

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4497

STATE OF NEW JERSEY
218th LEGISLATURE

ADOPTED MARCH 18, 2019

Sponsored by:

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District 20 (Union)

Assemblyman JAMEL C. HOLLEY

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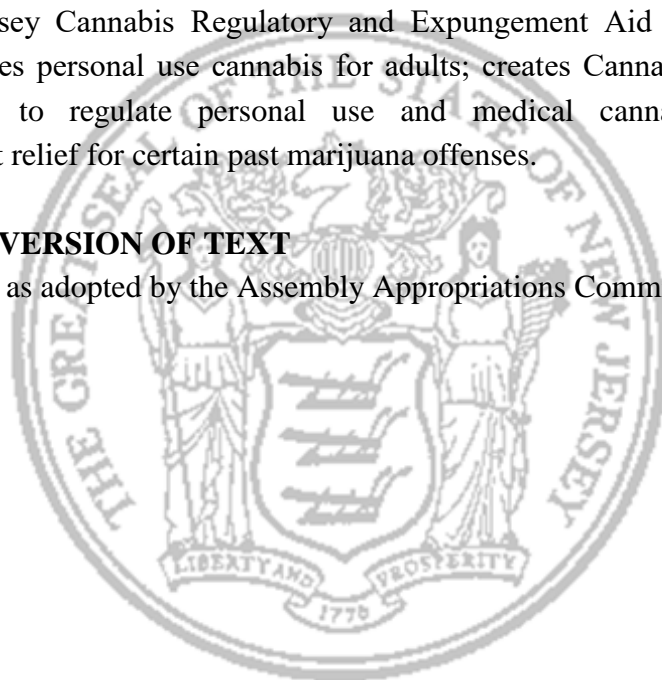
Assemblyman Calabrese

SYNOPSIS

“New Jersey Cannabis Regulatory and Expungement Aid Modernization Act”; legalizes personal use cannabis for adults; creates Cannabis Regulatory Commission to regulate personal use and medical cannabis; provides expungement relief for certain past marijuana offenses.

CURRENT VERSION OF TEXT

Substitute as adopted by the Assembly Appropriations Committee.



(Sponsorship Updated As Of: 3/26/2019)

1 **AN ACT** concerning the regulation and use of cannabis, and
 2 amending and supplementing various parts of the statutory law.

3

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

6

7 1. (New section) This act shall be known and may be cited as
 8 the “New Jersey Cannabis Regulatory and Expungement Aid
 9 Modernization Act.”

10

11 2. (New section) Findings and Declarations.

12 The Legislature finds and declares that:

13 a. It is the intent of the people of New Jersey to adopt a new
 14 approach to our marijuana policies by taxing, controlling, and
 15 legalizing a marijuana product, to be referred to as cannabis, in a
 16 similar fashion to the regulation of alcohol for adults;

17 b. It is the intent of the people of New Jersey that the
 18 provisions of this act will prevent the sale or distribution of
 19 cannabis to persons under 21 years of age;

20 c. This act is designed to eliminate the problems caused by the
 21 unregulated manufacture, distribution, and use of illegal marijuana
 22 within New Jersey;

23 d. This act will divert funds from marijuana sales from going to
 24 illegal enterprises, gangs, and cartels;

25 e. Black New Jerseyans are nearly three times more likely to be
 26 arrested for marijuana possession than white New Jerseyans, despite
 27 similar usage rates;

28 f. New Jersey spends approximately \$127 million per year on
 29 marijuana possession enforcement costs;

30 g. Taxing, controlling, and legalizing cannabis for adults like
 31 alcohol will free up precious resources to allow our criminal justice
 32 system to focus on serious crime and public safety issues;

33 h. Taxing, controlling, and legalizing cannabis for adults like
 34 alcohol will strike a blow at the illegal enterprises that profit from
 35 New Jersey’s current, unregulated illegal marijuana market;

36 i. New Jersey must strengthen our support for evidence-based,
 37 drug prevention programs that work to educate New Jerseyans,
 38 particularly young New Jerseyans, about the harms of drug abuse;

39 j. New Jersey must enhance State-supported programming that
 40 provides appropriate, evidence-based treatment for those who suffer
 41 from the illness of drug addiction;

42 k. Controlling and regulating the manufacture, distribution, and
 43 sale of cannabis will strengthen our ability to keep it and illegal
 44 marijuana away from minors;

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 l. A controlled system of cannabis manufacturing, distribution,
2 and sale must be designed in a way that enhances public health and
3 minimizes harms to New Jersey communities and families;

4 m. The regulated cannabis system in New Jersey must be
5 regulated so as to prevent persons younger than 21 years of age
6 from accessing or purchasing cannabis;

7 n. A marijuana arrest in New Jersey can have a debilitating
8 impact on a person's future, including consequences for one's job
9 prospects, housing access, financial health, familial integrity,
10 immigration status, and educational opportunities;

11 o. The tax revenue generated from a controlled cannabis
12 manufacture, distribution, and retail sales system in New Jersey will
13 generate hundreds of millions of dollars to bolster effective,
14 evidence-based drug treatment and education, and to reinvest in
15 New Jersey communities; and

16 p. New Jersey cannot afford to sacrifice its public safety and
17 civil rights by continuing its ineffective and wasteful past marijuana
18 enforcement policies.

19
20 3. (New section) Definitions.

21 As used in P.L. , c. (C.) (pending before the Legislature
22 as this bill) regarding the personal use of cannabis, unless the
23 context otherwise requires:

24 "Alternative treatment center" means an entity issued a permit to
25 engage in activities associated with medical cannabis pursuant to
26 the "Jake Honig Compassionate Use Medical Cannabis Act,"
27 P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-
28 12.22 et al.).

29 "Cannabis" means all parts of the plant Genus Cannabis L.,
30 whether growing or not, the seeds thereof, and every compound,
31 manufacture, salt, derivative, mixture, or preparation of the plant or
32 its seeds, except those containing resin extracted from the plant,
33 which are cultivated and, when applicable, processed in accordance
34 with P.L. , c. (C.) (pending before the Legislature as this
35 bill) for use in cannabis items as set forth in this act, but shall not
36 include the weight of any other ingredient combined with cannabis
37 to prepare topical or oral administrations, food, drink, or other
38 product. "Cannabis" does not include medical cannabis dispensed
39 to registered qualifying patients pursuant to the "Jake Honig
40 Compassionate Use Medical Cannabis Act," P.L.2009, c.307
41 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.),
42 marijuana as defined in N.J.S.2C:35-2 and applied to any offense or
43 civil violation set forth in chapters 35, 35A, and 36 of Title 2C of
44 the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.),
45 or marihuana as defined in section 2 of P.L.1970, c.226 (C.24:21-2)
46 and applied to any offense of the "New Jersey Controlled
47 Dangerous Substances Act," P.L.1970, c.226 (C.24:21-1 et al.).

48 "Cannabis consumption area" means a designated location
49 operated by a cannabis retailer or alternative treatment center, for

1 which both a State and local endorsement has been obtained, that is
2 either: (1) an indoor, structurally enclosed area of a cannabis
3 retailer or alternative treatment center that is separate from the area
4 in which retail sales of cannabis items or the dispensing of medical
5 cannabis occurs; or (2) an exterior structure on the same premises
6 as the cannabis retailer or alternative treatment center, either
7 separate from or connected to the retailer or center, at which
8 cannabis items or medical cannabis either obtained from the retailer
9 or center, or brought by a person to the consumption area, may be
10 consumed.

11 "Cannabis establishment" means a cannabis grower, also referred
12 to as a cannabis cultivation facility, a cannabis processor, also
13 referred to as a cannabis product manufacturing facility, a cannabis
14 wholesaler, or a cannabis retailer.

15 "Cannabis extract" means a substance obtained by separating
16 resins from cannabis by: (1) a chemical extraction process using a
17 hydrocarbon-based solvent, such as butane, hexane, or propane; (2)
18 a chemical extraction process using the hydrocarbon-based solvent
19 carbon dioxide, if the process uses high heat or pressure; or (3) any
20 other process identified by the commission by rule.

21 "Cannabis flower" means the flower of the plant Genus Cannabis
22 L. within the plant family Cannabaceae.

23 "Cannabis grower" means any licensed person or entity that
24 grows, cultivates, or produces cannabis in this State, and may sell
25 this cannabis to other cannabis growers, cannabis processors,
26 cannabis wholesalers, or cannabis retailers, but not to consumers.
27 This person or entity shall hold a Class 1 Cannabis Grower license.
28 A cannabis grower may also be referred to as a "cannabis
29 cultivation facility."

30 "Cannabis item" means any cannabis, cannabis resin, cannabis
31 product, and cannabis extract. "Cannabis item" does not include any
32 form of medical cannabis dispensed to registered qualifying patients
33 pursuant to the "Jake Honig Compassionate Use Medical Cannabis
34 Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158
35 (C.18A:40-12.22 et al.).

36 "Cannabis leaf" means the leaf of the plant genus Genus
37 Cannabis L. within the plant family Cannabaceae.

38 "Cannabis paraphernalia" means any equipment, products, or
39 materials of any kind which are used, intended for use, or designed
40 for use in planting, propagating, cultivating, growing, harvesting,
41 composting, manufacturing, compounding, converting, producing,
42 processing, preparing, testing, analyzing, packaging, repackaging,
43 storing, vaporizing, or containing cannabis, or for ingesting,
44 inhaling, or otherwise introducing cannabis into the human body.
45 "Cannabis paraphernalia" does not include drug paraphernalia as
46 defined in N.J.S.2C:36-1 and which is used or intended for use to
47 commit a violation of chapter 35 of Title 2C of the New Jersey
48 Statutes.

1 “Cannabis processor” means any licensed person or entity that
2 processes cannabis items in this State by purchasing cannabis,
3 manufacturing, preparing, and packaging cannabis items, and
4 selling these items to other cannabis processors, cannabis
5 wholesalers, or cannabis retailers, but not to consumers. This
6 person or entity shall hold a Class 2 Cannabis Processor license. A
7 cannabis processor may also be referred to as a “cannabis product
8 manufacturing facility.”

9 “Cannabis product” means a product containing cannabis or
10 cannabis extracts and other ingredients intended for human
11 consumption or use, including a product intended to be applied to the
12 skin or hair, edible products, ointments, and tinctures. Cannabis
13 products do not include: (1) cannabis by itself; or (2) cannabis extract
14 by itself.

15 “Cannabis Regulatory Commission” means the commission
16 established in but not of the Department of the Treasury.

17 “Cannabis resin” means the resin extracted from any part of the
18 plant Genus Cannabis L. and any compound, manufacture, salt,
19 derivative, mixture, or preparation of such resin, processed and used in
20 accordance with P.L. , c. (C.) (pending before the Legislature
21 as this bill). “Cannabis resin” does not include any form of medical
22 cannabis dispensed to registered qualifying patients pursuant to the
23 “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009,
24 c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.),
25 hashish as defined in N.J.S.2C:35-2 and applied to any offense or civil
26 violation set forth in chapters 35, 35A, and 36 of Title 2C of the New
27 Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined
28 in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense
29 of the “New Jersey Controlled Dangerous Substances Act,” P.L.1970,
30 c.226 (C.24:21-1 et al.).

31 “Cannabis retailer” means any licensed person or entity that
32 purchases cannabis from cannabis growers and cannabis items from
33 cannabis processors or cannabis wholesalers, and sells these to
34 consumers from a retail store. This person or entity shall hold a
35 Class 4 Cannabis Retailer license.

36 “Cannabis testing facility” means an independent, third-party entity
37 meeting accreditation requirements established by the commission that
38 is licensed to analyze and certify cannabis items for compliance with
39 applicable health, safety, and potency standards.

40 “Cannabis wholesaler” means any licensed person or entity that
41 sells cannabis items for the purpose of resale either to another cannabis
42 wholesaler or to a cannabis retailer. This person or entity shall hold a
43 Class 3 Cannabis Wholesaler license.

44 “Conditional license” means a temporary license designated as
45 either a Class 1 Cannabis Grower license, a Class 2 Cannabis
46 Processor license, a Class 3 Cannabis Wholesaler license, or a Class 4
47 Cannabis Retailer license that allows the holder to lawfully act as a
48 cannabis grower, cannabis processor, cannabis wholesaler, or cannabis
49 retailer, as the case may be, which is issued pursuant to an abbreviated

1 application process, after which the conditional license holder shall
2 have a limited period of time in which to become fully licensed by
3 satisfying all of the remaining conditions for licensure which were not
4 required for the issuance of the conditional license.

5 “Consumer” means a person 21 years of age or older who
6 purchases, acquires, owns, holds, or uses cannabis items for personal
7 use by a person 21 years of age or older, but not for resale to others.

8 “Consumption” means the act of ingesting, inhaling, or otherwise
9 introducing cannabis items into the human body.

10 “Delivery” means the transportation of cannabis items and
11 related supplies to a consumer. “Delivery” also includes the use by
12 a licensed cannabis retailer of any third party technology platform
13 to receive, process, and fulfill orders by consumers, provided that
14 any physical acts in connection with filling the order and delivery
15 shall be accomplished by a certified cannabis handler performing
16 work for or on behalf of the licensed cannabis retailer.

17 “Department” means the Department of Health.

18 “Director” means the Director of the Office of Minority,
19 Disabled Veterans, and Women Cannabis Business Development in
20 the Cannabis Regulatory Commission.

21 “Executive director” means the executive director of the
22 Cannabis Regulatory Commission.

23 “Financial consideration” means value that is given or received
24 either directly or indirectly through sales, barter, trade, fees,
25 charges, dues, contributions, or donations.

26 “Immature cannabis plant” means a cannabis plant that is not
27 flowering.

28 “Impact zone” means any local governmental entity, based on
29 past criminal marijuana enterprises contributing to higher
30 concentrations of law enforcement activity, unemployment, and
31 poverty within parts of or throughout the entity, that:

32 (1) has a population of 120,000 or more according to the most
33 recently compiled federal decennial census as of the effective date
34 of P.L. , c. (C.) (pending before the Legislature as this bill);
35 or

36 (2) ranks in the top 33 percent of local governmental entities in
37 the State for marijuana- or hashish-related arrests for violation of
38 paragraph (4) of subsection a. of N.J.S.2C:35-10 in the calendar
39 year next preceding the effective date of P.L. , c. (C.)
40 (pending before the Legislature as this bill); has a crime index total
41 of 1,000 or higher based upon the indexes listed in the most
42 recently issued annual Uniform Crime Report by the Division of
43 State Police as of that effective date; and has a local governmental
44 entity average annual unemployment rate that ranks in the top 15
45 percent of all local governmental entities for the calendar year next
46 preceding that effective date, based upon average annual
47 unemployment rates estimated for the relevant calendar year by the
48 Office of Research and Information in the Department of Labor and
49 Workforce Development.

1 “Jake Honig Compassionate Use Medical Cannabis Act” includes
2 all provisions of P.L.2009, c.307 (C.24:6I-1 et al.), as amended and
3 supplemented by P.L. , c. (C.) (pending before the Legislature
4 as the Second Reprint of Assembly Committee Substitute combining
5 Assembly Bill No. 10 and the previous Assembly Committee
6 Substitute for Assembly Bill Nos. 3740 and 3437), as well as all
7 provisions of P.L.2009, c.307 (C.24:6I-1 et al.) in effect on the date
8 next preceding the effective date of P.L. , c. (C.) (pending
9 before the Legislature as the Second Reprint of Assembly Committee
10 Substitute combining Assembly Bill No. 10 and the previous
11 Assembly Committee Substitute for Assembly Bill Nos. 3740 and
12 3437) until the date those provisions are amended or supplemented.

13 “License” means a license issued under P.L. , c. (C.)
14 (pending before the Legislature as this bill) that is designated as either
15 a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor
16 license, a Class 3 Cannabis Wholesaler license, or a Class 4 Cannabis
17 Retailer license. The term includes a conditional license for a
18 designated class, except when the context of the provisions of
19 P.L. , c. (C.) (pending before the Legislature as this bill)
20 otherwise intend to only apply to a license and not a conditional
21 license.

22 “Licensee” means a person or entity that holds a license issued
23 under P.L. , c. (C.) (pending before the Legislature as this
24 bill) that is designated as either a Class 1 Cannabis Grower license,
25 a Class 2 Cannabis Processor license, a Class 3 Cannabis
26 Wholesaler license, or a Class 4 Cannabis Retailer license, and
27 includes a person or entity that holds a conditional license for a
28 designated class, except when the context of the provisions of
29 P.L. , c. (C.) (pending before the Legislature as this bill)
30 otherwise intend to only apply to a person or entity that holds a
31 license and not a conditional license.

32 “Licensee representative” means an owner, director, officer,
33 manager, employee, agent, or other representative of a licensee, to
34 the extent that the person acts in a representative capacity.

35 “Local governmental entity” means a municipality.

36 “Mature cannabis plant” means a cannabis plant that is not an
37 immature cannabis plant.

38 “Medical cannabis” means cannabis dispensed to registered
39 qualifying patients pursuant to the “Jake Honig Compassionate Use
40 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and
41 P.L.2015, c.158 (C.18A:40-12.22 et al.), as both are amended and
42 supplemented by P.L. , c. (C.) (pending before the
43 Legislature as the Second Reprint of Assembly Committee
44 Substitute combining Assembly Bill No. 10 and the previous
45 Assembly Committee Substitute for Assembly Bill Nos. 3740 and
46 3437), and includes medical marijuana dispensed under those acts
47 prior to the provisions of P.L. , c. (C.) (pending before the
48 Legislature as the Second Reprint of Assembly Committee
49 Substitute combining Assembly Bill No. 10 and the previous

1 Assembly Committee Substitute for Assembly Bill Nos. 3740 and
2 3437) taking effect. “Medical cannabis” does not include any
3 cannabis item which is cultivated, produced, processed, and
4 consumed pursuant to P.L. , c. (C.) (pending before the
5 Legislature as this bill).

6 “Microbusiness” means a person or entity licensed by the
7 commission as a cannabis grower, cannabis processor, cannabis
8 wholesaler, or cannabis retailer that may only, with respect to its
9 business operations, and capacity and quantity of product: (1)
10 employ no more than 10 employees; (2) operate a cannabis
11 establishment occupying an area of no more than 2,500 square feet,
12 and in the case of a cannabis grower, grow cannabis on an area no
13 more than 2,500 square feet measured on a horizontal plane and
14 grow above that plane not higher than 24 feet; (3) possess no more
15 than 1,000 cannabis plants each month; (4) acquire and process
16 each month, in the case of a cannabis processor, no more than 1,000
17 pounds of cannabis in dried form; (5) acquire for resale each month,
18 in the case of a cannabis wholesaler, no more than 1,000 pounds of
19 cannabis in dried form, or the equivalent amount in any other form,
20 or any combination thereof; and (6) acquire for retail sale each
21 month, in the case of a cannabis retailer, no more than 1,000 pounds
22 of cannabis in dried form, or the equivalent amount in any other
23 form, or any combination thereof.

24 “Noncommercial” means not dependent or conditioned upon the
25 provision or receipt of financial consideration.

26 “Premises” or “licensed premises” includes the following areas
27 of a location licensed under P.L. , c. (C.) (pending before
28 the Legislature as this bill): all public and private enclosed areas at
29 the location that are used in the business operated at the location,
30 including offices, kitchens, rest rooms, and storerooms; all areas
31 outside a building that the commission has specifically licensed for
32 the production, processing, wholesaling, or retail sale of cannabis
33 items; and, for a location that the commission has specifically
34 licensed for the production of cannabis outside a building, the entire
35 lot or parcel that the licensee owns, leases, or has a right to occupy.

36 “Process” means the processing, compounding, or conversion of
37 cannabis into cannabis products or cannabis extracts. “Process”
38 does not include packaging or labeling.

39 “Produce” means the manufacture, planting, cultivation, growing
40 or harvesting of cannabis. “Produce” does not include the drying of
41 cannabis by a cannabis processor, if the cannabis processor is not
42 otherwise producing cannabis; or the cultivation and growing of an
43 immature cannabis plant by a cannabis processor, cannabis
44 wholesaler, or cannabis retailer if the cannabis processor, cannabis
45 wholesaler, or cannabis retailer purchased or otherwise received the
46 plant from a licensed cannabis grower.

47 “Public place” means any place to which the public has access
48 that is not privately owned; or any place to which the public has
49 access where alcohol consumption is not allowed, including, but not

1 limited to, a public street, road, thoroughfare, sidewalk, bridge,
2 alley, plaza, park, playground, swimming pool, shopping area,
3 public transportation facility, vehicle used for public transportation,
4 parking lot, public library, or any other public building, structure, or
5 area.

6 “Radio” means a system for transmitting sound without visual
7 images, and includes broadcast, cable, on-demand, satellite, or
8 Internet programming. “Radio” includes any audio programming
9 downloaded or streamed via the Internet.

10 “Significantly involved person” means a person or entity who
11 holds at least a five percent investment interest in a proposed or
12 licensed cannabis grower, cannabis processor, cannabis wholesaler,
13 or cannabis retailer, or who is a decision making member of a group
14 that holds at least a 20 percent investment interest in a proposed or
15 licensed cannabis grower, cannabis processor, cannabis wholesaler,
16 or cannabis retailer in which no member of that group holds more
17 than a five percent interest in the total group investment interest,
18 and the person or entity makes controlling decisions regarding the
19 proposed or licensed cannabis grower, cannabis processor, cannabis
20 wholesaler, or cannabis retailer operations.

21 “Television” means a system for transmitting visual images and
22 sound that are reproduced on screens, and includes broadcast, cable,
23 on-demand, satellite, or Internet programming. “Television”
24 includes any video programming downloaded or streamed via the
25 Internet.

26 “THC” means delta-9-tetrahydrocannabinol, the main
27 psychoactive chemical contained in the cannabis plant.

28
29 4. (New section) Personal Use of Cannabis or Cannabis Resin.

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

34 a. Possessing, displaying, purchasing, or transporting: cannabis
35 paraphernalia; one ounce (28.38 grams) or less of cannabis; the
36 equivalent of one ounce (28.38 grams) or less of cannabis infused
37 product in solid, liquid, or concentrate form, based upon an
38 equivalency calculation for different product forms set by the
39 commission in its regulations, and for which the commission may
40 utilize research conducted in other states on the issue of product
41 equivalency calculations when setting this equivalency; or five
42 grams (0.176 ounces) or less of cannabis resin. Possessing,
43 displaying, purchasing, or transporting at any one time any amount
44 of cannabis or cannabis resin in an amount greater than as permitted
45 pursuant to this subsection, or an infused product in solid, liquid, or
46 concentrate form with more than the equivalency permitted
47 pursuant to this subsection shall be considered a violation of the
48 “Comprehensive Drug Reform Act of 1987,” P.L.1987, c.106
49 (N.J.S.2C:35-1 et al.), and subject the person to a civil penalty or

1 prosecution as if the person possessed, displayed, purchased, or
2 transported marijuana or hashish in violation of that act;

3 b. Transferring without remuneration: one ounce (28.38 grams)
4 or less of cannabis; the equivalent of one ounce (28.38 grams) or
5 less of cannabis infused product in solid, liquid, or concentrate
6 form, based upon the equivalency calculation for different product
7 forms set by the commission pursuant to subsection a. of this
8 section; or five grams (0.176 ounces) or less of cannabis resin to a
9 person who is of legal age for purchasing cannabis items, provided
10 that such transfer is for non-promotional, non-business purposes.
11 Transferring at any one time any amount of cannabis or cannabis
12 resin in an amount greater than as permitted pursuant to this
13 subsection, or an infused product in solid, liquid, or concentrate
14 form with more than the equivalency permitted pursuant to this
15 subsection, or to a person who is not of legal age to purchase
16 cannabis items, shall be considered a violation of the
17 “Comprehensive Drug Reform Act of 1987,” P.L.1987, c.106
18 (N.J.S.2C:35-1 et al.), and subject the person to prosecution as if
19 the person distributed marijuana or hashish in violation of that act,
20 unless the transfer to a person who is not of legal age was done by a
21 cannabis establishment licensed pursuant to P.L. , c. (C.)
22 (pending before the Legislature as this bill), or an employee or
23 agent thereof, in which case it is a civil violation and the civil
24 penalty set forth in subsection b. of section 6 of P.L. ,
25 c. (C.) (pending before the Legislature as this bill) shall
26 apply;

27 c. Consumption of a lawfully possessed cannabis item,
28 provided that nothing in this section shall permit a person to smoke
29 or otherwise consume any cannabis item in a public place. This
30 prohibition includes the smoking of a cannabis item in any public
31 place pursuant to law that prohibits the smoking of tobacco,
32 including N.J.S.2C:33-13 and the “New Jersey Smoke-Free Air
33 Act,” P.L.2005, c.383 (C.26:3D-55 et seq.), and any indoor public
34 place, as that term is defined in section 3 of P.L.2005, c.383
35 (C.26:3D-57), or portion thereof, even if the smoking of tobacco is
36 otherwise permitted in that place or portion thereof pursuant to the
37 “New Jersey Smoke-Free Air Act”; except that the smoking of a
38 cannabis item shall be permitted in a cannabis consumption area as
39 set forth in section 82 of P.L. , c. (C.) (pending before the
40 Legislature as this bill), and may be permitted by the person or
41 entity that owns or controls a hotel, motel, or other lodging
42 establishment as defined in section 1 of P.L.1967, c.95 (C.29:4-5)
43 in up to 20 percent of its guest rooms. The smoking of a cannabis
44 item may also be prohibited or otherwise regulated in multifamily
45 housing that is a multiple dwelling as defined in section 3 of
46 P.L.1967, c.76 (C.55:13A-3), as decided by the person or entity that
47 owns or controls the multifamily housing, or prohibited or
48 otherwise regulated in the units of a condominium, as those terms
49 are defined by section 3 of P.L.1969, c.257 (C.46:8B-3), if

1 approved by the association for the condominium and a majority of
2 all of the condominium's unit owners, as those terms are defined in
3 that section. Except as otherwise provided by P.L. , c. (C.)
4 (pending before the Legislature as this bill), any penalties that may
5 be assessed for the smoking of tobacco where prohibited under the
6 "New Jersey Smoke-Free Air Act" shall be applicable to the
7 smoking of cannabis where prohibited. Concerning the
8 consumption of any cannabis item, other than by smoking: a person
9 or entity that owns or controls a property, other than multifamily
10 housing that is a multiple dwelling as defined in section 3 of
11 P.L.1967, c.76 (C.55:13A-3), a unit of a condominium, as those
12 terms are defined by section 3 of P.L.1969, c.257 (C.46:8B-3), or a
13 site in a mobile home park as defined in section 3 of P.L.1983, c.386
14 (C.40:55D-102), which site is leased to the owner of a manufactured
15 home, as defined in that section, that is installed thereon, may prohibit
16 or otherwise regulate the consumption of cannabis items on or in
17 that property, including a casino hotel facility as defined in section
18 19 of P.L.1977, c.110 (C.5:12-19) with respect to a hotel property, a
19 casino as defined in section 6 of P.L.1977, c.110 (C.5:12-6), or
20 casino simulcasting facility authorized pursuant to the "Casino
21 Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.); and a local
22 governmental entity may enact an ordinance making it an unlawful
23 act for any person 21 years of age or older to consume, other than
24 by smoking, any cannabis item in a public place, including any
25 indoor public place as that term is defined in section 3 of P.L.2005,
26 c.383 (C.26:3D-57), or portion thereof, and providing a civil
27 penalty for a violation in accordance with section 57 of P.L. ,
28 c. (C.) (pending before the Legislature as this bill); and

29 d. Assisting another person to engage in any of the acts
30 described in subsections a. through c. of this section, provided that
31 the person being assisted is of legal age to purchase cannabis items and
32 the assistance being provided is without remuneration.

33
34 5. (New section) Lawful Operation of Cannabis Establishments.

35 Notwithstanding any other provision of law, the following acts
36 are not unlawful and shall not be a criminal offense or a basis for
37 seizure or forfeiture of assets under N.J.S.2C:64-1 et seq. or other
38 applicable law for persons 21 years of age or older, provided the acts
39 are undertaken by a person acting within the scope of authority
40 provided by a license or certification issued pursuant to P.L. ,
41 c. (C.) (pending before the Legislature as this bill):

42 a. manufacturing, possessing, or purchasing cannabis
43 paraphernalia or the sale of cannabis paraphernalia to a person who
44 is 21 years of age or older;

45 b. possessing, displaying, or transporting cannabis items;
46 purchasing cannabis from a cannabis cultivation facility; purchasing
47 cannabis items from a cannabis product manufacturing facility; or
48 selling cannabis items to consumers, if the person conducting the
49 activities described in this subsection has obtained a current, valid

1 license to operate as a cannabis retailer or is acting in his capacity as
2 an owner, employee, or agent of a licensed cannabis retailer;

3 c. cultivating, harvesting, processing, packaging, transporting,
4 displaying, or possessing cannabis; delivering or transferring
5 cannabis to a cannabis testing facility; selling cannabis to a cannabis
6 cultivation facility, a cannabis product manufacturing facility, or a
7 cannabis retailer; or purchasing cannabis from a cannabis cultivation
8 facility, if the person conducting the activities described in this
9 subsection has obtained a current, valid license to operate a cannabis
10 cultivation facility or is acting in his capacity as an owner,
11 employee, or agent of a licensed cannabis cultivation facility;

12 d. packaging, processing, transporting, manufacturing,
13 displaying, or possessing cannabis items; delivering or transferring
14 cannabis items to a cannabis testing facility; selling cannabis items
15 to a cannabis retailer or a cannabis product manufacturing facility;
16 purchasing cannabis from a cannabis cultivation facility; or
17 purchasing cannabis items from a cannabis product manufacturing
18 facility, if the person conducting the activities described in this
19 subsection has obtained a current, valid license to operate a cannabis
20 product manufacturing facility or is acting in his capacity as an
21 owner, employee, or agent of a licensed cannabis product
22 manufacturing facility;

23 e. possessing, cultivating, processing, repackaging, storing,
24 transporting, displaying, transferring, or delivering cannabis items if
25 the person has obtained a current, valid license to operate a cannabis
26 testing facility or is acting in his capacity as an owner, employee, or
27 agent of a licensed cannabis testing facility; and

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

32
33 6. (New section) Prohibition of Persons Under the Legal Age
34 Purchasing Cannabis or Cannabis Resin.

35 a. Except as authorized by the “Jake Honing Compassionate
36 Use Medical Cannabis Act, P.L.2009, c.307 (C.24:6I-1 et al.) and
37 P.L.2015, c.158 (C.18A:40-12.22 et al.), no licensee, either directly
38 or indirectly by an agent or employee, shall sell, offer for sale,
39 distribute for commercial purpose at no cost or minimal cost, give,
40 or furnish, to a person under 21 years of age, any cannabis items.

41 b. Any licensee or employee or agent of a licensee who allows
42 a person under the age of 21 to procure cannabis items which,
43 pursuant to section 4 of P.L. , c. (C.) (pending before the
44 Legislature as this bill) are not unlawful for persons 21 years of age
45 or older to procure for personal use, shall be subject to a civil
46 penalty of not less than \$250 for the first violation; \$500 for the
47 second violation; and \$1,000 for the third and each subsequent
48 violation; in addition, subject to a hearing, a licensee’s license may
49 be revoked, suspended, or otherwise limited. The penalties provided

1 for in this subsection shall be recovered by a summary proceeding
2 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274
3 (C.2A:58-10 et seq.).

4 c. The establishment of all of the following facts by a licensee,
5 employee, or agent, allowing any such person under the age of 21 to
6 procure cannabis items shall constitute a defense to any violation of
7 the provisions of subsection a. or b. of this section:

8 (1) That the purchaser of the cannabis item falsely represented
9 that the person was of legal age to make the purchase, by producing
10 either a United States passport; driver's license or non-driver
11 identification card issued by the New Jersey Motor Vehicle
12 Commission; a driver's license issued pursuant to the laws of
13 another state; or any other identification card issued by a state or the
14 United States that bears a picture of the person, the name of the
15 person, the person's date of birth, and a physical description of the
16 person; and

17 (2) That the sale or distribution was made in good faith, relying
18 upon the production of the identification in paragraph (1) of this
19 subsection and in the reasonable belief that the purchaser or
20 recipient was actually of legal age to make the purchase.

21 d. It shall be unlawful for a person under the age of 21 to
22 purchase, acquire, or attempt to purchase or acquire a cannabis item,
23 even if the cannabis item may be legally purchased by persons at or
24 above the legal age for purchasing cannabis items.

25 For purposes of this subsection, purchasing a cannabis item
26 includes accepting a cannabis item, and acquiring a cannabis item
27 includes consuming a cannabis item.

28 e. It shall be unlawful for a person under the age of 21 to
29 present or offer to a cannabis establishment or the cannabis
30 establishment's agent or employee any written or oral evidence of
31 age or other personal identifying information that is false, fraudulent,
32 or not actually the person's own, including the use of a driver's
33 license or other government-issued form of identification in violation
34 of section 1 of P.L.1983, c.565 (C.2C:21-2.1), N.J.S.2C:21-17, section
35 5 of P.L.2003, c.184 (C.2C:21-17.2), or section 6 of P.L.1968, c.313
36 (C.33:1-81.7), for the purpose of:

37 (1) Purchasing, attempting to purchase, or otherwise procuring
38 or attempting to procure cannabis items; or

39 (2) Gaining access to a cannabis establishment.

40 f. Except as permitted by the commission by rule or regulation,
41 or as necessary on an emergency basis, a person under legal age for
42 purchasing cannabis items may not enter or attempt to enter any
43 portion of a licensed premises that is posted or otherwise identified
44 as being prohibited to the use of persons under legal age for
45 purchasing cannabis items, unless accompanied by and supervised
46 by a parent or legal guardian.

47 g. Any person under the legal age to purchase cannabis, who
48 knowingly possesses without legal authority or who knowingly
49 consumes any cannabis item, in any school, public conveyance,

1 public place, place of public assembly, or motor vehicle, shall be
2 guilty of an offense as set forth in section 1 of P.L.1979, c.264
3 (C.2C:33-15). Any person under the legal age to purchase
4 cannabis, who knowingly possesses without legal authority or who
5 knowingly consumes, any cannabis item on private property shall
6 be guilty of a municipal violation as set forth in section 1 of
7 P.L.2000, c.33 (C.40:48-1.2).

8 h. The prohibitions of this section do not apply to a person
9 under the legal age for purchasing cannabis items who is acting
10 under the direction of the commission or under the direction of
11 State or local law enforcement agencies for the purpose of
12 investigating possible violations of the laws prohibiting the sale of
13 cannabis items to persons who are under the legal age for
14 purchasing cannabis items.

15 i. The prohibitions of this section do not apply to a person
16 under the legal age for purchasing cannabis items who is acting
17 under the direction of a licensee for the purpose of investigating
18 possible violations by employees of the licensee of laws prohibiting
19 sales of cannabis items to persons who are under the legal age for
20 purchasing cannabis items.

21
22 7. (New section) Creation, Powers, and Duties of the Cannabis
23 Regulatory Commission.

24 The Cannabis Regulatory Commission is hereby created in, but
25 not of, the Department of the Treasury, to oversee the development,
26 regulation, and enforcement of activities associated with the
27 personal use of cannabis pursuant to P.L. , c. (C.) (pending
28 before the Legislature as this bill), and assume responsibility from
29 the Department of Health for the further development and
30 expansion, regulation, and enforcement of activities associated with
31 the medical use of cannabis pursuant to the “Jake Honig
32 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
33 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.).

34 a. (1) (a) The commission shall consist of five members, one
35 of whom shall be designated by the Governor as the chair, and one of
36 whom shall be designated the vice-chair in accordance with the
37 appointment process set forth in paragraph (4) of this subsection.
38 Initially, the chair and two other members shall be appointed by the
39 Governor, one member shall be appointed by the Governor upon the
40 recommendation of the Senate President, and one member shall be
41 appointed by the Governor upon the recommendation of the
42 Speaker of the General Assembly. Thereafter, any subsequent
43 appointment as the chair or as any other commission member without
44 any needed recommendation, including the reappointment of the initial
45 chair or another initial member, shall be an appointment by the
46 Governor, with the advice and consent of the Senate. The subsequent
47 appointments based upon the recommendation of the Senate President
48 and Speaker of the General Assembly shall be done in the same
49 manner as the initial appointment.

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

12 (2) The chair and the other members shall serve for terms of five
13 years; provided that for the two other members initially appointed
14 by the Governor without any needed recommendation, one shall be
15 appointed for a term of four years, and one shall be appointed for a
16 term of three years. The chair and the other members shall serve in
17 their respective capacities throughout their entire term and until
18 their successors shall have been duly appointed and qualified. Any
19 vacancy in the commission occurring for any reason other than the
20 expiration of a term, including a vacancy occurring during the term of
21 the initial chair or another initial member, shall be filled for the
22 unexpired term only in the same manner as the appointment of any
23 subsequent chair or other member as set forth in subparagraph (a) of
24 paragraph (1) of this subsection.

25 (3) The chair and other members of the commission shall devote
26 full time to their respective duties of office and shall not pursue or
27 engage in any other business, occupation, or gainful employment.
28 Each member shall receive an annual salary to be fixed and
29 established by the Governor, which for the chair shall not exceed
30 \$141,000, and for the other members shall not exceed \$125,000.

31 (4) The members of the commission, at the commission's first
32 meeting when called by the chair, shall elect, by a majority of the
33 total authorized membership of the commission, one of the
34 members who is appointed based upon the recommendation of the
35 Senate President or Speaker of the General Assembly as set forth in
36 subparagraph (a) of paragraph (1) of this subsection to serve as
37 vice-chair during that members term. A new vice-chair shall be
38 elected upon the expiration of the current vice-chair's term, even if
39 that member remains on the commission until that member's
40 successor is duly appointed and qualified. The vice-chair shall be
41 empowered to carry out all of the responsibilities of the chair during
42 the chair's absence, disqualification, or inability to serve.

43 (5) A majority of the total authorized membership of the
44 commission shall be required to establish a quorum, and a majority
45 of the total authorized membership of the commission shall be
46 required to exercise its powers at any meeting thereof. However,
47 only if all five commissioners have been duly appointed in
48 accordance with the appointment process set forth in subsection a.
49 of this section, and five appointed commissioners are present at a

1 meeting, can a majority of the total authorized membership act to
2 adopt the commission's initial rules and regulations pursuant to
3 subparagraph (a) of paragraph (1) of subsection d. of section 8 of
4 P.L. , c. (C.) (pending before the Legislature as this bill), by
5 which the licensing of cannabis establishments, and the lawfully
6 permitted licensing activities of those establishments, may begin.

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

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

13 b. (1) The commission may establish, and from time to time
14 alter, a plan of organization, and employ personnel as it deems
15 necessary under the direct supervision of a full-time executive
16 director for the commission. The plan of organization shall include
17 the Office of Minority, Disabled Veterans, and Women Cannabis
18 Business Development established by section 9 of P.L. ,
19 c. (C.) (pending before the Legislature as this bill).

20 (a) The initial executive director shall be appointed by the
21 Governor, and thereafter every subsequent executive director shall be
22 appointed by the Governor with the advice and consent of the
23 Senate. The executive director shall serve at the pleasure of the
24 appointing Governor during the Governor's term of office and until
25 a successor has been duly appointed and qualified. Any vacancy in
26 the office occurring for any reason other than the expiration of a
27 term, including a vacancy occurring during the term of the initial
28 executive director, shall be filled for the unexpired term only in the
29 same manner as the appointment of any subsequent executive
30 director as set forth herein. The executive director shall receive an
31 annual salary to be fixed and established by the Governor, which
32 shall be at an amount not to exceed the annual salary of a member
33 of the commission not serving as chair, as set forth in paragraph (3)
34 of subsection a. of this section.

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

41 (ii) If, as a result of the transfer of duties and responsibilities
42 from the Department of Health to the commission in accordance
43 with P.L. , c. (C.) (pending before the Legislature as this
44 bill) and the "Jake Honig Compassionate Use Medical Cannabis
45 Act," P.L.2009, c.307 (C.24:6I-1 et al.) on or after the effective date
46 of P.L. , c. (C.) (pending before the Legislature as the
47 Second Reprint of Assembly Committee Substitute combining
48 Assembly Bill No. 10 and the previous Assembly Committee
49 Substitute for Assembly Bill Nos. 3740 and 3437), the commission

1 needs to employ an individual to fill a position, employees of the
2 department who performed the duties of the position to be filled
3 shall be given a one-time right of first refusal offer of employment
4 with the commission, and such employees may be removed by the
5 commission for cause or if deemed unqualified to hold the position,
6 notwithstanding any other provision of law to the contrary. A
7 department employee who becomes employed by the commission
8 shall retain as an employee of the commission the seniority, and all
9 rights related to seniority, that the employee had with the
10 department as of the last day of employment with the department;
11 provided, however, that such seniority and seniority rights shall be
12 retained only by an employee who was transferred from
13 employment with the department to employment with the
14 commission, and shall not be retained by an employee who was
15 removed from employment with the department due to layoff
16 procedures or who resigned from a position with the department
17 prior to being hired by the commission.

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

24 (3) The commission may incur additional expenses within the
25 limits of fund available to it in order to carry out its duties,
26 functions, and powers under P.L. , c. (C.) (pending before
27 the Legislature as this bill), the “Jake Honig Compassionate Use
28 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), and
29 P.L.2015, c.158 (C.18A:40-12.22 et al.).

30 c. With respect to the activities of the commission, neither the
31 President of the Senate or Speaker of the General Assembly shall
32 be permitted to appear or practice or act in any capacity whatsoever
33 before the commission regarding any matter whatsoever, nor shall
34 any member of the immediate family of the Governor, President of
35 the Senate, or Speaker of the General Assembly be permitted to so
36 practice or appear in any capacity whatsoever before the
37 commission regarding any matter whatsoever. As used in this
38 subsection, “immediate family” means the spouse, domestic partner,
39 or partner in a civil union couple, and any dependent child or
40 stepchild, recognized by blood or by law, of the Governor,
41 President of the Senate, or Speaker of the General Assembly, or of
42 the spouse, domestic partner, or partner in a civil union couple
43 residing in the same household as the Governor, President of the
44 Senate, or Speaker of the General Assembly.

45

46 8. (New section) Powers and Duties of the Cannabis
47 Regulatory Commission Concerning Personal Use of Cannabis;
48 Reporting on Commission’s Activities.

1 a. The Cannabis Regulatory Commission shall have all powers
2 necessary or proper to enable it to carry out the commission's
3 duties, functions, and powers under P.L. , c. (C.) (pending
4 before the Legislature as this bill). The jurisdiction, supervision,
5 duties, functions, and powers of the commission extend to any
6 person who buys, sells, produces, processes, transports, or delivers
7 any cannabis items within this State.

8 b. The duties, functions and powers of the commission shall
9 include the following:

10 (1) To regulate the purchase, sale, production, processing,
11 transportation, and delivery of cannabis items in accordance with
12 the provisions of P.L. , c. (C.) (pending before the Legislature as
13 this bill);

14 (2) To grant, refuse, suspend, revoke, cancel, or take actions
15 otherwise limiting licenses or conditional licenses for the sale,
16 processing, or production of cannabis items, or other licenses in
17 regard to cannabis items, and to permit, in the commission's
18 discretion, the transfer of a license between persons;

19 (3) To investigate and aid in the prosecution of every violation
20 of the statutory laws of this State relating to cannabis items and to
21 cooperate in the prosecution of offenders before any State court of
22 competent jurisdiction;

23 (4) To adopt, amend, or repeal regulations as necessary to carry
24 out the intent and provisions of P.L. , c. (C.) (pending before
25 the Legislature as this bill);

26 (5) To exercise all powers incidental, convenient, or necessary
27 to enable the commission to administer or carry out the provisions
28 of P.L. , c. (C.) (pending before the Legislature as this bill), or
29 any other law of this State that charges the commission with a duty,
30 function, or power related to cannabis. Powers described in this
31 paragraph include, but are not limited to:

32 (a) Issuing subpoenas;

33 (b) Compelling attendance of witnesses;

34 (c) Administering oaths;

35 (d) Certifying official acts;

36 (e) Taking depositions as provided by law;

37 (f) Compelling the production of books, payrolls, accounts,
38 papers, records, documents, and testimony; and

39 (g) Establishing fees in addition to the application, licensing,
40 and renewal fees, provided that any fee established by the
41 commission is reasonably calculated not to exceed the cost of the
42 activity for which the fee is charged;

43 (6) To adopt rules regulating and prohibiting the advertising of
44 cannabis items in a manner that is appealing to minors; that
45 promotes excessive use; that promotes illegal activity; or that
46 otherwise presents a significant risk to public health and safety; and

47 (7) To regulate the use of cannabis items for scientific,
48 pharmaceutical, manufacturing, mechanical, industrial, and other
49 purposes.

1 c. The powers of the commission further include the power to
2 purchase, seize, possess, and dispose of cannabis items. The
3 commission may purchase, possess, seize, or dispose of cannabis
4 items as is necessary to ensure compliance with and enforcement of
5 the provisions of P.L. , c. (C.) (pending before the Legislature
6 as this bill), and any rule adopted pursuant thereto. Any State
7 officer, board, commission, corporation, institution, department, or
8 other State body, and any local officer, board, commission,
9 institution, department, or other local government body, that is
10 permitted by the statutory laws of this State to perform a duty,
11 function, or power with respect to a cannabis item, may purchase,
12 possess, seize, or dispose of the cannabis item as the State officer,
13 board, commission, corporation, institution, department or other
14 State body, or the local officer, board, commission, institution,
15 department, or other local government body, considers necessary to
16 ensure compliance with and enforce the applicable statutory law or
17 any rule adopted under the applicable statutory law.

18 d. (1) (a) Within 180 days after the effective date of this
19 section, which takes effect immediately upon enactment of P.L. ,
20 c. (C.) (pending before the Legislature as this bill), or within
21 45 days of all five members of the commission being duly
22 appointed in accordance with the appointment process set forth in
23 paragraph (5) of subsection a. of section 7 of that act (C.),
24 whichever date is later, and notwithstanding the provisions of the
25 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
26 seq.), to the contrary, the commission, after consultation with the
27 Attorney General, State Treasurer, Commissioner of Health, and
28 Commissioner of Banking and Insurance, shall, immediately upon
29 filing proper notice with the Office of Administrative Law, adopt
30 rules and regulations prepared by the commission necessary or
31 proper to enable it to carry out the commission’s duties, functions,
32 and powers with respect to overseeing the development, regulation,
33 and enforcement of activities associated with the personal use of
34 cannabis pursuant to P.L. , c. (C.), and assume
35 responsibility from the Department of Health for the further
36 development and expansion, regulation, and enforcement of
37 activities associated with the medical use of cannabis pursuant to
38 the “Jake Honig Compassionate Use Medical Cannabis Act,”
39 P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-
40 12.22 et al.).

41 (b) The initial rules and regulations adopted pursuant to
42 subparagraph (a) of this paragraph shall be in effect for a period not
43 to exceed one year after the date of filing with the Office of
44 Administrative Law. These rules and regulations shall thereafter be
45 adopted, amended, or readopted, and any subsequent rules and
46 regulations adopted, amended, or readopted, by the commission in
47 accordance with the requirements of the “Administrative Procedure
48 Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), after consultation with
49 other department heads, as the commission deems appropriate.

(2) On the date of adoption of the initial rules and regulations pursuant to subparagraph (a) of paragraph (1) of this subsection, the provisions of P.L. , c. (C.) (pending before the Legislature as this bill) shall become operative, other than those provisions which were operative immediately upon enactment. Subsequent to the date of adoption of the initial rules and regulations, the commission shall determine the first date thereafter on which cannabis retailers issued licenses or conditional licenses may begin retail sales of personal use cannabis items, which latter date shall not be more than 180 days after the commission's adoption of its initial rules and regulations. The commission shall provide every person or entity issued licenses or conditional licenses by the commission with at least 30 days' notice of this date, and shall also provide the 30-day notice to every alternative treatment center deemed to be licensed for personal use cannabis activities pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), as amended by P.L. , c. (C.) (pending before the Legislature as the Second Reprint of Assembly Committee Substitute combining Assembly Bill No. 10 and the previous Assembly Committee Substitute for Assembly Bill Nos. 3740 and 3437), whether or not already engaged in retail sales of personal use cannabis items as permitted prior to the retail sales date established pursuant to this paragraph, as set forth in paragraph (3) of subsection a. of section 30 of P.L. , c. (C.) (pending before the Legislature as this bill).

e. (1) The commission shall biannually report to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) to the Legislature, regarding the commission's regulation and enforcement activities associated with the personal use of cannabis pursuant to P.L. , c. (C.), and the medical use of cannabis pursuant to the "Jake Honig Compassionate Use Medical Cannabis 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.). The biannual report shall include, but is not limited to, information on:

(a) the number of civil penalty citations or arrests or charges for manufacturing, distributing, or possessing or having under control with the intent to distribute marijuana or hashish in violation of paragraph (12) of subsection b. of N.J.S.2C:35-5, or for obtaining or possessing marijuana or hashish in violation of paragraph (4) of subsection a. of N.J.S.2C:35-10, cataloged by the jurisdictions in which the acts resulting in the citations, arrests, or charges occurred, and the race, ethnicity, gender, and age of the persons cited, arrested, or charged;

(b) 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 cannabis or marijuana, 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;

1 (c) the total number of personal use cannabis licenses and
2 medical use cannabis permits issued since the distribution of the
3 previous report to the Governor and Legislature, as well as the
4 number for each class of license and permit issued, and the total
5 number and type of applicants that submitted applications for
6 licenses and permits and whether they were approved, reapproved,
7 or denied;

8 (d) the data compiled by the Office of Minority, Disabled
9 Veterans, and Women Cannabis Business Development pursuant to
10 subsection f. of section 9 of P.L. , c. (C.) (pending before
11 the Legislature as this bill) about participation in the lawful
12 operation of cannabis establishments by persons from socially and
13 economically disadvantaged communities, including minority,
14 disabled veterans', and women's business licensing and business
15 development in the personal use cannabis and medical use cannabis
16 marketplaces, and the data shall include the office's analysis of the
17 total number of licenses and permits applied for and issued since
18 the distribution of the previous report to the Governor and
19 Legislature compared with the total number of minority businesses
20 and women's businesses, as these terms are defined in section 2 of
21 P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans' businesses,
22 as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), that
23 submitted applications for licenses and permits and whether they
24 were approved, reapproved, or denied; and

25 (e) the total amount of tax revenue generated by the State-level
26 taxes on personal use cannabis collected by the State pursuant to
27 section 19 of P.L. , c. (C.) (pending before the Legislature
28 as this bill), and any optional local tax thereon collected by a local
29 governmental entity pursuant to section 21 of that act (C.).

