SENATE, No. 1896

STATE OF NEW JERSEY

216th LEGISLATURE

INTRODUCED MARCH 27, 2014

Sponsored by: Senator NICHOLAS P. SCUTARI District 22 (Middlesex, Somerset and Union)

SYNOPSIS

Legalizes possession and personal use of small amounts of marijuana for persons age 21 and over.

CURRENT VERSION OF TEXT

As introduced.



AN ACT concerning marijuana, amending and supplementing various parts of the statutory law.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. (New section) Definitions.

As used in P.L , c. (C.)(pending before the Legislature as this bill), unless the context otherwise requires:

"Consumer" means a person 21 years of age or older who purchases marijuana or marijuana products for personal use by a person 21 years of age or older, but not for resale to others.

"Division" means the Division of Alcoholic Beverage and Marijuana Control in the Department of Law and Public Safety.

"Industrial hemp" means the plant of the genus cannabis and any part of such plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration that does not exceed threetenths percent on a dry weight basis.

"Local governmental entity" means a municipality.

"Marijuana" means all parts of the plant Genus Cannabis L., whether growing or not; the seeds thereof, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds, except those containing resin extracted from the plant; but shall not include industrial hemp, the mature stalks of the plant, fiber produced from the stalks, oil, or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of mature stalks, fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination, or the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other product.

"Marijuana accessories" means any equipment, products, or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing marijuana, or for ingesting, inhaling, or otherwise introducing marijuana into the human body.

"Marijuana cultivation facility" means an entity licensed to cultivate, prepare, and package marijuana and sell marijuana to retail marijuana stores, to marijuana product manufacturing facilities, and to other marijuana cultivation facilities, but not to consumers.

"Marijuana establishment" means a marijuana cultivation facility, a marijuana testing facility, a marijuana product manufacturing facility, or a retail marijuana store.

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

"Marijuana product manufacturing facility" means an entity licensed to purchase marijuana; manufacture, prepare, and package marijuana products; and sell marijuana and marijuana products to other marijuana product manufacturing facilities and to retail marijuana stores, but not to consumers.

"Marijuana products" means concentrated marijuana products and marijuana products that are comprised of marijuana and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures.

"Marijuana testing facility" means an entity licensed to analyze and certify the safety and potency of marijuana.

"Marijuana wholesaler" means any person or entity who sells marijuana, marijuana accessories, or marijuana products for the purpose of resale either to a licensed marijuana wholesaler or to a licensed marijuana retail store.

"Medical marijuana center" means an entity authorized by a State agency to sell marijuana and marijuana products pursuant to the "New Jersey Compassionate Use Medical Marijuana Act" P.L.2009, c.307 (C.24:6I-1 et seq.).

"Retail marijuana store" means an entity licensed to purchase marijuana from marijuana cultivation facilities and marijuana and marijuana products from marijuana product manufacturing facilities and to sell marijuana and marijuana products to consumers.

"Unreasonably impracticable" means that the measures necessary to comply with the regulations require such a high investment of risk, money, time, or any other resource or asset that the operation of a marijuana establishment is not worthy of being carried out in practice by a reasonably prudent businessperson.

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2. (New section) Personal use of marijuana.

Notwithstanding any other provision of law, the following acts are not unlawful and shall not be an offense or a basis for seizure or forfeiture of assets under N.J.S.2C:64-1 et seq. or other applicable law for persons 21 years of age or older:

- a. Possessing, using, displaying, purchasing, or transporting marijuana accessories or one ounce or less of marijuana.
- b. Possessing, growing, processing, or transporting no more than six marijuana plants, with three or fewer being mature, flowering plants, and possession of the marijuana produced by the plants on the premises where the plants were grown, provided that the growing takes place in an enclosed, locked space, is not conducted openly or publicly, and is not made available for sale.
- c. Transfer of one ounce or less of marijuana without remuneration to a person who is 21 years of age or older.
- d. Consumption of marijuana, provided that nothing in this section shall permit consumption that is conducted openly and publicly or in a manner that endangers others.

e. Assisting another person who is 21 years of age or older in any of the acts described in subsections a. through d. of this section.

3. (New section) Lawful operation of marijuana-related facilities.

Notwithstanding any other provision of law, the following acts are not unlawful and shall not be an offense or a basis for seizure or forfeiture of assets under N.J.S.2C:64-1 et seq. or other applicable law for persons 21 years of age or older:

- a. manufacture, possession, or purchase of marijuana accessories or the sale of marijuana accessories to a person who is 21 years of age or older.
- b. possessing, displaying, or transporting marijuana or marijuana products; purchase of marijuana from a marijuana cultivation facility; purchase of marijuana or marijuana products from a marijuana product manufacturing facility; or sale of marijuana or marijuana products to consumers, if the person conducting the activities described in this subsection has obtained a current, valid license to operate a retail marijuana store or is acting in his or her capacity as an owner, employee or agent of a licensed retail marijuana store.
- c. cultivating, harvesting, processing, packaging, transporting, displaying, or possessing marijuana; delivery or transfer of marijuana to a marijuana testing facility; selling marijuana to a marijuana cultivation facility, a marijuana product manufacturing facility, or a retail marijuana store; or the purchase of marijuana from a marijuana cultivation facility, if the person conducting the activities described in this subsection has obtained a current, vaild license to operate a marijuana cultivation facility or is acting in his or her capacity as an owner, employee, or agent of a licensed marijuana cultivation facility.
- d. packaging, processing, transporting, manufacturing, displaying, or possessing marijuana or marijuana products; delivery or transfer of marijuana or marijuana products to a marijuana testing facility; selling marijuana or marijuana products to a retail marijuana store or a marijuana product manufacturing facility; the purchase of marijuana from a marijuana cultivation facility; or the purchase of marijuana or marijuana products from a marijuana product manufacturing facility, if the person conducting the activities described in this subsection has obtained a current, valid license to operate a marijuana product manufacturing facility or is acting in his or her capacity as an owner, employee, or agent of a licensed marijuana product manufacturing facility.
- e. possessing, cultivating, processing, repackaging, storing, transporting, displaying, transferring or delivering marijuana or marijuana products if the person has obtained a current, valid license to operate a marijuana testing facility or is acting in his or

