

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 3421

STATE OF NEW JERSEY
218th LEGISLATURE

ADOPTED APRIL 5, 2018

Sponsored by:

Assemblyman HERB CONAWAY, JR.

District 7 (Burlington)

Assemblywoman JOANN DOWNEY

District 11 (Monmouth)

Assemblyman ERIC HOUGHTALING

District 11 (Monmouth)

Assemblyman REED GUSCIORA

District 15 (Hunterdon and Mercer)

Assemblyman TIM EUSTACE

District 38 (Bergen and Passaic)

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

Assemblyman JAMEL C. HOLLEY

District 20 (Union)

Co-Sponsored by:

Assemblywomen Vainieri Huttle and Jasey

SYNOPSIS

“Jake Honig’s Law”; expands access to edible forms of medical marijuana; removes limits on amount of medical marijuana that may be dispensed to certain patients; expands qualifying conditions; revises requirements for receiving treatment.

CURRENT VERSION OF TEXT

Substitute as adopted by the Assembly Appropriations Committee.

(Sponsorship Updated As Of: 4/13/2018)

1 AN ACT concerning the medical marijuana program and amending
2 P.L.2009, c.307.

3

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

6

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

9 2. The Legislature finds and declares that:

10 a. Modern medical research has discovered a beneficial use for
11 marijuana in treating or alleviating the pain or other symptoms
12 associated with certain **【debilitating】** qualifying medical
13 conditions, as found by the National Academy of Sciences' Institute
14 of Medicine in March 1999;

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

21 c. Although federal law currently prohibits the use of
22 marijuana, the laws of Alaska, California, Colorado, Hawaii, Maine,
23 Michigan, Montana, Nevada, New Mexico, Oregon, Rhode Island,
24 Vermont, and Washington permit the use of marijuana for medical
25 purposes, and in Arizona doctors are permitted to prescribe
26 marijuana. New Jersey joins this effort for the health and welfare
27 of its citizens;

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

32 e. Compassion dictates that a distinction be made between
33 medical and non-medical uses of marijuana. Hence, the purpose of
34 this act is to protect from arrest, prosecution, property forfeiture,
35 and criminal and other penalties, those patients who use marijuana
36 to alleviate suffering from **【debilitating】** certain qualifying medical
37 conditions, as well as their physicians, primary caregivers, and
38 those who are authorized to produce marijuana for medical
39 purposes.

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

41

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

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.

1 3. As used in **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.),
2 P.L.2015, c.158 (C.18A:40-12.22), and P.L. , c. (C.)
3 (pending before the Legislature as this bill):

4 “ATC identification card” means a document issued by the
5 department that identifies a person as an owner, director, board
6 member, principal officer, or employee of an ATC.

7 "Bona fide physician-patient relationship" means a relationship
8 in which the physician has ongoing responsibility for the
9 assessment, care, and treatment of a patient's **【debilitating】**
10 qualifying medical condition.

11 **【"Certification" means a statement signed by a physician with**
12 **whom a qualifying patient has a bona fide physician-patient**
13 **relationship, which attests to the physician's authorization for the**
14 **patient to apply for registration for the medical use of marijuana.】**

15 “Central region” means the counties of Hunterdon, Middlesex,
16 Mercer, Monmouth, Ocean, Somerset, and Union.

17 "Commissioner" means the Commissioner of Health.

18 “Common ownership or control” means:

19 (1) between two for-profit entities, the same individuals or
20 entities own and control more than 50 percent of both entities;

21 (2) between a nonprofit entity and a for-profit entity, a majority
22 of the directors, trustees, or members of the governing body of the
23 nonprofit entity directly or indirectly own and control more than 50
24 percent of the for-profit entity; and

25 (3) between two nonprofit entities, the same directors, trustees,
26 or governing body members comprise a majority of the voting
27 directors, trustees, or governing body members of both nonprofits.

28 “Cultivate” means possessing, planting, propagating, cultivating,
29 growing, harvesting, processing, labeling, manufacturing,
30 compounding, and storing medical marijuana consistent with
31 P.L.2009, c.307 (C.24:6I-1 et al.).

32 **【"Debilitating medical condition" means:**

33 (1) one of the following conditions, if resistant to conventional
34 medical therapy: seizure disorder, including epilepsy; intractable
35 skeletal muscular spasticity; post-traumatic stress disorder; or
36 glaucoma;

37 (2) one of the following conditions, if severe or chronic pain,
38 severe nausea or vomiting, cachexia, or wasting syndrome results
39 from the condition or treatment thereof: positive status for human
40 immunodeficiency virus; acquired immune deficiency syndrome; or
41 cancer;

42 (3) amyotrophic lateral sclerosis, multiple sclerosis, terminal
43 cancer, muscular dystrophy, or inflammatory bowel disease,
44 including Crohn's disease;

45 (4) terminal illness, if the physician has determined a prognosis
46 of less than 12 months of life; or

1 (5) any other medical condition or its treatment that is approved
2 by the department by regulation.】

3 "Department" means the Department of Health.

4 "Immediate family" means the spouse, child, sibling, or parent of
5 an individual, and shall include the siblings and parents of the
6 individual's spouse and the spouse of the individual's child.

7 "Interest holder" means a direct or indirect owner, part owner,
8 investor, lender, stockholder, officer, director, partner, or member
9 of any corporation, partnership, limited liability company, limited
10 liability partnership, employee cooperative, association, nonprofit
11 corporation, business entity, or any other person with a direct
12 ownership interest or indirect interest through intermediary business
13 entities or other structures in an alternative treatment center.

14 "Marijuana" has the meaning given in section 2 of the "New
15 Jersey Controlled Dangerous Substances Act," P.L.1970, c.226
16 (C.24:21-2).

17 "Medical marijuana alternative treatment center" or "alternative
18 treatment center" or "ATC" means an organization **【approved】**
19 **issued a permit** by the department to **【perform activities necessary**
20 **to provide registered qualifying patients with usable marijuana and**
21 **related paraphernalia in accordance with the provisions of this act】**
22 operate as a medical marijuana cultivator-processor or as a medical
23 marijuana dispensary. This term shall include the organization's
24 officers, directors, board members, and employees.

25 "Medical marijuana cultivator-processor" means an organization
26 holding a permit issued by the department that authorizes the
27 organization to: possess and cultivate marijuana; produce,
28 manufacture, or otherwise create marijuana-infused and marijuana-
29 derived products; and deliver, transfer, transport, distribute, supply,
30 and sell medical marijuana, marijuana-infused products, marijuana-
31 derived products, and related supplies to medical marijuana
32 dispensaries. A medical marijuana cultivator-processor permit shall
33 not authorize the permit holder to deliver, transfer, transport,
34 distribute, supply, sell, or dispense medical marijuana, marijuana-
35 infused products, marijuana-derived products, or related supplies to
36 qualifying patients or their primary caregivers.

37 "Medical marijuana dispensary" means an organization issued a
38 permit by the department that authorizes the organization to obtain
39 medical marijuana, marijuana-infused products, and marijuana
40 derived products from a medical marijuana cultivator-processor,
41 and to possess, display, deliver, transfer, transport, distribute,
42 supply, sell, and dispense medical marijuana, marijuana-infused
43 products, marijuana-derived products, and related supplies to
44 qualifying patients and their primary caregivers. A medical
45 marijuana dispensary permit shall not authorize the permit holder to
46 cultivate marijuana or to manufacture or process marijuana-infused
47 or marijuana-derived products.

1 "Medical use of marijuana" means the acquisition, possession,
2 transport, or use of marijuana or paraphernalia by a registered
3 qualifying patient as authorized by **[this act]** P.L.2009, c.307
4 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-12.22), and
5 P.L. , c. (C.) (pending before the Legislature as this bill).

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

9 "Northern region" means the counties of Bergen, Essex, Hudson,
10 Morris, Passaic, Sussex, and Warren.