30 (2) Beginning on the third anniversary of the commission's first
31 organizational meeting called by the commission chair pursuant to
32 paragraph (4) of subsection a. of section 7 of P.L. , c. (C.)
33 (pending before the Legislature as this bill), a public research
34 university, as defined in section 3 of P.L.1994, c.48 (C.18A:3B-3),
35 contracted by the commission shall engage in an independent study,
36 reviewing the commission's organization, and regulation and
37 enforcement activities, with a focus on the commission's
38 effectiveness as established and operating as a full time commission
39 pursuant to P.L. , c. (C.) (pending before the Legislature as
40 this bill) and whether a better execution of the laws concerning the
41 personal use of cannabis and medical use of cannabis could be more
42 effectively managed, and more efficiently promoted through a
43 reorganization of the commission, consolidation of the commission
44 within the Department of the Treasury or another Executive Branch
45 department, change to a part-time commission, or the transfer of
46 some or all of the commission's operations elsewhere within the
47 Executive Branch, to begin on the fifth anniversary of the
48 commission's first organizational meeting. The findings of the

1 university's study shall be issued in a report, presented to the
2 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
3 19.1), to the Legislature.

4
5 9. (New section) Office of Minority, Disabled Veterans, and
6 Women Cannabis Business Development; Establishment; Powers
7 and Duties.

8 a. There is hereby established in the commission an Office of
9 Minority, Disabled Veterans, and Women Cannabis Business
10 Development. The office shall be under the immediate supervision of
11 a director. The director of the office shall be appointed by the
12 Governor, and shall serve at the pleasure of the appointing Governor
13 during the Governor's term of office and until a successor has been
14 duly appointed and qualified. Any vacancy in the office occurring for
15 any reason other than the expiration of a term shall be filled for the
16 unexpired term only in the same manner as the original appointment.
17 The director shall receive an annual salary as provided by law which
18 shall be at an amount not to exceed the annual salary of the executive
19 director of the commission.

20 b. (1) The office shall establish and administer, under the
21 direction of the commission, unified practices and procedures for
22 promoting participation in the lawful operation of cannabis
23 establishments and medical cannabis alternative treatment centers
24 by persons from socially and economically disadvantaged
25 communities, including by prospective and existing ownership of
26 minority businesses and women's businesses, as these terms are
27 defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and
28 disabled veterans' businesses as defined in section 2 of P.L.2015,
29 c.116 (C.52:32-31.2), to be licensed as personal use cannabis
30 establishments under P.L. , c. (C.) (pending before the
31 Legislature as this bill) or issued permits for activities concerning
32 the medical use of cannabis under the "Jake Honig Compassionate
33 Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.).
34 These unified practices and procedures shall include the
35 certification and subsequent recertification at regular intervals of a
36 business as a minority or women's business, or a disabled veterans'
37 business, in accordance with eligibility criteria and a certification
38 application process established by the commission through
39 regulation in consultation with the office.

40 (2) The office shall conduct advertising, promotional
41 campaigns, and disseminate information to the public to increase
42 awareness for participation in the lawful operation of cannabis
43 establishments and medical cannabis alternative treatment centers
44 by persons from socially and economically disadvantaged
45 communities, including by prospective and existing ownership of
46 certified minority, women's, and disabled veterans' businesses,
47 concerning the qualifications and application processes for licenses
48 and permits pursuant to P.L. , c. (C.) (pending before the
49 Legislature as this bill) or the "Jake Honig Compassionate Use

1 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.). The
2 office shall sponsor seminars and informational programs, as well
3 as provide information on its Internet website, directed toward those
4 persons and prospective and existing certified businesses which are
5 useful to persons seeking practical information on personal use
6 cannabis or medical cannabis business management, marketing, and
7 other matters.

8 c. (1) The office shall develop, recommend, and implement
9 policies, practices, protocols, standards, and criteria designed to
10 promote the formulation and participation in the lawful operation of
11 cannabis establishments by persons from socially and economically
12 disadvantaged communities, including by prospective or existing
13 ownership of certified minority, women’s, and disabled veterans’
14 businesses, the effectiveness of which measures shall be assessed
15 by considering whether those measures have resulted in not less
16 than 30 percent of the total number of licenses issued by the
17 commission for personal use cannabis establishments under P.L. ,
18 c. (C.) (pending before the Legislature as this bill), and not
19 less than 30 percent of the new permits issued for activities
20 concerning the medical use of cannabis under the “Jake Honig
21 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
22 (C.24:6I-1 et al.) on or after the effective date of P.L. ,
23 c. (C.) (pending before the Legislature as the Second Reprint
24 of Assembly Committee Substitute combining Assembly Bill No.
25 10 and the previous Assembly Committee Substitute for Assembly
26 Bill Nos. 3740 and 3437) being issued to businesses certified in
27 accordance with the certification process established by the office
28 pursuant to paragraph (1) of subsection b. of this section. Of the
29 resulting total number of licenses issued for personal use cannabis
30 establishments and new permits issued for activities concerning the
31 medical use of cannabis, the effectiveness of the office’s policies,
32 practices, protocols, standards, and criteria shall be further assessed
33 by considering whether those measures have resulted in not less
34 than 15 percent of the licenses and permits being issued to certified
35 minority businesses, and not less than 15 percent of the licenses and
36 permits being issued to certified women’s and disabled veterans’
37 businesses.

38 (2) The office shall periodically analyze the number of licenses
39 and permits issued by the commission and compare that analysis to
40 the number of certified minority, women’s, and disabled veterans’
41 businesses that submitted applications for licenses and permits. The
42 office shall make good faith efforts to establish, maintain, and
43 enhance the measures designed to promote the formulation and
44 participation in the lawful operation of cannabis establishments by
45 persons from socially and economically disadvantaged communities
46 consistent with the standards set forth in paragraph (1) of this
47 subsection, and to coordinate and assist the commission with
48 respect to its incorporation of these licensing measures into the
49 application and review process for issuing licenses for personal use

1 cannabis establishments under P.L. , c. (C.) (pending before
2 the Legislature as this bill), and for issuing permits for activities
3 concerning the medical use of cannabis under the “Jake Honig
4 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
5 (C.24:6I-1 et al.) on or after the effective date of P.L. ,
6 c. (C.) (pending before the Legislature as the Second Reprint
7 of Assembly Committee Substitute combining Assembly Bill No.
8 10 and the previous Assembly Committee Substitute for Assembly
9 Bill Nos. 3740 and 3437), as set forth in paragraph (4) of subsection
10 a. of section 17 of P.L. , c. (C.) (pending before the
11 Legislature as this bill).

12 d. The office may review the commission’s measures regarding
13 participation in the lawful operation of cannabis establishments by
14 persons from socially and economically disadvantaged
15 communities, and minority, women’s, and disabled veterans’
16 businesses, and make recommendations for the improvement
17 thereof. The office may consult with experts or other
18 knowledgeable individuals in the public or private sector on any
19 aspect of its mission.

20 e. The office shall make recommendations to the commission
21 on relevant policy and implementation matters concerning
22 participation in the lawful operation of cannabis establishments by
23 persons from socially and economically disadvantaged
24 communities, including by prospective or existing ownership of
25 minority, women’s, and disabled veterans’ businesses, as the office
26 deems appropriate.

27 f. The office shall prepare information regarding its activities
28 pursuant to this section addressing participation in the lawful
29 operation of cannabis establishments by persons from socially and
30 economically disadvantaged communities, including minority,
31 women’s, and disabled veterans’ business development in the retail
32 cannabis and medical cannabis marketplaces, to be incorporated by
33 the commission in its biannual report to the Governor and the
34 Legislature pursuant to subsection e. of section 8 of P.L. ,
35 c. (C.) (pending before the Legislature as this bill).

36
37 10. (New section) Pre-Interest or Pre-Employment Restrictions
38 on Cannabis Regulatory Commission Members and Employees.

39 a. No person shall be appointed to or employed by the
40 commission if, during the period commencing three years prior to
41 appointment or employment, the person held any direct or indirect
42 interest in, or any employment by, any holder of, or applicant for, a
43 cannabis license or permit pursuant to P.L. , c. (C.)
44 (pending before the Legislature as this bill), or the “Jake Honig
45 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
46 (C.24:6I-1 et al.), or which is an entity that employs or uses a
47 certified cannabis handler to perform work for or on behalf of a
48 licensed cannabis establishment; provided, however, that
49 notwithstanding any other provision of P.L. , c. (C.)

1 (pending before the Legislature as this bill) to the contrary, any
2 such person may be appointed to or employed by the commission if
3 the person's prior interest in any such license or permit holder,
4 applicant, or entity involving a certified cannabis handler would
5 not, in the opinion of the commission, interfere with the objective
6 discharge of the person's obligations of appointment or
7 employment, but in no instance shall any person be appointed to or
8 employed by the commission if the person's prior interest in such
9 license or permit holder, applicant, or entity involving a certified
10 cannabis handler constituted a controlling interest in that license or
11 permit holder, or entity; and provided further, however, that
12 notwithstanding any other provision of P.L. , c. (C.)
13 (pending before the Legislature as this bill) to the contrary, any
14 such person may be employed by the commission in a secretarial or
15 clerical position if, in the opinion of the commission, the person's
16 previous employment by, or interest in, any license or permit
17 holder, or entity involving a certified cannabis handler, would not
18 interfere with the objective discharge of the person's employment
19 obligations.

20 b. Prior to appointment or employment, each member of the
21 commission and each employee of the commission shall swear or
22 affirm that he possesses no interest in any business or organization
23 issued a license or permit by the commission, or interest in any
24 business or organization that employs or uses a certified cannabis
25 handler to perform work for or on behalf of a licensed cannabis
26 establishment.

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

40 (2) Each employee of the commission, except for secretarial and
41 clerical personnel, shall file with the State Ethics Commission a
42 financial disclosure statement listing all assets and liabilities,
43 property and business interests, and sources of income of the
44 employee and the employee's spouse, domestic partner, or partner in
45 a civil union couple, as the case may be. Such statement shall be
46 under oath and shall be filed at the time of employment and
47 annually thereafter. Notwithstanding the provisions of subsection
48 (n) of section 10 of P.L.1971, c.182 (C.52:13D-21), only financial

1 disclosure statements filed by a commission employee who is in a
2 policy-making management position shall be posted on the Internet
3 site of the State Ethics Commission.
4

5 11. (New section) Restrictions on Cannabis Regulatory
6 Commission Members and Employees.

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

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

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

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

23 (1) No commission member or employee shall be permitted to
24 enter and engage in any activities, nor have any interest, directly or
25 indirectly, in any cannabis grower, cannabis processor, cannabis
26 wholesaler, or cannabis retailer issued its license by the commission
27 in accordance with P.L. , c. (C.) (pending before the
28 Legislature as this bill), or any alternative treatment center issued
29 its permit by the commission in accordance with the “Jake Honig
30 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
31 (C.24:6I-1 et al.), except in the course of the member’s or
32 employee’s duties.

33 (2) No commission member or employee shall solicit or accept
34 employment from any personal use cannabis license holder or
35 medical cannabis permit holder, or from any applicant for a license
36 or permit, or any entity that employs or uses a certified cannabis
37 handler to perform work for or on behalf of a licensed cannabis
38 establishment, for a period of two years after termination of service
39 with the commission, except as otherwise provided in section 12 of
40 P.L. , c. (C.) (pending before the Legislature as this bill).

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

48 (4) No commission member or employee shall act in the
49 member’s or employee’s official capacity in a matter concerning

1 any personal use cannabis license holder or medical cannabis permit
2 holder, or any applicant for a license or permit, or any entity that
3 employs or uses a certified cannabis handler to perform work for or
4 on behalf of a licensed cannabis establishment, and who is the
5 employer of a spouse, domestic partner, or partner in a civil union
6 couple, or child, parent, or sibling of the commission member or
7 employee when the fact of the employment of the spouse, domestic
8 partner, or partner in a civil union couple, or child, parent, or
9 sibling might reasonably be expected to impair the objectivity and
10 independence of judgment of the commission member or employee.

11 (5) No spouse, domestic partner, or partner in a civil union
12 couple, or child, parent, or sibling of a commission member shall be
13 employed in any capacity by any personal use cannabis license
14 holder or medical cannabis permit holder, or any applicant for a
15 license or permit, or any entity that employs or uses a certified
16 cannabis handler to perform work for or on behalf of a licensed
17 cannabis establishment, nor by any holding, intermediary, or
18 subsidiary company thereof.

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

32 d. No commission member or employee shall have any interest,
33 direct or indirect, in any personal use cannabis license holder or
34 medical cannabis permit holder, or any applicant for a license or
35 permit, or any entity that employs or uses a certified cannabis
36 handler to perform work for or on behalf of a licensed cannabis
37 establishment, during the member's term of office or employee's
38 term of employment.

39 e. Each commission member and employee shall devote his
40 entire time and attention to his duties and shall not pursue any other
41 business or occupation or other gainful employment; provided,
42 however, that secretarial and clerical personnel may engage in such
43 other gainful employment as shall not interfere with their duties to
44 the commission, unless otherwise directed; and provided further,
45 however, that other employees of the commission may engage in
46 such other gainful employment as shall not interfere or be in
47 conflict with their duties to the commission or division, upon
48 approval by the commission, as the case may be.

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

7 (2) A member or employee of the commission shall not:

8 (a) Use the member’s or employee’s official authority or
9 influence for the purpose of interfering with or affecting the result
10 of an election or a nomination for office;

11 (b) Directly or indirectly coerce, attempt to coerce, command or
12 advise any person to pay, lend, or contribute anything of value to a
13 party, committee, organization, agency or person for political
14 purposes; or

15 (c) Take any active part in political campaigns or the
16 management thereof; provided, however, that nothing herein shall
17 prohibit a member or employee from voting as the member or
18 employee chooses or from expressing personal opinions on political
19 subjects and candidates.

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

28
29 12. (New section) Post-Service Restrictions on Cannabis
30 Regulatory Commission Members and Employees.

31 a. No member of the commission shall hold any direct or
32 indirect interest in, or be employed by, any holder of, or applicant
33 for, a personal use cannabis license or medical cannabis permit
34 pursuant to P.L. , c. (C.) (pending before the Legislature as
35 this bill), or the “Jake Honig Compassionate Use Medical Cannabis
36 Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or which is an entity that
37 employs or uses a certified cannabis handler to perform work for or
38 on behalf of a licensed cannabis establishment, for a period of two
39 years commencing on the date that membership on the commission
40 terminates.

41 b. (1) No employee of the commission may acquire any direct
42 or indirect interest in, or accept employment with, any personal use
43 cannabis license holder or medical cannabis permit holder, or any
44 applicant for a license or permit, or any entity that employs or uses
45 a certified cannabis handler to perform work for or on behalf of a
46 licensed cannabis establishment, for a period of two years
47 commencing at the termination of employment with the
48 commission, except that a secretarial or clerical employee of the
49 commission may accept such employment at any time after the

1 termination of employment with the commission. At the end of two
2 years and for a period of two years thereafter, a former employee
3 who held a policy-making management position at any time during
4 the five years prior to termination of employment may acquire an
5 interest in, or accept employment with, any personal use cannabis
6 license holder or medical cannabis permit holder, or any applicant
7 for a license or permit, or any entity that employs or uses a certified
8 cannabis handler to perform work for or on behalf of a licensed
9 cannabis establishment, upon application to, and the approval of,
10 the commission, upon a finding that the interest to be acquired or
11 the employment will not create the appearance of a conflict of
12 interest and does not evidence a conflict of interest in fact.

13 (2) Notwithstanding the provisions of this subsection, if the
14 employment of a commission employee, other than an employee
15 who held a policy-making management position at any time during
16 the five years prior to termination of employment, is terminated as a
17 result of a reduction in the workforce at the commission, the
18 employee may, at any time prior to the end of the two-year period,
19 accept employment with any personal use cannabis license holder
20 or medical cannabis permit holder, or any applicant for a license or
21 permit, or any entity that employs or uses a certified cannabis
22 handler to perform work for or on behalf of a licensed cannabis
23 establishment, upon application to, and the approval of, the
24 commission, upon a finding that the employment will not create the
25 appearance of a conflict of interest and does not evidence a conflict
26 of interest in fact. The commission shall take action on an
27 application within 30 days of receipt and an application may be
28 submitted to the commission prior to or after the commencement of
29 the employment.

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

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

39

40 13. (New section) Liability For Interest, Employment, and
41 Ethics Violations By Applicant for Cannabis License or Permit,
42 License or Permit Holder, and Cannabis Regulatory Commission
43 Members and Employees; Enforcement by State Ethics
44 Commission.

45 a. (1) No holder of, or applicant for, a personal use cannabis
46 license or medical cannabis permit pursuant to P.L. , c. (C.)
47 (pending before the Legislature as this bill), or the “Jake Honig
48 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
49 (C.24:6I-1 et al.), or entity that employs or uses a certified cannabis

1 handler to perform work for or on behalf of a licensed cannabis
2 establishment shall employ or offer to employ, or provide, transfer,
3 or sell, or offer to provide, transfer, or sell any interest, direct or
4 indirect, in any personal use cannabis license holder or medical
5 cannabis permit holder to any person restricted from such
6 transactions by the provisions of sections 10 through 12 of P.L. ,
7 c. (C.) (pending before the Legislature as this bill).

8 (2) The commission may deny an application, or revoke or
9 suspend a license or permit holder's license or permit, for
10 committing a violation of this subsection, as well as impose a civil
11 penalty of not less than \$500 nor more than \$10,000, which penalty
12 may be collected in a summary proceeding pursuant to the "Penalty
13 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

14 b. (1) A member or employee of the commission who makes
15 or causes to be made a political contribution prohibited under
16 subsection f. of section 11 of P.L. , c. (C.) (pending before
17 the Legislature as this bill) is guilty of a crime of the fourth degree,
18 but notwithstanding the provisions of subsection b. of N.J.S.2C:43-
19 3, a fine not to exceed \$200,000 may be imposed.

20 (2) A member or employee of the commission who willfully
21 violates any other provisions in sections 10 through 12 of P.L. ,
22 c. (C.) (pending before the Legislature as this bill) is guilty of
23 a disorderly persons offense.

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

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

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

43 a. "State agency" means any of the principal departments in the
44 Executive Branch of the State Government, and any division, board,
45 bureau, office, commission or other instrumentality within or
46 created by such department, the Legislature of the State and any
47 office, board, bureau or commission within or created by the
48 Legislative Branch, and, to the extent consistent with law, any
49 interstate agency to which New Jersey is a party and any

- 1 independent State authority, commission, instrumentality or agency.
2 A county or municipality shall not be deemed an agency or
3 instrumentality of the State.
- 4 b. "State officer or employee" means any person, other than a
5 special State officer or employee (1) holding an office or
6 employment in a State agency, excluding an interstate agency, other
7 than a member of the Legislature or (2) appointed as a New Jersey
8 member to an interstate agency.
- 9 c. "Member of the Legislature" means any person elected to
10 serve in the General Assembly or the Senate.
- 11 d. "Head of a State agency" means (1) in the case of the
12 Executive Branch of government, except with respect to interstate
13 agencies, the department head or, if the agency is not assigned to a
14 department, the Governor, and (2) in the case of the Legislative
15 Branch, the chief presiding officer of each House of the Legislature.
- 16 e. "Special State officer or employee" means (1) any person
17 holding an office or employment in a State agency, excluding an
18 interstate agency, for which office or employment no compensation
19 is authorized or provided by law, or no compensation other than a
20 sum in reimbursement of expenses, whether payable per diem or per
21 annum, is authorized or provided by law; (2) any person, not a
22 member of the Legislature, holding a part-time elective or
23 appointive office or employment in a State agency, excluding an
24 interstate agency, or (3) any person appointed as a New Jersey
25 member to an interstate agency the duties of which membership are
26 not full-time.
- 27 f. "Person" means any natural person, association or
28 corporation.
- 29 g. "Interest" means (1) the ownership or control of more than
30 **【10%】** 10 percent of the profits or assets of a firm, association, or
31 partnership, or more than **【10%】** 10 percent of the stock in a
32 corporation for profit other than a professional service corporation
33 organized under the "Professional Service Corporation Act,"
34 P.L.1969, c.232 (C. 14A:17-1 et seq.); or (2) the ownership or
35 control of more than **【1%】** one percent of the profits of a firm,
36 association, or partnership, or more than **【1%】** one percent of the
37 stock in any corporation, (a) which is the holder of, or an applicant
38 for, a casino license or in any holding or intermediary company
39 with respect thereto, as defined by the "Casino Control Act,"
40 P.L.1977, c.110 (C.5:12-1 et seq.), or (b) which is the holder of, or
41 an applicant for, a license concerning the personal use of cannabis
42 or a permit concerning the medical use of cannabis, issued pursuant
43 to the "New Jersey Cannabis Regulatory and Expungement Aid
44 Modernization Act," P.L. , c. (C.) (pending before the
45 Legislature as this bill), or the "Jake Honig Compassionate Use
46 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), or any
47 holding or intermediary company with respect thereto, or (c) which
48 is an entity that employs or uses a certified cannabis handler to
49 perform work for or on behalf of a licensed cannabis establishment,

1 or any holding or intermediary company with respect to that entity.
2 The provisions of this act governing the conduct of individuals are
3 applicable to shareholders, associates or professional employees of
4 a professional service corporation regardless of the extent or
5 amount of their shareholder interest in such a corporation.

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

11 i. "Member of the immediate family" of any person means the
12 person's spouse, domestic partner, partner in a civil union couple,
13 child, parent or sibling residing in the same household.
14 (cf: P.L.1987, c.432, s.2)

15
16 15. The title of P.L.1981, c.142 is amended to read as follows:
17 **AN ACT** concerning casino activity, and personal use and medical
18 cannabis activities, and the conduct of certain elected and appointed
19 public officers and employees as it relates thereto, amending and
20 supplementing P.L.1971, c.182, amending P.L.1977, c.110,
21 P.L.1980, c.28 and P.L.1980, c.69 , and repealing section 2 of
22 P.L.1980, c.79.
23 (cf: P.L.1981, c.142, title)

24
25 16. Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended to
26 read as follows:

27 4. a. As used in this section "person" means:

28 (1) **any State officer or employee subject to financial**
29 **disclosure by law or executive order and any other State officer or**
30 **employee with responsibility for matters affecting casino activity;**
31 **any special State officer or employee with responsibility for matters**
32 **affecting casino activity;】** (a) with respect to casino activity,
33 personal use cannabis activity subject to the “New Jersey Cannabis
34 Regulatory and Expungement Aid Modernization Act,” P.L. ,
35 c. (C.) (pending before the Legislature as this bill), and
36 medical cannabis activity subject to the “Jake Honig Compassionate
37 Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), the
38 Governor; 【any member of the Legislature or】 the President of the
39 Senate; the Speaker of the General Assembly; any full-time
40 member of the Judiciary; any full-time professional employee of the
41 Office of the Governor 【, or the Legislature; members of the Casino
42 Reinvestment Development Authority】; the head of a principal
43 department; the assistant or deputy heads of a principal department,
44 including all assistant and deputy commissioners; the head of any
45 division of a principal department;

46 (b) with respect to casino activity, any State officer or employee
47 subject to financial disclosure by law or executive order and any
48 other State officer or employee with responsibility for matters
49 affecting casino activity; any special State officer or employee with

1 responsibility for matters affecting casino activity; any member of
2 the Legislature; any full-time professional employee of the
3 Legislature; members of the Casino Reinvestment Development
4 Authority;

5 (c) with respect to personal use cannabis activity subject to the
6 “New Jersey Cannabis Regulatory and Expungement Aid
7 Modernization Act,” P.L. , c. (C.) (pending before the
8 Legislature as this bill), and medical cannabis activity subject to the
9 “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009,
10 c.307 (C.24:6I-1 et al.), any State officer or employee subject to
11 financial disclosure by law or executive order and any other State
12 officer or employee with responsibility for matters affecting
13 personal use cannabis or medical cannabis activity; any special
14 State officer or employee with responsibility for matters affecting
15 personal use cannabis or medical cannabis activity; members of the
16 Cannabis Regulatory Commission; or

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

24 (b) any member of the governing body or the municipal judge of
25 a municipality wherein a cannabis grower, cannabis processor,
26 cannabis wholesaler, or cannabis retailer, issued its license in
27 accordance with the “New Jersey Cannabis Regulatory and
28 Expungement Aid Modernization Act,” P.L. , c. (C.)
29 (pending before the Legislature as this bill), is located, or wherein
30 an alternative treatment center, issued its permit in accordance with
31 the “Jake Honig Compassionate Use Medical Cannabis Act,”
32 P.L.2009, c.307 (C.24:6I-1 et al.), or deemed to be licensed for
33 personal use cannabis activities pursuant to section 7 of P.L.2009,
34 c.307 (C.24:6I-7), or otherwise issued a license therefor by the
35 commission in accordance with the “New Jersey Cannabis
36 Regulatory and Expungement Aid Modernization Act,” is located.

37 b. (1) No State officer or employee, nor any person, nor any
38 member of the immediate family of any State officer or employee,
39 or person, nor any partnership, firm or corporation with which any
40 such State officer or employee or person is associated or in which
41 he has an interest, nor any partner, officer, director or employee
42 while he is associated with such partnership, firm, or corporation,
43 shall hold, directly or indirectly, an interest in, or hold employment
44 with, or represent, appear for, or negotiate on behalf of, any holder
45 of, or applicant for, a casino license, or any holding or intermediary
46 company with respect thereto, in connection with any cause,
47 application, or matter, except as provided in section 3 of P.L.2009,
48 c.26 (C.52:13D-17.3), and except that **[(1)]** (a) a State officer or
49 employee other than a State officer or employee included in the

1 definition of person, and **[(2)] (b)** a member of the immediate
2 family of a State officer or employee, or of a person, may hold
3 employment with the holder of, or applicant for, a casino license if,
4 in the judgment of the State Ethics Commission, the Joint
5 Legislative Committee on Ethical Standards, or the Supreme Court,
6 as appropriate, such employment will not interfere with the
7 responsibilities of the State officer or employee, or person, and will
8 not create a conflict of interest, or reasonable risk of the public
9 perception of a conflict of interest, on the part of the State officer or
10 employee, or person. No special State officer or employee without
11 responsibility for matters affecting casino activity, excluding those
12 serving in the Departments of Education, Health **[and Senior**
13 **Services]**, and Human Services and the Commission on Higher
14 Education, shall hold, directly or indirectly, an interest in, or
15 represent, appear for, or negotiate on behalf of, any holder of, or
16 applicant for, a casino license, or any holding or intermediary
17 company with respect thereto, in connection with any cause,
18 application, or matter. However, a special State officer or employee
19 without responsibility for matters affecting casino activity may hold
20 employment directly with any holder of or applicant for a casino
21 license or any holding or intermediary company thereof and if so
22 employed may hold, directly or indirectly, an interest in, or
23 represent, appear for, or negotiate on behalf of, **[his] that** employer,
24 except as otherwise prohibited by law.

25 (2) No State officer or employee, nor any person, nor any
26 member of the immediate family of any State officer or employee,
27 or person, nor any partnership, firm or corporation with which any
28 such State officer or employee or person is associated or in which
29 he has an interest, nor any partner, officer, director or employee
30 while he is associated with such partnership, firm, or corporation,
31 shall hold, directly or indirectly, an interest in, or hold employment
32 with, or represent, appear for, or negotiate on behalf of, or derive
33 any remuneration, payment, benefit or any other thing of value for
34 any services, including but not limited to consulting or similar
35 services, from any holder of, or applicant for, a license, permit, or
36 other approval to conduct Internet gaming, or any holding or
37 intermediary company with respect thereto, or any Internet gaming
38 affiliate of any holder of, or applicant for, a casino license, or any
39 holding or intermediary company with respect thereto, or any
40 business, association, enterprise or other entity that is organized, in
41 whole or in part, for the purpose of promoting, advocating for, or
42 advancing the interests of the Internet gaming industry generally or
43 any Internet gaming-related business or businesses in connection
44 with any cause, application, or matter, except as provided in section
45 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that **[(1)] (a)** a
46 State officer or employee other than a State officer or employee
47 included in the definition of person, and **[(2)] (b)** a member of the
48 immediate family of a State officer or employee, or of a person,
49 may hold employment with the holder of, or applicant for, a license,

1 permit, or other approval to conduct Internet gaming, or any
2 holding or intermediary company with respect thereto, or any
3 Internet gaming affiliate of any holder of, or applicant for, a casino
4 license, or any holding or intermediary company with respect
5 thereto if, in the judgment of the State Ethics Commission, the Joint
6 Legislative Committee on Ethical Standards, or the Supreme Court,
7 as appropriate, such employment will not interfere with the
8 responsibilities of the State officer or employee, or person, and will
9 not create a conflict of interest, or reasonable risk of the public
10 perception of a conflict of interest, on the part of the State officer or
11 employee, or person.

12 (3) No State officer or employee, nor any person, nor any
13 member of the immediate family of any State officer or employee,
14 or person, nor any partnership, firm or corporation with which any
15 such State officer or employee or person is associated or in which
16 he has an interest, nor any partner, officer, director or employee
17 while he is associated with such partnership, firm, or corporation,
18 shall hold, directly or indirectly, an interest in, or hold employment
19 with, or represent, appear for, or negotiate on behalf of, any holder
20 of, or applicant for, a license concerning the personal use of
21 cannabis or a permit concerning the medical use of cannabis, issued
22 pursuant to the “New Jersey Cannabis Regulatory and Expungement
23 Aid Modernization Act,” P.L. , c. (C.) (pending before the
24 Legislature as this bill), or the “Jake Honig Compassionate Use
25 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or any
26 holding or intermediary company with respect thereto, or which is
27 an entity that employs or uses a certified cannabis handler to
28 perform work for or on behalf of a licensed cannabis establishment,
29 in connection with any cause, application, or matter, except as
30 provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except
31 that (a) a State officer or employee other than a State officer or
32 employee included in the definition of person, and (b) a member of
33 the immediate family of a State officer or employee, or of a person,
34 may hold employment with the holder of, or applicant for, a
35 personal use cannabis license or medical cannabis permit, or an
36 entity that employs or uses a certified cannabis handler if, in the
37 judgment of the State Ethics Commission, the Joint Legislative
38 Committee on Ethical Standards, or the Supreme Court, as
39 appropriate, such employment will not interfere with the
40 responsibilities of the State officer or employee, or person, and will
41 not create a conflict of interest, or reasonable risk of the public
42 perception of a conflict of interest, on the part of the State officer or
43 employee, or person. No special State officer or employee without
44 responsibility for matters affecting personal use cannabis or medical
45 cannabis activity, excluding those serving in the Departments of
46 Education, Health, and Human Services and the Commission on
47 Higher Education, shall hold, directly or indirectly, an interest in, or
48 represent, appear for, or negotiate on behalf of, any holder of, or
49 applicant for, a personal use cannabis license or medical cannabis

1 permit, or any holding or intermediary company with respect
2 thereto, or an entity that employs or uses a certified cannabis
3 handler in connection with any cause, application, or matter.
4 However, a special State officer or employee without responsibility
5 for matters affecting personal use cannabis or medical cannabis
6 activity may hold employment directly with any holder of or
7 applicant for a personal use cannabis license or medical cannabis
8 permit, or any holding or intermediary company thereof, or an
9 entity that employs or uses a certified cannabis handler, and if so
10 employed may hold, directly or indirectly, an interest in, or
11 represent, appear for, or negotiate on behalf of, that employer,
12 except as otherwise prohibited by law.

13 c. No person or any member of his immediate family, nor any
14 partnership, firm or corporation with which such person is
15 associated or in which he has an interest, nor any partner, officer,
16 director or employee while he is associated with such partnership,
17 firm or corporation, shall, within two years next subsequent to the
18 termination of the office or employment of such person, hold,
19 directly or indirectly, an interest in, or hold employment with, or
20 represent, appear for or negotiate on behalf of, any holder of, or
21 applicant for, a casino license, or any holder of, or applicant for, a
22 license concerning the personal use of cannabis or a permit
23 concerning the medical use of cannabis, issued pursuant to the
24 “New Jersey Cannabis Regulatory and Expungement Aid
25 Modernization Act,” P.L. , c. (C.) (pending before the
26 Legislature as this bill), or the “Jake Honig Compassionate Use
27 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or any
28 holding or intermediary company with respect thereto, or any entity
29 that employs or uses a certified cannabis handler to perform work
30 for or on behalf of a licensed cannabis establishment, in connection
31 with any cause, application or matter, or any holding or
32 intermediary company with respect to such holder of, or applicant
33 for, a casino license, personal use cannabis license, or medical
34 cannabis permit, in connection with any phase of [casino]
35 development, permitting, licensure or any other matter whatsoever
36 related to casino, personal use cannabis, or medical cannabis
37 activity, except as provided in section 3 of P.L.2009, c.26
38 (C.52:13D-17.3), and except that:

39 (1) a member of the immediate family of a person may hold
40 employment with the holder of, or applicant for, a casino license, or
41 the holder of, or applicant for, a license concerning the personal use
42 of cannabis or a permit concerning the medical use of cannabis,
43 issued pursuant to the “New Jersey Cannabis Regulatory and
44 Expungement Aid Modernization Act,” P.L. , c. (C.)
45 (pending before the Legislature as this bill), or the “Jake Honig
46 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
47 (C.24:6I-1 et al.), or any entity that employs or uses a certified
48 cannabis handler if, in the judgment of the State Ethics
49 Commission, the Joint Legislative Committee on Ethical Standards,

1 or the Supreme Court, as appropriate, such employment will not
2 interfere with the responsibilities of the person and will not create a
3 conflict of interest, or reasonable risk of the public perception of a
4 conflict of interest, on the part of the person;

5 (2) (a) an employee who is terminated as a result of a reduction
6 in the workforce at the agency where employed, other than an
7 employee who held a policy-making management position at any
8 time during the five years prior to termination of employment, may,
9 at any time prior to the end of the two-year period, accept
10 employment with the holder of, or applicant for, a casino license,
11 personal use cannabis license, or medical cannabis permit, or with
12 an entity that employs or uses a certified cannabis handler if, in the
13 judgment of the State Ethics Commission, the Joint Legislative
14 Committee on Ethical Standards, or the Supreme Court, as
15 appropriate, such employment will not create a conflict of interest,
16 or reasonable risk of the public perception of a conflict of interest,
17 on the part of the employee. In no case shall the restrictions of this
18 subsection apply to a secretarial or clerical employee.

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

25 (ii) Nothing herein contained shall alter or amend the post-
26 service or post-employment restrictions applicable to members and
27 employees of the Cannabis Regulatory Commission pursuant to
28 paragraph (2) of subsection c. of section 11 and section 12 of
29 P.L. , c. (C.) (pending before the Legislature as this bill);
30 and

31 (3) any partnership, firm or corporation engaged in the practice
32 of law or in providing any other professional services with which
33 any person included in paragraph (1) of subsection a. of this
34 section, or a member of the immediate family of that person, is
35 associated, and any partner, officer, director or employee thereof,
36 other than that person, or immediate family member, may represent,
37 appear for or negotiate on behalf of any holder of, or applicant for,
38 a casino license, personal use cannabis license, or medical cannabis
39 permit, or any entity that employs or uses a certified cannabis
40 handler in connection with any cause, application or matter or any
41 holding company or intermediary company with respect to such
42 holder of, or applicant for, a casino license, personal use cannabis
43 license, or medical cannabis permit, or entity, in connection with
44 any phase of **[casino]** development, permitting, licensure or any
45 other matter whatsoever related to casino or cannabis or medical
46 marijuana activity, and that person or immediate family member
47 shall not be barred from association with such partnership, firm or
48 corporation, if for a period of two years next subsequent to the
49 termination of the person's office or employment, the person or

1 immediate family member (a) is screened from personal
2 participation in any such representation, appearance or negotiation;
3 and (b) is associated with the partnership, firm or corporation in a
4 position which does not entail any equity interest in the partnership,
5 firm or corporation. The exception provided in this paragraph shall
6 not apply to a former Governor, Lieutenant Governor, Attorney
7 General, member of the Legislature, person included in paragraph
8 (2) of subsection a. of this section, or to the members of their
9 immediate families.

10 d. This section shall not apply to the spouse of a State officer
11 or employee, which State officer or employee is without
12 responsibility for matters affecting casino, personal use cannabis, or
13 medical cannabis activity, who becomes the spouse subsequent to
14 the State officer's or employee's appointment or employment as a
15 State officer or employee and who is not individually or directly
16 employed by a holder of, or applicant for, a casino license, personal
17 use cannabis license, or medical cannabis permit, or any entity that
18 employs or uses a certified cannabis handler, or any holding or
19 intermediary company thereof.

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

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

31 (2) No person shall solicit or accept, directly or indirectly, any
32 complimentary service or discount from any holder of, or applicant
33 for, a license concerning the personal use of cannabis or a permit
34 concerning the medical use of cannabis, issued pursuant to the
35 “New Jersey Cannabis Regulatory and Expungement Aid
36 Modernization Act,” P.L. , c. (C.) (pending before the
37 Legislature as this bill), or the “Jake Honig Compassionate Use
38 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or any
39 entity that employs or uses a certified cannabis handler to perform
40 work for or on behalf of a licensed cannabis establishment, which
41 the person knows or has reason to know is other than a service or
42 discount that is offered to members of the general public in like
43 circumstance.

44 g. No person shall influence, or attempt to influence, by use of
45 his official authority, the decision of the **【commission】** Casino
46 Control Commission or the investigation of the **【division】** Division
47 of Gaming Enforcement in any application for casino licensure, or
48 the decision of the Cannabis Regulatory Commission in any
49 application for a personal use cannabis license or medical cannabis

1 permit, or in any proceeding to enforce the provisions of this act or
2 the regulations of **【the】** either commission. Any such attempt shall
3 be promptly reported to the Attorney General; provided, however,
4 that nothing in this section shall be deemed to proscribe a request
5 for information by any person concerning the status of any
6 application for licensure or permitting, or any proceeding to enforce
7 the provisions of this act or the regulations of **【the】** either
8 commission.

9 h. Any person who willfully violates the provisions of this
10 section is a disorderly person and shall be subject to a fine not to
11 exceed \$1,000, or imprisonment not to exceed six months, or both.

12 In addition, for violations of subsection c. of this section
13 occurring after the effective date of P.L.2005, c.382, a civil penalty
14 of not less than \$500 nor more than \$10,000 shall be imposed upon
15 a former State officer or employee or former special State officer or
16 employee of a State agency in the Executive Branch upon a finding
17 of a violation by the State Ethics Commission, which penalty may
18 be collected in a summary proceeding pursuant to the "Penalty
19 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
20 (cf: P.L.2013, c.27, s.35)

21
22 17. (New section) Regulation of Cannabis.

23 a. The commission shall adopt rules and regulations, pursuant to
24 subsection d. of section 8 of P.L. , c. (C.) (pending before the
25 Legislature as this bill), which shall be consistent with the intent of
26 P.L. , c. (C.) (pending before the Legislature as this bill). The
27 commission may create an expert task force to make recommendations
28 to the commission about the content of such regulations. Such
29 regulations shall include:

30 (1) Procedures for the application, issuance, denial, renewal,
31 suspension, and revocation of a license or conditional license to
32 operate a cannabis establishment. Such procedures shall include a
33 periodic evaluation of whether the number of each class of cannabis
34 establishment is sufficient to meet the market demands of the State, a
35 result of which is the commission's authority to make requests for
36 new applications and issue additional licenses as it deems necessary
37 to meet those demands, except as otherwise provided in section 30
38 of P.L. , c. (C.) (pending before the Legislature as this bill)
39 regarding an initial period during which the number of Class 1
40 Cannabis Grower licenses is capped;

41 (2) Application, licensure, and renewal of licensure fees;

42 (3) Incorporation of the licensing goals for applicants for
43 licensure who are New Jersey residents established in P.L. ,
44 c. (C.) (pending before the Legislature as this bill). The
45 commission shall make good faith efforts to meet these goals.
46 Qualifications for licensure shall be directly and demonstrably
47 related to the operation of a cannabis establishment, provided that
48 the commission shall make licenses available to as diverse a group

1 as reasonably practicable, however no license of any kind shall be
2 issued to a person under the legal age to purchase cannabis items;

3 (4) (a) Incorporation of the licensing measures established by
4 the Office of Minority, Disabled Veterans, and Women Cannabis
5 Business Development pursuant to paragraph (1) of subsection c. of
6 section 9 of P.L. , c. (C.) (pending before the Legislature as
7 this bill) to promote the licensing of persons from socially and
8 economically disadvantaged communities, and minority businesses
9 and women's businesses, as these terms are defined in section 2 of
10 P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans'
11 businesses as defined in section 2 of P.L.2015, c.116 (C.52:32-
12 31.2). The commission shall coordinate with the office with respect
13 to the incorporation of these licensing measures;

14 (b) Procedures, to monitor the incorporated licensing measures
15 established by the Office of Minority, Disabled Veterans, and Women
16 Cannabis Business Development, which shall include a verification, as
17 part of the application process for licensure or license renewal, of a
18 minority, women's, or disabled veterans' business certification
19 provided to that business by the office pursuant to paragraph (1) of
20 subsection b. of section 9 of P.L. , c. (C.) (pending before the
21 Legislature as this bill), or verification of an application for
22 certification under review by the office pursuant to that paragraph,
23 which review is occurring simultaneous to the application for licensure
24 or license renewal;

25 (5) Security requirements for cannabis establishments and
26 transportation of cannabis;

27 (6) Requirements to prevent the sale or diversion of cannabis
28 items to persons under the legal age to purchase cannabis items,
29 including, but not limited to, requirements that:

30 (a) All licensees and licensee representatives, before permitting
31 entrance to a cannabis establishment and selling or serving cannabis
32 items to any person, shall require such person to produce one of the
33 following pieces of identification:

34 (i) The person's United States passport;

35 (ii) The person's motor vehicle driver's license, whether issued by
36 New Jersey or by any other state, provided the license displays a
37 picture of the person;

38 (iii) A New Jersey identification card issued by the New Jersey
39 Motor Vehicle Commission; or

40 (iv) Any other identification card issued by a state or the United
41 States that bears a picture of the person, the name of the person, the
42 person's date of birth, and a physical description of the person;

43 (b) No cannabis establishment shall employ persons under 18
44 years of age nor shall any cannabis retailer allow persons under the
45 legal age to purchase cannabis items, other than a person employed
46 by the retailer, to enter or remain on the premises of a cannabis
47 retailer unless accompanied by a parent or legal guardian;

- 1 (c) Packaging and branding regulations to prevent marketing of
2 cannabis items and cannabis paraphernalia to people under the legal
3 age to purchase cannabis items;
- 4 (7) Labeling and packaging requirements for cannabis items
5 sold or distributed by a cannabis establishment, including, but not
6 limited to, the affixing of a tracking stamp to containers or
7 packaging as set forth in section 18 of P.L. , c. (C.)
8 (pending before the Legislature as this bill) and requirements that:
- 9 (a) Cannabis items and cannabis paraphernalia are not
10 packaged, branded, or marketed using any statement, illustration, or
11 image that:
- 12 (i) Includes false, deceptive, or misleading statements;
- 13 (ii) Promotes over-consumption;
- 14 (iii) Depicts a child or other person under legal age consuming
15 cannabis items; or
- 16 (iv) Includes objects, such as toys, characters, or cartoon
17 characters suggesting the presence of a person under the legal age to
18 purchase cannabis items, or any other depiction designed in any
19 manner to be especially appealing to persons under the legal age to
20 purchase cannabis items;
- 21 (b) Ensure cannabis items are packaged in opaque, child-
22 resistant special packaging, or if applicable to a particular cannabis
23 item, child resistant special packaging for liquid nicotine containers, in
24 accordance with the “Poison Prevention Packaging Act of 1970,” 15
25 U.S.C. s.1471 et seq., and the associated regulations promulgated
26 thereunder, except that these child-resistant packaging requirements
27 shall not apply to any cannabis item obtained from a cannabis retailer
28 or alternative treatment center for immediate, on-premises
29 consumption at that retailer’s or center’s cannabis consumption area as
30 permitted pursuant to section 82 of P.L. , c. (C.) (pending
31 before the Legislature as this bill);
- 32 (c) Cannabis items warning labels adequately inform consumers
33 about safe cannabis use and warn of the consequences of misuse or
34 overuse;
- 35 (d) Labeling rules that mandate clear identification of health and
36 safety information, including, but not limited to:
- 37 (i) Net weight;
- 38 (ii) Production date and expiration date;
- 39 (iii) An ingredient list that includes, but is not limited to, all
40 ingredients used to manufacture the cannabis product and a list of
41 all potential allergens contained within the product;
- 42 (iv) Strain or type of cannabis, listed by scientific terms, if
43 available, and generic or “slang” names;
- 44 (v) Whether the product requires refrigeration;
- 45 (vi) Growth method (whether dirt grown, hydroponic, or
46 otherwise) and an indication whether the cannabis was grown using
47 all-organic materials, and a complete list of any nonorganic
48 pesticides, fungicides and herbicides used during the cultivation of
49 the cannabis;

(vii) Serving size, the total number of servings, and a statement regarding the percentage of THC contained in the cannabis product and in each serving. For example: “The serving size of active THC in this product is X mg. This product contains X servings of cannabis, and the total amount of active THC in this product is X mg.”;

(viii) Warning labels that include the nationwide toll-free telephone number used to access poison control centers that is maintained in accordance with 42 U.S.C. s.300d-71, as well as include, but are not limited to, one or more of the following:

-- “This product contains cannabis”;

-- “This product is infused with cannabis”;

-- “This product is intended for use by adults 21 years of age or older. Keep out of the reach of children”;

-- “The intoxicating effects of this product may be delayed by two or more hours”;

-- “There may be health risks associated with the consumption of this product, including for women who are pregnant, breastfeeding, or planning on becoming pregnant”;

-- “Do not drive a motor vehicle or operate heavy machinery while using cannabis”;

(e) Labeling rules that mandate the source of the cannabis items, including, but not limited to, the license number of the cannabis cultivation facility where the cannabis used to produce the cannabis item was grown, the license number of the cannabis product manufacturing facility that produced the cannabis item, and the license number of the cannabis retailer that sold the cannabis item and the production batch and lot numbers of the cannabis items;

(8) Health and safety regulations and standards for the manufacture and sale of cannabis products and the cultivation of cannabis, including, but not limited to, requirements that:

(a) Establish accreditation and licensure criteria for cannabis testing facilities, which shall include, as a condition for licensure, the maintenance of a labor peace agreement and entrance into, or good faith effort to enter into, a collective bargaining agreement in accordance with subsection c. of section 23 of P.L. , c. (C.) (pending before the Legislature as this bill). The commission shall also incorporate the licensing measures established by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development, and the assessment of their effectiveness, pursuant to paragraph (1) of subsection c. of section 9 of P.L. , c. (C.) (pending before the Legislature as this bill), and apply them to the licensing of cannabis testing facilities in order to promote the licensing of persons from socially and economically disadvantaged communities, and 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);

- 1 (b) (i) The commission issue licenses for a sufficient number of
2 cannabis testing facilities, if those facilities meet the requirements
3 for licensure, in order to ensure that the testing of representative
4 samples of cannabis items in accordance with the procedures set
5 forth in paragraph (13) of this subsection can be completed in not
6 more than seven days following their submission to any facility.
7 Other factors that may be considered by the commission in
8 determining whether a sufficient number of cannabis testing
9 facilities are currently licensed include the current licensees'
10 experience or expertise in testing highly regulated products,
11 demonstrated testing efficiency and effectiveness, existing research
12 partnerships or capability to form and maintain research
13 partnerships focusing on cannabis items, and any other factors
14 established in regulation by the commission; and
- 15 (ii) Permits the commission to inspect any licensed cannabis
16 testing facility to determine the condition and calibration of any
17 equipment used for testing, and to ensure that a facility's testing
18 procedures are performed in accordance with the commission's
19 accreditation requirements for licensure;
- 20 (c) Every licensed cannabis cultivation facility and cannabis
21 product manufacturing facility shall permit representatives of
22 cannabis testing facilities to make scheduled and unscheduled visits
23 to facilities in order to obtain random samples of cannabis items, in
24 a quantity established by the commission, to be transported to
25 cannabis testing facilities for inspection and testing to certify
26 compliance with health, safety, and potency standards adopted by
27 the commission;
- 28 (d) Prescribe methods of producing, processing, and packaging
29 cannabis items; conditions of sanitation; safe handling
30 requirements; approved pesticides and pesticide testing
31 requirements, to the extent not inconsistent with approved pesticides
32 and requirements otherwise established under federal and State law;
33 and standards of ingredients, quality, and identity of cannabis items
34 produced, processed, packaged, or sold by cannabis establishments;
- 35 (e) Establish accreditation and licensing criteria for responsible
36 cannabis server and seller training and certification programs for
37 cannabis retailer employees;
- 38 (f) Provide that no licensed cannabis establishment or employee
39 of a cannabis establishment shall consume, or allow to be
40 consumed, any cannabis items on the establishment's premises,
41 except permitted in a cannabis consumption area as set forth in
42 section 82 of P.L. , c. (C.) (pending before the Legislature
43 as this bill);
- 44 (g) Set appropriate dosage, potency, and serving size limits for
45 cannabis and other cannabis items, provided that a standardized
46 serving of cannabis shall be no more than 10 milligrams of active
47 THC and no individual edible retail product unit for sale shall
48 contain more than 100 milligrams of active THC;

1 (h) Require that each single standardized serving of cannabis in
2 a multiple-serving edible cannabis product is physically demarked
3 in a way that enables a reasonable person to determine how much of
4 the product constitutes a single serving of active THC, and that each
5 standardized serving of cannabis shall be easily separable to allow
6 an average person 21 years of age or older to physically separate,
7 with minimal effort, individual servings of the product;

