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Co-Sponsored by:
Assemblyman Calabrese, Assemblywomen McKnight, Jasey, Lampitt, Quijano, Lopez, Assemblymen McKeon and Karabinchak

SYNOPSIS
Revises requirements to authorize and access medical cannabis; establishes Cannabis Regulatory Commission; revises permit requirements for alternative treatment centers; and establishes additional legal protections for patients and caregivers.

CURRENT VERSION OF TEXT
As introduced.
AN ACT concerning medical cannabis, revising various parts of the statutory law, and supplementing P.L.2009, c.307.

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

1. Section 1 of P.L.2009, c.307 (C.24:6I-1) is amended to read as follows:

   1. This act shall be known and may be cited as the "New Jersey Jake Honig Compassionate Use Medical [Marijuana] Cannabis Act."

   (cf: P.L.2009, c.307, s.1)

2. Section 2 of P.L.2009, c.307 (C.24:6I-2) is amended to read as follows:

   2. The Legislature finds and declares that:

      a. Modern medical research has discovered a beneficial use for [marijuana] cannabis in treating or alleviating the pain or other symptoms associated with certain [debilitating] medical conditions, as found by the National Academy of Sciences' Institute of Medicine in March 1999 [;]

      b. According to the U.S. Sentencing Commission and the Federal Bureau of Investigation, 99 out of every 100 [marijuana] cannabis arrests in the country are made under state law, rather than under federal law. Consequently, changing state law will have the practical effect of protecting from arrest the vast majority of seriously ill people who have a medical need to use [marijuana] cannabis [;]


      d. States are not required to enforce federal law or prosecute people for engaging in activities prohibited by federal law; therefore, compliance with this act does not put the State of New Jersey in violation of federal law [; and]

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

Matter underlined thus is new matter.
e. Compassion dictates that a distinction be made between medical and non-medical uses of [marijuana] cannabis. Hence, the purpose of this act is to protect from arrest, prosecution, property forfeiture, and criminal and other penalties, those patients who use [marijuana] cannabis to alleviate suffering from [debilitating] qualifying medical conditions, as well as their [physicians] health care practitioners, [primary] designated caregivers, institutional caregivers, and those who are authorized to produce [marijuana] cannabis for medical purposes.

(cf: P.L.2009, c.307, s.2)

3. Section 3 of P.L.2009, c.307 (C.24:6I-3) is amended to read as follows:


“Academic medical center” means an entity located in New Jersey that, on the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill), has an addiction medicine faculty practice or is in the same health care system as another facility located in New Jersey that offers outpatient medical detoxification services or inpatient treatment services for substance use disorder; has a pain management faculty practice or a facility-based pain management service located in New Jersey; has graduate medical training programs accredited, or pending accreditation, by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association in primary care and medical specialties; is the principal teaching affiliate of a medical school based in the State; and has the ability to conduct research related to medical cannabis. If the entity is part of a system of health care facilities, the entity shall not qualify as an academic medical center unless the health care system is principally located within the State.

“All adverse employment action” means refusing to hire or employ an individual, barring or discharging an individual from employment, requiring an individual to retire from employment, or discriminating against an individual in compensation or in any terms, conditions, or privileges of employment.

[“Bona fide physician-patient relationship” means a relationship in which the physician has ongoing responsibility for the assessment, care, and treatment of a patient’s debilitating medical condition.]


[“Certification” means a statement signed by a physician with whom a qualifying patient has a bona fide physician-patient...
relationship, which attests to the physician's authorization for the patient to apply for registration for the medical use of marijuana.

“Clinical registrant” means an entity that has a written contractual relationship with an academic medical center in the region in which it has its principal place of business, which includes provisions whereby the parties will engage in clinical research related to the use of medical cannabis and the academic medical center or its affiliate will provide advice to the entity regarding patient health and safety, medical applications, and dispensing and managing controlled dangerous substances, among other areas.

“Commission” means the Cannabis Regulatory Commission established pursuant to section 31 of P.L. ..., c. (C.) (pending before the Legislature as this bill).

"Commissioner" means the Commissioner of Health.

“Debilitating medical condition” means:

1. one of the following conditions, if resistant to conventional medical therapy: seizure disorder, including epilepsy; intractable skeletal muscular spasticity; post-traumatic stress disorder; or glaucoma;
2. one of the following conditions, if severe or chronic pain, severe nausea or vomiting, cachexia, or wasting syndrome results from the condition or treatment thereof: positive status for human immunodeficiency virus; acquired immune deficiency syndrome; or cancer;
3. amyotrophic lateral sclerosis, multiple sclerosis, terminal cancer, muscular dystrophy, or inflammatory bowel disease, including Crohn's disease;
4. terminal illness, if the physician has determined a prognosis of less than 12 months of life; or
5. any other medical condition or its treatment that is approved by the department by regulation.

“Common ownership or control” means:

1. between two for-profit entities, the same individuals or entities own and control more than 50 percent of both entities;
2. between a nonprofit entity and a for-profit entity, a majority of the directors, trustees, or members of the governing body of the nonprofit entity directly or indirectly own and control more than 50 percent of the for-profit entity; and
3. between two nonprofit entities, the same directors, trustees, or governing body members comprise a majority of the voting directors, trustees, or governing body members of both nonprofits.

“Department” means the Department of Health.

"Designated caregiver” means a resident of the State who:

1. is at least 18 years old;
2. has agreed to assist with a registered qualifying patient's medical use of cannabis, is not currently serving as designated
caregiver for more than one other qualifying patient, and is not the qualifying patient's health care practitioner;

(3) subject to the provisions of paragraph (2) of subsection c. of section 4 of P.L.2009, c.307 (C.24:6I-4), has never been convicted of possession or sale of a controlled dangerous substance, unless such conviction occurred after the effective date of P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of federal law related to possession or sale of cannabis that is authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.);

(4) has registered with the commission pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4), and, except in the case of a designated caregiver who is an immediate family member of the patient, has satisfied the criminal history record background check requirement of section 4 of P.L.2009, c.307 (C.24:6I-4); and

(5) has been designated as designated caregiver by the patient when registering or renewing a registration with the commission or in other written notification to the commission.

“Dispense” means the furnishing of medical cannabis to a registered qualifying patient, designated caregiver, or institutional caregiver by a medical cannabis dispensary or clinical registrant pursuant to written instructions issued by a health care practitioner pursuant to the requirements of P.L.2009, c.307 (C.24:6I-1 et al.). The term shall include the act of furnishing medical cannabis to a medical cannabis handler for delivery to a registered qualifying patient, designated caregiver, or institutional caregiver, consistent with the requirements of subsection i. of section 27 of P.L.____, c. (C.____) (pending before the Legislature as this bill).

“Health care facility” means a general acute care hospital, nursing home, long term care facility, hospice care facility, group home, facility that provides services to persons with developmental disabilities, behavioral health care facility, or rehabilitation center.

"Health care practitioner" means a physician, advanced practice nurse, or physician assistant licensed or certified pursuant to Title 45 of the Revised Statutes who:

(1) possesses active registrations to prescribe controlled dangerous substances issued by the United States Drug Enforcement Administration and the Division of Consumer Affairs in the Department of Law and Public Safety;

(2) is the health care practitioner responsible for the ongoing treatment of a patient's qualifying medical condition, the symptoms of that condition, or the symptoms associated with the treatment of that condition, provided, however, that the ongoing treatment shall not be limited to the provision of authorization for a patient to use medical cannabis or consultation solely for that purpose; and

(3) if the patient is a minor, is a pediatric specialist.
“Immediate family” means the spouse, domestic partner, civil union partner, child, sibling, or parent of an individual, and shall include the siblings, parents, and children of the individual’s spouse, domestic partner, or civil union partner, and the parents, spouses, domestic partners, or civil union partners of the individual’s parents, siblings, and children.

“Institutional caregiver” means a resident of the State who:

(1) is at least 18 years old;

(2) is an employee of a health care facility;

(3) is authorized, within the scope of the individual’s professional duties, to possess and administer controlled dangerous substances in connection with the care and treatment of patients and residents pursuant to applicable State and federal laws;

(4) is authorized by the health care facility employing the person to assist registered qualifying patients who are patients or residents of the facility with the medical use of cannabis, including, but not limited to, obtaining medical cannabis for registered qualifying patients and assisting registered qualifying patients with the administration of medical cannabis;

(5) subject to the provisions of paragraph (2) of subsection c. of section 4 of P.L.2009, c.307 (C.24:6I-4), has never been convicted of possession or sale of a controlled dangerous substance, unless such conviction occurred after the effective date of P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of federal law related to possession or sale of cannabis that is authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.); and

(6) has registered with the commission pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4).

“Integrated curriculum” means an academic, clinical, or research program at an institution of higher education that is coordinated with a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary to apply theoretical principles, practical experience, or both involving the cultivation, manufacturing, dispensing, delivery, or medical use of cannabis to a specific area of study, including, but not limited to, agriculture, biology, business, chemistry, culinary studies, ecology, environmental studies, health care, horticulture, technology, or any other appropriate area of study or combined areas of study. Integrated curricula shall be subject to approval by the commission and the Office of the Secretary of Higher Education.

“Integrated curriculum permit” or “IC permit” means a permit issued to a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary that includes an integrated curriculum approved by the commission and the Office of the Secretary of Higher Education.
"Medical marijuana alternative treatment center" or "alternative treatment center" means an organization approved by the department to perform activities necessary to provide registered qualifying patients with usable marijuana and related paraphernalia in accordance with the provisions of this act operate as a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant. This term shall include the organization's officers, directors, board members, and employees.

“Medical cannabis cultivator” means an organization holding a permit issued by the commission that authorizes the organization to: possess and cultivate cannabis and deliver, transport, distribute, supply, and sell medical cannabis and related supplies to other medical cannabis cultivators and to medical cannabis manufacturers, clinical registrants, and medical cannabis dispensaries, as well as to plant, cultivate, grow, and harvest medical cannabis for research purposes. A medical cannabis cultivator permit shall not authorize the permit holder to manufacture, produce, or otherwise create medical cannabis products, or to deliver, transfer, transport, distribute, supply, sell, or dispense medical cannabis, medical cannabis products, paraphernalia, or related supplies to qualifying patients, designated caregivers, or institutional caregivers.

“Medical cannabis dispensary” means an organization issued a permit by the commission that authorizes the organization to: purchase or obtain medical cannabis and related supplies from medical cannabis cultivators; purchase or obtain medical cannabis products and related supplies from medical cannabis manufacturers; purchase or obtain medical cannabis, medical cannabis products, and related supplies and paraphernalia from other medical cannabis dispensaries and from clinical registrants; deliver, transport, distribute, supply, and sell medical cannabis and medical cannabis products to other medical cannabis dispensaries; furnish medical cannabis, including medical cannabis products, to a medical cannabis handler for delivery to a registered qualifying patient, designated caregiver, or institutional caregiver consistent with the requirements of subsection i. of section 27 of P.L. (pending before the Legislature as this bill); and possess, display, deliver, transfer, transport, distribute, supply, sell, and dispense medical cannabis, medical cannabis products, paraphernalia, and related supplies to qualifying patients.
designated caregivers, and institutional caregivers. A medical
cannabis dispensary permit shall not authorize the permit holder to
cultivate medical cannabis, to produce, manufacture, or otherwise
create medical cannabis products.

“Medical cannabis manufacturer” means an organization issued a
permit by the commission that authorizes the organization to:
purchase or obtain medical cannabis and related supplies from a
medical cannabis cultivator or a clinical registrant; purchase or
obtain medical cannabis products from another medical cannabis
manufacturer or a clinical registrant; produce, manufacture, or
otherwise create medical cannabis products; and possess, deliver,
transfer, transport, distribute, supply, and sell medical cannabis
products and related supplies to other medical cannabis
manufacturers and to medical cannabis dispensaries and clinical
registrants. A medical cannabis manufacturer permit shall not
authorize the permit holder to cultivate medical cannabis or to
deliver, transfer, transport, distribute, supply, sell, or dispense
medical cannabis, medical cannabis products, paraphernalia, or
related supplies to registered qualifying patients, designated
caregivers, or institutional caregivers.

"Medical use of [marijuana] cannabis" means the acquisition,
possession, transport, or use of [marijuana] cannabis or
paraphernalia by a registered qualifying patient as authorized by
(C.18A:40-12.22 et al.).

"Minor" means a person who is under 18 years of age and who
has not been married or previously declared by a court or an
administrative agency to be emancipated.

"Paraphernalia" has the meaning given in N.J.S.2C:36-1.

“Pediatric specialist” means a physician who is a board-certified
pediatrician or pediatric specialist, or an advanced practice nurse or
physician assistant who is certified as a pediatric specialist by an
appropriate professional certification or licensing entity.

"Physician” means a person licensed to practice medicine and
surgery pursuant to Title 45 of the Revised Statutes with whom the
patient has a bona fide physician-patient relationship and who is the
primary care physician, hospice physician, or physician responsible
for the ongoing treatment of a patient's debilitating medical
condition, provided, however, that the ongoing treatment shall not
be limited to the provision of authorization for a patient to use
medical marijuana or consultation solely for that purpose.

"Primary caregiver" or "caregiver" means a resident of the State
who:

a. is at least 18 years old;
b. has agreed to assist with a registered qualifying patient's
medical use of marijuana, is not currently serving as primary
caregiver for another qualifying patient, and is not the qualifying patient's physician;

c. has never been convicted of possession or sale of a controlled dangerous substance, unless such conviction occurred after the effective date of this act and was for a violation of federal law related to possession or sale of marijuana that is authorized under this act;

d. has registered with the department pursuant to section 5 of this act, and has satisfied the criminal history record background check requirement of section 5 of this act; and

e. has been designated as primary caregiver on the qualifying patient's application or renewal for a registry identification card or in other written notification to the department.

“Primary care” means the practice of family medicine, general internal medicine, general pediatrics, general obstetrics, or gynecology.

“Qualifying medical condition” means seizure disorder, including epilepsy; intractable skeletal muscular spasticity; post-traumatic stress disorder; glaucoma; positive status for human immunodeficiency virus; acquired immune deficiency syndrome; cancer; amyotrophic lateral sclerosis; multiple sclerosis; muscular dystrophy; inflammatory bowel disease, including Crohn's disease; terminal illness, if the patient has a prognosis of less than 12 months of life; anxiety; migraine; Tourette’s syndrome; dysmenorrhea; chronic pain; opioid use disorder; or any other medical condition or its treatment that is approved by the commission.

“Qualifying patient” or "patient" means a resident of the State who has been provided with a certification authorized for the medical use of cannabis by a physician pursuant to a bona fide physician-patient relationship.

["Registry identification card" “Registration with the commission” means a document issued by the department that identifies] a person who has met the qualification requirements for, and has been registered by the commission as a registered qualifying patient [or primary], designated caregiver, or institutional caregiver. The commission shall establish appropriate means for health care practitioners, health care facilities, medical cannabis dispensaries, law enforcement, schools, facilities providing behavioral health services or services for persons with developmental disabilities, and other appropriate entities to verify an individual’s status as a registrant with the commission.

“Significantly involved person” means a person or entity who holds at least a five percent investment interest in an entity issued, or applying for a permit to operate as, a medical cannabis cultivator,
medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, or who is a decision making member of a group that holds at least a 20 percent investment interest in an entity issued, or applying for a permit to operate as, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, in which no member of that group holds more than a five percent interest in the total group investment interest, and the person or entity makes controlling decisions regarding the operations of the entity issued, or applying for a permit to operate as, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant.

"Terminally ill" means having an illness or condition with a prognosis of less than 12 months of life.

"Usable marijuana cannabis" means the dried leaves and flowers of marijuana cannabis, and any mixture or preparation thereof, and does not include the seeds, stems, stalks or roots of the plant.

(cf: P.L.2016, c.53, s.1)

4. Section 4 of P.L.2009, c.307 (C.24:6I-4) is amended to read as follows:

4. a. The [department] commission shall establish a registry of qualifying patients and their [primary] each designated caregivers [ ], and shall issue a registry identification card, which shall be valid for two years, to a qualifying patient and caregiver, if applicable, who submits [ ] and shall establish a means of identifying and verifying the registration status of patients and designated caregivers who are registered with the commission. Registration with the commission shall be valid for two years. A patient or designated caregiver shall be registered with the commission upon submitting the following, in accordance with regulations adopted by the [department] commission:

(1) [a certification that meets the requirements of section 5 of this act] documentation of a health care practitioner’s authorization for the patient for the medical use of cannabis;

(2) an application or renewal fee, which may be based on a sliding scale as determined by the [commissioner] commission;

(3) the name, home address, and date of birth of the patient and each designated caregiver, as applicable; [and]

(4) the name, address, and telephone number of the patient’s [physician] health care practitioner; and

(5) up to one alternate address for the patient, which may be used for delivery of medical cannabis to the patient pursuant to
section 27 of P.L. , c. (C. ) (pending before the Legislature as this bill).

Each qualifying patient may concurrently have up to two designated caregivers. A qualifying patient may petition the commission for approval to concurrently have more than two designated caregivers, which petition shall be approved if the commission finds that allowing the patient additional designated caregivers is necessary to meet the patient’s treatment needs and is consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

The commission shall establish a registry of institutional caregivers and shall establish a means of identifying and verifying the registration status of institutional caregivers who are registered with the commission. Registration with the commission shall be valid for one year. An institutional caregiver shall be registered with the commission upon submitting the name, address, and telephone number of the institutional caregiver and of the health care facility at which the individual will be serving as institutional caregiver and a certification that meets the requirements of subsection h. of this section. The application or renewal fee for the institutional caregiver shall be paid by the health care facility at which the institutional caregiver will be serving as institutional caregiver. An institutional caregiver shall not be limited in the number of qualifying patients for whom the institutional caregiver may serve as institutional caregiver at one time, provided that each qualifying patient served by the institutional caregiver is a current patient or resident at the health care facility at which the institutional caregiver is authorized to serve as institutional caregiver, and the number of qualifying patients served by the institutional caregiver is commensurate with the institutional caregiver’s ability to fully meet the treatment and related needs of each qualifying patient and attend to the institutional caregiver’s other professional duties at the health care facility without jeopardizing the health or safety of any patient or resident at the facility.

b. Before [issuing a registry identification card] registering an individual, the [department] commission shall verify the information contained in the application or renewal form submitted pursuant to this section. In the case of a [primary] designated or institutional caregiver, the [department] commission shall provisionally approve an application pending the results of a criminal history record background check, if the caregiver otherwise meets the requirements of [this act] P.L.2009, c.307 (C.24:6I-1 et al.). The [department] commission shall approve or deny an application or renewal and complete the registration process for successful applicants within 30 days of receipt of the
completed application or renewal[, and shall issue a registry identification card within five days of approving the application or renewal]. The [department\textsuperscript{1} commission may deny an application or renewal only if the applicant fails to provide the information required pursuant to this section, or if the [department\textsuperscript{2} commission determines that the information was incorrect or falsified or does not meet the requirements of [this act\textsuperscript{3} P.L.2009, c.307 (C.24:6I-1 et al)]. Denial of an application shall be a final agency decision, subject to review by the Superior Court, Appellate Division.

c. (1) The [commissioner\textsuperscript{4} commission shall require each applicant seeking to serve as a [primary\textsuperscript{5} designated or institutional caregiver to undergo a criminal history record background check; except that no criminal history record background check shall be required for an applicant seeking to serve as a designated caregiver if the applicant is an immediate family member of the patient, and no criminal history record background check shall be required for an applicant seeking to serve as an institutional caregiver if the applicant completed a criminal history record background check as a condition of professional licensure or certification. The [commissioner\textsuperscript{6} commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable federal and State laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the [commissioner\textsuperscript{7} commission in a timely manner when requested pursuant to the provisions of this section.

An applicant seeking to serve as a [primary\textsuperscript{8} designated or institutional caregiver who is required to complete a criminal history record background check pursuant to this section shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this section unless the applicant has furnished [his] the applicant’s written consent to that check. An applicant who is required to complete a criminal history record background check pursuant to this section who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall not be considered for inclusion in the registry as a [primary\textsuperscript{9} designated or institutional caregiver [or issuance of an identification card]]. An applicant shall bear the cost for the criminal history record background check, including all costs of administering and processing the check.

(2) The [commissioner\textsuperscript{10} commission shall not approve an applicant seeking to serve as a [primary\textsuperscript{11} designated or institutional careg
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1 caregiver who is required to complete a criminal history record background check pursuant to this section if the criminal history record background information of the applicant reveals a disqualifying conviction. For the purposes of this section, a disqualifying conviction shall mean a conviction of a crime involving any controlled dangerous substance or controlled substance analog as set forth in chapter 35 of Title 2C of the New Jersey Statutes except paragraph (4) of subsection a. of N.J.S.2C:35-10, or any similar law of the United States or of any other state.

(3) Upon receipt of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the [commissioner] commission shall provide written notification to the applicant of [his] the applicant’s qualification or disqualification for serving as a [primary] designated or institutional caregiver.

If the applicant is disqualified because of a disqualifying conviction pursuant to the provisions of this section, the conviction that constitutes the basis for the disqualification shall be identified in the written notice.

(4) The Division of State Police shall promptly notify the [commissioner] commission in the event that an individual who was the subject of a criminal history record background check conducted pursuant to this section is convicted of a crime or offense in this State after the date the background check was performed.

Upon receipt of that notification, the [commissioner] commission shall make a determination regarding the continued eligibility of the applicant to serve as a [primary] designated or institutional caregiver.

(5) Notwithstanding the provisions of paragraph (2) of this subsection [b. of this section] to the contrary, no applicant shall be disqualified from serving as a [registered primary] designated or institutional caregiver on the basis of any conviction disclosed by a criminal history record background check conducted pursuant to this section if the individual has affirmatively demonstrated to the [commissioner] commission clear and convincing evidence of rehabilitation. In determining whether clear and convincing evidence of rehabilitation has been demonstrated, the following factors shall be considered:

(a) the nature and responsibility of the position which the convicted individual would hold, has held, or currently holds;
(b) the nature and seriousness of the crime or offense;
(c) the circumstances under which the crime or offense occurred;
(d) the date of the crime or offense;
(e) the age of the individual when the crime or offense was committed;
(f) whether the crime or offense was an isolated or repeated incident;
(g) any social conditions which may have contributed to the commission of the crime or offense; and
(h) any evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational schooling, successful participation in correctional work-release programs, or the recommendation of those who have had the individual under their supervision.

d. [A registry identification card] A verification of registration issued by the commission shall contain the following information:

(1) (a) in the case of a patient or designated caregiver registration, the name, address, and date of birth of the patient and primary each designated caregiver, if applicable; and
   (b) in the case of an institutional caregiver, the caregiver’s name and date of birth and the name and address of the health care facility at which the caregiver is serving as institutional caregiver;
   (2) the expiration date of the registry identification card registration;
   (3) photo identification of the cardholder registrant; and
   (4) such other information that the department commission may specify by regulation.

e. (1) A patient who has been issued a registry identification card registered by the commission shall notify the department commission of any change in the patient’s name, address, or physician health care practitioner or change in status of the patient’s debilitating qualifying medical condition, within 10 days of such change, or the registry identification card patient’s registration shall be deemed null and void.
   (2) A primary designated caregiver who has been issued a registry identification card registered by the commission shall notify the department commission of any change in the caregiver’s name or address within 10 days of such change, or the registry identification card caregiver’s registration shall be deemed null and void.
   (3) An institutional caregiver who has been registered by the commission shall notify the commission of any change in the caregiver’s name, address, employment by a health care facility at which the caregiver is registered to serve as institutional caregiver, or authorization from the health care facility to assist qualifying patients with the medical use of cannabis, within 10 days of such change, or the caregiver’s registration shall be deemed null and void.
void and the individual shall be deemed ineligible to serve as an
institutional caregiver for a period of not less than one year.

f. The [department] commission shall maintain a confidential
list of the persons [to whom it has issued registry identification
cards] registered with the commission. Individual names and other
identifying information on the list, and information contained in any
application form, or accompanying or supporting document shall be
confidential, and shall not be considered a public record under
P.L.1963, c.73 (C.47:1A-1 et seq.) [or] P.L.2001, c.404 (C.47:1A-5 et al.), or the common law concerning access to government
records, and shall not be disclosed except to:

(1) authorized employees of the [department] commission and
the Division of Consumer Affairs in the Department of Law and
Public Safety as necessary to perform official duties of the
[department] commission and the division, as applicable; and

(2) authorized employees of State or local law enforcement
agencies, only as necessary to verify that a person who is engaged
in the suspected or alleged medical use of [marijuana] cannabis is
lawfully [in possession of a registry identification card] registered
with the commission.

g. Applying for [or receiving a registry card] registration or
being registered by the commission does not constitute a waiver of
the qualifying patient's [patient-physician] practitioner-patient
privilege.

h. An applicant seeking to serve as an institutional caregiver
shall submit with the application a certification executed by the
director or administrator of the health care facility employing the
applicant attesting that:

(1) the facility has authorized the applicant to assist registered
qualifying patients at the facility with the medical use of cannabis,
including obtaining medical cannabis from a medical cannabis
dispensary, accepting deliveries of medical cannabis on behalf of
registered qualifying patients, and assisting registered qualifying
patients with the administration of medical cannabis;

(2) the facility has established protocols and procedures and
implemented security measures to ensure that any medical cannabis
obtained by an institutional caregiver that is transported by the
caregiver to the facility is transported in a safe and secure manner
that prevents theft, diversion, adulteration, and access by
unauthorized individuals, and that any medical cannabis present at
the facility is stored in a safe and secure manner that prevents theft,
diversion, adulteration, and access by unauthorized individuals;

(3) the facility has established protocols and procedures to
review the medications and treatment plans of registered qualifying
patients at the facility to ensure that the patient’s medical use of
cannabis will not result in adverse drug interactions, side effects, or other complications that could significantly jeopardize the health or safety of the patient;

(4) the facility will not charge a registered qualifying patient for medical cannabis obtained on the registered qualifying patient’s behalf in an amount that exceeds the actual cost of the medical cannabis, plus any reasonable costs incurred in acquiring the medical cannabis;

(5) the facility has established protocols and procedures concerning whether, and to what extent, designated caregivers are permitted to assist registered qualifying patients with the medical use of cannabis while at the facility; and

(6) the facility will promptly notify the commission in the event that:

(a) an institutional caregiver registered with the commission pursuant to this section ceases to be employed by the facility or ceases to be authorized by the facility to assist registered qualifying patients with the medical use of cannabis, in which case, upon receipt of the notification, the commission shall immediately revoke the institutional caregiver’s registration; or

(b) an institutional caregiver registered with the commission pursuant to this section, who completed a criminal history record background check as a condition of professional licensure or certification, is convicted of a crime or offense in this State after the date the criminal history background check was performed, in which case, upon receipt of that notification, the commission shall make a determination regarding the continued eligibility of the applicant to serve as an institutional caregiver.

Nothing in this section shall be deemed to require any facility to authorize any employee of the facility to serve as an institutional caregiver or to issue a certification that meets the requirements of this subsection.

(cf: P.L.2009, c.307, s.4)

5. (New section) a. A health care practitioner shall not be required to be listed publicly in any medical cannabis practitioner registry as a condition of authorizing patients for the medical use of cannabis.

b. No authorization for the medical use of cannabis may be issued by a health care practitioner to the practitioner’s own self or to a member of the practitioner’s immediate family.

c. The commission shall establish a process to allow medical cannabis to be dispensed to a patient who has been authorized for the medical use of cannabis and who has initiated the process of registering with the commission pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4), but whose registration has not been completed or
subject to other final action by the commission. A patient may be
dispensed medical cannabis in quantities of up to a two-week
supply during the pendency of the patient’s registration, after which
time the patient may be dispensed medical cannabis in an amount
consistent with the requirements of section 10 of P.L.2009, c.307
(C.24:6I-10). The commission shall impose such restrictions on
access to medical cannabis pursuant to this subsection as shall be
necessary to protect against fraud, abuse, and diversion.

6. (New section) a. Except as provided in subsection b. of this
section, no health care practitioner who has authorized a patient for
the medical use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1
et al.) within the past 90 days, and no member of such health care
practitioner’s immediate family, shall be an interest holder in, or
receive any form of direct or indirect compensation from, any
medical cannabis cultivator, medical cannabis manufacturer,
medical cannabis dispensary, or clinical registrant.

b. Nothing in subsection a. of this section shall be construed to
prevent a health care practitioner from serving on the governing
board of a medical cannabis cultivator, medical cannabis
manufacturer, medical cannabis dispensary, or clinical registrant, or
on the medical advisory board of a medical cannabis cultivator,
medical cannabis manufacturer, medical cannabis dispensary, or
clinical registrant established pursuant to section 15 of
P.L. , c. (C. ) (pending before the Legislature as this bill),
or from receiving a reasonable stipend for such service, provided
that:

(1) the stipend does not exceed the stipend paid to any other
member of the governing board or medical advisory board for
serving on the board; and

(2) the amount of the stipend is not based on patient volumes at
any medical cannabis dispensary or clinical registrant or on the
number of authorizations for the medical use of cannabis issued by
the health care practitioner pursuant to P.L.2009, c.307 (C.24:6I-1
et al.).

c. A health care practitioner, or an immediate family member
of a health care practitioner, who applies to be an owner, director,
officer, or employee of a medical cannabis cultivator, medical
cannabis manufacturer, medical cannabis dispensary, or clinical
registrant, or who otherwise seeks to be an interest holder in, or
receive any form of direct or indirect compensation from, a medical
cannabis cultivator, medical cannabis manufacturer, medical
cannabis dispensary, or clinical registrant, shall certify that the
health care practitioner has not authorized a patient for the medical
use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) within
the 90 days immediately preceding the date of the application.
d. A person who violates subsection a. of this section shall be guilty of a crime of the fourth degree.