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

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

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

22 a. is at least 18 years old;

23 b. has agreed to assist with a registered qualifying patient's
24 medical use of marijuana, is not currently serving as primary
25 caregiver for **[another]** more than one other qualifying patient, and
26 is not the qualifying patient's physician;

27 c. subject to the provisions of paragraph (2) of section 4 of
28 P.L.2009, c.307 (C.24:6I-4), has never been convicted of possession
29 or sale of a controlled dangerous substance, unless such conviction
30 occurred after the effective date of **[this act]** P.L.2009, c.307
31 (C.24:6I-1 et al.) and was for a violation of federal law related to
32 possession or sale of marijuana that is authorized under **[this act]**
33 P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-
34 12.22), or P.L. , c. (C.) (pending before the Legislature as
35 this bill);

36 d. has registered with the department pursuant to section 4 of
37 **[this act]** P.L.2009, c.307 (C.24:6I-4), and, if the individual is not
38 an immediate family member of the patient, has satisfied the
39 criminal history record background check requirement of section 4
40 of **[this act]** P.L.2009, c.307 (C.24:6I-4); and

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

44 "Qualifying medical condition" seizure disorder, including
45 epilepsy; intractable skeletal muscular spasticity; post-traumatic
46 stress disorder; glaucoma; positive status for human
47 immunodeficiency virus; acquired immune deficiency syndrome;

1 cancer; amyotrophic lateral sclerosis; multiple sclerosis; muscular
2 dystrophy; inflammatory bowel disease, including Crohn's disease;
3 terminal illness, if the physician has determined a prognosis of less
4 than 12 months of life; anxiety; migraines; Tourette's syndrome;
5 chronic pain; or any other medical condition or its treatment that is
6 approved by the Department of Health.

7 "Qualifying patient" or "patient" means a resident of the State
8 who has been **【provided with a certification】** authorized for the
9 medical use of marijuana by a physician pursuant to a bona fide
10 physician-patient relationship.

11 “Region” means the northern region, the central region, or the
12 southern region, as defined in this section.

13 "Registry identification card" means a document issued by the
14 department that identifies a person as a registered qualifying patient
15 or primary caregiver.

16 “Southern region” means the counties of Atlantic, Burlington,
17 Camden, Cape May, Cumberland, Gloucester, and Salem.

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

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

22

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

25 4. a. The department shall establish a registry of qualifying
26 patients and their primary caregivers, and shall issue a registry
27 identification card, which shall be valid for two years, to a
28 qualifying patient and primary caregiver, if applicable, who submits
29 the following, in accordance with regulations adopted by the
30 department:

31 (1) a **【certification that meets the requirements of section 5 of**
32 **this act】** documentation of a physician's authorization for the
33 medical use of marijuana;

34 (2) an application or renewal fee, which may be based on a
35 sliding scale as determined by the commissioner; except that no
36 application or renewal fee shall apply to a qualifying patient, or in
37 the case of an immediate family member of the patient who serves
38 as primary caregiver to the patient. In all other cases, the
39 application and renewal fee shall not exceed \$10 for patients who
40 are indigent, senior citizens who have attained at least 65 years of
41 age, and veterans of the United States Armed Forces, and \$50 for
42 all other cardholders;

43 (3) the name, address, and date of birth of the patient and each
44 caregiver, as applicable; and

45 (4) the name, address, and telephone number of the patient's
46 physician.

47 Each qualified patient shall be allowed to have up to two primary
48 caregivers at one time.

1 b. Before issuing a registry identification card, the department
2 shall verify the information contained in the application or renewal
3 form submitted pursuant to this section. In the case of a primary
4 caregiver who is not an immediate family member of the patient,
5 the department shall provisionally approve an application pending
6 the results of a criminal history record background check, if the
7 caregiver otherwise meets the requirements of **【this act】 P.L.2009,**
8 c.307 (C.24:6I-1 et al.). The department shall approve or deny an
9 application or renewal within 30 days of receipt of the completed
10 application or renewal, and shall issue a registry identification card
11 within five days of approving the application or renewal. The
12 department may deny an application or renewal only if the applicant
13 fails to provide the information required pursuant to this section, or
14 if the department determines that the information was incorrect or
15 falsified or does not meet the requirements of **【this act】 P.L.2009,**
16 c.307 (C.24:6I-1 et al.). Denial of an application shall be a final
17 agency decision, subject to review by the Superior Court, Appellate
18 Division.

19 c. (1) The commissioner shall require each applicant seeking
20 to serve as a primary caregiver who is not an immediate family
21 member of the patient to undergo a criminal history record
22 background check. The commissioner is authorized to exchange
23 fingerprint data with and receive criminal history record
24 background information from the Division of State Police and the
25 Federal Bureau of Investigation consistent with the provisions of
26 applicable federal and State laws, rules, and regulations. The
27 Division of State Police shall forward criminal history record
28 background information to the commissioner in a timely manner
29 when requested pursuant to the provisions of this section.

30 An applicant seeking to serve as a primary caregiver who is not
31 an immediate family member of the patient shall submit to being
32 fingerprinted in accordance with applicable State and federal laws,
33 rules, and regulations. No check of criminal history record
34 background information shall be performed pursuant to this section
35 unless the applicant has furnished **【his】 the applicant's** written
36 consent to that check. An applicant who is not an immediate family
37 member of the patient who refuses to consent to, or cooperate in,
38 the securing of a check of criminal history record background
39 information shall not be considered for inclusion in the registry as a
40 primary caregiver or issuance of an identification card. An
41 applicant shall bear the cost for the criminal history record
42 background check, including all costs of administering and
43 processing the check. No criminal history record background check
44 shall be required of an applicant to be a primary caregiver if the
45 applicant is an immediate family member of the patient.

46 (2) The commissioner shall not approve an applicant seeking to
47 serve as a primary caregiver who is not an immediate family
48 member of the patient if the criminal history record background

1 information of the applicant reveals a disqualifying conviction. For
2 the purposes of this section, a disqualifying conviction shall mean a
3 conviction of a crime involving any controlled dangerous substance
4 or controlled substance analog as set forth in chapter 35 of Title 2C
5 of the New Jersey Statutes except paragraph (4) of subsection a. of
6 N.J.S.2C:35-10, or any similar law of the United States or of any
7 other state.

8 (3) Upon receipt of the criminal history record background
9 information from the Division of State Police and the Federal
10 Bureau of Investigation, the commissioner shall provide written
11 notification to the applicant of **[his]** the applicant's qualification or
12 disqualification for serving as a primary caregiver.

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

17 (4) The Division of State Police shall promptly notify the
18 commissioner in the event that an individual who was the subject of
19 a criminal history record background check conducted pursuant to
20 this section is convicted of a crime or offense in this State after the
21 date the background check was performed. Upon receipt of that
22 notification, the commissioner shall make a determination regarding
23 the continued eligibility of the applicant to serve as a primary
24 caregiver.

25 (5) Notwithstanding the provisions of subsection b. of this
26 section to the contrary, no applicant shall be disqualified from
27 serving as a registered primary caregiver on the basis of any
28 conviction disclosed by a criminal history record background check
29 conducted pursuant to this section if the individual has affirmatively
30 demonstrated to the commissioner clear and convincing evidence of
31 rehabilitation. In determining whether clear and convincing
32 evidence of rehabilitation has been demonstrated, the following
33 factors shall be considered:

34 (a) the nature and responsibility of the position which the
35 convicted individual would hold, has held, or currently holds;

36 (b) the nature and seriousness of the crime or offense;

37 (c) the circumstances under which the crime or offense
38 occurred;

39 (d) the date of the crime or offense;

40 (e) the age of the individual when the crime or offense was
41 committed;

42 (f) whether the crime or offense was an isolated or repeated
43 incident;

44 (g) any social conditions which may have contributed to the
45 commission of the crime or offense; and

46 (h) any evidence of rehabilitation, including good conduct in
47 prison or in the community, counseling or psychiatric treatment
48 received, acquisition of additional academic or vocational

1 schooling, successful participation in correctional work-release
2 programs, or the recommendation of those who have had the
3 individual under their supervision.

4 d. A registry identification card shall contain the following
5 information:

6 (1) the name, address, and date of birth of the patient and
7 primary caregiver, if applicable;

8 (2) the expiration date of the registry identification card;

9 (3) photo identification of the cardholder; and

10 (4) such other information that the department may specify by
11 regulation.

12 e. (1) A patient who has been issued a registry identification
13 card shall notify the department of any change in the patient's name,
14 address, or physician or change in status of the patient's
15 **【debilitating】** qualifying medical condition, within 10 days of such
16 change, or the registry identification card shall be deemed null and
17 void.

18 (2) A primary caregiver who has been issued a registry
19 identification card shall notify the department of any change in the
20 caregiver's name or address within 10 days of such change, or the
21 registry identification card shall be deemed null and void.