8 (i) Require that, if it is impracticable to clearly demark every
9 standardized serving of cannabis or to make each standardized
10 serving easily separable in an edible cannabis product, the product
11 shall contain no more than 10 milligrams of active THC per unit of
12 sale;

13 (j) Establish screening, hiring, training, and supervising
14 requirements for retail store employees and others who manufacture
15 or handle cannabis items;

16 (k) Promote general sanitary requirements for the handling,
17 storage, and disposal of cannabis items, and the maintenance of
18 cannabis establishments;

19 (l) Provide for rigorous auditing, inspection, and monitoring of
20 cannabis establishments for compliance with health and safety rules
21 and regulations;

22 (m) Require the implementation of security requirements for
23 retail outlets and premises where cannabis items are produced or
24 processed, and safety protocols for cannabis establishments and
25 their employees;

26 (n) Prescribe reasonable restrictions on the manner, methods,
27 and means by which licensees shall transport cannabis items within
28 the State; and

29 (o) Establish procedures for identification, seizure, confiscation,
30 destruction, or donation to law enforcement for training purposes of
31 all cannabis or cannabis products produced, processed, sold, or
32 offered for sale within this State which do not conform in all
33 respects to the standards prescribed by P.L. , c. (C.)
34 (pending before the Legislature as this bill);

35 (9) Restrictions on the advertising and display of cannabis items
36 and cannabis paraphernalia, including, but not limited to,
37 requirements that:

38 (a) Restrict advertising of cannabis items and cannabis
39 paraphernalia in ways that target or are designed to appeal to
40 individuals under the legal age to purchase cannabis items,
41 including, but not limited to depictions of a person under 21 years
42 of age consuming cannabis, or, includes objects, such as toys,
43 characters, or cartoon characters suggesting the presence of a
44 person under 21 years of age, or any other depiction designed in any
45 manner to be especially appealing to a person under 21 years of
46 age;

47 (b) Prohibit advertising of any cannabis items or cannabis
48 paraphernalia on television, or on radio between the hours of
49 6:00am and 10:00pm;

- 1 (c) Prohibit engaging in advertising unless the advertiser has
2 reliable evidence that at least 71.6 percent of the audience for the
3 advertisement is reasonably expected to be 21 years of age or older;
- 4 (d) Prohibit engaging in advertising or marketing directed
5 towards location-based devices, including but not limited to cellular
6 phones, unless the marketing is a mobile device application
7 installed on the device by the owner of the device who is 21 years
8 of age or older and includes a permanent and easy opt-out feature
9 and warnings that the use of cannabis items is restricted to persons
10 21 years of age or older;
- 11 (e) Prohibit the sponsoring of a charitable, sports, musical,
12 artistic, cultural, social, or other similar event or advertising at or in
13 connection with such an event unless the sponsor or advertiser has
14 reliable evidence that no more than 20 percent of the audience at the
15 event is reasonably expected to be under the legal age to purchase
16 cannabis items;
- 17 (f) Require all advertisements to contain the following warning:
18 “This product contains cannabis. For use only by adults 21 years of
19 age or older. Keep out of the reach of children.”;
- 20 (g) Prohibit the advertising of cannabis items or cannabis
21 paraphernalia in any form or through any medium whatsoever
22 within 200 feet of an elementary or secondary school grounds.
- 23 For the purposes of this section, a noncommercial message shall
24 not be considered an advertisement. This section also shall not
25 apply to advertisements within the premises of a cannabis retailer.
- 26 (10) A requirement that only cannabis items and cannabis
27 paraphernalia are available for sale at a cannabis establishment;
- 28 (11) Procedures for the commission to conduct announced and
29 unannounced visits to cannabis establishments to make, or cause to
30 be made, such investigations as it shall deem proper in the
31 administration of P.L. , c. (C.) (pending before the
32 Legislature as this bill) and any other laws which may hereafter be
33 enacted concerning cannabis, or the manufacture, distribution or
34 sale thereof, including the inspection and search of premises for
35 which the license is sought or has been issued, of any building
36 containing the same, of licensed buildings, examination of the
37 books, records, accounts, documents and papers of the licensees or
38 on the licensed premises;
- 39 (a) The commission and the Director of the Division of
40 Taxation shall be authorized, after adequate notice to the owner or
41 the agent of the owner, to make an examination of the books and
42 may at any time make an examination of the premises of any person
43 licensed under P.L. , c. (C.) (pending before the Legislature
44 as this bill) for the purpose of determining compliance with P.L. ,
45 c. (C.) (pending before the Legislature as this bill) and the
46 rules of the commission. The commission shall not require the
47 books of any licensee to be maintained on the premises of the
48 licensee;

1 (b) The commission and the Director of the Division of
2 Taxation may, at any time, examine the books and records of any
3 cannabis licensee, require compliance with P.L. , c. (C.)
4 (pending before the Legislature as this bill), and may appoint
5 auditors, investigators and other employees that the commission or
6 the Director of the Division of Taxation considers necessary to
7 enforce its powers and perform its duties;

8 (c) During any inspection of a licensed premises, the
9 commission may require proof that a person performing work at the
10 premises is 18 years of age or older. If the person does not provide
11 the commission with acceptable proof of age upon request, the
12 commission may require the person to immediately cease any
13 activity and leave the premises until the commission receives
14 acceptable proof of age; and

15 (d) The commission shall not be required to obtain a search
16 warrant to conduct an investigation or search of licensed premises;

17 (12) Record keeping requirements, including, but not limited to,
18 the following:

19 (a) The obligation of every cannabis grower to keep a complete
20 and accurate record of all sales of cannabis flowers, cannabis
21 leaves, and immature cannabis plants, and a complete and accurate
22 record of the number of cannabis flowers produced, the number of
23 ounces of cannabis leaves produced, the number of immature
24 cannabis plants produced, and the dates of production; and the
25 obligation of every cannabis establishment to keep a complete and
26 accurate record of all sales of cannabis, and a complete and accurate
27 record of the number of ounces of cannabis items sold;

28 (b) Such records shall be kept and maintained for four years and
29 the records shall be in such form and contain such other information
30 as the commission may require; and

31 (c) The commission or the Director of the Division of Taxation
32 may at any time, with adequate notice, examine the books and
33 records of any cannabis establishment, and may appoint auditors,
34 investigators, and other employees that the commission considers
35 necessary to enforce its powers and duties as described in P.L. ,
36 c. (C.) (pending before the Legislature as this bill);

37 (13) Procedures for inspecting samples of cannabis items,
38 including:

39 (a) On a schedule determined by the commission, every licensed
40 cannabis grower and processor shall submit representative samples
41 of cannabis, useable cannabis, or cannabis-infused products
42 produced or processed by the licensee to an independent, third-party
43 licensed testing facility meeting the accreditation requirements
44 established by the commission, for inspection and testing to certify
45 compliance with standards adopted by the commission. Any sample
46 remaining after testing shall be destroyed by the facility or returned
47 to the licensee, unless that sample does not meet the applicable
48 standards adopted by the commission, in which case it may be retained

1 for purposes of retesting upon request of a licensee in accordance with
2 subparagraph (c) of this paragraph;

3 (b) Licensees shall submit the results of this inspection and
4 testing to the commission on a form developed by the commission;
5 and

6 (c) If a representative sample inspected and tested under this
7 section does not meet the applicable standards adopted by the
8 commission, the representative sample may, upon notice to the
9 commission, be retested at the request of a licensee in a manner
10 prescribed by the commission, and in addition to a retest, or as an
11 alternative thereto, the licensee may also be permitted an
12 opportunity to remediate, upon notice to the commission, the lot
13 from which the failed representative sample was taken, which lot
14 shall be subject to a subsequent test of a new representative sample
15 in a manner prescribed by the commission. Any request for a retest
16 of a representative sample, and any retest and reporting of results,
17 as well as any lot remediation process undertaken and subsequent
18 testing of that lot, shall be completed within a time period
19 established by the commission. The commission shall also provide
20 a process by which representative samples and lots that failed
21 retesting or remediation, as applicable, shall be destroyed;

22 (14) Establishing the number of cannabis retailers:

23 (a) Assuming there are sufficient qualified applicants for
24 licensure, the commission shall, subject to annual review, issue a
25 sufficient number of Class 4 Retailer licenses to meet the market
26 demands of the State, giving regard to geographical and population
27 distribution throughout the State; and

28 (b) the provision of adequate access to licensed sources of
29 useable cannabis and cannabis products to discourage purchases
30 from the illegal market; and

31 (15) Civil penalties for the failure to comply with regulations
32 adopted pursuant to this section.

33 b. In order to ensure that individual privacy is protected, the
34 commission shall not require a consumer to provide a cannabis retailer
35 with personal information other than government-issued identification
36 to determine the consumer's age, and a cannabis retailer shall not
37 collect and retain any personal information about consumers other than
38 information typically acquired in a financial transaction conducted by
39 the holder of a Class C retail license concerning alcoholic beverages as
40 set forth in R.S.33:1-12.

41 c. (1) Once regulations are adopted by the commission
42 pursuant to subsection a. of this section, but prior to the
43 commencement of the application process, the commission shall
44 conduct a series of information sessions in every county in New
45 Jersey to educate residents of New Jersey about the responsibilities,
46 opportunities, requirements, obligations, and processes for
47 application for a license to operate a cannabis establishment. The
48 commission shall conduct an appropriate number of information
49 sessions in each county considering the population of each county,

1 but no fewer than one information session. in each county. The
2 commission shall publicize the day, time, location, and agenda of
3 each information session broadly through television, radio, Internet,
4 print, and local agencies.

5 (2) With respect to any authority provided in this section to the
6 Director of the Division of Taxation, notwithstanding the provisions
7 of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-
8 1 et seq.), to the contrary, the director may immediately upon filing
9 proper notice with the Office of Administrative Law, adopt rules
10 and regulations deemed necessary by the director concerning the
11 director’s authority. These rules and regulations shall be effective
12 for a period not to exceed 180 days following the date determined
13 by the commission pursuant to paragraph (2) of subsection d. of
14 section 8 of P.L. , c. (C.) (pending before the Legislature as
15 this bill) to be the first date on which cannabis retailers issued
16 licenses or conditional licenses may begin retail sales of personal
17 use cannabis items, or the first date that any alternative treatment
18 center issued a cannabis retailer license pursuant to paragraph (3) of
19 subsection a. of section 30 of P.L. , c. (C.) (pending before
20 the Legislature as this bill) engages in retail sales of personal use
21 cannabis items, whichever date is earlier, and shall thereafter be
22 adopted, amended, or readopted, and any subsequent rules and
23 regulations adopted, amended, or readopted, by the director in
24 accordance with the “Administrative Procedure Act,” P.L.1968,
25 c.410 (C.52:14B-1 et seq.).

26 d. The commission shall:

27 (1) Examine available research, and may conduct or commission
28 new research or convene an expert task force, to investigate the
29 influence of cannabis and marijuana on the ability of a person to
30 drive a vehicle, on methods for determining whether a person is under
31 the influence of cannabis or marijuana, and on the concentration of
32 delta-9 tetrahydrocannabinol in a person's blood, in each case taking
33 into account all relevant factors; and

34 (2) Report, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
35 19.1), the results of the research to the Legislature and make
36 recommendations to the Legislature regarding legislation or other
37 legislative action as the commission deems necessary.

38
39 18. (New section) Tracking System.

40 a. (1) The commission shall develop and maintain a system for
41 tracking the production of cannabis, the processing of cannabis items,
42 the transfer of cannabis items between licensed premises, and the
43 retail sale of cannabis items, utilizing a means of electronic identity
44 verification, to persons 21 years of age or older.

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

1 (a) The commission, in consultation with the Director of the
2 Division of Taxation, shall secure stamps based on the designs,
3 specifications, and denominations prescribed by the commission in
4 regulation, and which incorporate encryption, security, and
5 counterfeit-resistant features to prevent the unauthorized duplication or
6 counterfeiting of any stamp. The stamp shall be readable by a scanner
7 or similar device that may be used by the commission, the Director of
8 the Division of Taxation, and any licensed cannabis establishment.

9 (b) The commission, and the Director of the Division of Taxation
10 if authorized by the commission, shall make stamps available for
11 purchase by a licensed cannabis establishment, and only a licensed
12 establishment shall affix a stamp to a container or package for a
13 cannabis item in accordance with applicable regulations promulgated
14 by the commission in consultation with the Director of the Division of
15 Taxation.

16 (c) A cannabis establishment shall not purchase, sell, offer for sale,
17 or transport any cannabis item unless a stamp is properly affixed to the
18 container or package for that item.

19 b. The purposes of the system developed and maintained under
20 this section include, but are not limited to:

21 (1) Preventing the diversion of cannabis items to criminal
22 enterprises, gangs, cartels, minors, and other states;

23 (2) Preventing persons from substituting or tampering with
24 cannabis items;

25 (3) Ensuring an accurate accounting of the production,
26 processing, and sale of cannabis items;

27 (4) Assisting the Director of the Division of Taxation with the
28 collection of taxes for the purpose of being distributed as described
29 in subsection g. of section 19 of P.L. , c. (C.) (pending
30 before the Legislature as this bill);

31 (5) Ensuring that the testing results by licensed cannabis testing
32 facilities are accurately reported; and

33 (6) Ensuring compliance with the rules and regulations adopted
34 under the provisions of P.L. , c. (C.) (pending before the
35 Legislature as this bill), and any other law of this State that charges
36 the commission with a duty, function, or power related to cannabis.

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

39 (1) The propagation of immature cannabis plants and the
40 production of cannabis by a cannabis grower;

41 (2) The processing of cannabis by a cannabis processor;

42 (3) The receiving, storing, and delivering of cannabis items by a
43 cannabis wholesaler;

44 (4) The sale of cannabis items by a cannabis retailer to a
45 consumer;

46 (5) The purchase and sale of cannabis items between licensees;

47 (6) The transfer of cannabis items between licensed premises;

48 (7) The delivery of cannabis items; and

1 (8) Any other information that the commission determines is
2 reasonably necessary to accomplish the duties, functions, and
3 powers of the commission.
4

5 19. (New section) Taxation; Business Treatment.

6 a. There is imposed an excise tax on the sale or transfer of
7 cannabis by a cannabis grower to any other cannabis establishment
8 as follows: (1) any part of the bud and flower shall be taxed at \$42
9 an ounce; and (2) the remainder of the plant shall be taxed at a rate
10 to be determined by the commission, which shall not exceed \$42 an
11 ounce. Any fractional portion of an ounce sold or transferred shall be
12 taxed proportionately. The sales of cannabis by a cannabis grower
13 for which the excise tax is imposed shall be exempt from the tax
14 imposed under the "Sales and Use Tax Act," P.L.1966, c.30
15 (C.54:32B-1 et seq.).

16 b. (1) The commission shall regularly review the tax imposed
17 under this section and make recommendations to the Legislature as
18 appropriate regarding adjustments that would further the goals of:
19 supporting the development, expansion, regulation, and
20 enforcement of activities in the legal personal use cannabis
21 marketplace; undercutting illegal marijuana and hashish market prices;
22 discouraging use, particularly by those under 21 years of age; and
23 maximizing the use of taxation revenue.

24 (2) Additionally, in the first biannual report prepared by the
25 commission pursuant to paragraph (1) of subsection e. of section 8 of
26 P.L. , c. (C.) (pending before the Legislature as this bill) that
27 next follows the third anniversary of the date determined by the
28 commission pursuant to paragraph (2) of subsection d. of that section
29 to be the first date on which retail sales of personal use cannabis items
30 may occur, the commission shall present an evaluation of the tax based
31 upon the goals set forth in paragraph (1) of this subsection and include
32 a recommendation as to whether the tax amount should remain the
33 same or be reduced to a lower amount, and if the recommendation is
34 for a reduction, what lower amount would be appropriate in order to
35 continue or enhance the goals set forth in paragraph (1) of this
36 subsection.

37 c. (1) The tax imposed pursuant to this section shall be
38 collected from the cannabis establishment purchasing the cannabis
39 or paid by the cannabis grower, and remitted to the Director of the
40 Division of Taxation. The tax shall be stated, charged, and shown
41 separately on any sales slip, invoice, receipt, or other statement or
42 memorandum of the price paid or payable for the bud and flower of
43 the cannabis, or the remainder of the cannabis plant, or both, as
44 applicable.

45 (2) Every cannabis grower required to collect or pay the tax
46 imposed by this section shall be personally liable for the tax
47 imposed, collected, or required to be collected or paid under this
48 section. Any cannabis grower shall have the same right with
49 respect to collecting the tax from the cannabis establishment

1 purchasing the cannabis, or with respect to non-payment of the tax
2 by the cannabis establishment, as if the tax were a part of the
3 purchase price of the cannabis, and payable at the same time;
4 provided, however, that the director shall be joined as a party in any
5 action or proceeding brought to collect the tax.

6 d. The tax shall be reported and paid to the director on a
7 monthly basis, in a manner prescribed by the director.

8 e. Except as otherwise provided in the "New Jersey Cannabis
9 Regulatory and Expungement Aid Modernization Act," P.L. ,
10 c. (C.) (pending before the Legislature as this bill), the tax
11 imposed pursuant to this section shall be governed by the provisions
12 of the "State Uniform Tax Procedure Law," R.S.54:48-1 et seq.

13 f. The excise tax imposed under this section shall not apply to
14 sales or transfers of cannabis by a cannabis grower to a licensed
15 medical cannabis alternative treatment center for use as medical
16 cannabis dispensed pursuant to the "Jake Honig Compassionate Use
17 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) or
18 P.L.2015, c.158 (C.18A:40-12.22 et al.).

19 g. The tax revenue collected pursuant to this section shall be
20 deposited by the Director of the Office of Management and Budget
21 into the "Cannabis Regulatory and Expungement Aid Modernization
22 Fund" established pursuant to section 81 of P.L. , c. (C.)
23 (pending before the Legislature as this bill), and shall be used to fund
24 the commission's operations and for other purposes as set forth in
25 that section.

26 h. With respect to the business treatment of cannabis
27 establishments:

28 (1) In no case shall a cannabis grower operate or be located on
29 land that is valued, assessed or taxed as an agricultural or
30 horticultural use pursuant to the "Farmland Assessment Act of
31 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

32 (2) As used in this paragraph, "economic incentive" includes,
33 but is not limited to, operating as a certified seller in a designated
34 enterprise zone established pursuant to the "New Jersey Urban
35 Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et al.), or a
36 UEZ-impacted business district established pursuant to P.L.2001,
37 c.347 (C.52:27H-66.2 et al.).

38 (a) (i) A person or entity issued a license to operate as a
39 cannabis grower, cannabis processor, cannabis wholesaler, or cannabis
40 retailer shall not be eligible for a State or local economic incentive.

41 (ii) The issuance of a license to operate as a cannabis grower,
42 cannabis processor, cannabis wholesaler, or cannabis retailer to a
43 person or entity that has been awarded a State or local economic
44 incentive shall invalidate the right of the person or entity to benefit
45 from the economic incentive as of the date of issuance of the
46 license.

47 (b) (i) A property owner, developer, or operator of a project to
48 be used, in whole or in part, as a cannabis grower, cannabis
49 processor, cannabis wholesaler, or cannabis retailer shall not be

1 eligible for a State or local economic incentive during the period of
2 time that the economic incentive is in effect.

3 (ii) The issuance of a license to operate as a cannabis grower,
4 cannabis processor, cannabis wholesaler, or cannabis retailer at a
5 location that is the subject of a State or local economic incentive
6 shall invalidate the right of a property owner, developer, or operator
7 to benefit from the economic incentive as of the date of issuance of
8 the license.

9 i. With respect to any authority provided in this section to the
10 Director of the Division of Taxation, notwithstanding the provisions
11 of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-
12 1 et seq.), to the contrary, the director may immediately upon filing
13 proper notice with the Office of Administrative Law, adopt rules
14 and regulations deemed necessary by the director concerning the
15 director’s authority. These rules and regulations shall be effective
16 for a period not to exceed 180 days following the date determined
17 by the commission pursuant to paragraph (2) of subsection d. of
18 section 8 of P.L. , c. (C.) (pending before the Legislature as
19 this bill) to be the first date on which cannabis retailers issued
20 licenses or conditional licenses may begin retail sales of personal
21 use cannabis items, or the first date that any alternative treatment
22 center issued a cannabis retailer license pursuant to paragraph (3) of
23 subsection a. of section 30 of P.L. , c. (C.) (pending before
24 the Legislature as this bill) engages in retail sales of personal use
25 cannabis items, whichever date is earlier, and shall thereafter be
26 adopted, amended, or readopted, and any subsequent rules and
27 regulations adopted, amended, or readopted, by the director in
28 accordance with the “Administrative Procedure Act,” P.L.1968,
29 c.410 (C.52:14B-1 et seq.).

30 j. As used in this section:

31 “Cannabis” means the same as that term is defined in section 3 of
32 P.L. , c. (C.) (pending before the Legislature as this bill).

33 “Cannabis establishment” means the same as that term is defined in
34 section 3 of P.L. , c. (C.) (pending before the Legislature as
35 this bill).

36 “Cannabis grower” means the same as that term is defined in
37 section 3 of P.L. , c. (C.) (pending before the Legislature as
38 this bill).

39 “Cannabis items” means the same as that term is defined in section
40 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

41 “Cannabis processor” means the same as that term is defined in
42 section 3 of P.L. , c. (C.) (pending before the Legislature as
43 this bill).

44 “Cannabis retailer” means the same as that term is defined in
45 section 3 of P.L. , c. (C.) (pending before the Legislature as
46 this bill).

47 “Cannabis wholesaler” means the same as that term is defined in
48 section 3 of P.L. , c. (C.) (pending before the Legislature as
49 this bill).

1 “Director” means the Director of the Division of Taxation in the
2 Department of the Treasury.

3
4 20. (New section) a. The receipts from the retail sale of cannabis
5 items by a cannabis retailer, as those terms are defined in section 3 of
6 P.L. , c. (C.) (pending before the Legislature as this bill), in
7 accordance with the “New Jersey Cannabis Regulatory and
8 Expungement Aid Modernization Act,” P.L. , c. (C.) (pending
9 before the Legislature as this bill) shall be exempt from the tax
10 imposed under the “Sales and Use Tax Act,” P.L.1966, c.30
11 (C.54:32B-1 et seq.).

12 b. The Director of the Division of Taxation, notwithstanding
13 the provisions of the “Administrative Procedure Act,” P.L.1968,
14 c.410 (C.52:14B-1 et seq.), to the contrary, may immediately upon
15 filing proper notice with the Office of Administrative Law, adopt
16 rules and regulations deemed necessary by the director to carry out
17 the provisions of this section. These rules and regulations shall be
18 effective for a period not to exceed 180 days following the date
19 determined by the commission pursuant to paragraph (2) of subsection
20 d. of section 8 of P.L. , c. (C.) (pending before the Legislature
21 as this bill) to be the first date on which cannabis retailers issued
22 licenses or conditional licenses may begin retail sales of personal
23 use cannabis items, or the first date that any alternative treatment
24 center issued a cannabis retailer license pursuant to paragraph (3) of
25 subsection a. of section 30 of P.L. , c. (C.) (pending before
26 the Legislature as this bill) engages in retail sales of personal use
27 cannabis items, whichever date is earlier, and shall thereafter be
28 adopted, amended, or readopted, and any subsequent rules and
29 regulations adopted, amended, or readopted, by the director in
30 accordance with the “Administrative Procedure Act,” P.L.1968,
31 c.410 (C.52:14B-1 et seq.).

32
33 21. (New section) Local Cannabis Taxation; Local Cannabis
34 Transfer Tax and User Tax.

35 a. (1) A municipality may adopt an ordinance imposing a transfer
36 tax on the sale of cannabis items by a cannabis establishment that is
37 located in the municipality. At the discretion of the local
38 governmental entity, the tax may be imposed on: receipts from the sale
39 of cannabis items from one cannabis establishment to another cannabis
40 establishment; receipts from the retail sales by a cannabis retailer to
41 retail customers who are 21 years of age or older; or any combination
42 thereof. Each municipality shall set its own rate or rates, but in no
43 case shall a rate exceed: two percent of the receipts from each sale by a
44 cannabis grower; two percent of the receipts from each sale by a
45 cannabis processor; one percent of the receipts from each sale by a
46 cannabis wholesaler; and three percent of the receipts from each sale
47 by a cannabis retailer.

48 (2) A local tax ordinance adopted pursuant to paragraph (1) of this
49 subsection shall also include provisions for imposing a user tax, at the

1 equivalent transfer tax rates, on any concurrent license holder, as
2 permitted by section 30 of P.L. , c. (C.) (pending before the
3 Legislature as this bill), operating more than one cannabis
4 establishment. The user tax shall be imposed on the value of each
5 transfer or use of cannabis items not otherwise subject to the transfer
6 tax imposed pursuant to paragraph (1) of this subsection, from the
7 license holder's establishment that is located in the municipality to any
8 of the other license holder's establishments, whether located in the
9 municipality or another municipality.

10 b. (1) A transfer tax or user tax imposed pursuant this section
11 shall be in addition to any other tax imposed by law. Any
12 transaction for which the transfer tax or user tax is imposed, or
13 could be imposed, pursuant to this section shall be exempt from the
14 tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30
15 (C.54:32B-1 et seq.). The transfer tax or user tax shall be collected
16 or paid, and remitted to the municipality by the cannabis establishment
17 from the cannabis establishment purchasing or receiving the
18 cannabis item, or from the customer at the point of sale, on behalf
19 of the municipality by the cannabis establishment selling or
20 transferring the cannabis item. The transfer tax or user tax shall be
21 stated, charged, and shown separately on any sales slip, invoice,
22 receipt, or other statement or memorandum of the price paid or
23 payable for the cannabis item.

24 (2) Every cannabis establishment required to collect a transfer
25 tax or user tax imposed by ordinance pursuant to this section shall
26 be personally liable for the transfer tax or user tax imposed,
27 collected, or required to be collected under this section. Any
28 cannabis establishment shall have the same right with respect to
29 collecting the transfer tax or user tax from another cannabis
30 establishment or the customer as if the transfer tax or user tax was a
31 part of the sale and payable at the same time, or with respect to non-
32 payment of the transfer tax or user tax by the cannabis
33 establishment or customer, as if the transfer tax or user tax was a
34 part of the purchase price of the cannabis item, and payable at the
35 same time; provided, however, that the chief fiscal officer of the
36 municipality which imposes the transfer tax or user tax shall be
37 joined as a party in any action or proceeding brought to collect the
38 transfer tax or user tax.

39 (3) No cannabis establishment required to collect a transfer tax or
40 user tax imposed by ordinance pursuant to this section shall advertise
41 or hold out to any person or to the public in general, in any manner,
42 directly or indirectly, that the transfer tax or user tax will not be
43 separately charged and stated to another cannabis establishment or the
44 customer or that the transfer tax or user tax will be refunded to the
45 cannabis establishment or the customer.

46 c. (1) All revenues collected from a transfer tax or user tax
47 imposed by ordinance pursuant to this section shall be remitted to
48 the chief financial officer of the municipality in a manner
49 prescribed by the local governmental entity. The chief financial

1 officer shall collect and administer any transfer tax or user tax
2 imposed by ordinance pursuant to this section. The municipality
3 shall enforce the payment of delinquent taxes or transfer fees
4 imposed by ordinance pursuant to this section in the same manner
5 as provided for municipal real property taxes.

6 (2) (a) In the event that the transfer tax or user tax imposed by
7 ordinance pursuant to this section is not paid as and when due by a
8 cannabis establishment, the unpaid balance, and any interest
9 accruing thereon, shall be a lien on the parcel of real property
10 comprising the cannabis establishment in the same manner as all
11 other unpaid municipal taxes, fees, or other charges. The lien shall
12 be superior and paramount to the interest in the parcel of any
13 owner, lessee, tenant, mortgagee, or other person, except the lien of
14 municipal taxes, and shall be on a parity with and deemed equal to
15 the municipal lien on the parcel for unpaid property taxes due and
16 owing in the same year.

17 (b) A municipality shall file in the office of its tax collector a
18 statement showing the amount and due date of the unpaid balance
19 and identifying the lot and block number of the parcel of real
20 property that comprises the delinquent cannabis establishment. The
21 lien shall be enforced as a municipal lien in the same manner as all
22 other municipal liens are enforced.

23 d. No transfer tax or user tax imposed by ordinance pursuant to
24 this section shall be levied upon medical cannabis dispensed
25 pursuant to the “Jake Honig Compassionate Use Medical Cannabis
26 Act,” P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158
27 (C.18A:40-12.22 et al.).

28 e. As used in this section:

29 “Cannabis establishment” means the same as that term is defined
30 in section 3 of P.L. , c. (C.) (pending before the Legislature
31 as this bill).

32 “Cannabis grower” means the same as that term is defined in
33 section 3 of P.L. , c. (C.) (pending before the Legislature as this
34 bill).

35 “Cannabis items” means the same as that term is defined in
36 section 3 of P.L. , c. (C.) (pending before the Legislature
37 as this bill).

38 Cannabis processor” means the same as that term is defined in
39 section 3 of P.L. , c. (C.) (pending before the Legislature as this
40 bill).

41 “Cannabis retailer” means the same as that term is defined in
42 section 3 of P.L. , c. (C.) (pending before the Legislature
43 as this bill).

44 Cannabis wholesaler” means the same as that term is defined in
45 section 3 of P.L. , c. (C.) (pending before the Legislature as this
46 bill).

47 “Director” means the Director of the Division of Taxation in the
48 Department of the Treasury.

1 22. (New section) Local Governmental Entity Regulations or
2 Ordinances.

3 a. A local governmental entity may enact ordinances or
4 regulations, not in conflict with the provisions of P.L. , c. (C.)
5 (pending before the Legislature as this bill):

6 (1) governing the time, location, manner, and number of
7 cannabis establishments; and

8 (2) establishing civil penalties for violation of an ordinance or
9 regulation governing the time, location, and manner of a cannabis
10 establishment that may operate in such local governmental entity.

11 b. A local governmental entity may prohibit the operation of
12 any one or more classes of cannabis establishment within the
13 jurisdiction of the local governmental entity through the enactment
14 of an ordinance, and this prohibiting ordinance shall apply throughout
15 the local governmental entity, even if that local governmental entity or
16 parts thereof fall within any district, area, or other geographical
17 jurisdiction for which land use planning, site planning, zoning
18 requirements or other development authority is exercised by an
19 independent State authority, commission, instrumentality, or agency
20 pursuant to the enabling legislation that governs its duties, functions,
21 and powers, even if this development authority is expressly stated or
22 interpreted to be exclusive thereunder; the local prohibiting ordinance
23 applies, notwithstanding the provisions of any independent State
24 authority law to the contrary. Only an ordinance to prohibit one or
25 more classes of cannabis establishment enacted pursuant to the
26 specific authority to do so by this section shall be valid and
27 enforceable; any ordinance enacted by a local governmental entity
28 prior to the effective date of this section addressing the issue of
29 prohibiting one or more types of cannabis-related activities within
30 the jurisdiction of the local governmental entity is null and void,
31 and that entity may only prohibit the operation of one or more
32 classes of cannabis establishment by enactment of a new ordinance
33 based upon the specific authority to do so by this section. The
34 failure of a local governmental entity to enact an ordinance
35 prohibiting the operation of one or more classes of cannabis
36 establishment within 180 days after the effective date of
37 P.L. , c. (C.) (pending before the Legislature as this bill),
38 shall result in any class of cannabis establishment that is not
39 prohibited from operating within the local governmental entity as
40 being permitted to operate therein as follows: the growing,
41 cultivating, processing, and selling and reselling of cannabis and
42 cannabis items by a cannabis grower, cannabis processor, or
43 cannabis wholesaler shall be permitted uses in all industrial zones
44 of the local governmental entity; and the selling of cannabis items
45 to consumers from a retail store by a cannabis retailer shall be a
46 conditional use in all commercial zones or retail zones, subject to
47 meeting the conditions set forth in any applicable zoning ordinance
48 or receiving a variance from one or more of those conditions in
49 accordance with the “Municipal Land Use Law,” P.L.1975, c.291

1 (C.40:55D-1 et seq.). At the end of a five-year period following the
2 initial failure of a local governmental entity to enact an ordinance
3 prohibiting the operation of one or more classes of cannabis
4 establishment, and every five-year period thereafter following a
5 failure to enact a prohibiting ordinance, the local governmental
6 entity shall again be permitted to prohibit the future operation of
7 any one or more classes of cannabis establishment through the
8 enactment of an ordinance, but this ordinance shall be prospective
9 only and not apply to any cannabis establishment operating in the
10 local governmental entity prior to the enactment of the ordinance.

11 c. (1) When the commission receives an application for initial
12 licensing or renewal of an existing license for any cannabis
13 establishment pursuant to section 23 of P.L. , c. (C.)
14 (pending before the Legislature as this bill), or endorsement for a
15 cannabis consumption area pursuant to section 82 of P.L. ,
16 c. (C.) (pending before the Legislature as this bill), the
17 commission shall provide, within seven days, a copy of the
18 application to the local governmental entity in which the
19 establishment or consumption area is to be located, unless the local
20 governmental entity has prohibited the operation of the particular
21 class of cannabis establishment for which licensure is sought, or in
22 the case of an application seeking a consumption area endorsement,
23 prohibited the operation of cannabis retailers. The local jurisdiction
24 shall determine whether the application complies with local
25 restrictions on time, location, manner, and the number of cannabis
26 businesses. The local jurisdiction shall inform the commission
27 whether the application complies with local restrictions on time,
28 location, manner, and the number of cannabis businesses.

29 (2) A local governmental entity may impose a separate local
30 licensing or endorsement requirement as a part of its restrictions on
31 time, location, manner, and the number of cannabis businesses. A
32 local governmental entity may decline to impose any local licensing
33 or endorsement requirements, but a local jurisdiction shall notify
34 the commission that it either approves or denies each application
35 forwarded to it.

36

37 23. (New section) Application For License or Conditional
38 License.

39 a. Each application for an annual license to operate a cannabis
40 establishment, or conditional license for a proposed cannabis
41 establishment, shall be submitted to the commission. A separate
42 license or conditional license shall be required for each location at
43 which a cannabis establishment seeks to operate. Renewal
44 applications for another annual license may be filed up to 90 days
45 prior to the expiration of the establishment's license. A conditional
46 license shall not be renewed, but replaced with an annual license
47 upon the commission's determination of qualification for the annual
48 license, or otherwise expire, as set forth in paragraph (2) of
49 subsection b. of this section.

1 b. (1) Regarding the application for and issuance of annual
2 licenses, the commission shall:

3 (a) begin accepting and processing applications within 30 days
4 after the commission's initial rules and regulations have been
5 adopted pursuant to subparagraph (a) of paragraph (1) of subsection
6 d. of section 8 of P.L. , c. (C.) (pending before the Legislature
7 as this bill);

8 (b) forward, within seven days of receipt, a copy of each
9 application to the local governmental entity in which the applicant
10 desires to operate the cannabis establishment; and

11 (c) verify the information contained in the application and
12 review the qualifications for the applicable license class, set forth in
13 section 24, 26, 27, or 28 of P.L. , c. (C.) (pending before
14 the Legislature as this bill), and regulations concerning
15 qualifications for licensure promulgated by the commission for
16 which the applicant seeks licensure, and not more than 90 days after
17 the receipt of an application, make a determination as to whether
18 the application is approved or denied, or that the commission
19 requires more time to adequately review the application.

20 The commission shall deny a license application to any applicant
21 who fails to provide information, documentation and assurances as
22 required by P.L. , c. (C.) (pending before the Legislature as
23 this bill) or as requested by the commission, or who fails to reveal any
24 fact material to qualification, or who supplies information which is
25 untrue or misleading as to a material fact pertaining to the qualification
26 criteria for licensure. The commission shall approve a license
27 application that meets the requirements of this section unless the
28 commission finds by clear and convincing evidence that the applicant
29 would be manifestly unsuitable to perform the activities for the
30 applicable license class for which licensure is sought.

31 (i) If the application is approved, upon collection of the license
32 fee, the commission shall issue an annual license to the applicant no
33 later than 30 days after giving notice of approval of the application
34 unless the commission finds the applicant is not in compliance with
35 regulations for annual licenses enacted pursuant to the provisions of
36 paragraph (1) of subsection d. of section 8 of P.L. , c. (C.)
37 (pending before the Legislature as this bill) or the commission is
38 notified by the relevant local governmental entity that the applicant
39 is not in compliance with ordinances and regulations made pursuant
40 to the provisions of section 22 of P.L. , c. (C.) (pending
41 before the Legislature as this bill) and in effect at the time of
42 application, provided, if a local governmental entity has enacted a
43 numerical limit on the number of cannabis establishments and a
44 greater number of applicants seek licenses, the commission shall
45 solicit and consider input from the local governmental entity as to
46 the local governmental entity's preference or preferences for
47 licensure.

48 (ii) If the application is denied, the commission shall notify the
49 applicant in writing of the specific reason for its denial, and provide

1 the applicant with the opportunity for a hearing in accordance with
2 the “Administrative Procedure Act, P.L.1968, c.410 (C.52:14B-1 et
3 seq.).

4 (2) Regarding the application for and issuance of conditional
5 licenses, the commission shall:

6 (a) begin accepting and processing applications from applicants
7 within 30 days after the commission’s initial rules and regulations
8 have been adopted pursuant to subparagraph (a) of paragraph (1) of
9 subsection d. of section 8 of P.L. , c. (C.) (pending before the
10 Legislature as this bill), and ensure that at least 35 percent of the
11 total licenses issued for each class of cannabis establishment are
12 conditional licenses, which 35 percent figure shall also include any
13 conditional license issued to an applicant which is subsequently
14 replaced by the commission with an annual license due to that
15 applicant’s compliance for the annual license pursuant to
16 subsubparagraph (i) of subparagraph (d) of this paragraph;

17 (b) forward, within seven days of receipt, a copy of each
18 application to the local governmental entity in which the applicant
19 desires to operate a proposed cannabis establishment; and

20 (c) verify the information contained in the application and
21 review the following qualifications for a conditional license:

22 (i) that the application include at least one significantly
23 involved person who has resided in this State for at least two years
24 as of the date of the application;

25 (ii) a listing included with the application, showing all persons
26 with a financial interest who also has decision making authority for
27 the proposed cannabis establishment detailed in the application;

28 (iii) proof that the significantly involved person and any other
29 person with a financial interest who also has decision making
30 authority for the proposed cannabis establishment is 21 years of age
31 or older;

32 (iv) the name, address, date of birth, and resumes of each
33 executive officer and all other persons with a financial interest who
34 also has decision making authority for the proposed cannabis
35 establishment, as well as a photocopy of their driver’s licenses or
36 other government-issued form of identification, plus background
37 check information in a form and manner determined by the
38 commission in consultation with the Superintendent of State Police;
39 concerning the background check, an application shall be denied if
40 any person has any disqualifying conviction pursuant to
41 subparagraph (c) of paragraph (4) of subsection a. of section 24, 26,
42 27 or 28 of P.L. , c. (C.) (pending before the Legislature as
43 this bill), based upon the applicable class of cannabis establishment
44 for which the application was submitted, unless the commission
45 determines pursuant to subsubparagraph (ii) of those subparagraphs
46 that the conviction should not disqualify the application;

47 (v) proof that each person with a financial interest who also has
48 decision making authority for the proposed cannabis establishment
49 has, for the immediately preceding taxable year, an adjusted gross

- 1 income of no more than \$200,000 or no more than \$400,000 if
2 filing jointly with another;
- 3 (vi) a certification that each person with a financial interest who
4 also has decision making authority for the proposed cannabis
5 establishment does not have any financial interest in an application
6 for an annual license under review before the commission or a
7 cannabis establishment that is currently operating with an annual
8 license;
- 9 (vii) the federal and State tax identification numbers for the
10 proposed cannabis establishment, and proof of business registration
11 with the Division of Revenue in the Department of the Treasury;
- 12 (viii) information about the proposed cannabis establishment,
13 including its legal name, any registered alternate name under which
14 it may conduct business, and a copy of its articles of organization
15 and bylaws;
- 16 (ix) the business plan and management operation profile for the
17 proposed cannabis establishment;
- 18 (x) the plan by which the applicant intends to obtain appropriate
19 liability insurance coverage for the proposed cannabis
20 establishment; and
- 21 (xi) any other requirements established by the commission
22 pursuant to regulation; and
- 23 (d) not more than 30 days after the receipt of an application,
24 make a determination as to whether the application is approved or
25 denied, or that the commission requires more time to adequately
26 review the application.
- 27 The commission shall deny a license application to any applicant
28 who fails to provide information, documentation and assurances as
29 required by P.L. , c. (C.) (pending before the Legislature as
30 this bill) or as requested by the commission, or who fails to reveal any
31 fact material to qualification, or who supplies information which is
32 untrue or misleading as to a material fact pertaining to the qualification
33 criteria for licensure. The commission shall approve a license
34 application that meets the requirements of this section unless the
35 commission finds by clear and convincing evidence that the applicant
36 would be manifestly unsuitable to perform the activities for the
37 applicable license class for which licensure is sought.
- 38 (i) If the application is approved, upon collection of the
39 conditional license fee, the commission shall issue a conditional
40 license to the applicant, which is non-transferable for its duration,
41 no later than 30 days after giving notice of approval of the
42 application, unless the commission finds the applicant is not in
43 compliance with regulations for conditional licenses enacted
44 pursuant to the provisions of paragraph (1) of subsection d. of
45 section 8 of P.L. , c. (C.) (pending before the legislature as
46 this bill) or the commission is notified by the relevant local
47 governmental entity that the applicant is not in compliance with
48 ordinances and regulations made pursuant to the provisions of
49 section 22 of P.L. , c. (C.) (pending before the Legislature

1 as this bill) and in effect at the time of application, provided, if a
2 local governmental entity has enacted a numerical limit on the
3 number of marijuana cannabis establishments and a greater number
4 of applicants seek licenses, the commission shall solicit and
5 consider input from the local governmental entity as to the local
6 governmental entity's preference or preferences for licensure. For
7 each license issued, the commission shall also provide the approved
8 licensee with documentation setting forth the remaining conditions
9 to be satisfied under section 24, 26, 27 or 28 of P.L. ,
10 c. (C.) (pending before the Legislature as this bill), or
11 relevant regulations, based upon the applicable class of cannabis
12 establishment for which the conditional license was issued, and
13 which were not already required for the issuance of that license, to
14 be completed within 120 days of issuance of the conditional license.
15 If the commission subsequently determines during that 120-day
16 period that the conditional licensee is in compliance with all
17 applicable conditions and is implementing the plans, procedures,
18 protocols, actions, or other measures set forth in its application, the
19 commission shall replace the conditional license by issuing an
20 annual license, which will expire one year from its date of issuance;
21 if the conditional licensee is not in compliance with all applicable
22 conditions or not implementing the plans, procedures, protocols,
23 actions, or other measures set forth in its application, the
24 conditional license shall automatically expire at the end of the 120-
25 day period;

26 (ii) If the application is denied, the commission shall notify the
27 applicant in writing of the specific reason for its denial, provide
28 with this written notice a refund of 80 percent of the application fee
29 submitted with the application, and provide the applicant with the
30 opportunity for a hearing in accordance with the "Administrative
31 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.);

32 c. The commission shall require all applicants for cannabis
33 licenses, other than applicants issued a conditional license for any
34 form of cannabis establishment or issued either a conditional or
35 annual license for an establishment that is a microbusiness pursuant
36 to subsection f. of this section, to submit an attestation signed by a
37 bona fide labor organization stating that the applicant has entered
38 into a labor peace agreement with such bona fide labor
39 organization. The maintenance of a labor peace agreement with a
40 bona fide labor organization by a licensed cannabis establishment,
41 other than an establishment that is a microbusiness, shall be an
42 ongoing material condition of the establishment's license. The
43 submission of an attestation and maintenance of a labor peace
44 agreement with a bona fide labor organization by an applicant
45 issued a conditional license for a cannabis establishment, other than
46 an establishment that is a microbusiness, shall be a requirement for
47 final approval for an annual license. Failure to enter, or to make a
48 good faith effort to enter, into a collective bargaining agreement
49 within 200 days of the opening of a licensed cannabis

1 establishment, other than an establishment that is a microbusiness,
2 shall result in the suspension or revocation of the establishment's
3 license.

4 d. (1) Each license application shall be scored and reviewed
5 based upon a point scale with the commission determining the
6 amount of points, the point categories, and the system of point
7 distribution by regulation. The commission shall rank all
8 applicants, from the most to the least points, according to the point
9 system. The commission may, pursuant to a process set forth in
10 regulation and consistent with this subsection, adjust the point
11 system or utilize a separate point system and rankings with respect
12 to the review of an application for which a conditional license is
13 sought. If two or more eligible applicants have the same number of
14 points, those applicants shall be grouped together and, if there are
15 more eligible applicants in this group than the remaining number of
16 licenses available, the commission shall utilize a public lottery to
17 determine which applicants receive a license or conditional license,
18 as the case may be.

19 (a) An initial application for licensure shall be evaluated
20 according to criteria to be developed by the commission. For the
21 point values assigned to each criterion, there shall be included
22 bonus points for applicants who are residents of New Jersey.

23 (b) The criteria to be developed by the commission pursuant to
24 subparagraph (a) this paragraph shall include, in addition to the
25 criteria set forth in subparagraphs (c) and (d) of this paragraph and
26 any other criteria developed by the commission, an analysis of the
27 applicant's operating plan, excluding safety and security criteria,
28 which shall include the following:

29 (i) In the case of an applicant for a cannabis grower license, the
30 operating plan summary shall include a written description
31 concerning the applicant's qualifications for, experience in, and
32 knowledge of each of the following topics:

- 33 - State-authorized cultivation of medical cannabis;
- 34 - conventional horticulture or agriculture, familiarity with good
35 agricultural practices, and any relevant certifications or degrees;
- 36 - quality control and quality assurance;
- 37 - recall plans;
- 38 - packaging and labeling;
- 39 - inventory control and tracking software or systems for the
40 production of personal use cannabis;
- 41 - analytical chemistry and testing of personal use cannabis;
- 42 - water management practices;
- 43 - odor mitigation practices;
- 44 - onsite and offsite recordkeeping;
- 45 - strain variety and plant genetics;
- 46 - pest control and disease management practices, including plans
47 for the use of pesticides, nutrients, and additives;
- 48 - waste disposal plans; and
- 49 - compliance with applicable laws and regulations.

(ii) In the case of an applicant for a cannabis processor license, or, as applicable, a cannabis wholesaler license, 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:

- 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;

- quality control and quality assurance;

- recall plans;

- packaging and labeling;

- inventory control and tracking software or systems for the production of personal use cannabis and cannabis items;

- analytical chemistry and testing of personal use cannabis and cannabis items;

- water management practices;

- odor mitigation practices;

- onsite and offsite recordkeeping;

- a list of product formulations or products proposed to be manufactured with estimated cannabinoid profiles, if known, including varieties with high cannabidiol content;

- 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;

- waste disposal plans; and

- compliance with applicable laws and regulations.

(iii) In the case of an applicant for a cannabis retailer license, 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:

- State-authorized sales of cannabis items to consumers;

- personal use cannabis product evaluation procedures;

- recall plans;

- packaging and labeling;

- inventory control and point-of-sale software or systems for the sale of cannabis items;

- the routes of administration, strains, varieties, and cannabinoid profiles of personal use cannabis and cannabis items;

- odor mitigation practices;

- onsite and offsite recordkeeping;

- waste disposal plans; and

- compliance with applicable laws and regulations.

(c) The criteria to be developed by the commission pursuant to subparagraph (a) of this paragraph shall include, in addition to the criteria set forth in subparagraph (b) and (d) of this paragraph and

1 any other criteria developed by the commission, an analysis of the
2 following factors, if applicable:

3 (i) The applicant's environmental impact plan.

4 (ii) A summary of the applicant's safety and security plans and
5 procedures, which shall include descriptions of the following:

6 - plans for the use of security personnel, including contractors;
7 - the experience or qualifications of security personnel and
8 proposed contractors;

9 - security and surveillance features, including descriptions of any
10 alarm systems, video surveillance systems, and access and visitor
11 management systems, along with drawings identifying the proposed
12 locations for surveillance cameras and other security features;

13 - plans for the storage of cannabis and cannabis items, including
14 any safes, vaults, and climate control systems that will be utilized
15 for this purpose;

16 - a diversion prevention plan;

17 - an emergency management plan;

18 - procedures for screening, monitoring, and performing criminal
19 history record background checks of employees;

20 - cybersecurity procedures;

21 - workplace safety plans and the applicant's familiarity with
22 federal Occupational Safety and Health Administration regulations;

23 - the applicant's history of workers' compensation claims and
24 safety assessments;

25 - procedures for reporting adverse events; and

26 - a sanitation practices plan.

27 (iii) A summary of the applicant's business experience, including
28 the following, if applicable:

29 - the applicant's experience operating businesses in highly-
30 regulated industries;

31 - the applicant's experience in operating alternative treatment
32 centers and related medical cannabis production and dispensation
33 entities under the laws of New Jersey or any other state or
34 jurisdiction within the United States; and

35 - the applicant's plan to comply with and mitigate the effects of
36 26 U.S.C. s.280E on cannabis businesses, and for evidence that the
37 applicant is not in arrears with respect to any tax obligation to the
38 State.

39 In evaluating the experience described under this
40 subsubparagraph, the commission shall afford the greatest weight to
41 the experience of the applicant itself, controlling owners, and
42 entities with common ownership or control with the applicant;
43 followed by the experience of those with a 15 percent or greater
44 ownership interest in the applicant's organization; followed by
45 interest holders in the applicant's organization; followed by other
46 officers, directors, and bona fide full-time employees of the
47 applicant as of the submission date of the application.