7. (New section) a. An individual who is registered as a qualifying patient in another state or jurisdiction within the United States that authorizes the medical use of cannabis shall be considered a registered qualifying patient for the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) for a period of up to six months, provided that the individual possesses both proof of registration in, and a valid photo identification card issued by, the other state or jurisdiction. During the six month period, the individual shall be authorized to possess and use medical cannabis and engage in such other conduct related to medical cannabis in New Jersey as is consistent with the requirements of P.L.2009, c.307 (C.24:6I-1 et al.) and the laws of the state or jurisdiction in which the patient is registered, except that medical cannabis shall not be dispensed to the individual unless a health care practitioner licensed in New Jersey issues written instructions for the individual that meet the requirements of section 10 of P.L.2009, c.307 (C.24:6I-10). No individual shall be authorized to acquire, possess, use, or engage in other conduct in connection with medical cannabis in New Jersey pursuant to a medical cannabis registration from another State or jurisdiction for more than six months unless the individual registers with the commission as a qualifying patient pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4). Nothing in this subsection shall be construed to authorize delivery of medical cannabis to any person who is not registered with the commission pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4).

b. An individual who is registered as a designated caregiver in another state or jurisdiction within the United States that authorizes the medical use of cannabis shall be considered a designated caregiver for the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) for a period of up to six months, provided that the individual is in possession of both proof of registration in, and a valid photo identification card issued by, the other state or jurisdiction. During the six month period, the individual shall be authorized to assist a registered qualifying patient with the medical use of cannabis and engage in such other conduct in connection with medical cannabis in New Jersey as is consistent with the requirements of P.L.2009, c.307 (C.24:6I-1 et al.) and the laws of the state or jurisdiction in which the caregiver is registered, except that medical cannabis shall not be dispensed to the individual on behalf of a registered qualifying patient unless a health care practitioner licensed in New Jersey issues written instructions for the registered qualifying patient that meet the requirements of section 10 of P.L.2009, c.307 (C.24:6I-10). No individual shall be authorized to assist a registered
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qualifying patient with the medical use of cannabis or engage in
other conduct in connection with medical cannabis in New Jersey
pursuant to a medical cannabis registration from another State or
jurisdiction for more than six months unless the individual registers
with the commission as a designated caregiver pursuant to section 4
of P.L.2009, c.307 (C.24:6I-4). Nothing in this subsection shall be
construed to authorize delivery of medical cannabis to any person
who is not registered with the commission pursuant to section 4 of

c. The commission shall seek to enter into reciprocity
agreements with other states and jurisdictions within the United
States that authorize the medical use of cannabis.

8. Section 6 of P.L.2009, c.307 (C.24:6I-6) is amended to read
as follows:

6. a. The provisions of N.J.S.2C:35-18 shall apply to any
qualifying patient, [primary] designated caregiver, [alternative
treatment center, physician] institutional caregiver, health care
facility, medical cannabis cultivator, medical cannabis
manufacturer, medical cannabis dispensary, medical cannabis
handler, health care practitioner, academic medical center, clinical
registrant, testing laboratory, or any other person acting in
accordance with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.)
or P.L.2015, c.158 (C.18A:40-12.22 et al.).

b. A qualifying patient, [primary] designated caregiver,
[alternative treatment center, physician] institutional caregiver,
health care facility, medical cannabis cultivator, medical cannabis
manufacturer, medical cannabis dispensary, medical cannabis
handler, health care practitioner, academic medical center, clinical
registrant, testing laboratory, or any other person acting in
accordance with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.)
or P.L.2015, c.158 (C.18A:40-12.22 et al.) shall not be subject to
any civil or administrative penalty, or denied any right or privilege,
including, but not limited to, civil penalty or disciplinary action by
a professional licensing board, related to the medical use of
et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

c. Registration with the commission, or application for
registration by the commission, [a registry identification card] shall
not alone constitute probable cause to search the person or the
property of the [person possessing or applying for the registry
identification card] registrant or applicant, or otherwise subject the
person or [his] the person’s property to inspection by any
governmental agency.
d. The provisions of section 2 of P.L.1939, c.248 (C.26:2-82), relating to destruction of [marijuana] cannabis determined to exist by the [department] commission, shall not apply if a qualifying patient [or primary], designated caregiver, or institutional caregiver [has in his possession a registry identification card] is registered with the commission and is in possession of no more than the maximum amount of usable [marijuana] cannabis that may be obtained in accordance with section 10 of P.L.2009, c.307 (C.24:6I-10).

e. No person shall be subject to arrest or prosecution for constructive possession, conspiracy, or any other offense for simply being in the presence or vicinity of the medical use of [marijuana] cannabis as authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

f. No custodial parent, guardian, or person who has legal custody of a qualifying patient who is a minor shall be subject to arrest or prosecution for constructive possession, conspiracy, or any other offense for assisting the minor in the medical use of [marijuana] cannabis as authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

g. For the purposes of medical care, including organ transplants, a qualifying patient’s authorized use of medical cannabis in accordance with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.), shall be considered equivalent to the authorized use of any other medication used at the direction of a health care practitioner, and shall not constitute the use of an illicit substance or otherwise disqualify a qualifying patient from needed medical care.

h. No public or private school or institution of higher education may refuse to enroll a person based solely on the person’s status as a registrant with the commission, unless failing to do so would result in the school or institution losing a monetary or licensing-related benefit granted pursuant to federal law. No public or private school or institution of higher education shall be penalized or denied any benefit under State law solely on the basis of enrolling a person who is registered with the commission.

i. No person shall refuse to rent, lease, or sublease any real property or part or portion thereof, or discriminate in the terms, conditions, or privileges of the rental or lease of any real property or part or portion thereof or in the furnishing of facilities or services in connection therewith, based solely on the status of the prospective tenant as a registrant with the commission, unless failing to do so would result in the person losing a monetary or licensing-related benefit granted pursuant to federal law. No such person shall be penalized or denied any benefit under State law.
solely on the basis of renting or leasing real property to a person
who is registered with the commission.

j. No person shall be denied, or subject to adverse action in
connection with, any license, certification, or permit issued
pursuant to State law solely based on the person’s status as a
registrant with the commission, unless issuance or continuance of
the license, certification, or permit would result in the licensing or
permitting agency losing federal certification, federal funding, or
other benefits granted pursuant to federal law.

k. (1) Unless failing to do so would result in the health care
facility losing a monetary or licensing-related benefit granted
pursuant to federal law, a health care facility that employs or
maintains a professional affiliation with a health care practitioner
shall not take adverse employment action against the health care
practitioner or otherwise limit, restrict, or terminate a professional
affiliation with the health care practitioner solely based on the
health care practitioner engaging in conduct authorized under
P.L.2009, c.307 (C.24:6I-1 et al.), including, but not limited to,
authorizing patients for the medical use of cannabis, issuing written
instructions pursuant to section 10 of P.L.2009, c.307 (C.24:6I-10),
and consulting with patients regarding the use of medical cannabis
to treat the patient’s qualifying medical condition.

(2) No health care facility shall be penalized or denied any
benefit under State law solely on the basis of employing or
maintaining a professional affiliation with a health care practitioner
who engages in conduct authorized under P.L.2009, c.307 (C.24:6I-
1 et al.).

l. Unless failing to do so would result in the insurer or
insurance association losing a monetary or licensing-related benefit
granted pursuant to federal law, an insurer or insurance association
authorized to issue medical malpractice liability insurance in New
Jersey shall not deny coverage to a health care practitioner, increase
the amount of premiums or deductibles under the policy, or charge
any additional fees in connection with the policy, solely based on
the health care practitioner engaging in conduct authorized under
P.L.2009, c.307 (C.24:6I-1 et al.), including, but not limited to,
authorizing qualifying patients for the medical use of cannabis,
issuing written instructions pursuant to section 10 of P.L.2009,
c.307 (C.24:6I-10), and consulting with patients regarding the use
of medical cannabis to treat a qualifying medical condition. No
insurer or insurance association shall be penalized or denied any
benefit under State law solely on the basis of providing medical
malpractice liability insurance to a health care practitioner who
engages in conduct authorized under P.L.2009, c.307 (C.24:6I-
1 et al.).
m. A person’s status as a registered qualifying patient, a designated or institutional caregiver, an owner, director, officer, or employee of a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, clinical registrant, or licensed testing laboratory, or as a certified medical cannabis handler, shall not constitute the sole grounds for entering an order that restricts or denies custody of, or visitation with, a minor child of the person.

n. (1) No health care facility shall be penalized or denied any benefit under State law solely for permitting or prohibiting the handling, administration, usage, or storage of medical cannabis, provided that the facility’s policies related to medical cannabis are consistent with all other facility policies concerning medication handling, administration, usage, or storage.

(2) No health care facility shall be penalized or denied any benefit under State law solely for prohibiting the smoking of medical cannabis on facility property in accordance with the facility’s smoke free policy.

o. No action or proceeding by the Division of Child Protection and Permanency in the Department of Children and Families shall be initiated against a pregnant woman or against the parent or legal guardian of minor child on the sole grounds that the pregnant woman or the parent or legal guardian is a registered qualifying patient, a designated or institutional caregiver, an owner, director, officer, or employee of a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, clinical registrant, or licensed testing laboratory, or a certified medical cannabis handler; provided, however, that nothing in this subsection shall preclude any action or proceeding by the division based on harm or risk of harm to a child.

(cf: P.L.2015, c.158, s.4)

9. (New section) a. It shall be unlawful to take any adverse employment action against an employee who is a registered qualifying patient based solely on the employee’s status as a registrant with the commission.

b. (1) If an employer has a drug testing policy and an employee or job applicant tests positive for cannabis, the employer shall offer the employee or job applicant an opportunity to present a legitimate medical explanation for the positive test result, and shall provide written notice of the right to explain to the employee or job applicant.

(2) Within three working days after receiving notice pursuant to paragraph (1) of this subsection, the employee or job applicant may submit information to the employer to explain the positive test result, or may request a confirmatory retest of the original sample at
the employee’s or job applicant’s own expense. As part of an
employee’s or job applicant’s explanation for the positive test
result, the employee or job applicant may present an authorization
for medical cannabis issued by a health care practitioner, proof of
registration with the commission, or both.

c. Nothing in this section shall be deemed to:
(1) restrict an employer’s ability to prohibit, or take adverse
employment action for, the possession or use of intoxicating
substances during work hours or on the premises of the workplace
outside of work hours; or
(2) require an employer to commit any act that would cause the
employer to be in violation of federal law, that would result in a
loss of a licensing-related benefit pursuant to federal law, or that
would result in the loss of a federal contract or federal funding.
d. No employer shall be penalized or denied any benefit under
State law solely on the basis of employing a person who is
registered with the commission.

10. Section 7 of P.L.2009, c.307 (C.24:6I-7) is amended to read
as follows:

7. a. (1) The [department] commission shall accept
applications from entities for permits to operate as [alternative
treatment centers and may charge a reasonable fee for the issuance
of a permit under this section] medical cannabis cultivators,
medical cannabis manufacturers, and medical cannabis dispensaries.
For the purposes of this section, the term “permit” shall be deemed
to include a conditional permit issued pursuant to subsection d. of
section 11 of P.L. , c. (C. ) (pending before the Legislature
as this bill) and any permit issued to a microbusiness pursuant to
subsection e. of section 11 of P.L. , c. (C. ) (pending before
the Legislature as this bill).

(2) (a) For a period of 18 months after the effective date of
P.L. , c. (C. ) (pending before the Legislature as this bill):
(i) no applicant may concurrently hold more than one permit
issued by the commission pursuant to this section, regardless of
type; and
(ii) there shall be no more than 28 active medical cannabis
cultivator permits, including medical cannabis cultivator permits
deemed to be held by alternative treatment centers issued a permit
prior to the effective date of P.L. , c. (C. ) (pending before
the Legislature as this bill) and medical cannabis cultivator permits
deemed to be held by alternative treatment centers issued a permit
subsequent to the effective date of P.L. , c. (C. ) (pending
before the Legislature as this bill) pursuant to an application
submitted prior to the effective date of P.L. , c. (C. )
(pending before the Legislature as this bill); provided that medical
cannabis cultivator permits issued to microbusinesses pursuant to subsection e. of section 11 of P.L. ___, c. (C. ) (pending before the Legislature as this bill) shall not count toward this limit.

(b) Commencing 18 months after the effective date of P.L. ___, c. (C. ) (pending before the Legislature as this bill), a permit holder shall be authorized to concurrently hold a medical cannabis cultivator permit, a medical cannabis manufacturer permit, and a medical cannabis dispensary permit, provided that no permit holder shall be authorized to concurrently hold more than one permit of each type. The permit holder may submit an application for a permit of any type that the permit holder does not currently hold prior to the expiration of the 18 month period described in subparagraph (a) of this paragraph, provided that no additional permit shall be awarded to the permit holder during the 18 month period.

(c) The provisions of subparagraph (a) of this paragraph shall not apply to any alternative treatment center that was issued a permit prior to the effective date of P.L. ___, c. (C. ) (pending before the Legislature as this bill), to any alternative treatment center that was issued a permit after the effective date of P.L. ___, c. (C. ) (pending before the Legislature as this bill) pursuant to an application submitted prior to the effective date of P.L. ___, c. (C. ) (pending before the Legislature as this bill), to one of the four alternative treatment centers issued a permit pursuant to an application submitted after the effective date of P.L. ___, c. (pending before the Legislature as this bill) pursuant to a request for applications published in the New Jersey Register prior to the effective date of P.L. ___, c. (pending before the Legislature as this bill) that are expressly exempt from the provisions of subsubparagraph (i) of subparagraph (a) of this paragraph, or to one of the three alternative treatment centers issued a permit pursuant to section 11 of P.L. ___, c. (pending before the Legislature as this bill) that are expressly exempt from the provisions of subsubparagraph (i) of subparagraph (a) of this paragraph, which alternative treatment centers shall be deemed to concurrently hold a medical cannabis cultivator permit, a medical cannabis manufacturer permit, and a medical cannabis dispensary permit, and shall be authorized to engage in any conduct authorized pursuant to those permits in relation to the cultivation, manufacturing, and dispensing of medical cannabis.

(d) No entity may be issued or concurrently hold more than one medical cannabis cultivator permit, one medical cannabis manufacturer permit, or one medical cannabis dispensary permit at one time, and no medical cannabis dispensary shall be authorized to establish a satellite location on or after the effective date of P.L. ___, c. (pending before the Legislature as this bill), except...
that an alternative treatment center that was issued a permit prior to the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill) or that was issued a permit after the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill) pursuant to an application submitted prior to the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill) shall be authorized to maintain up to two satellite dispensaries, including any satellite dispensary that was approved pursuant to an application submitted prior to or within 18 months after the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill). The three alternative treatment centers issued permits pursuant to section 11 of P.L. , c. (C. ) (pending before the Legislature as this bill) that are expressly exempt from the provisions of subsubparagraph (i) of subparagraph (a) of this paragraph shall be authorized to establish and maintain up to one satellite dispensary location, provided that the satellite dispensary was approved pursuant to an application submitted within 18 months after the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill).

(e) No entity issued a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary permit may concurrently hold a clinical registrant permit issued pursuant to section 13 of P.L. , c. (C. ) (pending before the legislature as this bill), and no entity issued a clinical registrant permit pursuant to section 13 of P.L. , c. (C. ) (pending before the Legislature as this bill) may concurrently hold a medical cannabis cultivator permit, a medical cannabis manufacturer permit, or a medical cannabis dispensary permit.

(f) Any medical cannabis dispensary permit holder may be approved by the commission to operate a medical cannabis consumption area, provided that the permit holder otherwise meets the requirements of section 28 of P.L. , c. (C. ) (pending before the Legislature as this bill).

(g) An alternative treatment center that was issued a permit prior to the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill), that was issued a permit after the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill) pursuant to an application submitted pursuant to a request for applications published in the New Jersey Register prior to the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill), or that was issued a permit after the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill) pursuant to an application submitted prior to the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill), shall be required to submit an attestation signed by a bona fide labor organization stating that the alternative
treatment center has entered into a labor peace agreement with such
bona fide labor organization no later than 100 days after the
effective date of P.L., c. (C.) (pending before the
Legislature as this bill) or no later than 100 days after the date the
alternative treatment center first opens, whichever date is later. The
maintenance of a labor peace agreement with a bona fide labor
organization shall be an ongoing material condition of maintaining
the alternative treatment center’s permit. The failure to submit an
attestation as required pursuant to this subparagraph within 100
days after the effective date of P.L., c. (C.) (pending
before the Legislature as this bill) or within 100 days after the
alternative treatment center first opens, as applicable, shall result in
the suspension or revocation of the alternative treatment center’s
permit, provided that the commission may grant an extension to this
deadline to the alternative treatment center based upon extenuating
circumstances or for good cause shown.

(3) The department commission shall seek to ensure the
availability of a sufficient number of alternative treatment centers
medical cannabis cultivators, medical cannabis manufacturers, and
medical cannabis dispensaries throughout the State, pursuant to
need, including at least two each in the northern, central, and
southern regions of the State. The first two centers issued a permit
in each region shall be nonprofit entities, and centers subsequently
Medical cannabis cultivators, medical cannabis manufacturers, and
medical cannabis dispensaries issued permits pursuant to this
section may be nonprofit or for-profit entities.

(4) The commission shall periodically evaluate whether the
number of medical cannabis cultivator, medical cannabis
manufacturer, and medical cannabis dispensary permits issued are
sufficient to meet the needs of qualifying patients in the State, and
shall make requests for applications and issue such additional
permits as shall be necessary to meet those needs. The types of
permits requested and issued, and the locations of any additional
permits that are authorized, shall be in the discretion of the
commission based on the needs of qualifying patients in the State.

(5) (a) A medical cannabis cultivator shall be authorized to:
acquire a reasonable initial and ongoing inventory, as determined
by the department commission, of marijuana cannabis seeds or
seedlings and paraphernalia; possess, cultivate, plant, grow,
harvest, process, display, manufacture, and package medical
cannabis, including prerolled forms, for any authorized purpose,
including, but not limited to, research purposes; and deliver,
transfer, transport, distribute, supply, or sell medical
marijuana cannabis and related supplies to any medical
cannabis cultivator, medical cannabis manufacturer, medical

cannabis dispensary, or clinical registrant in the State. In no case
shall a medical cannabis cultivator operate or be located on land
that is valued, assessed or taxed as an agricultural or horticultural
use pursuant to the "Farmland Assessment Act of 1964," P.L. 1964,
c.48 (C.54:4-23.1 et seq.).

(b) A medical cannabis manufacturer shall be authorized to:
purchase or acquire medical cannabis from any medical cannabis
cultivator, medical cannabis manufacturer, or clinical registrant in
the State; possess and utilize medical cannabis in the manufacture,
production, and creation of medical cannabis products; and deliver,
transfer, transport, supply, or sell medical cannabis products and
related supplies to any medical cannabis manufacturer, medical
cannabis dispensary, or clinical registrant in the State.

(c) A medical cannabis dispensary shall be authorized to:
purchase or acquire medical cannabis from any medical cannabis
cultivator, medical cannabis dispensary, or clinical registrant in the
State and medical cannabis products and related supplies from any
medical cannabis manufacturer, medical cannabis dispensary, or
clinical registrant in the State; purchase or acquire paraphernalia
from any legal source; and distribute, supply, sell, or dispense
medical cannabis, medical cannabis products, paraphernalia, and
related supplies to qualifying patients or their [primary] designated
or institutional caregivers who are registered with the [department]
commission pursuant to section 4 of [this act] P.L.2009, c.307
dispensary may furnish medical cannabis, medical cannabis
products, paraphernalia, and related supplies to a medical cannabis
handler for delivery to a registered qualifying patient, designated
caregiver, or institutional caregiver consistent with the requirements
of subsection i. of section 27 of P.L. , c. (C. ) (pending
before the Legislature as this bill).

(6) A medical cannabis cultivator shall not be limited in the
number of strains of medical [marijuana] cannabis cultivated, and a
medical cannabis manufacturer shall not be limited in the number or
type of medical cannabis products manufactured, produced, or
created. A medical cannabis manufacturer may package, and a
medical cannabis dispensary may directly dispense [marijuana]
medical cannabis and medical cannabis products to qualifying
patients and their designated and institutional caregivers in any
authorized form. Authorized forms shall include dried form, oral
lozenges, topical formulations, transdermal form, sublingual form,
tincture form, or edible form, or any other form as authorized by the
[commissioner] commission. Edible form shall include pills,
tablets, capsules, drops or syrups, oils, chewable forms, and any
other form as authorized by the [commissioner] commission, except that the edible forms made available to minor patients shall be limited to forms that are medically appropriate for children, including pills, tablets, capsules, chewable forms, and drops, oils, syrups, and other liquids. [Edible forms shall be available only to qualifying patients who are minors. Applicants for authorization as nonprofit alternative treatment centers shall be subject to all applicable State laws governing nonprofit entities, but]

(7) Nonprofit medical cannabis cultivators, medical cannabis manufacturers, and medical cannabis dispensaries need not be recognized as a 501(c)(3) organization by the federal Internal Revenue Service.

b. The [department] commission shall require that an applicant provide such information as the [department] commission determines to be necessary pursuant to regulations adopted pursuant to [this act] P.L.2009, c.307 (C.24:6I-1 et al.).

c. A person who has been convicted of a crime of the first, second, or third degree under New Jersey law or of a crime involving any controlled dangerous substance or controlled substance analog as set forth in chapter 35 of Title 2C of the New Jersey Statutes except paragraph (11) or (12) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar law of the United States or any other state shall not be issued a permit to operate as [an alternative treatment center] a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant or be a director, officer, or employee of [an alternative treatment center] a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, unless such conviction occurred after the effective date of [this act] P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of federal law relating to possession or sale of [marijuana] cannabis for conduct that is authorized under [this act] P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

d. (1) The [commissioner] commission shall require each applicant seeking a permit to operate as [an alternative treatment center], to be a director, officer, or employee of, or to be a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant to undergo a criminal history record background check.

Any individual seeking to become a director, officer, or employee of a medical cannabis cultivator, medical cannabis
After issuance of an initial permit, the manufacturer, medical cannabis dispensary, or clinical registrant, shall notify the commission and shall complete a criminal history record background check and provide all information as may be required by the commission as a condition of assuming a position as director, officer, or employee of the permitted entity. An individual who incurs an investment interest or gains the authority to make controlling decisions in a permitted entity that makes the individual a significantly involved person shall notify the commission, complete a criminal history record background check, and provide all information as may be required by the commission no later than 30 days after the date the individual becomes a significantly involved person, or any permit issued to the individual or group of which the significantly involved person is a member shall be revoked and the individual or group shall be deemed ineligible to hold any ownership or investment interest in a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant for a period of at least two years, commencing from the date of revocation, and for such additional period of time as the commission deems appropriate, based on the duration of the nondisclosure, the size of the individual’s or group’s investment interest in the permitted entity, the amount of profits, revenue, or income realized by the individual or group from the permitted entity during the period of nondisclosure, and whether the individual had a disqualifying conviction or would otherwise have been deemed ineligible to be a significantly involved person in a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant.

For purposes of this section, the term "applicant" shall include any owner, director, officer, or employee of an alternative treatment center, and any significantly involved person in a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant. The commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable federal and State laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this section.

An applicant who is required to undergo a criminal history record background check pursuant to this section shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this section.
unless the applicant has furnished [his] the applicant’s written consent to that check. An applicant who is required to undergo a criminal history record background check pursuant to this section who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall not be considered for a permit to operate, or authorization to be employed at or to be a significantly involved person in, [an alternative treatment center] a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant. An applicant shall bear the cost for the criminal history record background check, including all costs of administering and processing the check.

(2) The [commissioner] commission shall not approve an applicant for a permit to operate, or authorization to be employed at or to be a significantly involved person in, [an alternative treatment center] a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant if the criminal history record background information of the applicant reveals a disqualifying conviction as set forth in subsection c. of this section.

(3) Upon receipt of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the [commissioner] commission shall provide written notification to the applicant of [his] the applicant’s qualification for or disqualification for a permit to operate or be a director, officer, or employee of [an alternative treatment center], or a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant. If the applicant is disqualified because of a disqualifying conviction pursuant to the provisions of this section, the conviction that constitutes the basis for the disqualification shall be identified in the written notice.

(4) The Division of State Police shall promptly notify the [commissioner] commission in the event that an individual who was the subject of a criminal history record background check conducted pursuant to this section is convicted of a crime or offense in this State after the date the background check was performed. Upon receipt of that notification, the [commissioner] commission shall make a determination regarding the continued eligibility to operate or be a director, officer, or employee of [an alternative treatment center], or a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant.
Notwithstanding the provisions of subsection [b.] of this section to the contrary, the [commissioner] may offer provisional authority for an applicant to be an owner, director, officer, or employee of [an alternative treatment center] or a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant for a period not to exceed three months if the applicant submits to the [commissioner] a sworn statement attesting that the person has not been convicted of any disqualifying conviction pursuant to this section.

Notwithstanding the provisions of subsection [b.] of this section to the contrary, no applicant to be an owner, director, officer, or employee of [an alternative treatment center] or a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant shall be disqualified on the basis of any conviction disclosed by a criminal history record background check conducted pursuant to this section if the individual has affirmatively demonstrated to the [commissioner] clear and convincing evidence of rehabilitation. In determining whether clear and convincing evidence of rehabilitation has been demonstrated, the following factors shall be considered:

(a) the nature and responsibility of the position which the convicted individual would hold, has held, or currently holds;
(b) the nature and seriousness of the crime or offense;
(c) the circumstances under which the crime or offense occurred;
(d) the date of the crime or offense;
(e) the age of the individual when the crime or offense was committed;
(f) whether the crime or offense was an isolated or repeated incident;
(g) any social conditions which may have contributed to the commission of the crime or offense; and
(h) any evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational schooling, successful participation in correctional work-release programs, or the recommendation of those who have had the individual under their supervision.

The [department] shall issue a permit to [a person to] operate [as an alternative treatment center] or be an owner, director, officer, or employee of, or a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary if the [department]
commission finds that issuing such a permit would be consistent with the purposes of [this act] P.L.2009, c.307 (C.24:6I-1 et al.) and the requirements of this section and section 11 of P.L. , c. (C. ) (pending before the Legislature as this bill) are met [and the department has verified the information contained in the application. The department shall approve or deny an application within 60 days after receipt of a completed application]. The denial of an application shall be considered a final agency decision, subject to review by the Appellate Division of the Superior Court.

The department may suspend or revoke a permit to operate as an alternative treatment center for cause, which shall be subject to review by the Appellate Division of the Superior Court. A permit to operate a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary issued on or after the effective date of P.L. , c. (pending before the Legislature as this bill) shall be valid for one year and shall be renewable annually.

f. A person who has been issued a permit pursuant to this section or a clinical registrant permit pursuant to section 13 of P.L. , c. (pending before the Legislature as this bill) shall display the permit at the front entrance to the premises of the alternative treatment center permitted facility at all times when marijuana is being produced, or dispensed to a registered qualifying patient or the patient's primary caregiver the facility is engaged in conduct authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) involving medical cannabis, including, but not limited to, the cultivating, manufacturing, or dispensing of medical cannabis.

g. [An alternative treatment center] A medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant shall report any change in information to the [department] commission not later than 10 days after such change, or the permit shall be deemed null and void.

h. [An alternative treatment center may charge a registered qualifying patient or primary caregiver for the reasonable costs associated with the production and distribution of marijuana for the cardholder] Each medical cannabis dispensary and clinical registrant shall maintain and make available on its Internet website, if any, a standard price list that shall apply to all medical cannabis, medical cannabis products, and related supplies and paraphernalia sold or dispensed by the medical cannabis dispensary or clinical registrant, which prices shall be reasonable and consistent with the actual costs incurred by the medical cannabis dispensary or clinical registrant in connection with acquiring and selling, transferring, or dispensing the medical cannabis or medical cannabis product and
related supplies and paraphernalia. The prices charged by medical cannabis dispensary or clinical registrant shall not deviate from the prices indicated on the entity’s current price list, provided that a price list maintained by a medical cannabis dispensary or clinical registrant may allow for medical cannabis to be made available at a reduced price or without charge to qualifying patients who have a demonstrated financial hardship, as that term shall be defined by the commission by regulation. A price list required pursuant to this subsection may be revised no more than once per month, and each medical cannabis dispensary and clinical registrant shall be responsible for ensuring that the commission has a copy of the facility’s current price list. A medical cannabis dispensary or clinical registrant shall be liable to a civil penalty of $1,000 for each sale that occurs at a price that deviates from the entity’s current price list, and to a civil penalty of $10,000 for each week during which the entity’s current price list is not on file with the commission. Any civil penalties collected by the commission pursuant to this section shall be used by the commission for the purposes of administering the State medical cannabis program.

i. The [commissioner] commission shall adopt regulations to:

(1) require such written documentation of each delivery or dispensation of [marijuana] cannabis to, and pickup of [marijuana] cannabis for, a registered qualifying patient, including the date and amount dispensed, and, in the case of delivery, the date and times the delivery commenced and was completed, the address where the medical cannabis was delivered, the name of the patient or caregiver to whom the medical cannabis was delivered, and the name, handler certification number, and delivery certification number of the medical cannabis handler who performed the delivery, to be maintained in the records of the [alternative treatment center] medical cannabis dispensary or clinical registrant, as the [commissioner] commission determines necessary to ensure effective documentation of the operations of each [alternative treatment center] medical cannabis dispensary or clinical registrant;

(2) monitor, oversee, and investigate all activities performed by [an alternative treatment center] medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, and clinical registrants; [and]

(3) ensure adequate security of all facilities 24 hours per day [including production and retail locations] and security of all delivery methods to registered qualifying patients; and

(4) establish thresholds for administrative action to be taken against a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant and its employees, officers, investors, directors, or governing board
pursuant to subsection m. of this section, including, but not limited
to, specific penalties or disciplinary actions that may be imposed in
a summary proceeding.

j. (1) Each medical cannabis cultivator, medical cannabis
manufacturer, medical cannabis dispensary, and clinical registrant
shall require the owners, directors, officers, and employees at the
permitted facility to complete at least eight hours of ongoing
training each calendar year. The training shall be tailored to the
roles and responsibilities of the individual’s job function, and shall
include training on confidentiality and such other topics as shall be
required by the commission.

(2) Each medical cannabis dispensary and clinical registrant
shall consider whether to make interpreter services available to the
population served, including for individuals with a visual or hearing
impairment. The commission shall provide assistance to any
medical cannabis dispensary or clinical registrant that seeks to
provide such services in locating appropriate interpreter resources.
A medical cannabis dispensary or clinical registrant shall assume
the cost of providing interpreter services pursuant to this
subsection.

k. (1) The first six alternative treatment centers issued permits
following the effective date of P.L.2009, c.307 (C.24:6I-1 et al.)
shall be authorized to sell or transfer such permit and other assets to
a for-profit entity, provided that: the sale or transfer is approved by
the commission; each owner, director, officer, and employee of, and
significantly involved person in, the entity seeking to purchase or
receive the transfer of the permit, undergoes a criminal history
record background check pursuant to subsection d. of this section,
provided that nothing in this subsection shall be construed to
require any individual to undergo a criminal history record
background check if the individual would otherwise be exempt from
undergoing a criminal history record background check pursuant to
subsection d. of this section; the commission finds that the sale or
transfer of the permit would be consistent with the purposes of
P.L.2009, c.307 (C.24:6I-1 et al.); and no such sale or transfer shall
be authorized more than one year after the effective date of P.L.,
c. (C.) (pending before the Legislature as this bill). The sale
or transfer of a permit pursuant to this subsection shall not be
subject to the requirements of the “New Jersey Nonprofit
Corporation Act,” N.J.S.15A:1-1 et seq., provided that, prior to or
at the time of the sale or transfer, all debts and obligations of the
nonprofit entity are either paid in full or assumed by the for-profit
entity purchasing or acquiring the permit, or a reserve fund is
established for the purpose of paying in full the debts and
obligations of the nonprofit entity, and the for-profit entity pays the
full value of all assets held by the nonprofit entity, as reflected on
the nonprofit entity’s balance sheet, in addition to the agreed-upon
price for the sale or transfer of the entity’s alternative treatment
center permit. Until such time as the members of the Cannabis
Regulatory Commission are appointed and the commission first
organizes, the Department of Health shall have full authority to
approve a sale or transfer pursuant to this paragraph.

