

NJ Department of Health Solicits Applications for up to Six Medical Marijuana Alternative Treatment Centers

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On June 16, 2018, the New Jersey Department of Health announced its request for applications to operate a medical marijuana alternative treatment center (ATC). The Department announced that it will grant up to six permits, two in each of the northern, southern and central regions of the state. The ATCs will be vertically integrated centers, required to cultivate, manufacture and dispense medical marijuana.

Interested applicants will need to be vigilant in the application process. Instructions will be published on August 1, a mandatory pre-application conference will be held on August 9, and applications must be submitted by August 31 with an application fee of \$20,000. The Department will announce its decisions on November 1, 2018.

Entities currently holding a permit from the Department are ineligible to participate in the application process. In addition, any individual and entity that has a 25% stake in any currently permitted ATC is also ineligible. This includes an interest in the form of debt, equity, or other financial relationship.

Applicants must demonstrate that they have both control of a valid site and the approval of the local governing body. If control is not established at the time of application, applicants will have a period of 30 days from acceptance to satisfy these obligations. All applications will be evaluated based on established criteria and a weighted analysis. There are three general criteria comprised of several broad categories.

- Criterion 1 addresses the ability of the applicant to meet the overall health and safety needs of patients and the safety needs of the public. There are six broad categories that offer an applicant up to 800 points.

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- Criterion 2 addresses the area of community support and local participation, and covers three broad areas offering an applicant up to 150 points.
- Criterion 3 focuses on the applicant's ability to provide appropriate research data and offers an applicant up to 50 points.

Past experience and diversity are important components of an application. Applications from a joint venture must meet certain additional application requirements. Applicants may be non-profit or for-profit entities.

Anyone interested in pursuing a permit must move forward immediately with the application process, forming a business team, establishing a financial and business plan, and securing site control and municipal authorization. For those not yet positioned to apply, now is the time to evaluate the process and begin the requisite steps for a future application. The Department expects to release two additional Requests for Application in the fall of 2018 and the winter of 2019.

For further information, please contact **Jack Fersko**, the author of this Alert.

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