48 (iv) A description of the proposed location for the applicant's
49 site, including the following, if applicable:

1 - the proposed location, the surrounding area, and the suitability
2 or advantages of the proposed location, along with a floor plan and
3 optional renderings or architectural or engineering plans;

4 - the submission of zoning approvals for the proposed location,
5 which shall consist of a letter or affidavit from appropriate officials
6 of the local governmental entity that the location will conform to
7 local zoning requirements allowing for activities related to the
8 operations of the proposed cannabis grower, cannabis processor,
9 cannabis wholesaler, or cannabis retailer, and related supplies as
10 will be conducted at the proposed facility; and

11 - the submission of proof of local support for the suitability of
12 the location, which may be demonstrated by a resolution adopted by
13 the local governmental entity's governing body indicating that the
14 intended location is appropriately located or otherwise suitable for
15 activities related to the operations of the proposed cannabis grower,
16 cannabis processor, cannabis wholesaler, or cannabis retailer.

17 Notwithstanding any other provision of this subsubparagraph, an
18 application shall be disqualified from consideration unless it
19 includes documentation demonstrating that the applicant will have
20 final control of the premises upon approval of the application,
21 including, but not limited to, a lease agreement, contract for sale,
22 title, deed, or similar documentation. In addition, if the applicant
23 will lease the premises, the application will be disqualified from
24 consideration unless it includes certification from the landlord that
25 the landlord is aware that the tenant's use of the premises will
26 involve operations as a cannabis grower, cannabis processor,
27 cannabis wholesaler, or cannabis retailer. An application shall not
28 be disqualified from consideration if the application does not
29 include the materials described in this subsubparagraph.

30 (v) A community impact, social responsibility, and research
31 statement, which may include, but shall not be limited to, the
32 following:

33 - a community impact plan summarizing how the applicant
34 intends to have a positive impact on the community in which the
35 proposed cannabis establishment is to be located, which shall
36 include an economic impact plan and a description of outreach
37 activities;

38 - a written description of the applicant's record of social
39 responsibility, philanthropy, and ties to the proposed host
40 community;

41 - a written description of any research the applicant has
42 conducted on the adverse effects of the use of cannabis items,
43 substance abuse or addiction, and the applicant's participation in or
44 support of cannabis-related research and educational activities; and

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

1 In evaluating the information submitted pursuant to this
2 subsubparagraph, the commission shall afford the greatest weight to
3 the experience of the applicant itself, controlling owners, and
4 entities with common ownership or control with the applicant;
5 followed by the experience of those with a 15 percent or greater
6 ownership interest in the applicant's organization; followed by
7 interest holders in the applicant's organization; followed by other
8 officers, directors, and bona fide full-time employees of the
9 applicant as of the submission date of the application.

10 (vi) A workforce development and job creation plan, which may
11 include, but shall not be limited to a description of the applicant's
12 workforce development and job creation plan, which may include
13 information on the applicant's history of job creation and planned
14 job creation at the proposed cannabis establishment; education,
15 training, and resources to be made available for employees; any
16 relevant certifications; and an optional diversity plan.

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

19 - an executive summary of the applicant's business plan;
20 - a demonstration of the applicant's financial ability to
21 implement its business plan, which may include, but shall not be
22 limited to, bank statements, business and individual financial
23 statements, net worth statements, and debt and equity financing
24 statements; and

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

40 (viii) Whether any of the applicant's majority or controlling
41 owners were previously approved by the commission to serve as an
42 officer, director, principal, or key employee of an alternative
43 treatment center or personal use cannabis establishment, provided
44 any such individual served in that capacity for six or more months;

45 (ix) Whether the applicant can demonstrate that its governance
46 structure includes the involvement of a school of medicine or
47 osteopathic medicine licensed and accredited in the United States,
48 or a general acute care hospital, ambulatory care facility, adult day

1 care services program, or pharmacy licensed in New Jersey,
2 provided that:

3 - the school, hospital, facility, or pharmacy has conducted or
4 participated in research approved by an institutional review board
5 related to cannabis involving the use of human subjects, except in
6 the case of an accredited school of medicine or osteopathic
7 medicine that is located and licensed in New Jersey;

8 - the school, hospital, facility, or pharmacy holds a profit share
9 or ownership interest in the applicant's organization of 10 percent
10 or more, except in the case of an accredited school of medicine or
11 osteopathic medicine that is located and licensed in New Jersey;
12 and

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

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

19 (2) In ranking applications, in addition to the awarding of points
20 as set forth in paragraph (1) of this subsection, the commission shall
21 give priority to the following:

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

25 (b) Applicants that are party to a collective bargaining
26 agreement with a labor organization that currently represents
27 cannabis workers in another state.

28 (c) Applicants that include a significantly involved person or
29 persons lawfully residing in New Jersey for at least two years as of
30 the date of the application.

31 (d) Applicants that submit an attestation affirming that they will
32 use best efforts to utilize union labor in the construction or retrofit
33 of the facilities associated with the permitted entity.

34 (3) In reviewing an initial application, unless the information is
35 otherwise solicited by the commission in a specific application
36 question, the commission's evaluation of the application shall be
37 limited to the experience and qualifications of the applicant's
38 organization, including any entities with common ownership or
39 control of the applicant's organization, controlling owners or
40 interest holders in the applicant's organization, and the officers,
41 directors, and current full-time existing employees of the
42 applicant's organization. Responses pertaining to consultants,
43 independent contractors, applicants who are exempt from the
44 criminal history record background check requirements of P.L. ,
45 c. (C.) (pending before the Legislature as this bill), and
46 prospective or part-time employees of the entity shall not be
47 considered. Each applicant shall certify as to the status of the
48 individuals and entities included in the application.

(4) 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 growing, processing, wholesaling, and retail sales of personal use cannabis and cannabis items, provided that the curriculum is approved by both the commission and the Department of Education and the applicant agrees to maintain the integrated curriculum in perpetuity. An integrated curriculum permit shall be subject to revocation if the permit holder fails to maintain or continue the integrated curriculum. In the event that, because of circumstances outside a permit holder's control, the permit holder will no longer be able to continue an integrated curriculum, the 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 Department of Education. If the 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 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. , c. (C.) (pending before the Legislature as this bill). The commission may revise the application and permit fees or other conditions for a permit pursuant to this paragraph as may be necessary to encourage applications for permits.

(5) 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.).

(6) If the commission notifies an applicant that it has performed sufficiently well on multiple applications to be awarded more than one cannabis grower license, more than one cannabis processor license, more than one cannabis wholesaler license, or more than one cannabis retailer license, the applicant shall notify the commission, within seven business days after receiving such notice, as to which license it will accept. For any license award that is declined by an applicant pursuant to this paragraph, the commission shall, upon receiving notice from the applicant of the declination, award the license to the applicant for that license class who, in the determination of the commission, best satisfies the commission's criteria while meeting the commission's determination of Statewide market place need. If an applicant fails to notify the commission as to which license it will accept, the commission shall have the discretion to determine which license it will award to the applicant, based on the commission's determination of Statewide marketplace need and other applications submitted for cannabis establishments to be located in the affected regions.

- 1 e. (1) The commission shall also prioritize applications on the
2 basis of impact zones, for which past criminal marijuana enterprises
3 contributed to higher concentrations of law enforcement activity,
4 unemployment, and poverty within parts of or throughout these
5 zones. An “impact zone” means any local governmental entity that:
6 (a) has a population of 120,000 or more according to the most
7 recently compiled federal decennial census as of the effective date
8 of P.L. , c. (C.) (pending before the Legislature as this bill);
9 or
10 (b) (i) ranks in the top 33 percent of local governmental entities
11 in the State for marijuana- or hashish-related arrests for violation of
12 paragraph (4) of subsection a. of N.J.S.2C:35-10 in the calendar
13 year next preceding the effective date of P.L. , c. (C.)
14 (pending before the Legislature as this bill);
15 (ii) has a crime index total of 1,000 or higher based upon the
16 indexes listed in the most recently issued annual Uniform Crime
17 Report by the Division of State Police as of that effective date; and
18 (iii) has a local governmental entity average annual
19 unemployment rate that ranks in the top 15 percent of all local
20 governmental entities in the State for the calendar year next
21 preceding that effective date, based upon average annual
22 unemployment rates estimated for the relevant calendar year by the
23 Office of Research and Information in the Department of Labor and
24 Workforce Development.
- 25 (2) In ranking applications with respect to impact zones, the
26 commission shall give priority to the following:
27 (a) An applicant who is a current resident of an impact zone and
28 has resided therein for three or more consecutive years at the time
29 of making the application. To the extent reasonably practicable, at
30 least 25 percent of the total licenses issued to applicants for a
31 cannabis establishment license shall be awarded to applicants who
32 have resided in an impact zone for three or more consecutive years
33 at the time of making the application, regardless of where the
34 cannabis establishment is, or is intended to be, located.
- 35 (b) An applicant who presents a plan, attested to, to employ 25
36 percent of employees who reside in an impact zone, of whom at
37 least 25 percent shall reside in the impact zone nearest to the
38 location, or intended location, of the cannabis establishment; failure
39 to meet the requisite percentages of employees from an impact zone
40 within 90 days of the opening of a licensed cannabis establishment
41 shall result in the suspension or revocation of a license or
42 conditional license, as applicable, issued based on an application
43 with an impact zone employment plan.
- 44 f. (1) The commission shall ensure that at least 10 percent of
45 the total licenses issued for each class of cannabis establishment are
46 designated for and only issued to microbusinesses, and that at least
47 25 percent of the total licenses issued be issued to microbusinesses.
48 The determination of the percentage for each class of license issued
49 to microbusinesses shall include the number of conditional licenses

1 issued to microbusinesses for each class, as the percentage of
2 conditional licenses issued for each class pursuant to subparagraph
3 (a) of paragraph (2) of subsection b. of this section shall not be
4 mutually exclusive of the percentage of licenses issued to
5 microbusinesses pursuant to this paragraph. The maximum fee
6 assessed by the commission for issuance or renewal of a license
7 designated and issued to a microbusiness shall be no more than half
8 the fee applicable to a license of the same class issued to a person
9 or entity that is not a microbusiness. A license designated and
10 issued to a microbusiness shall be valid for one year and may be
11 renewed annually.

12 (2) A microbusiness shall meet the following requirements:

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

16 (b) at least 51 percent of the owners, directors, officers, or
17 employees of the microbusiness shall be residents of the local
18 governmental entity in which the microbusiness is located, or to be
19 located, or a local governmental entity bordering the local
20 governmental entity in which the microbusiness is located, or to be
21 located;

22 (c) concerning business operations, and capacity and quantity
23 restrictions:

24 (i) employ no more than 10 employees;

25 (ii) operate a cannabis establishment occupying an area of no
26 more than 2,500 square feet, and in the case of a cannabis grower,
27 grow cannabis on an area no more than 2,500 square feet measured
28 on a horizontal plane and grow above that plane not higher than 24
29 feet;

30 (iii) possess no more than 1,000 cannabis plants each month;

31 (iv) in the case of a cannabis processor, acquire and process no
32 more than 1,000 pounds of cannabis in dried form each month;

33 (v) in the case of a cannabis wholesaler, acquire for resale no
34 more than 1,000 pounds of cannabis in dried form, or the equivalent
35 amount in any other form, or any combination thereof, each month;
36 and

37 (vi) in the case of a cannabis retailer, acquire for retail sale no
38 more than 1,000 pounds of cannabis in dried form, or the equivalent
39 amount in any other form, or any combination thereof, each month.

40 (d) no owner, director, officer, or other person with a financial
41 interest who also has decision making authority for the
42 microbusiness shall hold any financial interest in any other licensed
43 cannabis establishment, whether or not a microbusiness;

44 (e) no owner, director, officer, or other person with a financial
45 interest who also has decision making authority for a licensed
46 cannabis establishment, whether or not a microbusiness, shall hold
47 any financial interest in a microbusiness;

48 (f) the microbusiness shall not sell or transfer the license issued
49 to it; and

1 (g) the microbusiness shall comply with such other requirements
2 as may be established by the commission by regulation.

3
4 24. (New section) Class 1 Cannabis Grower license.

5 A cannabis grower shall have a Class 1 Cannabis Grower license
6 issued by the commission for the premises at which the cannabis is
7 grown or cultivated. Except for an initial period during which the
8 number of licenses is capped pursuant to section 30 of P.L. ,
9 c. (C.) (pending before the Legislature as this bill), the
10 commission shall determine the maximum number of licenses, of
11 which at least 35 percent shall be conditional licenses issued
12 pursuant to subparagraph (a) of paragraph (2) of subsection b. of
13 section 23 of P.L. , c. (C.) (pending before the Legislature
14 as this bill), and at least 25 percent of the total number of licenses
15 and conditional licenses shall be designated for and only issued to
16 microbusinesses pursuant subsection f. of that section. After the
17 initial period during which the number of licenses is capped
18 pursuant to section 30 of P.L. , c. (C.) (pending before the
19 Legislature as this bill), the commission shall review the current
20 number of licenses issued and, providing there exist qualified
21 applicants, may, as authorized by paragraph (1) of subsection a. of
22 section 17 of P.L. , c. (C.) (pending before the Legislature
23 as this bill), make requests for new applications for additional
24 licenses as it deems necessary to meet the market demands of the
25 State.

26 a. To hold a Class 1 Cannabis Grower license under this
27 section, an applicant:

28 (1) Shall apply for a license in the manner described in section
29 23 of P.L. , c. (C.) (pending before the Legislature as
30 this bill);

31 (2) Shall have at least one significantly involved person who has
32 resided in this State for at least two years as of the date of the
33 application, and provide proof that this person and any other person
34 with an investment interest who also has decision making authority
35 for the cannabis grower listed on an application submitted under
36 section 23 of P.L. , c. (C.) (pending before the
37 Legislature as this bill) is 21 years of age or older;

38 (3) Shall meet the requirements of any rule or regulation
39 adopted by the commission under subsection b. of this section; and

40 (4) Shall provide for each of the following persons to undergo a
41 criminal history record background check: any owner, other than an
42 owner who holds less than a five percent investment interest in the
43 cannabis grower or who is a member of a group that holds less than
44 a 20 percent investment interest in the cannabis grower and no
45 member of that group holds more than a five percent interest in the
46 total group investment, and who lacks the authority to make
47 controlling decisions regarding the cannabis grower's operations;
48 any director; any officer; and any employee.

1 (a) Pursuant to this provision, the commission is authorized to
2 exchange fingerprint data with and receive criminal history record
3 background information from the Division of State Police and the
4 Federal Bureau of Investigation consistent with the provisions of
5 applicable federal and State laws, rules, and regulations. The
6 Division of State Police shall forward criminal history record
7 background information to the commission in a timely manner
8 when requested pursuant to the provisions of this section;

9 (b) Each person shall submit to being fingerprinted in
10 accordance with applicable State and federal laws, rules, and
11 regulations. No check of criminal history record background
12 information shall be performed pursuant to this section unless a
13 person has furnished his written consent to that check. A person
14 who refuses to consent to, or cooperate in, the securing of a check
15 of criminal history record background information shall not be
16 considered for licensure as a grower. Each person shall bear the
17 cost for the criminal history record background check, including all
18 costs of administering and processing the check;

19 (c) (i) With respect to determining whether any conviction of a
20 person contained in the criminal history record background check
21 should disqualify an applicant for a Class 1 Cannabis Grower
22 license, the commission shall not take into consideration any
23 conviction for a crime or offense that occurred prior to the effective
24 date of P.L. , c. (C.) (pending before the Legislature as this
25 bill) involving a controlled dangerous substance or controlled
26 substance analog as set forth in paragraph (11) or (12) of subsection
27 b., or subparagraph (b) of paragraph (10) of subsection b. of
28 N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of
29 N.J.S.2C:35-10, or any similar indictable offense under federal law,
30 this State's law, or any other state's law, or for any conviction under
31 federal law for conduct involving cannabis or cannabis resin that is
32 authorized by P.L. , c. (C.) (pending before the Legislature as
33 this bill). Additionally, the commission shall not take into
34 consideration any other prior conviction, unless that conviction is
35 for an indictable offense under federal law, other than a conviction
36 for conduct involving cannabis or cannabis resin that is authorized
37 by P.L. , c. (C.) (pending before the Legislature as this bill),
38 or under this State's law, or any other state's law that is
39 substantially related to the qualifications, functions, or duties for
40 which the license is required, and not more than five years have
41 passed since the date of that conviction, satisfactory completion of
42 probation or parole, or release from incarceration, which is later. In
43 determining which indictable offenses are substantially related to
44 the qualifications, functions, or duties for which the license is
45 required, the commission shall at least consider any conviction
46 involving fraud, deceit, or embezzlement, and any conviction for
47 N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or
48 similar indictable offense in this or another jurisdiction involving

1 the use of a minor to dispense or distribute a controlled dangerous
2 substance or controlled substance analog;

3 (ii) The commission may approve an applicant for a Class 1
4 Cannabis Grower license after conducting a thorough review of any
5 previous conviction of a person that substantially related to the
6 qualifications, functions, or duties for which the license is required
7 that is contained in the criminal history record background
8 information, and this review shall include examining the nature of
9 the indictable offense, the circumstances at the time of committing
10 the offense, and evidence of rehabilitation since conviction. If the
11 commission determines that the reviewed conviction should not
12 disqualify the applicant, the applicant may be approved so long as
13 the applicant is otherwise qualified to be issued the license; and

14 (d) Upon receipt and review of the criminal history record
15 background information from the Division of State Police and the
16 Federal Bureau of Investigation, the commission shall provide
17 written notification to the applicant of the qualification for or
18 disqualification for a Class 1 Cannabis Grower license.

19 If the applicant is disqualified because the commission
20 determined that a person has a disqualifying conviction pursuant to
21 the provisions of this section, the conviction that constitutes the
22 basis for the disqualification shall be identified in the written
23 notice.

24 (e) The Division of State Police shall promptly notify the
25 commission in the event that a person who was the subject of a
26 criminal history record background check conducted pursuant to
27 this section is convicted of a crime or offense in this State after the
28 date the background check was performed. Upon receipt of that
29 notification, the commission shall make a determination regarding
30 the continued eligibility for the applicant, or following application,
31 for the licensee, to hold a Class 1 Cannabis Grower license.

32 b. The commission shall adopt rules and regulations that:

33 (1) Provide for the annual renewal of the Class 1 Cannabis
34 Grower license;

35 (2) Establish application, licensure, and renewal of licensure
36 fees for cannabis growers in accordance with paragraph (2) of
37 subsection a. of section 17 of P.L. , c. (C.) (pending before
38 the Legislature as this bill);

39 (3) Require cannabis produced by cannabis growers to be tested
40 in accordance with P.L. , c. (C.) (pending before the
41 Legislature as this bill);

42 (4) Require cannabis growers to submit, at the time of applying
43 for or renewing a license under P.L. , c. (C.) (pending
44 before the Legislature as this bill), a report describing the
45 applicant's or licensee's electrical and water usage; and

46 (5) Require a cannabis grower to meet any public health and
47 safety standards, industry best practices, and all applicable
48 regulations established by the commission by rule or regulation
49 related to the production of cannabis or the propagation of

1 immature cannabis plants and the seeds of the plant Genus Cannabis
2 L. within the plant family Cannabaceae. The commission may
3 regulate the number of immature cannabis plants that may be
4 possessed by a cannabis grower licensed under this section; the size
5 of the grow canopy a cannabis grower licensed under this section
6 uses to grow immature cannabis plants; and the weight or size of
7 shipments of immature cannabis plants made by a cannabis grower
8 licensed under this section.

9 c. Fees adopted under subsection b. of this section:

10 (1) Shall be in the form of a schedule that imposes a greater fee
11 for premises with more square footage or on which more mature
12 cannabis plants are grown; and

13 (2) Shall be deposited in the "Cannabis Regulatory and
14 Expungement Aid Modernization Fund" established under section
15 81 of P.L. , c. (C.) (pending before the Legislature as
16 this bill).

17 d. (1) The commission shall issue or deny issuance of a Class
18 1 Cannabis Grower license or conditional license in accordance
19 with the procedures set forth in section 23 of P.L. , c. (C.)
20 (pending before the Legislature as this bill).

21 (2) The commission may suspend or revoke a Class 1 Cannabis
22 Grower license or conditional license to operate as a cannabis
23 cultivation facility for cause, which shall be considered a final
24 agency action for the purposes of the "Administrative Procedure
25 Act," P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only
26 to judicial review as provided in the Rules of Court.

27 e. A person who has been issued a license or conditional
28 license shall display the license or conditional license at the
29 premises at all times when cannabis is being produced.

30 f. As required by the commission in regulation, a licensee or
31 conditional licensee shall report required changes in information
32 about the licensee to the commission within the time specified by
33 the commission.

34
35 25. (New section) Grow Canopies for Licensed Cannabis
36 Growers.

37 a. Subject to subsection b. of this section, the commission shall
38 adopt rules or regulations restricting the size of mature cannabis
39 plant grow canopies at premises for which a license has been issued
40 to a cannabis grower pursuant to P.L. , c. (C.) (pending
41 before the Legislature as this bill).

42 b. When adopting rules and regulations under this subsection,
43 the commission shall consider whether to:

44 (1) Limit the size of mature cannabis plant grow canopies for
45 premises where cannabis is grown outdoors and for premises where
46 cannabis is grown indoors in a manner calculated to result in
47 premises that produce the same amount of harvested cannabis
48 leaves and harvested cannabis flowers, regardless of whether the
49 cannabis is grown outdoors or indoors;

1 (2) Adopt a tiered system under which the permitted size of a
2 cannabis growers' mature cannabis plant grow canopy increases at
3 the time of licensure renewal, except that the permitted size of a
4 cannabis growers' mature cannabis plant grow canopy may not
5 increase following any year during which the commission
6 disciplined the cannabis growers for violating a provision of or a
7 rule adopted under a provision of P.L. , c. (C.) (pending
8 before the Legislature as this bill); provided, that at the time of
9 adoption, any growing or cultivation square footage previously
10 approved or authorized for an alternative treatment center that was
11 issued a permit prior to the effective date of P.L. , c. (C.)
12 (pending before the Legislature as the Second Reprint of Assembly
13 Committee Substitute combining Assembly Bill No. 10 and the
14 previous Assembly Committee Substitute for Assembly Bill Nos.
15 3740 and 3437), or that was issued a permit on or after that
16 effective date pursuant to an application submitted prior to that
17 effective date, shall not be reduced, but the commission's adopted
18 tier system shall apply to the growing or cultivation square footage
19 of that alternative treatment center thereafter;

20 (3) Take into consideration the market demand for cannabis
21 items in this State, the number of persons applying for a license
22 pursuant to sections 24, 26, 27 and 28 of P.L. , c. (C.)
23 (pending before the Legislature as this bill), and to whom a license
24 has been issued pursuant to those sections, and whether the
25 availability of cannabis items in this State is commensurate with the
26 market demand.

27 c. This section shall not apply to premises for which a license
28 has been issued to a cannabis grower pursuant to section 24 of
29 P.L. , c. (C.) (pending before the Legislature as this
30 bill), if the premises is used only to propagate immature cannabis
31 plants.

32

33 26. (New section) Class 2 Cannabis Processor license.

34 A cannabis processor shall have a Class 2 Cannabis Processor
35 license issued by the commission for the premises at which the
36 cannabis product is produced. The commission shall determine the
37 maximum number of licenses, of which at least 35 percent shall be
38 conditional licenses issued pursuant to subparagraph (a) of
39 paragraph (2) of subsection b. of section 23 of P.L. , c. (C.)
40 (pending before the Legislature as this bill), and at least 25 percent
41 of the total number of licenses and conditional licenses shall be
42 designated for and only issued to microbusinesses pursuant to
43 subsection f. of that section. Providing there exist qualified
44 applicants, the commission shall issue a sufficient number of
45 licenses to meet the market demands of the State, and may, as
46 authorized by paragraph (1) of subsection a. of section 17 of P.L. ,
47 c. (C.) (pending before the Legislature as this bill), make
48 requests for new applications for additional licenses as it deems
49 necessary to meet those demands.

- 1 a. To hold a Class 2 Cannabis Processor license under this
2 section, an applicant:
- 3 (1) Shall apply for a license in the manner described in section
4 23 of P.L. , c. (C.) (pending before the Legislature as
5 this bill);
- 6 (2) Shall have at least one significantly involved person who has
7 resided in this State for at least two years as of the date of the
8 application, and provide proof that this person and any other person
9 with an investment interest who also has decision making authority
10 for the cannabis processor listed on an application submitted under
11 section 23 of P.L. , c. (C.) (pending before the
12 Legislature as this bill) is 21 years of age or older;
- 13 (3) Shall meet the requirements of any rule or regulation
14 adopted by the commission under subsection b. of this section; and
- 15 (4) Shall provide for each of the following persons to undergo a
16 criminal history record background check: any owner, other than an
17 owner who holds less than a five percent investment interest in the
18 cannabis processor or who is a member of a group that holds less
19 than a 20 percent investment interest in the cannabis processor and
20 no member of that group holds more than a five percent interest in
21 the total group investment, and who lacks the authority to make
22 controlling decisions regarding the cannabis processor's operations;
23 any director; any officer; and any employee.
- 24 (a) Pursuant to this provision, the commission is authorized to
25 exchange fingerprint data with and receive criminal history record
26 background information from the Division of State Police and the
27 Federal Bureau of Investigation consistent with the provisions of
28 applicable federal and State laws, rules, and regulations. The
29 Division of State Police shall forward criminal history record
30 background information to the commission in a timely manner
31 when requested pursuant to the provisions of this section;
- 32 (b) Each person shall submit to being fingerprinted in
33 accordance with applicable State and federal laws, rules, and
34 regulations. No check of criminal history record background
35 information shall be performed pursuant to this section unless a
36 person has furnished his written consent to that check. A person
37 who refuses to consent to, or cooperate in, the securing of a check
38 of criminal history record background information shall not be
39 considered for licensure as a processor. Each person shall bear the
40 cost for the criminal history record background check, including all
41 costs of administering and processing the check;
- 42 (c) (i) With respect to determining whether any conviction of a
43 person contained in the criminal history record background check
44 should disqualify an applicant for a Class 2 Cannabis Processor
45 license, the commission shall not take into consideration any
46 conviction for a crime or offense that occurred prior to the effective
47 date of P.L. , c. (C.) (pending before the Legislature as this
48 bill) involving a controlled dangerous substance or controlled
49 substance analog as set forth in paragraph (11) or (12) of subsection

1 b., or subparagraph (b) of paragraph (10) of subsection b. of
2 N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of
3 N.J.S.2C:35-10, or any similar indictable offense under federal law,
4 this State's law, or any other state's law, or for any conviction under
5 federal law for conduct involving cannabis or cannabis resin that is
6 authorized by P.L. , c. (C.) (pending before the Legislature as
7 this bill). Additionally, the commission shall not take into
8 consideration any other prior conviction, unless that conviction is
9 for an indictable offense under federal law, other than a conviction
10 for conduct involving cannabis or cannabis resin that is authorized
11 by P.L. , c. (C.) (pending before the Legislature as this bill),
12 or under this State's law, or any other state's law that is
13 substantially related to the qualifications, functions, or duties for
14 which the license is required, and not more than five years have
15 passed since the date of that conviction, satisfactory completion of
16 probation or parole, or release from incarceration, whichever is later.
17 In determining which indictable offenses are substantially related to
18 the qualifications, functions, or duties for which the license is
19 required, the commission shall at least consider any conviction
20 involving fraud, deceit, or embezzlement, and any conviction for
21 N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or
22 similar indictable offense in this or another jurisdiction involving
23 the use of a minor to dispense or distribute a controlled dangerous
24 substance or controlled substance analog;

25 (ii) The commission may approve an applicant for a Class 2
26 Cannabis Processor license after conducting a thorough review of
27 any previous conviction of a person that substantially related to the
28 qualifications, functions, or duties for which the license is required
29 that is contained in the criminal history record background
30 information, and this review shall include examining the nature of
31 the indictable offense, the circumstances at the time of committing
32 the offense, and evidence of rehabilitation since conviction. If the
33 commission determines that the reviewed conviction should not
34 disqualify the applicant, the applicant may be approved so long as
35 the applicant is otherwise qualified to be issued the license; and

36 (d) Upon receipt and review of the criminal history record
37 background information from the Division of State Police and the
38 Federal Bureau of Investigation, the commission shall provide
39 written notification to the applicant of the qualification for or
40 disqualification for a Class 2 Cannabis Processor license.

41 If the applicant is disqualified because the commission
42 determined that a person has a disqualifying conviction pursuant to
43 the provisions of this section, the conviction that constitutes the
44 basis for the disqualification shall be identified in the written
45 notice.

46 (e) The Division of State Police shall promptly notify the
47 commission in the event that an individual who was the subject of a
48 criminal history record background check conducted pursuant to
49 this section is convicted of a crime or offense in this State after the

1 date the background check was performed. Upon receipt of that
2 notification, the commission shall make a determination regarding
3 the continued eligibility for the applicant, or following application,
4 for the licensee, to hold a Class 2 Cannabis Processor license.

5 b. The commission shall adopt rules that:

6 (1) Provide for the annual renewal of the Class 2 Cannabis
7 Processor license;

8 (2) Establish application, licensure, and renewal of licensure
9 fees for cannabis processors in accordance with paragraph (2) of
10 subsection a. of section 17 of P.L. , c. (C.) (pending before
11 the Legislature as this bill);

12 (3) Require cannabis produced by cannabis processors to be
13 tested in accordance with P.L. , c. (C.) (pending before
14 the Legislature as this bill); and

15 (4) Require a cannabis processor to meet any public health and
16 safety standards, industry best practices, and all applicable
17 regulations established by the commission by rule or regulation
18 related to the processing of cannabis.

19 c. Fees adopted under subsection b. of this section:

20 (1) Shall be in the form of a schedule that imposes a greater fee
21 for premises with more square footage; and

22 (2) Shall be deposited in the "Cannabis Regulatory and
23 Expungement Aid Modernization Fund" established under section
24 81 of P.L. , c. (C.) (pending before the Legislature as
25 this bill).

26 d. (1) The commission shall issue or deny issuance of a Class
27 2 Cannabis Processor license or conditional license in accordance
28 with the procedures set forth in section 23 of P.L. , c. (C.)
29 (pending before the Legislature as this bill).

30 (2) The commission may suspend or revoke a Class 2 Cannabis
31 Processor license or conditional license to operate as a cannabis
32 production facility for cause, which shall be considered a final
33 agency action for the purposes of the "Administrative Procedure
34 Act," P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only
35 to judicial review as provided in the Rules of Court.

36 e. A person who has been issued a license or conditional
37 license shall display the license or conditional license at the
38 premises at all times when cannabis is being processed.

39 f. As required by the commission in regulation, a licensee or
40 conditional licensee shall report required changes in information
41 about the licensee to the commission within the time specified by
42 the commission.

43
44 27. (New section) Class 3 Cannabis Wholesaler license.

45 A cannabis wholesaler shall have a Class 3 Cannabis Wholesaler
46 license issued by the commission for the premises at which the
47 cannabis is warehoused. The commission shall determine the
48 maximum number of licenses, of which at least 35 percent shall be
49 conditional licenses issued pursuant to subparagraph (a) of

1 paragraph (2) of subsection b. of section 23 of P.L. , c. (C.)
2 (pending before the Legislature as this bill), and at least 25 percent
3 of the total number of licenses and conditional licenses shall be
4 designated for and only issued to microbusinesses pursuant
5 subsection f. of that section. Providing there exist qualified
6 applicants, the commission shall issue a sufficient number of
7 licenses to meet the market demands of the State, and may, as
8 authorized by paragraph (1) of subsection a. of section 17 of P.L. ,
9 c. (C.) (pending before the Legislature as this bill), make
10 requests for new applications for additional licenses as it deems
11 necessary to meet those demands.

12 a. To hold a Class 3 Cannabis Wholesaler license under this
13 section, an applicant:

14 (1) Shall apply for a license in the manner described in section
15 23 of P.L. , c. (C.) (pending before the Legislature as
16 this bill);

17 (2) Shall have at least one significantly involved person who has
18 resided in this State for at least two years as of the date of the
19 application, and provide proof that this person and any other person
20 with an investment interest who also has decision making authority
21 for the cannabis wholesaler listed on an application submitted under
22 section 23 of P.L. , c. (C.) (pending before the
23 Legislature as this bill) is 21 years of age or older;

24 (3) Shall meet the requirements of any rule or regulation
25 adopted by the commission under subsection b. of this section; and

26 (4) Shall provide for each of the following persons to undergo a
27 criminal history record background check: any owner, other than an
28 owner who holds less than a five percent investment interest in the
29 cannabis wholesaler or who is a member of a group that holds less
30 than a 20 percent investment interest in the cannabis wholesaler and
31 no member of that group holds more than a five percent interest in
32 the total group investment, and who lacks the authority to make
33 controlling decisions regarding the cannabis wholesaler's
34 operations; any director; any officer; and any employee.

35 (a) Pursuant to this provision, the commission is authorized to
36 exchange fingerprint data with and receive criminal history record
37 background information from the Division of State Police and the
38 Federal Bureau of Investigation consistent with the provisions of
39 applicable federal and State laws, rules, and regulations. The
40 Division of State Police shall forward criminal history record
41 background information to the commission in a timely manner
42 when requested pursuant to the provisions of this section;

43 (b) Each person shall submit to being fingerprinted in
44 accordance with applicable State and federal laws, rules, and
45 regulations. No check of criminal history record background
46 information shall be performed pursuant to this section unless a
47 person has furnished his written consent to that check. A person
48 who refuses to consent to, or cooperate in, the securing of a check
49 of criminal history record background information shall not be

1 considered for licensure as a wholesaler. Each person shall bear the
2 cost for the criminal history record background check, including all
3 costs of administering and processing the check;

4 (c) (i) With respect to determining whether any conviction of a
5 person contained in the criminal history record background check
6 should disqualify an applicant for a Class 3 Cannabis Wholesaler
7 license, the commission shall not take into consideration any
8 conviction for a crime or offense that occurred prior to the effective
9 date of P.L. , c. (C.) (pending before the Legislature as this
10 bill) involving a controlled dangerous substance or controlled
11 substance analog as set forth in paragraph (11) or (12) of subsection
12 b., or subparagraph (b) of paragraph (10) of subsection b. of
13 N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of
14 N.J.S.2C:35-10, or any similar indictable offense under federal law,
15 this State's law, or any other state's law, or for any conviction under
16 federal law for conduct involving cannabis or cannabis resin that is
17 authorized by P.L. , c. (C.) (pending before the Legislature as
18 this bill). Additionally, the commission shall not take into
19 consideration any other prior conviction, unless that conviction is
20 for an indictable offense under federal law, other than a conviction
21 for conduct involving cannabis or cannabis resin that is authorized
22 by P.L. , c. (C.) (pending before the Legislature as this bill),
23 or under this State's law, or any other state's law that is
24 substantially related to the qualifications, functions, or duties for
25 which the license is required, and not more than five years have
26 passed since the date of that conviction, satisfactory completion of
27 probation or parole, or release from incarceration, whichever is later.
28 In determining which indictable offenses are substantially related to
29 the qualifications, functions, or duties for which the license is
30 required, the commission shall at least consider any conviction
31 involving fraud, deceit, or embezzlement, and any conviction for
32 N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or
33 similar indictable offense in this or another jurisdiction involving
34 the use of a minor to dispense or distribute a controlled dangerous
35 substance or controlled substance analog;

36 (ii) The commission may approve an applicant for a Class 3
37 Cannabis Wholesaler license after conducting a thorough review of
38 any previous conviction of a person that substantially related to the
39 qualifications, functions, or duties for which the license is required
40 that is contained in the criminal history record background
41 information, and this review shall include examining the nature of
42 the indictable offense, the circumstances at the time of committing
43 the offense, and evidence of rehabilitation since conviction. If the
44 commission determines that the reviewed conviction should not
45 disqualify the applicant, the applicant may be approved so long as
46 the applicant is otherwise qualified to be issued the license; and

47 (d) Upon receipt and review of the criminal history record
48 background information from the Division of State Police and the
49 Federal Bureau of Investigation, the commission shall provide

1 written notification to the applicant of the qualification for or
2 disqualification for a Class 3 Cannabis Wholesaler license.

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

8 (e) The Division of State Police shall promptly notify the
9 commission in the event that an individual who was the subject of a
10 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 commission shall make a determination regarding
14 the continued eligibility for the applicant, or following application,
15 for the licensee to hold a Class 3 Cannabis Wholesaler license.

16 b. The commission shall adopt rules that:

17 (1) Provide for the annual renewal of the Class 3 Cannabis
18 Wholesaler license;

19 (2) Establish application, licensure, and renewal of licensure
20 fees for cannabis wholesalers in accordance with paragraph (2) of
21 subsection a. of section 17 of P.L. , c. (C.) (pending before
22 the Legislature as this bill);

23 (3) Require cannabis warehoused by cannabis wholesalers to be
24 tested in accordance with P.L. , c. (C.) (pending before
25 the Legislature as this bill); and

26 (4) Require a cannabis wholesaler to meet any public health and
27 safety standards, industry best practices, and all applicable
28 regulations established by the commission by rule or regulation
29 related to the warehousing of cannabis.

30 c. Fees adopted under subsection b. of this section:

31 (1) Shall be in the form of a schedule that imposes a greater fee
32 for premises with more square footage; and

33 (2) Shall be deposited in the "Cannabis Regulatory and
34 Expungement Aid Modernization Fund" established under section
35 81 of P.L. , c. (C.) (pending before the Legislature as
36 this bill).

37 d. (1) The commission shall issue or deny issuance of a Class
38 3 Cannabis Wholesaler license or conditional license in accordance
39 with the procedures set forth in section 23 of P.L. , c. (C.)
40 (pending before the Legislature as this bill).

41 (2) The commission may suspend or revoke a Class 3 Cannabis
42 Wholesaler license or conditional license to operate as a cannabis
43 wholesaler for cause, which shall be considered a final agency
44 action for the purposes of the "Administrative Procedure Act,"
45 P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only to
46 judicial review as provided in the Rules of Court.

47 e. A person who has been issued a license or conditional
48 license shall display the license or conditional license at the
49 premises at all times when cannabis is being warehoused.

1 f. As required by the commission in regulation, a licensee or
2 conditional licensee shall report required changes in information
3 about the licensee to the commission within the time specified by
4 the commission.

5
6 28. (New section) Class 4 Cannabis Retailer license.

7 A cannabis retailer shall have a Class 4 Cannabis Retailer license
8 issued by the commission for the premises at which the cannabis is
9 retailed. The commission shall determine the maximum number of
10 licenses, of which at least 35 percent shall be conditional licenses
11 issued pursuant to subparagraph (a) of paragraph (2) of subsection
12 b. of section 23 of P.L. , c. (C.) (pending before the
13 Legislature as this bill), and at least 25 percent of the total number
14 of licenses and conditional licenses shall be designated for and only
15 issued to microbusinesses pursuant subsection f. of that section.
16 Providing there exist qualified applicants, the commission shall
17 issue a sufficient number of licenses to meet the market demands of
18 the State, and may, as authorized by paragraph (1) of subsection a.
19 of section 17 of P.L. , c. (C.) (pending before the
20 Legislature as this bill), make requests for new applications for
21 additional licenses as it deems necessary to meet those demands.

22 a. To hold a Class 4 Cannabis Retailer license under this
23 section, a cannabis retailer:

24 (1) Shall apply for a license in the manner described in section
25 23 of P.L. , c. (C.) (pending before the Legislature as
26 this bill);

27 (2) Shall have at least one significantly involved person who has
28 resided in this State for at least two years as of the date of the
29 application, and provide proof that this person and any other person
30 with an investment interest who also has decision making authority
31 for the cannabis retailer listed on an application submitted under
32 section 23 of P.L. , c. (C.) (pending before the
33 Legislature as this bill) is 21 years of age or older;

34 (3) Shall meet the requirements of any rule adopted by the
35 commission under subsection b. of this section; and

36 (4) Shall provide for each of the following persons to undergo a
37 criminal history record background check: any owner, other than an
38 owner who holds less than a five percent investment interest in the
39 cannabis retailer or who is a member of a group that holds less than
40 a 20 percent investment interest in the cannabis retailer and no
41 member of that group holds more than a five percent interest in the
42 total group investment, and who lacks the authority to make
43 controlling decisions regarding the cannabis retailer's operations;
44 any director; any officer; and any employee.

45 (a) Pursuant to this provision, the commission is authorized to
46 exchange fingerprint data with and receive criminal history record
47 background information from the Division of State Police and the
48 Federal Bureau of Investigation consistent with the provisions of
49 applicable federal and State laws, rules, and regulations. The

1 Division of State Police shall forward criminal history record
2 background information to the commission in a timely manner
3 when requested pursuant to the provisions of this section;

4 (b) Each person shall submit to being fingerprinted in
5 accordance with applicable State and federal laws, rules, and
6 regulations. No check of criminal history record background
7 information shall be performed pursuant to this section unless a
8 person has furnished his written consent to that check. A person
9 who refuses to consent to, or cooperate in, the securing of a check
10 of criminal history record background information shall not be
11 considered for licensure as a retailer. Each person shall bear the
12 cost for the criminal history record background check, including all
13 costs of administering and processing the check;

14 (c) (i) With respect to determining whether any conviction of a
15 person contained in the criminal history record background check
16 should disqualify an applicant for a Class 4 Cannabis Retailer
17 license, the commission shall not take into consideration any
18 conviction for a crime or offense that occurred prior to the effective
19 date of P.L. , c. (C.) (pending before the Legislature as this
20 bill) involving a controlled dangerous substance or controlled
21 substance analog as set forth in paragraph (11) or (12) of subsection
22 b., or subparagraph (b) of paragraph (10) of subsection b. of
23 N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of
24 N.J.S.2C:35-10, or any similar indictable offense under federal law,
25 this State's law, or any other state's law, or for any conviction under
26 federal law for conduct involving cannabis or cannabis resin that is
27 authorized by P.L. , c. (C.) (pending before the Legislature as
28 this bill). Additionally, the commission shall not take into
29 consideration any other prior conviction, unless that conviction is
30 for an indictable offense under federal law, other than a conviction
31 for conduct involving cannabis or cannabis resin that is authorized
32 by P.L. , c. (C.) (pending before the Legislature as this bill),
33 or under this State's law, or any other state's law that is
34 substantially related to the qualifications, functions, or duties for
35 which the license is required, and not more than five years have
36 passed since the date of that conviction, satisfactory completion of
37 probation or parole, or release from incarceration, whichever is later.
38 In determining which indictable offenses are substantially related to
39 the qualifications, functions, or duties for which the license is
40 required, the commission shall at least consider any conviction
41 involving fraud, deceit, or embezzlement, and any conviction for
42 N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or
43 similar indictable offense in this or another jurisdiction involving
44 the use of a minor to dispense or distribute a controlled dangerous
45 substance or controlled substance analog;

46 (ii) The commission may approve an applicant for a Class 4
47 Cannabis Retailer license after conducting a thorough review of any
48 previous conviction of a person that substantially related to the
49 qualifications, functions, or duties for which the license is required

1 that is contained in the criminal history record background
2 information, and this review shall include examining the nature of
3 the indictable offense, the circumstances at the time of committing
4 the offense, and evidence of rehabilitation since conviction. If the
5 commission determines that the reviewed conviction should not
6 disqualify the applicant, the applicant may be approved so long as
7 the applicant is otherwise qualified to be issued the license; and

8 (d) Upon receipt and review of the criminal history record
9 background information from the Division of State Police and the
10 Federal Bureau of Investigation, the commission shall provide
11 written notification to the applicant of the qualification for or
12 disqualification for a Class 4 Cannabis Retailer license.

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

18 (e) The Division of State Police shall promptly notify the
19 commission in the event that an individual who was the subject of a
20 criminal history record background check conducted pursuant to
21 this section is convicted of a crime or offense in this State after the
22 date the background check was performed. Upon receipt of that
23 notification, the commission shall make a determination regarding
24 the continued eligibility for the applicant, or following application,
25 for the licensee, to hold a Class 4 Cannabis Retailer license.

26 b. The commission shall adopt rules that:

27 (1) Provide for the annual renewal of the Class 4 Cannabis
28 Retailer license;

29 (2) Establish application, licensure, and renewal of licensure
30 fees for a cannabis retailer in accordance with paragraph (2) of
31 subsection a. of section 17 of P.L. , c. (C.) (pending before
32 the Legislature as this bill);

33 (3) Require cannabis sold by a cannabis retailer to be tested in
34 accordance with P.L. , c. (C.) (pending before the
35 Legislature as this bill); and

36 (4) Require a cannabis retailer to meet any public health and
37 safety standards, industry best practices, and all applicable
38 regulations established by the commission by rule related to the sale
39 of cannabis.

40 c. Fees adopted under subsection b. of this section:

41 (1) Shall be in the form of a schedule that imposes a greater fee
42 for premises with more square footage; and

43 (2) Shall be deposited in the "Cannabis Regulatory and
44 Expungement Aid Modernization Fund" established under section
45 81 of P.L. , c. (C.) (pending before the Legislature as
46 this bill).

47 d. (1) The commission shall issue or deny issuance of a Class
48 4 Cannabis Retailer license or conditional license in accordance

1 with the procedures set forth in section 23 of P.L. , c. (C.)
2 (pending before the Legislature as this bill).

3 (2) The commission may suspend or revoke a Class 4 Cannabis
4 Retailer license or conditional license to operate as a cannabis
5 retailer for cause, which shall be considered a final agency action
6 for the purposes of the "Administrative Procedure Act," P.L.1968,
7 c.410 (C.52:14B-1 et seq.) and shall be subject only to judicial
8 review as provided in the Rules of Court.

9 e. A person who has been issued a license or conditional
10 license shall display the license or conditional license at the
11 premises at all times when cannabis is being retailed.

12 f. As required by the commission in regulation, a licensee or
13 conditional licensee shall report required changes in information
14 about the licensee to the commission within the time specified by
15 the commission.

16 g. Subject to receiving an endorsement pursuant to section 82
17 of P.L. , c. (C.) (pending before the Legislature as this bill):

18 (1) A licensed cannabis retailer may operate a cannabis
19 consumption area at which the on-premises consumption of
20 cannabis items either obtained from the retailer, or brought by a
21 person to the consumption area, may occur.

22 (2) Each licensed cannabis retailer may operate only one
23 cannabis consumption area.

24 (3) The cannabis consumption area shall be either (a) an indoor,
25 structurally enclosed area of the licensed cannabis retailer that is
26 separate from the area in which retail sales of cannabis items occur
27 or (b) an exterior structure on the same premises as the retailer,
28 either separate from or connected to the retailer.

29 (4) A Class 4 Cannabis Retailer licensee that has been approved
30 for a cannabis consumption area endorsement may transfer cannabis
31 items purchased by a person in its retail establishment to the person
32 in its cannabis consumption area. The Class 4 Cannabis Retailer
33 licensee shall not transfer to the consumption area an amount of
34 cannabis items that exceed the limits established by the
35 commission.

36
37 29. (New section) Cannabis Handlers.

38 a. An individual who performs work for or on behalf of a
39 person who holds a license classified pursuant to section 24, 26, 27
40 or 28 of P.L. , c. (C.) (pending before the Legislature as
41 this bill) shall have a valid certification issued by the commission
42 under this section if the individual participates in:

43 (1) the possession, securing, or selling of cannabis items at the
44 premises for which the license has been issued; or

45 (2) the recording of the possession, securing, or selling of
46 cannabis items at the premises for which the license has been
47 issued; or

48 (3) the delivery of cannabis items.

1 b. A person who holds a license classified pursuant to section
2 24, 26, 27 or 28 of P.L. , c. (C.) (pending before the
3 Legislature as this bill) shall verify that an individual has a valid
4 certification issued under this section before allowing the individual
5 to perform any work described in subsection a. of this section at the
6 premises for which the license has been issued.

7 c. The commission shall issue certifications to qualified
8 applicants to perform work described in this section. The
9 commission shall adopt rules and regulations establishing: the
10 qualifications for performing work described in this section; the
11 terms of a certification issued under this section; procedures for
12 applying for and renewing a certification issued under this section;
13 and reasonable application, issuance, and renewal fees for a
14 certification issued under this section.

15 d. The commission may require an individual applying for a
16 certification under this section to successfully complete a course,
17 made available by or through the commission, in which the
18 individual receives training on: checking identification; detecting
19 intoxication; handling cannabis items; statutory and regulatory
20 provisions relating to cannabis; and any matter deemed necessary
21 by the commission to protect the public health and safety. The
22 commission or other provider may charge a reasonable fee for the
23 course.

24 The commission shall not require an individual to successfully
25 complete the course more than once, except that the commission
26 may adopt regulations directing continuing education training on a
27 prescribed schedule.

28 As part of a final order suspending a certification issued under
29 this section, the commission may require a holder of a certification
30 to successfully complete the course as a condition of lifting the
31 suspension and as part of a final order revoking a certification
32 issued under this section, the commission shall require an individual
33 to successfully complete the course prior to applying for a new
34 certification.

35 e. (1) Each individual applying for a certification under this
36 section shall undergo a criminal history record background check.
37 The commission is authorized to exchange fingerprint data with and
38 receive criminal history record background information from the
39 Division of State Police and the Federal Bureau of Investigation
40 consistent with the provisions of applicable federal and State laws,
41 rules, and regulations. The Division of State Police shall forward
42 criminal history record background information to the commission
43 in a timely manner when requested pursuant to the provisions of
44 this subsection.

45 (2) Each individual shall submit to being fingerprinted in
46 accordance with applicable State and federal laws, rules, and
47 regulations. No check of criminal history record background
48 information shall be performed pursuant to this subsection unless
49 the individual has furnished written consent to that check. Any

1 individual who refuses to consent to, or cooperate in, the securing
2 of a check of criminal history record background information shall
3 not be considered for a certification. Each individual shall bear the
4 cost for the criminal history record background check, including all
5 costs of administering and processing the check.

6 (3) Upon receipt and review of the criminal history record
7 background information from the Division of State Police and the
8 Federal Bureau of Investigation, the commission shall provide
9 written notification to the individual of the qualification for or
10 disqualification for a certification. If the individual is disqualified
11 because of a disqualifying conviction as set forth in subsection f. of
12 this section, the conviction that constitutes the basis for the
13 disqualification shall be identified in the written notice.