22 f. The department shall maintain a confidential list of the
23 persons to whom it has issued registry identification cards.
24 Individual names and other identifying information on the list, and
25 information contained in any application form, or accompanying or
26 supporting document shall be confidential, and shall not be
27 considered a public record under P.L.1963, c.73 (C.47:1A-1 et seq.)
28 or P.L.2001, c.404 (C.47:1A-5 et al.), and shall not be disclosed
29 except to:

30 (1) authorized employees of the department and the Division of
31 Consumer Affairs in the Department of Law and Public Safety as
32 necessary to perform official duties of the department and the
33 division, as applicable; and

34 (2) authorized employees of State or local law enforcement
35 agencies, only as necessary to verify that a person who is engaged
36 in the suspected or alleged medical use of marijuana is lawfully in
37 possession of a registry identification card.

38 g. Applying for or receiving a registry card does not constitute
39 a waiver of the qualifying patient's patient-physician privilege.

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

41

42 4. (New section) a. A physician shall not be required to enroll
43 in any medical marijuana physician registry or undergo any
44 additional registration process as a condition of authorizing patients
45 for the medical use of marijuana.

46 b. When authorizing a qualifying patient who is a minor for the
47 medical use of marijuana, if the treating physician is not trained in
48 the care of pediatric patients, the treating physician shall, prior to

1 authorizing the patient for the medical use of marijuana, obtain
2 written confirmation from a physician trained in the care of
3 pediatric patients establishing, in the physician's professional
4 opinion, and following an examination of the minor patient or
5 review of the minor patient's medical record, that the minor patient
6 is likely to receive therapeutic or palliative benefits from the
7 medical use of marijuana to treat or alleviate symptoms associated
8 with the patient's qualifying medical condition. If the treating
9 physician is trained in the care of pediatric patients, no additional
10 written confirmation from any other physician shall be required as a
11 condition of authorizing the patient for the medical use of
12 marijuana.

13

14 5. (New section) a. Except as provided in subsection b. of this
15 section, no physician who has authorized a patient for the medical
16 use of marijuana pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
17 within the past 90 days, and no member of such physician's
18 immediate family, shall be an interest holder in, or receive any form
19 of direct or indirect compensation from, any alternative treatment
20 center.

21 b. Nothing in subsection a. of this section shall be construed to
22 prevent a physician from serving on the medical advisory board of
23 an alternative treatment center established pursuant to section 9 of
24 P.L. , c. (C.) (pending before the Legislature as this bill) and
25 receiving a reasonable stipend for such service, provided that:

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

28 (2) the amount of the stipend is not based on patient volumes at
29 the alternative treatment center or on the number of authorizations
30 for the medical use of marijuana the physician issues pursuant to
31 P.L.2009, c.307 (C.24:6I-1 et al.).

32 c. A physician, or an immediate family member of a physician,
33 who applies for an ATC identification card shall certify that the
34 physician has not authorized a patient for the medical use of
35 marijuana pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) within the
36 90 days immediately preceding the date of the application.

37 d. A person who violates subsection a. of this section shall be
38 guilty of a crime of the fourth degree.

39

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

42 7. a. The department shall accept applications from entities
43 for permits to operate as alternative treatment centers **],** and may
44 charge a reasonable fee for the issuance of a permit under this
45 section. **].** **].** **].** **].** **].** **].** **].** **].** **].** **].** **].** **].** **].** **].** **].** **].**
46 sufficient number of **]** To ensure adequate access to alternative
47 treatment centers throughout the State, **]** pursuant to need, including

1 at least two each in] the department shall grant permits authorizing
2 up to a total of 15 medical marijuana cultivator-processors, to be
3 evenly distributed among the northern, central, and southern regions
4 of the State, and up to 98 medical marijuana dispensaries in the
5 State. This total number of permits shall include:

6 the six alternative treatment center permits issued prior to the
7 effective date of P.L. , c. (pending before the Legislature as this
8 bill), which shall constitute six of the medical marijuana cultivator-
9 processor permits and 18 of the medical marijuana dispensary
10 permits;

11 the six medical marijuana cultivator-processor permits and the 40
12 medical marijuana dispensary permits issued pursuant to section 7
13 of P.L. , c. (C.) (pending before the Legislature as this bill)
14 which applications shall be accepted by the department no later than
15 90 days after the effective date of P.L. , c. (pending before the
16 Legislature as this bill),

17 up to three additional medical marijuana cultivator-processor
18 permits, based on patient need but not earlier than two years after
19 the effective date of P.L. , c. (pending before the Legislature as
20 this bill); and

21 up to 40 additional medical marijuana dispensary permits that
22 may be issued by the department, based on patient need but not
23 earlier than two years after the effective date of P.L. , c.
24 (pending before the Legislature as this bill). The request for
25 applications for the 40 new medical marijuana dispensary permits to
26 be accepted and processed by the department within 90 days of the
27 effective date of P.L. , c. (pending before the Legislature as this
28 bill). The department shall solicit applications by legislative
29 district, as the districts are constituted at the time of application.
30 The department shall endeavor to issue a permit to at least one
31 medical marijuana dispensary per legislative district, assuming
32 there are sufficiently qualified applicants for licensure. Future
33 requests for applications for up to a total of 40 additional medical
34 marijuana dispensary permits depending upon patient need, to be
35 issued at least two years after the effective date of P.L. , c.
36 (pending before the Legislature as this bill), shall be solicited
37 according to geographic regions to be determined by the department
38 at the time of issuance taking into account the need for geographic
39 dispersion.

40 An initial application for a medical marijuana cultivator-
41 processor permit or a medical marijuana dispensary permit shall
42 meet the application requirements set forth in section 8 of
43 P.L. , c. (C.) (pending before the Legislature as this bill).

44 An alternative treatment center holding a permit that was issued
45 prior to the effective date of P.L. , c. (pending before the
46 Legislature as this bill) shall be deemed to hold both a medical
47 marijuana cultivator-processor permit and up to three medical
48 marijuana dispensary permits, and shall be authorized to hold both

1 types of permits concurrently. **【**The first two centers issued a
2 permit in each region shall be nonprofit entities, and centers
3 subsequently issued permits may be nonprofit or for-profit entities**】**

4 No interest holder, or natural person with a direct or indirect
5 interest through intermediary business entities or other structures, in
6 any medical marijuana cultivator-processor, shall own, either in
7 whole or in part, or be directly or indirectly interested in, a medical
8 marijuana dispensary. The foregoing shall not apply to interest
9 holders of a medical marijuana alternative treatment center issued a
10 permit by the department prior to the effective date of
11 P.L. , c. (C.) (pending before the Legislature as this bill).

12 No interest holder, or natural person with a direct or indirect
13 interest through intermediary business entities or other structures, in
14 any medical marijuana dispensary, shall own, either in whole or in
15 part, or be directly or indirectly interested in, a medical marijuana
16 cultivator-processor. The foregoing shall not apply to interest
17 holders of a medical marijuana alternative treatment center issued a
18 permit by the department prior to the effective date of
19 P.L. , c. (C.) (pending before the Legislature as this bill).

20 No natural person or entity shall hold an interest in more than
21 one medical marijuana cultivator-processor or more than one
22 medical marijuana dispensary at any time, except that an interest
23 holder in a medical marijuana alternative treatment center that was
24 issued a permit by the department prior to the effective date of
25 P.L., c. (C.) (pending before the Legislature as this bill) may
26 concurrently hold up to a 15 percent ownership interest in up to one
27 additional medical marijuana alternative treatment center that was
28 issued a permit by the department prior to the effective date of
29 P.L., c. (C.) (pending before the Legislature as this bill), up
30 to one medical marijuana cultivator-processor, or up to one medical
31 marijuana dispensary; a medical marijuana cultivator-processor may
32 concurrently hold up to a 15 percent ownership interest in up to one
33 additional medical marijuana cultivator-processor or up to one
34 medical marijuana alternative treatment center that was issued a
35 permit by the department prior to the effective date of
36 P.L. , c. (C.) (pending before the Legislature as this bill);
37 and a medical marijuana dispensary may concurrently hold up to a
38 15 percent ownership interest in up to one additional medical
39 marijuana dispensary or up to one medical marijuana alternative
40 treatment center that was issued a permit by the department prior to
41 the effective date of P.L. , c. (C.) (pending before the
42 Legislature as this bill).

