

Governor Phil Murphy

photo: view of NJ Trenton DOM

ICYMI: NJEDA Announces Launch of New Cannabis Grant Program

12/21/2022

Funding to help new businesses in the cannabis industry with start-up expenses

TRENTON - The New Jersey Economic Development Authority (NJEDA) (<https://www.njeda.com/>) Board announced today the creation of the Cannabis Equity Grant Program, aimed at helping start-ups in the state develop with assistance for early-stage expenses and technical training. Up to \$10 million in state funding will be made available for applicants.

"My Administration is doubling its efforts to cultivate small businesses in burgeoning industries with massive untapped potential," said **Governor Phil Murphy**. "The establishment of the Cannabis Equity Grant Program will help aspiring small business owners meet start-up expenses in a pivotal sector within our state's ever-growing economy. Most importantly, the program will erode considerable barriers to access for communities of color; this program will help to equip with the resources they need to not just enter, but thrive, in this exciting new industry."

Following the 2020 referendum legalizing adult-use recreational marijuana in New Jersey and the 2021 legislation establishing the framework for regulated growth and sales, Governor Phil Murphy signed legislation in June 2021 allowing the Authority to offer qualifying small businesses licensed in the cannabis industry to pursue assistance.

"I am in full support of funding the Cannabis Equity Grant Program to help private entities create business start-ups in New Jersey," said **Lt. Governor Sheila Y. Oliver**. "The Murphy Administration fought for the legalization of cannabis because of our commitment to social justice issues. Our administration will continue working to grow a cannabis industry that reflects the diversity of our state, protects access for medical marijuana patients, prioritizes justice, and promotes equal opportunities for communities of color."

"Under Gov. Murphy's leadership, New Jersey is committed to building a thriving and inclusive cannabis sector that maximizes opportunities for underserved communities and people impacted by the War on Drugs, and this program is a major step toward that goal," said **NJEDA Chief Executive Officer Tim Sullivan**. "We look forward to continuing to partner with the Cannabis Regulatory Commission to advance additional programs to support entrepreneurs in this rapidly developing sector."

\$10 million will be made available in the initial pilot program. 60 percent of that amount will be made available to qualifying social equity applicants, like those who have previous cannabis convictions or live in economically disadvantaged areas. Economically disadvantaged areas are defined by the New Jersey Cannabis Regulatory Commission (CRC) as zip codes that meet certain socioeconomic criteria. These businesses can receive up to \$250,000 to help with certain start-up expenses like regulatory fees, rental expenses, utilities, and wages. Qualifications for these businesses include holding a conditional cannabis license, business formation after March 2020, and employing 50 or fewer employees. Grantees will also participate in technical assistance and business education courses, provided by the Authority.

"This program can have a positive impact by supporting diversity in New Jersey's cannabis industry during its formative stages. As the market continues its successful growth, these grants will help provide more opportunities to a greater number of operators in a larger number of communities to participate," said **Senate President Nicholas Scutari**.

"We have been very intentional about standing up a statewide cannabis industry that works to the benefit of New Jersey consumers, businesses, and our state's overall economic development," said **Assembly Speaker Craig J. Coughlin**. "After good progress in the eight months since opening day, it's important that next steps center on creating opportunities for small and aspiring retailers to enter the market. That's exactly what I believe this new pilot program is engineered to achieve."

"Part of the impetus for passing legislation for legalization was recognition that the prohibition of cannabis has, for decades, disproportionately and negatively affected young people in Black and Latino communities," said **Senator Nellie Pou (D-Passaic)**. "As Chair of the Legislative Latino Caucus, I am heartened to see NJEDA launch this Cannabis Equity Grant Program to help financially with start-up costs for new businesses in those very communities that have been so adversely affected. This is one more important piece of the social equity contract that remains at the heart of cannabis legalization in New Jersey."