14 (4) The Division of State Police shall promptly notify the
15 commission in the event that an individual who was the subject of a
16 criminal history record background check conducted pursuant to
17 this subsection is convicted of a crime in this State after the date the
18 background check was performed. Upon receipt of that
19 notification, the commission shall make a determination regarding
20 the continued eligibility to hold a certification.

21 f. (1) (a) With respect to determining whether any conviction
22 of an individual contained in the criminal history record background
23 check should disqualify an applicant for a certification, the
24 commission shall not take into consideration any conviction for a
25 crime or offense that occurred prior to the effective date of P.L. ,
26 c. (C.) (pending before the Legislature as this bill) involving a
27 controlled dangerous substance or controlled substance analog as
28 set forth in paragraph (11) or (12) of subsection b., or subparagraph
29 (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or
30 paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any
31 similar indictable offense under federal law, this State's law, or any
32 other state's law, or for any conviction under federal law for conduct
33 involving cannabis or cannabis resin that is authorized by P.L. ,
34 c. (C.) (pending before the Legislature as this bill).
35 Additionally, the commission shall not take into consideration any
36 other prior conviction, unless that conviction is for an indictable
37 offense under federal law, other than a conviction for conduct
38 involving cannabis or cannabis resin that is authorized by P.L. ,
39 c. (C.) (pending before the Legislature as this bill), or under
40 this State's law, or any other state's law that is substantially related
41 to the qualifications, functions, or duties for which certification is
42 required, and not more than five years have passed since the date of
43 that conviction, satisfactory completion of probation or parole, or
44 release from incarceration, whichever is later. In determining
45 which indictable offenses are substantially related to the
46 qualifications, functions, or duties for which certification is
47 required, the commission shall at least consider any conviction
48 involving fraud, deceit, or embezzlement, and any conviction for
49 N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or

1 similar indictable offense in this or another jurisdiction involving
2 the use of a minor to dispense or distribute a controlled dangerous
3 substance or controlled substance analog;

4 (b) The commission may approve an applicant for a certification
5 after conducting a thorough review of any previous conviction of a
6 person that substantially related to the qualifications, functions, or
7 duties for which certification is required that is contained in the
8 criminal history record background information, and this review
9 shall include examining the nature of the indictable offense, the
10 circumstances at the time of committing the offense, and evidence
11 of rehabilitation since conviction. If the commission determines
12 that the reviewed conviction should not disqualify the applicant, the
13 applicant may be approved so long as the applicant is otherwise
14 qualified to be issued the certification.

15 g. The commission shall deny an application to any applicant who
16 fails to provide information, documentation and assurances as required
17 by P.L. , c. (C.) (pending before the Legislature as this bill) or
18 as requested by the commission, or who fails to reveal any fact
19 material to qualification, or who supplies information which is untrue
20 or misleading as to a material fact pertaining to the qualification
21 criteria for licensure.

22 h. The commission may suspend, revoke, or refuse to renew a
23 certification if the individual who is applying for or who holds the
24 certification: violates any provision of P.L. , c. (C.)
25 (pending before the Legislature as this bill) or any rule or regulation
26 adopted under P.L. , c. (C.) (pending before the
27 Legislature as this bill); makes a false statement to the commission;
28 or refuses to cooperate in any investigation by the commission.

29 i. A certification issued under this section is a personal
30 privilege and permits work described under this section only for the
31 individual who holds the certification.

32 j. In addition to the requirements for regulations set forth in
33 paragraph (1) of subsection d. of section 8 of P.L. ,
34 c. (C.) (pending before the Legislature as this bill) the
35 commission shall enact regulations to allow for a cannabis retailer
36 to engage in delivery of cannabis items by a certified cannabis
37 handler performing work for or on behalf of a cannabis retailer, and
38 which regulations shall include, but not be limited to, the following
39 requirements:

40 (1) A cannabis retailer may only deliver cannabis items to a
41 physical address in this State.

42 (2) Deliveries shall be made only to a legal consumer by a
43 certified cannabis handler who is an employee of a cannabis retailer
44 or an approved contractor vender for a cannabis retailer.

45 (3) A cannabis retailer shall not deliver to an address located on
46 land owned by the federal government or any address on land or in
47 a building leased by the federal government.

48 (4) A cannabis retailer shall staff each delivery vehicle with a
49 certified cannabis handler who is an employee of the cannabis

- 1 retailer who shall be at least 18 years of age, or use an approved
2 contract vendor whose delivery employees shall be at least 18 years
3 of age.
- 4 (5) All deliveries of cannabis items shall be made in person. A
5 delivery of cannabis items shall not be made through the use of an
6 unmanned vehicle.
- 7 (6) Each certified cannabis handler shall carry a copy of the
8 cannabis employee or contract vendor identification card. The
9 cannabis handler shall present the identification card upon request
10 to State and local law enforcement, and State and local regulatory
11 authorities and agencies.
- 12 (7) Each certified cannabis handler shall have access to a secure
13 form of communication with the cannabis retailer, such as a cellular
14 telephone, at all times that a delivery vehicle contains cannabis
15 items.
- 16 (8) During delivery, the certified cannabis handler shall
17 maintain a physical or electronic copy of the delivery request and
18 shall make it available upon request to State and local law
19 enforcement, and State and local regulatory authorities and
20 agencies.
- 21 (9) Delivery vehicles shall be equipped with a secure lockbox in
22 a secured cargo area, which shall be used for the sanitary and secure
23 transport of cannabis items.
- 24 (10) A certified cannabis handler shall not leave cannabis items
25 in an unattended delivery vehicle unless the vehicle is locked and
26 equipped with an active vehicle alarm system.
- 27 (11) A delivery vehicle shall contain a Global Positioning
28 System (GPS) device for identifying the geographic location of the
29 delivery vehicle. The device shall be either permanently or
30 temporarily affixed to the delivery vehicle while the delivery
31 vehicle is in operation, and the device shall remain active and in the
32 possession of the certified cannabis handler at all times during
33 delivery. At all times, the cannabis retailer shall be able to identify
34 the geographic location of all delivery vehicles that are making
35 deliveries for the cannabis retailer and shall provide that
36 information to the commission upon request.
- 37 (12) Upon request, a cannabis retailer shall provide the
38 commission with information regarding any vehicles used for
39 delivery, including the vehicle's make, model, color, Vehicle
40 Identification Number, license plate number, and vehicle
41 registration.
- 42 (13) Each cannabis retailer or contract vendor of a cannabis
43 retailer shall maintain current hired and non-owned automobile
44 liability insurance sufficient to insure all vehicles used for delivery
45 of cannabis in the amount of not less than \$1,000,000 per
46 occurrence or accident.
- 47 (14) Each cannabis retailer shall ensure that vehicles used to
48 deliver cannabis bear no markings that would either identify or
49 indicate that the vehicle is used to deliver cannabis items.

1 (15) Each cannabis retailer shall ensure that deliveries are
2 completed in a timely and efficient manner.

3 (16) While making deliveries, a certified cannabis handler shall
4 only travel from the cannabis retailer's licensed premises to the
5 delivery address; from one delivery address to another delivery
6 address; or from a delivery address back to the cannabis retailer's
7 licensed premises. A cannabis handler shall not deviate from the
8 delivery path described in this paragraph, except in the event of
9 emergency or as necessary for rest, fuel, or vehicle repair stops, or
10 because road conditions make continued use of the route or
11 operation of the vehicle unsafe, impossible, or impracticable.

12 (17) The process of delivery begins when the certified cannabis
13 handler leaves the cannabis retailer licensed premises with the
14 cannabis items for delivery. The process of delivering ends when
15 the cannabis handler returns to the cannabis retailer's licensed
16 premises after delivering the cannabis item to the consumer.

17 (18) Each cannabis retailer shall maintain a record of each
18 delivery of cannabis items in a delivery log, which may be written
19 or electronic. For each delivery, the log shall record:

- 20 (a) The date and time that the delivery began and ended;
- 21 (b) The name of the certified cannabis handler;
- 22 (c) The cannabis items delivered;
- 23 (d) The lot number of the cannabis; and
- 24 (e) The signature of the consumer who accepted delivery.

25 (19) A cannabis retailer shall report any vehicle accidents,
26 diversions, losses, or other reportable events that occur during
27 delivery to the appropriate State and local authorities, including the
28 commission.

29

30 30. (New section) Marketplace Regulation.

31 a. (1) (a) For a period of 18 months after the date determined
32 by the commission pursuant to paragraph (2) of subsection d. of
33 section 8 of P.L. , c. (C.) (pending before the Legislature as
34 this bill), to be the first date on which cannabis retailers issued
35 licenses or conditional licenses may begin retail sales of personal
36 use cannabis items, it shall be unlawful for any owner, part owner,
37 stockholder, officer, or director of any corporation, or any other
38 person interested in any cannabis cultivation facility, cannabis
39 testing facility, cannabis product manufacturing facility, or cannabis
40 wholesaler, to conduct, own either in whole or in part, or be directly
41 or indirectly interested in the retailing of any cannabis in this State,
42 and such interest shall include any payments or delivery of money
43 or property by way of loan or otherwise accompanied by an
44 agreement to sell the product of said cannabis cultivation facility,
45 cannabis testing facility, cannabis product manufacturing facility, or
46 cannabis wholesaler. During this 18-month period, the holder of a
47 Class 1 Cannabis Grower license to operate a cannabis cultivation
48 facility or a Class 2 Cannabis Processor license to operate a
49 cannabis product manufacturing facility may hold one other license

1 to operate another cannabis establishment, other than a Class 3
2 Cannabis Wholesaler license to operate a cannabis wholesaler or a
3 Class 4 Cannabis Retailer license to operate a cannabis retailer; and
4 the holder of a Class 3 Cannabis Wholesaler license to operate a
5 cannabis wholesaler shall be limited to just that one license.

6 (b) Throughout the 18-month period set forth in subparagraph
7 (a) of this paragraph, the commission shall not:

8 (i) providing there exist qualified applicants, allow more than
9 28 cannabis growers to be simultaneously licensed and engaging in
10 personal use cannabis activities; and

11 (ii) providing there exist qualified applicants, allow more than
12 28 entities to be simultaneously holding medical cannabis cultivator
13 permits issued pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7)
14 for activities concerning the medical use of cannabis under the
15 “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009,
16 c.307 (C.24:6I-1 et al.), which total number of entities shall include
17 any alternative treatment center that was issued a permit prior to the
18 effective date of P.L. , c. (C.) (pending before the Legislature
19 as the Second Reprint of Assembly Committee Substitute combining
20 Assembly Bill No. 10 and the previous Assembly Committee
21 Substitute for Assembly Bill Nos. 3740 and 3437), or that was issued
22 a permit after that effective date pursuant to an application
23 submitted prior to that effective date, or is one of the six alternative
24 treatment centers expressly exempt from the provisions of
25 subparagraph (a) of paragraph (2) of subsection a. of section 7 of
26 P.L.2009, c.307 (C.24:6I-7) pursuant to section 11 of P.L. ,
27 c. (C.) (pending before the Legislature as the Second Reprint
28 of Assembly Committee Substitute combining Assembly Bill No. 10
29 and the previous Assembly Committee Substitute for Assembly Bill
30 Nos. 3740 and 3437) concerning certain limitations on concurrently
31 held medical cannabis permits.

32 (2) For a period of 18 months after the date determined by the
33 commission pursuant to paragraph (2) of subsection d. of section 8
34 of P.L. , c. (C.) (pending before the Legislature as this bill),
35 to be the first date on which cannabis retailers issued licenses or
36 conditional licenses may begin retail sales of personal use cannabis
37 items, it shall be unlawful for any owner, part owner, stockholder,
38 officer, or director of any corporation, or any other person
39 interested in any retailing of any cannabis to conduct, own either
40 whole or in part, or to be a shareholder, officer or director of a
41 corporation or association, directly or indirectly, interested in any
42 cannabis cultivation facility, cannabis testing facility, cannabis
43 product manufacturing facility, or cannabis wholesaler.

44 (3) (a) (i) Except with respect to the cap on the number of
45 cannabis grower licenses and medical cannabis cultivator permits
46 set forth in subparagraph (b) of paragraph (1) of this subsection, the
47 provisions of paragraphs (1) and (2) of this subsection shall not
48 apply to an alternative treatment center that was issued a permit
49 prior to the effective date of P.L. , c. (C.) (pending before the

1 Legislature as the Second Reprint of Assembly Committee Substitute
2 combining Assembly Bill No. 10 and the previous Assembly
3 Committee Substitute for Assembly Bill Nos. 3740 and 3437), or that
4 was issued a permit after that effective date pursuant to an
5 application submitted prior to that effective date, or is one of the six
6 alternative treatment centers expressly exempt from the provisions
7 of subparagraph (a) of paragraph (2) of subsection a. of section 7 of
8 P.L.2009, c.307 (C.24:6I-7) pursuant to section 11 of P.L. ,
9 c. (C.) (pending before the Legislature as the Third Reprint of
10 Senate Committee Substitute for Senate Bill Nos. 10 and 2426)
11 concerning certain limitations on concurrently held medical
12 cannabis permits, and that is deemed, pursuant to that section 7
13 (C.24:6I-7), to either concurrently hold a Class 1 Cannabis Grower
14 license, a Class 2 Cannabis Processor license, and a Class 4
15 Cannabis Retailer license, plus an additional Class 4 Cannabis
16 Retailer license for each satellite dispensary that was approved prior
17 to that act's effective date or approved after that effective date
18 pursuant to an application submitted prior to the effective date
19 P.L. , c. (C.) (pending before the Legislature as the Second
20 Reprint of Assembly Committee Substitute combining Assembly Bill
21 No. 10 and the previous Assembly Committee Substitute for Assembly
22 Bill Nos. 3740 and 3437), or deemed to hold a Class 3 Wholesaler
23 license.

24 (ii) For each alternative treatment center deemed to have
25 licenses pursuant to subparagraph (i) of this subparagraph, the
26 commission shall not require the submission of an application for
27 licensure, as the application requirement is deemed satisfied by the
28 alternative treatment center's previously approved permit
29 application that was submitted to the Department of Health pursuant
30 to section 7 of P.L.2009, c.307 (C.24:6I-7), but the alternative
31 treatment center shall not begin to operate as any class of cannabis
32 establishment until the alternative treatment center has submitted a
33 written approval for a proposed cannabis establishment from the
34 local governmental entity in which the proposed establishment is to
35 be located, which approval is based on a determination that the
36 proposed establishment complies with the local governmental
37 entity's restrictions on the time, location, manner, and number of
38 establishments enacted pursuant to section 22 of P.L. ,
39 c. (C.) (pending before the Legislature as this bill). The
40 commission shall issue the initial license to the alternative treatment
41 center for a cannabis establishment of the appropriate class upon
42 receipt of the local governmental entity's approval. The
43 commission shall begin accepting local governmental entity
44 approvals from alternative treatment centers beginning on the date
45 of adoption of the commission's initial rules and regulations pursuant
46 to subparagraph (a) of paragraph (1) of subsection d. of section 8 of
47 P.L. , c. (C.) (pending before the Legislature as this bill).

48 (iii) An alternative treatment center issued an initial license
49 following approval by a local governmental entity pursuant to

1 subsubparagraph (ii) of this subparagraph shall not engage in
2 activities related to the growing, producing, or wholesaling of
3 personal use cannabis until it has certified to the commission that
4 that it has sufficient quantities of medical cannabis and medical
5 cannabis products available to meet the reasonably anticipated need
6 of registered qualifying patients, and the commission has accepted
7 the alternative treatment center's certification.

8 Notwithstanding the date determined by the commission
9 pursuant to paragraph (2) of subsection d. of section 8 of that act
10 (C.) to be the first date on which cannabis retailers issued
11 licenses or conditional licenses may begin retail sales of personal
12 use cannabis items, an alternate treatment center, if approved by a
13 local governmental entity to operate as a cannabis retailer, may
14 begin to engage in the retail sale of cannabis items on any date after
15 the date that the commission adopts its initial rules and regulations
16 pursuant to subparagraph (a) of paragraph (1) of subsection d. of
17 section 8 of P.L. , c. (C.) (pending before the Legislature as
18 this bill), so long as it has certified to the commission, and to the local
19 governmental entity in which it is located and intends to engage in
20 retail sales, that it has sufficient quantities of medical cannabis and,
21 if applicable, medical cannabis products available to meet the
22 reasonably anticipated need of registered qualifying patients, and
23 both the commission and local governmental entity have accepted
24 the alternative treatment center's certification.

25 (iv) An alternative treatment center issued a license for a
26 cannabis establishment shall be authorized to use the same premises
27 for all activities authorized under P.L. , c. (C.) (pending
28 before the Legislature as this bill) and the "Jake Honig
29 Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-
30 1 et al.), without being required to establish or maintain any
31 physical barriers or separations between operations related to the
32 medical use of cannabis and operations related to personal use
33 cannabis, provided that the alternative treatment center shall be
34 required to certify that it has sufficient quantities of medical
35 cannabis and, if applicable, medical cannabis products available to
36 meet the reasonably anticipated treatment needs of registered
37 qualifying patients, as set forth in subsubparagraph (iii) of this
38 subparagraph, as a condition of selling personal use cannabis at
39 retail.

40 In determining whether to accept, pursuant to this subparagraph,
41 an alternative treatment center's certification that it has sufficient
42 quantities of medical cannabis or medical cannabis products
43 available to meet the reasonably anticipated needs of registered
44 qualifying patients, the commission, and if applicable a local
45 governmental entity in consultation with the commission, shall
46 assess patient enrollment, inventory, sales of medical cannabis and
47 medical cannabis products, and any other factors determined by the
48 commission through regulation. If an alternative treatment center is
49 found by the commission to not have sufficient quantities of

1 medical cannabis or medical cannabis products available to meet
2 the reasonably anticipated needs of qualified patients, the
3 commission may issue fines, limit retail sales, temporarily suspend
4 the alternative treatment center's cannabis establishment license, or
5 issue any other penalties determined by the commission through
6 regulation.

7 (b) Beginning on a date determined by the commission, to be
8 not later than one year from the date determined by the commission
9 pursuant to paragraph (2) of subsection d. of section 8 of P.L. ,
10 c. (C.) (pending before the Legislature as this bill) to be the first
11 date on which cannabis retailers issued licenses or conditional
12 licenses may begin retail sales of personal use cannabis items, an
13 alternative treatment center deemed to have licenses and issued
14 initial licenses pursuant to subparagraph (a) of this paragraph shall
15 certify to the commission, within a period of time, as determined by
16 the commission, prior to the date on which a license issued to the
17 alternative treatment center is set to expire, the continued material
18 accuracy of the alternative treatment center's previously approved
19 permit application to the Department of Health pursuant to section 7
20 of P.L.2009, c.307 (C.24:6I-7), and its compliance with the
21 provisions of P.L. , c. (C.) (pending before the Legislature as
22 this bill) as required by the commission for its operations concerning
23 personal use cannabis, and this certification shall be supplemented
24 with a new written approval from the local governmental entity in
25 which the alternative treatment center is operating as a cannabis
26 establishment for which the initial license was issued, approving the
27 continued operations as a cannabis establishment. The commission
28 shall renew the license of the alternative treatment center based
29 upon a review of the certification and supporting local
30 governmental entity's continued approval. This license renewal
31 process shall thereafter be followed for each expiring license issued
32 to the alternative treatment center.

33 b. Following the 18 month period set forth in subsection a. of
34 this section, a license holder shall be authorized to hold:

35 (1) (a) a Class 1 Cannabis Grower license, a Class 2 Cannabis
36 Processor license, and a Class 4 Cannabis Retailer license
37 concurrently, provided that no license holder shall be authorized to
38 concurrently hold more than one license of each class, except for an
39 alternative treatment center that was deemed, during the 18 month
40 period, to have an additional Class 4 Cannabis Retailer license for
41 each satellite dispensary pursuant to subsubparagraph (i) of
42 subparagraph (a) of paragraph (3) of subsection a. of this section.
43 These additional retailer licenses only permit the retail operation of
44 each satellite dispensary, and shall not be replaced by any other
45 class of cannabis establishment license; or

46 (b) a Class 3 Cannabis Wholesaler license. In no case may a
47 holder of a Class 3 Cannabis Wholesaler license concurrently
48 holder a license of any other class.

(2) The commission, pursuant to its authority under paragraph (1) of subsection a. of section 17 of P.L. , c. (C.) (pending before the Legislature as this bill), and pursuant to paragraph (4) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) for making periodic evaluations of whether the number of each class of cannabis establishment is sufficient to meet the market demands of the State, and the number of permits is sufficient to meet the medical needs of registered qualifying patients, shall review the limit on the number of cannabis grower licenses and medical cannabis cultivator permits set forth in subparagraph (b) of paragraph (1) of subsection a. of this section, and providing there exist qualified applicants, may make requests for new applications for additional licenses and permits as it deems necessary.

(3) A license holder may submit an application for a license of any type that the license holder does not currently hold prior to the expiration of the 18 month period set forth in subsection a. of this section, or thereafter, does not currently hold pursuant to paragraph (1) of this subsection, provided that no license shall be awarded to the license holder during the 18 month period, or thereafter, if issuance of the license would violate the restrictions set forth in subsection a. of this section concerning the classes of licenses that may be concurrently held during that 18 month period, or the restrictions set forth in paragraph (1) of this subsection.

31. (New section) Employers, Driving, Minors and Control of Property.

a. No employer shall refuse to hire or employ any person or shall discharge from employment or take any adverse action against any employee with respect to compensation, terms, conditions, or other privileges of employment because that person does or does not smoke or use cannabis items, unless the employer has a rational basis for doing so which is reasonably related to the employment, including the responsibilities of the employee or prospective employee.

b. Nothing in P.L. , c. (C.) (pending before the Legislature as this bill):

(1) Requires an employer to amend or repeal, or affect, restrict or preempt the rights and obligations of employers to maintain a drug and alcohol free workplace or require an employer to permit or accommodate the use, consumption, being under the influence, possession, transfer, display, transportation, sale, or growth of cannabis or cannabis items in the workplace, or to affect the ability of employers to have policies prohibiting cannabis use or intoxication by employees during work hours.

(2) Is intended to allow driving under the influence of cannabis items or driving while impaired by cannabis items or to supersede laws related to driving under the influence of marijuana or cannabis items or driving while impaired by marijuana or cannabis items.

1 (3) Is intended to permit the transfer of cannabis items, with or
2 without remuneration, to a person under the age of 21 or to allow a
3 person under the age of 21 to purchase, possess, use, transport,
4 grow, or consume cannabis items, unless the person is under the age
5 of 21, but at least 18 years of age, and an employee of a cannabis
6 establishment acting in the person's employment capacity.

7 (4) Shall, consistent with subsection c. of section 4 of P.L. ,
8 c. (C.) (pending before the Legislature as this bill), prohibit
9 a person or entity that owns or controls a property, including a
10 casino hotel facility as defined in section 19 of P.L.1977, c.110
11 (C.5:12-19), from prohibiting or otherwise regulating the
12 consumption, use, display, transfer, distribution, sale, or
13 transportation of cannabis items on or in that property, or portion
14 thereof, including a hotel property that is a casino hotel facility as
15 defined in section 19 of P.L.1977, c.110 (C.5:12-19), a casino as
16 defined in section 6 of P.L.1977, c.110 (C.5:12-6), or casino
17 simulcasting facility authorized pursuant to the "Casino
18 Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.), provided that
19 a person or entity that owns or controls multifamily housing that is
20 a multiple dwelling as defined in section 3 of P.L.1967, c.76
21 (C.55:13A-3), a unit of a condominium as defined in section 3 of
22 P.L.1969, c.257 (C.46:8B-3), or a site in a mobile home park as
23 defined in section 3 of P.L.1983, c.386 (C.40:55D-102), which site is
24 leased to the owner of a manufactured home, as defined in that section,
25 that is installed thereon, may only prohibit or otherwise regulate the
26 smoking, but not other consumption, of cannabis items, and further
27 provided that local governmental entities may not prohibit
28 possession or consumption of cannabis items by a person 21 years
29 of age or older as permitted by section 4 of
30 P.L. , c. (C.) (pending before the Legislature as this bill).

31 (5) Is intended to permit any person to possess, consume, use,
32 display, transfer, distribute, sell, transport, or grow cannabis items
33 in a school, hospital, detention facility, adult correctional facility, or
34 youth correction facility.

35 (6) Is intended to permit the smoking of cannabis items in any
36 place that any other law prohibits the smoking of tobacco, including
37 N.J.S.2C:33-13 and the "New Jersey Smoke-Free Air Act,"
38 P.L.2005, c.383 (C.26:3D-55 et seq.). Except as otherwise provided
39 by P.L. , c. (C.) (pending before the Legislature as this bill),
40 any fines or civil penalties that may be assessed for the smoking of
41 tobacco in designated places shall be applicable to the smoking of
42 cannabis items.

43
44 32. (New section) a. An employer shall not be permitted to
45 consider when making an employment decision, require any
46 applicant to disclose or reveal, or take any adverse action against
47 any applicant for employment on the basis of, any arrest, charge,
48 conviction, or adjudication of delinquency, for unlawful distribution
49 of, or possessing or having under control with intent to distribute,

1 marijuana or hashish in violation of paragraph (11) of subsection b. of
2 N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in violation
3 of paragraph (12) of subsection b. of that section, or a violation of
4 either of those paragraphs and a violation of subsection a. of section 1
5 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of
6 P.L.1997, c.327 (C.2C:35-7.1) for distributing, or possessing or having
7 under control with intent to distribute, on or within 1,000 feet of any
8 school property, or on or within 500 feet of the real property
9 comprising a public housing facility, public park, or public building,
10 or for obtaining, possessing, using, being under the influence of, or
11 failing to make lawful disposition of marijuana or hashish in
12 violation of paragraph (3) or (4) of subsection a., or subsection b., or
13 subsection c. of N.J.S.2C:35-10, or for a violation of any of those
14 provisions and a violation of N.J.S.2C:36-2 for using or possessing
15 with intent to use drug paraphernalia with the marijuana or hashish, or
16 an arrest, charge, conviction, or adjudication of delinquency under the
17 laws of another state or of the United States of a crime or offense
18 which, if committed in this State, would be a violation of any of the
19 aforementioned crimes or offenses, regardless of when any such arrest,
20 charge, conviction, or adjudication of delinquency occurred, unless the
21 employment sought or being considered is for a position in law
22 enforcement, corrections, the judiciary, homeland security, or
23 emergency management.

24 b. Any employer who commits an act in violation of this
25 section shall be liable for a civil penalty in an amount not to exceed
26 \$1,000 for the first violation, \$5,000 for the second violation, and
27 \$10,000 for each subsequent violation, which shall be collectible by
28 the Commissioner of Labor and Workforce Development in a
29 summary proceeding pursuant to the "Penalty Enforcement Law of
30 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The penalties set
31 forth in this subsection shall be the sole remedy provided for
32 violations of this section.

33 c. Nothing set forth in this section shall be construed as
34 creating or establishing a standard of care or duty for employers
35 with respect to any other law. Evidence that an employer has
36 violated, or is alleged to have violated, the provisions of this
37 section, shall not be admissible in any legal proceeding with respect
38 to any law or claim other than a proceeding to enforce the
39 provisions of this section. Nothing set forth in this section shall be
40 construed as creating, establishing, or authorizing a private cause of
41 action by an aggrieved person against an employer who has
42 violated, or is alleged to have violated, the provisions of this
43 section.

44
45 33. (New section) a. A person that makes a mortgage loan in
46 this State shall not discriminate against an applicant in accepting an
47 application, granting, withholding, extending, modifying or
48 renewing, or in the fixing of the rates, terms, conditions, or
49 provisions of any mortgage loan based on an applicant's arrest,
50 charge, conviction, or adjudication of delinquency, for unlawful

1 distribution of, or possessing or having under control with intent to
2 distribute, marijuana or hashish in violation of paragraph (11) of
3 subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or
4 hashish in violation of paragraph (12) of subsection b. of that section,
5 or a violation of either of those paragraphs and a violation of
6 subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection
7 a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or
8 possessing or having under control with intent to distribute, on or
9 within 1,000 feet of any school property, or on or within 500 feet of
10 the real property comprising a public housing facility, public park, or
11 public building, or for obtaining, possessing, using, being under the
12 influence of, or failing to make lawful disposition of marijuana or
13 hashish in violation of paragraph (3) or (4) of subsection a., or
14 subsection b., or subsection c. of N.J.S.2C:35-10, or for a violation of
15 any of those provisions and a violation of N.J.S.2C:36-2 for using or
16 possessing with intent to use drug paraphernalia with the marijuana or
17 hashish, or an arrest, charge, conviction, or adjudication of
18 delinquency under the laws of another state or of the United States
19 of a crime or offense which, if committed in this State, would be a
20 violation of any of the aforementioned crimes or offenses, regardless
21 of when any such arrest, charge, conviction, or adjudication of
22 delinquency occurred.

23 b. Any applicant who has been discriminated against as a result
24 of a violation of this section may bring an action in New Jersey in a
25 court of competent jurisdiction. Upon finding that a person is in
26 violation of this section, the court may award actual damages,
27 reasonable attorneys' fees, and court costs.

28 c. The Commissioner of Banking and Insurance shall have the
29 power to:

30 (1) Make such investigations into any matter pertaining to this
31 section, including the power to hold hearings and issue subpoenas
32 to compel the attendance of witnesses and the production of
33 evidence. In case of a failure of any person to comply with any
34 subpoena, the Superior Court may issue an order requiring the
35 attendance of such person and the giving of testimony or production
36 of evidence. Any person failing to obey the court's order may be
37 punished for contempt.

38 (2) Order a person found to be in violation of this section to
39 cease its unlawful practices, subject to review, hearing, and relief in
40 the Superior Court. A person that continues to violate the
41 provisions of this act after having been ordered by the
42 commissioner to cease such practices shall be liable to a penalty of
43 \$10,000 for each offense instead of the penalty for a continuous
44 violation set forth in section 10 of P.L.1977, c.1 (C.17:16F-
45 10). This penalty may be collected in a summary proceeding
46 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
47 c.274 (C.2A:58-10 et seq.). Except as set forth herein, the penalty

1 provided by this section shall be in addition to and not in lieu of any
2 other provision of law applicable upon a person's failure to comply
3 with an order of the commissioner.
4

5 34. (New section) a. A person alleging discrimination in public or
6 private housing, real property, or a place of public accommodation,
7 based on a prior arrest, charge, conviction, or adjudication of
8 delinquency, for unlawful distribution of, or possessing or having
9 under control with intent to distribute, marijuana or hashish in
10 violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a
11 lesser amount of marijuana or hashish in violation of paragraph (12) of
12 subsection b. of that section, or a violation of either of those
13 paragraphs and a violation of subsection a. of section 1 of P.L.1987,
14 c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327
15 (C.2C:35-7.1) for distributing, or possessing or having under control
16 with intent to distribute, on or within 1,000 feet of any school
17 property, or on or within 500 feet of the real property comprising a
18 public housing facility, public park, or public building, or for
19 obtaining, possessing, using, being under the influence of, or failing
20 to make lawful disposition of marijuana or hashish in violation of
21 paragraph (3) or (4) of subsection a., or subsection b., or subsection c.
22 of N.J.S.2C:35-10, or for a violation of any of those provisions and a
23 violation of N.J.S.2C:36-2 for using or possessing with intent to use
24 drug paraphernalia with the marijuana or hashish, or an arrest, charge,
25 conviction, or adjudication of delinquency under the laws of another
26 state or of the United States of a crime or offense which, if
27 committed in this State, would be a violation of any of the
28 aforementioned crimes or offenses, regardless of when any such arrest,
29 charge, conviction, or adjudication of delinquency occurred, may
30 institute a civil action in the Superior Court for relief. All remedies
31 available in common law tort actions shall be available to a prevailing
32 plaintiff. The court may also order any or all of the following relief:

33 (1) an assessment of a civil fine of not less than \$1,000 and not
34 more than \$2,000 for the first violation of any of the provisions of this
35 section, and not more than \$5,000 for each subsequent violation;

36 (2) an injunction to restrain the continued violation of subsection a.
37 of this section;

38 (3) if the discrimination impacted the person's employment, and if
39 applicable:

40 (a) reinstatement of the person to the same position of employment
41 or to a position equivalent to that which the person held prior to
42 unlawful discharge or retaliatory action;

43 (b) reinstatement of full fringe benefits and seniority rights; and

44 (c) compensation for any lost wages, benefits and other
45 remuneration; and

46 (6) payment of reasonable costs and attorney's fees.

47 b. An action brought under this section shall be commenced
48 within one year of the date of the alleged violation.

1 c. The private cause of action provided for in this section shall be
2 the sole remedy for a violation of this section.

3
4 35. R.S.19:4-1 is amended to read as follows:

5 19:4-1. **【Except as provided in R.S.19:4-2 and R.S.19:4-3, every】**
6 Every person possessing the qualifications required by Article II,
7 paragraph 3, of the Constitution of the State of New Jersey and having
8 none of the disqualifications hereinafter stated and being duly
9 registered as required by Title 19, shall have the right of suffrage and
10 shall be entitled to vote in the polling place assigned to the election
11 district in which he actually resides, and not elsewhere.

12 No person shall have the right of suffrage--

13 (1) Who has been adjudicated by a court of competent jurisdiction
14 to lack the capacity to understand the act of voting; or

15 (2) (Deleted by amendment.)

16 (3) (Deleted by amendment.)

17 (4) (Deleted by amendment.)

18 (5) (Deleted by amendment.)

19 (6) Who has been convicted of a violation of any of the provisions
20 of this Title, for which criminal penalties were imposed, if such person
21 was deprived of such right as part of the punishment therefor
22 according to law unless pardoned or restored by law to the right of
23 suffrage; or

24 (7) Who shall be convicted of the violation of any of the
25 provisions of this Title, for which criminal penalties are imposed, if
26 such person shall be deprived of such right as part of the punishment
27 therefor according to law, unless pardoned or restored by law to the
28 right of suffrage; or

29 (8) Who is serving a sentence or is on parole or probation as the
30 result of a conviction of any indictable offense under the laws of this
31 or another state or of the United States , other than a person who is on
32 parole or probation as the result of a conviction for unlawful
33 distribution of, or possessing or having under control with intent to
34 distribute, marijuana or hashish in violation of paragraph (11) of
35 subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or
36 hashish in violation of paragraph (12) of subsection b. of that section,
37 or a violation of either of those paragraphs and a violation of
38 subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection
39 a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or
40 possessing or having under control with intent to distribute, on or
41 within 1,000 feet of any school property, or on or within 500 feet of
42 the real property comprising a public housing facility, public park, or
43 public building, or for obtaining or possessing marijuana or hashish
44 in violation of paragraph (3) of subsection a. of N.J.S.2C:35-10, or as
45 the result of a conviction of any indictable offense under the laws of
46 another state or of the United States which, if committed in this
47 State, would be a violation of any of those paragraphs.

48 A person who will have on the day of the next general election the
49 qualifications to entitle him to vote shall have the right to be registered

1 for and vote at such general election and register for and vote at any
2 election, intervening between such date of registration and such
3 general election, if he shall be a citizen of the United States and shall
4 meet the age and residence requirements prescribed by the
5 Constitution of this State and the laws of the United States, when such
6 intervening election is held, as though such qualifications were met
7 before registration.

8 (cf: P.L.2010, c.50, s.17)

9
10 36. Section 1 of P.L.1995, c.23 (C.47:1A-1.1) is amended to read
11 as follows:

12 1. As used in P.L.1963, c.73 (C.47:1A-1 et seq.) as amended and
13 supplemented:

14 "Biotechnology" means any technique that uses living organisms,
15 or parts of living organisms, to make or modify products, to improve
16 plants or animals, or to develop micro-organisms for specific uses;
17 including the industrial use of recombinant DNA, cell fusion, and
18 novel bioprocessing techniques.

19 "Custodian of a government record" or "custodian" means in the
20 case of a municipality, the municipal clerk and in the case of any other
21 public agency, the officer officially designated by formal action of that
22 agency's director or governing body, as the case may be.

23 "Government record" or "record" means any paper, written or
24 printed book, document, drawing, map, plan, photograph, microfilm,
25 data processed or image processed document, information stored or
26 maintained electronically or by sound-recording or in a similar device,
27 or any copy thereof, that has been made, maintained or kept on file in
28 the course of his or its official business by any officer, commission,
29 agency or authority of the State or of any political subdivision thereof,
30 including subordinate boards thereof, or that has been received in the
31 course of his or its official business by any such officer, commission,
32 agency, or authority of the State or of any political subdivision thereof,
33 including subordinate boards thereof. The terms shall not include
34 inter-agency or intra-agency advisory, consultative, or deliberative
35 material.

36 A government record shall not include the following information
37 which is deemed to be confidential for the purposes of P.L.1963, c.73
38 (C.47:1A-1 et seq.) as amended and supplemented:

39 information received by a member of the Legislature from a
40 constituent or information held by a member of the Legislature
41 concerning a constituent, including but not limited to information in
42 written form or contained in any e-mail or computer data base, or in
43 any telephone record whatsoever, unless it is information the
44 constituent is required by law to transmit;

45 any memorandum, correspondence, notes, report or other
46 communication prepared by, or for, the specific use of a member of the
47 Legislature in the course of the member's official duties, except that
48 this provision shall not apply to an otherwise publicly-accessible

1 report which is required by law to be submitted to the Legislature or its
2 members;

3 any copy, reproduction or facsimile of any photograph, negative or
4 print, including instant photographs and videotapes of the body, or any
5 portion of the body, of a deceased person, taken by or for the medical
6 examiner at the scene of death or in the course of a post mortem
7 examination or autopsy made by or caused to be made by the medical
8 examiner except:

9 when used in a criminal action or proceeding in this State which
10 relates to the death of that person,

11 for the use as a court of this State permits, by order after good
12 cause has been shown and after written notification of the request for
13 the court order has been served at least five days before the order is
14 made upon the county prosecutor for the county in which the post
15 mortem examination or autopsy occurred,

16 for use in the field of forensic pathology or for use in medical or
17 scientific education or research, or

18 for use by any law enforcement agency in this State or any other
19 state or federal law enforcement agency;

20 criminal investigatory records;

21 the portion of any criminal record concerning a person's detection,
22 apprehension, arrest, detention, trial or disposition for unlawful
23 distribution of, or possessing or having under control with intent to
24 distribute, marijuana or hashish in violation of paragraph (11) of
25 subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or
26 hashish in violation of paragraph (12) of subsection b. of that section,
27 or a violation of either of those paragraphs and a violation of
28 subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection
29 a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or
30 possessing or having under control with intent to distribute, on or
31 within 1,000 feet of any school property, or on or within 500 feet of
32 the real property comprising a public housing facility, public park, or
33 public building, or for obtaining, possessing, using, being under the
34 influence of, or failing to make lawful disposition of marijuana or
35 hashish in violation of paragraph (3) or (4) of subsection a., or
36 subsection b., or subsection c. of N.J.S.2C:35-10, or for a violation of
37 any of those provisions and a violation of N.J.S.2C:36-2 for using or
38 possessing with intent to use drug paraphernalia with the marijuana or
39 hashish;

40 victims' records, except that a victim of a crime shall have access
41 to the victim's own records;

42 any written request by a crime victim for a record to which the
43 victim is entitled to access as provided in this section, including, but
44 not limited to, any law enforcement agency report, domestic violence
45 offense report, and temporary or permanent restraining order;

46 personal firearms records, except for use by any person authorized
47 by law to have access to these records or for use by any government
48 agency, including any court or law enforcement agency, for purposes
49 of the administration of justice;

1 personal identifying information received by the Division of Fish
2 and Wildlife in the Department of Environmental Protection in
3 connection with the issuance of any license authorizing hunting with a
4 firearm. For the purposes of this paragraph, personal identifying
5 information shall include, but not be limited to, identity, name,
6 address, social security number, telephone number, fax number,
7 driver's license number, email address, or social media address of any
8 applicant or licensee;

9 trade secrets and proprietary commercial or financial information
10 obtained from any source. For the purposes of this paragraph, trade
11 secrets shall include data processing software obtained by a public
12 body under a licensing agreement which prohibits its disclosure;

13 any record within the attorney-client privilege. This paragraph
14 shall not be construed as exempting from access attorney or consultant
15 bills or invoices except that such bills or invoices may be redacted to
16 remove any information protected by the attorney-client privilege;

17 administrative or technical information regarding computer
18 hardware, software and networks which, if disclosed, would jeopardize
19 computer security;

20 emergency or security information or procedures for any buildings
21 or facility which, if disclosed, would jeopardize security of the
22 building or facility or persons therein;

23 security measures and surveillance techniques which, if disclosed,
24 would create a risk to the safety of persons, property, electronic data or
25 software;

26 information which, if disclosed, would give an advantage to
27 competitors or bidders;

28 information generated by or on behalf of public employers or
29 public employees in connection with any sexual harassment complaint
30 filed with a public employer or with any grievance filed by or against
31 an individual or in connection with collective negotiations, including
32 documents and statements of strategy or negotiating position;

33 information which is a communication between a public agency
34 and its insurance carrier, administrative service organization or risk
35 management office;

36 information which is to be kept confidential pursuant to court
37 order;

38 any copy of form DD-214, or that form, issued by the United
39 States Government, or any other certificate of honorable discharge, or
40 copy thereof, from active service or the reserves of a branch of the
41 Armed Forces of the United States, or from service in the organized
42 militia of the State, that has been filed by an individual with a public
43 agency, except that a veteran or the veteran's spouse or surviving
44 spouse shall have access to the veteran's own records;

45 any copy of an oath of allegiance, oath of office or any affirmation
46 taken upon assuming the duties of any public office, or that oath or
47 affirmation, taken by a current or former officer or employee in any
48 public office or position in this State or in any county or municipality
49 of this State, including members of the Legislative Branch, Executive

1 Branch, Judicial Branch, and all law enforcement entities, except that
2 the full name, title, and oath date of that person contained therein shall
3 not be deemed confidential;

4 that portion of any document which discloses the social security
5 number, credit card number, unlisted telephone number or driver
6 license number of any person; except for use by any government
7 agency, including any court or law enforcement agency, in carrying
8 out its functions, or any private person or entity acting on behalf
9 thereof, or any private person or entity seeking to enforce payment of
10 court-ordered child support; except with respect to the disclosure of
11 driver information by the New Jersey Motor Vehicle Commission as
12 permitted by section 2 of P.L.1997, c.188 (C.39:2-3.4); and except that
13 a social security number contained in a record required by law to be
14 made, maintained or kept on file by a public agency shall be disclosed
15 when access to the document or disclosure of that information is not
16 otherwise prohibited by State or federal law, regulation or order or by
17 State statute, resolution of either or both houses of the Legislature,
18 Executive Order of the Governor, rule of court or regulation
19 promulgated under the authority of any statute or executive order of
20 the Governor;

21 A list of persons identifying themselves as being in need of special
22 assistance in the event of an emergency maintained by a municipality
23 for public safety purposes pursuant to section 1 of P.L.2017, c.266
24 (C.40:48-2.67); and

25 A list of persons identifying themselves as being in need of special
26 assistance in the event of an emergency maintained by a county for
27 public safety purposes pursuant to section 6 of P.L.2011, c.178
28 (C.App.A:9-43.13).

29 A government record shall not include, with regard to any public
30 institution of higher education, the following information which is
31 deemed to be privileged and confidential:

32 pedagogical, scholarly and/or academic research records and/or the
33 specific details of any research project conducted under the auspices of
34 a public higher education institution in New Jersey, including, but not
35 limited to research, development information, testing procedures, or
36 information regarding test participants, related to the development or
37 testing of any pharmaceutical or pharmaceutical delivery system,
38 except that a custodian may not deny inspection of a government
39 record or part thereof that gives the name, title, expenditures, source
40 and amounts of funding and date when the final project summary of
41 any research will be available;

42 test questions, scoring keys and other examination data pertaining
43 to the administration of an examination for employment or academic
44 examination;

45 records of pursuit of charitable contributions or records containing
46 the identity of a donor of a gift if the donor requires non-disclosure of
47 the donor's identity as a condition of making the gift provided that the
48 donor has not received any benefits of or from the institution of higher

1 education in connection with such gift other than a request for
2 memorialization or dedication;

3 valuable or rare collections of books and/or documents obtained by
4 gift, grant, bequest or devise conditioned upon limited public access;

5 information contained on individual admission applications; and

6 information concerning student records or grievance or
7 disciplinary proceedings against a student to the extent disclosure
8 would reveal the identity of the student.

9 "Personal firearms record" means any information contained in a
10 background investigation conducted by the chief of police, the county
11 prosecutor, or the Superintendent of State Police, of any applicant for a
12 permit to purchase a handgun, firearms identification card license, or
13 firearms registration; any application for a permit to purchase a
14 handgun, firearms identification card license, or firearms registration;
15 any document reflecting the issuance or denial of a permit to purchase
16 a handgun, firearms identification card license, or firearms
17 registration; and any permit to purchase a handgun, firearms
18 identification card license, or any firearms license, certification,
19 certificate, form of register, or registration statement. For the purposes
20 of this paragraph, information contained in a background investigation
21 shall include, but not be limited to, identity, name, address, social
22 security number, phone number, fax number, driver's license number,
23 email address, social media address of any applicant, licensee,
24 registrant or permit holder.

25 "Public agency" or "agency" means any of the principal
26 departments in the Executive Branch of State Government, and any
27 division, board, bureau, office, commission or other instrumentality
28 within or created by such department; the Legislature of the State and
29 any office, board, bureau or commission within or created by the
30 Legislative Branch; and any independent State authority, commission,
31 instrumentality or agency. The terms also mean any political
32 subdivision of the State or combination of political subdivisions, and
33 any division, board, bureau, office, commission or other
34 instrumentality within or created by a political subdivision of the State
35 or combination of political subdivisions, and any independent
36 authority, commission, instrumentality or agency created by a political
37 subdivision or combination of political subdivisions.

38 "Law enforcement agency" means a public agency, or part thereof,
39 determined by the Attorney General to have law enforcement
40 responsibilities.

41 "Constituent" means any State resident or other person
42 communicating with a member of the Legislature.

43 "Member of the Legislature" means any person elected or selected
44 to serve in the New Jersey Senate or General Assembly.

45 "Criminal investigatory record" means a record which is not
46 required by law to be made, maintained or kept on file that is held by a
47 law enforcement agency which pertains to any criminal investigation
48 or related civil enforcement proceeding.

1 "Victim's record" means an individually-identifiable file or
2 document held by a victims' rights agency which pertains directly to a
3 victim of a crime except that a victim of a crime shall have access to
4 the victim's own records.

5 "Victim of a crime" means a person who has suffered personal or
6 psychological injury or death or incurs loss of or injury to personal or
7 real property as a result of a crime, or if such a person is deceased or
8 incapacitated, a member of that person's immediate family.

9 "Victims' rights agency" means a public agency, or part thereof,
10 the primary responsibility of which is providing services, including but
11 not limited to food, shelter, or clothing, medical, psychiatric,
12 psychological or legal services or referrals, information and referral
13 services, counseling and support services, or financial services to
14 victims of crimes, including victims of sexual assault, domestic
15 violence, violent crime, child endangerment, child abuse or child
16 neglect, and the Victims of Crime Compensation Board, established
17 pursuant to P.L.1971, c.317 (C.52:4B-1 et seq.) and continued as the
18 Victims of Crime Compensation Office pursuant to P.L.2007, c.95
19 (C.52:4B-3.2 et al.) and Reorganization Plan No. 001-2008.
20 (cf: P.L.2017, c.266, s.4)

21
22 37. (New section) Medical Cannabis Provisions.

23 Nothing in P.L. , c. (C.) (pending before the
24 Legislature as this bill) shall be construed:

25 a. to limit any privileges or rights of a registered qualifying
26 patient, designated caregiver, institutional caregiver, or alternative
27 treatment center as provided in the "Jake Honig Compassionate Use
28 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), or
29 P.L.2015, c.158 (C.18A:40-12.22 et al.) concerning the medical use
30 of cannabis;

31 b. to authorize an alternative treatment center to dispense
32 cannabis to or on behalf of a person who is not a registered
33 qualifying patient, unless that alternative treatment center is deemed
34 to be licensed to engage in the retail sale of cannabis pursuant to
35 section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the
36 commission following receipt of a local governmental entity's
37 written approval for a cannabis retailer pursuant to subparagraph (a)
38 of paragraph (3) of subsection a. of section 30 of P.L. ,
39 c. (C.) (pending before the Legislature as this bill), or
40 otherwise has applied for a license, and been approved and issued a
41 license by the commission pursuant to P.L. , c. (C.)
42 (pending before the Legislature as this bill) to simultaneously
43 operate as a cannabis retailer, and the alternative treatment center
44 has certified to the commission, and to the local governmental entity
45 in which it is located and intends to engage in retail sales, that it has
46 sufficient quantities of medical cannabis and medical cannabis
47 products available to meet the reasonably anticipated need of
48 registered qualifying patients, and the commission, and local

1 governmental entity, if applicable, has accepted the alternative
2 treatment center's certification;

3 c. to authorize an alternative treatment center to purchase or
4 acquire cannabis or cannabis products in a manner or from a source
5 not permitted under the "Jake Honig Compassionate Use Medical
6 Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015,
7 c.158 (C.18A:40-12.22 et al.), unless that alternative treatment
8 center is deemed to be a licensed cannabis establishment pursuant
9 to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by
10 the commission following receipt of a local governmental entity's
11 written approval for the cannabis establishment pursuant to
12 subparagraph (a) of paragraph (3) of subsection a. of section 30 of
13 P.L. , c. (C.) (pending before the Legislature as this bill), or
14 otherwise has applied for a license, and been approved and issued a
15 license by the commission pursuant to P.L. , c. (C.)
16 (pending before the Legislature as this bill) to simultaneously
17 operate as a cannabis establishment, and the alternative treatment
18 center has certified to the commission, and if operating as a
19 cannabis retailer, to the local governmental entity in which it is
20 located and intends to engage in retail sales, that it has sufficient
21 quantities of medical cannabis and, if applicable, medical cannabis
22 products available to meet the reasonably anticipated treatment
23 needs of registered qualifying patients, and the commission, and
24 local governmental entity, if applicable, has accepted the alternative
25 treatment center's certification;

26 d. to authorize an alternative treatment center issued a permit
27 under section 7 of P.L.2009, c.307 (C.24:6I-7) to operate on the
28 same premises as a cannabis license holder or applicant for a
29 license, unless that alternative treatment center is deemed to be a
30 licensed cannabis establishment pursuant to section 7 of P.L.2009,
31 c.307 (C.24:6I-7) and issued a license by the commission following
32 receipt of a local governmental entity's written approval for the
33 cannabis establishment pursuant to subparagraph (a) of paragraph
34 (3) of subsection a. of section 30 of P.L. , c. (C.) (pending
35 before the Legislature as this bill), or otherwise has applied for a
36 license, and been approved and issued a license by the commission
37 pursuant to P.L. , c. (C.) (pending before the Legislature as
38 this bill) to simultaneously operate as a cannabis establishment, and
39 the alternative treatment center has certified to the commission, and
40 if operating as a cannabis retailer, to the local governmental entity
41 in which it is located and intends to engage in retail sales, that it has
42 sufficient quantities of medical cannabis and, if applicable, medical
43 cannabis products available to meet the reasonably anticipated
44 treatment needs of registered qualifying patients, and the
45 commission, and local governmental entity, if applicable, has
46 accepted the alternative treatment center's certification; or

47 e. to discharge the Department of Health from its duties to
48 regulate medical cannabis pursuant to the "Jake Honig
49 Compassionate Use Medical Cannabis Act," P.L.2009, c.307

1 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.) prior
2 to the establishment of the commission and its initial promulgation
3 of rules and regulations to oversee the development, regulation, and
4 enforcement of activities associated with the personal use of
5 cannabis pursuant to P.L. , c. (C.) (pending before the
6 Legislature as this bill), and to assume responsibility from the
7 department for the further development and expansion, regulation,
8 and enforcement of activities associated with the medical use of
9 cannabis pursuant to the “Jake Honig Compassionate Use Medical
10 Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015,
11 c.158 (C.18A:40-12.22 et al.).