(2) The sale or transfer of any interest of five percent or more in
a medical cannabis cultivator, medical cannabis manufacturer,
medical cannabis dispensary, or clinical registrant permit shall be
subject to approval by the commission and conditioned on the entity
that is purchasing or receiving transfer of the interest in the medical
cannabis cultivator, medical cannabis manufacturer, medical
cannabis dispensary, or clinical registrant permit completing a
criminal history record background check pursuant to the
requirements of subsection d. of this section.

1. No employee of any department, division, agency, board, or
other State, county, or local government entity involved in the
process of reviewing, processing, or making determinations with
regard to medical cannabis cultivator, medical cannabis
manufacturer, medical cannabis dispensary, or clinical registrant
permit applications shall have any direct or indirect financial
interest in the cultivating, manufacturing, or dispensing of medical
cannabis or related paraphernalia, or otherwise receive anything of
value from an applicant for a medical cannabis cultivator, medical
cannabis manufacturer, medical cannabis dispensary, or clinical
registrant permit in exchange for reviewing, processing, or making
any recommendations with respect to a permit application.

m. In the event that a medical cannabis cultivator, medical
cannabis manufacturer, medical cannabis dispensary, or clinical
registrant fails to comply with any requirements set forth in
P.L.2009, c.307 (C.24:6I-1 et al.) or any related law or regulation,
the commission may invoke penalties or take administrative action
against the medical cannabis cultivator, medical cannabis
manufacturer, medical cannabis dispensary, or clinical registrant
and its employees, officers, investors, directors, or governing board,
including, but not limited to, assessing fines, referring matters to
another State agency, and suspending or terminating any permit
held by the medical cannabis cultivator, medical cannabis
manufacturer, medical cannabis dispensary, or clinical registrant.
Any penalties imposed or administrative actions taken by the
commission pursuant to this subsection may be imposed in a
summary proceeding.

(cf: P.L.2013, c.160, s.2)

11. (New section) a. The commission shall, no later than 90
days after the effective date of P.L. , c. (C. ) (pending
before the Legislature as this bill) or upon adoption of rules and regulations as provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-16), whichever occurs later, begin accepting and processing applications for new medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits. Notwithstanding the provisions of subsubparagraph (i) of subparagraph (a) of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), the first three alternative treatment center permits issued by the commission pursuant to an application submitted on or after the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill) and up to four alternative treatment centers permits issued by the commission after the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill) pursuant to an application submitted pursuant to a request for applications published in the New Jersey Register prior to the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill) shall be deemed to concurrently hold a medical cannabis cultivator permit, a medical cannabis manufacturer permit, and a medical cannabis dispensary permit; of these permits, one permit shall be issued to an applicant located in the northern region of the State, one permit shall be issued to an applicant located in the central region of the State, and one permit shall be issued to an applicant located in the southern region of the State. Any permits issued by the commission thereafter shall be subject to the provisions of subsubparagraph (i) of subparagraph (a) of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), and the requirements of subsection d. of this section concerning conditional permits.

b. The commission may establish nonrefundable application fees for permit applications and conditional permit applications, and permit and conditional permit fees for successful applicants.

c. (1) The commission shall make a determination as to any permit application, other than an application for a conditional permit submitted pursuant to subsection d. of this section, no later than 90 days after receiving the application, which may include a determination that the commission reasonably requires more time to adequately review the application.

(2) The commission shall issue a permit, other than a conditional permit, to an approved applicant at such time as the commission completes the application review process and any mandatory inspections, and determines that the applicant is in compliance with and is implementing the plans, procedures, protocols, actions, or other measures set forth in the applicant’s permit application submitted pursuant to section 12 of P.L. , c. (C. ) (pending before the Legislature as this bill), did maintain compliance with the terms, conditions, or restrictions of a
conditional permit issued to the applicant, if applicable, and is otherwise in compliance with the requirements of P.L.2009, c.307 (C.24:6I-1 et al.).

d. (1) The commission shall ensure that at least one third of the total permits issued for each type of medical cannabis permit are conditional permits, which one-third figure shall include any conditional permit issued to an applicant which is subsequently converted by the commission into a full permit pursuant to paragraph (4) of this subsection and any conditional permit, including a converted permit, issued to a microbusiness pursuant to subsection e. of this section. The requirements of this subsection shall not apply to permits issued to clinical registrants or to permits issued to the three alternative treatment centers issued a permit pursuant to subsection a. of this section that are expressly exempt from the provisions of subsubparagraph (i) of subparagraph (a) of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7).

(2) An application for a conditional permit shall include:

(a) documentation that the applicant entity includes at least one significantly involved person who has resided in this State for at least two years as of the date of the application;

(b) a list of all owners, officers, directors, and employees of, and significantly involved persons in, the proposed medical cannabis entity, including their names, addresses, dates of birth, resumes, and a photocopy of their driver’s licenses or other government-issued form of identification;

(c) a criminal history record background check completed pursuant to subsection d. of section 7 of P.L.2009, c.307 (C.24:6I-7) for each owner, officer, director, and employee of, and each significantly involved person in, the proposed medical cannabis entity, provided that a conditional permit may be issued pending the results of a criminal history record background check;

(d) documentation that each significantly involved person in the proposed medical cannabis entity has, for the immediately preceding taxable year, an adjusted gross income of no more than $200,000 or no more than $400,000 if filing jointly with another;

(e) a certification that each significantly involved person in the proposed medical cannabis entity does not have any financial interest in an entity applying for any other medical cannabis permit, or in an entity that currently holds a permit issued pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7);

(f) the federal and State tax identification numbers for the proposed medical cannabis entity, and proof of business registration with the Division of Revenue in the Department of the Treasury;

(g) information about the proposed medical cannabis entity, including its legal name, any registered alternate name under which
it may conduct business, and a copy of its articles of organization and bylaws;
(h) the business plan and management operation profile for the proposed medical cannabis entity;
(i) the plan by which the applicant intends to obtain appropriate liability insurance coverage for the proposed medical cannabis entity; and
(j) any other requirements established by the commission pursuant to regulation.

(3) The commission shall make a determination on an application for a conditional permit within 30 days after the date the application is received. A determination made pursuant to this paragraph may include a determination that the commission requires more time to adequately review the application. The commission shall approve a permit application that meets the requirements of this subsection unless the commission finds by clear and convincing evidence that the applicant would be manifestly unsuitable to perform the activities authorized for the permit sought by the applicant. The commission shall deny a conditional permit to any applicant who fails to provide information, documentation, and assurances as required by this subsection; who fails to reveal any fact material to qualification; or who supplies information that is untrue or misleading as to a material fact pertaining to the qualification criteria for issuance of a conditional permit. If the application is denied, the commission shall notify the applicant in writing of the specific reason for its denial and provide the applicant with the opportunity for a hearing in accordance with the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.).

(4) The commission shall furnish to each entity issued a conditional permit a list of the requirements that the entity will be required to comply with within 120 days after issuance of the conditional permit. If the commission subsequently determines that, during the 120-day period, the conditional permit holder is in compliance with all applicable conditions and is implementing the plans, procedures, protocols, actions, or other measures set forth in its application, the commission shall convert the conditional permit into a full permit, which will expire one year from its date of issuance and be subject to annual renewal; if the commission determines that the conditional permit holder is not in compliance with all applicable conditions or not implementing the plans, procedures, protocols, actions, or other measures set forth in its application, the conditional permit shall automatically expire at the end of the 120-day period, or, at the discretion of the commission, may be revoked prior to the end of the 120-day period.
A conditional permit issued pursuant this subsection may not be sold or transferred.

e. (1) The commission shall ensure that at least 10 percent of the total permits issued for each medical cannabis permit type, other than a clinical registrant permit, are designated for and only issued to microbusinesses, and that at least 25 percent of the total permits issued be issued to microbusinesses. A microbusiness may be issued a full annual permit pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) or a conditional permit pursuant to subsection d. of this section. The maximum fee assessed by the commission for issuance or renewal of a permit issued to a microbusiness shall be no more than half the fee applicable to a permit of the same type issued to a person or entity that is not a microbusiness. A permit issued to a microbusiness shall be valid for one year and may be renewed annually.

(2) A microbusiness shall meet the following requirements:

(a) 100 percent of the ownership interest in the microbusiness shall be held by current New Jersey residents who have resided in the State for at least the past two consecutive years;

(b) at least 51 percent of the owners, directors, officers, and employees of the microbusiness shall be residents of the municipality in which the microbusiness is or will be located, or a municipality bordering the municipality in which the microbusiness is or will be located;

(c) the microbusiness shall employ no more than 10 employees at one time, inclusive of any owners, officers, and directors of the microbusiness;

(d) the microbusiness shall not exceed the following size and capacity restrictions:

(i) the entire microbusiness facility shall occupy an area of no more than 2,500 square feet;

(ii) in the case of a microbusiness that is a medical cannabis cultivator, the total medical cannabis grow area shall not exceed 2,500 square feet, measured on a horizontal plane, shall grow no higher than 24 feet above that plane, and shall possess a total of no more than 1,000 plants, including mature and immature medical cannabis plants, but not including seedlings;

(iii) in the case of a microbusiness that is a medical cannabis manufacturer, the manufacturer shall acquire and process no more than 1,000 pounds of medical cannabis in dried form each month; and

(iv) in the case of a microbusiness that is a medical cannabis dispensary, the dispensary shall acquire no more than 1,000 pounds of medical cannabis in dried form, or the equivalent amount in any other form, or any combination thereof, for dispensing to or on behalf of registered qualifying patients each month; and
(e) the microbusiness shall comply with such other requirements as may be established by the commission by regulation.

(3) The requirements of this subsection shall not apply to permits issued pursuant to an application submitted pursuant to a request for applications published in the New Jersey Register prior to the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill).

12. (New section) a. Each application for a medical cannabis cultivator permit, medical cannabis manufacturer permit, and medical cannabis dispensary permit, and each application for annual renewal of such permit, including permit and renewal applications for microbusinesses that meet the requirements of subsection e. of section 11 of P.L. , c. (C. ) (pending before the Legislature as this bill), shall be submitted to the commission. A full, separate application shall be required for each initial permit requested by the applicant and for each location at which an applicant seeks to operate, regardless of whether the applicant was previously issued a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit, and regardless of whether the applicant currently holds a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary permit. Renewal applications shall be submitted to the commission on a form and in a manner as shall be specified by the commission no later than 90 days before the date the current permit will expire.

b. An initial permit application shall be evaluated according to criteria to be developed by the commission. The commission shall determine the point values to be assigned to each criterion, which shall include bonus points for applicants who are residents of New Jersey.

c. The criteria to be developed by the commission pursuant to subsection b. of this section shall include, in addition to the criteria set forth in subsections d. and e. of this section and any other criteria developed by the commission, an analysis of the applicant’s operating plan, excluding safety and security criteria, which shall include the following:

(1) In the case of an applicant for a medical cannabis cultivator permit, the operating plan summary shall include a written description concerning the applicant’s qualifications for, experience in, and knowledge of each of the following topics:

(a) State-authorized cultivation of medical cannabis;

(b) conventional horticulture or agriculture, familiarity with good agricultural practices, and any relevant certifications or degrees;

(c) quality control and quality assurance;
(d) recall plans;
(e) packaging and labeling;
(f) inventory control and tracking software or systems for the production of medical cannabis;
(g) analytical chemistry and testing of medical cannabis;
(h) water management practices;
(i) odor mitigation practices;
(j) onsite and offsite recordkeeping;
(k) strain variety and plant genetics;
(l) pest control and disease management practices, including plans for the use of pesticides, nutrients, and additives;
(m) waste disposal plans; and

(2) In the case of an applicant for a medical cannabis manufacturer permit, the operating plan summary shall include a written description concerning the applicant’s qualifications for, experience in, and knowledge of each of the following topics:
(a) State-authorized manufacture, production, and creation of cannabis products using appropriate extraction methods, including intended use and sourcing of extraction equipment and associated solvents or intended methods and equipment for non-solvent extraction;
(b) pharmaceutical manufacturing, good manufacturing practices, and good laboratory practices;
(c) quality control and quality assurance;
(d) recall plans;
(e) packaging and labeling;
(f) inventory control and tracking software or systems for the production of medical cannabis;
(g) analytical chemistry and testing of medical cannabis and medical cannabis products and formulations;
(h) water management practices;
(i) odor mitigation practices;
(j) onsite and offsite recordkeeping;
(k) a list of product formulations or products proposed to be manufactured with estimated cannabinoid profiles, if known, including varieties with high cannabidiol content;
(l) intended use and sourcing of all non-cannabis ingredients used in the manufacture, production, and creation of cannabis products, including methods to verify or ensure the safety and integrity of those ingredients and their potential to be or contain allergens;
(m) waste disposal plans; and
(n) compliance with applicable laws and regulations.

(3) In the case of an applicant for a medical cannabis dispensary permit, the operating plan summary shall include a written
description concerning the applicant’s qualifications for, experience in, and knowledge of each of the following topics:

(a) State-authorized dispensation of medical cannabis to qualifying patients;
(b) healthcare, medicine, and treatment of patients with qualifying medical conditions;
(c) medical cannabis product evaluation procedures;
(d) recall plans;
(e) packaging and labeling;
(f) inventory control and point-of-sale software or systems for the sale of medical cannabis;
(g) patient counseling procedures;
(h) the routes of administration, strains, varieties, and cannabinoid profiles of medical cannabis and medical cannabis products;
(i) odor mitigation practices;
(j) onsite and offsite recordkeeping;
(k) compliance with State and federal patient privacy rules;
(l) waste disposal plans; and
(m) compliance with applicable laws and regulations.

d. The criteria to be developed by the commission pursuant to subsection b. of this section shall include, in addition to the criteria set forth in subsections c. and e. of this section and any other criteria developed by the commission, an analysis of the following factors, if applicable:

(1) The applicant’s environmental impact plan.
(2) A summary of the applicant’s safety and security plans and procedures, which shall include descriptions of the following:
(a) plans for the use of security personnel, including contractors;
(b) the experience or qualifications of security personnel and proposed contractors;
(c) security and surveillance features, including descriptions of any alarm systems, video surveillance systems, and access and visitor management systems, along with drawings identifying the proposed locations for surveillance cameras and other security features;
(d) plans for the storage of medical cannabis and medical cannabis products, including any safes, vaults, and climate control systems that will be utilized for this purpose;
(e) a diversion prevention plan;
(f) an emergency management plan;
(g) procedures for screening, monitoring, and performing criminal history record background checks of employees;
(h) cybersecurity procedures, including, in the case of an applicant for a medical cannabis dispensary permit, procedures for...
collecting, processing, and storing patient data, and the applicant’s
familiarity with State and federal privacy laws;
(i) workplace safety plans and the applicant’s familiarity with
federal Occupational Safety and Health Administration regulations;
(j) the applicant’s history of workers’ compensation claims and
safety assessments;
(k) procedures for reporting adverse events; and
(l) a sanitation practices plan.
(3) A summary of the applicant’s business experience, including
the following, if applicable:
(a) the applicant’s experience operating businesses in highly-
regulated industries;
(b) the applicant’s experience in operating alternative treatment
centers and related medical cannabis production and dispensation
entities under the laws of New Jersey or any other state or
jurisdiction within the United States; and
(c) the applicant’s plan to comply with and mitigate the effects
of 26 U.S.C. s.280E on cannabis businesses, and for evidence that
the applicant is not in arrears with respect to any tax obligation to
the State.
In evaluating the experience described under subparagraphs (a),
(b), and (c) of this paragraph, the commission shall afford the
greatest weight to the experience of the applicant itself, controlling
owners, and entities with common ownership or control with the
applicant; followed by the experience of those with a 15 percent or
greater ownership interest in the applicant’s organization; followed
by significantly involved persons in the applicant’s organization;
followed by other officers, directors, and current and prospective
employees of the applicant who have a bona fide relationship with
the applicant’s organization as of the submission date of the
application.
(4) A description of the proposed location for the applicant’s
site, including the following, if applicable:
(a) the proposed location, the surrounding area, and the
suitability or advantages of the proposed location, along with a
floor plan and optional renderings or architectural or engineering
plans;
(b) the submission of zoning approvals for the proposed
location, which shall consist of a letter or affidavit from appropriate
municipal officials that the location will conform to municipal
zoning requirements allowing for such activities related to the
cultivation, manufacturing, or dispensing of medical cannabis,
cannabis products, and related supplies as will be conducted at the
proposed facility; and
(c) the submission of proof of local support for the suitability of
the location, which may be demonstrated by a resolution adopted by
the municipality’s governing body indicating that the intended location is appropriately located or otherwise suitable for such activities related to the cultivation, manufacturing, or dispensing of medical cannabis, cannabis products, and related supplies as will be conducted at the proposed facility.

Notwithstanding any other provision of this subsection, an application shall be disqualified from consideration unless it includes documentation demonstrating that the applicant will have final control of the premises upon approval of the application, including, but not limited to, a lease agreement, contract for sale, title, deed, or similar documentation. In addition, if the applicant will lease the premises, the application will be disqualified from consideration unless it includes certification from the landlord that the landlord is aware that the tenant’s use of the premises will involve activities related to the cultivation, manufacturing, or dispensing of medical cannabis and medical cannabis products. An application shall not be disqualified from consideration if the application does not include the materials described in subparagraphs (b) or (c) of this paragraph.

(5) A community impact, social responsibility, and research statement, which shall include, but shall not be limited to, the following:

(a) a community impact plan summarizing how the applicant intends to have a positive impact on the community in which the proposed entity is to be located, which shall include an economic impact plan, a description of outreach activities, and any financial assistance or discount plans the applicant will provide to qualifying patients and designated caregivers;

(b) a written description of the applicant’s record of social responsibility, philanthropy, and ties to the proposed host community;

(c) a written description of any research the applicant has conducted on the medical efficacy or adverse effects of cannabis use and the applicant’s participation in or support of cannabis-related research and educational activities; and

(d) a written plan describing any research and development regarding the medical efficacy or adverse effects of cannabis, and any cannabis-related educational and outreach activities, which the applicant intends to conduct if issued a permit by the commission.

In evaluating the information submitted pursuant to subparagraphs (b) and (c) of this paragraph, the commission shall afford the greatest weight to responses pertaining to the applicant itself, controlling owners, and entities with common ownership or control with the applicant; followed by responses pertaining to those with a 15 percent or greater ownership interest in the applicant’s organization; followed by significantly involved persons
in the applicant’s organization; followed by other officers,
directors, and current and prospective employees of the applicant
who have a bona fide relationship with the applicant’s organization
as of the submission date of the application.

(6) A workforce development and job creation plan, which may
include, but shall not be limited to a description of the applicant’s
workforce development and job creation plan, which may include
information on the applicant’s history of job creation and planned
job creation at the proposed facility; education, training, and
resources to be made available for employees; any relevant
certifications; and a diversity plan.

(7) A business and financial plan, which may include, but shall
not be limited to, the following:

(a) an executive summary of the applicant’s business plan;
(b) a demonstration of the applicant’s financial ability to
implement its business plan, which may include, but shall not be
limited to, bank statements, business and individual financial
statements, net worth statements, and debt and equity financing
statements; and
(c) a description of the applicant’s experience complying with
guidance pertaining to cannabis issued by the Financial Crimes
Enforcement Network under 31 U.S.C. 5311 et seq., the federal
“Bank Secrecy Act”, which may be demonstrated by submitting
letters regarding the applicant’s banking history from banks or
credit unions that certify they are aware of the business activities of
the applicant, or entities with common ownership or control of the
applicant’s organization, in any state where the applicant has
operated a business related to medical cannabis. For the purposes
of this subparagraph, the commission shall consider only bank
references involving accounts in the name of the applicant or of an
entity with common ownership or control of the applicant’s
organization. An applicant who does not submit the information
described in this subparagraph shall not be disqualified from
consideration.

(8) Whether any of the applicant’s majority or controlling
owners were previously approved by the commission to serve as an
officer, director, principal, or key employee of an alternative
treatment center, provided any such individual served in that
capacity at the alternative treatment center for six or more months.

(9) Whether the applicant can demonstrate that its governance
structure includes the involvement of a school of medicine or
osteopathic medicine licensed and accredited in the United States,
or a general acute care hospital, ambulatory care facility, adult day
care services program, or pharmacy licensed in New Jersey,
provided that:
(a) the school, hospital, facility, or pharmacy has conducted or participated in research approved by an institutional review board related to cannabis involving the use of human subjects, except in the case of an accredited school of medicine or osteopathic medicine that is located and licensed in New Jersey;

(b) the school, hospital, facility, or pharmacy holds a profit share or ownership interest in the applicant’s organization of 10 percent or more, except in the case of an accredited school of medicine or osteopathic medicine that is located and licensed in New Jersey; and

(c) the school, hospital, facility, or pharmacy participates in major decision-making activities within the applicant’s organization, which may be demonstrated by representation on the board of directors of the applicant’s organization.

(10) The proposed composition of the applicant’s medical advisory board established pursuant to section 15 of P.L. , c. (C. ) (pending before the Legislature as this bill), if any.

(11) Whether the applicant intends to or has entered into a partnership with a prisoner re-entry program for the purpose of identifying and promoting employment opportunities at the applicant’s organization for former inmates and current inmates leaving the corrections system. If so, the applicant shall provide details concerning the name of the re-entry program, the employment opportunities at the applicant’s organization that will be made available to the re-entry population, and any other initiatives the applicant’s organization will undertake to provide support and assistance to the re-entry population.

(12) Any other information the commission deems relevant in determining whether to grant a permit to the applicant.

e. In addition to the information to be submitted pursuant to subsections c. and d. of this section, the commission shall require all permit applicants, other than applicants issued a conditional permit, to submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement with such bona fide labor organization. Except in the case of an entity holding an unconverted conditional permit, the maintenance of a labor peace agreement with a bona fide labor organization shall be an ongoing material condition of maintaining a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary permit. The submission of an attestation and maintenance of a labor peace agreement with a bona fide labor organization by an applicant issued a conditional permit pursuant to subsection d. of section 11 of P.L. , c. (C. ) (pending before the Legislature as this bill) shall be a requirement for conversion of a conditional permit into a full permit. The failure to enter into a collective bargaining agreement within 200
days after the date that a medical cannabis cultivator, medical
cannabis manufacturer, or medical cannabis dispensary first opens
shall result in the suspension or revocation of such permit or
conditional permit. In reviewing initial permit applications, the
commission shall give priority to the following:

1. Applicants that are party to a collective bargaining
   agreement with a labor organization that currently represents, or is
   actively seeking to represent, cannabis workers in New Jersey.

2. Applicants that are party to a collective bargaining
   agreement with a labor organization that currently represents
   cannabis workers in another state.

3. Applicants that include a significantly involved person or
   persons lawfully residing in New Jersey for at least two years as of
   the date of the application.

4. Applicants that submit an attestation affirming that they will
   use best efforts to utilize union labor in the construction or retrofit
   of the facilities associated with the permitted entity.

The requirements of this subsection shall not apply to a
microbusiness applying for a conditional or annual permit of any
type.

f. In reviewing an initial permit application, unless the
   information is otherwise solicited by the commission in a specific
   application question, the commission’s evaluation of the application
   shall be limited to the experience and qualifications of the
   applicant’s organization, including any entities with common
   ownership or control of the applicant’s organization, controlling
   owners or interest holders in the applicant’s organization, the
   officers, directors, and current or prospective employees of the
   applicant’s organization who have a bona fide relationship with the
   applicant’s organization as of the date of the application, and
   consultants and independent contractors who have a bona fide
   relationship with the applicant as of the date of the application.
   Responses pertaining to applicants who are exempt from the
   criminal history record background check requirements of section 7
   of P.L.2009, c.307 (C.24:6I-7) shall not be considered. Each
   applicant shall certify as to the status of the individuals and entities
   included in the application.

g. The commission shall conduct a disparity study to determine
   whether race-based measures should be considered when issuing
   permits pursuant to this section, and shall incorporate the policies,
   practices, protocols, standards, and criteria developed by the Office
   of Minority, Disabled Veterans, and Women Medical Cannabis
   Business Development pursuant to section 32 of P.L.    , c.
   (C.    ) (pending before the Legislature as this bill) to promote
   participation in the medical cannabis industry by persons from
   socially and economically disadvantaged communities, including
promoting applications for, and the issuance of, medical cannabis
cultivator, medical cannabis manufacturer, and medical cannabis
dispensary permits to certified minority, women’s, and disabled
veterans’ businesses. To this end, the commission shall seek to
issue at least 30 percent of the total number of new medical
cannabis cultivator permits, medical cannabis manufacturer permits,
and medical cannabis dispensary permits issued on or after the
effective date of P.L. , c. (pending before the
Legislature as this bill) as follows:
(1) at least 15 percent of the total number of new medical
cannabis cultivator permits, medical cannabis manufacturer
permits, and medical cannabis dispensary permits issued on or after
the effective date of P.L. , c. (pending before the
Legislature as this bill) are issued to a qualified applicant that has
been certified as a minority business pursuant to P.L.1986, c.195
(C.52:27H-21.18 et seq.); and
(2) at least 15 percent of the total number of new medical
cannabis cultivator permits, medical cannabis manufacturer
permits, and medical cannabis dispensary permits issued on or after
the effective date of P.L. , c. (pending before the
Legislature as this bill) are issued to a qualified applicant that has
been certified as a women’s business pursuant to P.L.1986, c.195
(C.52:27H-21.18 et seq.) or that is a disabled-veterans’ business, as

In selecting among applicants who meet these criteria, the
commission shall grant a higher preference to applicants with up to
two of the certifications described in this subsection.

h. The commission shall give special consideration to any
applicant that has entered into an agreement with an institution of
higher education to create an integrated curriculum involving the
cultivation, manufacturing, dispensing or delivery of medical
cannabis, provided that the curriculum is approved by both the
commission and the Office of the Secretary of Higher Education
and the applicant agrees to maintain the integrated curriculum in
perpetuity. An integrated curriculum permit shall be subject to
revocation if the IC permit holder fails to maintain or continue the
integrated curriculum. In the event that, because of circumstances
outside an IC permit holder’s control, the IC permit holder will no
longer be able to continue an integrated curriculum, the IC permit
holder shall notify the commission and shall make reasonable
efforts to establish a new integrated curriculum with an institution
of higher education, subject to approval by the commission and the
Office of the Secretary of Higher Education. If the IC permit
holder is unable to establish a new integrated curriculum within six
months after the date the current integrated curriculum arrangement
ends, the commission shall revoke the entity’s IC permit, unless the
commission finds there are extraordinary circumstances that justify allowing the permit holder to retain the permit without an integrated curriculum and the commission finds that allowing the permit holder to retain the permit would be consistent with the purposes of P.L.2009, c.307 (C.24:6I-1 et al.), in which case the IC permit shall convert to a regular permit of the same type. The commission may revise the application and permit fees or other conditions for an IC permit as may be necessary to encourage applications for IC permits.

  i. Application materials submitted to the commission pursuant to this section shall not be considered a public record pursuant to P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404 (C.47:1A-5 et al.).

  j. If the commission notifies an applicant that it has performed sufficiently well on multiple applications to be awarded more than one medical cannabis cultivator permit, more than one medical cannabis manufacturer permit, or more than one medical cannabis dispensary permit by the commission, the applicant shall notify the commission, within seven business days after receiving such notice, as to which permit it will accept. For any permit award declined by an applicant pursuant to this subsection, the commission shall, upon receiving notice from the applicant of the declination, award the permit to the applicant for that permit type who, in the determination of the commission, best satisfies the commission’s criteria while meeting the commission’s determination of Statewide need. If an applicant fails to notify the commission as to which permit it will accept, the commission shall have the discretion to determine which permit it will award to the applicant, based on the commission’s determination of Statewide need and other applications submitted for facilities to be located in the affected regions.

  k. The provisions of this section shall not apply to any permit applications submitted pursuant to a request for applications published in the New Jersey Register prior to the effective date of P.L. [pending before the Legislature as this bill].

13. (New section) a. The commission shall issue clinical registrant permits to qualified applicants that meet the requirements of this section. In addition to any other requirements as the commission establishes by regulation regarding application for and issuance of a clinical registrant permit, each clinical registrant applicant shall:

  (1) complete a criminal history record background check that meets the requirements of subsection d. of section 7 of P.L.2009, c.307 (C.24:6I-7);
(2) submit to the commission any required application and
permit fees;
(3) submit to the commission written documentation of an
existing contract with an academic medical center that meets the
requirements of subsection c. of this section; and
(4) submit to the commission documentation that the applicant
has a minimum of $15 million in capital.

b. The commission shall, no later than 90 days after the
effective date of P.L. , c. (C. ) (pending before the
Legislature as this bill) or upon adoption of rules and regulations as
provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:61-
16), whichever occurs first, begin accepting and processing
applications for four clinical registrant permits. Thereafter, the
commission shall accept applications for and issue such additional
clinical registrant permits as it determines to be necessary and
consistent with the provisions of P.L.2009, c.307 (C.24:61-1 et al.).
The commission shall make a determination as to a clinical
registrant permit application no later than 90 days after receiving
the application, which may include a determination that the
commission reasonably requires more time to adequately review the
application. In reviewing and approving applications for clinical
registrant permits, the commission shall seek to incorporate the
policies, practices, protocols, standards, and criteria developed by
the Office of Minority, Disabled Veterans, and Women Medical
Cannabis Business Development pursuant to section 32 of P.L. ,
c. (C. ) (pending before the Legislature as this bill) to
promote participation in the medical cannabis industry by persons
from socially and economically disadvantaged communities. In no
case shall the commission accept, process, or approve an
application submitted by an applicant that has contracted with an
academic medical center that is part of a health care system that
includes another academic medical center that has contracted with an
applicant for, or a holder of, a clinical registrant permit.

c. A contract between a clinical registrant and an academic
medical center shall include a commitment by the academic medical
center, or its affiliate, to engage in clinical research related to the
use of medical cannabis in order to advise the clinical registrant
concerning patient health and safety, medical applications, and
dispensing and management of controlled substances, among other
areas. A clinical registrant issued a permit pursuant to this section
shall have a written contractual relationship with no more than one
academic medical center.

d. A clinical registrant issued a permit pursuant to this section
shall be authorized to engage in all conduct involving the
cultivation, manufacturing, and dispensing of medical cannabis as is
authorized for an entity holding medical cannabis cultivator,
medical cannabis manufacturer, and medical cannabis dispensary
permits pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), including
dispensing medical cannabis and medical cannabis products to
qualifying patients and designated and institutional caregivers. The
clinical registrant shall additionally be authorized to engage in
clinical research involving medical cannabis using qualifying
patients who consent to being part of such research, subject to any
restrictions established by the commission.

e. (1) A clinical registrant issued a permit pursuant to this
section may conduct authorized activities related to medical
cannabis at more than one physical location, provided that each
location is approved by the commission and is in the same region in
which the academic medical center with which the clinical
registrant has a contract is located.