43 None of the ownership restrictions set forth in this subsection
44 shall be construed to be implicated solely by any person's
45 ownership of less than one percent of the total capitalization of a
46 publicly traded company, provided that the stockholder is not also
47 an employee, officer, or director of the publicly traded company.

1 **【An alternative treatment center】** A medical marijuana
2 cultivator-processor shall be authorized to acquire a reasonable
3 initial and ongoing inventory, as determined by the department, of
4 marijuana seeds or seedlings and paraphernalia, possess, cultivate,
5 plant, grow, harvest, process, **【display,】** and manufacture medical
6 marijuana and marijuana-infused and marijuana-derived products,
7 and deliver, transfer, transport, distribute, supply, sell, or dispense
8 medical marijuana, 【or】 marijuana-infused products, marijuana-
9 derived products, and related supplies to any medical marijuana
10 dispensary in the State. If approved by the department, a medical
11 marijuana cultivator-processor may operate, within the scope of its
12 permit, from more than one physical location. Medical marijuana
13 dispensaries may purchase or acquire medical marijuana,
14 marijuana-infused and marijuana-derived products, paraphernalia,
15 and related supplies from any medical marijuana cultivator-
16 processor in the State, and distribute, supply, sell, or dispense
17 marijuana, marijuana-infused products, marijuana-derived products,
18 and related supplies to qualifying patients or their primary
19 caregivers who are registered with the department pursuant to
20 section 4 of **【this act】** P.L.2009, c.307 (C.24:6I-4). **【An alternative**
21 **treatment center】** A medical marijuana cultivator-producer shall not
22 be limited in the number of strains of medical marijuana cultivated
23 **【, and】** or the number of products manufactured. A medical
24 marijuana cultivator-producer may package, and a medical
25 marijuana dispensary may directly dispense **【marijuana】** to
26 qualifying patients and their primary caregivers, medical marijuana
27 in dried form, oral lozenges, topical formulations, transdermal form,
28 sublingual form, tincture form, or edible form, or any other form as
29 authorized by the commissioner. Edible form shall include tablets,
30 capsules, oils, drops or syrups, and any other form as authorized by
31 the commissioner. **【Edible forms shall be available only to**
32 **qualifying patients who are minors.】**

33 Applicants that choose to apply for authorization as **【nonprofit】**
34 alternative treatment centers with nonprofit status shall be subject to
35 all applicable State laws governing nonprofit entities, but need not
36 be recognized as a 501(c)(3) organization by the federal Internal
37 Revenue Service.

38 b. The department shall require that an applicant provide such
39 information as the department determines to be necessary pursuant
40 to regulations adopted pursuant to **【this act】** P.L.2009, c.307
41 (C.24:6I-1 et al.) and may, in its discretion, require any applicant to
42 submit a personal history disclosure and conduct financial due
43 diligence on any person or entity providing \$100,000 or more in
44 financial backing to an applicant.

45 c. A person who has been convicted of a crime involving any
46 controlled dangerous substance or controlled substance analog as
47 set forth in chapter 35 of Title 2C of the New Jersey Statutes except

1 paragraph (4) of subsection a. of N.J.S.2C:35-10, or any similar law
2 of the United States or any other state shall not be issued a permit to
3 operate as an alternative treatment center or be **【a director, officer,**
4 **or employee of an alternative treatment center】** issued an ATC
5 identification card, unless such conviction occurred after the
6 effective date of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.) and
7 was for a violation of federal law relating to possession or sale of
8 marijuana for conduct that is authorized under **【this act】** P.L.2009,
9 c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-12.22), or
10 P.L. , c. (C.) (pending before the Legislature as this bill).

11 d. (1) The commissioner shall require each applicant seeking
12 a permit to operate as an alternative treatment center to undergo a
13 criminal history record background check. For purposes of this
14 section, the term "applicant" shall include any applicant for an ATC
15 identification card authorizing the individual to be an owner,
16 director, board member, principal officer, or employee of an
17 alternative treatment center. The commissioner is authorized to
18 exchange fingerprint data with and receive criminal history record
19 background information from the Division of State Police and the
20 Federal Bureau of Investigation consistent with the provisions of
21 applicable federal and State laws, rules, and regulations. The
22 Division of State Police shall forward criminal history record
23 background information to the commissioner in a timely manner
24 when requested pursuant to the provisions of this section.

25 An applicant shall submit to being fingerprinted in accordance
26 with applicable State and federal laws, rules, and regulations. No
27 check of criminal history record background information shall be
28 performed pursuant to this section unless the applicant has
29 furnished **【his】** written consent to that check. An applicant who
30 refuses to consent to, or cooperate in, the securing of a check of
31 criminal history record background information shall not be
32 considered for **【a permit to operate, or authorization to be employed**
33 **at, an alternative treatment center】** issuance of an ATC
34 identification card. An applicant shall bear the cost for the criminal
35 history record background check, including all costs of
36 administering and processing the check.

37 (2) The commissioner shall not approve an applicant for **【a**
38 **permit to operate, or authorization to be employed at, an alternative**
39 **treatment center】** issuance of an ATC identification card if the
40 criminal history record background information of the applicant
41 reveals a disqualifying conviction as set forth in subsection c. of
42 this section.

43 (3) Upon receipt of the criminal history record background
44 information from the Division of State Police and the Federal
45 Bureau of Investigation, the commissioner shall provide written
46 notification to the applicant of **【his】** the applicant's qualification
47 for or disqualification for **【a permit to operate or】** issuance of an

1 ATC identification card authorizing the individual to be [a] an
2 owner, director, board member, principal officer, or employee of an
3 alternative treatment center, as appropriate.

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

8 (4) The Division of State Police shall promptly notify the
9 commissioner in the event that an individual who was the subject of
10 a criminal history record background check conducted pursuant to
11 this section is convicted of a crime or offense in this State after the
12 date the background check was performed. Upon receipt of that
13 notification, the commissioner shall make a determination regarding
14 the continued eligibility to operate or be [a] an owner, director,
15 board member, principal officer, or employee of an alternative
16 treatment center.

17 (5) Notwithstanding the provisions of subsection b. of this
18 section to the contrary, the commissioner may offer [provisional
19 authority for] an applicant to be an employee of an alternative
20 treatment center a provisional ATC identification card, which shall
21 be valid for a period not to exceed three months, if the applicant
22 submits to the commissioner a sworn statement attesting that the
23 [person] applicant has not been convicted of any disqualifying
24 conviction pursuant to this section.

25 (6) Notwithstanding the provisions of subsection b. of this
26 section to the contrary, no employee of an alternative treatment
27 center shall be disqualified from issuance of an ATC identification
28 card on the basis of any conviction disclosed by a criminal history
29 record background check conducted pursuant to this section if the
30 individual has affirmatively demonstrated to the commissioner clear
31 and convincing evidence of rehabilitation. In determining whether
32 clear and convincing evidence of rehabilitation has been
33 demonstrated, the following factors shall be considered:

34 (a) the nature and responsibility of the position which the
35 convicted individual would hold, has held, or currently holds;

36 (b) the nature and seriousness of the crime or offense;

37 (c) the circumstances under which the crime or offense
38 occurred;

39 (d) the date of the crime or offense;

40 (e) the age of the individual when the crime or offense was
41 committed;

42 (f) whether the crime or offense was an isolated or repeated
43 incident;

44 (g) any social conditions which may have contributed to the
45 commission of the crime or offense; and

46 (h) any evidence of rehabilitation, including good conduct in
47 prison or in the community, counseling or psychiatric treatment

1 received, acquisition of additional academic or vocational
2 schooling, successful participation in correctional work-release
3 programs, or the recommendation of those who have had the
4 individual under their supervision.

5 e. The department shall issue **【a permit to a person to operate**
6 **as】** an alternative treatment center permit to an applicant if the
7 department finds that issuing such a permit would be consistent
8 with the purposes of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.)
9 and the requirements of this section are met and the department has
10 verified the information contained in the application. An initial
11 permit to operate an alternative treatment center issued pursuant to
12 this subsection shall be valid for three years, and thereafter shall be
13 renewable biennially. The department shall approve or deny an
14 application within 60 days after receipt of a completed application.
15 The denial of an application shall be considered a final agency
16 decision, subject to review by the Appellate Division of the
17 Superior Court. The department may suspend or revoke a permit to
18 operate as an alternative treatment center for cause, which shall be
19 subject to review by the Appellate Division of the Superior Court.