12 In determining whether to accept, pursuant to this section, an
13 alternative treatment center’s certification that it has sufficient
14 quantities of medical cannabis or medical cannabis products
15 available to meet the reasonably anticipated needs of registered
16 qualifying patients, the commission, and if applicable a local
17 governmental entity in consultation with the commission, shall
18 assess patient enrollment, inventory, sales of medical cannabis and
19 medical cannabis products, and any other factors determined by the
20 commission through regulation. If an alternative treatment center is
21 found by the commission to not have sufficient quantities of
22 medical cannabis or medical cannabis products available to meet
23 the reasonably anticipated needs of qualified patients, the
24 commission may issue fines, limit retail sales, temporarily suspend
25 the alternative treatment center’s cannabis establishment license, or
26 issue any other penalties determined by the commission through
27 regulation.

28

29 38. (New section) Medical Cannabis – Additional Regulatory
30 Requirements.

31 a. An alternative treatment center issued a permit under section
32 7 of P.L.2009, c.307 (C.24:6I-7) shall, as a condition of engaging in
33 operations associated with personal use cannabis, after being
34 deemed to be licensed pursuant to that section and issued a license
35 by the commission following receipt of a local governmental
36 entity’s written approval for a cannabis retailer pursuant to
37 subparagraph (a) of paragraph (3) of subsection a. of section 30 of
38 P.L. , c. (C.) (pending before the Legislature as this bill), or
39 otherwise issued a license by the commission pursuant to P.L. ,
40 c. (C.) (pending before the Legislature as this bill) to
41 simultaneously operate as a cannabis establishment, certify to the
42 commission, and if operating as a cannabis retailer, to the local
43 governmental entity in which it is located and intends to engage in
44 retail sales, that it has sufficient quantities of medical cannabis and,
45 if applicable, medical cannabis products available to meet the
46 reasonably anticipated treatment needs of registered qualifying
47 patients, and the commission, and local governmental entity, if
48 applicable, has accepted the alternative treatment center’s
49 certification.

1 b. In determining whether to accept, pursuant to this section, an
2 alternative treatment center's certification that it has sufficient
3 quantities of medical cannabis or medical cannabis products
4 available to meet the reasonably anticipated needs of registered
5 qualifying patients, the commission, and if applicable a local
6 governmental entity in consultation with the commission, shall
7 assess patient enrollment, inventory, sales of medical cannabis and
8 medical cannabis products, and any other factors determined by the
9 commission through regulation. If an alternative treatment center is
10 found by the commission to not have sufficient quantities of
11 medical cannabis or medical cannabis products available to meet
12 the reasonably anticipated needs of qualified patients, the
13 commission may issue fines, limit retail sales, temporarily suspend
14 the alternative treatment center's cannabis establishment license, or
15 issue any other penalties determined by the commission through
16 regulation.

17
18 39. (New section) Limitations.

19 The provisions of P.L. , c. (C.) (pending before the
20 Legislature as this bill) shall not be construed:

21 a. To amend or affect in any way any State or federal law
22 pertaining to employment matters;

23 b. To amend or affect in any way any State or federal law
24 pertaining to landlord-tenant matters;

25 c. To prohibit a recipient of a federal grant or an applicant for a
26 federal grant from prohibiting the manufacture, delivery,
27 possession, or use of cannabis items to the extent necessary to
28 satisfy federal requirements for the grant;

29 d. To prohibit a party to a federal contract or a person applying
30 to be a party to a federal contract from prohibiting the manufacture,
31 delivery, possession, or use of cannabis items to the extent
32 necessary to comply with the terms and conditions of the contract or
33 to satisfy federal requirements for the contract;

34 e. To require a person to violate a federal law; or

35 f. To exempt a person from a federal law or obstruct the
36 enforcement of a federal law.

37
38 40. N.J.S.2C:35-2 is amended to read as follows:

39 2C:35-2. As used in this chapter:

40 "Administer" means the direct application of a controlled
41 dangerous substance or controlled substance analog, whether by
42 injection, inhalation, ingestion, or any other means, to the body of a
43 patient or research subject by: (1) a practitioner (or, in his
44 presence, by his lawfully authorized agent), or (2) the patient or
45 research subject at the lawful direction and in the presence of the
46 practitioner.

47 "Agent" means an authorized person who acts on behalf of or at
48 the direction of a manufacturer, distributor, or dispenser but does

1 not include a common or contract carrier, public warehouseman, or
2 employee thereof.

3 "Controlled dangerous substance" means a drug, substance, or
4 immediate precursor in Schedules I through V, marijuana and
5 hashish as defined in this section, any substance the distribution of
6 which is specifically prohibited in N.J.S.2C:35-3, in section 3 of
7 P.L.1997, c.194 (C.2C:35-5.2), in section 5 of P.L.1997, c.194
8 (C.2C:35-5.3), in section 2 of P.L.2011, c.120 (C.2C:35-5.3a), or in
9 section 2 of P.L.2013, c.35 (C.2C:35-5.3b), and any drug or
10 substance which, when ingested, is metabolized or otherwise
11 becomes a controlled dangerous substance in the human body.
12 When any statute refers to controlled dangerous substances, or to a
13 specific controlled dangerous substance, it shall also be deemed to
14 refer to any drug or substance which, when ingested, is metabolized
15 or otherwise becomes a controlled dangerous substance or the
16 specific controlled dangerous substance, and to any substance that
17 is an immediate precursor of a controlled dangerous substance or
18 the specific controlled dangerous substance. The term shall not
19 include distilled spirits, wine, malt beverages, as those terms are
20 defined or used in R.S.33:1-1 et seq., **[or]** tobacco and tobacco
21 products, or cannabis or cannabis resin as defined in section 3 of
22 P.L. , c. (C.) (pending before the Legislature as this bill).
23 The term, wherever it appears in any law or administrative
24 regulation of this State, shall include controlled substance analogs.

25 "Controlled substance analog" means a substance that has a
26 chemical structure substantially similar to that of a controlled
27 dangerous substance and that was specifically designed to produce
28 an effect substantially similar to that of a controlled dangerous
29 substance. The term shall not include a substance manufactured or
30 distributed in conformance with the provisions of an approved new
31 drug application or an exemption for investigational use within the
32 meaning of section 505 of the "Federal Food, Drug and Cosmetic
33 Act," 52 Stat. 1052 (21 U.S.C. s.355).

34 "Counterfeit substance" means a controlled dangerous substance
35 or controlled substance analog which, or the container or labeling of
36 which, without authorization, bears the trademark, trade name, or
37 other identifying mark, imprint, number, or device, or any likeness
38 thereof, of a manufacturer, distributor, or dispenser other than the
39 person or persons who in fact manufactured, distributed, or
40 dispensed the substance and which thereby falsely purports or is
41 represented to be the product of, or to have been distributed by,
42 such other manufacturer, distributor, or dispenser.

43 "Deliver" or "delivery" means the actual, constructive, or
44 attempted transfer from one person to another of a controlled
45 dangerous substance or controlled substance analog, whether or not
46 there is an agency relationship.

47 "Dispense" means to deliver a controlled dangerous substance or
48 controlled substance analog to an ultimate user or research subject
49 by or pursuant to the lawful order of a practitioner, including the

1 prescribing, administering, packaging, labeling, or compounding
2 necessary to prepare the substance for that delivery. "Dispenser"
3 means a practitioner who dispenses.

4 "Distribute" means to deliver other than by administering or
5 dispensing a controlled dangerous substance or controlled substance
6 analog. "Distributor" means a person who distributes.

7 "Drugs" means (a) substances recognized in the official United
8 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the
9 United States, or official National Formulary, or any supplement to
10 any of them; and (b) substances intended for use in the diagnosis,
11 cure, mitigation, treatment, or prevention of disease in man or other
12 animals; and (c) substances (other than food) intended to affect the
13 structure or any function of the body of man or other animals; and
14 (d) substances intended for use as a component of any article
15 specified in subsections (a), (b), and (c) of this section; but does not
16 include devices or their components, parts, or accessories.

17 "Drug or alcohol dependent person" means a person who as a
18 result of using a controlled dangerous substance or controlled
19 substance analog or alcohol has been in a state of psychic or
20 physical dependence, or both, arising from the use of that controlled
21 dangerous substance or controlled substance analog or alcohol on a
22 continuous or repetitive basis. Drug or alcohol dependence is
23 characterized by behavioral and other responses, including but not
24 limited to a strong compulsion to take the substance on a recurring
25 basis in order to experience its psychic effects, or to avoid the
26 discomfort of its absence.

27 "Hashish" means the resin extracted from any part of the plant
28 Genus Cannabis L. and any compound, manufacture, salt,
29 derivative, mixture, or preparation of such resin. "Hashish" does not
30 include cannabis resin as defined in section 3 of P.L. ,
31 c. (C.) (pending before the Legislature as this bill) which is
32 extracted in accordance with the "New Jersey Cannabis Regulatory
33 and Expungement Aid Modernization Act," P.L. , c. (C.)
34 (pending before the Legislature as this bill), for use in a cannabis
35 item as defined in that section.

36 "Manufacture" means the production, preparation, propagation,
37 compounding, conversion, or processing of a controlled dangerous
38 substance or controlled substance analog, either directly or by
39 extraction from substances of natural origin, or independently by
40 means of chemical synthesis, or by a combination of extraction and
41 chemical synthesis, and includes any packaging or repackaging of
42 the substance or labeling or relabeling of its container, except that
43 this term does not include the preparation or compounding of a
44 controlled dangerous substance or controlled substance analog by
45 an individual for his own use or the preparation, compounding,
46 packaging, or labeling of a controlled dangerous substance: (1) by
47 a practitioner as an incident to his administering or dispensing of a
48 controlled dangerous substance or controlled substance analog in
49 the course of his professional practice, or (2) by a practitioner (or

1 under his supervision) for the purpose of, or as an incident to,
2 research, teaching, or chemical analysis and not for sale.

3 "Marijuana" means all parts of the plant Genus Cannabis L.,
4 whether growing or not; the seeds thereof, and every compound,
5 manufacture, salt, derivative, mixture, or preparation of the plant or
6 its seeds, except those containing resin extracted from the plant [;]
7 but shall not include the mature stalks of the plant, fiber produced
8 from the stalks, oil, or cake made from the seeds of the plant, any
9 other compound, manufacture, salt, derivative, mixture, or
10 preparation of mature stalks, fiber, oil, or cake, or the sterilized
11 seed of the plant which is incapable of germination]. "Marijuana"
12 does not include cannabis as defined in section 3 of P.L. ,
13 c. (C.) (pending before the Legislature as this bill) which is
14 cultivated and processed in accordance with the "New Jersey
15 Cannabis Regulatory and Expungement Aid Modernization Act,"
16 P.L. , c. (C.) (pending before the Legislature as this bill),
17 for use in a cannabis item as defined in that section. "Marijuana"
18 shall not mean industrial hemp cultivated pursuant to the New
19 Jersey Industrial Hemp Pilot Program established by P.L.2018,
20 c.139 (C.4:28-1 et al.).

21 "Narcotic drug" means any of the following, whether produced
22 directly or indirectly by extraction from substances of vegetable
23 origin, or independently by means of chemical synthesis, or by a
24 combination of extraction and chemical synthesis:

25 (a) Opium, coca leaves, and opiates;

26 (b) A compound, manufacture, salt, derivative, or preparation of
27 opium, coca leaves, or opiates;

28 (c) A substance (and any compound, manufacture, salt,
29 derivative, or preparation thereof) which is chemically identical
30 with any of the substances referred to in subsections (a) and (b),
31 except that the words "narcotic drug" as used in this act shall not
32 include decocainized coca leaves or extracts of coca leaves, which
33 extracts do not contain cocaine or ecogine.

34 "Opiate" means any dangerous substance having an addiction-
35 forming or addiction-sustaining liability similar to morphine or
36 being capable of conversion into a drug having such addiction-
37 forming or addiction-sustaining liability. It does not include, unless
38 specifically designated as controlled pursuant to the provisions of
39 section 3 of P.L.1970, c.226 (C.24:21-3), the dextrorotatory isomer
40 of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan).
41 It does include its racemic and levorotatory forms.

42 "Opium poppy" means the plant of the species Papaver
43 somniferum L., except the seeds thereof.

44 "Person" means any corporation, association, partnership, trust,
45 other institution or entity, or one or more individuals.

46 "Plant" means an organism having leaves and a readily
47 observable root formation, including, but not limited to, a cutting
48 having roots, a rootball or root hairs.

- 1 "Poppy straw" means all parts, except the seeds, of the opium
2 poppy, after mowing.
- 3 "Practitioner" means a physician, dentist, veterinarian, scientific
4 investigator, laboratory, pharmacy, hospital, or other person
5 licensed, registered, or otherwise permitted to distribute, dispense,
6 conduct research with respect to, or administer a controlled
7 dangerous substance or controlled substance analog in the course of
8 professional practice or research in this State.
- 9 (a) "Physician" means a physician authorized by law to practice
10 medicine in this or any other state and any other person authorized
11 by law to treat sick and injured human beings in this or any other
12 state.
- 13 (b) "Veterinarian" means a veterinarian authorized by law to
14 practice veterinary medicine in this State.
- 15 (c) "Dentist" means a dentist authorized by law to practice
16 dentistry in this State.
- 17 (d) "Hospital" means any federal institution, or any institution
18 for the care and treatment of the sick and injured, operated or
19 approved by the appropriate State department as proper to be
20 entrusted with the custody and professional use of controlled
21 dangerous substances or controlled substance analogs.
- 22 (e) "Laboratory" means a laboratory to be entrusted with the
23 custody of narcotic drugs and the use of controlled dangerous
24 substances or controlled substance analogs for scientific,
25 experimental, and medical purposes and for purposes of instruction
26 approved by the Department of Health.
- 27 "Production" includes the manufacture, planting, cultivation,
28 growing, or harvesting of a controlled dangerous substance or
29 controlled substance analog.
- 30 "Immediate precursor" means a substance which the Division of
31 Consumer Affairs in the Department of Law and Public Safety has
32 found to be and by regulation designates as being the principal
33 compound commonly used or produced primarily for use, and
34 which is an immediate chemical intermediary used or likely to be
35 used in the manufacture of a controlled dangerous substance or
36 controlled substance analog, the control of which is necessary to
37 prevent, curtail, or limit such manufacture.
- 38 "Residential treatment facility" means any facility licensed and
39 approved by the Department of Human Services and which is
40 approved by any county probation department for the inpatient
41 treatment and rehabilitation of drug or alcohol dependent persons.
- 42 "Schedules I, II, III, IV, and V" are the schedules set forth in
43 sections 5 through 8 of P.L.1970, c.226 (C.24:21-5 through 24:21-
44 8) and in section 4 of P.L.1971, c.3 (C.24:21-8.1) and as modified
45 by any regulations issued by the Director of the Division of
46 Consumer Affairs in the Department of Law and Public Safety
47 pursuant to the director's authority as provided in section 3 of
48 P.L.1970, c.226 (C.24:21-3).
- 49 "State" means the State of New Jersey.

1 "Ultimate user" means a person who lawfully possesses a
2 controlled dangerous substance or controlled substance analog for
3 his own use or for the use of a member of his household or for
4 administration to an animal owned by him or by a member of his
5 household.

6 "Prescription legend drug" means any drug which under federal
7 or State law requires dispensing by prescription or order of a
8 licensed physician, veterinarian, or dentist and is required to bear
9 the statement "Rx only" or similar wording indicating that such
10 drug may be sold or dispensed only upon the prescription of a
11 licensed medical practitioner and is not a controlled dangerous
12 substance or stramonium preparation.

13 "Stramonium preparation" means a substance prepared from any
14 part of the stramonium plant in the form of a powder, pipe mixture,
15 cigarette, or any other form with or without other ingredients.

16 "Stramonium plant" means the plant *Datura Stramonium* Linne,
17 including *Datura Tatula* Linne.

18 (cf: P.L.2018, c.139, s.6)

19
20 41. N.J.S.2C:35-5 is amended to read as follows:

21 2C:35-5. Manufacturing, Distributing or Dispensing. a. Except
22 as authorized by P.L.1970, c.226 (C.24:21-1 et seq.), it shall be
23 unlawful for any person knowingly or purposely:

24 (1) To manufacture, distribute or dispense, or to possess or have
25 under his control with intent to manufacture, distribute or dispense,
26 a controlled dangerous substance or controlled substance analog; or

27 (2) To create, distribute, or possess or have under his control
28 with intent to distribute, a counterfeit controlled dangerous
29 substance.

30 b. Any person who violates subsection a. with respect to:

31 (1) Heroin, or its analog, or coca leaves and any salt, compound,
32 derivative, or preparation of coca leaves, and any salt, compound,
33 derivative, or preparation thereof which is chemically equivalent or
34 identical with any of these substances, or analogs, except that the
35 substances shall not include decocainized coca leaves or extractions
36 which do not contain cocaine or ecogine, or 3,4-
37 methylenedioxyamphetamine or 3,4-
38 methylenedioxyamphetamine, in a quantity of five ounces or more
39 including any adulterants or dilutants is guilty of a crime of the first
40 degree. The defendant shall, except as provided in N.J.S.2C:35-12,
41 be sentenced to a term of imprisonment by the court. The term of
42 imprisonment shall include the imposition of a minimum term
43 which shall be fixed at, or between, one-third and one-half of the
44 sentence imposed, during which the defendant shall be ineligible for
45 parole. Notwithstanding the provisions of subsection a. of
46 N.J.S.2C:43-3, a fine of up to **【\$500,000.00】** \$500,000 may be
47 imposed;

48 (2) A substance referred to in paragraph (1) of this subsection,
49 in a quantity of one-half ounce or more but less than five ounces,

1 including any adulterants or dilutants is guilty of a crime of the
2 second degree;

3 (3) A substance referred to paragraph (1) of this subsection in a
4 quantity less than one-half ounce including any adulterants or
5 dilutants is guilty of a crime of the third degree except that,
6 notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
7 fine of up to **[\$75,000.00]** \$75,000 may be imposed;

8 (4) A substance classified as a narcotic drug in Schedule I or II
9 other than those specifically covered in this section, or the analog of
10 any such substance, in a quantity of one ounce or more including
11 any adulterants or dilutants is guilty of a crime of the second
12 degree;

13 (5) A substance classified as a narcotic drug in Schedule I or II
14 other than those specifically covered in this section, or the analog of
15 any such substance, in a quantity of less than one ounce including
16 any adulterants or dilutants is guilty of a crime of the third degree
17 except that, notwithstanding the provisions of subsection b. of
18 N.J.S.2C:43-3, a fine of up to **[\$75,000.00]** \$75,000 may be
19 imposed;

20 (6) Lysergic acid diethylamide, or its analog, in a quantity of
21 100 milligrams or more including any adulterants or dilutants, or
22 phencyclidine, or its analog, in a quantity of 10 grams or more
23 including any adulterants or dilutants, is guilty of a crime of the
24 first degree. Except as provided in N.J.S.2C:35-12, the court shall
25 impose a term of imprisonment which shall include the imposition
26 of a minimum term, fixed at, or between, one-third and one-half of
27 the sentence imposed by the court, during which the defendant shall
28 be ineligible for parole. Notwithstanding the provisions of
29 subsection a. of N.J.S.2C:43-3, a fine of up to **[\$500,000.00]**
30 \$500,000 may be imposed;

31 (7) Lysergic acid diethylamide, or its analog, in a quantity of
32 less than 100 milligrams including any adulterants or dilutants, or
33 where the amount is undetermined, or phencyclidine, or its analog,
34 in a quantity of less than 10 grams including any adulterants or
35 dilutants, or where the amount is undetermined, is guilty of a crime
36 of the second degree;

37 (8) Methamphetamine, or its analog, or phenyl-2-propanone
38 (P2P), in a quantity of five ounces or more including any
39 adulterants or dilutants is guilty of a crime of the first degree.
40 Notwithstanding the provisions of subsection a. of N.J.S.2C:43-3, a
41 fine of up to **[\$300,000.00]** \$300,000 may be imposed;

42 (9) (a) Methamphetamine, or its analog, or phenyl-2-propanone
43 (P2P), in a quantity of one-half ounce or more but less than five
44 ounces including any adulterants or dilutants is guilty of a crime of
45 the second degree;

46 (b) Methamphetamine, or its analog, or phenyl-2-propanone
47 (P2P), in a quantity of less than one-half ounce including any
48 adulterants or dilutants is guilty of a crime of the third degree
49 except that notwithstanding the provisions of subsection b. of

1 N.J.S.2C:43-3, a fine of up to **【\$75,000.00】** \$75,000 may be
2 imposed;

3 (10) (a) Marijuana in a quantity of 25 pounds or more
4 including any adulterants or dilutants, or 50 or more marijuana
5 plants, regardless of weight, or hashish in a quantity of five pounds
6 or more including any adulterants or dilutants, is guilty of a crime
7 of the first degree. Notwithstanding the provisions of subsection a.
8 of N.J.S.2C:43-3, a fine of up to **【\$300,000.00】** \$300,000 may be
9 imposed;

10 (b) Marijuana in a quantity of five pounds or more but less than
11 25 pounds including any adulterants or dilutants, or 10 or more but
12 fewer than 50 marijuana plants, regardless of weight, or hashish in a
13 quantity of one pound or more but less than five pounds, including
14 any adulterants and dilutants, is guilty of a crime of the second
15 degree;

16 (11) Marijuana in a quantity of more than one ounce **【or more】**
17 but less than five pounds including any adulterants or dilutants, or
18 hashish in a quantity of more than five grams **【or more】** but less
19 than one pound including any adulterants or dilutants, is guilty of a
20 crime of the third degree except that, notwithstanding the provisions
21 of subsection b. of N.J.S.2C:43-3, a fine of up to **【\$25,000.00】**
22 \$25,000 may be imposed;

23 (12) Marijuana in a quantity of **【less than】** one ounce (28.38
24 grams) or less including any adulterants or dilutants, or hashish in a
25 quantity of **【less than】** five grams or less including any adulterants
26 or dilutants, is guilty of a crime of the fourth degree; but
27 distribution without remuneration of, or possessing or having under
28 control with intent to distribute without remuneration this amount of
29 marijuana or hashish is presumed to be the lawful transfer or
30 intended transfer of cannabis or cannabis resin in accordance with
31 the “New Jersey Cannabis Regulatory and Expungement Aid
32 Modernization Act,” P.L. _____, c. (C. _____) (pending before the
33 Legislature as this bill) and this distribution without remuneration,
34 or possessing or having under control with intent to distribute
35 without remuneration, alone does not constitute reasonable
36 articulable suspicion of an act subject to prosecution as a crime of
37 the fourth degree pursuant to this paragraph;

38 (13) Any other controlled dangerous substance classified in
39 Schedule I, II, III or IV, or its analog, is guilty of a crime of the
40 third degree, except that, notwithstanding the provisions of
41 subsection b. of N.J.S.2C:43-3, a fine of up to **【\$25,000.00】**
42 \$25,000 may be imposed; or

43 (14) Any Schedule V substance, or its analog, is guilty of a
44 crime of the fourth degree except that, notwithstanding the
45 provisions of subsection b. of N.J.S.2C:43-3, a fine of up to
46 **【\$25,000.00】** \$25,000 may be imposed.

47 c. Where the degree of the offense for violation of this section
48 depends on the quantity of the substance, the quantity involved

1 shall be determined by the trier of fact. Where the indictment or
2 accusation so provides, the quantity involved in individual acts of
3 manufacturing, distribution, dispensing or possessing with intent to
4 distribute may be aggregated in determining the grade of the
5 offense, whether distribution or dispensing is to the same person or
6 several persons, provided that each individual act of manufacturing,
7 distribution, dispensing or possession with intent to distribute was
8 committed within the applicable statute of limitations.
9 (cf: P.L.2000, c.136, s.1)

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

12 2C:35-10. Possession, Use or Being Under the Influence, or
13 Failure to Make Lawful Disposition.

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

22 (1) A controlled dangerous substance, or its analog, classified in
23 Schedule I, II, III or IV other than those specifically covered in this
24 section, is guilty of a crime of the third degree except that,
25 notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
26 fine of up to ~~【\$35,000.00】~~ \$35,000 may be imposed;

27 (2) Any controlled dangerous substance, or its analog, classified
28 in Schedule V, is guilty of a crime of the fourth degree except that,
29 notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
30 fine of up to ~~【\$15,000.00】~~ \$15,000 may be imposed;

31 (3) Possession of more than 50 grams of marijuana, including
32 any adulterants or dilutants, or more than five grams of hashish is
33 ~~【guilty of a crime of the fourth degree, except that, notwithstanding~~
34 ~~the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to~~
35 ~~\$25,000.00 may be imposed】~~ a disorderly person; or

36 (4) Possession of 50 grams or less of marijuana, including any
37 adulterants or dilutants, ~~【or five grams or less of hashish】~~ is an
38 unlawful act subject to a 【disorderly person】 civil penalty of \$50,
39 but if the amount possessed is one ounce (28.38 grams) or less, the
40 possession is presumed to be the lawful possession of cannabis in
41 accordance with the “New Jersey Cannabis Regulatory and
42 Expungement Aid Modernization Act,” P.L. , c. (C.)
43 (pending before the Legislature as this bill) and the State shall
44 establish by a preponderance of evidence that the substance
45 possessed was not cannabis as defined in section 3 of that act
46 (C.) to impose the \$50 civil penalty for possession of one ounce
47 (28.38 grams) or less of marijuana pursuant to this paragraph.
48 Possession of five grams or less of hashish is an unlawful act subject
49 to a civil penalty of \$50, but possession of this amount is presumed

1 to be the lawful possession of cannabis resin in accordance with the
2 “New Jersey Cannabis Regulatory and Expungement Aid
3 Modernization Act,” P.L. _____, c. (C. _____) (pending before the
4 Legislature as this bill) and the State shall establish by a
5 preponderance of evidence that the substance possessed was not
6 cannabis resin as defined in section 3 of that act (C. _____) to impose
7 the \$50 civil penalty for possession of five grams or less of hashish
8 pursuant to this paragraph. The penalties provided for in this
9 paragraph shall be collected pursuant to the “Penalty Enforcement
10 Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary
11 proceeding before the municipal court having jurisdiction. A
12 penalty recovered under the provisions of this paragraph shall be
13 recovered by and in the name of the State by the local municipality.
14 The penalty shall be paid into the treasury of the municipality in
15 which the violation occurred for the general use of the municipality.

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

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

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

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

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

46
47 43. N.J.S 2C:36-1 is amended to read as follows:

48 2C:36-1. Drug paraphernalia, defined; determination.

1 a. As used in this act, "drug paraphernalia" means all
2 equipment, products and materials of any kind which are used or
3 intended for use in planting, propagating, cultivating, growing,
4 harvesting, manufacturing, compounding, converting, producing,
5 processing, preparing, testing, analyzing, packaging, repackaging,
6 storing, containing, concealing, ingesting, inhaling, or otherwise
7 introducing into the human body a controlled dangerous substance,
8 controlled substance analog or toxic chemical in violation of the
9 provisions of chapter 35 of this title. It shall include, but not be
10 limited to:

11 **【a.】** (1) kits used or intended for use in planting, propagating,
12 cultivating, growing or harvesting of any species of plant which is a
13 controlled dangerous substance or from which a controlled
14 dangerous substance can be derived;

15 **【b.】** (2) kits used or intended for use in manufacturing,
16 compounding, converting, producing, processing, or preparing
17 controlled dangerous substances or controlled substance analogs;

18 **【c.】** (3) isomerization devices used or intended for use in
19 increasing the potency of any species of plant which is a controlled
20 dangerous substance;

21 **【d.】** (4) testing equipment used or intended for use identifying,
22 or in analyzing the strength, effectiveness or purity of controlled
23 dangerous substances or controlled substance analogs;

24 **【e.】** (5) scales and balances used or intended for use in weighing
25 or measuring controlled dangerous substances or controlled
26 substance analogs;

27 **【f.】** (6) dilutants and adulterants, such as quinine hydrochloride,
28 mannitol, mannite, dextrose and lactose, used or intended for use in
29 cutting controlled dangerous substances or controlled substance
30 analogs;

31 **【g.】** (7) separation gins and sifters used or intended for use in
32 removing twigs and seeds from, or in otherwise cleaning or
33 refining, **【marihuana】** marijuana;

34 **【h.】** (8) blenders, bowls, containers, spoons and mixing devices
35 used or intended for use in compounding controlled dangerous
36 substances or controlled substance analogs;

37 **【i.】** (9) capsules, balloons, envelopes and other containers used
38 or intended for use in packaging small quantities of controlled
39 dangerous substances or controlled substance analogs;

40 **【j.】** (10) containers and other objects used or intended for use in
41 storing or concealing controlled dangerous substances, controlled
42 substance analogs or toxic chemicals;

43 **【k.】** (11) objects used or intended for use in ingesting, inhaling,
44 or otherwise introducing **【marihuana】** marijuana, cocaine, hashish,
45 hashish oil, nitrous oxide or the fumes of a toxic chemical into the
46 human body, such as **【(1)】** (a) metal, wooden, acrylic, glass, stone,
47 plastic, or ceramic pipes with or without screens, permanent
48 screens, hashish heads, or punctured metal bowls; **【(2)】** (b) water

1 pipes; **[(3)]** (c) carburetion tubes and devices; **[(4)]** (d) smoking
2 and carburetion masks; **[(5)]** (e) roach clips, meaning objects used
3 to hold burning material, such as a marihuana cigarette, that has
4 become too small or too short to be held in the hand; **[(6)]** (f)
5 miniature cocaine spoons, and cocaine vials; **[(7)]** (g) chamber
6 pipes; **[(8)]** (h) carburetor pipes; **[(9)]** (i) electric pipes; **[(10)]** (j)
7 air-driven pipes; **[(11)]** (k) chillums; **[(12)]** (l) bongs; **[(13)]** (m)
8 ice pipes or chillers; **[(14)]** (n) compressed gas containers, such as
9 tanks, cartridges or canisters, that contain food grade or
10 pharmaceutical grade nitrous oxide as a principal ingredient; **[(15)]**
11 (o) chargers or charging bottles, meaning metal, ceramic or plastic
12 devices that contain an interior pin that may be used to expel
13 compressed gas from a cartridge or canister; and **[(16)]** (p) tubes,
14 balloons, bags, fabrics, bottles or other containers used to
15 concentrate or hold in suspension a toxic chemical or the fumes of a
16 toxic chemical.

17 b. In determining whether or not an object is drug
18 paraphernalia, the trier of fact, in addition to or as part of the
19 proofs, may consider the following factors:

20 **[a.]** (1) (a) statements by an owner or by anyone in control of
21 the object concerning its use;

22 **[b.]** (b) the proximity of the object **[of]** to illegally possessed
23 controlled dangerous substances, controlled substance analogs or
24 toxic chemicals;

25 **[c.]** (c) the existence of any residue of illegally possessed
26 controlled dangerous substances, controlled substance analogs or
27 toxic chemicals on the object;

28 **[d.]** (d) direct or circumstantial evidence of the intent of an
29 owner, or of anyone in control of the object, to deliver it to persons
30 whom he knows intend to use the object to facilitate a violation of
31 this act; the innocence of an owner, or of anyone in control of the
32 object, as to a direct violation of this act shall not prevent a finding
33 that the object is intended for use as drug paraphernalia;

34 **[e.]** (e) instructions, oral or written, provided with the object
35 concerning its use;

36 **[f.]** (f) descriptive materials accompanying the object which
37 explain or depict its use;

38 **[g.]** (g) national or local advertising whose purpose the person
39 knows or should know is to promote the sale of objects intended for
40 use as drug paraphernalia;

41 **[h.]** (h) the manner in which the object is displayed for sale;

42 **[i.]** (i) the existence and scope of legitimate uses for the object
43 in the community; and

44 **[j.]** (j) expert testimony concerning its use.

45 (2) If an object appears to be for use, intended for use, or
46 designed for use with cannabis or cannabis items in accordance with
47 the “New Jersey Cannabis Regulatory and Expungement Aid

1 Modernization Act,” P.L. _____, c. _____ (C. _____) (pending before the
2 Legislature as this bill), the object is presumed to be a lawful
3 cannabis paraphernalia as defined in section 3 of that act (C. _____),
4 and does not alone constitute reasonable articulable suspicion that
5 the object is a drug paraphernalia, notwithstanding that the object
6 could also be used with marijuana, hashish, or another illegal
7 controlled substance or controlled substance analog, unless the
8 owner or any other person in proximity to or in control of the object
9 was in possession of marijuana, hashish, or another illegal
10 controlled dangerous substance or controlled substance analog, or
11 the object was in proximity of marijuana, hashish, or another
12 illegally possessed controlled dangerous substance or controlled
13 substance analog to indicate its use, intended use, or design for use
14 with that controlled dangerous substance or controlled substance
15 analog.

16 (cf: P.L.2007, c.31, s.2)

17
18 44. (New section) Dismissal, Withdrawal, or Termination of
19 Small Amount Marijuana and Hashish Cases; Post-Conviction
20 Relief for Certain Convictions Involving Small Amount Marijuana
21 and Hashish.

22 a. Except to the extent required to dismiss, withdraw, or
23 terminate the charge, no court shall have jurisdiction over any
24 charge, including any charge of delinquency, based on a violation
25 of any of the following laws that occurred prior to the effective date
26 of P.L. _____, c. _____ (C. _____) (pending before the Legislature as this bill),
27 unless a final judgment of conviction or adjudication of delinquency
28 has been entered on or before that effective date: a violation of
29 paragraph (11) of subsection b. of N.J.S.2C:35-5; or a lesser amount of
30 marijuana or hashish in violation of paragraph (12) of subsection b. of
31 that section; or a violation of either of those paragraphs and a violation
32 of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or
33 subsection a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for
34 distributing, or possessing or having under control with intent to
35 distribute, on or within 1,000 feet of any school property, or on or
36 within 500 feet of the real property comprising a public housing
37 facility, public park, or public building; or for obtaining, possessing,
38 using, being under the influence of, or failing to make lawful
39 disposition of marijuana or hashish in violation of paragraph (3) or
40 (4) of subsection a., or subsection b., or subsection c. of N.J.S.2C:35-
41 10; or for a violation of any of those provisions and a violation of
42 N.J.S.2C:36-2 for using or possessing with intent to use drug
43 paraphernalia with the marijuana or hashish. These non-prosecutable
44 charges and cases shall be expeditiously dismissed, which may be
45 accomplished by appropriate action by a law enforcement agency,
46 or on a motion to the court which would otherwise have jurisdiction
47 over a case, or the court’s own motion, based upon guidelines or
48 directives issued by the Attorney General and the Administrative
49 Director of the Courts.

1 b. A charge, including any charge of delinquency, conviction,
2 or adjudication of delinquency, based on a violation of any of the
3 following laws that occurred prior to the effective date of P.L. ,
4 c. (C.) (pending before the Legislature as this bill), shall not
5 be considered whenever the Pretrial Services Program established
6 by the Administrative Office of the Courts pursuant to section 11 of
7 P.L.2014, c.31 (C.2A:162-25) conducts a risk assessment on an
8 eligible defendant for the purpose of making recommendations to
9 the court concerning an appropriate pretrial release decision in
10 accordance with sections 1 through 11 of P.L.2014, c.31 (C.2A:162-
11 15 et seq.): a violation of paragraph (11) of subsection b. of
12 N.J.S.2C:35-5; or a lesser amount of marijuana or hashish in violation
13 of paragraph (12) of subsection b. of that section; or a violation of
14 either of those paragraphs and a violation of subsection a. of section 1
15 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of
16 P.L.1997, c.327 (C.2C:35-7.1) for distributing, or possessing or having
17 under control with intent to distribute, on or within 1,000 feet of any
18 school property, or on or within 500 feet of the real property
19 comprising a public housing facility, public park, or public building;
20 or for obtaining, possessing, using, being under the influence of, or
21 failing to make lawful disposition of marijuana or hashish in
22 violation of paragraph (3) or (4) of subsection a., or subsection b., or
23 subsection c. of N.J.S.2C:35-10; or for a violation of any of those
24 provisions and a violation of N.J.S.2C:36-2 for using or possessing
25 with intent to use drug paraphernalia with the marijuana or hashish.

26 c. (1) It shall be grounds for post-conviction relief that a
27 conviction or adjudication of delinquency entered prior to the
28 effective date of P.L. , c. (C.) (pending before the
29 Legislature as this bill) for a violation of paragraph (11) of subsection
30 b. of N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in
31 violation of paragraph (12) of subsection b. of that section, or a
32 violation of either of those paragraphs and a violation of subsection a.
33 of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section
34 1 of P.L.1997, c.327 (C.2C:35-7.1), for distributing, or possessing or
35 having under control with intent to distribute, on or within 1,000 feet
36 of any school property, or on or within 500 feet of the real property
37 comprising a public housing facility, public park, or public building,
38 or obtaining, possessing, using, being under the influence of, or
39 failing to make lawful disposition of marijuana or hashish in
40 violation of paragraph (3) or (4) of subsection a., or subsection b., or
41 subsection c. of N.J.S.2C:35-10, or a violation involving marijuana or
42 hashish as described herein and using or possessing with intent to use
43 drug paraphernalia with that marijuana or hashish in violation of
44 N.J.S.2C:36-2, alone or in combination with each other, if the
45 conviction or adjudication of delinquency is based solely upon a
46 charge or charges over which the court would lack jurisdiction
47 pursuant to subsection a. of this section and if a final judgment of
48 conviction or adjudication of delinquency had not been entered on
49 or before that effective date.

1 (2) Notwithstanding any court rule limiting the time period
2 within which a motion to reduce or change a sentence may be filed,
3 any person who, on the effective date of P.L. , c. (C.)
4 (pending before the Legislature as this bill), is serving a sentence of
5 incarceration, probation, parole or other form of community
6 supervision solely as a result of the person's conviction or
7 adjudication of delinquency for a crime or offense enumerated in
8 paragraph (1) of this subsection may move to have the person's
9 sentence reviewed by the court. If the court finds that the sentence
10 under review is based solely upon a charge or charges over which
11 the court would lack jurisdiction pursuant to subsection a. of this
12 section, the court shall order appropriate relief.

13 (3) No fee shall be charged to a person seeking post-conviction
14 relief pursuant to this subsection.
15

16 45. (New section) a. Other than the consequences of any
17 sentence set forth in a judgment of conviction, including a term of
18 imprisonment and any court-ordered financial assessment, unless
19 otherwise provided by law, any arrest, charge, conviction, and
20 adjudication of delinquency that occurred prior to the effective date
21 of P.L. , c. (C.) (pending before the Legislature as this bill),
22 and any proceedings related thereto, for unlawful distribution of, or
23 possessing or having under control with intent to distribute,
24 marijuana or hashish in violation of paragraph (11) of subsection b. of
25 N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in violation
26 of paragraph (12) of subsection b. of that section, or a violation of
27 either of those paragraphs and a violation of subsection a. of section 1
28 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of
29 P.L.1997, c.327 (C.2C:35-7.1), for distributing, or possessing or
30 having under control with intent to distribute, on or within 1,000 feet
31 of any school property, or on or within 500 feet of the real property
32 comprising a public housing facility, public park, or public building,
33 or obtaining, possessing, using, being under the influence of, or
34 failing to make lawful disposition of marijuana or hashish in
35 violation of paragraph (3) or (4) of subsection a., or subsection b., or
36 subsection c. of N.J.S.2C:35-10, or a violation involving marijuana or
37 hashish as described herein and using or possessing with intent to use
38 drug paraphernalia with that marijuana or hashish in violation of
39 N.J.S.2C:36-2 shall be deemed not to have occurred, and the person
40 involved in that violation may answer any questions relating to their
41 occurrence accordingly, except that such information shall be
42 revealed by that person if seeking employment within the judicial
43 branch or with a law enforcement or corrections agency and such
44 information shall continue to provide a disability as otherwise
45 provided by law.
46

47 46. N.J.S.2C:52-2 is amended to read as follows:

48 2C:52-2. Indictable Offenses.

1 a. In all cases, except as herein provided, a person may present an
2 expungement application to the Superior Court pursuant to this section
3 if:

4 the person has been convicted of one crime under the laws of this
5 State, and does not otherwise have any prior or subsequent conviction
6 for another crime, whether within this State or any other jurisdiction;
7 or

8 the person has been convicted of one crime and less than four
9 disorderly persons or petty disorderly persons offenses under the laws
10 of this State, and does not otherwise have any prior or subsequent
11 conviction for another crime, or any prior or subsequent conviction for
12 another disorderly persons or petty disorderly persons offense such
13 that the total number of convictions for disorderly persons and petty
14 disorderly persons offenses would exceed three, whether any such
15 crime or offense conviction was within this State or any other
16 jurisdiction; or

17 the person has been convicted of multiple crimes or a combination
18 of one or more crimes and one or more disorderly persons or petty
19 disorderly persons offenses under the laws of this State, all of which
20 are listed in a single judgment of conviction, and does not otherwise
21 have any prior or subsequent conviction for another crime or offense
22 in addition to those convictions included in the expungement
23 application, whether any such conviction was within this State or any
24 other jurisdiction; or

25 the person has been convicted of multiple crimes or a combination
26 of one or more crimes and one or more disorderly persons or petty
27 disorderly persons offenses under the laws of this State, which crimes
28 or combination of crimes and offenses were interdependent or closely
29 related in circumstances and were committed as part of a sequence of
30 events that took place within a comparatively short period of time,
31 regardless of the date of conviction or sentencing for each individual
32 crime or offense, and the person does not otherwise have any prior or
33 subsequent conviction for another crime or offense in addition to those
34 convictions included in the expungement application, whether any
35 such conviction was within this State or any other jurisdiction.

36 For purposes of determining eligibility to present an
37 expungement application to the Superior Court pursuant to this
38 section, a conviction for unlawful distribution of, or possessing or
39 having under control with intent to distribute, marijuana or hashish
40 in violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a
41 lesser amount of marijuana or hashish in violation of paragraph (12) of
42 subsection b. of that section, or a violation of either of those
43 paragraphs and a violation of subsection a. of section 1 of P.L.1987,
44 c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327
45 (C.2C:35-7.1), for distributing, or possessing or having under control
46 with intent to distribute, on or within 1,000 feet of any school
47 property, or on or within 500 feet of the real property comprising a
48 public housing facility, public park, or public building, or for
49 obtaining or possessing marijuana or hashish in violation of

1 paragraph (3) of subsection a. of N.J.S.2C:35-10, or for an equivalent
2 crime in another jurisdiction, regardless of when the conviction
3 occurred, shall be not considered a conviction of a crime within this
4 State or any other jurisdiction but shall instead be considered a
5 conviction of a disorderly person offense within this State or an
6 equivalent category of offense within the other jurisdiction, and a
7 conviction for obtaining, possessing, using, being under the
8 influence of, or failing to make lawful disposition of marijuana or
9 hashish in violation of paragraph (4) of subsection a., or subsection
10 b., or subsection c. of N.J.S.2C:35-10, or a violation involving
11 marijuana or hashish as described herein and using or possessing with
12 intent to use drug paraphernalia with that marijuana or hashish in
13 violation of N.J.S.2C:36-2, or for an equivalent crime or offense in
14 another jurisdiction, regardless of when the conviction occurred, shall
15 not be considered a conviction within this State or any other
16 jurisdiction.

17 The person, if eligible, may present the expungement application
18 after the expiration of a period of six years from the date of his most
19 recent conviction, payment of fine, satisfactory completion of
20 probation or parole, or release from incarceration, whichever is later.
21 The term "fine" as used herein and throughout this section means and
22 includes any fine, restitution, and other court-ordered financial
23 assessment imposed by the court as part of the sentence for the
24 conviction, for which payment of restitution takes precedence in
25 accordance with chapter 46 of Title 2C of the New Jersey Statutes.
26 The person shall submit the expungement application to the Superior
27 Court in the county in which the conviction for the crime was
28 adjudged, which contains a separate, duly verified petition as provided
29 in N.J.S.2C:52-7 for each conviction sought to be expunged, praying
30 that the conviction, or convictions if applicable, and all records and
31 information pertaining thereto be expunged. The petition for each
32 conviction appended to an application shall comply with the
33 requirements set forth in N.J.S.2C:52-1 et seq.

34 Notwithstanding the provisions concerning the six-year time
35 requirement, if a fine which is currently subject to collection under the
36 comprehensive enforcement program established pursuant to
37 P.L.1995, c.9 (C.2B:19-1 et al.) is not yet satisfied due to reasons other
38 than willful noncompliance, but the time requirement of six years is
39 otherwise satisfied, the person may submit the expungement
40 application and the court may grant an expungement, provided,
41 however, that if expungement is granted under this paragraph, the
42 court shall provide for the continued collection of any outstanding
43 amount owed that is necessary to satisfy the fine or the entry of civil
44 judgment for the outstanding amount in accordance with section 8 of
45 P.L.2017, c.244 (C.2C:52-23.1).

46 Additionally, an application may be filed and presented, and the
47 court may grant an expungement pursuant to this section, although less
48 than six years have expired in accordance with the time requirements
49 when the court finds:

1 (1) the fine is satisfied but less than six years have expired from
2 the date of satisfaction, and the time requirement of six years is
3 otherwise satisfied, and the court finds that the person substantially
4 complied with any payment plan ordered pursuant to N.J.S.2C:46-1 et
5 seq., or could not do so due to compelling circumstances affecting his
6 ability to satisfy the fine; or

7 (2) at least five but less than six years have expired from the date
8 of the most recent conviction, payment of fine, satisfactory completion
9 of probation or parole, or release from incarceration, whichever is
10 later; and

11 the person has not been otherwise convicted of a crime, disorderly
12 persons offense, or petty disorderly persons offense since the time of
13 the most recent conviction; and the court finds in its discretion that
14 expungement is in the public interest, giving due consideration to the
15 nature of the offense or offenses, and the applicant's character and
16 conduct since the conviction or convictions.

17 In determining whether compelling circumstances exist for the
18 purposes of paragraph (1) of this subsection, a court may consider the
19 amount of the fine or fines imposed, the person's age at the time of the
20 offense or offenses, the person's financial condition and other relevant
21 circumstances regarding the person's ability to pay.

22 b. Records of conviction pursuant to statutes repealed by this
23 Code for the crimes of murder, manslaughter, treason, anarchy,
24 kidnapping, rape, forcible sodomy, arson, perjury, false swearing,
25 robbery, embracery, or a conspiracy or any attempt to commit any of
26 the foregoing, or aiding, assisting or concealing persons accused of the
27 foregoing crimes, shall not be expunged.

28 Records of conviction for the following crimes specified in the
29 New Jersey Code of Criminal Justice shall not be subject to
30 expungement: N.J.S.2C:11-1 et seq. (Criminal Homicide), except
31 death by auto as specified in N.J.S.2C:11-5 and strict liability
32 vehicular homicide as specified in section 1 of P.L.2017, c.165
33 (C.2C:11-5.3); N.J.S.2C:13-1 (Kidnapping); section 1 of P.L.1993,
34 c.291 (C.2C:13-6) (Luring or Enticing); section 1 of P.L.2005, c.77
35 (C.2C:13-8) (Human Trafficking); N.J.S.2C:14-2 (Sexual Assault or
36 Aggravated Sexual Assault); subsection a. of N.J.S.2C:14-3
37 (Aggravated Criminal Sexual Contact); if the victim is a minor,
38 subsection b. of N.J.S.2C:14-3 (Criminal Sexual Contact); if the victim
39 is a minor and the offender is not the parent of the victim,
40 N.J.S.2C:13-2 (Criminal Restraint) or N.J.S.2C:13-3 (False
41 Imprisonment); N.J.S.2C:15-1 (Robbery); N.J.S.2C:17-1 (Arson and
42 Related Offenses); subsection a. of N.J.S.2C:24-4 (Endangering the
43 welfare of a child by engaging in sexual conduct which would impair
44 or debauch the morals of the child, or causing the child other harm);
45 paragraph (4) of subsection b. of N.J.S.2C:24-4 (Photographing or
46 filming a child in a prohibited sexual act or for portrayal in a sexually
47 suggestive manner); paragraph (3) of subsection b. of N.J.S.2C:24-4
48 (Causing or permitting a child to engage in a prohibited sexual act or
49 the simulation of an act, or to be portrayed in a sexually suggestive

manner); subparagraph (a) of paragraph (5) of subsection b. of N.J.S.2C:24-4 (Distributing, possessing with intent to distribute or using a file-sharing program to store items depicting the sexual exploitation or abuse of a child); subparagraph (b) of paragraph (5) of subsection b. of N.J.S.2C:24-4 (Possessing or viewing items depicting the sexual exploitation or abuse of a child); section 8 of P.L.2017, c.141 (C.2C:24-4.1) (Leader of a child pornography network); N.J.S.2C:28-1 (Perjury); N.J.S.2C:28-2 (False Swearing); paragraph (4) of subsection b. of N.J.S.2C:34-1 (Knowingly promoting the prostitution of the actor's child); section 2 of P.L.2002, c.26 (C.2C:38-2) (Terrorism); subsection a. of section 3 of P.L.2002, c.26 (C.2C:38-3) (Producing or Possessing Chemical Weapons, Biological Agents or Nuclear or Radiological Devices); and conspiracies or attempts to commit such crimes.