1 her capacity as an owner, employee, or agent of a licensed 2 marijuana testing facility.

f. leasing or otherwise allowing the use of property owned, occupied or controlled by any person, corporation or other entity for any of the activities conducted lawfully in accordance with subsections a. through e. of this section.

- 4. (New section) Regulation of marijuana.
- a. Not later than six months following the effective date of P.L.
- c. (C.) (pending before the Legislature as this bill), the Division shall adopt regulations necessary for implementation of this section. Such regulations shall not prohibit the operation of marijuana establishments, either expressly or through regulations that make their operation unreasonably impracticable. Such regulations shall include:
- (1) Procedures for the issuance, renewal, suspension, and revocation of a license to operate a marijuana establishment, with such procedures subject to all requirements of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.);
- (2) A schedule of application, licensing and renewal fees, provided, application fees shall not exceed \$5,000, with this upper limit adjusted annually for inflation, unless the Division determines a greater fee is necessary to carry out its responsibilities under this section, and provided further, an entity that is authorized pursuant to the "New Jersey Compassionate Use Medical Marijuana Act," P.L.2009, c.307 (C.24:6I-1 et seq.) to cultivate or sell marijuana or to manufacture marijuana products at the time this section takes effect and that chooses to apply for a separate marijuana establishment license shall not be required to pay an application fee greater than \$500 to apply for a license to operate a marijuana establishment in accordance with the provisions of this section;
- (3) Qualifications for licensure that are directly and demonstrably related to the operation of a marijuana establishment;
 - (4) Security requirements for marijuana establishments;
- (5) Requirements to prevent the sale or diversion of marijuana and marijuana products to persons under the age of 21;
- (6) Labeling requirements for marijuana and marijuana products sold or distributed by a marijuana establishment;
- (7) Health and safety regulations and standards for the manufacture of marijuana products and the cultivation of marijuana;
- (8) Restrictions on the advertising and display of marijuana and marijuana products;
- 43 (9) A requirement that only marijuana, marijuana-based 44 products and marijuana paraphernalia are available for sale at a 45 marijuana establishment; and
- 46 (10) Civil penalties for the failure to comply with regulations 47 made pursuant to this section.

- b. In order to ensure the most secure, reliable, and accountable system for the production and distribution of marijuana and marijuana products in accordance with this section, in any competitive application process the Division shall have as a primary consideration whether an applicant:
- (1) has prior experience producing or distributing marijuana or marijuana products pursuant to the "New Jersey Compassionate Use Medical Marijuana Act," P.L.2009, c.307 (C.24:6I-1 et seq.). in the local governmental entity in which the applicant seeks to operate a marijuana establishment; and
- (2) has, during the experience described in paragraph (1), complied consistently with the "New Jersey Compassionate Use Medical Marijuana Act," P.L.2009, c.307 (C.24:6I-1 et seq.). and conforming regulations.
- c. In order to ensure that individual privacy is protected, the Division shall not require a consumer to provide a retail marijuana store with personal information other than government-issued identification to determine the consumer's age, and a retail marijuana store shall not be required to acquire and record personal information about consumers other than information typically acquired in a financial transaction conducted by the holder of a Class C retail license concerning alcoholic beverages as set forth in R.S.33:1-12.

- 5. (New section) Tax.
- a. There shall be a tax levied upon marijuana sold or otherwise transferred by a marijuana cultivation facility to a marijuana product manufacturing facility or to a retail marijuana store at a rate equivalent to the rate established under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.). The Department of the Treasury shall establish procedures for the collection of all taxes levied.
- b. 70 percent of all monies collected shall be deposited in the "Transportation Trust Fund Account" created by section 20 of P.L.1984, c.73 (C.27:1B-20). This money shall not be used for the repayment of debt service, but shall be used for the construction of transportation projects in the fiscal year in which the funds are received.
- c. 20 percent of all monies collected shall be deposited in the "Drug Enforcement and Demand Reduction Fund" established pursuant to N.J.S.2C:35-15.
- d. 10 percent of all monies collected shall be dedicated to programs addressing women's health, family planning, postpartum depression awareness, smoking cessation, and HIV-awareness.
- No tax established by this section shall be levied upon marijuana intended for sale at medical marijuana centers pursuant to the "New Jersey Compassionate Use Medical Marijuana Act," P.L.2009, c.307 (C.24:6I-1 et seq.).