(2) A clinical registrant may apply to the commission for
approval to relocate an approved facility to another location in the
same region, which application shall be approved unless the
commission makes a specific determination that the proposed
relocation would be inconsistent with the purposes of P.L.2009,
c.307 (C.24:6I-1 et al.). The denial of an application for relocation
submitted pursuant to this paragraph shall be considered a final
agency decision, subject to review by the Appellate Division of the
Superior Court.

(3) The commission may authorize a clinical registrant to
dispense medical cannabis and medical cannabis products from
more than one physical location if the commission determines that
authorizing additional dispensing locations is necessary for the
clinical registrant to best serve and treat qualifying patients and
clinical trial participants.

(4) In no case shall a clinical registrant operate or be located on
land that is valued, assessed or taxed as an agricultural or
horticultural use pursuant to the "Farmland Assessment Act of
1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

f. A clinical registrant permit shall not be sold or transferred to
any other entity.

g. Clinical registrant permits shall be valid for the term of the
contractual relationship between the academic medical center and
the clinical registrant. The commission may renew a clinical
registrant permit to correspond to any renewal of the contractual
relationship between the academic medical center and the clinical
registrant.

h. Each clinical registrant shall submit the results of the clinical
research obtained through an approved clinical registrant permit to
the commission no later than one year following the conclusion of
the research study or publication of the research study in a peer-
reviewed medical journal. Nothing in this subsection shall be
deemed to require the disclosure of any clinical research that would
infringe on the intellectual property of the clinical registrant or on
the confidentiality of patient information.

i. Application materials submitted to the commission pursuant
to this section shall not be considered a public record pursuant to
P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404 (C.47:1A-5 et
al.).

14. (New section) a. (1) The commission shall, within 18
months following the commission’s organization, and every three
years thereafter, conduct a feasibility study concerning the potential
for establishing a cannabis research and development permit type.
In order to advance scientific and medical understanding concerning
the potential uses of medical cannabis, and to ensure ongoing
quality control in the collection of data and the aggregation of
clinical, translational, and other research, the feasibility study shall
assess the medical cannabis market and industry, current
perspectives in the scientific and medical communities on medical
cannabis, as well as those of other relevant disciplines, to determine
the potential benefits of establishing a research and development
permit type. Any cannabis research and development permit
established by the commission shall be limited to advancing the use
of cannabis as medicine, improving the lives of current registered
qualifying patients as well as future patients who could derive
therapeutic benefit from the use of cannabis, and furthering the
knowledge of cannabis in the scientific and medical communities.

(2) The commission shall additionally assess the feasibility of
securing State funding to support the award of a monetary grant in
conjunction with the issuance of a cannabis research and
development permit to a successful applicant, following a
competitive application process, as well as assess potential future
regulations to apply to any cannabis research and development
permits that are supported by private investment.

(3) Each feasibility study conducted pursuant to this subsection
shall include at least one public hearing, at which the commission
shall receive testimony from interested members of the public.

(4) The commission shall submit a report of its findings and
conclusions to the Governor and, pursuant to section 2 of P.L.1991,
c.164 (C.52:14-19.1), to the Legislature, within 90 days following
the conclusion of each feasibility study.

b. The requirement to complete a feasibility study pursuant to
subsection a. of this section shall expire at such time as the
commission establishes a cannabis research and development permit
type and promulgates rules and regulations with regard to the
permit pursuant to the “Administrative Procedure Act,” P.L.1968,
c.410 (C.52:14B-1 et seq.).
c. The commission may establish, by regulation, such additional permit types in connection with medical cannabis as the commission deems necessary and appropriate to maximize the effectiveness and efficiency of the State medical cannabis program and meet the needs of qualifying patients, health care practitioners, medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, and related entities. Such permits may include, but shall not be limited to, permits authorizing pharmacy practice sites licensed pursuant to P.L.2003, c.280 (C.45:14-40 et seq.) to be authorized to dispense medical cannabis to qualifying patients and their designated and institutional caregivers.

15. (New section) a. A medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant may appoint a medical advisory board to provide advice to the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant on all aspects of its business.

b. A medical advisory board appointed pursuant to this section shall comprise five members: three health care practitioners licensed or certified to practice in New Jersey; one qualifying patient who resides in the same area in which the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant is located; and one individual who owns a business in the same area in which the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant is located. No owner, director, officer, or employee of a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant may serve on a medical advisory board. The membership of a medical advisory board shall be subject to commission approval.

c. A medical advisory board appointed pursuant to this section shall meet at least two times per calendar year.

16. (New section) a. (1) An organization issued a permit to operate a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant or that employs certified medical cannabis handlers for transfer or delivery of medical cannabis pursuant to section 27 of P.L. , c. (C. ) (pending before the Legislature as this bill shall not be eligible for a State or local economic incentive.

(2) The issuance of a permit to operate a medical cannabis cultivator, medical cannabis manufacturer, cannabis dispensary, or clinical registrant or a certification to a handler employed by any
entity to perform transfers or deliveries of medical cannabis
pursuant to section 27 of P.L. , c. (C. ) (pending before the
Legislature as this bill) to an organization that has been awarded a
State or local economic incentive shall invalidate the right of the
organization to benefit from the economic incentive as of the date
of issuance of the permit, except that an academic medical center
that has entered into a contractual relationship with a clinical
registrant shall not have any right to benefit from an economic
incentive invalidated pursuant to this paragraph on the basis of that
contractual relationship.

b. (1) A property owner, developer, or operator of a project to
be used, in whole or in part, as a medical cannabis cultivator,
medical cannabis manufacturer, medical cannabis dispensary, or
clinical registrant or an entity that employs medical cannabis
handlers to perform transfers or deliveries of medical cannabis
pursuant to section 27 of P.L. , c. (C. ) (pending before the
Legislature as this bill) shall not be eligible for a State or local
economic incentive during the period of time that the economic
incentive is in effect.

(2) The issuance of a permit to operate a medical cannabis
cultivator, medical cannabis manufacturer, medical cannabis
dispensary, or clinical registrant or of a certification to a medical
cannabis handler employed by any entity to perform transfers and
deliveries of medical cannabis pursuant to section 27 of P.L. , c.
(C. ) (pending before the Legislature as this bill) at a location
that is the subject of a State or local economic incentive shall
invalidate the right of a property owner, developer, or operator to
benefit from the economic incentive as of the date of issuance of the
permit, except that an academic medical center that has entered into
a contractual relationship with a clinical registrant shall not have
any right to benefit from an economic incentive invalidated
pursuant to this paragraph on the basis of that contractual
relationship.

c. As used in this section:
"Business" means any non-governmental person, association,
for-profit or non-profit corporation, joint venture, limited liability
comp any, partnership, sole proprietorship, or other form of business
organization or entity.
"Governmental entity" means the State, a local unit of
government, or a State or local government agency or authority.
"State or local economic incentive" means a financial incentive,
awarded by a governmental entity to a business, or agreed to
between a governmental entity and a business, for the purpose of
stimulating economic development or redevelopment in New
Jersey, including, but not limited to, a bond, grant, loan, loan
guarantee, matching fund, tax credit, or other tax expenditure.
"Tax expenditure" means the amount of foregone tax collections due to any abatement, reduction, exemption, credit, or transfer certificate against any State or local tax.

17. Section 8 of P.L.2009, c.307 (C.24:6I-8) is amended to read as follows:

8. The provisions of this act P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.) shall not be construed to permit a person to:

a. operate, navigate, or be in actual physical control of any vehicle, aircraft, railroad train, stationary heavy equipment or vessel while under the influence of marijuana cannabis; or

b. smoke marijuana cannabis in a school bus or other form of public transportation, in a private vehicle unless the vehicle is not in operation, on any school grounds, in any correctional facility, at any public park or beach, at any recreation center, or in any place where smoking is prohibited pursuant to N.J.S.2C:33-13.

A person who commits an act as provided in this section shall be subject to such penalties as are provided by law.

(cf: P.L.2009, c.307, c.8)

18. Section 10 of P.L.2009, c.307 (C.24:6I-10) is amended to read as follows:

10. a. A physician health care practitioner shall provide written instructions for a registered qualifying patient or his the patient’s designated caregiver, or an institutional caregiver acting on behalf of the patient, to present to an alternative treatment center a medical cannabis dispensary or a clinical registrant concerning the total amount of usable marijuana cannabis that a patient may be dispensed, in weight, in a 30-day period, which amount shall not exceed two ounces. If no amount is noted, the maximum amount that may be dispensed at one time is two ounces

the maximum amount that may be authorized for the patient pursuant to subsection f. of this section.

b. A physician health care practitioner may issue multiple written instructions at one time authorizing the patient to receive a total of up to a 90-day one year supply, provided that the following conditions are met:

(1) Each separate set of instructions shall be issued for a legitimate medical purpose by the physician health care practitioner, as provided in this act P.L.2009, c.307 (C.24:6I-1 et al.):

(2) Each separate set of instructions shall indicate the earliest date on which a center dispensary or clinical registrant may
dispense the [marijuana] cannabis, except for the first dispensation if it is to be filled immediately; and

(3) The [physician] health care practitioner has determined that providing the patient with multiple instructions in this manner does not create an undue risk of diversion or abuse.

c. A registered qualifying patient or [his primary] the patient’s designated caregiver, or an institutional caregiver acting on behalf of a qualifying patient, shall present verification of the patient’s or caregiver’s [registry identification card] registration with the commission, as applicable, and these written instructions to [the alternative treatment center] any medical cannabis dispensary or clinical registrant at the time the patient or caregiver requests the dispensing or delivery of medical cannabis, which medical cannabis dispensary or clinical registrant shall verify and log the documentation presented. An institutional caregiver shall additionally present an authorization executed by the patient certifying that the institutional caregiver is authorized to obtain medical cannabis on behalf of the patient. A [physician] health care practitioner may provide a copy of a written instruction by electronic or other means, as determined by the [commissioner] commission, directly to [an alternative treatment center] a medical cannabis dispensary or a clinical registrant on behalf of a registered qualifying patient. The dispensation of [marijuana] medical cannabis pursuant to any written instructions shall occur within one [month] year of the date that the instructions were written or become eligible for dispensing, whichever is later, or the instructions are void.

d. [A patient may be registered at only one alternative treatment center at any time.] (deleted by amendment, P.L. [ ], c. [ ] ) (pending before the Legislature as this bill)

e. Prior to dispensing medical cannabis to a qualifying patient, the patient’s designated caregiver, or an institutional caregiver, the medical cannabis dispensary or clinical registrant shall access the system established pursuant to section 11 of P.L.2009, c.307 (C.45:1-45.1) to ascertain whether medical cannabis was dispensed to or on behalf of the patient by any medical cannabis dispensary or clinical registrant within the preceding 30 days. Upon dispensing medical cannabis to a qualifying patient, the patient’s designated caregiver, or an institutional caregiver, the medical cannabis dispensary or clinical registrant shall transmit to the patient’s health care practitioner information concerning the amount, strain, and form of medical cannabis that was dispensed.

f. (1) Except as provided in paragraph (2) of this subsection, for a period of 18 months after the effective date of P.L. [ ], c. [ ] (C. [ ] ) (pending before the Legislature as this bill), the maximum
amount of usable cannabis that a patient may be dispensed, in
weight, in a 30-day period, shall be three ounces. Commencing 18
months after the effective date of P.L. , c. (C. ) (pending
before the Legislature as this bill), the maximum amount of usable
cannabis that a patient may be dispensed shall prescribed by the
commission by regulation.
(2) The monthly limits set forth in paragraph (1) of this
subsection shall not apply to patients who are terminally ill or who
are currently receiving hospice care through a licensed hospice,
which patients may be dispensed an unlimited amount of medical
cannabis. Qualifying patients who are not receiving hospice care or
who are not terminally ill may petition the commission, on a form
and in a manner as the commission shall require by regulation, for
an exemption from the monthly limits set forth in paragraph (1) of
this paragraph, which petition the commission shall approve if the
commission finds that granting the exemption is necessary to meet
the patient’s treatment needs and is consistent with the provisions of

The commission shall establish, by regulation, curricula for
health care practitioners and for staff at medical cannabis
dispensaries and clinical registrants:
(1) The curriculum for health care practitioners shall be
designed to assist practitioners in counseling patients with regard to
the quantity, dosing, and administration of medical cannabis as
shall be appropriate to treat the patient’s qualifying medical
condition. Health care practitioners shall complete the curriculum
as a condition of authorizing patients for the medical use of
cannabis; and
(2) The curriculum for employees of medical cannabis
dispensaries and clinical registrants shall be designed to assist the
employees in counseling patients with regard to determining the
strain and form of medical cannabis that is appropriate to treat the
patient’s qualifying medical condition. Employees of medical
cannabis dispensaries and clinical registrants shall be required to
complete the curriculum as a condition of registration with the
commission. Completion of the curriculum may constitute part of
the annual training required pursuant to paragraph (1) of subsection

Commencing July 1, 2020, the amount of the sales tax that
may be imposed under the "Sales and Use Tax Act," P.L.1966, c.30
(C.54:32B-1 et seq.) on medical cannabis dispensed by a medical
cannabis dispensary or clinical registrant shall not exceed four
percent.
Commencing July 1, 2021, the amount of the sales tax that may
be imposed under the "Sales and Use Tax Act," P.L.1966, c.30
(C.54:32B-1 et seq.) on medical cannabis dispensed by a medical
cannabis dispensary or clinical registrant shall not exceed two percent.

Commencing July 1, 2022, medical cannabis dispensed by a medical cannabis dispensary or clinical registrant shall not be subject to any tax imposed under the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.).

Any revenue collected pursuant to a tax imposed on the sale of medical cannabis under the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.), shall be exclusively appropriated to programs for the treatment of mental health and substance use disorders.

i. A municipality in which a medical cannabis dispensary is located may adopt an ordinance imposing a transfer tax on any medical cannabis dispensed by the dispensary, including medical cannabis that is furnished by the dispensary to a medical cannabis handler for delivery to a registered qualifying patient or the patient’s caregiver. The rate of a transfer tax established pursuant to this subsection shall be at the discretion of the municipality, except that in no case shall the rate exceed two percent of the purchase price of the medical cannabis.

(cf: P.L.2009, c.307, s.10)

19. Section 13 of P.L.2009, c.307 (C.24:6I-11) is amended to read as follows:

13. a. The [commissioner] commission may accept from any governmental department or agency, public or private body or any other source grants or contributions to be used in carrying out the purposes of [this act] P.L.2009, c.307 (C.24:6I-1 et al.).

b. All fees collected pursuant to [this act] P.L.2009, c.307 (C.24:6I-1 et al.), including those from qualifying patients, designated and institutional caregivers, and [alternative treatment centers'] initial, modification and renewal applications for alternative treatment centers, including medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, and clinical registrants, shall be used to offset the cost of the [department's] commission’s administration of the provisions of [this act] P.L.2009, c.307 (C.24:6I-1 et al.).

(cf: P.L.2009, c.307, s.13)

20. Section 14 of P.L.2009, c.307 (C.24:6I-12) is amended to read as follows:

14. a. The commissioner, or after the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill), the commission, shall report to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1):
(1) no later than one year after the effective date of [this act] P.L.2009, c.307 (C.24:6I-1 et al.), on the actions taken to implement the provisions of [this act] P.L.2009, c.307 (C.24:6I-1 et al.); and

(2) annually thereafter on the number of applications for [registry identification cards] registration with the commission, the number of qualifying patients registered, the number of [primary] designated and institutional caregivers registered, the nature of the [debilitating] qualifying medical conditions of the patients, the number of [registry identification cards] registrations revoked, the number of [alternative treatment center] medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits issued and revoked, the number and type of integrated curricula approved, established, and maintained in connection with an IC permit, the number of testing laboratories licensed, the number of clinical registrant permits issued and the nature of the clinical research conducted by each clinical registrant, any incidents of diversion of medical cannabis, information concerning racial, ethnic, disabled veteran, and gender diversity in the individuals issued and currently holding permits issued by the commission, the number of permit applications received from businesses owned by minorities, disabled veterans, and women and the number of such applications that were approved, the business development initiatives undertaken by the Office of Minority, Disabled Veterans, and Women Medical Cannabis Business Development pursuant to section 32 of P.L. (pending before the Legislature as this bill) and the outcomes or effects of those initiatives, statistics concerning arrests for drug offenses throughout the State and in areas where medical cannabis dispensaries are located, including information concerning racial disparities in arrest rates for drug offenses generally and cannabis offenses in particular, the number of motor vehicle stops by law enforcement involving violations of R.S.39:4-50, or section 5 of P.L.1990, c.103 (C.39:3-10.13) concerning operators of commercial motor vehicles, for driving under the influence of medical cannabis, or suspicion thereof, cataloged by the jurisdictions in which the stop occurred, and the race, ethnicity, gender, and age of the vehicle driver and any other vehicle occupants, the number of deliveries of medical cannabis performed and the percentage of total medical cannabis dispensations that were completed by delivery, and the number of [physicians providing certifications for] health care practitioners authorizing patients for the medical use of cannabis, including the types of license or certification held by those practitioners.
b. The reports shall not contain any identifying information of patients, caregivers, or [physicians] health care practitioners.

c. Within two years after the effective date of [this act] P.L.2009, c.307 (C.24:6I-1 et al.) and every two years thereafter, the commissioner or, after the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill), shall: evaluate whether there are sufficient numbers of [alternative treatment centers] medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, and clinical registrants to meet the needs of registered qualifying patients throughout the State; evaluate whether the maximum amount of medical [marijuana] cannabis allowed pursuant to [this act] P.L.2009, c.307 (C.24:6I-1 et al.) is sufficient to meet the medical needs of qualifying patients; and determine whether any [alternative treatment center] medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant has charged excessive prices [for marijuana] in connection with medical cannabis [that the center dispensed].

The commissioner or, after the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill), shall report [his] all such findings no later than two years after the effective date of [this act] P.L.2009, c.307 (C.24:6I-1 et al.), and every two years thereafter, to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).

(cf: P.L.2009, c.307, s.14)

21. Section 15 of P.L.2009, c.307 (C.24:6I-13) is amended to read as follows:

15. a. The [Department of Health] Cannabis Regulatory Commission is authorized to exchange fingerprint data with, and receive information from, the Division of State Police in the Department of Law and Public Safety and the Federal Bureau of Investigation for use in reviewing applications for individuals [seeking] who are required to complete a criminal history record background check in connection with applications to serve as [primary] designated caregivers or institutional caregivers pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4), for licenses to operate as, or to be a director, officer, or employee of, medical cannabis testing laboratories pursuant to section 25 of P.L. , c. (C. ) (pending before the Legislature as this bill), for permits to operate as, or to be a director, officer, or employee of, or a significantly involved person in, clinical registrants pursuant to section 13 of P.L. , c. (C. ) (pending before the Legislature as this bill).
and for permits to operate as, or to be a director, officer, or employee of, [alternative treatment centers], or a significantly involved person in, medical cannabis cultivators, medical cannabis manufacturers, and medical cannabis dispensaries pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7).

b. The Division of State Police shall promptly notify the [Department of Health] Cannabis Regulatory Commission in the event an applicant seeking to serve as a [primary] designated or institutional caregiver, an applicant for a license to operate as, or to be a director, officer, or employee of, a medical cannabis testing laboratory, an applicant for a permit to operate as, or to be a director, officer, or employee of, or a significantly involved person in, a clinical registrant, or an applicant for a permit to operate as, or to be a director, officer, or employee of, [an alternative treatment center] or a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary, who was the subject of a criminal history record background check conducted pursuant to subsection a. of this section, is convicted of a crime involving possession or sale of a controlled dangerous substance.

(cf: P.L.2012, c.17, s.91)

22. Section 16 of P.L.2009, c.307 (C.24:6I-14) is amended to read as follows:

16. Nothing in [this act] P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) shall be construed to require a government medical assistance program or private health insurer to reimburse a person for costs associated with the medical use of [marijuana, or an employer to accommodate the medical use of marijuana in any workplace] cannabis, or to restrict or otherwise affect the distribution, sale, prescribing, and dispensing of any product that has been approved for marketing as a prescription drug or device by the federal Food and Drug Administration.

(cf: P.L.2009, c.307, s.16)

23. Section 18 of P.L.2009, c.307 (C.24:6I-16) is amended to read as follows:

18. a. Pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the commissioner or, after the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill), the commission, shall promulgate rules and regulations to effectuate the purposes of [this act] P.L.2009, c.307 (C.24:6I-1 et al.), in consultation with the Department of Law and Public Safety.
b. Notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the commissioner shall adopt, immediately upon filing with the Office of Administrative Law and no later than the 90th day after the effective date of [this act] P.L.2009, c.307 (C.24:6I-1 et al.), such regulations as the commissioner deems necessary to implement the provisions of [this act] P.L.2009, c.307 (C.24:6I-1 et al.). Regulations adopted pursuant to this subsection shall be effective until the adoption of rules and regulations pursuant to subsection a. of this section and may be amended, adopted, or readopted by the commissioner in accordance with the requirements of P.L.1968, c.410 (C.52:14B-1 et seq.).

c. No later than 180 days after the effective date of P.L., c. (C.) (pending before the Legislature as this bill), the commission shall promulgate rules and regulations to effectuate the purposes of P.L., c. (C.) (pending before the Legislature as this bill). Rules and regulations adopted pursuant to this subsection shall, at a minimum:

(1) Specify the number of new medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits the commission will issue in the first year next following the effective date of P.L., c. (C.) (pending before the Legislature as this bill); and

(2) Establish recommended dosage guidelines for medical cannabis in each form available to qualifying patients that are equivalent to one ounce of medical cannabis in dried form. The commission shall periodically review and update the dosage guidelines as appropriate, including to establish dosage guidelines for new forms of medical cannabis that become available.

d. The commission may convene a task force comprised of individuals with expertise in matters pertaining to the medical cannabis industry to make recommendations to the commission concerning the content of rules and regulations adopted by the commission to implement the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) and P.L., c. (C.) (pending before the Legislature as this bill).

(cf: P.L.2009, c.307, s.18)

24. (New section) a. Each batch of medical cannabis cultivated by a medical cannabis cultivator or a clinical registrant and each batch of a medical cannabis product produced by a medical cannabis manufacturer or a clinical registrant shall be tested in accordance with the requirements of section 26 of P.L., c. (C.) (pending before the Legislature as this bill) by a laboratory licensed pursuant to section 25 of P.L., c. (C.) (pending before the Legislature as this bill). The laboratory
performing the testing shall produce a written report detailing the
results of the testing, a summary of which shall be included in any
packaging materials for medical cannabis and medical cannabis
products dispensed to qualifying patients and their designated and
institutional caregivers. The laboratory may charge a reasonable
fee for any test performed pursuant to this section.

b. The requirements of subsection a. of this section shall take
effect at such time as the commission certifies that a sufficient
number of laboratories have been licensed pursuant to section 25 of
P.L. , c. (C. ) (pending before the Legislature as this bill) to
ensure that all medical cannabis and medical cannabis products can
be promptly tested consistent with the requirements of this section
without disrupting patient access to medical cannabis.

25. (New section) a. A laboratory that performs testing services
pursuant to section 24 of P.L. , c. (C. ) (pending before the
Legislature as this bill) shall be licensed by the commission and may
be subject to inspection by the commission to determine the condition
and calibration of any equipment used for testing purposes and to
ensure that testing is being performed in accordance with the
requirements of section 26 of P.L. , c. (C. ) (pending before the
Legislature as this bill). Each applicant for licensure pursuant to this
section shall submit an attestation signed by a bona fide labor
organization stating that the applicant has entered into a labor peace
agreement with such bona fide labor organization. The maintenance
of a labor peace agreement with a bona fide labor organization shall be
an ongoing material condition of maintaining a license to test medical
cannabis.

b. There shall be no upper limit on the number of laboratories that
may be licensed to perform testing services.

c. A person who has been convicted of a crime involving any
controlled dangerous substance or controlled substance analog as set
forth in chapter 35 of Title 2C of the New Jersey Statutes except
paragraph (4) of subsection a. of N.J.S.2C:35-10, or any similar law of
the United States or any other state shall not be issued a license to
operate as or be a director, officer, or employee of a medical cannabis
testing laboratory, unless such conviction occurred after the effective
date of P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of
federal law relating to possession or sale of cannabis for conduct that
is authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015,
c.158 (C.18A:40-12.22 et al.).

d. (1) The commission shall require each applicant for licensure
as a medical cannabis testing laboratory to undergo a criminal history
record background check, except that no criminal history record
background check shall be required for an applicant who completed a
criminal history record background check as a condition of professional licensure or certification.

For purposes of this section, the term "applicant" shall include any owner, director, officer, or employee of a medical cannabis testing laboratory. The commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable federal and State laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this section.

An applicant who is required to undergo a criminal history record background check pursuant to this section shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this section unless the applicant has furnished the applicant’s written consent to that check. An applicant who is required to undergo a criminal history record background check pursuant to this section who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall not be considered for a license to operate, or authorization to be employed at, a medical cannabis testing laboratory. An applicant shall bear the cost for the criminal history record background check, including all costs of administering and processing the check.

(2) The commission shall not approve an applicant for a license to operate, or authorization to be employed at, a medical cannabis testing laboratory if the criminal history record background information of the applicant reveals a disqualifying conviction as set forth in subsection c. of this section.

(3) Upon receipt of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the commission shall provide written notification to the applicant of the applicant’s qualification for or disqualification for a permit to operate or be a director, officer, or employee of a medical cannabis testing laboratory.

If the applicant is disqualified because of a disqualifying conviction pursuant to the provisions of this section, the conviction that constitutes the basis for the disqualification shall be identified in the written notice.

(4) The Division of State Police shall promptly notify the commission in the event that an individual who was the subject of a criminal history record background check conducted pursuant to this section is convicted of a crime or offense in this State after the date the background check was performed. Upon receipt of that notification,
the commission shall make a determination regarding the continued eligibility to operate or be a director, officer, or employee of a medical cannabis testing laboratory.

(5) Notwithstanding the provisions of subsection c. of this section to the contrary, the commission may offer provisional authority for an applicant to be an owner, director, officer, or employee of a medical cannabis testing laboratory for a period not to exceed three months if the applicant submits to the commission a sworn statement attesting that the person has not been convicted of any disqualifying conviction pursuant to this section.

(6) Notwithstanding the provisions of subsection c. of this section to the contrary, no applicant to be an owner, director, officer, or employee of a medical cannabis testing laboratory shall be disqualified on the basis of any conviction disclosed by a criminal history record background check conducted pursuant to this section if the individual has affirmatively demonstrated to the commission clear and convincing evidence of rehabilitation. In determining whether clear and convincing evidence of rehabilitation has been demonstrated, the following factors shall be considered:

(a) the nature and responsibility of the position which the convicted individual would hold, has held, or currently holds;
(b) the nature and seriousness of the crime or offense;
(c) the circumstances under which the crime or offense occurred;
(d) the date of the crime or offense;
(e) the age of the individual when the crime or offense was committed;
(f) whether the crime or offense was an isolated or repeated incident;
(g) any social conditions which may have contributed to the commission of the crime or offense; and
(h) any evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational schooling, successful participation in correctional work-release programs, or the recommendation of those who have had the individual under their supervision.

26. (New section) a. The commission shall establish, by regulation, standardized requirements and procedures for testing medical cannabis and medical cannabis products.

b. Any test performed on medical cannabis or on a medical cannabis product shall include liquid chromatography analysis to determine chemical composition and potency, and, at a minimum, screening for each of the following:

(1) microbial contamination;
(2) foreign material;
(3) residual pesticides;
(4) other agricultural residue and residual solvents; and
(5) heavy metals.

c. Laboratories shall use the dosage equivalence guidelines developed by the commission pursuant to paragraph (2) of subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-16) when testing and determining the potency of medical cannabis products.
d. As a condition of licensure, each laboratory shall certify its intention to seek third party accreditation in accordance with ISO 17025 standards in order to ensure equipment is routinely inspected, calibrated, and maintained until such time as the commission issues its own standards or confirms the use of ISO 17025.
e. Until such time as the commission establishes the standards required by this section, a licensed laboratory shall utilize the testing standards established by another state with a medical cannabis program, which state shall be designated by the commission.

27. (New section) a. An individual who performs work for or on behalf of a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary, issued a permit pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), a clinical registrant issued a permit pursuant to section 13 of P.L. , c. (C. ) (pending before the Legislature as this bill), or a testing laboratory licensed pursuant to section 25 of P.L. , c. (C. ) (pending before the Legislature as this bill) shall hold a valid medical cannabis handler certification issued by the commission pursuant to this section if the individual participates in any activity involving obtaining, possessing, cultivating, processing, manufacturing, creating, testing, transporting, transferring, relocating, dispensing, or delivering medical cannabis.
b. An entity issued a permit pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) or section 13 of P.L. , c. (C. ) (pending before the Legislature as this bill) or a license pursuant to section 25 of P.L. , c. (C. ) (pending before the Legislature as this bill) shall verify that, before allowing any individual to perform any work described in subsection a. of this section at the premises for which the permit has been issued, the individual holds a valid medical cannabis handler certification issued pursuant to this section.
c. The commission shall issue medical cannabis handler certifications to qualified applicants to perform work described in subsection a. of this section. The commission shall adopt rules and regulations establishing: the qualifications for performing work described in subsection a. of this section; the terms of a medical cannabis handler certification issued pursuant to this section;
procedures for applying for and renewing a medical cannabis
handler certification issued pursuant to this section; and reasonable
application, issuance, and renewal fees for a medical cannabis
handler certification issued pursuant to this section.

d. The commission may require an individual applying for a
medical cannabis handler certification under this section to
successfully complete a course, to be made available by or through
the commission, in which the individual receives training on:
verifying the registration status of patients, designated caregivers,
and institutional caregivers; handling medical cannabis; statutory
and regulatory provisions relating to medical cannabis; and any
matter deemed necessary by the commission to protect the public
health and safety. The commission or other provider may charge a
reasonable fee for the course.