"As we move further into full implementation of cannabis legalization, we must remember to maintain our commitment to social equity, as well as to equity of economic opportunity. The NJEDA's Cannabis Equity Grant Program serves as clear reminder that minority-owned businesses must be an integral part of the emerging cannabis market beginning to take root in our state," said **Senator Vin Gopal (D-Monmouth)**. "Of course, starting up a business of any kind has its ups and downs, and unforeseen obstacles. As Vice Chair of the Legislative Asian American and Pacific Islander Caucus, I am excited to see NJEDA step up and see what opportunities grant programs like this will create for hard-working entrepreneurs anxious to show what they can do when given a chance."

"The Cannabis Equity Grant Program will help level the playing field for entrepreneurs looking to enter New Jersey's adult-use cannabis market," said **Assemblywoman Eliana Pintor Marin (D-Essex)**. "By prioritizing equity and inclusion, we can establish a socially responsible cannabis industry that will create jobs and opportunities for those who have been disproportionately impacted."

The remaining 40 percent of the initial pilot will be open to all entities who have secured municipal approval and site control over their business's real estate. Applicants with conditional licenses and existing approvals can receive up to \$250,000 in grant support for eligible expenses.


Tied to the legislation signed earlier this year are the allocations for Impact Zones, which are areas targeted based on previous levels of marijuana arrests, population, unemployment rates, and additional socioeconomic factors. Five percent of the total \$10 million will be reserved for businesses located in Impact Zones.


"We realize how important it is to empower cannabis businesses, many of which have faced barriers to accessing financial capital in the past," said **NJEDA Chief Community Development Officer Tai Cooper**. "Communities that suffered unfairly during the criminalization of cannabis need the chance to benefit from new entrepreneurial

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opportunities created by cannabis legalization and regulated sales. We want to see these opportunities extended to those businesses that will help fill storefronts, warehouses, and other commercial properties that closed their doors during the pandemic and bring new jobs to communities where there is the greatest need."

"The New Jersey Cannabis Regulatory Commission has from the beginning understood that if we want New Jersey's cannabis market to reflect the diversity of its residents, and if we want to ensure that it is inclusive of groups that bear the scars of prohibition, then designated access to capital would be essential for some applicants," said **New Jersey CRC Chairwoman Dianna Houenou**. "We have been working with several partners in and outside of state government to identify sources of the capital cannabis entrepreneurs need. We are grateful that it is our own state Economic Development Authority that is stepping up to meet some of that need. I am thrilled to see this program become a reality and I look forward to seeing its substantive impact leading to cannabis entrepreneurs opening for business."


"We are pleased with the efforts of the NJEDA to authorize critical resources that will assist our constituency in advancing their plans to participate in the recreational cannabis industry in our state," said **John E. Harmon, Sr., Founder, President & CEO, African American Chamber of Commerce of New Jersey**. "I applaud the leadership of the NJEDA for their willingness to listen, and engage in a frank dialogue with business enterprises, that have capital at risk, about their plans to bring value to the marketplace; it's through these best practices that we can realize a transformation that will lead to a more equitable New Jersey."

"With over 140,000 Hispanic-owned businesses in New Jersey, which continue to fuel economic growth, it is smart business to offer grants to help this massive economic engine propel us forward," said **Carlos Medina, President and CEO of the Statewide Hispanic Chamber of Commerce of New Jersey**. "Thank you to our partners at the NJEDA for continuing to be innovative in their programming. Kudos!"


To further encourage participants in economically disadvantaged areas, the application fee of \$1,000 for those in these locations may be waived. The applications window will stay open for 180 days following the Grant Program's launch.

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About the NJEDA

The New Jersey Economic Development Authority (NJEDA) serves as the State's principal agency for driving economic growth. The NJEDA is committed to making New Jersey a national model for inclusive and sustainable economic development by focusing on key strategies to help build strong and dynamic communities, create good jobs for New Jersey residents, and provide pathways to a stronger and fairer economy. Through partnerships with a diverse range of stakeholders, the NJEDA creates and implements initiatives to enhance the economic vitality and quality of life in the State and strengthen New Jersey's long-term economic competitiveness.

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