- 1 6. (New section) a. Local governmental entity regulation or ordinance.
- 3 Not later than six months following the effective date of
- 4 P.L. c. (C.) (pending before the Legislature as this bill),
- 5 each local governmental entity shall enact an ordinance or
- 6 regulation specifying the entity within the local governmental entity
- 7 that is responsible for processing applications submitted for a
- 8 license to operate a marijuana establishment within the boundaries
- 9 of the local governmental entity and for the issuance of such
- 10 licenses should the issuance by the local governmental entity
- 11 become necessary because of a failure by the Division to adopt
- 12 regulations or because of a failure by the Division to process and
- issue licenses.
- b. A local governmental entity may enact ordinances or regulations, not in conflict with the provisions of P.L., c. (C.) (pending before the Legislature as this bill):
- governing the time, place, manner and number of marijuana establishment operations;
 - establishing procedures for the issuance, suspension, and revocation of a license issued by the local governmental entity;
 - establishing a schedule of annual operating, licensing, and application fees for marijuana establishments, provided, the
- application fee shall only be due if an application is submitted to a local governmental entity in accordance with the provisions of
- 25 P.L., c. (C.) (pending before the Legislature as this bill)
- and a licensing fee shall only be due if a license is issued by a local
- 27 governmental entity; and
 - establishing civil penalties for violation of an ordinance or regulation governing the time, place, and manner of a marijuana establishment that may operate in such local governmental entity.
 - c. A local governmental entity may prohibit the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, or retail marijuana stores through the enactment of an ordinance.

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- 7. (New section) Application.
- a. Each application for an annual license to operate a marijuana establishment shall be submitted to the Division. The Division shall:
- (1) begin accepting and processing applications six months following the effective date of P.L. c. (C.) (pending before the Legislature as this bill);
- (2) immediately forward a copy of each application and half of the license application fee to the local governmental entity in which the applicant desires to operate the marijuana establishment;
- 46 (3) issue an annual license to the applicant between 45 and 90 47 days after receipt of an application unless the Division finds the 48 applicant is not in compliance with regulations enacted pursuant to

1 the provisions of section 6 of P.L. , c. (C.) (pending before 2 the Legislature as this bill) or the Division is notified by the 3 relevant local governmental entity that the applicant is not in 4 compliance with ordinances and regulations made pursuant to the 5 provisions of section 6 of P.L. , c. (C.) (pending before the 6 Legislature as this bill) and in effect at the time of application, 7 provided, where a local governmental entity has enacted a 8 numerical limit on the number of marijuana establishments and a 9 greater number of applicants seek licenses, the Division shall solicit 10 and consider input from the local governmental entity as to the local 11 governmental entity's preference or preferences for licensure; and 12

(4) upon denial of an application, notify the applicant in writing of the specific reason for its denial.

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- 14 b. If the Division does not issue a license to an applicant within 15 90 days of receipt of the application filed pursuant to subsection a. 16 of this section, and does not notify the applicant of the specific 17 reason for its denial, in writing and within such time period; or, if 18 the Division has adopted regulations pursuant to subsection a. of 19 section 4 of P.L. c., (C.) (pending before the Legislature 20 as this bill) and has accepted applications pursuant to subsection a. of this section but has not issued any licenses by six months 21 22 following the effective date of P.L. c. (C.) (pending before 23 the Legislature as this bill), the applicant may resubmit its 24 application directly to the local governmental entity, and the local 25 governmental entity may issue an annual license to the applicant. A 26 local governmental entity issuing a license to an applicant shall do 27 so within 90 days of receipt of the resubmitted application unless 28 the local governmental entity finds and notifies the applicant that 29 the applicant is not in compliance with ordinances and regulations 30 in effect at the time the application is resubmitted. The local 31 governmental entity shall notify the Division if an annual license 32 has been issued to the applicant. If an application is submitted to a 33 local governmental entity under this subsection, the Division shall 34 forward to the local governmental entity the application fee paid by 35 the applicant to the Division upon request by the local 36 governmental entity. A license issued by a local governmental 37 entity in accordance with this subsection shall have the same force 38 and effect as a license issued by the Division and the holder of such 39 license shall not be subject to regulation or enforcement by the 40 Division during the term of that license. A subsequent or renewed 41 license may be issued under this subsection on an annual basis only 42 upon resubmission to the local governmental entity of a new 43 application submitted to the Division.
 - c. If the Division does not adopt regulations required by subsection a. of section 4 of P.L. . c., (C.) (pending before the Legislature as this bill), an applicant may submit an application directly to a local governmental entity six months following the effective date of P.L. c. (C.) (pending before the

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Legislature as this bill), and the local governmental entity may issue an annual license to the applicant. A local governmental entity issuing a license to an applicant shall do so within 90 days of receipt of the application unless it finds and notifies the applicant that the applicant is not in compliance with ordinances and regulations in effect at the time of application and shall notify the Division if an annual license has been issued to the applicant. A license issued by a local governmental entity in accordance with this subsection shall have the same force and effect as a license issued by the Division and the holder of such license shall not be subject to regulation or enforcement by the Division during the term of that license. A subsequent or renewed license may be issued under this subsection on an annual basis if the Division has not adopted regulations required by section 4 of P.L. c. , (C. (pending before the Legislature as this bill) at least 90 days prior to the date upon which such subsequent or renewed license would be effective