The commission shall not require an individual to successfully
complete the course required pursuant to this subsection more than
once, except that the commission may adopt regulations directing
continuing education training on a prescribed schedule. The course
may comprise part of the eight hours of training required for
employees of medical cannabis cultivators, medical cannabis
manufacturers, medical cannabis dispensaries, and clinical
registrants pursuant to paragraph (1) of subsection j. of section 7 of

As part of a final order suspending a medical cannabis handler
certification issued pursuant to this section, the commission may
require the holder of a medical cannabis handler certification to
successfully complete the course described in this subsection as a
condition of lifting the suspension; and as part of a final order
revoking a medical cannabis handler certification issued pursuant to
this section, the commission shall require an individual to
successfully complete the course described in this subsection prior
to applying for a new medical cannabis handler certification.

e. The commission shall deny an application to any applicant
who fails to provide information, documentation, and assurances as
required by P.L.2009, c.307 (C.24:6I-1 et al.) or as requested by the
commission, or who fails to reveal any fact material to
qualification, or who supplies information which is untrue or
misleading as to a material fact pertaining to the qualification
criteria for medical cannabis handler certification.

f. The commission may suspend, revoke, or refuse to renew a
medical cannabis handler certification if the individual who is
applying for or who holds the certification: violates any provision
of P.L.2009, c.307 (C.24:6I-1 et al.) or any rule or regulation
adopted by the commission; makes a false statement to the
commission; or refuses to cooperate in any investigation by the
commission.
g. A medical cannabis handler certification issued pursuant to this section is a personal privilege and permits work described in subsection a. of this section only for the individual who holds the certification.

h. The commission shall enact rules and regulations governing the transfer of medical cannabis and medical cannabis products between medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, clinical registrants, and testing laboratories, which regulations shall require, at a minimum:

(1) Transfer of medical cannabis and medical cannabis products shall be made directly to the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, clinical registrant, or testing laboratory receiving the medical cannabis or medical cannabis product.

(2) Transfers shall be performed by a medical cannabis handler who is certified by the department to perform transfers and is at least 18 years of age. Transfers of medical cannabis may be performed by a medical cannabis handler who is an employee of the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant providing or receiving the transfer or by an independent third party who has entered into a contract with a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant to perform transfers of medical cannabis, which contract may provide for a one-time transfer of medical cannabis or for ongoing transfers of medical cannabis. A medical cannabis handler holding a transfer certification issued by the commission may simultaneously hold a delivery certification issued by the commission, subject to the requirements of paragraph (2) of subsection i. of this section.

(3) Medical cannabis shall not be transferred to an address located on land owned by the federal government or any address on land or in a building leased by the federal government.

(4) All transfers of medical cannabis shall be made in person. A transfer of medical cannabis shall not be made through the use of an unmanned vehicle.

(5) Each certified medical cannabis handler shall carry a copy of the individual’s medical cannabis handler certification card and transfer certification card when performing a transfer. The medical cannabis handler shall present the certification cards upon request to State and local law enforcement and to State and local regulatory authorities and agencies.

(6) Each certified medical cannabis handler engaged in a transfer of medical cannabis shall have access to a secure form of communication with the medical cannabis cultivator, medical
cannabis manufacturer, medical cannabis dispensary, or clinical
registrant that furnished the medical cannabis to the handler for
transfer, such as a cellular telephone, at all times that the handler is
in possession of medical cannabis for transfer.

(7) During transfer, the certified medical cannabis handler shall
maintain a physical or electronic copy of the transfer order, and
shall make it available upon request to State and local law
enforcement and to State and local regulatory authorities and
agencies.

(8) Vehicles used for the transfer of medical cannabis shall be
equipped with a secure lockbox in a secured cargo area, which shall
be used for the sanitary and secure transport of medical cannabis.

(9) A certified medical cannabis handler shall not leave medical
cannabis in an unattended vehicle unless the vehicle is locked and
equipped with an active vehicle alarm system.

(10) A transfer vehicle shall contain a Global Positioning
System (GPS) device for identifying the geographic location of the
vehicle. The device shall be either permanently or temporarily
affixed to the vehicle while the vehicle is in operation, and the
device shall remain active and in the possession of the certified
medical cannabis handler at all times while the vehicle is being
used for the transfer of medical cannabis. At all times, the medical
cannabis cultivator, medical cannabis manufacturer, medical
cannabis dispensary, or clinical registrant that furnished the medical
cannabis to the handler for transfer shall be able to identify the
geographic location of all vehicles that are making transfers for that
entity and shall provide that information to the commission upon
request.

(11) Each entity that employs a medical cannabis handler
certified to perform transfers of medical cannabis shall provide the
commission with current information concerning all vehicles
utilized for medical cannabis transfers, including each vehicle’s
make, model, color, Vehicle Identification Number, license plate
number, and vehicle registration.

(12) Each medical cannabis cultivator, medical cannabis
manufacturer, medical cannabis dispensary, and clinical registrant
that engages in, or contracts with an independent third party to
perform, transfers of medical cannabis shall maintain current hired
and non-owned automobile liability insurance sufficient to insure
all transfer vehicles in the amount of not less than $1,000,000 per
occurrence or accident.

(13) Transfer vehicles shall bear no markings that would either
identify or indicate that the vehicle is used to transport medical
cannabis.

(14) All transfers of medical cannabis shall be completed in a
timely and efficient manner.
(15) While performing transfers of medical cannabis, a certified medical cannabis handler shall only travel from the premises of the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant furnishing the medical cannabis to the transfer address; from one transfer address to another transfer address; from a testing laboratory back to the medical cannabis cultivator, medical cannabis manufacturer, or clinical registrant that furnished the medical cannabis for testing purposes, or from a transfer address back to the premises of the medical cannabis handler’s employer. A medical cannabis handler shall not deviate from the route described in this paragraph, except in the event of emergency or as necessary for rest, fuel, or vehicle repair stops, or because road conditions make continued use of the route or operation of the vehicle unsafe, impossible, or impracticable.

(16) The process of transfer shall begin when the certified medical cannabis handler leaves the premises of the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, clinical registrant, or testing laboratory with medical cannabis for transfer. The process of transferring medical cannabis ends when the medical cannabis handler returns to the premises of the medical cannabis handler’s employer after completing the transfer.

(17) Each medical cannabis handler performing transfers of medical cannabis shall maintain a record of each transfer in a log, which may be written or electronic. For each transfer, the log shall record:

(a) The date and time that the transfer began and ended;

(b) The handler’s name, medical cannabis handler certification number, and medical cannabis transfer certification number;

(c) The tracking number of the medical cannabis; and

(d) The signature and employee identification number of the employee accepting the transfer.

(18) A medical cannabis handler shall report any vehicle accidents, diversions, losses, or other reportable events that occur during transfer of medical cannabis to the appropriate State and local authorities, including the commission. A medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant furnishing medical cannabis for transfer or accepting the transfer of medical cannabis shall have no criminal liability for any vehicle accidents, diversions, losses, or other reportable events that occur during the transfer.

i. The commission shall enact rules and regulations governing the delivery of medical cannabis, including medical cannabis products, to a registered qualifying patient, designated caregiver, or
institutional caregiver by a medical cannabis dispensary, which regulations shall require, at a minimum:

(1) Delivery of medical cannabis shall only be made to a registered qualifying patient at the patient’s home or secondary address, to the patient’s designated caregiver at the caregiver’s home address, or directly to the patient’s institutional caregiver at the health care facility where the patient is a current patient or resident; except that the commission shall establish a process for registered qualifying patients to request delivery directly to the patient at an alternate address in cases of need.

(2) Deliveries shall be performed by a medical cannabis handler who is certified by the department to perform deliveries and is at least 18 years of age. Deliveries may be performed by an employee of a medical cannabis dispensary or clinical registrant or by an independent third party who has entered into a contract with a medical cannabis dispensary or clinical registrant to perform deliveries of medical cannabis, which contract may provide for a one-time delivery or for ongoing deliveries of medical cannabis. A medical cannabis handler holding a delivery certification issued by the commission may simultaneously hold a transfer certification issued by the commission.

(3) Medical cannabis shall not be delivered to an address located on land owned by the federal government or any address on land or in a building leased by the federal government.

(4) All deliveries of medical cannabis shall be made in person. Delivery of medical cannabis shall not be made through the use of an unmanned vehicle.

(5) Each certified medical cannabis handler shall carry a copy of the individual’s medical cannabis handler certification card and delivery certification card when performing a delivery of medical cannabis. The medical cannabis handler shall present the certification cards upon request to State and local law enforcement and to State and local regulatory authorities and agencies.

(6) Each certified medical cannabis handler engaged in a delivery of medical cannabis shall have access to a secure form of communication with the medical cannabis dispensary or clinical registrant that furnished the medical cannabis to the handler for delivery, such as a cellular telephone, at all times that the handler is in possession of medical cannabis for delivery.

(7) During delivery, the certified medical cannabis handler shall maintain a physical or electronic copy of the delivery request, and shall make it available upon request to State and local law enforcement and to State and local regulatory authorities and agencies.
(8) Delivery vehicles shall be equipped with a secure lockbox in a secured cargo area, which shall be used for the sanitary and secure transport of medical cannabis.

(9) A certified medical cannabis handler shall not leave medical cannabis in an unattended vehicle unless the vehicle is locked and equipped with an active vehicle alarm system.

(10) A delivery vehicle shall contain a Global Positioning System (GPS) device for identifying the geographic location of the vehicle. The device shall be either permanently or temporarily affixed to the vehicle while the vehicle is in operation, and the device shall remain active and in the possession of the certified medical cannabis handler at all times during which the vehicle is engaged in the delivery of medical cannabis. At all times, the medical cannabis dispensary or clinical registrant that furnished the medical cannabis to the handler for delivery shall be able to identify the geographic location of all vehicles that are making deliveries for that entity and shall provide that information to the commission upon request.

(11) Each entity that employs a medical cannabis handler certified to deliver medical cannabis shall provide the commission with current information concerning all vehicles utilized for medical cannabis deliveries, including each vehicle’s make, model, color, Vehicle Identification Number, license plate number, and vehicle registration.

(12) A medical cannabis dispensary or clinical registrant furnishing medical cannabis to a medical cannabis handler for delivery shall maintain current hired and non-owned automobile liability insurance sufficient to insure all delivery vehicles in the amount of not less than $1,000,000 per occurrence or accident.

(13) Delivery vehicles shall bear no markings that would either identify or indicate that the vehicle is used to transport medical cannabis.

(14) All deliveries of medical cannabis shall be completed in a timely and efficient manner.

(15) While performing deliveries of medical cannabis, a certified medical cannabis handler shall only travel from the premises of the medical cannabis dispensary or clinical registrant furnishing the medical cannabis to the delivery address; from one delivery address to another delivery address; or from a delivery address back to the premises of the medical cannabis handler’s employer. A medical cannabis handler shall not deviate from the route described in this paragraph, except in the event of emergency or as necessary for rest, fuel, or vehicle repair stops, or because road conditions make continued use of the route or operation of the vehicle unsafe, impossible, or impracticable.
(16) The process of delivery shall begin when the certified medical cannabis handler leaves the premises of the medical cannabis dispensary or clinical registrant with medical cannabis for delivery. The process of delivering medical cannabis ends when the medical cannabis handler returns to the premises of the medical cannabis handler’s employer after completing the delivery.

(17) Each medical cannabis handler performing deliveries of medical cannabis shall maintain a record of each delivery in a log, which may be written or electronic. For each delivery, the log shall record:

(a) The date and time that the delivery began and ended;
(b) The handler’s name, medical cannabis handler certification number, and medical cannabis delivery certification number;
(c) The tracking number of the medical cannabis; and
(d) The signature and registry number of the patient or caregiver who accepted delivery.

(18) A medical cannabis handler shall report any vehicle accidents, diversions, losses, or other reportable events that occur during delivery of medical cannabis to the appropriate State and local authorities, including the commission. A medical cannabis dispensary or clinical registrant furnishing medical cannabis for delivery shall have no criminal liability for any vehicle accidents, diversions, losses, or other reportable events that occur during delivery after such time as the dispensary or clinical registrant, as applicable, furnishes medical cannabis for delivery.

(19) A medical cannabis dispensary or clinical registrant shall be authorized to use any medical cannabis handler employed by the dispensary or clinical registrant or any independent third party medical cannabis handler that is not employed by a medical cannabis dispensary or clinical registrant for the purposes of delivering medical cannabis, and, subject to the requirements of paragraph (2) of this subsection, an independent third party medical cannabis handler possessing a delivery certification who is not employed by any medical cannabis dispensary or clinical registrant shall be authorized to provide medical cannabis transport services to any medical cannabis dispensary or clinical registrant.

j. Medical cannabis may be transferred or delivered, consistent with the requirements of subsections h. and i. of this section, respectively, to any location in the State. In no case may a municipality restrict transfers or deliveries of medical cannabis within that municipality by adoption of municipal ordinance or any other measure, and any restriction to the contrary shall be deemed void and unenforceable.

k. The commission may authorize the use of an Internet-based web service developed and maintained by an independent third party entity that does not hold any permit, license, or certificate
issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and is not a significantly involved person or other investor in any permit holder, which web service may be used by registered qualifying patients, designated caregivers, and institutional caregivers to request or schedule deliveries of medical cannabis pursuant to subsection i. of this section.

28. (New section) a. A municipality may authorize, through the enactment of an ordinance, the operation of locally endorsed medical cannabis consumption areas by medical cannabis dispensaries and clinical registrants within its jurisdiction, at which areas the on-premises consumption of medical cannabis may occur.

b. Applications for an endorsement pursuant to this section shall be made to the commission in a form and manner as shall be prescribed the commission and shall set forth such information as the commission may require. Each application shall be verified by the oath or affirmation of such persons as the commission may prescribe. The endorsement shall be conditioned upon approval by a municipality. An applicant is prohibited from operating a cannabis consumption area without State and local approval. If the applicant does not receive approval from the municipality within one year after the date of State approval, the State endorsement shall expire and may not be renewed. If an application is denied by the municipality or the approval of the municipality is revoked, the commission shall revoke the State endorsement. Any person aggrieved by the local denial of an endorsement application may request a hearing in the Superior Court of the county in which the application was filed. The request for a hearing shall be filed within 30 days after the date the application was denied. The person shall serve a copy of the person’s request for a hearing upon the appropriate officer for the municipality that denied the application. The hearing shall be held and a record made thereof within 30 days after the receipt of the application for a hearing. No formal pleading and no filing fee shall be required for the hearing.

c. (1) The commission shall deny a State endorsement if the premises on which the applicant proposes to conduct its business does not meet the requirements of P.L.2009, c.307 (C.24:6I-1 et al.) or for reasons set forth in this section. The commission may revoke or deny an endorsement renewal, or reinstatement, or an initial endorsement for good cause.

(2) For purposes of this subsection "good cause" means:

(a) the endorsed permit holder or applicant has violated, does not meet, or has failed to comply with, any of the terms, conditions, or provisions of this section, any rules promulgated pursuant to this section, or any supplemental local laws, rules, or regulations;
(b) the endorsed permit holder or applicant has failed to comply  
with any special terms or conditions that were placed on its  
deroosement by the commission or municipality; or  
(c) the premises have been operated in a manner that adversely  
affects the public health or the safety of the immediate  
neighborhood in which the medical cannabis consumption area is  
located.  

(3) Any commission decision made pursuant to this subsection  
shall be considered a final agency decision for the purposes of the  
seq.) and may be subject to judicial review as provided in the Rules  
of Court.  

d. A medical cannabis consumption area endorsement shall be  
valid for one year and may be renewed annually, subject to the  
approval of the commission and the municipality as set forth in this  
section. The commission shall establish by rule the amount of the  
application fee and renewal fee for the endorsement, which shall not  
exceed the administrative cost for processing and reviewing the  
application.  

e. The commission shall maintain a list of all medical cannabis  
consumption areas in the State and shall make the list available on  
its Internet website.  

f. A medical cannabis consumption area shall be located on the  
premises of a medical cannabis dispensary or clinical registrant,  
may be indoors or outdoors, and shall be designated by conspicuous  
signage.  

(1) An indoor medical cannabis consumption area shall be a  
structurally enclosed area within a medical cannabis dispensary or  
clinical registrant facility that is separated by solid walls or  
windows from the area in which medical cannabis is dispensed and  
shall only be accessible through an interior door after first entering  
the facility.  

(2) An outdoor medical cannabis consumption area shall be an  
exterior structure on the same premises as the medical cannabis  
dispensary or clinical registrant facility, that is either separate from  
or connected to the facility, and that is not required to be  
completely enclosed, but shall have sufficient walls, fences, or other  
barriers to prevent any view of patients consuming medical  
cannabis from any sidewalk or other pedestrian or non-motorist  
right-of-way, as the case may be, within the consumption area.  

(3) Nothing in this subsection shall be construed to authorize the  
consumption of medical cannabis by smoking in any indoor public  
place or workplace, as those terms are defined in subsection 3 of  
P.L.2005, c.383 (C.26:3D-57), and the medical cannabis dispensary  
or clinical registrant operating the consumption area shall ensure  
that any smoking of medical cannabis that occurs in an outdoor
A medical cannabis consumption area does not result in migration, seepage, or recirculation of smoke to any indoor public place or workplace. The commission may require a consumption area to include any ventilation features as the commission deems necessary and appropriate.

g. (1) A medical cannabis dispensary or clinical registrant holding a medical cannabis consumption area endorsement, and the employees of the dispensary or clinical registrant, subject to any regulations for medical cannabis consumption areas promulgated by the commission, may permit a person to bring medical cannabis into a medical cannabis consumption area.

(2) A medical cannabis dispensary or clinical registrant holding a medical cannabis consumption area endorsement shall not sell alcohol, including fermented malt beverages or malt, vinous, or spirituous liquor, sell tobacco or nicotine products, or allow the consumption of alcohol, tobacco, or nicotine products on premises, or operate as a retail food establishment.

(3) A medical cannabis dispensary or clinical registrant holding a medical cannabis consumption area endorsement shall not allow on-duty employees of the establishment to consume any medical cannabis in the consumption area.

h. Access to a medical cannabis consumption area shall be restricted to employees of the medical cannabis dispensary or clinical registrant and to registered qualified patients and their designated caregivers.

i. When a patient leaves a medical cannabis consumption area, the establishment shall ensure any remaining unconsumed medical cannabis that is not taken by the patient or the patient’s designated caregiver is destroyed.

j. A medical cannabis consumption area and its employees:

(1) shall operate the establishment in a decent, orderly, and respectable manner;

(2) may remove an individual from the establishment for any reason;

(3) shall not knowingly permit any activity or acts of disorderly conduct; and

(4) shall not permit rowdiness, undue noise, or other disturbances or activity offensive to the average citizen or to the residents of the neighborhood in which the consumption area is located.

k. If an emergency requires law enforcement, firefighters, emergency medical services providers, or other public safety personnel to enter a medical cannabis consumption area, employees of the establishment shall prohibit on-site consumption of medical cannabis until such personnel have completed their investigation or services and have left the premises.
29. (New section) a. (1) The commission shall develop and maintain a system for tracking the cultivation of medical cannabis, the manufacturing of medical cannabis products, the transfer of medical cannabis and medical cannabis products between medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, clinical registrants, and testing laboratories as authorized pursuant to paragraph (5) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and subsection h. of section 27 of P.L. , c. (C. ) (pending before the Legislature as this bill), and the dispensing or delivery of medical cannabis to registered qualifying patients, designated caregivers, and institutional caregivers.

   (2) The tracking system shall, among other features as determined by the commission, utilize a stamp affixed to a container or package for medical cannabis to assist in the collection of the information required to be tracked pursuant to subsection c. of this section.

      (a) The commission, in consultation with the Director of the Division of Taxation, shall secure stamps based on the designs, specifications, and denominations prescribed by the commission in regulation, and which incorporate encryption, security, and counterfeit-resistant features to prevent the unauthorized duplication or counterfeiting of any stamp. The stamp shall be readable by a scanner or similar device that may be used by the commission, the Director of the Division of Taxation, and medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, or clinical registrants.

      (b) The commission, and the Director of the Division of Taxation if authorized by the commission, shall make stamps available for purchase by medical cannabis cultivators, medical cannabis manufacturers, and clinical registrants, which shall be the only entities authorized to affix a stamp to a container or package for medical cannabis in accordance with applicable regulations promulgated by the commission in consultation with the Director of the Division of Taxation. The price charged by the commission to medical cannabis cultivators, medical cannabis manufacturers, and clinical registrants for a stamp required pursuant to this paragraph shall be reasonable and commensurate with the cost of producing the stamp.

      (c) A medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, clinical registrant, or certified medical cannabis handler shall not purchase, sell, offer for sale, transfer, transport, or deliver any medical cannabis unless a stamp is properly affixed to the container or package for the medical cannabis.
b. The purposes of the system developed and maintained under this section include, but are not limited to:

(1) preventing the diversion of medical cannabis to criminal enterprises, gangs, cartels, persons not authorized to possess medical cannabis, and other states;
(2) preventing persons from substituting or tampering with medical cannabis;
(3) ensuring an accurate accounting of the cultivation, manufacturing, transferring, dispensing, and delivery of medical cannabis;
(4) ensuring that the testing results from licensed testing laboratories are accurately reported; and
(5) ensuring compliance with the rules and regulations adopted by the commission and any other law of this State that charges the commission with a duty, function, or power related to medical cannabis.

c. The system developed and maintained under this section shall be capable of tracking, at a minimum:

(1) the propagation of immature medical cannabis plants and the production of medical cannabis by a medical cannabis cultivator;
(2) the utilization of medical cannabis in the manufacture, production, and creation of medical cannabis products by a medical cannabis manufacturer;
(3) the transfer of medical cannabis and medical cannabis products to and from licensed testing laboratories for testing purposes;
(4) the dispensing of medical cannabis by a medical cannabis dispensary or clinical registrant;
(5) the furnishing of medical cannabis by a medical cannabis dispensary or clinical registrant to a medical cannabis handler for delivery;
(6) the delivery of medical cannabis by a medical cannabis handler;
(7) the purchase, sale, or other transfer of medical cannabis and medical cannabis products between medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, and clinical registrants as authorized pursuant to paragraph (5) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and subsection h. of section 27 of P.L. , c. (C. ) (pending before the Legislature as this bill); and
(8) any other information that the commission determines is reasonably necessary to accomplish the duties, functions, and powers of the commission.

30. (New section) The commission may waive any requirement of P.L.2009, c.307 (C.24:6I-1 et al.) if the commission determines
that granting the waiver is necessary to achieve the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) and provide access to patients who would not otherwise qualify for the medical use of cannabis to alleviate suffering from a diagnosed medical condition, and does not create a danger to the public health, safety, or welfare.

31. (New section) a. The Cannabis Regulatory Commission is hereby created in, but not of, the Department of the Treasury, to assume all powers, duties, and responsibilities with regard to the regulation and oversight of activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health for the further development, expansion, regulation, and enforcement of activities associated with the medical use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.). All powers, duties, and responsibilities with regard to the regulation and oversight of activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) shall be transferred from the Department of Health to the Cannabis Regulatory Commission at such time as the members of the commission are appointed as provided in subsection b. of this section and the commission first organizes. Thereafter, any reference to the Department of Health or the Commissioner of Health in any statute or regulation pertaining to the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) shall be deemed to refer to the Cannabis Regulatory Commission. The provisions of this subsection shall be carried out in accordance with the “State Agency Transfer Act,” P.L.1971, c.375 (C.52:14D-1 et seq.).

b. (1) The commission shall consist of five members, one of whom shall be designated by the Governor as the chair, and one of whom shall be designated the vice-chair in accordance with the appointment process set forth in paragraph (7) of this subsection.

(2) The members of the commission shall be appointed by the Governor as follows:

(a) One member shall be appointed upon recommendation of the Senate President;
(b) One member shall be appointed upon recommendation of the Speaker of the General Assembly;
(c) Three members, including the chair, shall be appointed without any needed recommendation.

(3) Initial appointments of commission members pursuant to paragraph (2) of this subsection shall not require the advice and consent of the Senate. Subsequent appointments made pursuant to subparagraph (c) of paragraph (2) of this subsection, including reappointments of members initially appointed, shall be made with the advice and consent of the Senate. Subsequent appointments made pursuant to subparagraphs (a) and (b) of paragraph (2) of this
subsection shall be made in the same manner as the original appointment.

(4) All five members shall be residents of this State. At least one member shall be a State representative of a national organization or State branch of a national organization with a stated mission of studying, advocating, or adjudicating against minority historical oppression, past and present discrimination, unemployment, poverty and income inequality, and other forms of social injustice or inequality, and all five members shall possess education, training, or experience with legal, policy, or criminal justice issues, corporate or industry management, finance, securities, or production or distribution, medicine or pharmacology, or public health, mental health, or substance use disorders.

(5) The chair and the other members shall serve for terms of five years; provided that, for the two other members initially appointed by the Governor without any needed recommendation, one shall be appointed for a term of four years, and one shall be appointed for a term of three years. The chair and the other members shall serve in their respective capacities throughout their entire term and until their successors shall have been duly appointed and qualified. Any vacancy in the commission occurring for any reason other than the expiration of a term, including a vacancy occurring during the term of the initial chair or another initial member, shall be filled in accordance with the requirements for subsequent appointments set forth in paragraph (3) of this subsection for the remainder of the unexpired term only.

(6) The chair and other members of the commission shall devote full time to their respective duties of office and shall not pursue or engage in any other business, occupation, or gainful employment. Each member shall receive an annual salary to be fixed and established by the Governor, which for the chair shall not exceed $141,000, and for the other members shall not exceed $125,000.

(7) The members of the commission, at the commission’s first meeting when called by the chair, shall elect, by a majority of the total authorized membership of the commission, one of the members who is appointed based upon the recommendation of the Senate President or Speaker of the General Assembly as set forth in paragraph (2) of this subsection to serve as vice-chair during that member’s term. A new vice-chair shall be elected upon the expiration of the current vice-chair’s term, even if that member remains on the commission until that member’s successor is duly appointed and qualified. The vice-chair shall be empowered to carry out all of the responsibilities of the chair during the chair’s absence, disqualification, or inability to serve.

(8) A majority of the total authorized membership of the commission shall be required to establish a quorum, and a majority
of the total authorized membership of the commission shall be required to exercise its powers at any meeting thereof. However, only if all five commissioners have been duly appointed in accordance with the appointment process set forth in paragraph (2) of this subsection, and five appointed commissioners are present at a meeting, may a majority of the total authorized membership act to assume the powers, duties, and responsibilities with regard to the regulation and oversight of activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health.

(9) The commission shall adopt annually a schedule of regular meetings, and special meetings may be held at the call of the chair.

(10) Any member of the commission may be removed from office by the Governor, for cause, upon notice and opportunity to be heard at a public hearing. Any member of the commission shall automatically forfeit the member’s office upon conviction for any crime.

c. (1) The commission may establish, and from time to time alter, a plan of organization, and employ personnel as it deems necessary under the direct supervision of a full-time executive director for the commission. The plan of organization shall include the Office of Minority, Disabled Veterans, and Women Medical Cannabis Business Development established by section 32 of P.L. , c. (C. ) (pending before the Legislature as this bill).

(a) The initial executive director shall be appointed by the Governor, and thereafter every subsequent executive director shall be appointed by the Governor with the advice and consent of the Senate. The executive director shall serve at the pleasure of the appointing Governor during the Governor’s term of office and until a successor has been duly appointed and qualified. Any vacancy in the office occurring for any reason other than the expiration of a term, including a vacancy occurring during the term of the initial executive director, shall be filled for the unexpired term only in the same manner as the appointment of any subsequent executive director as set forth herein. The executive director shall receive an annual salary to be fixed and established by the Governor, which shall not exceed $141,000.

(b) (i) All employees of the commission under the direct supervision of the executive director, except for secretarial and clerical personnel, shall be in the State’s unclassified service. All employees shall be deemed confidential employees for the purposes of the “New Jersey Employer-Employee Relations Act,” P.L.1941, c.100 (C.34:13A-1 et seq.).

(ii) If, as a result of transferring powers, duties, and responsibilities with regard to the regulation and oversight of activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health to the commission pursuant to
subsection a. of this section, the commission needs to employ an individual to fill a position, employees of the department who performed the duties of the position to be filled shall be given a one-time right of first refusal offer of employment with the commission, and such employees may be removed by the commission for cause or if deemed unqualified to hold the position, notwithstanding any other provision of law to the contrary. A department employee who becomes employed by the commission shall retain as an employee of the commission the seniority, and all rights related to seniority, that the employee had with the department as of the last day of employment with the department; provided, however, that such seniority and seniority rights shall be retained only by an employee who was transferred from employment with the department to employment with the commission, and shall not be retained by an employee who was removed from employment with the department due to layoff procedures or who resigned from a position with the department prior to being hired by the commission.

(2) The commission may sue and be sued in any court, employ legal counsel to represent the commission in any proceeding to which it is a party and render legal advice to the commission upon its request, as well as contract for the services of other professional, technical, and operational personnel and consultants as may be necessary to the performance of its responsibilities.

(3) The commission may incur additional expenses within the limits of funds available to it in order to carry out its duties, functions, and powers under P.L.2009, c.307 (C.24:6I-1 et al.).

d. With respect to the activities of the commission, neither the President of the Senate or the Speaker of the General Assembly shall be permitted to appear or practice or act in any capacity whatsoever before the commission regarding any matter whatsoever, nor shall any member of the immediate family of the Governor, President of the Senate, or Speaker of the General Assembly be permitted to so practice or appear in any capacity whatsoever before the commission regarding any matter whatsoever. As used in this subsection, “immediate family” means the spouse, domestic partner, or civil union partner, and any dependent child or stepchild, recognized by blood or by law, of the Governor, President of the Senate, or Speaker of the General Assembly, or of the spouse, domestic partner, or civil union partner residing in the same household as the Governor, President of the Senate, or Speaker of the General Assembly.

e. The commission may designate its powers and authority as it deems necessary and appropriate to carry out its duties and implement the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).
f. The commission shall, no later than three years after the date it first organizes, contract with a public research university, as defined in section 3 of P.L.1994, c.48 (C.18A:3B-3), to conduct an independent study to review:

(1) the commission’s organization;
(2) the commission’s regulation and enforcement activities;
(3) the overall effectiveness of the commission as a full time entity; and
(4) whether the regulation and oversight of medical cannabis could be more effectively and efficiently managed through a reorganization of the commission, consolidation of the commission within the Department of Health or another Executive Branch department, conversion to a part-time commission, or the transfer of some or all of the commission’s operations elsewhere within the Executive Branch.

The commission shall submit the findings of the independent study, along with the commission’s recommendations for appropriate executive, administrative, or legislative action, to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature.