Records of conviction for any crime committed by a person holding any public office, position or employment, elective or appointive, under the government of this State or any agency or political subdivision thereof and any conspiracy or attempt to commit such a crime shall not be subject to expungement if the crime involved or touched such office, position or employment.

c. **【**In the case of conviction for the sale or distribution of a controlled dangerous substance or possession thereof with intent to sell, expungement shall be denied except where the crimes involve:

(1) Marijuana, where the total quantity sold, distributed or possessed with intent to sell was less than one ounce;

(2) Hashish, where the total quantity sold, distributed or possessed with intent to sell was less than five grams; or

(3) Any controlled dangerous substance provided that the conviction is of the third or fourth degree, where the court finds that expungement is consistent with the public interest, giving due consideration to the nature of the offense and the petitioner's character and conduct since conviction. **】** (Deleted by amendment, P.L. , c.)

d. In the case of a State licensed physician or podiatrist convicted of an offense involving drugs or alcohol or pursuant to section 14 or 15 of P.L.1989, c.300 (C.2C:21-20 or 2C:21-4.1), the court shall notify the State Board of Medical Examiners upon receipt of a petition for expungement of the conviction and records and information pertaining thereto.

(cf: P.L.2017, c.244, s.1)

47. N.J.S.2C:52-3 is amended to read as follows:

2C:52-3. Disorderly persons offenses and petty disorderly persons offenses.

a. Any person who has been convicted of one or more disorderly persons or petty disorderly persons offenses under the laws of this State who has not been convicted of any crime, whether within this State or any other jurisdiction, may present an expungement application to the Superior Court pursuant to this section. Any person who has been convicted of one or more disorderly persons or petty

1 disorderly persons offenses under the laws of this State who has also
2 been convicted of one or more crimes shall not be eligible to apply for
3 an expungement pursuant to this section, but may present an
4 expungement application to the Superior Court pursuant to
5 N.J.S.2C:52-2.

6 b. Any person who has been convicted of one or more disorderly
7 persons or petty disorderly persons offenses under the laws of this
8 State who has not been convicted of any crime, whether within this
9 State or any other jurisdiction, may present an expungement
10 application to the Superior Court pursuant to this section if:

11 the person has been convicted, under the laws of this State, on the
12 same or separate occasions of no more than four disorderly persons
13 offenses, no more than four petty disorderly persons offenses, or a
14 combination of no more than four disorderly persons and petty
15 disorderly persons offenses, and the person does not otherwise have
16 any prior or subsequent conviction for a disorderly persons or petty
17 disorderly persons offense, whether within this State or any other
18 jurisdiction, such that the total number of convictions for disorderly
19 persons and petty disorderly persons offenses would exceed four; or

20 the person has been convicted of multiple disorderly persons
21 offenses or multiple petty disorderly persons offenses under the laws
22 of this State, or a combination of multiple disorderly persons and petty
23 disorderly persons offenses under the laws of this State, which
24 convictions were entered on the same day, and does not otherwise
25 have any prior or subsequent conviction for another offense in addition
26 to those convictions included in the expungement application, whether
27 any such conviction was within this State or any other jurisdiction; or

28 the person has been convicted of multiple disorderly persons
29 offenses or multiple petty disorderly persons offenses under the laws
30 of this State, or a combination of multiple disorderly persons and petty
31 disorderly persons offenses under the laws of this State, which
32 offenses or combination of offenses were interdependent or closely
33 related in circumstances and were committed as part of a sequence of
34 events that took place within a comparatively short period of time,
35 regardless of the date of conviction or sentencing for each individual
36 offense, and the person does not otherwise have any prior or
37 subsequent conviction for another offense in addition to those
38 convictions included in the expungement application, whether within
39 this State or any other jurisdiction.

40 For purposes of determining eligibility to present an
41 expungement application to the Superior Court pursuant to this
42 section, a conviction for unlawful distribution of, or possessing or
43 having under control with intent to distribute, marijuana or hashish
44 in violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a
45 lesser amount of marijuana or hashish in violation of paragraph (12) of
46 subsection b. of that section, or a violation of either of those
47 paragraphs and a violation of subsection a. of section 1 of P.L.1987,
48 c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327
49 (C.2C:35-7.1), for distributing, or possessing or having under control

1 with intent to distribute, on or within 1,000 feet of any school
2 property, or on or within 500 feet of the real property comprising a
3 public housing facility, public park, or public building, or for
4 obtaining or possessing marijuana or hashish in violation of
5 paragraph (3) of subsection a. of N.J.S.2C:35-10, or for an equivalent
6 crime in another jurisdiction, regardless of when the conviction
7 occurred, shall be not considered a conviction of a crime within this
8 State or any other jurisdiction but shall instead be considered a
9 conviction of a disorderly person offense within this State or an
10 equivalent category of offense within the other jurisdiction, and a
11 conviction for obtaining, possessing, using, being under the
12 influence of, or failing to make lawful disposition of marijuana or
13 hashish in violation of paragraph (4) of subsection a., or subsection
14 b., or subsection c. of N.J.S.2C:35-10, or a violation involving
15 marijuana or hashish as described herein and using or possessing with
16 intent to use drug paraphernalia with that marijuana or hashish in
17 violation of N.J.S.2C:36-2, or for an equivalent crime or offense in
18 another jurisdiction, regardless of when the conviction occurred, shall
19 not be considered a conviction within this State or any other
20 jurisdiction.

21 The person, if eligible, may present the expungement application
22 after the expiration of a period of five years from the date of his most
23 recent conviction, payment of fine, satisfactory completion of
24 probation or release from incarceration, whichever is later. The term
25 "fine" as used herein and throughout this section means and includes
26 any fine, restitution, and other court-ordered financial assessment
27 imposed by the court as part of the sentence for the conviction, for
28 which payment of restitution takes precedence in accordance with
29 chapter 46 of Title 2C of the New Jersey Statutes. The person shall
30 submit the expungement application to the Superior Court in the
31 county in which the most recent conviction for a disorderly persons or
32 petty disorderly persons offense was adjudged, which contains a
33 separate, duly verified petition as provided in N.J.S.2C:52-7 for each
34 conviction sought to be expunged, praying that the conviction, or
35 convictions if applicable, and all records and information pertaining
36 thereto be expunged. The petition for each conviction appended to an
37 application shall comply with the requirements of N.J.S.2C:52-1 et
38 seq.

39 Notwithstanding the provisions of the five-year time requirement,
40 an application may be filed and presented, and the court may grant an
41 expungement pursuant to this section, when the court finds:

42 (1) the fine is satisfied but less than five years have expired from
43 the date of satisfaction, and the five-year time requirement is otherwise
44 satisfied, and the court finds that the person substantially complied
45 with any payment plan ordered pursuant to N.J.S.2C:46-1 et seq., or
46 could not do so due to compelling circumstances affecting his ability
47 to satisfy the fine; or

48 (2) at least three but less than five years have expired from the
49 date of the most recent conviction, payment of fine, satisfactory

1 completion of probation or parole, or release from incarceration,
2 whichever is later; and

3 the person has not been otherwise convicted of a crime, disorderly
4 persons offense, or petty disorderly persons offense since the time of
5 the most recent conviction; and the court finds in its discretion that
6 expungement is in the public interest, giving due consideration to the
7 nature of the offense or offenses, and the applicant's character and
8 conduct since the conviction or convictions.

9 In determining whether compelling circumstances exist for the
10 purposes of paragraph (1) of this subsection, a court may consider the
11 amount of the fine or fines imposed, the person's age at the time of the
12 offense or offenses, the person's financial condition and other relevant
13 circumstances regarding the person's ability to pay.

14 (cf: P.L.2017, c.244, s.2)

15
16 48. (New section) a. Notwithstanding the requirements of
17 subsections a. and b. of N.J.S.2C:52-2 and N.J.S.2C:52-3 or any other
18 provision of law to the contrary, beginning on the effective date of
19 P.L. , c. (C.) (pending before the Legislature as this bill),
20 the following persons may file a petition for an expedited
21 expungement with the Superior Court at any time:

22 (1) any person who, prior to the effective date of P.L. ,
23 c. (C.) (pending before the Legislature as this bill), was
24 charged with, convicted of, or adjudicated delinquent for any
25 number of offenses which if committed by an adult would
26 constitute, unlawful distribution of, or possessing or having under
27 control with intent to distribute, marijuana or hashish in violation of
28 paragraph (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of
29 marijuana or hashish in violation of paragraph (12) of subsection b. of
30 that section, or a violation of either of those paragraphs and a violation
31 of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or
32 subsection a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for
33 distributing, or possessing or having under control with intent to
34 distribute, on or within 1,000 feet of any school property, or on or
35 within 500 feet of the real property comprising a public housing
36 facility, public park, or public building; or

37 (2) any person who, prior to the effective date of P.L. ,
38 c. (C.) (pending before the Legislature as this bill), was
39 charged with, convicted of, or adjudicated delinquent for any
40 number of offenses which if committed by an adult would
41 constitute, obtaining, possessing, using, being under the influence of,
42 or failing to make lawful disposition of marijuana or hashish in
43 violation of paragraph (3) or (4) of subsection a., or subsection b., or
44 subsection c. of N.J.S.2C:35-10; or

45 (3) any person who, prior to the effective date of P.L. ,
46 c. (C.) (pending before the Legislature as this bill), was
47 charged with, convicted of, or adjudicated delinquent for any
48 number of offenses which if committed by an adult would
49 constitute, a violation involving marijuana or hashish as described in

1 paragraph (1) or (2) of this subsection and using or possessing with
2 intent to use drug paraphernalia with that marijuana or hashish in
3 violation of N.J.S.2C:36-2.

4 b. (1) The provisions of N.J.S.2C:52-7 through N.J.S.2C:52-14
5 shall not apply to an expedited expungement as described in this
6 section, and no fee shall be charged to the person making the
7 expungement application.

8 (2) Upon review of the petition, the court shall immediately
9 grant an expedited expungement for each charge, conviction, or
10 adjudication of delinquency pursuant to this section. The court
11 shall provide copies of the expungement order to the person who is
12 the subject of the petition.

13 (3) A court order vacating an expedited expungement that is
14 granted to a person pursuant to this section may be issued upon an
15 action filed by a county prosecutor with the court that granted the
16 expungement, if filed no later than 30 days after the expungement
17 order was issued, with notice to the person, and a hearing is scheduled
18 at which the county prosecutor shows proof that the expedited
19 expungement was granted in error due to a statutory disqualification to
20 expungement that existed at the time the relief was initially granted.

21 c. Any public employee, or public agency that provides
22 information or records pursuant to this section shall be immune
23 from criminal and civil liability as a result of an act of commission
24 or omission by that person or entity arising out of and in the course
25 of participation in, or assistance with, in good faith, an expedited
26 expungement. The immunity shall be in addition to and not in
27 limitation of any other immunity provided by law.

28
29 49. (New section) a. The Administrative Director of the Courts
30 shall maintain and provide information to any person upon request
31 about the expungement process and legal services programs
32 Statewide and in each county which may be available to assist the
33 person with an expedited expungement pursuant to section 48 of
34 P.L. , c. (C.) (pending before the Legislature as this bill).

35
36 50. (New section) a. (1) The Administrative Director of the
37 Courts shall develop and maintain a multilingual public awareness
38 campaign to promote awareness of expedited expungements and the
39 expungement e-filing system established pursuant to sections 48
40 through 51 of P.L. , c. (C.) (pending before the Legislature
41 as this bill), as well as information on State, local, non-profit and
42 other private job training programs in consultation with the
43 Department of Labor and Workforce Development, with a focus on
44 connecting those persons eligible for the expedited expungement of
45 their records pursuant to section 48 of that act (C.) (pending
46 before the Legislature as this bill).

47 (2) The public awareness campaign shall, at a minimum, utilize
48 electronic and print media and, shall make available electronically
49 on an Internet website a petition form and a list of the supporting

1 information necessary for an expungement, including an expedited
2 expungement pursuant to section 48 of P.L. , c. (C.)
3 (pending before the Legislature as this bill), using the expungement
4 e-filing system once established pursuant to section 51 of that act
5 (C.).

6 (3) The petition and supporting information shall, at a minimum,
7 be made available in English and Spanish.

8 b. The Administrative Director of the Courts shall include in the
9 annual report on the activities of the Administrative Office of the
10 Courts, prepared pursuant to N.J.S.2A:12-5, information about the
11 activities and accomplishments of the public awareness campaign
12 developed and maintained pursuant to subsection a. of this section,
13 beginning no later than one year after the effective date of P.L. ,
14 c. (C.) (pending before the Legislature as this bill).

15
16 51. (New section) a. No later than nine months after the
17 effective date of P.L. , c. (C.) (pending before the
18 Legislature as this bill), the Administrative Office of the Courts
19 shall develop and maintain a system for petitioners to electronically
20 file expungement petitions pursuant to N.J.S.2C:52-1 et seq. The e-
21 filing system shall be available Statewide and include electronic
22 filing, electronic service of process, and electronic document
23 management.

24 (1) The court shall electronically compile and transmit a listing of
25 all possibly relevant Judiciary records to an expungement petitioner
26 and the appropriate criminal justice parties subject to notice of the
27 petition in accordance with N.J.S.2C:52-10 for review and
28 confirmation against the criminal history record background
29 information maintained by the Division of State Police.

30 (2) The court shall provide copies of an expungement order to the
31 person who is the subject of the petition and electronically transmit the
32 order to the previously noticed parties, or parties otherwise entitled to
33 notice, in accordance with N.J.S.2C:52-15.

34 b. Beginning no later than one year after the implementation of
35 the e-filing system established pursuant to this section, the
36 Administrative Director of the Courts shall include in the annual
37 report on the activities of the Administrative Office of the Courts,
38 prepared pursuant to N.J.S.2A:12-5, information on the operation,
39 maintenance, and administration of the e-filing system, and may
40 include any recommendations as to legislative changes or
41 improvements to effectuate the purposes of sections 48 through 51
42 of P.L. , c. (C.) (pending before the Legislature as this
43 bill). The report shall assist policymakers in determining whether
44 the e-filing system should be modified or expanded. The report
45 shall include statistics regarding the number of applicants; the
46 number of expungements processed; the number of expungement
47 orders issued; and any other relevant information at the discretion
48 of the Administrative Director of the Courts.

1 52. N.J.S.2B:12-31 is amended to read as follows:

2 2B:12-31. Suspension of driving privileges.

3 a. (1) If a defendant charged with a disorderly persons offense,
4 a petty disorderly persons offense, a violation of a municipal
5 ordinance, or a violation of any other law of this State for which a
6 penalty may be imposed fails to appear at any scheduled court
7 proceeding after written notice has been given to said defendant
8 pursuant to the Rules of Court, a municipal court may order the
9 suspension of the person's driving privileges or nonresident
10 reciprocity privilege or prohibit the person from receiving or
11 obtaining driving privileges until the pending matter is adjudicated
12 or otherwise disposed of, except by dismissal for failure of
13 defendant to appear.

14 (2) If a defendant sentenced to pay a fine or costs, make
15 restitution, perform community service, serve a term of probation,
16 or do any other act as a condition of that sentence fails to do so, a
17 municipal court may order the suspension of the person's driving
18 privileges or nonresident reciprocity privilege or prohibit the person
19 from receiving or obtaining driving privileges until the terms and
20 conditions of the sentence have been performed or modified.

21 b. Prior to any action being taken pursuant to the provisions of
22 this section, the defendant shall be given notice of the proposed
23 action and afforded an opportunity to appear before the court to
24 contest the validity of the proposed action.

25 c. The municipal court shall notify the **【Division of】** New
26 Jersey Motor 【Vehicles】 Vehicle Commission of any action taken
27 pursuant to the provisions of this section.

28 d. Any action taken by a municipal court pursuant to this
29 section shall be in addition to any other remedies which are
30 available to the court and in addition to any other penalties which
31 may be imposed by the court.

32 e. (1) When a defendant whose license has been suspended
33 pursuant to subsection a. of this section satisfies the requirements of
34 that subsection, the municipal court shall forward to the **【Division**
35 **of】** New Jersey Motor 【Vehicles】 Vehicle Commission a notice to
36 restore the defendant's driving privileges.

37 (2) There shall be included in the fines and penalties imposed by
38 a court on a defendant whose license has been suspended pursuant
39 to subsection a. of this section, the following:

40 (a) A fee of \$3.00 which shall be transferred to the **【Division**
41 **of】** New Jersey Motor 【Vehicles】 Vehicle Commission;

42 (b) A penalty of \$10.00 for the issuance of the failure to appear
43 notice; and

44 (c) A penalty of \$15.00 for the order of suspension of
45 defendant's driving privileges.

46 (cf: N.J.S.2B:12-31)

1 53. N.J.S.2C:35-16 is amended to read as follows:

2 2C:35-16. a. In addition to any disposition authorized by this
3 title, the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43),
4 or any other statute indicating the dispositions that can be ordered
5 for an adjudication of delinquency, and notwithstanding the
6 provisions of subsection c. of N.J.S.2C:43-2, a person convicted of
7 or adjudicated delinquent for a violation of any offense defined in
8 this chapter or chapter 36 of this title shall forthwith forfeit his right
9 to operate a motor vehicle over the highways of this State for a
10 period to be fixed by the court at not less than six months or more
11 than two years which shall commence on the day the sentence is
12 imposed unless the court finds compelling circumstances
13 warranting an exception or except as provided in subsection e. of
14 this section. For the purposes of this section, compelling
15 circumstances warranting an exception exist if the forfeiture of the
16 person's right to operate a motor vehicle over the highways of this
17 State will result in extreme hardship and alternative means of
18 transportation are not available. In the case of a person who at the
19 time of the imposition of sentence is less than 17 years of age, the
20 period of any suspension of driving privileges authorized herein,
21 including a suspension of the privilege of operating a motorized
22 bicycle, shall commence on the day the sentence is imposed and
23 shall run for a period as fixed by the court of not less than six
24 months or more than two years after the day the person reaches the
25 age of 17 years. If the driving privilege of any person is under
26 revocation, suspension, or postponement for a violation of any
27 provision of this title or Title 39 of the Revised Statutes at the time
28 of any conviction or adjudication of delinquency for a violation of
29 any offense defined in this chapter or chapter 36 of this title, any
30 revocation, suspension, or postponement period imposed herein
31 shall commence as of the date of termination of the existing
32 revocation, suspension, or postponement.

33 b. If forfeiture or postponement of driving privileges is ordered
34 by the court pursuant to subsection a. of this section, the court shall
35 collect forthwith the New Jersey driver's license or licenses of the
36 person and forward such license or licenses to the Chief
37 Administrator of the New Jersey Motor Vehicle Commission along
38 with a report indicating the first and last day of the suspension or
39 postponement period imposed by the court pursuant to this section.
40 If the court is for any reason unable to collect the license or licenses
41 of the person, the court shall cause a report of the conviction or
42 adjudication of delinquency to be filed with the Chief
43 Administrator. That report shall include the complete name,
44 address, date of birth, eye color, and sex of the person and shall
45 indicate the first and last day of the suspension or postponement
46 period imposed by the court pursuant to this section. The court shall
47 inform the person orally and in writing that if the person is
48 convicted of personally operating a motor vehicle during the period
49 of license suspension or postponement imposed pursuant to this

1 section, the person shall, upon conviction, be subject to the
2 penalties set forth in R.S.39:3-40. A person shall be required to
3 acknowledge receipt of the written notice in writing. Failure to
4 receive a written notice or failure to acknowledge in writing the
5 receipt of a written notice shall not be a defense to a subsequent
6 charge of a violation of R.S.39:3-40. If the person is the holder of a
7 driver's license from another jurisdiction, the court shall not collect
8 the license but shall notify forthwith the Chief Administrator who
9 shall notify the appropriate officials in the licensing jurisdiction.
10 The court shall, however, in accordance with the provisions of this
11 section, revoke the person's non-resident driving privilege in this
12 State.

13 c. In addition to any other condition imposed, a court may in
14 its discretion suspend, revoke or postpone in accordance with the
15 provisions of this section the driving privileges of a person admitted
16 to supervisory treatment under N.J.S.2C:36A-1 or N.J.S.2C:43-12
17 without a plea of guilty or finding of guilt.

18 d. After sentencing and upon notice to the prosecutor, a person
19 subject to suspension or postponement of driving privileges under
20 this section may seek revocation of the remaining portion of any
21 suspension or postponement based on compelling circumstances
22 warranting an exception that were not raised at the time of
23 sentencing. The court may revoke the suspension or postponement
24 if it finds compelling circumstances.

25 e. Provided that the person was not convicted of or adjudicated
26 delinquent for a violation of any offense defined in this chapter or
27 chapter 36 of this title other than those enumerated in this
28 subsection, the forfeiture or postponement of driving privileges set
29 forth in subsection a. of this section shall not apply to any person
30 convicted of or adjudicated delinquent for an offense which if
31 committed by an adult would constitute:

32 (1) distribution of, or possessing or having under control with
33 intent to distribute, marijuana or hashish in violation of paragraph
34 (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of
35 marijuana or hashish in violation of paragraph (12) of subsection b.
36 that section, or a violation of either of those paragraphs based on an
37 amount of marijuana or hashish described herein and a violation of
38 subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection
39 a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or
40 possessing or having under control with intent to distribute, on or
41 within 1,000 feet of any school property, or on or within 500 feet of
42 the real property comprising a public housing facility, public park, or
43 public building;

44 (2) using, being under the influence of, or failing to make lawful
45 disposition of marijuana or hashish in violation of paragraph (3) of
46 subsection a., or subsection b. or subsection c. of N.J.S.2C:35-10; or

47 (3) a violation involving marijuana or hashish as described in
48 paragraph (1) or (2) of this subsection and using or possessing with

1 intent to use drug paraphernalia with that marijuana or hashish in
2 violation of N.J.S.2C:36-2.

3 (cf: P.L.2008, c.84, s.2)

4
5 54. The title of P.L.1981, c.197 is amended to read as follows:

6 **AN ACT** concerning the unauthorized bringing of alcoholic
7 beverages or cannabis items onto school premises, and
8 supplementing chapter 33 of Title 2C of the New Jersey Statutes.
9 (cf: P.L.1981, c.197, title)

10
11 55. Section 1 of P.L.1981, c.197 (C.2C:33-16) is amended to
12 read as follows:

13 1. Any person of legal age to purchase alcoholic beverages or
14 cannabis items, who, in the case of alcoholic beverages, knowingly
15 and without the express written permission of the school board, its
16 delegated authority, or any school principal, brings or possesses any
17 alcoholic beverages, or in the case of cannabis items, brings,
18 possesses, or consumes, including by smoking, any cannabis items, on
19 any property used for school purposes which is owned by any
20 school or school board, is guilty of a disorderly persons offense.
21 For purposes of this section, an alcoholic beverage includes
22 powdered alcohol as defined by R.S.33:1-1, and a cannabis item
23 includes any item available for lawful consumption pursuant to the
24 “New Jersey Cannabis Regulatory and Expungement Aid
25 Modernization Act,” P.L. , c. (C.) (pending before the
26 Legislature as this bill).

27 (cf: P.L.1981, c.197, s.1)

28
29 56. R.S.40:48-1 is amended to read as follows:

30 40:48-1. Ordinances; general purpose. The governing body of
31 every municipality may make, amend, repeal and enforce
32 ordinances to:

33 Finances and property. 1. Manage, regulate and control the
34 finances and property, real and personal, of the municipality;

35 Contracts and contractor's bonds. 2. Prescribe the form and
36 manner of execution and approval of all contracts to be executed by
37 the municipality and of all bonds to be given to it;

38 Officers and employees; duties, terms and salaries. 3. Prescribe
39 and define, except as otherwise provided by law, the duties and
40 terms of office or employment, of all officers and employees; and to
41 provide for the employment and compensation of such officials and
42 employees, in addition to those provided for by statute, as may be
43 deemed necessary for the efficient conduct of the affairs of the
44 municipality;

45 Fees. 4. Fix the fees of any officer or employee of the
46 municipality for any service rendered in connection with his office
47 or position, for which no specific fee or compensation is provided.
48 In the case of salaried officers or employees, such fee shall be paid
49 into the municipal treasury;

1 Salaries instead of fees; disposition of fees. 5. Provide that any
2 officer or employee receiving compensation for his services, in
3 whole or in part by fees, whether paid by the municipality or
4 otherwise, shall be paid a salary to be fixed in the ordinance, and
5 thereafter all fees received by such officer or employee shall be
6 paid into the municipal treasury;

7 Maintain order. 6. Prevent vice, drunkenness and immorality; to
8 preserve the public peace and order; to prevent and quell riots,
9 disturbances and disorderly assemblages; to prohibit the
10 consumption of alcoholic beverages or cannabis items by underage
11 persons on private property pursuant to section 1 of P.L.2000, c.33
12 (C.40:48-1.2);

13 Punish beggars; prevention of loitering. 7. Restrain and punish
14 drunkards, vagrants, mendicants and street beggars; to prevent
15 loitering, lounging or sleeping in the streets, parks or public places;

16 Auctions and noises. 8. Regulate the ringing of bells and the
17 crying of goods and other commodities for sale at auction or
18 otherwise, and to prevent disturbing noises;

19 Swimming; bathing costume; prohibition of public nudity. 9.
20 Regulate or prohibit swimming or bathing in the waters of, in, or
21 bounding the municipality, and to regulate or prohibit persons from
22 appearing upon the public streets, parks and places clad in bathing
23 costumes or robes, or costumes of a similar character; regulate or
24 prohibit persons from appearing in a state of nudity upon all lands
25 within its borders which are under the jurisdiction of the State
26 including, without limitation, all lands owned by, controlled by,
27 managed by or leased by the State;

28 Prohibit annoyance of persons or animals. 10. Regulate or
29 prohibit any practice tending to frighten animals, or to annoy or
30 injure persons in the public streets;

31 Animals; pounds; establishment and regulation. 11. Establish
32 and regulate one or more pounds, and to prohibit or regulate the
33 running at large of horses, cattle, dogs, swine, goats and other
34 animals, and to authorize their impounding and sale for the penalty
35 incurred, and the costs of impounding, keeping and sale; to regulate
36 or prohibit the keeping of cattle, goats or swine in any part of the
37 municipality; to authorize the destruction of dogs running at large
38 therein;

39 Hucksters. 12. Prescribe and regulate the place of vending or
40 exposing for sale articles of merchandise from vehicles;

41 Building regulations; wooden structures. 13. Regulate and
42 control the construction, erection, alteration and repair of buildings
43 and structures of every kind within the municipality; and to
44 prohibit, within certain limits, the construction, erection or
45 alteration of buildings or structures of wood or other combustible
46 material;

47 Inflammable materials; inspect docks and buildings. 14.
48 Regulate the use, storage, sale and disposal of inflammable or
49 combustible materials, and to provide for the protection of life and

1 property from fire, explosions and other dangers; to provide for
2 inspections of buildings, docks, wharves, warehouses and other
3 places, and of goods and materials contained therein, to secure the
4 proper enforcement of such ordinance;

5 Dangerous structures; removal or destruction; procedure. 15.
6 Provide for the removal or destruction of any building, wall or
7 structure which is or may become dangerous to life or health, or
8 might tend to extend a conflagration; and to assess the cost thereof
9 as a municipal lien against the premises;

10 Chimneys and boilers. 16. Regulate the construction and setting
11 up of chimneys, furnaces, stoves, boilers, ovens and other
12 contrivances in which fire is used;

13 Explosives. 17. Regulate, in conformity with the statutes of this
14 State, the manufacture, storage, sale, keeping or conveying of
15 gunpowder, nitroglycerine, dynamite and other explosives;

16 Firearms and fireworks. 18. Regulate and prohibit the sale and
17 use of guns, pistols, firearms, and fireworks of all descriptions;

18 Soft coal. 19. Regulate the use of soft coal in locomotives,
19 factories, power houses and other places;

20 Theaters, schools, churches and public places. 20. Regulate the
21 use of theaters, cinema houses, public halls, schools, churches, and
22 other places where numbers of people assemble, and the exits
23 therefrom, so that escape therefrom may be easily and safely made
24 in case of fire or panic; and to regulate any machinery, scenery,
25 lights, wires and other apparatus, equipment or appliances used in
26 all places of public amusement;

27 Excavations. 21. Regulate excavations below the established
28 grade or curb line of any street, not greater than eight feet, which
29 the owner of any land may make, in the erection of any building
30 upon his own property; and to provide for the giving of notice, in
31 writing, of such intended excavation to any adjoining owner or
32 owners, and that they will be required to protect and care for their
33 several foundation walls that may be endangered by such
34 excavation; and to provide that in case of the neglect or refusal, for
35 10 days, of such adjoining owner or owners to take proper action to
36 secure and protect the foundations of any adjacent building or other
37 structure, that the party or parties giving such notice, or their
38 agents, contractors or employees, may enter into and upon such
39 adjoining property and do all necessary work to make such
40 foundations secure, and may recover the cost of such work and
41 labor in so protecting such adjacent property; and to make such
42 further and other provisions in relation to the proper conduct and
43 performance of said work as the governing body or board of the
44 municipality may deem necessary and proper;

45 Sample medicines. 22. Regulate and prohibit the distribution,
46 depositing or leaving on the public streets or highways, public
47 places or private property, or at any private place or places within
48 any such municipality, any medicine, medicinal preparation or
49 preparations represented to cure ailments or diseases of the body or

1 mind, or any samples thereof, or any advertisements or circulars
2 relating thereto, but no ordinance shall prohibit a delivery of any
3 such article to any person above the age of 12 years willing to
4 receive the same;

5 Boating. 23. Regulate the use of motor and other boats upon
6 waters within or bounding the municipality;

7 Fire escapes. 24. Provide for the erection of fire escapes on
8 buildings in the municipality, and to provide rules and regulations
9 concerning the construction and maintenance of the same, and for
10 the prevention of any obstruction thereof or thereon;

11 Care of injured employees. 25. Provide for the payment of
12 compensation and for medical attendance to any officer or
13 employee of the municipality injured in the performance of his
14 duty;

15 Bulkheads and other structures. 26. Fix and determine the lines
16 of bulkheads or other works or structures to be erected, constructed
17 or maintained by the owners of lands facing upon any navigable
18 water in front of their lands, and in front of or along any highway or
19 public lands of said municipality, and to designate the materials to
20 be used, and the type, height and dimensions thereof;

21 Lifeguard. 27. Establish, maintain, regulate and control a
22 lifeguard upon any beach within or bordering on the municipality;

23 Appropriation for life-saving apparatus. 28. Appropriate
24 moneys to safeguard people from drowning within its borders, by
25 location of apparatus or conduct of educational work in harmony
26 with the plans of the United States volunteer life-saving corps in
27 this State;

28 Fences. 29. Regulate the size, height and dimensions of any
29 fences between the lands of adjoining owners, whether built or
30 erected as division or partition fences between such lands, and
31 whether the same exist or be erected entirely or only partly upon the
32 lands of any such adjoining owners, or along or immediately
33 adjacent to any division or partition line of such lands. To provide,
34 in such ordinance, the manner of securing, fastening or shoring such
35 fences, and for surveying the land when required by statute, and to
36 prohibit in any such ordinance the use at a height of under 10 feet
37 from the ground, of any device, such as wire or cable, that would be
38 dangerous to pedestrians, equestrians, bicyclists, or drivers of off-
39 the-road vehicles, unless that device is clearly visible to pedestrians,
40 equestrians, bicyclists or drivers of off-the-road vehicles. In the
41 case of fences thereafter erected contrary to the provisions thereof,
42 the governing body may provide for a penalty for the violation of
43 such ordinance, and in the case of such fence or fences erected or
44 existing at the time of the passage of any such ordinance, may
45 provide therein for the removal, change or alteration thereof, so as
46 to make such fence or fences comply with the provisions of any
47 such ordinance;

48 Advertise municipality. 30. Appropriate funds for advertising
49 the advantages of the municipality;

1 Government Energy Aggregation Programs. 31. Establish
2 programs and procedures pursuant to which the municipality may
3 act as a government aggregator pursuant to sections 40 through 43
4 of P.L.1999, c.23 (C.48:3-89 through C.48:3-92), section 45 of
5 P.L.1999, c.23 (C.48:3-94), and sections 1, 2 and 6 of P.L.2003,
6 c.24 (C.48:3-93.1 through C.48:3-93.3). Notwithstanding the
7 provisions of any other law, rule or regulation to the contrary, a
8 municipality acting as a government aggregator pursuant to
9 P.L.1999, c.23 (C.48:3-49 et al.) shall not be deemed to be a public
10 utility pursuant to R.S.40:62-24 or R.S.48:1-1 et seq. or be deemed
11 to be operating any form of public utility service pursuant to
12 R.S.40:62-1 et seq., to the extent such municipality is solely
13 engaged in the provision of such aggregation service and not
14 otherwise owning or operating any plant or facility for the
15 production or distribution of gas, electricity, steam or other product
16 as provided in R.S.40:62-12;

17 Joint municipal action on consent for the provision of cable
18 television service. 32. Establish programs and procedures pursuant
19 to which a municipality may act together with one or more
20 municipalities in granting municipal consent for the provision of
21 cable television service pursuant to the provisions of the "Cable
22 Television Act," P.L.1972, c.186 (C.48:5A-1 et seq.) as amended
23 and supplemented. Notwithstanding the provisions of any other
24 law, rule or regulation to the contrary, two or more municipalities
25 acting jointly pursuant to the provisions of P.L.1972, c.186
26 (C.48:5A-1 et seq.) shall not be deemed a public utility pursuant to
27 R.S.48:1-1 et seq., to the extent those municipalities are solely
28 engaged in granting municipal consent jointly and are not otherwise
29 owning or operating any facility for the provision of cable
30 television service as provided in P.L.1972, c.186 (C.48:5A-1 et
31 seq.);

32 Private cable television service aggregation programs. 33.
33 Establish programs and procedures pursuant to which a
34 municipality may employ the services of a private aggregator for
35 the purpose of facilitating the joint action of two or more
36 municipalities in granting municipal consent for the provision of
37 cable television service provided that any such municipality shall
38 adhere to the provisions of the "Cable Television Act," P.L.1972,
39 c.186 (C.48:5A-1 et seq.) as amended and supplemented, and to the
40 provisions of the "Local Public Contracts Law," P.L.1971, c.198
41 (C.40A:11-1 et seq.) as amended and supplemented.
42 Notwithstanding the provisions of any other law, rule or regulation
43 to the contrary, a municipality that employs the services of a private
44 aggregator pursuant to the provisions of P.L.1972, c.186 (C.48:5A-
45 1 et seq.) shall not be deemed a public utility pursuant to R.S.48:1-
46 1 et seq., to the extent that the municipality is solely engaged in
47 employing the services of a private aggregator for the purpose of
48 facilitating the joint action of two or more municipalities in
49 granting municipal consent and is not otherwise owning or

1 operating any facility for the provision of cable television service as
2 provided in P.L.1972, c.186 (C.48:5A-1 et seq.);

3 Protective Custody. 34. Provide protective custody to persons
4 arrested for operating a motor vehicle under the influence of
5 alcoholic beverages, cannabis items as defined in section 3 of
6 P.L. , c. (C.) (pending before the Legislature as this bill),
7 any chemical substance, or any controlled dangerous substance in
8 violation of R.S.39:4-50 as provided in section 1 of P.L.2003, c.164
9 (C.40:48-1.3);

10 Private Outdoor Video Surveillance Camera Registry. 35.
11 Establish a private outdoor video surveillance camera registry and
12 allow voluntary registration of private outdoor video surveillance
13 cameras as provided in P.L.2015, c.142 (C.40:48-1.6 et al.).
14 (cf: P.L.2015, c.142, s.3)

15
16 57. (New section) A municipality may enact an ordinance
17 making it unlawful for any person who is of legal age and
18 consumes, other than by smoking, a cannabis item available for
19 lawful consumption pursuant to the "New Jersey Cannabis
20 Regulatory and Expungement Aid Modernization Act," P.L. ,
21 c. (C.) (pending before the Legislature as this bill), in any
22 public place as defined in section 3 of that act (C.), other than
23 school property described in section 1 of P.L.1981, c.197 (C.2C:33-
24 16) for which unlawful consumption is a disorderly persons offense,
25 or alternatively as prohibited by the owner or person responsible for
26 the operation of that public place. A person may be subject to a
27 civil penalty of up to \$200, which shall be recovered in a civil
28 action by a summary proceeding in the name of the municipality
29 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
30 c.274 (C.2A:58-10 et seq.). The municipal court and the Superior
31 Court shall have jurisdiction of proceedings for the enforcement of
32 the penalty provided by this section.

33
34 58. The title of P.L.1979, c.264 is amended to read as follows:
35 **AN ACT** concerning certain alcoholic beverage and cannabis item
36 offenses by persons under the legal age to purchase alcoholic
37 beverages and cannabis items, and supplementing chapter 33 of
38 Title 2C of the New Jersey Statutes.
39 (cf: P.L.1979, c.264, title)

40
41 59. Section 1 of P.L.1979, c.264 (C.2C:33-15) is amended to
42 read as follows:

43 1. a. (1) Any person under the legal age to purchase alcoholic
44 beverages who knowingly possesses without legal authority or who
45 knowingly consumes any alcoholic beverage in any school, public
46 conveyance, public place, or place of public assembly, or motor
47 vehicle, is guilty of a petty disorderly persons offense, and shall be
48 fined not less than **["\$500"]** \$250.

1 (2) (a) Any person under the legal age to purchase cannabis
2 items who knowingly possesses without legal authority any
3 cannabis item, the amount of which may be lawfully possessed by a
4 person of the legal age to purchase cannabis items pursuant to
5 section 4 of P.L. , c. (C.) (pending before the Legislature as
6 this bill), in any school, public conveyance, public place, or place
7 of public assembly, or motor vehicle, is guilty of a petty disorderly
8 persons offense, and shall be fined not less than \$250.

9 (b) Any person under the legal age to purchase cannabis items
10 who knowingly possesses without legal authority any cannabis
11 item, the amount of which exceeds what may be lawfully possessed
12 by a person of the legal age to purchase cannabis items pursuant to
13 section 4 of P.L. , c. (C.) (pending before the Legislature as
14 this bill), or who knowingly consumes any cannabis item in any
15 school, public conveyance, public place, or place of public
16 assembly, or motor vehicle, is guilty of a disorderly persons
17 offense, and shall be fined not less than \$500.

18 b. Whenever this offense is committed in a motor vehicle, the
19 court shall, in addition to the sentence authorized for the offense,
20 suspend or postpone for six months the driving privilege of the
21 defendant. Upon the conviction of any person under this section,
22 the court shall forward a report to the New Jersey Motor Vehicle
23 Commission stating the first and last day of the suspension or
24 postponement period imposed by the court pursuant to this section.
25 If a person at the time of the imposition of a sentence is less than 17
26 years of age, the period of license postponement, including a
27 suspension or postponement of the privilege of operating a
28 motorized bicycle, shall commence on the day the sentence is
29 imposed and shall run for a period of six months after the person
30 reaches the age of 17 years.

31 If a person at the time of the imposition of a sentence has a valid
32 driver's license issued by this State, the court shall immediately
33 collect the license and forward it to the commission along with the
34 report. If for any reason the license cannot be collected, the court
35 shall include in the report the complete name, address, date of birth,
36 eye color, and sex of the person as well as the first and last date of
37 the license suspension period imposed by the court.

38 The court shall inform the person orally and in writing that if the
39 person is convicted of operating a motor vehicle during the period
40 of license suspension or postponement, the person shall be subject
41 to the penalties set forth in R.S.39:3-40. A person shall be required
42 to acknowledge receipt of the written notice in writing. Failure to
43 receive a written notice or failure to acknowledge in writing the
44 receipt of a written notice shall not be a defense to a subsequent
45 charge of a violation of R.S.39:3-40.

46 If the person convicted under this section is not a New Jersey
47 resident, the court shall suspend or postpone, as appropriate, the
48 non-resident driving privilege of the person based on the age of the
49 person and submit to the commission the required report. The court

1 shall not collect the license of a non-resident convicted under this
2 section. Upon receipt of a report by the court, the commission shall
3 notify the appropriate officials in the licensing jurisdiction of the
4 suspension or postponement.

5 c. In addition to the general penalty prescribed for a disorderly
6 persons offense, the court may require any person who violates this
7 act to participate in an alcohol or drug abuse education or treatment
8 program, authorized by the Division of Mental Health and
9 Addiction Services in the Department of ~~Human Services~~ Health,
10 for a period not to exceed the maximum period of confinement
11 prescribed by law for the offense for which the individual has been
12 convicted.

13 d. Nothing in this act shall apply to possession of alcoholic
14 beverages by any such person while actually engaged in the
15 performance of employment pursuant to an employment permit
16 issued by the Director of the Division of Alcoholic Beverage
17 Control, or for a bona fide hotel or restaurant, in accordance with
18 the provisions of R.S.33:1-26, or while actively engaged in the
19 preparation of food while enrolled in a culinary arts or hotel
20 management program at a county vocational school or ~~post~~
21 ~~secondary~~ post-secondary educational institution; and nothing in
22 this section shall apply to possession of cannabis items by any such
23 person while actually engaged in the performance of employment
24 by a cannabis establishment as permitted pursuant to the “New
25 Jersey Cannabis Regulatory and Expungement Aid Modernization
26 Act,” P.L. , c. (C.) (pending before the Legislature as this
27 bill).

28 e. The provisions of section 3 of P.L.1991, c.169 (C.33:1-
29 81.1a) shall apply to a parent, guardian or other person with legal
30 custody of a person under 18 years of age who is found to be in
31 violation of this section.

32 f. An underage person and one or two other persons shall be
33 immune from prosecution under this section if:

34 (1) one of the underage persons called 9-1-1 and reported that
35 another underage person was in need of medical assistance due to
36 alcohol consumption or the consumption of a cannabis item;

37 (2) the underage person who called 9-1-1 and, if applicable, one
38 or two other persons acting in concert with the underage person
39 who called 9-1-1 provided each of their names to the 9-1-1
40 operator;

41 (3) the underage person was the first person to make the 9-1-1
42 report; and

43 (4) the underage person and, if applicable, one or two other
44 persons acting in concert with the underage person who made the 9-
45 1-1 call remained on the scene with the person under the legal age
46 in need of medical assistance until assistance arrived and
47 cooperated with medical assistance and law enforcement personnel
48 on the scene.

1 The underage person who received medical assistance also shall
2 be immune from prosecution under this section.

3 g. For purposes of this section, an alcoholic beverage includes
4 powdered alcohol as defined by R.S.33:1-1, and a cannabis item
5 includes any item available for lawful consumption pursuant to the
6 “New Jersey Cannabis Regulatory and Expungement Aid
7 Modernization Act,” P.L. , c. (C.) (pending before the
8 Legislature as this bill).
9 (cf: P.L.2015, c.137, s.3)

10
11 60. The title of P.L.2000, c.33 is amended to read as follows:
12 **AN ACT** concerning possession and consumption of alcoholic
13 beverages or cannabis items by underaged persons,
14 supplementing Title 40 of the Revised Statutes and amending
15 R.S.40:48-1.
16 (cf: P.L.2000, c.33, title)

17
18 61. Section 1 of P.L.2000, c.33 (C.40:48-1.2) is amended to read
19 as follows:

20 1. a. A municipality may enact an ordinance making it
21 unlawful for any person under the legal age who, without legal
22 authority, knowingly possesses or knowingly consumes an alcoholic
23 beverage or a cannabis item, other than by smoking, on private
24 property.

25 (1) The ordinance shall provide that a violation involving
26 alcoholic beverage activity shall be punished by a fine of \$250 for a
27 first offense and \$350 for any subsequent offense.

28 (2) The ordinance shall provide that a violation involving
29 cannabis activity shall be punished as follows:

30 (a) If the cannabis item possessed is an amount which may be
31 lawfully possessed by a person of the legal age to purchase cannabis
32 items pursuant to section 4 of P.L. , c. (C.) (pending before
33 the Legislature as this bill): for a first offense, a civil penalty of
34 \$100; for a second offense, a civil penalty of \$200; and for a third
35 or subsequent offense, a fine of \$350. The civil penalties provided
36 for in this subparagraph shall be collected pursuant to the “Penalty
37 Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.),
38 in a summary proceeding before the municipal court having
39 jurisdiction. A penalty recovered under the provisions of this
40 subparagraph shall be recovered by and in the name of the
41 municipality.

42 (b) If the cannabis item possessed is an amount that exceeds
43 what may be lawfully possessed by a person of the legal age to
44 purchase cannabis items pursuant to section 4 of P.L. ,
45 c. (C.) (pending before the Legislature as this bill), or if any
46 cannabis item is consumed: for a first offense, a fine of \$250; and
47 for a second or subsequent offense, a fine of \$350.

48 b. The ordinance shall provide that the court may, in addition
49 to the fine authorized for this offense, suspend or postpone for six

1 months the driving privilege of the defendant. Upon the conviction
2 of any person and the suspension or postponement of that person's
3 driver's license, the court shall forward a report to the **【Division of】**
4 New Jersey Motor **【Vehicles】** Vehicle Commission stating the first
5 and last day of the suspension or postponement period imposed by
6 the court pursuant to this section. If a person at the time of the
7 imposition of a sentence is less than 17 years of age, the period of
8 license postponement, including a suspension or postponement of
9 the privilege of operating a motorized bicycle, shall commence on
10 the day the sentence is imposed and shall run for a period of six
11 months after the person reaches the age of 17 years.

12 If a person at the time of the imposition of a sentence has a valid
13 driver's license issued by this State, the court shall immediately
14 collect the license and forward it to the **【division】** commission
15 along with the report. If for any reason the license cannot be
16 collected, the court shall include in the report the complete name,
17 address, date of birth, eye color, and sex of the person, as well as
18 the first and last date of the license suspension period imposed by
19 the court.

20 The court shall inform the person orally and in writing that if the
21 person is convicted of operating a motor vehicle during the period
22 of license suspension or postponement, the person shall be subject
23 to the penalties set forth in R.S.39:3-40. A person shall be required
24 to acknowledge receipt of the written notice in writing. Failure to
25 receive a written notice or failure to acknowledge in writing the
26 receipt of a written notice shall not be a defense to a subsequent
27 charge of a violation of R.S.39:3-40.

28 If the person convicted under such an ordinance is not a New
29 Jersey resident, the court shall suspend or postpone, as appropriate,
30 the non-resident driving privilege of the person based on the age of
31 the person and submit to the **【division】** commission the required
32 report. The court shall not collect the license of a non-resident
33 convicted under this section. Upon receipt of a report by the court,
34 the **【division】** commission shall notify the appropriate officials in
35 the licensing jurisdiction of the suspension or postponement.

36 c. (1) No ordinance shall prohibit an underaged person from
37 consuming or possessing an alcoholic beverage in connection with a
38 religious observance, ceremony, or rite or consuming or possessing
39 an alcoholic beverage in the presence of and with the permission of
40 a parent, guardian or relative who has attained the legal age to
41 purchase and consume alcoholic beverages.

42 (2) As used in this section:

43 "Alcoholic beverage" includes powdered alcohol as defined by
44 R.S.33:1-1.

45 "Guardian" means a person who has qualified as a guardian of
46 the underaged person pursuant to testamentary or court
47 appointment.

48 "Cannabis items" includes any item available for lawful
49 consumption pursuant to the "New Jersey Cannabis Regulatory and

1 Expungement Aid Modernization Act,” P.L. , c. (C.)
 2 (pending before the Legislature as this bill).

3 “Relative” means the underaged person's grandparent, aunt or
 4 uncle, sibling, or any other person related by blood or affinity.

5 d. No ordinance shall prohibit possession of alcoholic
 6 beverages by any such person while actually engaged in the
 7 performance of employment by a person who is licensed under Title
 8 33 of the Revised Statutes, or while actively engaged in the
 9 preparation of food while enrolled in a culinary arts or hotel
 10 management program at a county vocational school or **post**
 11 **secondary** post-secondary educational institution, and no
 12 ordinance shall prohibit possession of cannabis items by any such
 13 person while actually engaged in the performance of employment
 14 by a cannabis establishment as permitted pursuant to the “New
 15 Jersey Cannabis Regulatory and Expungement Aid Modernization
 16 Act,” P.L. , c. (C.) (pending before the Legislature as this
 17 bill); however, no ordinance enacted pursuant to this section shall
 18 be construed to preclude the imposition of a penalty under this
 19 section, R.S.33:1-81, or any other section of law against a person
 20 who is convicted of unlawful alcoholic beverage activity or
 21 unlawful cannabis activity on or at premises licensed for the sale of
 22 alcoholic beverages or cannabis items.

23 (cf: P.L.2000, c.33, s.1)

24
 25 62. The title of P.L.2009, c.133 is amended to read as follows:
 26 **AN ACT** concerning persons under the legal age to possess and
 27 consume alcoholic beverages or cannabis items, amending
 28 P.L.1979, c.264, and supplementing P.L.2000, c.33 (C.40:48-1.2
 29 et al.).

