

New Jersey

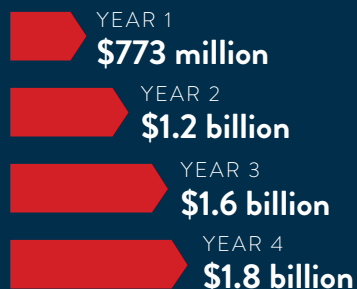
2020 Election: Adult-Use Legalization

NEW JERSEY FAST FACTS

POPULATION
8.9 million

TOTAL EST. # OF
CANNABIS CONSUMERS
1 million

EST. ANNUAL SALES FROM
LEGAL ADULT-USE CANNABIS



PROGRAM REGULATIONS: HIGHLIGHTS

Legalizes the possession and use of cannabis for adults 21 and older.

Applies the state sales tax (6.625%) to adult-use sales, and the state Legislature would be authorized to allow local governments to enact an additional 2 percent sales tax.

Possession limits, guidance on home-grows, and retail regulations are not included in Question 1, but will be established later by the state's five-person Cannabis Regulatory Commission (which was first established to oversee the state's medical-marijuana program).



THINGS TO WATCH:

The 2020 referendum before voters enjoyed broad public support passing by a margin of 2-1.

New Jersey will be the first state in the Mid-Atlantic to legalize adult-use cannabis, attracting significant regional canna-tourism from the large population of neighboring states, including NY and PA. The proximity of Philadelphia and New York City will be especially significant in expanding the total available consumer base.

With regulations yet to be determined, the program may still face hurdles within restrictive regulations. Investors and operators should pay close attention to the details of the regulatory rollout following the passing of Question 1, as product concentration limits, product form limitations, local jurisdiction bans, and failure to issue enough licenses to adequately supply an anticipated heavy consumer demand, could all hamstring legal market growth.

ON THE BALLOT: New Jersey Public Question 1

RESULTS



New Jersey Public Question 1, Marijuana Legalization

Amendment legalizes the possession and use of cannabis for adults 21 and older, as well as the cultivation, processing, and sale of retail marijuana. The constitutional amendment will take effect on January 1, 2021.

With an estimated 1 million cannabis consumers in the state, and heavy tourism potential in nearby cities such as New York City and Philadelphia, **New Frontier Data** estimates that by year four of an operational market, annual sales of legal adult-use cannabis in NJ could reach \$1.8 billion.



20 | ELECTION
20 | COVERAGE

Presented by:
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