- 8. (New section) Employers, driving, minors and control of property.
- a. Nothing in P.L. , c. (C.) (pending before the Legislature as this bill) is intended to require an employer to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale or growing of marijuana in the workplace or to affect the ability of employers to have policies restricting the use of marijuana by employees.
- b. Nothing in P.L., c. (C.) (pending before the Legislature as this bill) is intended to allow driving under the influence of marijuana or driving while impaired by marijuana or to supersede laws related to driving under the influence of marijuana or driving while impaired by marijuana, nor shall P.L., c. (C.) (pending before the Legislature as this bill).
- c. Nothing in P.L., c. (C.) (pending before the Legislature as this bill) is intended to permit the transfer of marijuana, with or without remuneration, to a person under the age of 21 or to allow a person under the age of 21 to purchase, possess, use, transport, grow, or consume marijuana.
- d. Nothing in P.L. , c. (C.) (pending before the Legislature as this bill) shall prohibit a person, employer, school, hospital, detention facility, corporation or any other entity that occupies, owns or controls a property from prohibiting or otherwise regulating the possession, consumption, use, display, transfer, distribution, sale, transportation, or growing of marijuana on or in that property.

9. (New section) Medical marijuana provisions unaffected.
Nothing in P.L., c. (C.) (pending before the Legislature as this bill) shall be construed:

- 1 a. to limit any privileges or rights of a medical marijuana 2 patient, primary caregiver, or licensed entity as provided in the 3 "New Jersey Compassionate Use Medical Marijuana Act," 4 P.L.2009, c.307 (C.24:6I-1 et seq.);
 - b. to permit a medical marijuana center to distribute marijuana to a person who is not a medical marijuana patient;
 - to permit a medical marijuana center to purchase marijuana or marijuana products in a manner or from a source not authorized under P.L.2009, c.307 (C.24:6I-1 et seq.);
 - d. to permit any medical marijuana center licensed pursuant to P.L.2009, c.307 (C.24:6I-1 et seq.) to operate on the same premises as a retail marijuana store; or
 - e. to discharge the Department of Health from its duties to regulate medical marijuana pursuant to P.L.2009, c.307 (C.24:6I-1 et seq.).

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- 10. N.J.S.2C:35-4 is amended to read as follows:
- 17 18 2C:35-4. Except as authorized by P.L.1970, c.226 (C.24:21-1 et 19 seq.), or P.L., c. (C.) (pending before the Legislature as 20 this bill), any person who knowingly maintains or operates any 21 premises, place or facility used for the manufacture of 22 methamphetamine, lysergic acid diethylamide, phencyclidine, 23 gamma hydroxybutyrate, flunitrazepam, marijuana in an amount 24 greater than five pounds or ten plants or any substance listed in 25 Schedule I or II, or the analog of any such substance, or any person 26 who knowingly aids, promotes, finances or otherwise participates in 27 the maintenance or operations of such premises, place or facility, is 28 guilty of a crime of the first degree and shall, except as provided in 29 N.J.S.2C:35-12, be sentenced to a term of imprisonment which shall 30 include the imposition of a minimum term which shall be fixed at, 31 or between, one-third and one-half of the sentence imposed, during 32 which the defendant shall be ineligible for parole. Notwithstanding 33 the provisions of subsection a. of N.J.S.2C:43-3, the court may also 34 impose a fine not to exceed \$750,000.00 or five times the street 35 value of all controlled dangerous substances, controlled substance 36 analogs, gamma hydroxybutyrate or flunitrazepam at any time 37 manufactured or stored at such premises, place or facility,

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(cf: P.L.1999, c.133, s.2)

whichever is greater.

- 11. N.J.S.2C:35-5 is amended to read as follows: 41
- 42 2C:35-5. Manufacturing, Distributing or Dispensing. a. Except 43 as authorized by P.L.1970, c.226 (C.24:21-1 et seq.), or P.L. , c. 44) (pending before the Legislature as this bill), it shall be 45 unlawful for any person knowingly or purposely:
- 46 (1) To manufacture, distribute or dispense, or to possess or have 47 under his control with intent to manufacture, distribute or dispense, 48 a controlled dangerous substance or controlled substance analog; or

- (2) To create, distribute, or possess or have under his control with intent to distribute, a counterfeit controlled dangerous substance.
 - b. Any person who violates subsection a. with respect to:

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- 5 (1) Heroin, or its analog, or coca leaves and any salt, compound, 6 derivative, or preparation of coca leaves, and any salt, compound, 7 derivative, or preparation thereof which is chemically equivalent or 8 identical with any of these substances, or analogs, except that the 9 substances shall not include decocainized coca leaves or extractions 10 which do not contain cocaine or ecogine, or 3,4-11 3,4methylenedioxymethamphetamine 12 methylenedioxyamphetamine, in a quantity of five ounces or more 13 including any adulterants or dilutants is guilty of a crime of the first 14 degree. The defendant shall, except as provided in N.J.S.2C:35-12, 15 be sentenced to a term of imprisonment by the court. The term of 16 imprisonment shall include the imposition of a minimum term 17 which shall be fixed at, or between, one-third and one-half of the 18 sentence imposed, during which the defendant shall be ineligible for 19 Notwithstanding the provisions of subsection a. of 20 N.J.S.2C:43-3, a fine of up to \$500,000.00 may be imposed;
 - (2) A substance referred to in paragraph (1) of this subsection, in a quantity of one-half ounce or more but less than five ounces, including any adulterants or dilutants is guilty of a crime of the second degree;
 - (3) A substance referred to paragraph (1) of this subsection in a quantity less than one-half ounce including any adulterants or dilutants is guilty of a crime of the third degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to \$75,000.00 may be imposed;
 - (4) A substance classified as a narcotic drug in Schedule I or II other than those specifically covered in this section, or the analog of any such substance, in a quantity of one ounce or more including any adulterants or dilutants is guilty of a crime of the second degree;
 - (5) A substance classified as a narcotic drug in Schedule I or II other than those specifically covered in this section, or the analog of any such substance, in a quantity of less than one ounce including any adulterants or dilutants is guilty of a crime of the third degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to \$75,000.00 may be imposed;
 - (6) Lysergic acid diethylamide, or its analog, in a quantity of 100 milligrams or more including any adulterants or dilutants, or phencyclidine, or its analog, in a quantity of 10 grams or more including any adulterants or dilutants, is guilty of a crime of the first degree. Except as provided in N.J.S.2C:35-12, the court shall impose a term of imprisonment which shall include the imposition of a minimum term, fixed at, or between, one-third and one-half of the sentence imposed by the court, during which the defendant shall