32. (New section) a. There is hereby established in the commission an Office of Minority, Disabled Veterans, and Women Medical Cannabis Business Development. The office shall be under the immediate supervision of a director. The director of the office shall be appointed by the Governor, and shall serve at the pleasure of the appointing Governor during the Governor’s term of office and until a successor has been duly appointed and qualified. Any vacancy in the directorship occurring for any reason other than the expiration of the director’s term of office shall be filled for the unexpired term only in the same manner as the original appointment. The director shall receive an annual salary as provided by law which shall be at an amount not to exceed the annual salary of the executive director of the commission.

b. (1) The office shall establish and administer, under the direction of the commission, unified practices and procedures for promoting participation in the medical cannabis industry by persons from socially and economically disadvantaged communities, including by prospective and existing ownership of minority businesses and women’s businesses, as these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans’ businesses as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), to be issued medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, and clinical registrant permits. These unified practices and procedures shall include the certification and subsequent recertification at regular
intervals of a business as a minority or women’s business, or a
disabled veterans’ business, in accordance with eligibility criteria
and a certification application process established by the
commission through regulation in consultation with the office.
(2) The office shall conduct advertising and promotional
campaigns, and shall disseminate information to the public, to
increase awareness for participation in the medical cannabis
industry by persons from socially and economically disadvantaged
communities. To this end, the office shall sponsor seminars and
informational programs, and shall provide information on its
Internet website, providing practical information concerning the
medical cannabis industry, including information on business
management, marketing, and other related matters.
c. (1) The office shall develop, recommend, and implement
policies, practices, protocols, standards, and criteria designed to
promote the formulation of medical cannabis business entities and
participation in the medical cannabis industry by persons from
socially and economically disadvantaged communities, including by
promoting applications for, and the issuance of, medical cannabis
cultivator, medical cannabis manufacturer, medical cannabis
dispensary, and clinical registrant permits to certified minority,
women’s, and disabled veterans’ businesses. The office shall
evaluate the effectiveness of these measures by considering whether
the measures have resulted in new medical cannabis cultivator,
medical cannabis manufacturer, and medical cannabis dispensary
permits being issued in accordance with the provisions of
subsection g. of section 12 of P.L. , c. (C. ) (pending
before the Legislature as this bill).
(2) The office shall periodically analyze the total number of
permits issued by the commission as compared with the number of
certified minority, women’s, and disabled veterans’ businesses that
submitted applications for, and that were awarded, such permits.
The office shall make good faith efforts to establish, maintain, and
enhance the measures designed to promote the formulation and
participation in the operation of medical cannabis businesses by
persons from socially and economically disadvantaged communities
consistent with the standards set forth in paragraph (1) of this
subsection, and to coordinate and assist the commission with
respect to its incorporation of these permitting measures into the
application and review process for issuing permits under P.L.2009,
c.307 (C.24:6I-1 et al.).
d. The office may review the commission’s measures regarding
participation in the medical cannabis industry by persons from
socially and economically disadvantaged communities, and
minority, women’s, and disabled veterans’ businesses, and make
recommendations on relevant policy and implementation matters for
the improvement thereof. The office may consult with experts or other knowledgeable individuals in the public or private sector on any aspect of its mission.

e. The office shall prepare information regarding its activities pursuant to this section concerning participation in the medical cannabis industry by persons from socially and economically disadvantaged communities, including medical cannabis business development initiatives for minority, women’s, and disabled veterans’ businesses participating in the medical cannabis marketplace, to be incorporated by the commission into its annual report submitted to the Governor and to the Legislature pursuant to section 14 of P.L.2009, c.307 (C.24:6I-12).

33. (New section)  a. No person shall be appointed to or employed by the commission if, during the period commencing three years prior to appointment or employment, the person held any direct or indirect interest in, or any employment by, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or otherwise employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis; provided, however, that notwithstanding any other provision of law to the contrary, any such person may be appointed to or employed by the commission if the person’s prior interest in any such permit holder or applicant would not, in the opinion of the commission, interfere with the objective discharge of the person’s obligations of appointment or employment, but in no instance shall any person be appointed to or employed by the commission if the person’s prior interest in such permit holder or applicant constituted a controlling interest in that permit holder or applicant; and provided further, however, that notwithstanding any other provision of law to the contrary, any such person may be employed by the commission in a secretarial or clerical position if, in the opinion of the commission, the person’s previous employment by, or interest in, any permit holder would not interfere with the objective discharge of the person’s employment obligations.

b. Prior to appointment or employment, each member of the commission and each employee of the commission shall swear or affirm that the member or employee, as applicable, possesses no interest in any business or organization issued a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit by the commission.

c. (1) Each member of the commission shall file with the State Ethics Commission a financial disclosure statement listing all assets and liabilities, property and business interests, and sources of
income of the member and the member's spouse, domestic partner, or partner in a civil union couple, as the case may be, and shall also provide to the State Ethics Commission in the same financial disclosure statement a list of all assets and liabilities, property and business interests, and sources of income of each dependent child or stepchild, recognized by blood or by law, of the member, or of the spouse, domestic partner, or partner in a civil union couple residing in the same household as the member. Each statement shall be under oath and shall be filed at the time of appointment and annually thereafter.

(2) Each employee of the commission, except for secretarial and clerical personnel, shall file with the State Ethics Commission a financial disclosure statement listing all assets and liabilities, property and business interests, and sources of income of the employee and the employee's spouse, domestic partner, or partner in a civil union couple, as the case may be. Such statement shall be under oath and shall be filed at the time of employment and annually thereafter. Notwithstanding the provisions of subsection (n) of section 10 of P.L.1971, c.182 (C.52:13D-21), only financial disclosure statements filed by a commission employee who is in a policy-making management position shall be posted on the Internet website of the State Ethics Commission.

34. (New section) a. The “New Jersey Conflicts of Interest Law,” P.L.1971, c.182 (C.52:13D-12 et seq.) shall apply to members of the commission and to all employees of the commission, except as herein specifically provided.

b. (1) The commission shall promulgate and maintain a Code of Ethics that is modeled upon the Code of Judicial Conduct of the American Bar Association, as amended and adopted by the Supreme Court of New Jersey.

(2) The Code of Ethics promulgated and maintained by the commission shall not be in conflict with the laws of this State, except, however, that the Code of Ethics may be more restrictive than any law of this State.

c. The Code of Ethics promulgated and maintained by the commission, and any amendments or restatements thereof, shall be submitted to the State Ethics Commission for approval. The Codes of Ethics shall include, but not be limited to, provisions that:

(1) No commission member or employee shall be permitted to enter and engage in any activities, nor have any interest, directly or indirectly, in any medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant issued a permit by the commission in accordance with the P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of
medical cannabis, except in the course of the member’s or employee’s duties; provided that nothing in this paragraph shall be construed to prohibit a member or employee who is a registered qualifying patient, or who is serving as a designated caregiver or institutional caregiver for a registered qualifying patient, from being dispensed medical cannabis consistent with the requirements of P.L.2009, c.307 (C.24:6I et al.).

(2) No commission member or employee shall solicit or accept employment from any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis for a period of two years after termination of service with the commission, except as otherwise provided in section 35 of P.L. 2009, c. (C. ) (pending before the Legislature as this bill).

(3) No commission member or employee shall act in the member’s or employee’s official capacity in any matter wherein the member, employee, or the member’s or employee’s spouse, domestic partner, or partner in a civil union couple, or child, parent, or sibling has a direct or indirect personal financial interest that might reasonably be expected to impair the member’s or employee’s objectivity or independence of judgment.

(4) No commission member or employee shall act in the member’s or employee’s official capacity in a matter concerning any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis who is the employer of a spouse, domestic partner, or partner in a civil union couple, or child, parent, or sibling of the commission member or employee when the fact of the employment of the spouse, domestic partner, or partner in a civil union couple, or child, parent, or sibling might reasonably be expected to impair the objectivity and independence of judgment of the commission member or employee.

(5) No spouse, domestic partner, or partner in a civil union couple, or child, parent, or sibling of a commission member shall be employed in any capacity by any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit, or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis nor by any holding, intermediary, or subsidiary company thereof.

(6) No commission member shall meet with any person, except for any other member of the commission or employee of the
commission, or discuss any issues involving any pending or
proposed application or any matter whatsoever which may
reasonably be expected to come before the commission, or any
member thereof, for determination unless the meeting or discussion
takes place on the business premises of the commission, provided,
however, that commission members may meet to consider matters
requiring the physical inspection of equipment or premises at the
location of the equipment or premises. All meetings or discussions
subject to this paragraph shall be noted in a log maintained for this
purpose and available for inspection pursuant to the provisions of
P.L.1963, c.73 (C.47:1A-1 et seq.).

d. No commission member or employee shall have any interest,
direct or indirect, in any holder of, or applicant for, a medical
cannabis cultivator, medical cannabis manufacturer, medical
cannabis dispensary, or clinical registrant permit or in any entity
that employs any certified medical cannabis handler to perform
transfers or deliveries of medical cannabis during the member’s
term of office or employee’s term of employment.

e. Each commission member and employee shall devote the
member’s or employee’s entire time and attention to the member’s
or employee’s duties, as applicable, and shall not pursue any other
business or occupation or other gainful employment; provided,
however, that secretarial and clerical personnel may engage in such
other gainful employment as shall not interfere with their duties to
the commission, unless otherwise directed; and provided further,
however, that other employees of the commission may engage in
such other gainful employment as shall not interfere or be in
conflict with their duties to the commission or division, upon
approval by the commission, as the case may be.

f. (1) A member of the commission and the executive director
or any other employee of the commission holding a supervisory or
policy-making management position shall not make any
contribution as that term is defined in “The New Jersey Campaign
Contributions and Expenditures Reporting Act,” P.L.1973, c.83
(C.19:44A-1 et seq.).

(2) A member or employee of the commission shall not:
(a) use the member’s or employee’s official authority or
influence for the purpose of interfering with or affecting the result
of an election or a nomination for office;
(b) directly or indirectly coerce, attempt to coerce, command, or
advise any person to pay, lend, or contribute anything of value to a
party, committee, organization, agency, or person for political
purposes; or
(c) take any active part in political campaigns or the
management thereof; provided, however, that nothing herein shall
prohibit a member or employee from voting as the member or
employee chooses or from expressing personal opinions on political
subjects and candidates.

g. For the purpose of applying the provisions of the “New
Jersey Conflicts of Interest Law,” any consultant or other person
under contract for services to the commission shall be deemed to be
a special State employee, except that the restrictions of section 4 of
P.L.1981, c.142 (C.52:13D-17.2) shall not apply to such person.
Such person and any corporation, firm, or partnership in which the
person has an interest or by which the person is employed shall not
represent any person or party other than the commission.

35. (New section) a. No member of the commission shall hold
any direct or indirect interest in, or be employed by, any holder of, or
applicant for, a medical cannabis cultivator, medical cannabis
manufacturer, medical cannabis dispensary, or clinical registrant
permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or in
any entity that employs any certified medical cannabis handler to
perform transfers or deliveries of medical cannabis for a period of
two years commencing on the date that membership on the
commission terminates.

b. (1) No employee of the commission may acquire any direct
or indirect interest in, or accept employment with, any holder of, or
applicant for, a medical cannabis cultivator, medical cannabis
manufacturer, medical cannabis dispensary, or clinical registrant
permit or in any entity that employs any certified medical cannabis
handler to perform transfers or deliveries of medical cannabis, for a
period of two years commencing at the termination of employment
with the commission, except that a secretarial or clerical employee
of the commission may accept such employment at any time after
the termination of employment with the commission. At the end of
two years and for a period of two years thereafter, a former
employee who held a policy-making management position at any
time during the five years prior to termination of employment may
acquire an interest in, or accept employment with, any holder of, or
applicant for, a medical cannabis cultivator, medical cannabis
manufacturer, medical cannabis dispensary, or clinical registrant
permit or in any entity that employs any certified medical cannabis
handler to perform transfers or deliveries of medical cannabis, upon
application to, and the approval of, the commission, upon a finding
that the interest to be acquired or the employment will not create the
appearance of a conflict of interest and does not evidence a conflict
of interest in fact.

(2) Notwithstanding the provisions of this subsection, if the
employment of a commission employee, other than an employee
who held a policy-making management position at any time during
the five years prior to termination of employment, is terminated as a
result of a reduction in the workforce at the commission, the
employee may, at any time prior to the end of the two-year period,
accept employment with any holder of, or applicant for, a medical
cannabis cultivator, medical cannabis manufacturer, medical
cannabis dispensary, or clinical registrant permit or any entity that
employs any certified medical cannabis handler to perform transfers
or deliveries of medical cannabis, upon application to, and the
approval of, the commission, upon a finding that the employment
will not create the appearance of a conflict of interest and does not
evidence a conflict of interest in fact. The commission shall take
action on an application within 30 days of receipt and an
application may be submitted to the commission prior to or after the
commencement of the employment.

c. No commission member or employee shall represent any
person or party other than the State before or against the
commission for a period of two years from the termination of office
or employment with the commission.

d. No partnership, firm, or corporation in which a former
commission member or employee has an interest, nor any partner,
officer, or employee of any such partnership, firm, or corporation
shall make any appearance or representation which is prohibited to
the former member or employee.

36. (New section) a. (1) No holder of, or applicant for, a
medical cannabis cultivator, medical cannabis manufacturer,
cannabis dispensary, or clinical registrant permit issued
pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
employs any certified medical cannabis handler to perform transfers
or deliveries of medical cannabis shall employ or offer to employ,
or provide, transfer, or sell, or offer to provide, transfer, or sell any
interest, direct or indirect, in any medical cannabis cultivator,
manufacturer, medical cannabis dispensary, or
clinical registrant permit holder to any person restricted from such
transactions by the provisions of sections 33 through 35 of P.L. ,
c. (C. ) (pending before the Legislature as this bill).

(2) In addition to any civil penalty imposed pursuant to
subsection c. of this section, the commission may deny an
application, or revoke or suspend a permit holder’s permit, for
committing a violation of this subsection.

b. (1) A member or employee of the commission who makes
or causes to be made a political contribution prohibited under
subsection f. of section 34 of P.L. , c. (C. ) (pending before
the Legislature as this bill) is guilty of a crime of the fourth degree,
but notwithstanding the provisions of subsection b. of N.J.S.2C:43-
(2) A member or employee of the commission who willfully violates any other provisions in sections 33 through 35 of P.L. ,
c. ( ) (pending before the Legislature as this bill) is guilty of
a disorderly persons offense.

c. The State Ethics Commission, established pursuant to the "New Jersey Conflicts of Interest Law," P.L.1971, c.182 (C.52:13D-12 et seq.), shall enforce the provisions of sections 33 through 36 of P.L. , c. ( ) (pending before the Legislature
as this bill), and upon a finding of a violation, impose a civil penalty of not less than $500 nor more than $10,000, which penalty
may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
If a violation also represents a crime or disorderly persons offense as set forth in subsection b. of this section, the State Ethics Commission shall also refer the matter to the Attorney General or appropriate county prosecutor for further investigation and prosecution.

37. Section 2 of P.L.1971, c.182 (C.52:13D-13) is amended to read as follows:

2. As used in this act, and unless a different meaning clearly appears from the context, the following terms shall have the following meanings:

a. "State agency" means any of the principal departments in the Executive Branch of the State Government, and any division, board, bureau, office, commission, or other instrumentality within or created by such department, the Legislature of the State, and any office, board, bureau or commission within or created by the Legislative Branch, and, to the extent consistent with law, any interstate agency to which New Jersey is a party and any independent State authority, commission, instrumentality or agency. A county or municipality shall not be deemed an agency or instrumentality of the State.

b. "State officer or employee" means any person, other than a special State officer or employee: (1) holding an office or employment in a State agency, excluding an interstate agency, other than a member of the Legislature; or (2) appointed as a New Jersey member to an interstate agency.

c. "Member of the Legislature" means any person elected to serve in the General Assembly or the Senate.

d. "Head of a State agency" means: (1) in the case of the Executive Branch of government, except with respect to interstate agencies, the department head or, if the agency is not assigned to a department, the Governor; and (2) in the case of the Legislative Branch, the chief presiding officer of each House of the Legislature.
e. "Special State officer or employee" means: (1) any person holding an office or employment in a State agency, excluding an interstate agency, for which office or employment no compensation is authorized or provided by law, or no compensation other than a sum in reimbursement of expenses, whether payable per diem or per annum, is authorized or provided by law; (2) any person, not a member of the Legislature, holding a part-time elective or appointive office or employment in a State agency, excluding an interstate agency; or (3) any person appointed as a New Jersey member to an interstate agency the duties of which membership are not full-time.

f. "Person" means any natural person, association or corporation.

g. "Interest" means: (1) the ownership or control of more than 10 percent of the profits or assets of a firm, association, or partnership, or more than 10 percent of the stock in a corporation for profit other than a professional service corporation organized under the "Professional Service Corporation Act," P.L.1969, c.232 (C. 14A:17-1 et seq.); or (2) the ownership or control of more than 1 percent of the profits of a firm, association, or partnership, or more than 1 percent of the stock in any corporation, (a) which is the holder of, or an applicant for, a casino license or in any holding or intermediary company with respect thereto, as defined by the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), or (b) which is the holder of, or an applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant P.L.2009, c.307 (C.24:6I-1 et al.), or any holding or intermediary company with respect thereto. The provisions of this act governing the conduct of individuals are applicable to shareholders, associates or professional employees of a professional service corporation regardless of the extent or amount of their shareholder interest in such a corporation.

h. "Cause, proceeding, application or other matter" means a specific cause, proceeding or matter and does not mean or include determinations of general applicability or the preparation or review of legislation which is no longer pending before the Legislature or the Governor.

i. "Member of the immediate family" of any person means the person's spouse, domestic partner, civil union partner, child, parent, or sibling residing in the same household.

38. Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended to read as follows:

4. a. As used in this section "person" means:
(1) [any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters affecting casino activity; any special State officer or employee with responsibility for matters affecting casino activity;] (a) with respect to casino activity and activity related to medical cannabis authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), the Governor; [any member of the Legislature or] the President of the Senate; the Speaker of the General Assembly; any full-time member of the Judiciary; any full-time professional employee of the Office of the Governor [I, or the Legislature; members of the Casino Reinvestment Development Authority]; the head of a principal department; the assistant or deputy heads of a principal department, including all assistant and deputy commissioners; the head of any division of a principal department;

(b) with respect to casino activity, any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters affecting casino activity; any special State officer or employee with responsibility for matters affecting casino activity; any member of the Legislature; any full-time professional employee of the Legislature; members of the Casino Reinvestment Development Authority; or

(c) with respect to activity related to medical cannabis authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters affecting medical cannabis activity; any special State officer or employee with responsibility for matters affecting medical cannabis activity; members of the Cannabis Regulatory Commission; or

(2) (a) any member of the governing body, or the municipal judge or the municipal attorney of a municipality wherein a casino is located; any member of or attorney for the planning board or zoning board of adjustment of a municipality wherein a casino is located, or any professional planner, or consultant regularly employed or retained by such planning board or zoning board of adjustment; or

(b) any member of the governing body or the municipal judge of a municipality, any member of the planning board or zoning board of adjustment, or any professional planner, or consultant regularly employed or retained by such planning board or zoning board of adjustment, of a municipality wherein a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis
dispensary, or clinical registrant issued a permit pursuant to
P.L.2009, c.307 (C.24:6I-1 et al.) is located.

b. (1) No State officer or employee, nor any person, nor any
member of the immediate family of any State officer or employee,
or person, nor any partnership, firm, or corporation with which any
such State officer or employee or person is associated or in which
he has an interest, nor any partner, officer, director, or employee
while he is associated with such partnership, firm, or corporation,
shall hold, directly or indirectly, an interest in, or hold employment
with, or represent, appear for, or negotiate on behalf of, any holder
of, or applicant for, a casino license, or any holding or intermediary
company with respect thereto, in connection with any cause,
application, or matter, except as provided in section 3 of P.L.2009,
c.26 (C.52:13D-17.3), and except that [(1) (a)] a State officer or
employee other than a State officer or employee included in the
definition of person, and [(2) (b)] a member of the immediate
family of a State officer or employee, or of a person, may hold
employment with the holder of, or applicant for, a casino license if,
in the judgment of the State Ethics Commission, the Joint
Legislative Committee on Ethical Standards, or the Supreme Court,
as appropriate, such employment will not interfere with the
responsibilities of the State officer or employee, or person, and will
not create a conflict of interest, or reasonable risk of the public
perception of a conflict of interest, on the part of the State officer or
employee, or person. No special State officer or employee without
responsibility for matters affecting casino activity, excluding those
serving in the Departments of Education, Health [and Senior
Services], and Human Services and the [Commission on] Office of
the Secretary of Higher Education, shall hold, directly or indirectly,
an interest in, or represent, appear for, or negotiate on behalf of, any
holder of, or applicant for, a casino license, or any holding or
intermediary company with respect thereto, in connection with any
cause, application, or matter. However, a special State officer or
employee without responsibility for matters affecting casino
activity may hold employment directly with any holder of or
applicant for a casino license or any holding or intermediary
company thereof and if so employed may hold, directly or
indirectly, an interest in, or represent, appear for, or negotiate on
behalf of, his employer, except as otherwise prohibited by law.

(2) No State officer or employee, nor any person, nor any
member of the immediate family of any State officer or employee,
or person, nor any partnership, firm, or corporation with which any
such State officer or employee or person is associated or in which
he has an interest, nor any partner, officer, director, or employee
while he is associated with such partnership, firm, or corporation,
shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, or derive any remuneration, payment, benefit, or any other thing of value for any services, including but not limited to consulting or similar services, from any holder of, or applicant for, a license, permit, or other approval to conduct Internet gaming, or any holding or intermediary company with respect thereto, or any Internet gaming affiliate of any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, or any business, association, enterprise, or other entity that is organized, in whole or in part, for the purpose of promoting, advocating for, or advancing the interests of the Internet gaming industry generally or any Internet gaming-related business or businesses in connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (1) (a) a State officer or employee other than a State officer or employee included in the definition of person, and (2) (b) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a license, permit, or other approval to conduct Internet gaming, or any holding or intermediary company with respect thereto, or any Internet gaming affiliate of any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person.

(3) No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, nor any person, nor any partnership, firm, or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director, or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or in any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer
or employee other than a State officer or employee included in the
definition of person, and (b) a member of the immediate family of a
State officer or employee, or of a person, may hold employment
with the holder of, or applicant for, a medical cannabis cultivator,
medical cannabis manufacturer, medical cannabis dispensary, or
clinical registrant permit or any entity that employs any certified
medical cannabis handler to perform transfers or deliveries of
medical cannabis if, in the judgment of the State Ethics
Commission, the Joint Legislative Committee on Ethical Standards,
or the Supreme Court, as appropriate, such employment will not
interfere with the responsibilities of the State officer or employee,
or person, and will not create a conflict of interest, or reasonable
risk of the public perception of a conflict of interest, on the part of
the State officer or employee, or person. No special State officer or
employee without responsibility for matters affecting medical
cannabis activity, excluding those serving in the Departments of
Education, Health, and Human Services and the Office of the
Secretary of Higher Education, shall hold, directly or indirectly, an
interest in, or represent, appear for, or negotiate on behalf of, any
holder of, or applicant for, a medical cannabis cultivator, medical
cannabis manufacturer, medical cannabis dispensary, or clinical
registrant permit or any entity that employs any certified medical
cannabis handler to perform transfers or deliveries of medical
cannabis, or any holding or intermediary company with respect
terio, in connection with any cause, application, or matter.
However, a special State officer or employee without responsibility
for matters affecting medical cannabis activity may hold
employment directly with any holder of or applicant for a medical
cannabis cultivator, medical cannabis manufacturer, medical
cannabis dispensary, or clinical registrant permit, or any entity that
employs any certified medical cannabis handler to perform transfers
or deliveries of medical cannabis, or any holding or intermediary
compant thereof, and if so employed may hold, directly or
indirectly, an interest in, or represent, appear for, or negotiate on
behalf of, that employer, except as otherwise prohibited by law.

(1) No person or any member of his immediate family, nor
any partnership, firm, or corporation with which such person is
associated or in which he has an interest, nor any partner, officer,
director, or employee while he is associated with such partnership,
firm or corporation, shall, within two years next subsequent to the
termination of the office or employment of such person, hold,
directly or indirectly, an interest in, or hold employment with, or
represent, appear for, or negotiate on behalf of, any holder of, or
applicant for, a casino license in connection with any cause, application or matter, or any holding or intermediary company with
respect to such holder of, or applicant for, a casino license in
connection with any phase of casino development, permitting, licensure, or any other matter whatsoever related to casino activity, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that:

[(1)] (a) a member of the immediate family of a person may hold employment with the holder of, or applicant for, a casino license if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the person and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the person;

[(2)] (b) an employee who is terminated as a result of a reduction in the workforce at the agency where employed, other than an employee who held a policy-making management position at any time during the five years prior to termination of employment, may, at any time prior to the end of the two-year period, accept employment with the holder of, or applicant for, a casino license if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the employee. In no case shall the restrictions of this subsection apply to a secretarial or clerical employee.

Nothing herein contained shall alter or amend the post-employment restrictions applicable to members and employees of the Casino Control Commission and employees and agents of the Division of Gaming Enforcement pursuant to paragraph (2) of subsection e. [(2)] of section 59 and to section 60 of P.L.1977, c.110 (C.5:12-59 and C.5:12-60); and

[(3)] (c) any partnership, firm, or corporation engaged in the practice of law or in providing any other professional services with which any person included in subparagraphs (a) and (b) of paragraph (1) of subsection a. of this section, or a member of the immediate family of that person, is associated, and any partner, officer, director, or employee thereof, other than that person, or immediate family member, may represent, appear for or negotiate on behalf of any holder of, or applicant for, a casino license in connection with any cause, application or matter or any holding company or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure or any other matter whatsoever related to casino activity, and that person or immediate family member shall not be barred from association with such partnership, firm or corporation, if for a period of two years next
1 subsequent to the termination of the person’s office or employment,
2 the person or immediate family member [\(a\)] [(i)] is screened from
3 personal participation in any such representation, appearance or
4 negotiation; and [\(b\)] [(ii)] is associated with the partnership, firm or
5 corporation in a position which does not entail any equity interest in
6 the partnership, firm or corporation. The exception provided in this
7 paragraph shall not apply to a former Governor, Lieutenant
8 Governor, Attorney General, member of the Legislature, person
9 included in subparagraph (a) of paragraph (2) of subsection a. of
10 this section, or to the members of their immediate families.
11
12 (2) No person or any member of the person’s immediate family,
13 nor any partnership, firm, or corporation with which such person is
14 associated or in which the person has an interest, nor any partner,
15 officer, director, or employee while the person is associated with
16 such partnership, firm, or corporation, shall, within two years next
17 subsequent to the termination of the office or employment of such
18 person, hold, directly or indirectly, an interest in, or hold
19 employment with, or represent, or negotiate on behalf
20 of, any holder of, or applicant for, a medical cannabis cultivator,
21 medical cannabis manufacturer, medical cannabis dispensary, or
22 clinical registrant permit issued pursuant to P.L.2009, c.307
23 (C.24:6I-1 et al.) or in any entity that employs any certified medical
24 cannabis handler to perform transfers or deliveries of medical
25 cannabis, or any holding or intermediary company with respect
26 thereto, in connection with any cause, application, or matter, or any
27 holding or intermediary company with respect to such holder of, or
28 applicant for, a medical cannabis cultivator, medical cannabis
29 manufacturer, medical cannabis dispensary, or clinical registrant
30 permit or entity that employs any certified medical cannabis handler
31 to perform transfers or deliveries of medical cannabis in connection
32 with any phase of development, permitting, licensure, or any other
33 matter whatsoever related to medical cannabis activity, except as
34 provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except
35 that:
36
37 (a) a member of the immediate family of a person may hold
38 employment with the holder of, or applicant for, a medical cannabis
39 cultivator, medical cannabis manufacturer, medical cannabis
40 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
41 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
42 medical cannabis handler to perform transfers or deliveries of
43 medical cannabis if, in the judgment of the State Ethics
44 Commission, the Joint Legislative Committee on Ethical Standards,
45 or the Supreme Court, as appropriate, such employment will not
46 interfere with the responsibilities of the person and will not create a
47 conflict of interest, or reasonable risk of the public perception of a
48 conflict of interest, on the part of the person,
(b) an employee who is terminated as a result of a reduction in
the workforce at the agency where employed, other than an
employee who held a policy-making management position at any
time during the five years prior to termination of employment, may,
at any time prior to the end of the two-year period, accept
employment with the holder of, or applicant for, a medical cannabis
cultivator, medical cannabis manufacturer, medical cannabis
dispensary, or clinical registrant permit or any entity that employs
any certified medical cannabis handler to perform transfers or
deliveries of medical cannabis if, in the judgment of the State Ethics
Commission, the Joint Legislative Committee on Ethical Standards,
or the Supreme Court, as appropriate, such employment will not
create a conflict of interest, or reasonable risk of the public
perception of a conflict of interest, on the part of the employee. In
no case shall the restrictions of this subsection apply to a secretarial
or clerical employee. Nothing herein contained shall alter or amend
the post-service or post-employment restrictions applicable to
members and employees of the Cannabis Regulatory Commission
pursuant to paragraph (2) of subsection c. of section 34 and section
35 of P.L. , c. (C. ) (pending before the Legislature as this
bill); and

(c) any partnership, firm, or corporation engaged in the practice
of law or in providing any other professional services with which
any person included in subparagraphs (a) and (c) of paragraph (1) of
subsection a. of this section, or a member of the immediate family
of that person, is associated, and any partner, officer, director, or
employee thereof, other than that person, or immediate family
member, may represent, appear for, or negotiate on behalf of any
holder of, or applicant for, a medical cannabis cultivator, medical
cannabis manufacturer, medical cannabis dispensary, or clinical
registrant permit or any entity that employs any certified medical
cannabis handler to perform transfers or deliveries of medical
cannabis in connection with any cause, application, or matter or any
holding company or intermediary company with respect to such
holder of, or applicant for, a medical cannabis cultivator, medical
cannabis manufacturer, medical cannabis dispensary, or clinical
registrant permit or entity that employs any certified medical
cannabis handler to perform transfers or deliveries of medical
cannabis, in connection with any phase of development, permitting,
or any other matter whatsoever related to medical cannabis activity,
and that person or immediate family member shall not be barred
from association with such partnership, firm, or corporation, if for a
period of two years next subsequent to the termination of the
person's office or employment, the person or immediate family
member (i) is screened from personal participation in any such
representation, appearance or negotiation; and (ii) is associated with
the partnership, firm, or corporation in a position which does not
entail any equity interest in the partnership, firm, or corporation.
The exception provided in this paragraph shall not apply to a former
Governor, Lieutenant Governor, Attorney General, the President of
the Senate, the Speaker of the General Assembly, to a person
included in subparagraph (b) of paragraph (2) of subsection a. of
this section, or to the members of their immediate families.

d. This section shall not apply to the spouse of a State officer
or employee, which State officer or employee is without
responsibility for matters affecting casino or medical cannabis
activity, who becomes the spouse subsequent to the State officer's
or employee's appointment or employment as a State officer or
employee and who is not individually or directly employed by a
holder of, or applicant for, a casino license \[\text{or medical cannabis}
\] permit, or any holding or intermediary company thereof.

e. The Joint Legislative Committee on Ethical Standards and
the State Ethics Commission, as appropriate, shall forthwith
determine and publish, and periodically update, a list of those
positions in State government with responsibility for matters
affecting casino and medical cannabis activity.

f. (1) No person shall solicit or accept, directly or indirectly,
any complimentary service or discount from any casino applicant or
licensee which he knows or has reason to know is other than a
service or discount that is offered to members of the general public
in like circumstance.