20 f. A person **【who has been】** or entity issued a medical
21 marijuana cultivator-processor permit pursuant to this section shall
22 display the permit at the premises of the **【alternative treatment**
23 **center】** medical marijuana cultivator-processor facility at all times
24 when marijuana is being produced, **【or】** , cultivated, processed, or
25 manufactured, and a person or entity issued a medical marijuana
26 dispensary permit pursuant to section 7 of P.L. , c. (C.)
27 (pending before the Legislature as this bill) shall display the permit
28 on the premises of the medical marijuana dispensary at all times
29 when medical marijuana is being dispensed to a registered
30 qualifying patient or the patient's primary caregiver. An individual
31 who has been issued an ATC identification card shall have the card
32 on the cardholder's person at all times that the individual is on the
33 premises of an alternative treatment center.

34 g. An alternative treatment center shall report any change in
35 information to the department not later than 10 days after such
36 change, or the permit shall be deemed null and void.

37 h. **【An alternative treatment center】** A medical marijuana
38 cultivator-processor may charge a medical marijuana dispensary for
39 the reasonable costs associated with the production, cultivation,
40 processing, and manufacture of medical marijuana and marijuana-
41 infused and marijuana-derived products, and a medical marijuana
42 dispensary may charge a registered qualifying patient or primary
43 caregiver for the reasonable costs associated with the **【production**
44 **and】** distribution of medical marijuana **【for】** to the cardholder.

45 i. The commissioner shall adopt regulations to:

46 (1) require such written documentation of each delivery of
47 marijuana to, and pickup of marijuana for, a registered qualifying

1 patient, including the date and amount dispensed, to be maintained
2 in the records of the **【alternative treatment center】** medical
3 marijuana dispensary, as the commissioner determines necessary to
4 ensure effective documentation of the operations of each
5 **【alternative treatment center】** medical marijuana dispensary;

6 (2) monitor, oversee, and investigate all activities performed by
7 an alternative treatment center; and

8 (3) ensure adequate security of all facilities 24 hours per day,
9 including production and retail locations, and security of all
10 delivery methods to registered qualifying patients.

11 j. A medical marijuana cultivator-processor may apply to the
12 department for approval to relocate to another location within the
13 same region, and a medical marijuana dispensary may apply to the
14 department for approval to relocate the medical marijuana
15 dispensary, if any, to another location within the same county. The
16 department may approve an application for relocation if the
17 department finds the relocation would be consistent with the
18 purposes of P.L.2009, c.307 (C.24:6I-1 et al.). The denial of an
19 application to relocate a medical marijuana cultivator-processor,
20 medical marijuana dispensary shall be considered a final agency
21 decision, subject to review by the Appellate Division of the
22 Superior Court.

23 k. (1) A medical marijuana cultivator-processor or medical
24 marijuana dispensary may apply to the department for approval to
25 sell or transfer its permit to another entity. The department shall
26 not approve the sale or transfer of a medical marijuana cultivator
27 processor or medical marijuana dispensary permit until each
28 applicant at the entity applying to purchase or receive the transfer of
29 the permit undergoes a criminal history record background check
30 pursuant to subsection d. of this section, the department finds that
31 the sale or transfer of the permit would be consistent with the
32 purposes of P.L.2009, c.307 (C.24:6I-1 et al.), the requirements of
33 this section are met, and the department has verified the information
34 contained in the application. The department shall approve or deny
35 an application within 90 days after receipt of a completed
36 application. The denial of an application to sell or transfer a
37 medical marijuana cultivator processor or medical marijuana
38 dispensary permit shall be considered a final agency decision,
39 subject to review by the Appellate Division of the Superior Court.
40 The sale or transfer of a permit pursuant to this subsection shall not
41 constitute authorization to relocate the permitted facility unless the
42 entity purchasing or receiving transfer of the permit additionally
43 receives approval for the relocation from the department pursuant to
44 subsection j. of this section.

45 (2) If a nonprofit medical marijuana cultivator processor or
46 medical marijuana dispensary proposes to sell or transfer its permit
47 to a for-profit entity, its board of directors may proceed with the
48 sale or transfer upon receiving approval for the sale or transfer from

1 the department pursuant to paragraph (1) of this subsection, and,
2 except as provided in paragraph (3) of this subsection, after
3 obtaining an independent appraisal for the fair market value of the
4 permit. The sale or transfer of the permit shall be consistent with
5 the requirements of the “New Jersey Nonprofit Corporation Act,”
6 N.J.S.15A:1-1 et seq. The proceeds of the sale or transfer,
7 following satisfaction of the obligations of the medical marijuana
8 cultivator-processor or medical marijuana dispensary, shall be
9 retained or expended in a manner consistent with the requirements
10 of the “New Jersey Nonprofit Corporation Act,” N.J.S.15A:1-1 et
11 seq., or until the organization is lawfully wound down or dissolved.
12 If a nonprofit medical marijuana cultivator processor or medical
13 marijuana dispensary seeks to sell or transfer its permit to a for-
14 profit entity with which it shares common ownership or control, the
15 sale or transfer shall not proceed unless at least one disinterested
16 director or trustee approves the sale or transfer in accordance with
17 the requirements of the “New Jersey Nonprofit Corporation Act,”
18 N.J.S.15A:1-1 et seq.

19 (3) In the case of a nonprofit alternative treatment center that
20 was issued a permit prior to the effective date of
21 P.L. , c. (pending before the Legislature as this bill), in lieu of
22 obtaining an independent appraisal of the fair market value of the
23 alternative treatment center’s medical marijuana cultivator-
24 processor or medical marijuana dispensary permit as required under
25 paragraph (2) of this subsection, upon receiving approval for the
26 sale from the department pursuant to paragraph (1) of this
27 subsection, a nonprofit alternative treatment center that was issued a
28 permit prior to the effective date of P.L. , c. (pending before the
29 Legislature as this bill) may, on a single occasion and no later than
30 one year after the effective date of P.L. , c. (pending before the
31 Legislature as this bill), elect to pay the department a fee of
32 \$300,000 and sell or transfer its medical marijuana cultivator
33 processor permit or medical marijuana dispensary permit for a sum
34 that satisfies its outstanding obligations.

35 1. The maximum fees that may be charged in connection with
36 an alternative treatment center permit shall be as follows:

37 (1) for issuance of an initial three-year permit or biennial
38 renewal of an existing permit, \$40,000;

39 (2) for authorization to relocate a medical marijuana cultivator-
40 processor to a new location within the same region, or for
41 authorization to relocate a medical marijuana dispensary to another
42 location within the same county, \$20,000; and

43 (3) except as otherwise provided in paragraph (3) of subsection
44 k. of this section, to sell or transfer an alternative treatment center
45 permit, \$150,000.

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

1 7. (New section) The department shall begin accepting and
2 processing applications for three additional cultivator-processors
3 and 40 additional medical marijuana dispensaries no later than 90
4 days after the effective date of P.L. , c. (pending before the
5 Legislature as this bill). The department shall subsequently accept
6 and process applications for up to three additional cultivator-
7 processors and up to 40 additional medical marijuana dispensaries,
8 based on patient need but not earlier than two years after the
9 effective date of P.L. , c. (pending before the Legislature as this
10 bill). The department may establish nonrefundable application fees.

11 The department shall make a determination as to a permit
12 application within 90 days after receiving the application, and shall
13 issue an initial permit to an approved applicant immediately upon
14 collection of the permit fee, unless the department finds the
15 applicant is not implementing the plans, procedures, protocols,
16 actions, or other measures set forth in the applicant's permit
17 application submitted pursuant to section 8 of P.L. , c. (C.)
18 (pending before the Legislature as this bill), or is otherwise not in
19 compliance with the requirements of P.L.2009, c.307 (C.24:6I-
20 1 et al.), in which case the department shall issue the permit to the
21 next highest scoring applicant in the same region or legislative
22 district that is in compliance with the applicant's permit application
23 and the requirements of P.L.2009, c.307 (C.24:6I-1 et al.).
24

25 8. (New section) a. Each application for an initial three year
26 permit to operate a medical marijuana cultivator processor or
27 medical marijuana dispensary, and for biennial renewal of such
28 permit, shall be submitted to the department. A separate application
29 shall be required for each location at which an applicant seeks to
30 operate. Renewal applications shall be submitted to the department
31 no later than 90 days before the date the current permit will expire.