be ineligible for parole. Notwithstanding the provisions of subsection a. of N.J.S.2C:43-3, a fine of up to \$500,000.00 may be imposed;

- (7) Lysergic acid diethylamide, or its analog, in a quantity of less than 100 milligrams including any adulterants or dilutants, or where the amount is undetermined, or phencyclidine, or its analog, in a quantity of less than 10 grams including any adulterants or dilutants, or where the amount is undetermined, is guilty of a crime of the second degree;
- (8) Methamphetamine, or its analog, or phenyl-2-propanone (P2P), in a quantity of five ounces or more including any adulterants or dilutants is guilty of a crime of the first degree. Notwithstanding the provisions of subsection a. of N.J.S.2C:43-3, a fine of up to \$300,000.00 may be imposed;
- (9) (a) Methamphetamine, or its analog, or phenyl-2-propanone (P2P), in a quantity of one-half ounce or more but less than five ounces including any adulterants or dilutants is guilty of a crime of the second degree;
- (b) Methamphetamine, or its analog, or phenyl-2-propanone (P2P), in a quantity of less than one-half ounce including any adulterants or dilutants is guilty of a crime of the third degree except that notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to \$75,000.00 may be imposed;
- (10) (a) Marijuana in a quantity of 25 pounds or more including any adulterants or dilutants, or 50 or more marijuana plants, regardless of weight, or hashish in a quantity of five pounds or more including any adulterants or dilutants, is guilty of a crime of the first degree. Notwithstanding the provisions of subsection a. of N.J.S.2C:43-3, a fine of up to \$300,000.00 may be imposed;
- (b) Marijuana in a quantity of five pounds or more but less than 25 pounds including any adulterants or dilutants, or 10 or more but fewer than 50 marijuana plants, regardless of weight, or hashish in a quantity of one pound or more but less than five pounds, including any adulterants and dilutants, is guilty of a crime of the second degree;
- (11) Marijuana in a quantity of one ounce or more but less than five pounds including any adulterants or dilutants, or hashish in a quantity of five grams or more but less than one pound including any adulterants or dilutants, is guilty of a crime of the third degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to \$25,000.00 may be imposed;
- (12) Marijuana in a quantity of less than one ounce including any adulterants or dilutants, or hashish in a quantity of less than five grams including any adulterants or dilutants, is guilty of a crime of the fourth degree;
- 46 (13) Any other controlled dangerous substance classified in 47 Schedule I, II, III or IV, or its analog, is guilty of a crime of the 48 third degree, except that, notwithstanding the provisions of

subsection b. of N.J.S.2C:43-3, a fine of up to \$25,000.00 may be imposed; or

- (14) Any Schedule V substance, or its analog, is guilty of a crime of the fourth degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to \$25,000.00 may be imposed.
- c. Where the degree of the offense for violation of this section depends on the quantity of the substance, the quantity involved shall be determined by the trier of fact. Where the indictment or accusation so provides, the quantity involved in individual acts of manufacturing, distribution, dispensing or possessing with intent to distribute may be aggregated in determining the grade of the offense, whether distribution or dispensing is to the same person or several persons, provided that each individual act of manufacturing, distribution, dispensing or possession with intent to distribute was committed within the applicable statute of limitations.

17 (cf: P.L.2000, c.136)

- 12. Section 1 of P.L.1987, c.101 (C.2C:35-7) is amended to read as follows:
- 1. Except as authorized by P.L., c. (C.) (pending before the Legislature as this bill):
- Any person who violates subsection a. of N.J.S.2C:35-5 by distributing, dispensing or possessing with intent to distribute a controlled dangerous substance or controlled substance analog while on any school property used for school purposes which is owned by or leased to any elementary or secondary school or school board, or within 1,000 feet of such school property or a school bus, or while on any school bus, is guilty of a crime of the third degree and shall, except as provided in N.J.S.2C:35-12, be sentenced by the court to a term of imprisonment. Where the violation involves less than one ounce of marijuana, the term of imprisonment shall include the imposition of a minimum term which shall be fixed at, or between, one-third and one-half of the sentence imposed, or one year, whichever is greater, during which the defendant shall be ineligible for parole. In all other cases, the term of imprisonment shall include the imposition of a minimum term which shall be fixed at, or between, one-third and one-half of the sentence imposed, or three years, whichever is greater, during which the defendant shall be ineligible for parole. Notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to \$150,000 may also be imposed upon any conviction for a violation of this section.
- b. (1) Notwithstanding the provisions of N.J.S.2C:35-12 or subsection a. of this section, the court may waive or reduce the minimum term of parole ineligibility required under subsection a. of this section or place the defendant on probation pursuant to

paragraph (2) of subsection b. of N.J.S.2C:43-2. In making this determination, the court shall consider:

- (a) the extent of the defendant's prior criminal record and the seriousness of the offenses for which the defendant has been convicted;
- (b) the specific location of the present offense in relation to the school property, including distance from the school and the reasonable likelihood of exposing children to drug-related activities at that location;
 - (c) whether school was in session at the time of the offense; and
- (d) whether children were present at or in the immediate vicinity of the location when the offense took place.
- (2) The court shall not waive or reduce the minimum term of parole ineligibility or sentence the defendant to probation if it finds that:
- (a) the offense took place while on any school property used for school purposes which is owned by or leased to any elementary or secondary school or school board, or while on any school bus; or
- (b) the defendant in the course of committing the offense used or threatened violence or was in possession of a firearm.

If the court at sentencing elects not to impose a minimum term of imprisonment and parole ineligibility pursuant to this subsection, imposes a term of parole ineligibility less than the minimum term prescribed in subsection a. of this section, or places the defendant on probation for a violation of subsection a. of this section, the sentence shall not become final for 10 days in order to permit the prosecution to appeal the court's finding and the sentence imposed. The Attorney General shall develop guidelines to ensure the uniform exercise of discretion in making determinations regarding whether to appeal a decision to waive or reduce the minimum term of parole ineligibility or place the defendant on probation.

Nothing in this subsection shall be construed to establish a basis for overcoming a presumption of imprisonment authorized or required by subsection d. of N.J.S.2C:44-1, or a basis for not imposing a term of imprisonment or term of parole ineligibility authorized or required to be imposed pursuant to subsection f. of N.J.S.2C:43-6 or upon conviction for a crime other than the offense set forth in this subsection.

- c. Notwithstanding the provisions of N.J.S.2C:1-8 or any other provisions of law, a conviction arising under this section shall not merge with a conviction for a violation of subsection a. of N.J.S.2C:35-5 (manufacturing, distributing or dispensing) or N.J.S.2C:35-6 (employing a juvenile in a drug distribution scheme).
- d. It shall be no defense to a prosecution for a violation of this section that the actor was unaware that the prohibited conduct took place while on or within 1,000 feet of any school property. Nor shall it be a defense to a prosecution under this section, or under any other provision of this title, that no juveniles were present on

the school property at the time of the offense or that the school was not in session.

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- e. It is an affirmative defense to prosecution for a violation of this section that the prohibited conduct took place entirely within a private residence, that no person 17 years of age or younger was present in such private residence at any time during the commission of the offense, and that the prohibited conduct did not involve distributing, dispensing or possessing with the intent to distribute or dispense any controlled dangerous substance or controlled substance analog for profit. The affirmative defense established in this section shall be proved by the defendant by a preponderance of the evidence. Nothing herein shall be construed to establish an affirmative defense with respect to a prosecution for an offense defined in any other section of this chapter.
- In a prosecution under this section, a map produced or reproduced by any municipal or county engineer for the purpose of depicting the location and boundaries of the area on or within 1,000 feet of any property used for school purposes which is owned by or leased to any elementary or secondary school or school board, or a true copy of such a map, shall, upon proper authentication, be admissible and shall constitute prima facie evidence of the location and boundaries of those areas, provided that the governing body of the municipality or county has adopted a resolution or ordinance approving the map as official finding and record of the location and boundaries of the area or areas on or within 1,000 feet of the school Any map approved pursuant to this section may be changed from time to time by the governing body of the municipality or county. The original of every map approved or revised pursuant to this section, or a true copy thereof, shall be filed with the clerk of the municipality or county, and shall be maintained as an official record of the municipality or county. Nothing in this section shall be construed to preclude the prosecution from introducing or relying upon any other evidence or testimony to establish any element of this offense; nor shall this section be construed to preclude the use or admissibility of any map or diagram other than one which has been approved by the governing body of a municipality or county, provided that the map or diagram is otherwise admissible pursuant to the Rules of Evidence.
- 40 (cf: P.L.2009, c.192, s.1)

42 13. Section 1 of P.L.1997, c.327 (C.2C:35-7.1) is amended to 43 read as follows:

- 1. Except as authorized by P.L., c. (C.) (pending before the Legislature as this bill):
- a. Any person who violates subsection a. of N.J.S.2C:35-5 by distributing, dispensing or possessing with intent to distribute a controlled dangerous substance or controlled substance analog

while in, on or within 500 feet of the real property comprising a public housing facility, a public park, or a public building is guilty of a crime of the second degree, except that it is a crime of the third degree if the violation involved less than one ounce of marijuana.

