</p> <ul style="list-style-type: none"> - Must be in substantial good standing with the NJCRC, New Jersey

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	<p>Department of Labor and Workforce Development and the New Jersey Department of Environmental Protection prior to approval.</p> <ul style="list-style-type: none"> - A current tax clearance certificate to demonstrate the applicant is in substantial good standing with the New Jersey Division of Taxation prior to approval. - Any entity awarded an NJEDA Cannabis grant that has received funds (Joint Ventures and Seed Equity) are not eligible. - Holders of “Final Agency Decision Acceptance of Alternative Treatment Center (“ATC”) Certification Authorization to Operate in Adult Personal-Use Market” and Multi-State Operators (MSOs) are not eligible. MSOs are defined as cannabis companies with operations or pursuing licenses in multiple states.
<p>Application Process and Approval</p>	<p>The pilot grant program will accept applications online on a rolling grant application basis, where grants will be awarded “first-come, first-served” as completed applications are submitted. The program will be available for three years from the date applications are made available to the public, or until the total funding pool is exhausted (whichever is sooner).</p> <p>As part of the application, the Authority will request information that shall include, but is not limited to:</p> <ol style="list-style-type: none"> 1) Copy of the NJCRC annual license digital card as per the final recommendation issued by NJCRC Office of Licensing. Conversion letters are not acceptable. 2) Brief Project description and overview 3) All business locations/addresses that are open and operating in and outside of New Jersey. 4) Identify any other states the applicant has filed licenses in to operate a recreational cannabis facility. 5) Landlord certification (if applicable) 6) Certification that the awardee is to not use proceeds on controlled inventory or violation or fines. 7) Certification that the applicant is aware of and agrees to comply with the two-year compliance requirement. 8) NJEDA will capture applicant expenses through an NJEDA-provided template (in an Excel file format) that lists out all eligible expenses, descriptions, dates, and amounts of the item or service already paid for in the last 36-months prior to their application submission date. Eligible expenses shall include: <ul style="list-style-type: none"> • Rental expenses (including common area maintenance (CAM) charges), as evidenced by a fully executed lease signed by both the landlord and the tenant (the named tenant must be the applicant) that has commenced. Sub-leases are ineligible. Applicant must provide a landlord certification to demonstrate they are in good standing and current on their lease payments with their landlord.

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- Payroll Expenses – that may be evidenced by a WR30 or equivalent payroll documentation (including 1099 contractors).
- Employee training expenses related to the applicant – cost to train employees or independent contractors for any function of their business operations.
- Professional Services (must be invoiced and/or addressed to the applicant) that may include but are not limited to legal services, legal services related to the NJ CRC license and regulatory process, accounting services, human resources services, business planning, transportation services, security, marketing or branding services, website development, or lab services and any other outside services that may be needed to operate an eligible cannabis business in NJ or obtain/maintain any license or authorization to operate from the NJCRC.

Funds may not be used for:

- Business supplies
- Controlled inventory
- Construction
- Equipment and/or installation costing greater than \$2,000.00
- Violations, fines or penalties

All expenses and associated supporting documentation are subject to NJEDA review and discretion. Applicants must provide documentation to verify expenses, such as paid invoices with proof of payment like cancelled checks, credit card statements, or bank statements for cash payments.

Applicants will need to provide as much detail as possible regarding all items requested eligible expenses included in their application.

The Authority will perform a review of applications in the order that they are received. At the sole discretion of the Authority, staff may ask for cures and clarifications of the information included in the application, including but not limited to narrative responses, supporting documentation, and attachments. Applicants will have 10 business days from the date of the staff's email to provide the requested information and submit any missing and/or incomplete documents. Applicant's responses to the staff's requests will be reviewed in the order they are received. Failure to respond to the request within the 10-business day period will result in the application being deemed administratively withdrawn. If an applicant fails to meet eligibility requirements as described above, the application may be declined from the program. Applicants have the ability to withdraw from the application process at any time.