32 b. An initial medical marijuana cultivator-processor or medical
33 marijuana dispensary permit application shall be evaluated and
34 scored on a 100 point scale, consistent with the requirements of
35 subsections c. and d. of this section, plus any bonus points awarded
36 pursuant to subsection e. of this section.

37 c. In addition to any points awarded for an initial application
38 for a medical marijuana cultivator-processor permit or a medical
39 marijuana dispensary permit pursuant to subsection d. of this
40 section and any bonus points awarded pursuant to subsection e. of
41 this section, up to 21 points may be awarded for the summary of the
42 applicant's operating plan, excluding safety and security criteria:

43 (1) In the case of an applicant for a medical marijuana
44 cultivator-processor permit, the operating plan summary shall
45 include a written description, of up to 1,000 words per topic,
46 concerning the applicant's qualifications for, experience in, and
47 knowledge of each of the following topics:

- 1 (a) State-licensed cultivation of medical marijuana and
- 2 manufacture of marijuana products using appropriate extraction
- 3 methods;
- 4 (b) conventional horticulture or agriculture, familiarity with
- 5 good agricultural practices, and any relevant certifications or
- 6 degrees;
- 7 (c) pharmaceutical manufacturing, good manufacturing
- 8 practices, quality control, and quality assurance;
- 9 (d) recall plans;
- 10 (e) packaging and labeling;
- 11 (f) inventory control and tracking software or systems for the
- 12 production of medical marijuana;
- 13 (g) analytical chemistry and testing of marijuana and marijuana-
- 14 infused or marijuana-derived products and formulations;
- 15 (h) water management practices;
- 16 (i) odor mitigation practices;
- 17 (j) onsite and offsite recordkeeping;
- 18 (k) strain variety and plant genetics;
- 19 (l) pest control and disease management practices, including
- 20 plans for the use of pesticides, nutrients, and additives;
- 21 (m) waste disposal plans; and
- 22 (n) compliance with applicable laws and regulations.
- 23 (2) In the case of an applicant for a medical marijuana
- 24 dispensary permit, the operating plan summary shall include a
- 25 written description, of up 1,000 words per topic, concerning the
- 26 applicant's qualifications for, experience in, and knowledge of each
- 27 of the following topics:
- 28 (a) State-licensed dispensation of medical marijuana to
- 29 qualifying patients;
- 30 (b) healthcare, medicine, and treatment of patients with
- 31 debilitating medical conditions;
- 32 (c) marijuana product evaluation procedures;
- 33 (d) recall plans;
- 34 (e) packaging and labeling;
- 35 (f) inventory control and point-of-sale software or systems for
- 36 the sale of medical marijuana;
- 37 (g) patient counseling procedures;
- 38 (h) the routes of administration, strains, varieties, and
- 39 cannabinoid profiles of medical marijuana products;
- 40 (i) odor mitigation practices;
- 41 (j) onsite and offsite recordkeeping;
- 42 (k) the composition of the applicant's medical advisory board, if
- 43 any;
- 44 (l) compliance with State and federal patient privacy rules;
- 45 (m) waste disposal plans; and
- 46 (n) compliance with applicable laws and regulations.
- 47 d. In addition to any points awarded for an operating plan
- 48 summary submitted pursuant to subsection c. of this section and any

1 bonus points awarded pursuant to subsection e. of this section, up
2 79 points may be awarded for an initial application for a medical
3 marijuana cultivator-processor permit or a medical marijuana
4 dispensary permit, as follows:

5 (1) Up to four points may be awarded for the applicant's
6 environmental impact plan, which shall not exceed five pages.

7 (2) Up to 7.5 points may be awarded for the summary of the
8 applicant's safety and security plans and procedures, which shall
9 include descriptions of the following:

10 (a) plans for the use of security personnel;

11 (b) the experience or qualifications of existing security
12 personnel;

13 (c) security and surveillance features, including descriptions of
14 any alarm systems, video surveillance systems, and access and
15 visitor management systems, along with drawings identifying the
16 proposed locations for surveillance cameras and other security
17 features;

18 (d) plans for the storage of medical marijuana and medical
19 marijuana products, including any safes, vaults, and climate control
20 systems that will be utilized for this purpose;

21 (e) a diversion prevention plan;

22 (f) an emergency management plan;

23 (g) procedures for screening, monitoring, and performing
24 criminal history record background checks of employees;

25 (h) cybersecurity procedures, including, in the case of an
26 applicant for a medical marijuana dispensary permit, procedures for
27 collecting, processing, and storing patient data, and the applicant's
28 familiarity with State and federal privacy laws;

29 (i) workplace safety plans and the applicant's familiarity with
30 federal Occupational Safety and Health Administration regulations;

31 (j) the applicant's history of workers' compensation claims and
32 safety assessments;

33 (k) procedures for reporting adverse events; and

34 (l) a sanitation practices plan.

35 (3) Up to 15 total points may be awarded for the summary of the
36 applicant's business experience, subject to the following
37 requirements:

38 (a) up to six points may be awarded for the description of the
39 applicant's experience operating businesses in highly-regulated
40 industries;

41 (b) up to six points may be awarded for a description of the
42 applicant's experience in operating alternative treatment centers and
43 related medical marijuana production and dispensation entities
44 under the laws of New Jersey or any other state; and

45 (c) up to three points may be awarded for the applicant's plan,
46 which shall not exceed three pages, to comply with and mitigate the
47 effects of 26 U.S.C. s.280E on marijuana businesses, and for

1 evidence that the applicant is not in arrears with respect to any tax
2 obligation to the State.

3 In evaluating the experience described under subparagraphs (a)
4 and (b) of this paragraph, the department shall afford the greatest
5 weight to the experience of the applicant itself, controlling owners,
6 and entities with common ownership or control with the applicant;
7 followed by the experience of those with a 15 percent or greater
8 ownership interest in the applicant's organization; followed by
9 interest holders in the applicant's organization; followed by other
10 officers, directors, and bona fide full-time employees of the
11 applicant as of the submission date of the application.

12 (4) Up to 15 points may be awarded based on a description of
13 the proposed location for the applicant's alternative treatment center
14 site, which shall be awarded as follows:

15 (a) up to seven points may be awarded for a description of the
16 proposed location, the surrounding area, and the suitability or
17 advantages of the proposed location, along with a floor plan and
18 optional renderings or architectural or engineering plans;

19 (b) four points may be awarded for submitting zoning approvals
20 for the proposed location, which shall consist of a letter or affidavit
21 from appropriate municipal officials that the location will conform
22 to municipal zoning requirements allowing for the cultivation,
23 processing, or dispensing of medical marijuana, marijuana-infused
24 and marijuana-derived products, and related supplies, as
25 appropriate; and

26 (c) four points may be awarded for submitting proof of local
27 support for the suitability of the location, which may be
28 demonstrated by a letter from the municipality's highest-ranking
29 official or by a resolution adopted by the municipality's governing
30 body indicating that the intended location is appropriately located
31 or otherwise suitable for the cultivation, processing, or dispensing
32 of medical marijuana, marijuana-infused and marijuana-derived
33 products, and related supplies, as appropriate.

34 Notwithstanding any other provision of this subsection, an
35 application shall be disqualified from consideration unless it
36 includes documentation demonstrating that the applicant will have
37 final control of the premises upon approval of the application,
38 including, but not limited to, a lease agreement, contract for sale,
39 title, deed, or similar documentation. In addition, if the applicant
40 will lease the premises, the application will be disqualified from
41 consideration unless it includes certification from the landlord that
42 the landlord is aware that the tenant's use of the premises will
43 involve cultivation, processing, or dispensing of medical marijuana
44 and medical marijuana products, as appropriate. An application
45 shall not be disqualified from consideration if the application does
46 not include the materials described in subparagraphs (b) or (c) of
47 this paragraph.