- b. It shall be no defense to a prosecution for violation of this section that the actor was unaware that the prohibited conduct took place while on or within 500 feet of a public housing facility, a public park, or a public building.
- c. Notwithstanding the provisions of N.J.S.2C:1-8 or any other provisions of law, a conviction arising under this section shall not merge with a conviction for a violation of subsection a. of N.J.S.2C:35-5 (manufacturing, distributing or dispensing) or N.J.S.2C:35-6 (employing a juvenile in a drug distribution scheme). Nothing in this section shall be construed to preclude or limit a prosecution or conviction for a violation of N.J.S.2C:35-7 or any other offense defined in this chapter.
- d. It is an affirmative defense to prosecution for a violation of this section that the prohibited conduct did not involve distributing, dispensing or possessing with the intent to distribute or dispense any controlled dangerous substance or controlled substance analog for profit, and that the prohibited conduct did not involve distribution to a person 17 years of age or younger. The affirmative defense established in this section shall be proved by the defendant by a preponderance of the evidence. Nothing herein shall be construed to establish an affirmative defense with respect to a prosecution for an offense defined in any other section of this chapter.
- e. In a prosecution under this section, a map produced or reproduced by any municipal or county engineer for the purpose of depicting the location and boundaries of the area on or within 500 feet of a public housing facility which is owned by or leased to a housing authority according to the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.), the area in or within 500 feet of a public park, or the area in or within 500 feet of a public building, or a true copy of such a map, shall, upon proper authentication, be admissible and shall constitute prima facie evidence of the location and boundaries of those areas, provided that the governing body of the municipality or county has adopted a resolution or ordinance approving the map as official finding and record of the location and boundaries of the area or areas on or within 500 feet of a public housing facility, a public park, or a public building. Any map approved pursuant to this section may be changed from time to time by the governing body of the municipality or county. The original of every map approved or revised pursuant to this section, or a true copy thereof, shall be filed with the clerk of the municipality or county, and shall be maintained as an official record of the municipality or county. Nothing in this section shall be construed to preclude the

prosecution from introducing or relying upon any other evidence or testimony to establish any element of this offense; nor shall this section be construed to preclude the use or admissibility of any map or diagram other than one which has been approved by the governing body of a municipality or county, provided that the map or diagram is otherwise admissible pursuant to the Rules of Evidence.

f. As used in this act:

"Public housing facility" means any dwelling, complex of dwellings, accommodation, building, structure or facility and real property of any nature appurtenant thereto and used in connection therewith, which is owned by or leased to a local housing authority in accordance with the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.) for the purpose of providing living accommodations to persons of low income.

"Public park" means a park, recreation facility or area or playground owned or controlled by a State, county or local

18 government unit.

"Public building" means any publicly owned or leased library or museum.

(cf: P.L.1997, c.327, s.1)

14. N.J.S.2C:35-10 is amended to read as follows:

2C:35-10. Possession, Use or Being Under the Influence, or Failure to Make Lawful Disposition.

a. It is unlawful for any person, knowingly or purposely, to obtain, or to possess, actually or constructively, a controlled dangerous substance or controlled substance analog, unless the substance was obtained directly, or pursuant to a valid prescription or order form from a practitioner, while acting in the course of his professional practice, or except as otherwise authorized by P.L.1970, c.226 (C.24:21-1 et seq.), or except as authorized by P.L., c. (C.) (pending before the Legislature as this bill). Any person who violates this section with respect to:

- (1) A controlled dangerous substance, or its analog, classified in Schedule I, II, III or IV other than those specifically covered in this section, is guilty of a crime of the third degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to \$35,000.00 may be imposed;
- (2) Any controlled dangerous substance, or its analog, classified in Schedule V, is guilty of a crime of the fourth degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to \$15,000.00 may be imposed;
- (3) Possession of more than 50 grams of marijuana, including any adulterants or dilutants, or more than five grams of hashish is guilty of a crime of the fourth degree, except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to \$25,000.00 may be imposed; or

(4) Possession of 50 grams or less of marijuana, including any adulterants or dilutants, or five grams or less of hashish is a disorderly person.

Any person who commits any offense defined in this section while on any property used for school purposes which is owned by or leased to any elementary or secondary school or school board, or within 1,000 feet of any such school property or a school bus, or while on any school bus, and who is not sentenced to a term of imprisonment, shall, in addition to any other sentence which the court may impose, be required to perform not less than 100 hours of community service.

b. Any person who uses or who is under the influence of any controlled dangerous substance, or its analog, for a purpose other than the treatment of sickness or injury as lawfully prescribed or administered by a physician is a disorderly person.

In a prosecution under this subsection, it shall not be necessary for the State to prove that the accused did use or was under the influence of any specific drug, but it shall be sufficient for a conviction under this subsection for the State to prove that the accused did use or was under the influence of some controlled dangerous substance, counterfeit controlled dangerous substance, or controlled substance analog, by proving that the accused did manifest physical and physiological symptoms or reactions caused by the use of any controlled dangerous substance or controlled substance analog.

c. Any person who knowingly obtains or possesses a controlled dangerous substance or controlled substance analog in violation of subsection a. of this section and who fails to voluntarily deliver the substance to the nearest law enforcement officer is guilty of a disorderly persons offense. Nothing in this subsection shall be construed to preclude a prosecution or conviction for any other offense defined in this title or any other statute.

(cf: P.L.1997, c.181, s.6)

15. Section 3 of P.L.1948, c.439 (C.52:17B-3) is amended to read as follows:

There is hereby established in the Department of Law and Public Safety a Division of Law, a Division of State Police, a Division of Alcoholic Beverage and Marijuana Control, a Division of Motor Vehicles, a Division of Weights and Measures and a Division of Professional Boards.

The Attorney General shall have the authority to organize and maintain in his offices an Administrative Division and to assign to employment therein such secretarial, clerical and other assistants in the department as his office and the internal operations of the department shall require.

47 (cf: P.L.1948, c. 439, s. 3)

16. This act shall take effect immediately.

STATEMENT

This bill would legalize the possession and personal use of small amounts of marijuana for persons age 21 and over.