(2) No person shall solicit or accept, directly or indirectly, any
complimentary service or discount from any holder of, or applicant
for, a medical cannabis cultivator, medical cannabis manufacturer,
medical cannabis dispensary, or clinical registrant permit issued
pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
employs any certified medical cannabis handler to perform transfers
or deliveries of medical cannabis, which the person knows or has
reason to know is other than a service or discount that is offered to
members of the general public in like circumstance.

g. (1) No person shall influence, or attempt to influence, by
use of his official authority, the decision of the \text{[commission]}
Casino Control Commission or the investigation of the \text{[division]}
Division of Gaming Enforcement in any application for casino
licensure or in any proceeding to enforce the provisions of this act
or the regulations of the commission. Any such attempt shall be
promptly reported to the Attorney General; provided, however, that
nothing in this section shall be deemed to proscribe a request for
information by any person concerning the status of any application
for licensure or any proceeding to enforce the provisions of this act
or the regulations of the commission.
(2) No person shall influence, or attempt to influence, by use of the person’s official authority, the decision of the Cannabis Regulatory Commission in any application for a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit, or in any proceeding to enforce the provisions of P.L.1981, c.142 (C.52:13D-17.2 et al.), P.L.2009, c.307 (C.24:6I-1 et al.), or the regulations of the Cannabis Regulatory Commission. Any such attempt shall be promptly reported to the Attorney General; provided, however, that nothing in this section shall be deemed to proscribe a request for information by any person concerning the status of any permit application, or any proceeding to enforce the provisions of P.L.1981, c.142 (C.52:13D-17.2 et al.), P.L.2009, c.307 (C.24:6I-1 et al.), or the regulations of the Cannabis Regulatory Commission.

h. Any person who willfully violates the provisions of this section is a disorderly person and shall be subject to a fine not to exceed $1,000, or imprisonment not to exceed six months, or both. In addition, for violations of subsection c. of this section occurring after the effective date of P.L.2005, c.382, a civil penalty of not less than $500 nor more than $10,000 shall be imposed upon a former State officer or employee or former special State officer or employee of a State agency in the Executive Branch upon a finding of a violation by the State Ethics Commission, which penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). (cf: P.L.2013, c.27, s.35)

39. (New section) If any provision of P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) which can be given effect without the invalid provision or application, and to this end the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.) are severable.

40. N.J.S.2C:35-18 is amended to read as follows:

2C:35-18. Exemption; Burden of Proof. a. If conduct is authorized by the provisions of P.L.1970, c.226 (C.24:21-1 et seq.), P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-12.22 et al.), that authorization shall, subject to the provisions of this section, constitute an exemption from criminal liability under this chapter or chapter 36, and the absence of such authorization shall not be construed to be an element of any offense in this chapter or chapter 36. It is an affirmative defense to any criminal action arising under this chapter or chapter 36 that the defendant is
the authorized holder of an appropriate registration, permit, or order
form or is otherwise exempted or excepted from criminal liability
by virtue of any provision of P.L.1970, c.226 (C.24:21-1 et seq.),
P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-
12.22 et al.). The affirmative defense established herein shall be
proved by the defendant by a preponderance of the evidence. It
shall not be necessary for the State to negate any exemption set
forth in this act or in any provision of Title 24 of the Revised
Statutes in any complaint, information, indictment, or other
pleading or in any trial, hearing, or other proceeding under this act.

b. No liability shall be imposed by virtue of this chapter or
chapter 36 upon any duly authorized State officer, engaged in the
enforcement of any law or municipal ordinance relating to
controlled dangerous substances or controlled substance analogs.
(cf: P.L.2015, c.158, s.3)

41. Section 1 of P.L.2015, c.158 (C.18A:40-12.22) is amended
to read as follows:
1. a. A board of education or chief school administrator of a
nonpublic school shall develop a policy authorizing parents,
guardians, and [primary] designated caregivers to administer
medical [marijuana] cannabis to a student while the student is on
school grounds, aboard a school bus, or attending a school-
sponsored event.

b. A policy adopted pursuant to subsection a. of this section
shall, at a minimum:
(1) require that the student be authorized to engage in the
medical use of [marijuana] cannabis pursuant to P.L.2009, c.307
(C.24:6I-1 et al.) and that the parent, guardian, or [primary]
designated caregiver be authorized to assist the student with the
medical use of [marijuana] cannabis pursuant to P.L.2009, c.307
(C.24:6I-1 et al.);
(2) establish protocols for verifying the registration status and
ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
concerning the medical use of [marijuana] cannabis for the student
and the parent, guardian, or [primary] designated caregiver;
(3) expressly authorize parents, guardians, and [primary]
designated caregivers of students who have been authorized for the
medical use of [marijuana] cannabis to administer medical
[marijuana] cannabis to the student while the student is on school
grounds, aboard a school bus, or attending a school-sponsored
event;
(4) identify locations on school grounds where medical
[marijuana] cannabis may be administered; and
(5) prohibit the administration of medical [marijuana] cannabis to a student by smoking or other form of inhalation while the student is on school grounds, aboard a school bus, or attending a school-sponsored event.

c. Medical [marijuana] cannabis may be administered to a student while the student is on school grounds, aboard a school bus, or attending school-sponsored events, provided that such administration is consistent with the requirements of the policy adopted pursuant to this section.

(cf: P.L.2015, c.158, s.1)

42. Section 2 of P.L.2015, c.158 (C.30:6D-5b) is amended to read as follows:

2. a. The chief administrator of a facility that offers services for persons with developmental disabilities shall develop a policy authorizing a parent, guardian, or [primary] designated caregiver authorized to assist a qualifying patient with the use of medical [marijuana] cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) to administer medical [marijuana] cannabis to a person who is receiving services for persons with developmental disabilities at the facility.

   b. A policy adopted pursuant to subsection a. of this section shall, at a minimum:

      (1) require the person receiving services for persons with developmental disabilities be a qualifying patient authorized for the use of medical [marijuana] cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and that the parent, guardian, or [primary] designated caregiver be authorized to assist the person with the medical use of [marijuana] cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.);

      (2) establish protocols for verifying the registration status and ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) concerning the medical use of [marijuana] cannabis for the person and the parent, guardian, or [primary] designated caregiver;

      (3) expressly authorize parents, guardians, and [primary] designated caregivers to administer medical [marijuana] cannabis to the person receiving services for persons with developmental disabilities while the person is at the facility; and

      (4) identify locations at the facility where medical [marijuana] cannabis may be administered.

c. Medical [marijuana] cannabis may be administered to a person receiving services for persons with developmental disabilities at a facility that offers such services while the person is at the facility, provided that such administration is consistent with
the requirements of the policy adopted pursuant to this section and
the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

d. Nothing in this section shall be construed to authorize
medical marijuana cannabis to be smoked in any place where
smoking is prohibited pursuant to N.J.S.2C:33-13.
(cf: P.L.2015, c.158, s.2)

43. (New section) a. The chief administrator of a facility that
offers behavioral health care services shall develop a policy
authorizing a parent, guardian, or designated caregiver authorized to
assist a qualifying patient with the use of medical cannabis pursuant
to P.L.2009, c.307 (C.24:6I-1 et al.) to administer medical cannabis
to a person who is receiving behavioral health care services at the
facility.

b. A policy adopted pursuant to subsection a. of this section
shall, at a minimum:

(1) require the person receiving behavioral health care services
be a qualifying patient authorized for the use of medical cannabis
pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and that the parent,
guardian, or designated caregiver be authorized to assist the person
with the medical use of cannabis pursuant to P.L.2009, c.307
(C.24:6I-1 et al.);

(2) establish protocols for verifying the registration status and
ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
concerning the medical use of cannabis for the person and the
parent, guardian, or designated caregiver;

(3) expressly authorize parents, guardians, and designated
caregivers to administer medical cannabis to the person receiving
behavioral health care services while the person is at the facility;
and

(4) identify locations at the facility where medical cannabis may
be administered.

c. Medical cannabis may be administered to a person receiving
behavioral health care services at a facility that offers such services
while the person is at the facility, provided that such administration
is consistent with the requirements of the policy adopted pursuant to
this section and the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

d. Nothing in this section shall be construed to authorize
medical cannabis to be smoked in any place where smoking is
prohibited pursuant to N.J.S.2C:33-13.

e. As used in this section, "behavioral health care services"
means procedures or services provided by a health care practitioner
to a patient for the treatment of a mental illness or emotional
disorder that is of mild to moderate severity. "Behavioral health
care" and "behavioral health care services" shall not include
procedures or services that are provided for the treatment of severe
mental illness, severe emotional disorder, or any drug or alcohol use disorder.

44. Section 11 of P.L.2009, c.307 (C.45:1-45.1) is amended to read as follows:

11. a. A [physician] health care practitioner who [provides a certification] authorizes a patient for the medical use of cannabis or who provides a written instruction for the medical use of [marijuana] cannabis to a qualifying patient pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and [any alternative treatment center] each medical cannabis dispensary and clinical registrant shall furnish to the Director of the Division of Consumer Affairs in the Department of Law and Public Safety such information, on a daily basis and in such a format [and at such intervals.] as the director shall prescribe by regulation, for inclusion in a system established to monitor the dispensation of [marijuana] cannabis in this State for medical use as authorized by the provisions of P.L.2009, c.307 (C.24:6I-1 et al.), which system shall serve the same purpose as, and be cross-referenced with, the electronic system for monitoring controlled dangerous substances established pursuant to section 25 of P.L.2007, c.244 (C.45:1-45).

b. The Director of the Division of Consumer Affairs, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), and in consultation with the [Commissioner of Health and Senior Services] Cannabis Regulatory Commission, shall adopt rules and regulations to effectuate the purposes of subsection a. of this section.

c. Notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the Director of the Division of Consumer Affairs shall adopt, immediately upon filing with the Office of Administrative Law and no later than the 90th day after the effective date of P.L.2009, c.307 (C.24:6I-1 et al.), such regulations as the director deems necessary to implement the provisions of subsection a. of this section. Regulations adopted pursuant to this subsection shall be effective until the adoption of rules and regulations pursuant to subsection b. of this section and may be amended, adopted, or readopted by the director in accordance with the requirements of P.L.1968, c.410 (C.52:14B-1 et seq.).

(cf: P.L.2009, c.307, s.11)

45. Section 7 of P.L.1991, c.378 (C.45:9-27.16) is amended to read as follows:

7. a. A physician assistant may perform the following procedures:
(1) Approaching a patient to elicit a detailed and accurate history, perform an appropriate physical examination, identify problems, record information, and interpret and present information to the supervising physician;

(2) Suturing and caring for wounds including removing sutures and clips and changing dressings, except for facial wounds, traumatic wounds requiring suturing in layers, and infected wounds;

(3) Providing patient counseling services and patient education consistent with directions of the supervising physician;

(4) Assisting a physician in an inpatient setting by conducting patient rounds, recording patient progress notes, determining and implementing therapeutic plans jointly with the supervising physician, and compiling and recording pertinent narrative case summaries;

(5) Assisting a physician in the delivery of services to patients requiring continuing care in a private home, nursing home, extended care facility, or other setting, including the review and monitoring of treatment and therapy plans; and

(6) Referring patients to, and promoting their awareness of, health care facilities and other appropriate agencies and resources in the community.

(7) (Deleted by amendment, P.L.2015, c.224)

b. A physician assistant may perform the following procedures only when directed, ordered, or prescribed by the supervising physician, or when performance of the procedure is delegated to the physician assistant by the supervising physician as authorized under subsection d. of this section:

(1) Performing non-invasive laboratory procedures and related studies or assisting duly licensed personnel in the performance of invasive laboratory procedures and related studies;

(2) Giving injections, administering medications, and requesting diagnostic studies;

(3) Suturing and caring for facial wounds, traumatic wounds requiring suturing in layers, and infected wounds;

(4) Writing prescriptions or ordering medications in an inpatient or outpatient setting in accordance with section 10 of P.L.1991, c.378 (C.45:9-27.19); and

(5) Prescribing the use of patient restraints; and

(6) Authorizing qualifying patients for the medical use of cannabis and issuing written instructions for medical cannabis to registered qualifying patients pursuant to P.L.2009, c.307 (C.24:61-1 et al.).

c. A physician assistant may assist a supervising surgeon in the operating room when a qualified assistant physician is not required by the board and a second assistant is deemed necessary by the supervising surgeon.
d. A physician assistant may perform medical services beyond those explicitly authorized in this section, when such services are delegated by a supervising physician with whom the physician assistant has signed a delegation agreement pursuant to section 8 of P.L.1991, c.378 (C.45:9-27.17). The procedures delegated to a physician assistant shall be limited to those customary to the supervising physician's specialty and within the supervising physician's and the physician assistant's competence and training.

e. Notwithstanding subsection d. of this section, a physician assistant shall not be authorized to measure the powers or range of human vision, determine the accommodation and refractive states of the human eye, or fit, prescribe, or adapt lenses, prisms, or frames for the aid thereof. Nothing in this subsection shall be construed to prohibit a physician assistant from performing a routine visual screening.

(cf: P.L.2015, c.224, s.7)

46. Section 10 of P.L.1991, c.378 (C.45:9-27.19) is amended to read as follows:

10. A physician assistant may order, prescribe, dispense, and administer medications and medical devices and issue written instructions to registered qualifying patients for medical cannabis to the extent delegated by a supervising physician.

a. Controlled dangerous substances may only be ordered or prescribed if:

   (1) a supervising physician has authorized a physician assistant to order or prescribe Schedule II, III, IV, or V controlled dangerous substances in order to:
       (a) continue or reissue an order or prescription for a controlled dangerous substance issued by the supervising physician;  
       (b) otherwise adjust the dosage of an order or prescription for a controlled dangerous substance originally ordered or prescribed by the supervising physician, provided there is prior consultation with the supervising physician;  
       (c) initiate an order or prescription for a controlled dangerous substance for a patient, provided there is prior consultation with the supervising physician if the order or prescription is not pursuant to subparagraph (d) of this paragraph; or  
       (d) initiate an order or prescription for a controlled dangerous substance as part of a treatment plan for a patient with a terminal illness, which for the purposes of this subparagraph means a medical condition that results in a patient's life expectancy being 12 months or less as determined by the supervising physician;

   (2) the physician assistant has registered with, and obtained authorization to order or prescribe controlled dangerous substances
from, the federal Drug Enforcement Administration and any other
appropriate State and federal agencies; and

(3) the physician assistant complies with all requirements which
the board shall establish by regulation for the ordering, prescription,
or administration of controlled dangerous substances, all applicable
educational program requirements, and continuing professional
education programs approved pursuant to section 16 of P.L.1991,
c.378 (C.45:9-27.25).

b. (Deleted by amendment, P.L.2015, c.224)
c. (Deleted by amendment, P.L.2015, c.224)
d. In the case of an order or prescription for a controlled
dangerous substance or written instructions for medical cannabis,
the physician assistant shall print on the order or prescription or the
written instructions the physician assistant's Drug Enforcement
Administration registration number.
e. The dispensing of medication or a medical device by a
physician assistant shall comply with relevant federal and State
regulations, and shall occur only if: (1) pharmacy services are not
reasonably available; (2) it is in the best interest of the patient; or
(3) the physician assistant is rendering emergency medical
assistance.
f. A physician assistant may request, receive, and sign for
prescription drug samples and may distribute those samples to
patients.
g. A physician assistant may issue written instructions to a
registered qualifying patient for medical cannabis pursuant to
section 10 of P.L.2009, c.307 (C.24:6I-10) only if:
(1) a supervising physician has authorized the physician
assistant to issue written instructions to registered qualifying
patients;
(2) the physician assistant verifies the patient’s status as a
registered qualifying patient; and
(3) the physician assistant complies with the requirements for
issuing written instructions for medical cannabis established
pursuant to P.L.2009, c.307 (C.24:6I-1 et al.).
(cf: P.L.2015, c.224, s.7)

47. Section 10 of P.L.1991, c.377 (C.45:11-49) is amended to
read as follows:

10. a. In addition to all other tasks which a registered
professional nurse may, by law, perform, an advanced practice
nurse may manage preventive care services and diagnose and
manage deviations from wellness and long-term illnesses, consistent
with the needs of the patient and within the scope of practice of the
advanced practice nurse, by:
(1) initiating laboratory and other diagnostic tests;
(2) prescribing or ordering medications and devices, as authorized by subsections b. and c. of this section; and

(3) prescribing or ordering treatments, including referrals to other licensed health care professionals, and performing specific procedures in accordance with the provisions of this subsection.

b. An advanced practice nurse may order medications and devices in the inpatient setting, subject to the following conditions:

(1) the collaborating physician and advanced practice nurse shall address in the joint protocols whether prior consultation with the collaborating physician is required to initiate an order for a controlled dangerous substance;

(2) the order is written in accordance with standing orders or joint protocols developed in agreement between a collaborating physician and the advanced practice nurse, or pursuant to the specific direction of a physician;

(3) the advanced practice nurse authorizes the order by signing the nurse's own name, printing the name and certification number, and printing the collaborating physician's name;

(4) the physician is present or readily available through electronic communications;

(5) the charts and records of the patients treated by the advanced practice nurse are reviewed by the collaborating physician and the advanced practice nurse within the period of time specified by rule adopted by the Commissioner of Health pursuant to section 13 of P.L.1991, c.377 (C.45:11-52);

(6) the joint protocols developed by the collaborating physician and the advanced practice nurse are reviewed, updated, and signed at least annually by both parties; and

(7) the advanced practice nurse has completed six contact hours of continuing professional education in pharmacology related to controlled substances, including pharmacologic therapy, addiction prevention and management, and issues concerning prescription opioid drugs, including responsible prescribing practices, alternatives to opioids for managing and treating pain, and the risks and signs of opioid abuse, addiction, and diversion, in accordance with regulations adopted by the New Jersey Board of Nursing. The six contact hours shall be in addition to New Jersey Board of Nursing pharmacology education requirements for advanced practice nurses related to initial certification and recertification of an advanced practice nurse as set forth in N.J.A.C.13:37-7.2.

c. An advanced practice nurse may prescribe medications and devices in all other medically appropriate settings, subject to the following conditions:

(1) the collaborating physician and advanced practice nurse shall address in the joint protocols whether prior consultation with
the collaborating physician is required to initiate a prescription for a
controlled dangerous substance;

(2) the prescription is written in accordance with standing orders
or joint protocols developed in agreement between a collaborating
physician and the advanced practice nurse, or pursuant to the
specific direction of a physician;

(3) the advanced practice nurse writes the prescription on a New
Jersey Prescription Blank pursuant to P.L.2003, c.280 (C.45:14-
40 et seq.), signs the nurse’s own name to the prescription and prints
the nurse’s name and certification number;

(4) the prescription is dated and includes the name of the patient
and the name, address, and telephone number of the collaborating
physician;

(5) the physician is present or readily available through
electronic communications;

(6) the charts and records of the patients treated by the advanced
practice nurse are periodically reviewed by the collaborating
physician and the advanced practice nurse;

(7) the joint protocols developed by the collaborating physician
and the advanced practice nurse are reviewed, updated, and signed
at least annually by both parties; and

(8) the advanced practice nurse has completed six contact hours
of continuing professional education in pharmacology related to
controlled substances, including pharmacologic therapy, addiction
prevention and management, and issues concerning prescription
opioid drugs, including responsible prescribing practices,
alternatives to opioids for managing and treating pain, and the risks
and signs of opioid abuse, addiction, and diversion, in accordance
with regulations adopted by the New Jersey Board of Nursing. The
six contact hours shall be in addition to New Jersey Board of
Nursing pharmacology education requirements for advanced
practice nurses related to initial certification and recertification of

d. The joint protocols employed pursuant to subsections b. and
c. of this section shall conform with standards adopted by the
Director of the Division of Consumer Affairs pursuant to section 12
(C.45:11-49.2), as applicable.

e. (Deleted by amendment, P.L.2004, c.122.)

f. An attending advanced practice nurse may determine and
certify the cause of death of the nurse’s patient and execute the
death certification pursuant to R.S.26:6-8 if no collaborating
physician is available to do so and the nurse is the patient’s primary
caregiver.

g. An advanced practice nurse may authorize qualifying
patients for the medical use of cannabis and issue written
instructions for medical cannabis to registered qualifying patients, subject to the following conditions:

(1) the collaborating physician and advanced practice nurse shall address in the joint protocols whether prior consultation with the collaborating physician is required to authorize a qualifying patient for the medical use of cannabis or issue written instructions for medical cannabis;

(2) the authorization for the medical use of cannabis or issuance of written instructions for cannabis is in accordance with standing orders or joint protocols developed in agreement between a collaborating physician and the advanced practice nurse, or pursuant to the specific direction of a physician;

(3) the advanced practice nurse signs the nurse's own name to the authorization or written instruction and prints the nurse's name and certification number;

(4) the authorization or written instruction is dated and includes the name of the qualifying patient and the name, address, and telephone number of the collaborating physician;

(5) the physician is present or readily available through electronic communications;

(6) the charts and records of qualifying patients treated by the advanced practice nurse are periodically reviewed by the collaborating physician and the advanced practice nurse;

(7) the joint protocols developed by the collaborating physician and the advanced practice nurse are reviewed, updated, and signed at least annually by both parties; and

(8) the advanced practice nurse complies with the requirements for authorizing qualifying patients for the medical use of cannabis and for issuing written instructions for medical cannabis established pursuant to P.L.2009, c.307 (C.24:6I-1 et al.).

(cf: P.L.2017, c.28, s.15)


49. This act shall take effect immediately.

STATEMENT

This bill makes various revisions to the “Compassionate Use Medical Marijuana Act,” P.L.2009, c.307 (C.24:6I-1 et al.), including renaming the act the “Jake Honig Compassionate Use Medical Cannabis Act,” establishing a new Cannabis Regulatory Commission (CRC) to oversee the medical cannabis program; revising the requirements to authorize a patient for medical cannabis; revising the permit and operational requirements for alternative treatment centers (ATCs), including establishing discrete
cultivator, manufacturer, and dispensary permits; creating a new
clinical registrant permit; authorizing delivery of medical cannabis,
and establishing additional protections for registry cardholders.

Cannabis Regulatory Commission

The CRC will consist of five, full-time members. At least one
member is to be a State representative of a national organization or
State branch of such an organization with a stated mission of
studying, advocating, or adjudicating against forms of social
injustice or inequality, and all members are to possess education,
training, or experience with: legal, policy, or criminal justice issues;
corporate or industry management, finance, securities, or
production or distribution; medicine or pharmacology; or public
health, mental health, or substance use disorders.

The initially designated chair and two other initial members will
be appointed by the Governor, another initial member will be
appointed by the Governor upon the recommendation of the Senate
President, and the final initial member will be appointed by the
Governor upon the recommendation of the Speaker of the General
Assembly. Thereafter, the Governor will appoint, with the advice
and consent of the Senate, the chair and the two other members not
requiring any legislative leadership recommendation. The
appointments based upon based upon the Senate President’s and
Speaker’s recommendation would continue to be direct
gubernatorial appointments that are not subject to the advice and
consent of the Senate. All five members will serve terms of five
years, although the initial terms would include one four-year term
and one three-year term in order to stagger reappointments. The
chair will be provided a salary not to exceed $141,000, and the
other members will be provided a salary not to exceed $125,000.

The CRC will assume responsibility for oversight, administration, and enforcement of the medical cannabis program
from the Department of Health at such time as the members of the
commission are appointed and the commission first organizes. The
bill will permit, based on the transfer of responsibility, employees
of the department who performed the duties of any position to be
filled by the CRC a one-time right of first refusal offer of
employment. Any department employee who is employed by the
CRC in this manner will retain seniority, and all rights related to
seniority, that the employee had with the department as of the last
day of employment with the department.

The CRC will be charged with establishing a plan of
organization, and employing personnel as it deems necessary to
operate under the direct supervision of a full-time executive
director. The new executive director position will be initially filled
directly by the Governor, and thereafter will be appointed by the
Governor with the advice and consent of the Senate.
One mandatory aspect to the CRC’s organization plan will be the inclusion of an Office of Minority, Disabled Veterans, and Women Cannabis Business Development, operating under the supervision of a director appointed by the Governor. This office is to establish and administer, under the direction of the CRC, unified practices and procedures for promoting participation in the medical cannabis industry by persons from socially and economically disadvantaged communities, including by prospective and existing minority owned and women’s owned businesses and disabled veterans’ businesses. These unified practices and procedures are to include a business’s certification and subsequent recertification at regular intervals as a minority owned or women’s owned business, or a disabled veterans’ business, in accordance with eligibility criteria and a certification application process established by the CRC in consultation with the office.

The effectiveness of these methods will be measured by whether the office’s actions result in at least 30 percent of the total number of ATC permits issued by the CRC being issued to businesses certified by the office; the effectiveness will be further assessed by considering whether the actions resulted in at least 15 percent of new permits being issued to certified minority owned businesses, and at least 15 percent of new permits being issued to certified women-owned and disabled veterans’ businesses. The office, in support of these efforts, is to conduct advertising and promotional campaigns, as well as sponsor seminars and informational programs, directed toward those persons and prospective and existing certified businesses, which would address medical cannabis business management, marketing, and other practical business matters.

Ethical and Conflicts-of-Interest Requirements for the CRC

The members of the CRC and all CRC employees will be subject to ethical and conflicts-of-interest restrictions, addressing activities engaged in prior to, during, and following service with the CRC. For instance, a person generally may not be an appointed member or employee of the CRC if, during the period commencing three years prior to appointment or employment, the person held any direct or indirect interest in, or any employment by, a holder of or applicant for an ATC permit, unless the person’s prior interest would not, in the opinion of the CRC, interfere with the person’s obligations of appointment or employment. Additionally, for a period of two years commencing from the date that a member’s or employee’s service terminates, that former member or employee will not be permitted to hold any direct or indirect interest in, or any employment by, a holder of or applicant for an ATC permit; provided that the two-year post-service restriction would not apply to secretarial or clerical employees.
At the time each member and employee commences service, with the exception of secretarial and clerical employees, the member or employee will be required to file a financial disclosure statement with the State Ethics Commission listing all assets and liabilities, property and business interests, and sources of income for the person and for the person’s spouse or domestic or civil union partner. Additionally, CRC members are to provide the same information for each dependent child or stepchild of the member, and of the member’s spouse or domestic or civil union partner, who resides in the same household as the member.

Members and employees will generally be subject to the “New Jersey Conflicts of Interest Law,” P.L.1971, c.182 (C.52:13D-12 et seq.), as well as a Code of Ethics promulgated by the CRC that is modeled upon the Code of Judicial Conduct of the American Bar Association. All members and employees will be prohibited from using any official authority to interfere with or affect the result of an election or nomination for office, coerce or advise any person to contribute anything of value to another person or organization for political purposes, or take active part in any political campaign. Additionally, the members of the CRC, the executive director, and any other employee holding a supervisory or policy-making management position will be prohibited from making any political contributions to candidates or campaigns. A violation of this prohibition constitutes a crime of the fourth degree, which is punishable by imprisonment for up to 18 months, a fine of up to $10,000, or both.

The bill also revises the “New Jersey Conflicts of Interest Law” to establish restrictions on various State officers or employees, the Governor and full-time professionals employed in the Governor’s Office, full-time members of the Judiciary, and various officers of the municipality in which an ATC is located. These restrictions concern not only their own activities, but the activities of their associated partnerships, firms, or corporations, and their family members in connection with either employment or another interest in, or representation of, current ATCs. These restrictions are similar to the restrictions that apply to these people and businesses under the current law concerning casino licensees and applicants, and casino-related activities, and include a general prohibition on employment, representation, appearance for, or negotiation on behalf of, any permit holder or applicant in connection with any cause, application, or matter, and these restrictions can carry over into the post-employment or post-service period following the departure of a person from State or local employment or office.

The ethical and conflicts-of-interest restrictions will be enforced by the State Ethics Commission, and any person found to have committed a violation will be subject to a civil penalty of not less than $500 or more than $10,000. Additionally, any willful violation of these restrictions will constitute a disorderly persons offense,
punishable by a term of imprisonment of up to six months, a fine of up to $1,000, or both.

If the CRC finds that a holder of or applicant for an ATC permit committed a violation involving a CRC member or employee with respect to pre-service activities, activities during service, or post-service activities, the permit holder or applicant will be subject to a civil penalty of not less than $500 or more than $10,000, and possible permit revocation or suspension, or denial of an application, as applicable.

The bill provides that nothing in the ethics and conflict-of-interest restrictions would prohibit a member or employee from being a registered qualifying patient or from serving as a designated or institutional caregiver for a patient.

Patient and Caregiver Requirements

Current law sets forth an enumerated list of debilitating medical conditions that can qualify a patient for the medical use of cannabis. The bill changes the term “debilitating medical condition” to “qualifying medical condition,” and updates and revises the list of conditions in certain ways, including adding additional conditions and providing that medical cannabis may be used as a treatment of first resort for any condition included in the list, which are: seizure disorder, including epilepsy; intractable skeletal muscular spasticity; post-traumatic stress disorder; glaucoma; positive status for human immunodeficiency virus; acquired immune deficiency syndrome; cancer; amyotrophic lateral sclerosis; multiple sclerosis; muscular dystrophy; inflammatory bowel disease, including Crohn's disease; terminal illness, if the patient has a prognosis of less than 12 months of life; anxiety; migraine; Tourette’s syndrome; dysmenorrhea; chronic pain; opioid use disorder; or any other condition that is approved by the CRC.

The bill expands the list of professionals who can authorize patients for the medical use of cannabis. Current law only allows physicians to provide this authorization; the bill provides that physician assistants and advanced practice nurses may authorize patients for medical cannabis as well, and eliminates the requirement for the professional to have a bona fide provider-patient relationship with the patient. The bill requires that only a pediatric specialist may approve a patient who is a minor for medical cannabis. The bill provides that health care practitioners will not be required to register with the CRC, or be publicly listed in any CRC registry, as a condition of authorizing patients for medical cannabis. Practitioners will be prohibited from authorizing themselves or members of their immediate family for medical cannabis.

With regard to caregivers, current law provides that each patient may have only one primary caregiver and that a person may serve
as primary caregiver to no more than one patient at a time. The bill changes the term "primary caregiver" to "designated caregiver," and provides that each caregiver may serve up to two patients at one time and that each patient may have up to two designated caregivers at one time. Patients may petition the CRC for approval to have more than two designated caregivers. An immediate family member of a patient will not be required to undergo a criminal history record background check as a condition of serving as designated caregiver.