1 (5) Up to 15 total points may be awarded in the community
2 impact and social responsibility section of the application, subject
3 to the following requirements:

4 (a) up to four points may be awarded for a community impact
5 plan, not to exceed five pages, summarizing how the applicant
6 intends to have a positive impact on the community in which the
7 proposed medical marijuana cultivator-processor or medical
8 marijuana dispensary is to be located, which shall include an
9 economic impact plan, a description of outreach activities, and any
10 financial assistance or discount plans the applicant will provide to
11 qualifying patients and primary caregivers;

12 (b) up to three points may be awarded for a written description
13 of the applicant's record of social responsibility, philanthropy, and
14 ties to the proposed host community, which shall not exceed five
15 pages;

16 (c) up to four points may be awarded for a written description of
17 any research the applicant has conducted on the medical efficacy or
18 adverse effects of marijuana use and the applicant's participation in
19 or support of marijuana-related research and educational activities,
20 which shall not exceed three pages; and

21 (d) up to four points may be awarded for a written plan, which
22 shall not exceed three pages, describing any research and
23 development regarding the medical efficacy or adverse effects of
24 marijuana, and any marijuana-related educational and outreach
25 activities, the applicant intends to conduct if issued a permit by the
26 department.

27 In evaluating the information submitted pursuant to
28 subparagraphs (b) and (c) of this paragraph, the department shall
29 afford the greatest weight to the experience of the applicant itself,
30 controlling owners, and entities with common ownership or control
31 with the applicant; followed by the experience of those with a 15
32 percent or greater ownership interest in the applicant's organization;
33 followed by interest holders in the applicant's organization;
34 followed by other officers, directors, and bona fide full-time
35 employees of the applicant as of the submission date of the
36 application.

37 (6) Up to 7.5 total points may be awarded for the applicant's
38 workforce development and job creation plan, which may be
39 awarded based on the following criteria:

40 (a) up to four points may be awarded for a description of the
41 applicant's workforce development and job creation plan, which
42 may include information on the applicant or its owners' history of
43 job creation and planned job creation at its proposed medical
44 marijuana cultivator-processor or medical marijuana dispensary;
45 education, training, and resources to be made available for
46 employees; any relevant certifications; and an optional diversity
47 plan; and

1 (b) 3.5 points shall be awarded to any applicant that has
2 executed a labor peace agreement or card check and neutrality
3 agreement with a collective bargaining unit for the proposed
4 medical marijuana cultivator-processor or medical marijuana
5 dispensary. An applicant that does not submit the information
6 described in this subparagraph shall not be disqualified from
7 consideration.

8 (7) Up to 15 total points may be awarded for the description of
9 applicant's business and financial plan:

10 (a) up to five points may be awarded for an executive summary
11 of the applicant's business plan, which shall not exceed 1,500
12 words;

13 (b) up to five points may be awarded for a demonstration of the
14 applicant's financial ability to implement its business plan, which
15 shall not exceed 10 pages including attachments, and which may
16 include, but shall not be limited to, bank statements, business and
17 individual financial statements, net worth statements, and debt and
18 equity financing statements. An applicant who demonstrates the
19 availability of at least \$500,000 in a bank account in the applicant's
20 name at the time the application is submitted shall be awarded full
21 points under this subparagraph;

22 (c) up to five points may be awarded for a description of the
23 applicant's experience complying with guidance pertaining to
24 marijuana issued by the Financial Crimes Enforcement Network
25 under 31 U.S.C. s.5311 et seq., the federal Bank Secrecy Act, which
26 may be demonstrated by submitting letters regarding its banking
27 history from banks or credit unions that certify they are aware of the
28 business activities of the applicant, or entities with common
29 ownership or control of the applicant's organization, in any state
30 where the applicant has operated a business related to medical
31 marijuana. For the purposes of this subparagraph, the department
32 shall consider only bank references involving accounts in the name
33 of the applicant or of an entity with common ownership or control
34 of the applicant's organization. An applicant who does not submit
35 the information described in this subparagraph shall not be
36 disqualified from consideration.

37 e. Up to a total of 40 bonus points may be added to the
38 applicant's total score based on the following:

39 (1) If any of the applicant's majority or controlling owners were
40 previously approved by the department to serve as an officer,
41 director, principal, or key employee of an alternative treatment
42 center, and the individual served in such capacity at the alternative
43 treatment center for six or more months, the department shall award
44 10 bonus points, which shall be added to the applicant's total score.
45 No points shall be deducted from the applicant's total score if none
46 of the majority or controlling owners meet the requirements of this
47 paragraph.

1 (2) If an applicant can demonstrate that its governance structure
2 includes the involvement of a licensed and accredited school of
3 medicine or osteopathic medicine in the United States or a general
4 acute care hospital, an ambulatory care facility licensed in New
5 Jersey, an adult day care services program licensed in New Jersey,
6 or a pharmacy licensed in New Jersey, the department shall award
7 15 bonus points, which shall be added to the applicant's total score,
8 provided the following conditions are met:

9 (a) the school, hospital, facility, or pharmacy has conducted or
10 participated in institutional review board-approved research related
11 to marijuana involving the use of human subjects;

12 (b) the school, hospital, facility, or pharmacy holds a profit
13 share or ownership interest in the applicant's organization of 10
14 percent or more; and

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

19 No points shall be deducted from the applicant's total score if the
20 applicant's governance structure does not include a school, hospital,
21 facility, or pharmacy that meets the requirements of this paragraph.

22 (3) If the applicant submits evidence that the applicant, or an
23 entity with common ownership or control with the applicant, has
24 executed a collective bargaining agreement in the cannabis industry
25 that has been in effect for at least six months as of the submission
26 date of the application, the department shall award 15 bonus points,
27 which shall be added to the applicant's total score. No points shall
28 be deducted from the applicant's total score if the applicant has not
29 executed a collective bargaining agreement in the cannabis industry
30 that meets the requirements of this paragraph.

31 f. In reviewing a medical marijuana cultivator-processor or
32 medical marijuana dispensary initial permit application, unless the
33 information is otherwise solicited by the department in a specific
34 application question, the department's evaluation of the application
35 shall be limited to the experience and qualifications of the
36 applicant's organization, including any entities with common
37 ownership or control of the applicant's organization, controlling
38 owners or interest holders in the applicant's organization, and the
39 officers, directors, and actual full-time existing employees of the
40 applicant's organization. Responses pertaining to consultants,
41 independent contractors, and prospective or part-time employees of
42 the entity shall not be considered or scored. Each applicant shall
43 certify as to the status of the individuals and entities included in the
44 application.

45 g. To the extent possible, the department shall seek to ensure
46 that at least 20 percent of the total number of new medical
47 marijuana dispensary permits issued on or after the effective date of

1 P.L. , c. (C.) (pending before the Legislature as this bill) are
2 issued to a qualified applicant that:

3 (1) has been certified as a minority business or as a women's
4 business by the Division of Development for Small Businesses and
5 Women's and Minority Businesses in the New Jersey Commerce
6 and Economic Growth Commission pursuant to P.L.1986, c.195
7 (C.52:27H-21.18 et seq.);

8 (2) has been certified as a veteran-owned business by the
9 Department of the Treasury pursuant to P.L.2011, c.147 (C.52:32-
10 49 et seq.); or

11 (3) is a disabled-veteran business, as defined in section 2 of
12 P.L.2015, c.116 (C.52:32-31.2).

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

16 h. No employee of the department shall have any direct or
17 indirect financial interest in the cultivation, processing, or
18 dispensing of medical marijuana or related paraphernalia, or
19 otherwise receive anything of value from a medical marijuana
20 cultivator-processor or medical marijuana dispensary permit
21 applicant in exchange for reviewing, processing, or making any
22 recommendations with respect to a permit application.

23 i. Application materials submitted to the department pursuant
24 to this section not be considered a public record pursuant to
25 P.L.1963, c.73 (C.47:1A-1 et seq.), P.L.2001, c.404 (C.47:1A-5 et
26 al.), or the common law concerning access to public records.

27 j. If the department notifies an applicant that it has scored
28 sufficiently high on multiple applications to be awarded more than
29 one medical marijuana cultivator-processor or more than two
30 medical marijuana dispensary permits by the department, the
31 applicant shall notify the department, within seven business days
32 after receiving such notice, as to which permit or permits it will
33 accept. For any permit award declined by an applicant pursuant to
34 this subsection, the department shall, upon receiving notice from
35 the applicant of the declination, award the permit to the applicant
36 with the next highest score on an application for that permit in the
37 same region or legislative district. If an applicant fails to notify the
38 department as to which permit it will accept, the department shall
39 have the discretion to determine which permit it will award to the
40 applicant, based on the department's determination of Statewide
41 need and the scores awarded to other applications in the affected
42 regions.

43
44 9. (New section) a. An alternative treatment center may
45 appoint a medical advisory board to provide advice to the
46 alternative treatment center on all aspects of its business.