The bill specifies that the following acts are not unlawful and would not be an offense or a basis for seizure or forfeiture of assets under N.J.S.2C:64-1 et seq. or other applicable law for persons 21 years of age or older:

- a. Possessing, using, displaying, purchasing, or transporting marijuana accessories or one ounce or less of marijuana;
- b. Possessing, growing, processing, or transporting no more than six marijuana plants, with three or fewer being mature, flowering plants, and possession of the marijuana produced by the plants on the premises where the plants were grown, provided that the growing takes place in an enclosed, locked space, is not conducted openly or publicly, and is not made available for sale;
- c. Transfer of one ounce or less of marijuana without remuneration to a person who is 21 years of age or older;
- d. Consumption of marijuana, provided that nothing in the bill would permit consumption that is conducted openly and publicly or in a manner that endangers others; or
- e. Assisting another person who is 21 years of age or older in any of the acts described above.

Under the bill, the following acts would also not be unlawful or a basis for seizure or forfeiture of assets for persons 21 years of age or older:

a. manufacture, possession, or purchase of marijuana accessories or the sale of marijuana accessories to a person who is 21 years of age or older;

b. possessing, displaying, or transporting marijuana or marijuana products; purchase of marijuana from a marijuana cultivation facility; purchase of marijuana or marijuana products from a marijuana product manufacturing facility; or sale of marijuana or marijuana products to consumers, if the person conducting the activities described in this subsection has obtained a current, valid license to operate a retail marijuana store or is acting in his or her capacity as an owner, employee or agent of a licensed retail marijuana store;

c. cultivating, harvesting, processing, packaging, transporting, displaying, or possessing marijuana; delivery or transfer of marijuana to a marijuana testing facility; selling marijuana to a marijuana cultivation facility, a marijuana product manufacturing facility, or a retail marijuana store; or the purchase of marijuana from a marijuana cultivation facility, if the person conducting the activities described in this subsection has obtained a current, vaild

license to operate a marijuana cultivation facility or is acting in his or her capacity as an owner, employee, or agent of a licensed marijuana cultivation facility;

- d. packaging, processing, transporting, manufacturing, displaying, or possessing marijuana or marijuana products; delivery or transfer of marijuana or marijuana products to a marijuana testing facility; selling marijuana or marijuana products to a retail marijuana store or a marijuana product manufacturing facility; the purchase of marijuana from a marijuana cultivation facility; or the purchase of marijuana or marijuana products from a marijuana product manufacturing facility, if the person conducting the activities has obtained a current, valid license to operate a marijuana product manufacturing facility or is acting in his or her capacity as an owner, employee, or agent of a licensed marijuana product manufacturing facility;
- e. possessing, cultivating, processing, repackaging, storing, transporting, displaying, transferring or delivering marijuana or marijuana products if the person has obtained a current, valid license to operate a marijuana testing facility or is acting in his or her capacity as an owner, employee, or agent of a licensed marijuana testing facility;
- f. leasing or otherwise allowing the use of property owned, occupied or controlled by any person, corporation or other entity for any of the activities conducted lawfully in accordance with subsections a. through e.

The bill requires the Division of Alcoholic and Beverage Control, renamed in the bill to the Division of Alcoholic Beverage and Marijuana Control, to adopt regulations necessary for implementation of the bill. The regulations could not prohibit the operation of marijuana establishments, either expressly or through regulations that make their operation unreasonably impracticable. One regulation would require that only marijuana, marijuana based products and paraphernalia be available for sale at a marijuana establishment.

The bill also provides for local governmental entity regulations or ordinances. The bill provides that each local governmental entity shall enact an ordinance or regulation specifying the entity within the local governmental entity that is responsible for processing applications submitted for a license to operate a marijuana establishment within the boundaries of the local governmental entity and for the issuance of such licenses, should the issuance by the local governmental entity become necessary because of a failure by the Division to adopt regulations or to process and issue licenses.

The local governmental entity may enact ordinances or regulations, not in conflict with the provisions of the bill:

-- governing the time, place, manner and number of marijuana establishment operations;

-- establishing procedures for the issuance, suspension, and revocation of a license issued by the local governmental entity;

- -- establishing a schedule of annual operating, licensing, and application fees for marijuana establishments, provided, the application fee shall only be due if an application is submitted to a local governmental entity in accordance with the provisions of the bill and a licensing fee shall only be due if a license is issued by a local governmental entity; and
 - -- establishing civil penalties for violation of an ordinance or regulation governing the time, place, and manner of a marijuana establishment that may operate in such local governmental entity.

The bill provides that a local governmental entity may prohibit the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, or retail marijuana stores through the enactment of an ordinance.

Under the bill, each application for an annual license to operate a marijuana establishment would be submitted to the Division.

The bill establishes a tax levied upon marijuana sold or otherwise transferred by a marijuana cultivation facility to a marijuana product manufacturing facility or to a retail marijuana store at a rate equivalent to the rate established under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.). The Department of the Treasury would establish procedures for the collection of all taxes levied. Monies would be deposited in the Transportation Trust Fund, the Drug Enforcement Demand Reduction Fund and programs supporting the following public health initiatives: women's health, family planning, postpartum depression awareness, smoking cessation, and HIV-awareness.

The bill specifies that no tax would be levied upon marijuana intended for sale at medical marijuana centers pursuant to the "New Jersey Compassionate Use Medical Marijuana Act," P.L.2009, c.307 (C.24:6I-1 et seq.).