The bill also establishes the position of “institutional caregiver,” which is an employee of a health care facility who is authorized to assist qualifying patients who are patients or residents at the health care facility with the medical use of cannabis, including obtaining medical cannabis for the patient from a medical cannabis dispensary or clinical registrant and accepting deliveries of medical cannabis for the patient. An institutional caregiver registration will be valid for one year. Each institutional caregiver will be required to be a New Jersey resident, at least 18 years of age, and authorized, within the individual’s scope of professional practice, to possess and administer controlled dangerous substances to patients and residents at the facility. An institutional caregiver will be required to undergo a criminal history record background check unless the individual has already done so as a condition of professional licensure or certification. Medical cannabis may be dispensed to an institutional caregiver if authorized by the patient. There will be no limit to the number of patients an institutional caregiver can serve at one time, provided that the caregiver is able to meet the needs of all such patients and attend to the caregiver’s other duties at the facility without jeopardizing the health or safety of any patient or resident at the facility. Facilities that choose to authorize the use of institutional caregivers will be required to certify, with each caregiver application, that the facility has established appropriate security measures to prevent unauthorized access to medical cannabis to guard against theft, diversion, and adulteration while the cannabis is stored at the facility or is being transported to the facility by an institutional caregiver; the facility has established protocols to prevent adverse drug interactions between medical cannabis and other medications; the facility will not charge a patient for medical cannabis in excess of the actual cost of the medical cannabis plus reasonable acquisition costs; and the facility will promptly notify the CRC in the event that an institutional caregiver ceases to be employed by the facility or is convicted of a crime.

For the purposes of the bill, “health care facility” includes a general acute care hospital, nursing home, long term care facility, hospice care facility, group home, facility that provides services to persons with developmental disabilities, behavioral health care facility, and rehabilitation center.
The bill provides that qualifying patients and designated caregivers who are registered with a medical cannabis program in another state will be deemed to be qualifying patients and designated caregivers for the purposes of New Jersey law for up to six months, provided the individual possesses a valid registry card and a photo identification card issued by the other state. Medical cannabis may only be dispensed to an out-of-State patient or caregiver pursuant to written instructions issued by a New Jersey practitioner, and medical cannabis cannot be delivered to any individual who is not registered with the CRC. After six months, the out-of-State registrant will be prohibited from engaging in conduct related to medical cannabis in New Jersey unless the individual is registered as a qualifying patient or caregiver in New Jersey. The CRC is to seek to establish medical cannabis reciprocity agreements with other states.

The bill allows the CRC to establish an alternate means to identify and verify the registration status of patients and caregivers other than the registry identification card currently in use.

Dispensing Requirements for Medical Cannabis

Current law provides that up to two ounces of medical cannabis may be dispensed to a patient in a 30-day period. The bill revises these quantity restrictions to provide that, for a period of 18 months after the effective date of the bill, patients may be dispensed up to three ounces of medical cannabis in dried form or the equivalent amount in any other form. Thereafter, the maximum amount that may be dispensed to a patient will be established by the CRC by regulation. Current law provides that a physician may authorize a patient for up to a 90-day supply of medical cannabis at one time, with specified dates on which each set of written instructions becomes valid for dispensing. The bill revises this to allow a practitioner to authorize up to a one-year supply at one time, subject to the same staggered dispensing requirements. Upon dispensing medical cannabis, the medical cannabis dispensary or clinical registrant is to notify the practitioner of the amount, strain, and form of medical cannabis dispensed. The bill removes a provision that limits access to edible forms of medical cannabis, including oils, to qualifying patients who are minors, and specifies that medical cannabis may be distributed in transdermal, sublingual, and tincture forms, as well as in the forms authorized under current law.

The bill authorizes delivery of medical cannabis to patients by a certified medical cannabis handler who holds a medical cannabis delivery certification. Medical cannabis may be delivered to the patient at the patient’s home address or at a second address on file with the CRC, to the home address of the patient’s designated caregiver, or directly to an institutional caregiver at a health care facility where the patient is a current resident. The CRC is to
additionally establish a process to authorize deliveries of medical cannabis to the patient at an alternate address in cases of need. Medical cannabis deliveries may be made by an employee of a medical cannabis dispensary or clinical registrant or by an independent third party contractor. A handler who holds a medical cannabis delivery certification may simultaneously hold a medical cannabis transfer certification, described below. Municipalities may not restrict or prohibit deliveries of medical cannabis by municipal ordinance or any other measure, and any such prohibition, if enacted, would be deemed null and void. The CRC may authorize the use of an Internet-based web service operated by an independent third party entity for patients and their caregivers to request and schedule deliveries. Permitted entities that use a third party delivery service will be exempt from any criminal liability for any reportable events occurring during delivery, such as motor vehicle accidents, diversion, or losses.

The CRC is to establish recommended dosing guidelines for medical cannabis products that are equivalent to one ounce of medical cannabis in dried form.

The bill requires the CRC to establish a process for patients to be dispensed up to a two-week supply of medical cannabis during the pendency of the patient’s registration with the CRC. The CRC is to establish appropriate restrictions to protect against fraud, abuse, and diversion.

The bill provides that medical cannabis may be dispensed to a patient by any medical cannabis dispensary or clinical registrant in the State; under current law, patients are to be registered with, and may only be dispensed medical cannabis from, a single ATC where the patient is registered. The bill requires that, prior to dispensing medical cannabis to a patient, the dispensary or clinical registrant will be required to access a system currently maintained by the Division of Consumer Affairs in the Department of Law and Public Safety that tracks written instructions for, and dispensations of, medical cannabis, in order to ascertain whether any medical cannabis was dispensed to or on behalf of the patient within the preceding 30 days.

The bill provides that a practitioner or an immediate family member of a practitioner who authorizes patients for medical cannabis may not hold any profit or ownership interest in an ATC. A practitioner or the immediate family member of a practitioner who applies for an ATC identification card is to certify that the practitioner has not authorized any patients for medical cannabis in the preceding 90 days. A person who violates the prohibition will be guilty of a crime of the fourth degree, which is punishable by imprisonment for up to 18 months, up to a $10,000 fine, or both. The bill specifies that nothing in the prohibition will ban any practitioner from serving on the governing board or medical advisory board of an ATC, provided the practitioner receives no
special compensation or remuneration from the ATC, including payments based on patient volumes or the number of authorizations for medical cannabis the practitioner issues.

The bill additionally prohibits practitioners from authorizing themselves or members of their immediate family for the medical use of cannabis.

The bill requires the CRC to establish curricula for practitioners and employees of medical cannabis dispensaries and clinical registrants that are designed to assist with patient consultations regarding the form, strain, quantity, and dosing of medical cannabis appropriate to the patient’s qualifying medical condition. Practitioners will be required to complete the health care practitioner curriculum as a condition of authorizing patients for the medical use of cannabis, and employees of medical cannabis dispensaries and clinical registrants will be required to complete the curriculum as a condition of registering with the CRC.

Currently, medical cannabis is subject to the State sales tax. The bill will phase out the sales tax over three years, with the tax dropping to four percent on July 1, 2020, to two percent on July 1, 2021, and being completely exempt from all state sales tax as of July 1, 2022. Until then, any sales tax assessed on medical cannabis is to be exclusively appropriated to programs for the treatment of mental health and substance use disorders.

The bill also authorizes municipalities in which a medical cannabis dispensary or clinical registrant is located to assess a transfer tax of up to two percent on the purchase price of all medical cannabis dispensed by the dispensary or clinical registrant.

### ATC Application and Permitting Requirements

The bill establishes three distinct permit types in connection with the production and dispensing of medical cannabis: medical cannabis cultivators, medical cannabis manufacturers, and medical cannabis dispensaries. The bill identifies the specific activities and functions authorized for each permit type. The CRC will be required to issue a request for new permit applications within 90 days of the effective date of the bill, and to make a determination on any permit application within 90 days after the date of submission.

For a period of 18 months after the effective date of the bill, an entity will be permitted to hold only one permit of any type. After 18 months, an entity will be authorized to concurrently hold medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits.

However, the bill provides that the CRC is to issue three new ATC permits that are not subject to these restrictions; these three ATCs will be deemed to concurrently hold medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits immediately upon approval, regardless of the...
general 18-month restriction on vertical integration. These three
ATCs will also be authorized to establish one satellite dispensary
location each, provided the entity applies for the satellite dispensary
within 18 months after the effective date of the bill. The three ATC
permits are to be distributed with one located in each of the
northern, central, and southern regions of the State.

The restriction on vertical integration will also not apply to
ATCs that were issued a permit prior to the effective date of the bill
or that were issued a permit after the effective date of the bill
pursuant to an application submitted prior to the effective date of
the bill, or to up to four ATCs issued permits after the effective date
of the bill pursuant to a request for applications published in the
New Jersey Register prior to the effective date of the bill, which
will be deemed to hold medical cannabis cultivator, medical
cannabis manufacturer, and medical cannabis dispensary permits.
Any ATC issued a permit prior to the effective date of the bill and
any ATCs issued a permit after the effective date of the bill
pursuant to an application submitted prior to the effective date of
the bill will be authorized to hold up to two satellite dispensary
permits, including any satellite dispensary permit approved prior to
the effective date of the bill or approved pursuant to an application
submitted prior to the effective date of the bill, and any satellite
dispensary approved pursuant to an application submitted within the
first 18 months after the effective date of the bill. Aside from these
grandfathered satellite dispensaries and the new satellite
dispensaries expressly authorized under the bill, plus any satellite
dispensary authorized for a clinical registrant, no new satellite
dispensaries will be approved.

The bill restricts the total number of entities authorized to
cultivate medical cannabis to 28 for the first 18 months after the
effective date of the bill, which will include any ATCs issued a
permit prior to the effective date of the bill and the new permits
required to be issued under the bill, but will not include
microbusinesses issued a cultivator permit.

The CRC will be required to specify by regulation the number of
new permits of each type that it will authorize in the first year
following the effective date of the bill, and thereafter periodically
evaluate whether the current number of permits is sufficient to meet
the needs of qualifying patients and issue requests for new
applications as needed. The CRC may additionally convene a task
force comprising individuals with expertise in the medical cannabis
industry to make recommendations to the CRC concerning the
content of rules and regulations governing the medical cannabis
program.

The bill sets forth the specific information to be considered when
reviewing new permit applications, which includes specific
information concerning the applicant’s operational experience,
workforce development plan, community impact analysis, security
capabilities, storage systems, emergency management plan, prisoner reentry program plan, and proposed location, along with any other criteria the CRC deems appropriate. The CRC will determine the weight to be afforded to each criterion.

Additionally, each applicant will be required to submit an attestation by a bona fide labor organization stating that the applicant has entered into a labor peace agreement with the organization. Maintenance of a labor peace agreement will be an ongoing condition for maintaining a permit. In reviewing applications, the CRC is to additionally evaluate the applicant’s history and relationships with labor organizations, as well as any current collective bargaining agreements the applicant is part of. Microbusinesses, described below, are exempt from these requirements.

The bill requires that at least one-third of new permits of all types, other than clinical registrant permits, be issued as “conditional permits,” which are permits issued pursuant to a less-restrictive application process for entities funded by smaller investors with an adjusted gross income of no more than $200,000, or $400,000 if filing jointly. The CRC is to provide the conditional permit holder with a list of requirements with which the permit holder will be required to comply within 120 days after issuance of the conditional permit. If the CRC determines that, during this 120-day period, the permit holder was in compliance with the CRC’s requirements, the CRC may convert the conditional permit into a full permit, which will be renewable annually. If the permit holder is not in compliance with the requirements, the permit will expire at the end of the 120-day period, unless it is revoked by the CRC sooner. A converted conditional permit will continue to count towards the total percentage of conditional permits required for that permit type. The requirement that one third of all new permits be conditional permits will not apply to the first three ATC permits issued after the effective date of the bill.

The bill additionally requires that at least 10 percent of the total permits issued for each permit type, other than clinical registrant permits, are to be issued to microbusinesses. The requirements for a microbusiness are: 100 percent of the ownership of a microbusiness is to be held by current New Jersey residents who have resided in the State for at least the past two years; at least 51 percent of the owners, directors, officers, and employees of the microbusiness are to be residents of the municipality where the microbusiness is located or a bordering municipality; the microbusiness may employ no more than 10 employees, inclusive of owners, officers, and directors; and the microbusiness facility may occupy an area of no more than 2,500 square feet. The bill sets forth certain restrictions for each type of microbusiness permit: microbusiness medical cannabis cultivators will be restricted to a grow canopy of no more than 2,500 square feet and a height
restriction of 24 feet, and will be limited to possessing no more than
1,000 mature and immature plants at one time; microbusiness
medical cannabis manufacturers will be restricted to acquiring and
processing no more than 1,000 pounds of medical cannabis in dried
form, or the equivalent amount in any other form, in a month; and a
microbusiness medical cannabis dispensary will be permitted to
acquire and dispense no more than 1,000 pounds of medical
cannabis in dried form, or the equivalent in any other form, in a
month. Permit fees for microbusinesses are half the regular permit
fees. The application process for a microbusiness permit is the
same as for any other permit, and a permit issued to a
microbusiness, like any other permit, is renewable annually.
Applicants may submit multiple permit applications, with a
separate application for each proposed facility; the bill establishes
procedures for determining which permit to award to an applicant
who scores high enough to be awarded multiple permits of the same
type.

The CRC will be required to conduct a disparity study to
evaluate the adverse effects of the State’s drug laws on New Jersey
communities to determine whether race-based measures should be
considered when issuing new medical cannabis cultivator,
manufacturer, and dispensary permits, and incorporate the policies,
practices, protocols, standards, and criteria developed by the Office
of Minority, Disabled Veterans, and Women Medical Cannabis
Business Development to promote participation in the medical
cannabis industry by persons from socially and economically
disadvantaged communities. At least 15 percent of the total number
of new permits are to be issued to minority-owned businesses, and
an additional 15 percent of the total number of new permits are to
be issued to women-owned or disabled veteran-owned businesses.

The CRC is to grant special consideration to an applicant for an
integrated curriculum permit or “IC permit,” pursuant to which the
applicant establishes an agreement with an institution of higher
education to create an integrated curriculum involving the
theoretical or practical application of medical cannabis cultivation,
manufacturing, or dispensing to an area of academic study.
Integrated curricula are subject to approval by the CRC and the
Office of the Secretary of Higher Education. If an IC permit
holder’s agreement with an institution of higher education ends, the
IC permit holder will have six months to establish a new integrated
curriculum or the IC permit will be revoked, unless the CRC
determines that the entity should be allowed to retain the permit.
The CRC may establish incentives to encourage applicants to seek
IC permits, such as revised permit fees.

The bill additionally establishes requirements for issuance of a
clinical registrant permit, which will authorize the permit holder to
engage in all conduct related to the cultivation, manufacturing, and
dispensing of medical cannabis and medical cannabis products as is
authorized for other ATC permit holders. The clinical registrant will be required to enter into a contractual relationship with an academic medical center, which is a facility located in New Jersey that has a faculty practice in addiction medicine or is in the same health care system as another facility in the State that offers substance use disorder treatment services, has a faculty practice in pain management or a facility-based pain management practice, has a graduate medical training program that includes primary care and specialized medicine, is the principal teaching affiliate of a New Jersey medical school, and has the ability to conduct research related to cannabis. If the facility is part of a health care system, the health care system is required to be principally located in New Jersey in order for the facility to qualify as an academic medical center. The CRC will be required to request applications for at least four clinical registrant permits within 90 days after the effective date of the bill or upon the adoption of rules and regulations required under the bill, whichever occurs first.

Academic medical centers will engage in clinical research related to medical cannabis in order to advise the affiliated clinical registrant concerning patient health and safety, medical applications, and the dispensing and management of controlled dangerous substances. Clinical registrant applicants will be required to demonstrate at least $15 million in capital.

A clinical registrant permit will be valid for the term of the contractual relationship, and may be renewed based upon the clinical registrant renewing its contractual relationship with the academic medical center. A clinical registrant permit may not be sold or transferred. Each clinical registrant may contract with no more than one academic medical center.

Clinical registrants will be authorized to serve all qualifying patients, as well as qualifying patients who agree to participate in clinical research. Clinical registrants may operate from more than one location and may be approved for a satellite dispensing location, and may relocate to another location in the same region unless the CRC determines relocation would be contrary to the purposes of the medical cannabis laws. Clinical registrants are required to report the results of the clinical research to the CRC upon completion of the study or following publication of the study in a peer-reviewed medical journal.

An entity issued a medical cannabis cultivator, manufacturer, or dispensary permit may not concurrently hold a clinical registrant permit, and an entity issued a clinical registrant permit may not concurrently hold any medical cannabis cultivator, manufacturer, or dispensary permit.

The bill revises the criminal history record background check requirements for medical cannabis cultivator, manufacturer, dispensary, and clinical registrant applicants to provide that a conviction for a crime of the first, second, or third degree, as well
as any drug offense other than marijuana possession convictions or
convictions for dispensing less than five pounds of marijuana,
constitutes a disqualifying conviction that may bar the applicant
from holding an interest in or being employed by a medical
cannabis cultivator, manufacturer, dispensary, or clinical registrant.
Current law limits disqualifying convictions to drug offenses other
than minor cannabis possession. The CRC will retain the discretion
to issue a permit to an applicant if it finds evidence of
rehabilitation.

The bill further provides that no criminal history record
background check will be required for an applicant who holds less
than a five percent investment interest in the medical cannabis
cultivator, manufacturer, dispensary, or clinical registrant, or who is
a member of a group that holds less than a 20 percent investment
interest where no member of the group holds more than a five
percent interest in the total group investment, and the applicant does
not have the authority to make operational decisions for the
permitted entity. Individuals and groups that are exempt from the
criminal history record background check requirement will not be
required to complete any application information. If the applicant
or group gains an investment interest above these thresholds or the
applicant gains the authority to make operational decisions, the
individual or group will be required to notify the CRC, provide all
information as may be required by the CRC, and undergo a criminal
history record background check within 30 days, or the permit will
be revoked and the individual or group will be prohibited from
holding any investment interest in a medical cannabis cultivator,
manufacturer, dispensary, or clinical registrant for a period of at
least two years, and for such additional period as the CRC deems
appropriate in light of the duration of the nondisclosure, the size of
the undisclosed interest, the profits realized from the entity during
the period of nondisclosure, and whether the individual would have
been otherwise ineligible to hold the investment interest or
controlling authority based on a disqualifying conviction or other
factor.

The bill prohibits an employee of any department, division,
agency, board, or other governmental entity involved in the process
of reviewing, processing, or making determinations with regard to a
medical cannabis permit from having any financial interest in
medical cannabis or receiving anything of value from a permit
applicant in exchange for reviewing, processing, or making
recommendations with regard to a permit application.

Applications for medical cannabis cultivator, manufacturer, and
dispensary permits and for clinical registrant permits will be exempt
from the “Open Public Records Act,” P.L.1963, c.73 (C.47:1A-1 et
seq.) and P.L.2001, c.404 (C.47:1A-5 et al.).
The bill requires medical cannabis dispensaries and clinical registrants to establish and maintain standardized price lists, which will reflect the price of all medical cannabis, medical cannabis products, and related supplies and paraphernalia dispensed or sold by the dispensary or clinical registrant to or on behalf of registered qualifying patients. Price lists are to be posted on the dispensary’s or clinical registrant’s Internet website, if any, maintained on file with the CRC, and may be updated once per month. A dispensary or clinical registrant that sells medical cannabis or medical cannabis products at a price that deviates from its price list will be liable to a civil penalty of $1,000 per sale, and dispensary or clinical registrant that fails to maintain its current price list on file with the CRC will be liable to a civil penalty of $10,000 for each week during which the CRC does not have the current price list. The prices charged by a medical cannabis dispensary or clinical registrant are to be reasonable and consistent with the costs of acquiring and dispensing, selling, or transferring the medical cannabis or medical cannabis product.

The bill provides that medical cannabis may be transferred between medical cannabis cultivators, manufacturers, dispensaries, clinical registrants, and testing laboratories by a medical cannabis handler certified as a medical cannabis transporter. Transfers may be effectuated using either medical cannabis handlers employed by a permitted entity or by an independent third-party entity. The bill sets forth certain operational protocols and recordkeeping requirements for the transfer of medical cannabis, which are generally comparable to the operational requirements and protocols for deliveries of medical cannabis. A medical cannabis handler may possess both delivery and transfer certifications. Municipalities may not restrict or prohibit transfers of medical cannabis by municipal ordinance or any other measure, and any such prohibition, if enacted, would be deemed null and void.

The bill requires the CRC to develop and maintain a comprehensive tracking system for medical cannabis that covers cultivation through final dispensing. The tracking system is to be designed to prevent diversion and tampering while promoting accurate accounting and recording of all information relevant to the medical cannabis or medical cannabis product. The system is to utilize a stamp for tracking purposes, which is to be affixed to medical cannabis packages and containers by medical cannabis cultivators, medical cannabis manufacturers, and clinical registrants. The purchase price of the stamp is to be reasonable and commensurate with the cost of producing the stamp. The owners, directors, officers, and employees at each medical cannabis cultivator, manufacturer, dispensary, courier, and clinical registrant will be required to undergo eight hours of ongoing
training each calendar year. The training is to be tailored to the
roles and responsibilities of the individual’s job function and
include training on confidentiality and any other topics required by
the CRC. For medical cannabis dispensary and clinical registrant
employees, the ongoing training may include completing the
curriculum developed by the CRC concerning patient consultations.
Additionally, all individuals who handle medical cannabis in any
capacity are required to be certified by the CRC as medical
cannabis handlers. The training required for handler certification
will only be required once, and will count toward the required eight
hours of annual training.

The bill requires the CRC to establish, by regulation, thresholds
for administrative action to be taken against permit holders,
including specific penalties and disciplinary actions that may be
imposed in a summary proceeding.

The bill provides that the first six ATC permits issued after
P.L.2009, c.307 (C.24:6I-1 et al.) took effect may sell or transfer
that permit to a for profit entity, provided that: the owners, officers,
directors, employees, and applicable investors complete a criminal
history record background check; the CRC approves the sale or
transfer; and the sale or transfer takes place within one year after
the effective date of the bill. The sale or transfer will not be subject
to the requirements of the “New Jersey Nonprofit Corporation Act,”
N.J.S.15A:1-1 et seq., provided that, prior to or at the time of the
sale or transfer, all debts and obligations of the nonprofit entity are
either paid in full or assumed by the for-profit entity purchasing or
acquiring the permit, or a reserve fund is established for the purpose
of paying in full the debts and obligations of the nonprofit entity,
and the for-profit entity pays the full value of all assets held by the
nonprofit entity, as reflected on the nonprofit entity’s balance sheet,
in addition to the agreed-upon price for the sale or transfer of the
entity’s alternative treatment center permit. Any other sale or
transfer of an interest in a permitted entity of five percent or more
will be subject to approval by the CRC and will be conditioned on
the entity purchasing or receiving the transfer of the interest
completing a criminal history record background check.

The bill authorizes medical cannabis dispensaries and clinical
registrants to establish medical cannabis consumption areas, subject
to approval by the CRC and the municipality in which the
dispensary or clinical registrant is located. A consumption area is
required to be on the premises of the dispensary or clinical
registrant, accessible only to patients and their designated
caregivers, and screened by sufficient walls or other barriers to
prevent any view of patients consuming medical cannabis.
Consumption areas may be indoor or outdoor, provided that no
consumption of medical cannabis by smoking occurs indoors and no
medical cannabis smoke seeps into any indoor public area or
workplace. The CRC may require any ventilation features for a
consumption area as it deems necessary and appropriate, and smoke
from the consumption of medical cannabis may not seep into any
indoor public place or workplace.

The bill provides that medical cannabis cultivators, manufacturers, dispensaries, and clinical registrants will be permitted to establish a medical advisory board to advise the permitted entity on all aspects of its business. A medical advisory board is to comprise five members: three healthcare practitioners; one qualifying patient who resides in the same area as the permitted entity; and one business owner from the same area as the permitted entity. No owner, director, officer, or employee of a permitted entity may serve on a medical advisory board. Medical advisory boards are to meet at least two times per year.

Medical cannabis dispensaries and clinical registrants are to consider whether to make interpreter services available to the population served, including for individuals with a vision or hearing impairment. The CRC is to assist facilities in locating appropriate interpreter resources. Dispensaries and clinical registrants will be responsible for the cost of providing interpreter services.

Medical cannabis cultivators, manufacturers, dispensaries, clinical registrants, and entities employing medical cannabis handlers to perform deliveries and transfers of medical cannabis operating on a for-profit basis may not operate at any premises that were the subject of a business development incentive. Medical cannabis cultivators and clinical registrants may not be located on land valued, assessed, or taxed as an agricultural or horticultural use pursuant to the “Farmland Assessment Act of 1964,” P.L.1964, c.48 (C.54:4-23.1 et seq.).

Other Cannabis-Related Licensure

The bill requires each batch of medical cannabis and each batch of a medical cannabis product to be tested by a laboratory to determine its chemical composition and potency and to screen for contamination by microbial contaminants, foreign material, residual pesticides, other agricultural residue and residual solvents, and heavy metals. The laboratory is to produce a written report detailing the results of the testing, a summary of which is to be included in any packaging materials for the medical cannabis or cannabis product. Laboratories may charge a reasonable fee for performing the test. The testing requirement will take effect once the CRC certifies that there are a sufficient number of testing laboratories licensed to ensure that the testing and labeling requirements can be satisfied without disrupting timely patient access to medical cannabis.

Laboratories providing testing services will be required to register with the CRC and will be subject to inspection to ensure that the equipment used is in good condition and properly
calibrated. The owners, directors, officers, and employees of a testing laboratory will be required to undergo a criminal history record background check as a condition of licensure; no applicant with a disqualifying conviction will be authorized to own, operate, or be employed by a medical cannabis testing laboratory. “Disqualifying conviction” means any drug offense other than minor cannabis possession; applicants with a disqualifying conviction may still be approved if the applicant demonstrates clear and convincing evidence of rehabilitation. As a condition of licensure, each laboratory will be required to certify its intention to seek third party accreditation in accordance with ISO 17025 to ensure equipment is routinely inspected, calibrated, or maintained, until such time as the CRC issues its own standards or confirms the use of ISO 17025.

The CRC will be required to establish testing standards; however, until such time as the standards are adopted, testing laboratories will be authorized to utilize testing standards from another state with a medical cannabis program, which state is to be designated by the CRC.

The CRC is required to conduct a feasibility study concerning the establishment of a new research and development permit that would be dedicated to advancing the medical uses of cannabis. The study is to examine potential funding sources and include a public hearing, and the CRC is to conduct the study every three years until such time as a research and development permit is established in the State. The CRC will be authorized to establish additional permit types as may be appropriate, including permits authorizing pharmacies to be issued medical cannabis dispensary permits.

**Legal Protections for Patients and Caregivers**

The bill provides that qualifying patients and designated caregivers may not be discriminated against when enrolling in schools and institutions of higher education, when renting or leasing real property, or in the issuance of professional licensing, certifications, or permits issued by the State, solely on the basis of the individual’s status as a registry cardholder or engaging in authorized conduct in relation to medical cannabis. However, schools, institutions of higher education, landlords, and licensing authorities will not be required to take any action that would jeopardize a monetary grant or privilege of licensure based on federal law. Schools, institutions, and landlords may not be penalized or denied benefits under State law solely on the basis of enrolling or renting or leasing real property to a registered patient. A person’s status as a patient or caregiver, or as an owner, officer, director, or employee of a medical cannabis cultivator, manufacturer, dispensary, or clinical registrant will not constitute
the sole grounds for entering an order restricting or denying custody
of, or visitation with, a minor child of the person.

The bill provides that medical cannabis is to be treated the same
as any other medication for the purposes of furnishing medical care,
including determining the individual’s eligibility for an organ
transplant.

The bill prohibits employers from taking any adverse
employment action against an employee based on the employee’s
status as a registry identification cardholder. If an employer has a
drug testing policy and an employee or job applicant tests positive
for cannabis, the employee or job applicant is to be offered an
opportunity to present a legitimate medical explanation for the
positive test result or request a retest. Nothing in the bill will
restrict an employer’s ability to prohibit or take adverse
employment action for the possession or use of intoxicating
substances during work hours or on workplace premises outside of
work hours, or require an employer to commit any act that would
violate federal law or result in the loss of a federal contract or
federal funding. Employers will not be penalized or denied any
benefit under State law for employing a person who is a registry
cardholder.

The bill provides that health care facilities are prohibited from
taking adverse employment action or ending a professional
affiliation with a health care practitioner solely based on the
practitioner authorizing patients for the medical use of medical
cannabis or otherwise engaging in authorized conduct in relation to
medical cannabis. Health care facilities may not be penalized or
denied benefits under State law for employing or maintaining a
professional affiliation with a practitioner who engages in
authorized conduct in relation to medical cannabis.

Health care facilities may not be penalized or denied any benefit
under State law solely for permitting or prohibiting the handling,
administration, usage, or storage of medical cannabis, provided that
the facility’s policies related to medical cannabis are consistent with
all other facility policy on medication handling, administration,
usage, or storage. Health care facilities will also not be penalized
or denied any benefit under State law solely for prohibiting the
smoking of medical cannabis on facility property in accordance
with the facility’s smoke free policy.

Insurance carriers will be prohibited from denying health care
practitioners medical malpractice coverage or charging increased
premiums, deductibles, or other fees based on the practitioner
engaging in authorized conduct in relation to medical cannabis.

The bill prohibits any action or proceeding by the Division of
Child Protection and Permanency in the Department of Children
and Families be initiated against a pregnant woman or against the
parent or guardian of a minor child on the sole grounds that the
individual is a registered qualifying patient, a designated or
institutional caregiver, or a director, officer, or employee of an ATC.

The bill provides that the chief administrator of a facility that provides behavioral health services is to develop a policy allowing designated caregivers, parents, and guardians access to registered qualifying patients who are receiving services at the facility, for the purpose of assisting the patient with the administration of medical cannabis. Nothing in the bill will authorize medical cannabis to be smoked in any area of the facility where smoking is otherwise prohibited by law.

The bill updates the annual reporting requirements for the CRC to reflect new data that will be generated pursuant to the bill, including information concerning diversity in the permits awarded in by the CRC and information on disparities in drug arrests.

Nothing in the bill is to be construed to restrict or otherwise affect the sale, prescribing, and dispensing of prescription drugs and devices approved by the federal Food and Drug Administration.

The bill adds a severability clause and provides that the CRC may waive any requirements of the State medical cannabis laws if a waiver is necessary to achieve the purposes of the law and provide access to patients who would not otherwise qualify for medical cannabis to alleviate suffering from a debilitating medical condition, and if granting the waiver does not create a danger to the public health, safety, or welfare.