47 b. A medical advisory board appointed pursuant to this section
48 shall comprise five members: three health care professionals

1 licensed to practice in New Jersey, at least one of whom shall be a
2 physician; one qualifying patient, who resides in the same county
3 the alternative treatment center; and one individual who owns a
4 business in the same region in which the alternative treatment
5 center is located. The qualifying patient member shall reside in the
6 same county in which the alternative treatment center is located. No
7 ATC identification card holder may serve on a medical advisory
8 board.

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

11

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

14 10. a. A physician shall provide written instructions for a
15 registered qualifying patient or **【his】** the patient's primary caregiver
16 to present to **【an alternative treatment center】** a medical marijuana
17 dispensary concerning the form and total amount of usable
18 marijuana that a patient may be dispensed, in weight, in a 30-day
19 period, which amount shall not exceed **【two】** four ounces in dried
20 form or the equivalent amount, as established by the commissioner
21 by regulation, in any other form, including, but not limited to, oils,
22 oral lozenges, topical formulations, transdermal form, sublingual
23 form, tincture form, edible form, or any other authorized form. If
24 no amount is noted, the maximum amount that may be dispensed at
25 one time is **【two】** four ounces in dried form or the equivalent
26 amount, as established by the commissioner by regulation, in any
27 other form, including, but not limited to, oils, oral lozenges, topical
28 formulations, transdermal form, sublingual form, tincture form,
29 edible form, or any other authorized form. If no form is noted, the
30 dispensary shall return the instructions to the physician in order to
31 specify the form. The foregoing monthly limits shall not apply to
32 patients who are terminally ill or receiving hospice care, who may
33 be dispensed an unlimited amount of medical marijuana.

34 b. A physician may issue multiple written instructions at one
35 time authorizing **【the】** a qualifying patient, who is an adult, to
36 receive a total of up to a one-year supply, or authorizing a
37 qualifying patient who is a minor to receive a total of up to a 90-day
38 supply, provided that the following conditions are met:

39 (1) Each separate set of instructions shall be issued for a
40 legitimate medical purpose by the physician, as provided in **【this**
41 **act】** P.L.2009, c.307 (C.24:6I-1 et al.);

42 (2) Each separate set of instructions shall indicate the earliest
43 date on which a **【center】** dispensary may dispense the marijuana,
44 except for the first dispensation if it is to be filled immediately; and

45 (3) The physician has determined that providing the patient with
46 multiple instructions in this manner does not create an undue risk of
47 diversion or abuse.

1 c. A registered qualifying patient or **his** the patient's primary
2 caregiver shall present the patient's or caregiver's registry
3 identification card, as applicable, and these written instructions to
4 the **alternative treatment center** medical marijuana dispensary,
5 which shall verify and log the documentation presented. A
6 physician may provide a copy of a written instruction by electronic
7 or other means, as determined by the commissioner, directly to **an**
8 alternative treatment center a medical marijuana dispensary on
9 behalf of a registered qualifying patient. The dispensation of
10 marijuana pursuant to any written instructions shall occur within
11 one month of the date that the instructions were written or the
12 instructions are void.

13 d. **A** Medical marijuana may be dispensed to a patient or the
14 patient's primary caregiver **may be registered at only one**
15 **alternative treatment center at any time** by any medical marijuana
16 dispensary in the State. Prior to dispensing medical marijuana to a
17 qualifying patient or the patient's primary caregiver, the medical
18 marijuana dispensary shall access the system established pursuant
19 to section 11 of P.L.2009, c.307 (C.45:1-45.1) to ascertain whether
20 medical marijuana was dispensed to the patient or the patient's
21 primary caregiver by any medical marijuana dispensary within the
22 preceding 30 days. Upon dispensing medical marijuana to a
23 qualifying patient or the patient's primary caregiver, the medical
24 marijuana dispensary shall transmit to the patient's physician
25 information concerning the amount, strain, and form of medical
26 marijuana that was dispensed.

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

28

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

31 14. a. The commissioner shall report to the Governor, and to the
32 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1):

33 (1) no later than one year after the effective date of **this act**
34 P.L.2009, c.307 (C.24:6I-1 et al.), on the actions taken to
35 implement the provisions of **this act** P.L.2009, c.307 (C.24:6I-1
36 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); and

37 (2) annually thereafter on the number of applications for registry
38 identification cards, the number of qualifying patients registered,
39 the number of primary caregivers registered, the nature of the
40 **debilitating** qualifying medical conditions of the patients, the
41 number of registry identification cards revoked, the number of
42 alternative treatment center permits issued and revoked, and the
43 number of physicians **providing certifications for** authorizing
44 patients for the medical use of marijuana.

45 b. The reports shall not contain any identifying information of
46 patients, caregivers, or physicians.

1 c. Within two years after the effective date of **[this act]**
2 P.L.2009, c.307 (C.24:6I-1 et al.) and every two years thereafter,
3 the commissioner shall: evaluate whether there are sufficient
4 numbers of alternative treatment centers to meet the needs of
5 registered qualifying patients throughout the State; evaluate
6 whether the maximum amount of medical marijuana allowed
7 pursuant to **[this act]** P.L.2009, c.307 (C.24:6I-1 et al.) is sufficient
8 to meet the medical needs of qualifying patients; and determine
9 whether any alternative treatment center has charged excessive
10 prices for marijuana that the center dispensed.

11 The commissioner shall report his findings no later than two
12 years after the effective date of **[this act]** P.L.2009, c.307 (C.24:6I-
13 1 et al.), and every two years thereafter, to the Governor, and to the
14 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).
15 (cf: P.L.2009, c.307, s.14)

16
17 12. Section 15 of P.L.2009, c.307 (C.24:6I-13) is amended to
18 read as follows:

19 15. a. The Department of Health is authorized to exchange
20 fingerprint data with, and receive information from, the Division of
21 State Police in the Department of Law and Public Safety and the
22 Federal Bureau of Investigation for use in reviewing applications
23 for individuals seeking to serve as primary caregivers who are not
24 an immediate family member of the patient pursuant to section 4 of
25 P.L.2009, c.307 (C.24:6I-4), applications for an ATC identification
26 card pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), and
27 applications for permits to operate as **[**, or to be a director, officer,
28 or employee of,**]** alternative treatment centers pursuant to section 7
29 of P.L.2009, c.307 (C.24:6I-7).

30 b. The Division of State Police shall promptly notify the
31 Department of Health in the event an applicant seeking to serve as a
32 primary caregiver who is not an immediate family member of the
33 patient, an applicant for an ATC identification card, or an applicant
34 for a permit to operate as **[**, or to be a director, officer, or employee
35 of,**]** an alternative treatment center, who was the subject of a
36 criminal history record background check conducted pursuant to
37 subsection a. of this section, is convicted of a crime involving
38 possession or sale of a controlled dangerous substance.

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

40

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

43 11. a. A physician who **[provides a certification]** authorizes a
44 patient for the medical use of marijuana or who provides a written
45 instruction for the medical use of marijuana to a qualifying patient
46 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and any **[alternative**
47 **treatment center]** medical marijuana dispensary shall furnish to the

1 Director of the Division of Consumer Affairs in the Department of
2 Law and Public Safety such information, on a daily basis and in
3 such a format **【and at such intervals,】** as the director shall prescribe
4 by regulation, for inclusion in a system established to monitor the
5 dispensation of marijuana in this State for medical use as authorized
6 by the provisions of P.L.2009, c.307 (C.24:6I-1 et al.), which
7 system shall serve the same purpose as, and be cross-referenced
8 with, the electronic system for monitoring controlled dangerous
9 substances established pursuant to section 25 of P.L.2007, c.244
10 (C.45:1-45).

11 b. The Director of the Division of Consumer Affairs, pursuant
12 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
13 1 et seq.), and in consultation with the Commissioner of Health
14 **【and Senior Services】**, shall adopt rules and regulations to
15 effectuate the purposes of subsection a. of this section.

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

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

29

30 14. Section 5 of P.L.2009, c.307 (C.24:6I-5) is repealed.

31

32 15. The Commissioner of Health shall adopt, pursuant to the
33 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
34 seq., such rules and regulations as may be necessary to effectuate
35 the purposes of this act.

36

37 16. This act shall take effect 90 days after the date of enactment,
38 except that the Commissioner of Health may take any advance
39 administrative action as may be necessary to implement the
40 requirements of this act.