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	<p>Applicants are not able to cure a missing annual license, it is required at time of application.</p> <p>Approvals and declinations will be under delegated authority.</p>
<p>Grant Award and Disbursements</p>	<p>Each grant award amount will be \$75,000. The Authority will disburse a one-time grant award after the execution of the grant agreement. Applicants must document at least \$75,000 of expenses to be eligible for this grant.</p> <p>Grants will be awarded until funds are fully exhausted. The Authority will award only one grant per applicant (based on EIN) for a single location.</p> <p>Applicants that hold more than one license are only able to receive one award.</p> <p>Grant award proceeds may not be used for the purchase of controlled inventory. Grant award proceeds may not be used for any violations or fines.</p>
<p>Rolling Applications</p>	<p>Applications will be accepted on a rolling basis. Applications that are complete will be evaluated for approval on a “first in, first out basis” using the date and time that the Authority receives a completed application and application fee. An application submitted without a fee is considered incomplete and will not be reviewed until the fee is received.</p>
<p>Delegated Authority</p>	<p>As a pilot program, decisions on approval or declination that are based on non-discretionary reasons are subject to the existing delegated authority. Accordingly, the CEO will delegate to the appropriate staff on all approval, decline, and appeal decisions for non-discretionary reasons.</p> <p>Delegated authority to the Chief Executive Officer to approve an individual application to CBD Grant Program in accordance with the terms set forth in the attached product specifications.</p> <p>As with other financial assistance programs, staff will perform legal reviews in accordance with Executive Order 34 (Byrne) and the</p>

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	<p>Authority’s Disqualification/Debarment Regulations (N.J.A.C. 19:30-2.1, et seq.) to ensure that applicants demonstrate and maintain the highest standards of responsibility and moral integrity. For the purposes of the Cannabis Grant Program only, the Members are also requested to delegate authority to:</p> <ul style="list-style-type: none"> • decide not to disqualify, debar, or suspend applicants and affiliates convicted of marijuana and hashish-related offenses that meet the criteria for a “social equity business” as defined in the Cannabis Regulatory Commission’s rules (specifically N.J.A.C. 17:30-6.6 and as administered by CRC, provided the applicant does not have other disqualifying convictions or judgments); and • limit the timeframe for investigation into criminal matters, to those where the date of conviction, satisfactory completion of probation or parole, or release from incarceration, whichever is later, occurred up to five (5) years prior to the date of application, in accordance with N.J.A.C. 17:30-7.12. This modification to the delegated authority approved by the Board on June 8, 2022, will be consistent with NJ CRC’s timeframe for disqualifying convictions (as stated in N.J.A.C. 17:30-7.12(d)).
<p>Compliance Term</p>	<p>The compliance term for this grant will be 24-months post the fully executed grant agreement date. NJEDA staff will ensure awardees are open and operating and in good standing with the NJCRC every year after the date of their fully executed grant agreement through an NJEDA-prepared awardee certification. If awardees are no longer open and operating or not in good standing with NJCRC, then NJEDA will have the ability to seek recapture at the Authority’s discretion. In the event of any default on the grant agreement within 12 months of executing the grant agreement, 100% of the grant will be recaptured; any defaults after 12 months will result in a 50% recapture.</p> <p>Awardees as per NJCRC are not allowed to sell or transfer license of their business for 24 months following the award date. Awardees are not allowed to pursue another cannabis business license and open operations outside the state of New Jersey during the compliance term of the grant.</p>
<p>Application Fee and Administrative Fee</p>	<p>There will be a \$750 non-refundable application fee for all applicants due at time of application.</p> <p>NJEDA will seek to utilize 5% of the \$5 million grant program allocated for awardees (\$250,000) for the Authority’s administrative fees associated with operating the program. If additional funds are appropriated, then NJEDA will take another 5% of that future amount as well.</p>