30 (cf: P.L.2009, c.133, title)

31
 32 63. Section 2 of P.L.2009, c.133 (C.40:48-1.2a) is amended to
 33 read as follows:

34 2. a. An underage person and one or two other persons shall be
 35 immune from prosecution under an ordinance authorized by section
 36 1 of P.L.2000, c.33 (C.40:48-1.2) prohibiting any person under the
 37 legal age who, without legal authority, knowingly possesses or
 38 knowingly consumes an alcoholic beverage or cannabis item on
 39 private property if:

40 (1) one of the underage persons called 9-1-1 and reported that
 41 another underage person was in need of medical assistance due to
 42 alcohol consumption or the consumption of a cannabis item;

43 (2) the underage person who called 9-1-1 and, if applicable, one
 44 or two other persons acting in concert with the underage person
 45 who called 9-1-1 provided each of their names to the 9-1-1
 46 operator;

47 (3) the underage person was the first person to make the 9-1-1
 48 report; and

(4) the underage person and, if applicable, one or two other persons acting in concert with the underage person who made the 9-1-1 call remained on the scene with the person under the legal age in need of medical assistance until assistance arrived and cooperated with medical assistance and law enforcement personnel on the scene.

b. The underage person who received medical assistance as provided in subsection a. of this section also shall be immune from prosecution under an ordinance authorized by section 1 of P.L.2000, c.33 (C.40:48-1.2).

(cf: P.L.2009, c.133, s.2)

64. Section 1 of P.L.1983, c.565 (C.2C:21-2.1) is amended to read as follows:

1. a. A person who knowingly sells, offers or exposes for sale, or otherwise transfers, or possesses with the intent to sell, offer or expose for sale, or otherwise transfer, a document, printed form or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency and which could be used as a means of verifying a person's identity or age or any other personal identifying information is guilty of a crime of the second degree.

b. A person who knowingly makes, or possesses devices or materials to make, a document or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency and which could be used as a means of verifying a person's identity or age or any other personal identifying information is guilty of a crime of the second degree.

c. A person who knowingly exhibits, displays or utters a document or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency and which could be used as a means of verifying a person's identity or age or any other personal identifying information is guilty of a crime of the third degree. A violation of N.J.S.2C:28-7, constituting a disorderly persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15), R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case where the person uses the personal identifying information of another to illegally purchase an alcoholic beverage or for using the personal identifying information of another to misrepresent **his** the person's age for the purpose of obtaining tobacco or other consumer product denied to persons under **18** 21 years of age shall not, except as otherwise set forth in this subsection, constitute an offense under this subsection if the actor received only that benefit or service and did not perpetrate or attempt to perpetrate any additional injury or fraud on another. If a person used the personal identifying information of another to misrepresent the person's age for the purpose of illegally obtaining any cannabis item available for lawful consumption pursuant to the "New Jersey Cannabis Regulatory and Expungement Aid

1 Modernization Act,” P.L. , c. (C.) (pending before the
2 Legislature as this bill), the person shall be subject to a civil penalty
3 of \$50. The civil penalty provided for in this subsection shall be
4 collected pursuant to the “Penalty Enforcement Law of 1999,”
5 P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding
6 before the municipal court having jurisdiction. A civil penalty
7 recovered under the provisions of this subsection shall be recovered
8 by and in the name of the State by the local municipality. The
9 penalty shall be paid into the treasury of the municipality in which
10 the violation occurred for the general use of the municipality.

11 d. A person who knowingly possesses a document or other
12 writing which falsely purports to be a driver's license, birth
13 certificate or other document issued by a governmental agency and
14 which could be used as a means of verifying a person's identity or
15 age or any other personal identifying information is guilty of a
16 crime of the fourth degree. A violation of N.J.S.2C:28-7,
17 constituting a disorderly persons offense, section 1 of P.L.1979,
18 c.264 (C.2C:33-15), R.S.33:1-81 or section 6 of P.L.1968, c.313
19 (C.33:1-81.7) in a case where the person uses the personal
20 identifying information of another to illegally purchase an alcoholic
21 beverage or for using the personal identifying information of
22 another to misrepresent his age for the purpose of obtaining tobacco
23 or other consumer product denied to persons under **[18]** 21 years of
24 age shall not, except as otherwise set forth in this subsection,
25 constitute an offense under this subsection if the actor received only
26 that benefit or service and did not perpetrate or attempt to perpetrate
27 any additional injury or fraud on another. If the personal
28 identifying information of another is used to obtain any cannabis
29 item available for lawful consumption pursuant to the “New Jersey
30 Cannabis Regulatory and Expungement Aid Modernization Act,”
31 P.L. , c. (C.) (pending before the Legislature as this bill),
32 the person shall be subject to a civil penalty of \$50. The penalty
33 provided for in this subsection shall be collected pursuant to the
34 “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10
35 et seq.), in a summary proceeding before the municipal court having
36 jurisdiction. A penalty recovered under the provisions of this
37 subsection shall be recovered by and in the name of the State by the
38 local municipality. The penalty shall be paid into the treasury of
39 the municipality in which the violation occurred for the general use
40 of the municipality.

41 e. In addition to any other disposition authorized by this Title,
42 the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43), or any
43 other statute indicating the dispositions that may be ordered for an
44 adjudication of delinquency, and, notwithstanding the provisions of
45 subsection c. of N.J.S.2C:43-2, every person convicted of, or
46 adjudicated delinquent or penalized for a violation of any offense
47 defined in this section shall forthwith forfeit his right to operate a
48 motor vehicle over the highways of this State for a period to be
49 fixed by the court at not less than six months or more than two

1 years which shall commence on the day the sentence is imposed. In
2 the case of any person who at the time of the imposition of the
3 sentence is less than 17 years of age, the period of the suspension of
4 driving privileges authorized herein, including a suspension of the
5 privilege of operating a motorized bicycle, shall commence on the
6 day the sentence is imposed and shall run for a period as fixed by
7 the court of not less than six months or more than two years after
8 the day the person reaches the age of 17 years. If the driving
9 privilege of any person is under revocation, suspension, or
10 postponement for a violation of any provision of this Title or Title
11 39 of the Revised Statutes at the time of any conviction or
12 adjudication of delinquency for a violation of any offense defined in
13 this chapter or chapter 36 of this Title, the revocation, suspension,
14 or postponement period imposed herein shall commence as of the
15 date of termination of the existing revocation, suspension or
16 postponement.

17 The court before whom any person is convicted of, or
18 adjudicated delinquent or penalized for a violation of any offense
19 defined in this section shall collect forthwith the New Jersey
20 driver's license or licenses of that person and forward the license or
21 licenses to the Chief Administrator of the New Jersey Motor
22 Vehicle Commission along with a report indicating the first and last
23 day of the suspension or postponement period imposed by the court
24 pursuant to this section. If the court is for any reason unable to
25 collect the license or licenses of the person, the court shall cause a
26 report of the conviction or adjudication of delinquency to be filed
27 with the director. The report shall include the complete name,
28 address, date of birth, eye color and sex of the person and shall
29 indicate the first and last day of the suspension or postponement
30 period imposed by the court pursuant to this section. The court
31 shall inform the person orally and in writing that if the person is
32 convicted of personally operating a motor vehicle during the period
33 of license suspension or postponement imposed pursuant to this
34 section, the person shall, upon conviction, be subject to the
35 penalties set forth in R.S.39:3-40. A person shall be required to
36 acknowledge receipt of the written notice in writing. Failure to
37 receive a written notice or failure to acknowledge in writing the
38 receipt of a written notice shall not be a defense to a subsequent
39 charge of a violation of R.S.39:3-40. If the person is the holder of a
40 driver's license from another jurisdiction, the court shall not collect
41 the license, but shall notify forthwith the director who shall notify
42 the appropriate officials in that licensing jurisdiction. The court
43 shall, however, in accordance with the provisions of this section,
44 revoke the person's non-resident driving privileges in this State.

45 In addition to any other condition imposed, a court, in its
46 discretion, may suspend, revoke or postpone the driving privileges
47 of a person admitted to supervisory treatment under N.J.S.2C:36A-1
48 or N.J.S.2C:43-12 without a plea of guilty or finding of guilt.
49 (cf: P.L.2005, c.224, s.1)

1 65. N.J.S.2C:21-17 is amended to read as follows:

2 2C:21-17. Impersonation; Theft of identity; crime.

3 a. A person is guilty of a crime if the person engages in one or
4 more of the following actions by any means including, but not
5 limited to, the use of electronic communications or an Internet
6 website:

7 (1) Impersonates another or assumes a false identity and does an
8 act in such assumed character or false identity for the purpose of
9 obtaining a benefit for himself or another or to injure or defraud
10 another;

11 (2) Pretends to be a representative of some person or
12 organization and does an act in such pretended capacity for the
13 purpose of obtaining a benefit for himself or another or to injure or
14 defraud another;

15 (3) Impersonates another, assumes a false identity or makes a
16 false or misleading statement regarding the identity of any person,
17 in an oral or written application for services, for the purpose of
18 obtaining services;

19 (4) Obtains any personal identifying information pertaining to
20 another person and uses that information, or assists another person
21 in using the information, in order to assume the identity of or
22 represent himself as another person, without that person's
23 authorization and with the purpose to fraudulently obtain or attempt
24 to obtain a benefit or services, or avoid the payment of debt or other
25 legal obligation or avoid prosecution for a crime by using the name
26 of the other person; or

27 (5) Impersonates another, assumes a false identity or makes a
28 false or misleading statement, in the course of making an oral or
29 written application for services, with the purpose of avoiding
30 payment for prior services. Purpose to avoid payment for prior
31 services may be presumed upon proof that the person has not made
32 full payment for prior services and has impersonated another,
33 assumed a false identity or made a false or misleading statement
34 regarding the identity of any person in the course of making oral or
35 written application for services.

36 As used in this section:

37 "Benefit" means, but is not limited to, any property, any
38 pecuniary amount, any services, any pecuniary amount sought to be
39 avoided or any injury or harm perpetrated on another where there is
40 no pecuniary value.

41 b. (Deleted by amendment, P.L.2005, c.224).

42 c. A person who violates subsection a. of this section is guilty
43 of a crime as follows:

44 (1) If the actor obtains a benefit or deprives another of a benefit
45 in an amount less than \$500 and the offense involves the identity of
46 one victim, the actor shall be guilty of a crime of the fourth degree
47 except that a second or subsequent conviction for such an offense
48 constitutes a crime of the third degree; or

1 (2) If the actor obtains a benefit or deprives another of a benefit
2 in an amount of at least \$500 but less than \$75,000, or the offense
3 involves the identity of at least two but less than five victims, the
4 actor shall be guilty of a crime of the third degree; or

5 (3) If the actor obtains a benefit or deprives another of a benefit
6 in the amount of \$75,000 or more, or the offense involves the
7 identity of five or more victims, the actor shall be guilty of a crime
8 of the second degree.

9 d. A violation of N.J.S.2C:28-7, constituting a disorderly
10 persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15),
11 R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case
12 where the person uses the personal identifying information of
13 another to illegally purchase an alcoholic beverage or for using the
14 personal identifying information of another to misrepresent **[his]**
15 the person's age for the purpose of obtaining tobacco or other
16 consumer product denied to persons under **[19]** 21 years of age
17 shall not, except as otherwise set forth in this subsection, constitute
18 an offense under this section if the actor received only that benefit
19 or service and did not perpetrate or attempt to perpetrate any
20 additional injury or fraud on another. If a person used the personal
21 identifying information of another to misrepresent the person's age
22 for the purpose of illegally obtaining any cannabis item available for
23 lawful consumption pursuant to the "New Jersey Cannabis
24 Regulatory and Expungement Aid Modernization Act," P.L. ,
25 c. (C.) (pending before the Legislature as this bill), the person
26 shall be subject to a civil penalty of \$50. The civil penalty provided
27 for in this subsection shall be collected pursuant to the "Penalty
28 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.),
29 in a summary proceeding before the municipal court having
30 jurisdiction. A civil penalty recovered under the provisions of this
31 subsection shall be recovered by and in the name of the State by the
32 local municipality. The penalty shall be paid into the treasury of
33 the municipality in which the violation occurred for the general use
34 of the municipality.

35 e. The sentencing court shall issue such orders as are necessary
36 to correct any public record or government document that contains
37 false information as a result of a theft of identity. The sentencing
38 court may provide restitution to the victim in accordance with the
39 provisions of section 4 of P.L.2002, c.85 (C.2C:21-17.1).
40 (cf: P.L.2013, c.241, s.1)

41
42 66. Section 5 of P.L.2003, c.184 (C.2C:21-17.2) is amended to
43 read as follows:

44 5. a. A person is guilty of a crime of the second degree if, in
45 obtaining or attempting to obtain a driver's license, birth certificate
46 or other document issued by a governmental agency which could be
47 used as a means of verifying a person's identity, age or any other
48 personal identifying information, that person knowingly exhibits,
49 displays or utters a document or other writing which falsely

1 purports to be a driver's license, birth certificate or other document
2 issued by a governmental agency or which belongs or pertains to a
3 person other than the person who possesses the document.

4 b. Notwithstanding the provisions of N.J.S.2C:1-8 or any other
5 law, a conviction under this section shall not merge with a
6 conviction of any other criminal offense, nor shall such other
7 conviction merge with a conviction under this section, and the court
8 shall impose separate sentences upon each violation of this section
9 and any other criminal offense.

10 c. A violation of N.J.S.2C:28-7, constituting a disorderly
11 persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15),
12 R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case
13 where the person uses the personal identifying information of
14 another to illegally purchase an alcoholic beverage or for using the
15 personal identifying information of another to misrepresent his age
16 for the purpose of obtaining tobacco or other consumer product
17 denied to persons under ~~18~~ 21 years of age shall not, except as
18 otherwise set forth in this subsection, constitute an offense under
19 this section if the actor received only that benefit or service and did
20 not perpetrate or attempt to perpetrate any additional injury or fraud
21 on another. If the personal identifying information of another is
22 used to obtain any cannabis item available for lawful consumption
23 pursuant to the "New Jersey Cannabis Regulatory and Expungement
24 Aid Modernization Act," P.L. , c. (C.) (pending before the
25 Legislature as this bill), the person shall be subject to a civil penalty
26 of \$50. The civil penalty provided for in this subsection shall be
27 collected pursuant to the "Penalty Enforcement Law of 1999,"
28 P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding
29 before the municipal court having jurisdiction. A civil penalty
30 recovered under the provisions of this subsection shall be recovered
31 by and in the name of the State by the local municipality. The
32 penalty shall be paid into the treasury of the municipality in which
33 the violation occurred for the general use of the municipality.

34 (cf: P.L.2005, c.224, s.4)

35
36 67. The title of P.L.1968, c.313 is amended to read as follows:
37 **AN ACT** relating to the establishing of proof of age for purposes of
38 purchasing alcoholic beverages or cannabis items in certain
39 cases.

40 (cf: P.L.1968, c.313, title)

41
42 68. Section 6 of P.L.1968, c.313 (C.33:1-81.7) is amended to
43 read as follows:

44 6. It shall be unlawful for the owner of an identification card,
45 as defined by this act, to transfer said card to any other person for
46 the purpose of aiding such person to secure alcoholic beverages or
47 cannabis items available for lawful consumption pursuant to the
48 "New Jersey Cannabis Regulatory and Expungement Aid
49 Modernization Act," P.L. , c. (C.) (pending before the

1 Legislature as this bill). Any person who shall transfer such
2 identification card for the purpose of aiding such transferee to
3 obtain alcoholic beverages shall be guilty of a **【misdemeanor】**
4 disorderly persons offense and, upon conviction thereof, shall be
5 sentenced to pay a fine of not more than \$300.00, or undergo
6 imprisonment for not more than 60 days. Any person not entitled
7 thereto who shall have unlawfully procured or have issued or
8 transferred to him, as aforesaid, identification card or any person
9 who shall make any false statement on any card required by
10 subsection (c) hereof to be signed by him shall be guilty of a
11 **【misdemeanor】** disorderly persons offense and, upon conviction
12 thereof, shall be sentenced to pay a fine of not more than \$300.00,
13 or undergo imprisonment for not more than 60 days.
14 (cf: P.L.1968, c.313, s.6)

15
16 69. The title of P.L.1991, c.169 is amended to read as follows:
17 **AN ACT** concerning the retail sale of alcoholic beverages or
18 cannabis items, amending R.S.33:1-81 and P.L.1979, c.264 and
19 supplementing chapter 1 of Title 33 of the Revised Statutes.
20 (cf: P.L.1991, c.169, title)

21
22 70. Section 3 of P.L.1991, c.169 (C.33:1-81.1a) is amended to
23 read as follows:
24 3. A parent, guardian or other person having legal custody of a
25 person under 18 years of age found in violation of R.S.33:1-81 or
26 section 1 of P.L.1979, c.264 (C.2C:33-15) with respect to
27 purchasing, possessing, or consuming any alcoholic beverage or
28 cannabis item available for lawful consumption pursuant to the
29 “New Jersey Cannabis Regulatory and Expungement Aid
30 Modernization Act,” P.L. , c. (C.) (pending before the
31 Legislature as this bill) shall be notified of the violation in writing.
32 The parent, guardian or other person having legal custody of a
33 person under 18 years of age shall be subject to a fine in the amount
34 of \$500.00 upon any subsequent violation of R.S.33:1-81 or section
35 1 of P.L.1979, c.264 (C.2C:33-15) on the part of such person if it is
36 shown that the parent, guardian or other person having legal
37 custody failed or neglected to exercise reasonable supervision or
38 control over the conduct of the person under 18 years of age.
39 (cf: P.L.1991, c.169, s.3)

40
41 71. Section 2 of P.L.1970, c.226 (C.24:21-2) is amended to read
42 as follows:

43 2. As used in this act:
44 "Administer" means the direct application of a controlled
45 dangerous substance, whether by injection, inhalation, ingestion, or
46 any other means, to the body of a patient or research subject by: (1)
47 a practitioner (or, in the practitioner's presence, by the practitioner's
48 lawfully authorized agent), or (2) the patient or research subject at
49 the lawful direction and in the presence of the practitioner.

1 "Agent" means an authorized person who acts on behalf of or at
2 the direction of a manufacturer, distributor, or dispenser but does
3 not include a common or contract carrier, public warehouseman, or
4 employee thereof.

5 "Commissioner" means the Commissioner of Health.

6 "Controlled dangerous substance" means a drug, substance, or
7 immediate precursor in Schedules I through V of article 2 of
8 P.L.1970, c.226 (C.24:21-1 et seq.). The term shall not include
9 distilled spirits, wine, malt beverages, as those terms are defined or
10 used in R.S.33:1-1 et seq., or tobacco and tobacco products.

11 "Counterfeit substance" means a controlled dangerous substance
12 which, or the container or labeling of which, without authorization,
13 bears the trademark, trade name, or other identifying mark, imprint,
14 number or device, or any likeness thereof, of a manufacturer,
15 distributor, or dispenser other than the person or persons who in fact
16 manufactured, distributed, or dispensed such substance and which
17 thereby falsely purports or is represented to be the product of, or to
18 have been distributed by, such other manufacturer, distributor, or
19 dispenser.

20 "Deliver" or "delivery" means the actual, constructive, or
21 attempted transfer from one person to another of a controlled
22 dangerous substance, whether or not there is an agency relationship.

23 "Director" means the Director of the Division of Consumer
24 Affairs in the Department of Law and Public Safety.

25 "Dispense" means to deliver a controlled dangerous substance to
26 an ultimate user or research subject by or pursuant to the lawful
27 order of a practitioner, including the prescribing, administering,
28 packaging, labeling, or compounding necessary to prepare the
29 substance for that delivery.

30 "Dispenser" means a practitioner who dispenses.

31 "Distribute" means to deliver other than by administering or
32 dispensing a controlled dangerous substance.

33 "Distributor" means a person who distributes.

34 "Division" means the Division of Consumer Affairs in the
35 Department of Law and Public Safety.

36 "Drug Enforcement Administration" means the Drug
37 Enforcement Administration in the United States Department of
38 Justice.

39 "Drugs" means (a) substances recognized in the official United
40 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the
41 United States, or official National Formulary, or any supplement to
42 any of them; and (b) substances intended for use in the diagnosis,
43 cure, mitigation, treatment, or prevention of disease in man or other
44 animals; and (c) substances (other than food) intended to affect the
45 structure or any function of the body of man or other animals; and
46 (d) substances intended for use as a component of any article
47 specified in subsections (a), (b), and (c) of this section; but does not
48 include devices or their components, parts or accessories.

1 "Hashish" means the resin extracted from any part of the plant
2 **【genus】 Genus Cannabis L.** and any compound, manufacture, salt,
3 derivative, mixture, or preparation of such resin. "Hashish" does
4 not include cannabis resin as defined in section 3 of P.L. ,
5 c. (C.) (pending before the Legislature as this bill) which is
6 extracted in accordance with the "New Jersey Cannabis Regulatory
7 and Expungement Aid Modernization Act," P.L. , c. (C.)
8 (pending before the Legislature as this bill), for use in a cannabis
9 item as defined in that section.

10 "Marihuana" means all parts of the plant **【genus】 Genus**
11 **Cannabis L.**, whether growing or not; the seeds thereof; and every
12 compound, manufacture, salt, derivative, mixture, or preparation of
13 the plant or its seeds, except those containing resin extracted from
14 the plant; but shall not include the mature stalks of the plant, fiber
15 produced from the stalks, oil or cake made from the seeds of the
16 plant, any other compound, manufacture, salt, derivative, mixture,
17 or preparation of such mature stalks, fiber, oil, or cake, or the
18 sterilized seed of the plant which is incapable of germination.
19 "Marihuana" does not include cannabis as defined in section 3 of
20 P.L. , c. (C.) (pending before the Legislature as this bill)
21 which is cultivated and processed in accordance with the "New
22 Jersey Cannabis Regulatory and Expungement Aid Modernization
23 Act," P.L. , c. (C.) (pending before the Legislature as this
24 bill), for use in a cannabis item as defined in that section.

25 "Manufacture" means the production, preparation, propagation,
26 compounding, conversion, or processing of a controlled dangerous
27 substance, either directly or by extraction from substances of
28 natural origin, or independently by means of chemical synthesis, or
29 by a combination of extraction and chemical synthesis, and includes
30 any packaging or repackaging of the substance or labeling or
31 relabeling of its container, except that this term does not include the
32 preparation or compounding of a controlled dangerous substance by
33 an individual for the individual's own use or the preparation,
34 compounding, packaging, or labeling of a controlled dangerous
35 substance: (1) by a practitioner as an incident to the practitioner's
36 administering or dispensing of a controlled dangerous substance in
37 the course of the practitioner's professional practice, or (2) by a
38 practitioner (or under the practitioner's supervision) for the purpose
39 of, or as an incident to, research, teaching, or chemical analysis and
40 not for sale.

41 "Narcotic drug" means any of the following, whether produced
42 directly or indirectly by extraction from substances of vegetable
43 origin, or independently by means of chemical synthesis, or by a
44 combination of extraction and chemical synthesis:

- 45 (a) Opium, coca leaves, and opiates;
46 (b) A compound, manufacture, salt, derivative, or preparation of
47 opium, coca leaves, or opiates;
48 (c) A substance (and any compound, manufacture, salt,
49 derivative, or preparation thereof) which is chemically identical

1 with any of the substances referred to in subsections (a) and (b),
2 except that the words "narcotic drug" as used in this act shall not
3 include decocainized coca leaves or extracts of coca leaves, which
4 extracts do not contain cocaine or ecgonine.

5 "Official written order" means an order written on a form
6 provided for that purpose by the Attorney General of the United
7 States or his delegate, under any laws of the United States making
8 provisions therefor, if such order forms are authorized and required
9 by the federal law, and if no such form is provided, then on an
10 official form provided for that purpose by the division. If
11 authorized by the Attorney General of the United States or the
12 division, the term shall also include an order transmitted by
13 electronic means.

14 "Opiate" means any dangerous substance having an addiction-
15 forming or addiction-sustaining liability similar to morphine or
16 being capable of conversion into a drug having such addiction-
17 forming or addiction-sustaining liability. It does not include, unless
18 specifically designated as controlled under section 3 of this act, the
19 dextrorotatory isomer of 3-methoxy-n-methylmorphinan and its
20 salts (dextromethorphan). It does include its racemic and
21 levorotatory forms.

22 "Opium poppy" means the plant of the species *Papaver*
23 *somniferum* L., except the seeds thereof.

24 "Person" means any corporation, association, partnership, trust,
25 other institution or entity, or one or more individuals.

26 "Pharmacist" means a registered pharmacist of this State.

27 "Pharmacy owner" means the owner of a store or other place of
28 business where controlled dangerous substances are compounded or
29 dispensed by a registered pharmacist; but nothing in this chapter
30 contained shall be construed as conferring on a person who is not
31 registered or licensed as a pharmacist any authority, right, or
32 privilege that is not granted to the person by the pharmacy laws of
33 this State.

34 "Poppy straw" means all parts, except the seeds, of the opium
35 poppy, after mowing.

36 "Practitioner" means a physician, dentist, veterinarian, scientific
37 investigator, laboratory, pharmacy, hospital, or other person
38 licensed, registered, or otherwise permitted to distribute, dispense,
39 conduct research with respect to, or administer a controlled
40 dangerous substance in the course of professional practice or
41 research in this State.

42 (a) "Physician" means a physician authorized by law to practice
43 medicine in this or any other state.

44 (b) "Veterinarian" means a veterinarian authorized by law to
45 practice veterinary medicine in this State.

46 (c) "Dentist" means a dentist authorized by law to practice
47 dentistry in this State.

48 (d) "Hospital" means any federal institution, or any institution
49 for the care and treatment of the sick and injured, operated or

1 approved by the appropriate State department as proper to be
2 entrusted with the custody and professional use of controlled
3 dangerous substances.

4 (e) "Laboratory" means a laboratory to be entrusted with the
5 custody of narcotic drugs and the use of controlled dangerous
6 substances for scientific, experimental, and medical purposes and
7 for purposes of instruction approved by the Department of Health.

8 "Production" includes the manufacture, planting, cultivation,
9 growing, or harvesting of a controlled dangerous substance.

10 "Immediate precursor" means a substance which the division has
11 found to be and by regulation designates as being the principal
12 compound commonly used or produced primarily for use, and
13 which is an immediate chemical intermediary used or likely to be
14 used in the manufacture of a controlled dangerous substance, the
15 control of which is necessary to prevent, curtail, or limit such
16 manufacture.

17 "Substance use disorder involving drugs" means taking or using
18 a drug or controlled dangerous substance, as defined in this chapter,
19 in association with a state of psychic or physical dependence, or
20 both, arising from the use of that drug or controlled dangerous
21 substance on a continuous basis. A substance use disorder is
22 characterized by behavioral and other responses, including, but not
23 limited to, a strong compulsion to take the substance on a recurring
24 basis in order to experience its psychic effects, or to avoid the
25 discomfort of its absence.

26 "Ultimate user" means a person who lawfully possesses a
27 controlled dangerous substance for the person's own use or for the
28 use of a member of the person's household or for administration to
29 an animal owned by the person or by a member of the person's
30 household.

31 (cf: P.L.2017, c.131, s.65)

32
33 72. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read as
34 follows:

35 5. Schedule I.

36 a. Tests. The director shall place a substance in Schedule I if he
37 finds that the substance: (1) has high potential for abuse; and (2) has
38 no accepted medical use in treatment in the United States; or lacks
39 accepted safety for use in treatment under medical supervision.

40 b. The controlled dangerous substances listed in this section are
41 included in Schedule I, subject to any revision and republishing by the
42 director pursuant to subsection d. of section 3 of P.L.1970, c.226
43 (C.24:21-3), and except to the extent provided in any other schedule.

44 c. Any of the following opiates, including their isomers, esters,
45 and ethers, unless specifically excepted, whenever the existence of
46 such isomers, esters, ethers and salts is possible within the specific
47 chemical designation:

48 (1) Acetylmethadol

49 (2) Allylprodine

- 1 (3) Alphacetylmethadol
- 2 (4) Alphameprodine
- 3 (5) Alphamethadol
- 4 (6) Benzethidine
- 5 (7) Betacetylmethadol
- 6 (8) Betameprodine
- 7 (9) Betamethadol
- 8 (10) Betaprodine
- 9 (11) Clonitazene
- 10 (12) Dextromoramide
- 11 (13) Dextrophan
- 12 (14) Diampromide
- 13 (15) Diethylthiambutene
- 14 (16) Dimenoxadol
- 15 (17) Dimepheptanol
- 16 (18) Dimethylthiambutene
- 17 (19) Dioxaphetyl butyrate
- 18 (20) Dipipanone
- 19 (21) Ethylmethylthiambutene
- 20 (22) Etonitazene
- 21 (23) Etoxeridine
- 22 (24) Furethidine
- 23 (25) Hydroxypethidine
- 24 (26) Ketobemidone
- 25 (27) Levomoramide
- 26 (28) Levophenacymorphan
- 27 (29) Morpheridine
- 28 (30) Noracymethadol
- 29 (31) Norlevorphanol
- 30 (32) Normethadone
- 31 (33) Norpipanone
- 32 (34) Phenadoxone
- 33 (35) Phenampromide
- 34 (36) Phenomorphan
- 35 (37) Phenoperidine
- 36 (38) Piritramide
- 37 (39) Proheptazine
- 38 (40) Properidine
- 39 (41) Racemoramide
- 40 (42) Trimeperidine.
- 41 d. Any of the following narcotic substances, their salts, isomers
- 42 and salts of isomers, unless specifically excepted, whenever the
- 43 existence of such salts, isomers and salts of isomers is possible within
- 44 the specific chemical designation:
- 45 (1) Acetorphine
- 46 (2) Acetylcodone
- 47 (3) Acetyldihydrocodeine
- 48 (4) Benzylmorphine
- 49 (5) Codeine methylbromide

- 1 (6) Codeine-N-Oxide
- 2 (7) Cyprenorphine
- 3 (8) Desomorphine
- 4 (9) Dihydromorphine
- 5 (10) Etorphine
- 6 (11) Heroin
- 7 (12) Hydromorphenol
- 8 (13) Methyldesorphine
- 9 (14) Methylhydromorphine
- 10 (15) Morphine methylbromide
- 11 (16) Morphine methylsulfonate
- 12 (17) Morphine-N-Oxide
- 13 (18) Myrophine
- 14 (19) Nicocodeine
- 15 (20) Nicomorphine
- 16 (21) Normorphine
- 17 (22) Phoclodine
- 18 (23) Thebacon.

19 e. Any material, compound, mixture or preparation which
20 contains any quantity of the following hallucinogenic substances, their
21 salts, isomers and salts of isomers, unless specifically excepted,
22 whenever the existence of such salts, isomers, and salts of isomers is
23 possible within the specific chemical designation:

- 24 (1) 3,4-methylenedioxy amphetamine
- 25 (2) 5-methoxy-3,4-methylenedioxy amphetamine
- 26 (3) 3,4,5-trimethoxy amphetamine
- 27 (4) Bufotenine
- 28 (5) Diethyltryptamine
- 29 (6) Dimethyltryptamine
- 30 (7) 4-methyl-2,5-dimethoxylamphetamine
- 31 (8) Ibogaine
- 32 (9) Lysergic acid diethylamide
- 33 (10) Marihuana; however, on and after the effective date of the
34 “New Jersey Cannabis Regulatory and Expungement Aid
35 Modernization Act,” P.L. , c. (C.) (pending before the
36 Legislature as this bill), marihuana shall no longer be included in
37 Schedule I, and shall not be designated or rescheduled and included in
38 any other schedule by the director pursuant to the director’s
39 designation and rescheduling authority set forth in section 3 of
40 P.L.1970, c.226 (C.24:21-3).
- 41 (11) Mescaline
- 42 (12) Peyote
- 43 (13) N-ethyl-3-piperidyl benzilate
- 44 (14) N-methyl-3-piperidyl benzilate
- 45 (15) Psilocybin
- 46 (16) Psilocyn
- 47 (17) Tetrahydrocannabinols, except when found in industrial hemp

1 cultivated pursuant to the New Jersey Industrial Hemp Pilot Program
2 established by P.L.2018, c.139 (C.4:28-1 et al.).
3 (cf: P.L.2018, c.139, s.8)
4

5 73. R.S.24:5-18 is amended to read as follows:

6 24:5-18. For the purposes of this subtitle a drug or device shall
7 also be deemed to be misbranded:

8 a. If its labeling is false or misleading in any particular.

9 b. If in package form unless it bears a label containing the
10 name and place of business of the manufacturer, packer, or
11 distributor.

12 c. If any word, statement or other information required by or
13 under authority of this subtitle to appear on the label or labeling is
14 not prominently placed thereon with such conspicuousness (as
15 compared with other words, statements or designs in the labeling)
16 and in such terms as to render it likely to be read and understood by
17 the ordinary individual under customary conditions of purchase and
18 use.

19 d. If it is for use by man and contains any quantity of the
20 narcotic or hypnotic substance alpha-eucaine, barbituric acid, beta-
21 eucaine, bromal, cannabis other than as defined in section 3 of
22 P.L. , c. (C.) (pending before the Legislature as this bill),
23 carbromal, chloral, coca, cocaine, codeine, heroin, marihuana,
24 morphine, opium, paraldehyde, peyote, or sulphonmethane; or any
25 chemical derivative of such substance, which derivative has been by
26 the Department of Health of the State of New Jersey after
27 investigation found to be, and by regulations under this subtitle
28 designated as, habit forming; unless its label bears the name and
29 quantity or proportion of such substance, or derivative and in
30 juxtaposition therewith, the statement "Warning--May be habit
31 forming."

32 e. If it is a drug and is not designated solely by a name
33 recognized in an official compendium, unless its label bears (1) the
34 common or usual name of the drug, if such there be; and (2) in case
35 it is fabricated from 2 or more ingredients, the common or usual
36 name of each active ingredient, including the kind and quantity or
37 proportion of any alcohol, and also including, whether active or not,
38 the name and quantity or proportion of any bromides, ether,
39 chloroform, acetanilid, acetphanetidin, amidopyrine, antipyrine,
40 atropine, hyoscine, hyoscyamine, arsenic, digitalis, digitalis
41 glusocides, mercury, ouabain, strophanthin, strychnine, thyroid, or
42 any derivative or preparation of any such substances, contained
43 therein; provided, that to the extent that compliance with the
44 requirements of clause (2) of this paragraph is impracticable,
45 exemptions may be established by regulations promulgated by the
46 State department.

47 f. Unless its labeling bears (1) adequate directions for use; and
48 (2) such adequate warnings against use in those pathological
49 conditions or by children where its use may be dangerous to health,

1 or against unsafe dosage or methods or duration of administration
2 or application, in such manner and form, as are necessary for the
3 protection of users; provided, that where any requirement of clause
4 (1) of this paragraph, as applied to any drug or device, is not
5 necessary for the protection of the public health, the Department of
6 Health of the State of New Jersey may promulgate regulations
7 exempting such drug or device from such requirement.

8 g. If it purports to be a drug the name of which is recognized in
9 an official compendium, unless it is packaged and labeled as
10 prescribed therein; provided, that the method of packing may be
11 modified with the consent of the State department. Whenever a
12 drug is recognized in both the United States Pharmacopoeia and the
13 Homeopathic Pharmacopoeia of the United States it shall be subject
14 to the requirements of the United States Pharmacopoeia unless it is
15 labeled and offered for sale as a homeopathic drug, in which case it
16 shall be subject to the provisions of the Homeopathic
17 Pharmacopoeia of the United States and not to those of the United
18 States Pharmacopoeia.

19 h. If it has been found by the Department of Health of the State
20 of New Jersey to be a drug liable to deterioration, unless it is
21 packaged in such form and manner, and its label bears a statement
22 of such precautions, as the Department of Health of the State of
23 New Jersey may by regulations require as necessary for the
24 protection of the public health. No such regulation shall be
25 established for any drug recognized in an official compendium until
26 the State department shall have informed the appropriate body
27 charged with the revision of such compendium of the need for such
28 packaging or labeling requirements and such body shall have failed
29 within a reasonable time to prescribe such requirements.

30 i. (1) If it is a drug and its container is so made, formed or
31 filled as to be misleading; or (2) if it is an imitation of another drug;
32 or (3) if it is offered for sale under the name of another drug.

33 j. If it is dangerous to health when used in the dosage, or with
34 the frequency or duration prescribed, recommended, or suggested in
35 the labeling thereof.

36 k. If it is a depressant or stimulant drug as defined pursuant to
37 law and not in the possession or control of a person specified by
38 law as entitled to possession or control of such depressant or
39 stimulant drug. Any depressant or stimulant drug misbranded under
40 the preceding sentence shall be deemed dangerous or fraudulent for
41 purposes of marking and detaining under the provisions of section
42 24:4-12 of this Title.

43 (cf: P.L.1966, c.314, s.8)

44
45 74. (New section) Consumer Protections.

46 a. Individuals and licensed cannabis establishments shall not be
47 subject to arrest, prosecution, or penalty in any manner, or denied
48 any right or privilege, including but not limited to civil liability or
49 disciplinary action by a business, occupational, or professional

1 licensing board or bureau, solely for conduct permitted under
2 P.L. , c. (C.) (pending before the Legislature as this bill).

3 b. The presence of cannabinoid metabolites in the bodily fluids
4 of a person engaged in conduct permitted under P.L. , c. (C.)
5 (pending before the Legislature as this bill):

6 (1) with respect to a student, employee, or tenant, shall not form
7 the basis for refusal to enroll or employ or lease to or otherwise
8 penalize that person, unless failing to do so would put the school,
9 employer, or landlord in violation of a federal contract or cause it to
10 lose federal funding;

11 (2) with respect to a patient shall not constitute the use of an
12 illicit substance resulting in denial of medical care, including organ
13 transplant, and a patient's use of cannabis items may only be
14 considered with respect to evidence-based clinical criteria; and

15 (3) with respect to a parent or legal guardian of a child or
16 newborn infant, or a pregnant woman shall not form the sole or
17 primary basis for any action or proceeding by the Division of Child
18 Protection and Permanency, or any successor agencies; provided,
19 however, that nothing in this paragraph shall preclude any action or
20 proceeding by the division based on harm or risk of harm to a child or
21 the use of information on the presence of cannabinoid metabolites in
22 the bodily fluids of any person in any action or proceeding.

23
24 75. (New section) Federal and Interstate Relations.

25 a. Law enforcement agencies in this State shall not cooperate
26 with or provide assistance to the government of the United States or
27 any agency thereof in enforcing the "Controlled Substances Act,"
28 21 U.S.C. 801 et seq., solely for actions consistent with P.L. ,
29 c. (C.) (pending before the Legislature as this bill), except
30 pursuant to a valid court order.

31 b. No agency or subdivision of an agency of this State may
32 refuse to perform any duty under P.L. , c. (C.) (pending
33 before the Legislature as this bill) on the basis that manufacturing,
34 distributing, dispensing, possessing, or using any cannabis item or
35 marijuana is prohibited by federal law.

36 c. The commission may not revoke or refuse to issue or renew
37 a license pursuant to section 24, 26, 27 or 28 of P.L. , c. (C.)
38 (pending before the Legislature as this bill) on the basis that
39 manufacturing, distributing, dispensing, possessing, or using any
40 cannabis item or marijuana is prohibited by federal law.

41 d. Nothing in this section shall be construed to limit the authority
42 of an agency or subdivision of any agency of this State to cooperate
43 with or assist the government of the United States or any agency
44 thereof, or the government of another state or agency thereof, in
45 matters pertaining to illegal interstate trafficking of marijuana, hashish,
46 or cannabis items.

47
48 76. (New section) Contract Enforceability.

1 No contract shall be unenforceable on the basis that
2 manufacturing, distributing, dispensing, possessing, or using any
3 cannabis item or marijuana is prohibited by federal law. No contract
4 entered into by a licensee, its employees, or its agents as permitted
5 pursuant to a valid license issued by the commission, or by those
6 who allow property to be used by a licensee, its employees, or its
7 agents as permitted pursuant to a valid license issued by the
8 commission, shall be deemed unenforceable on the basis that the
9 actions or conduct permitted pursuant to the license are prohibited
10 by federal law.

11

12 77. (New section) Criminal Investigation.

13 a. None of the following shall, individually or collectively,
14 constitute reasonable articulable suspicion of a crime, unless on
15 property used for school purposes which is owned by a school or
16 school board, or at any detention facility, adult correctional facility, or
17 youth correction facility:

18 (1) The odor of cannabis or burnt cannabis;

19 (2) The possession of or the suspicion of possession of
20 marijuana or hashish without evidence of quantity in excess of any
21 amount that would exceed the amount of cannabis or cannabis resin
22 which may be lawfully possessed pursuant to section 4 of P.L. ,
23 c. (C.) (pending before the Legislature as this bill), as the
24 possession of that amount is presumed, pursuant to paragraph (4) of
25 subsection a. of N.J.S.2C:35-10, to be the lawful possession of
26 cannabis or cannabis resin in accordance with the "New Jersey
27 Cannabis Regulatory and Expungement Aid Modernization Act,"
28 P.L. , c. (C.) (pending before the Legislature as this bill); or

29 (3) The possession of marijuana or hashish without evidence of
30 quantity in excess of any amount that would exceed the amount of
31 cannabis or cannabis resin which may be lawfully possessed
32 pursuant to section 4 of P.L. , c. (C.) (pending before the
33 Legislature as this bill), in proximity to any amount of cash or
34 currency, as the possession of that amount is presumed, pursuant to
35 paragraph (4) of subsection a. of N.J.S.2C:35-10, to be the lawful
36 possession of cannabis or cannabis resin in accordance with the
37 "New Jersey Cannabis Regulatory and Expungement Aid
38 Modernization Act," P.L. , c. (C.) (pending before the
39 Legislature as this bill).

40 b. Subsection a. of this section shall not apply when a law
41 enforcement officer is investigating whether a person is driving
42 under the influence of a cannabis item or marijuana or driving while
43 impaired by a cannabis item or marijuana in violation of R.S.39:4-
44 50, or section 5 of P.L.1990, c.103 (C.39:3-10.13) concerning
45 operators of commercial motor vehicles.

46

47 78. Section 2 of P.L.1981, c.512 (C.39:4-50.4a) is amended to
48 read as follows:

1 2. a. Except as provided in subsection b. of this section, the
2 municipal court shall revoke the right to operate a motor vehicle of
3 any operator who, after being arrested for a violation of R.S.39:4-50
4 or section 1 of P.L.1992, c.189 (C.39:4-50.14), shall refuse to
5 submit to a test provided for in section 2 of P.L.1966, c.142
6 (C.39:4-50.2) when requested to do so, for not less than seven
7 months or more than one year unless the refusal was in connection
8 with a second offense under this section, in which case the
9 revocation period shall be for two years or unless the refusal was in
10 connection with a third or subsequent offense under this section in
11 which case the revocation shall be for ten years. A conviction or
12 administrative determination of a violation of a law of a
13 substantially similar nature in another jurisdiction, regardless of
14 whether that jurisdiction is a signatory to the Interstate Driver
15 License Compact pursuant to P.L.1966, c.73 (C.39:5D-1 et seq.),
16 shall constitute a prior conviction under this section.

17 The municipal court shall determine by a preponderance of the
18 evidence whether the arresting officer had probable cause to believe
19 that the person had been driving or was in actual physical control of
20 a motor vehicle on the public highways or quasi-public areas of this
21 State while the person was under the influence of intoxicating
22 liquor or a narcotic, hallucinogenic, or habit-producing drug, or
23 cannabis item as defined in section 3 of P.L. _____, c. _____
24 (pending before the Legislature as this bill) or marijuana; whether
25 the person was placed under arrest, if appropriate, and whether he
26 refused to submit to the test upon request of the officer; and if these
27 elements of the violation are not established, no conviction shall
28 issue. In addition to any other requirements provided by law, a
29 person whose operator's license is revoked for refusing to submit to
30 a test shall be referred to an Intoxicated Driver Resource Center
31 established by subsection (f) of R.S.39:4-50 and shall satisfy the
32 same requirements of the center for refusal to submit to a test as
33 provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2) in
34 connection with a first, second, third or subsequent offense under
35 this section that must be satisfied by a person convicted of a
36 commensurate violation of this section, or be subject to the same
37 penalties as such a person for failure to do so. For a first offense,
38 the revocation may be concurrent with or consecutive to any
39 revocation imposed for a conviction under the provisions of
40 R.S.39:4-50 arising out of the same incident. For a second or
41 subsequent offense, the revocation shall be consecutive to any
42 revocation imposed for a conviction under the provisions of
43 R.S.39:4-50. In addition to issuing a revocation, except as provided
44 in subsection b. of this section, the municipal court shall fine a
45 person convicted under this section, a fine of not less than \$300 or
46 more than \$500 for a first offense; a fine of not less than \$500 or
47 more than \$1,000 for a second offense; and a fine of \$1,000 for a
48 third or subsequent offense. The person also shall be required to

1 install an ignition interlock device pursuant to the provisions of
2 P.L.1999, c.417 (C.39:4-50.16 et al.).

3 b. For a first offense, the fine imposed upon the convicted
4 person shall be not less than \$600 or more than \$1,000 and the
5 period of license suspension shall be not less than one year or more
6 than two years; for a second offense, a fine of not less than \$1,000
7 or more than \$2,000 and a license suspension for a period of four
8 years; and for a third or subsequent offense, a fine of \$2,000 and a
9 license suspension for a period of 20 years when a violation of this
10 section occurs while:

11 (1) on any school property used for school purposes which is
12 owned by or leased to any elementary or secondary school or school
13 board, or within 1,000 feet of such school property;

14 (2) driving through a school crossing as defined in R.S.39:1-1 if
15 the municipality, by ordinance or resolution, has designated the
16 school crossing as such; or

17 (3) driving through a school crossing as defined in R.S.39:1-1
18 knowing that juveniles are present if the municipality has not
19 designated the school crossing as such by ordinance or resolution.

20 A map or true copy of a map depicting the location and
21 boundaries of the area on or within 1,000 feet of any property used
22 for school purposes which is owned by or leased to any elementary
23 or secondary school or school board produced pursuant to section 1
24 of P.L.1987, c.101 (C.2C:35-7) may be used in a prosecution under
25 paragraph (1) of this subsection.

26 It shall not be relevant to the imposition of sentence pursuant to
27 paragraph (1) or (2) of this subsection that the defendant was
28 unaware that the prohibited conduct took place while on or within
29 1,000 feet of any school property or while driving through a school
30 crossing. Nor shall it be relevant to the imposition of sentence that
31 no juveniles were present on the school property or crossing zone at
32 the time of the offense or that the school was not in session.

33 (cf: P.L.2009, c.201, s.5)

34
35 79. Section 1 of P.L.1983, c.307 (C.39:4-51a) is amended to
36 read as follows:

37 1. a. A person shall not consume an alcoholic beverage or
38 cannabis item as defined in section 3 of P.L. , c. (C.)
39 (pending before the Legislature as this bill) while operating a motor
40 vehicle. A passenger in a motor vehicle shall not consume an
41 alcoholic beverage or cannabis item while the motor vehicle is
42 being operated. This subsection shall not apply, with respect to the
43 consumption of an alcoholic beverage, to a passenger of a charter or
44 special bus operated as defined under R.S.48:4-1 or a limousine
45 service.

46 b. A person shall be presumed to have consumed an alcoholic
47 beverage or cannabis item in violation of this section if an unsealed
48 container or package of an alcoholic beverage or cannabis item is
49 located in the passenger compartment of the motor vehicle, the

1 contents of the alcoholic beverage or cannabis item have been
2 partially consumed and the physical appearance or conduct of the
3 operator of the motor vehicle or a passenger may be associated with
4 the consumption of an alcoholic beverage or cannabis item. For the
5 purposes of this section, the term "unsealed" shall mean a container
6 or package with its original seal broken, or a container or package
7 that is not the original container or package such as a glass **【or】** ,
8 cup , box, bag, or wrapping.

9 c. For the first offense, a person convicted of violating this
10 section shall be fined **【\$200.00】** \$200 and shall be informed by the
11 court of the penalties for a second or subsequent violation of this
12 section. For a second or subsequent offense, a person convicted of
13 violating this section shall be fined **【\$250.00】** \$250 or shall be
14 ordered by the court to perform community service for a period of
15 10 days in such form and on such terms as the court shall deem
16 appropriate under the circumstances.

17 (cf: P.L.1999, c.356, s.20)

18
19 80. Section 6 of P.L.2000, c.83 (C.39:4-51b) is amended to read
20 as follows:

21 6. a. All occupants of a motor vehicle located on a public
22 highway, or the right-of-way of a public highway, shall be
23 prohibited from possessing any open or unsealed container or
24 package of an alcoholic beverage **【container】** or cannabis item as
25 defined in section 3 of P.L. , c. (C.) (pending before the
26 Legislature as this bill). This subsection shall not apply, with
27 respect to the possession of an alcoholic beverage, to a passenger of
28 a charter or special bus operated as defined under R.S.48:4-1 or a
29 limousine service.

30 b. A person shall not be deemed to be in possession of an
31 opened or unsealed container or package of an alcoholic beverage
32 **【container】** or cannabis item pursuant to this section if such
33 container or package is located in the trunk of a motor vehicle,
34 behind the last upright seat in a trunkless vehicle, or in the living
35 quarters of a motor home or house trailer. For the purposes of this
36 section, the term "open or unsealed" shall mean a container or
37 package with its original seal broken, or a container or package that
38 is not the original container or package such as a glass **【or】** , cup,
39 box, bag, or wrapping.

40 c. For a first offense, a person convicted of violating this
41 section shall be fined \$200 and shall be informed by the court of the
42 penalties for a second or subsequent violation of this section. For a
43 second or subsequent offense, a person convicted of violating this
44 section shall be fined \$250 or shall be ordered by the court to
45 perform community service for a period of 10 days in such form
46 and on such terms as the court shall deem appropriate under the
47 circumstances.

48 (cf: P.L.2000, c.83, s.6)

1 81. (New section) Cannabis Regulatory and Expungement Aid
2 Modernization Fund.

3 a. All fees and penalties collected by the commission, and all
4 tax revenues collected by the Director of the Division of Taxation
5 pursuant to the provisions of P.L. , c. (C.) (pending before the
6 Legislature as this bill) and the “Jake Honig Compassionate Use
7 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), shall be
8 deposited in a special nonlapsing fund which shall be known as the
9 “Cannabis Regulatory and Expungement Aid Modernization Fund.”

10 b. Monies in the fund shall be used by the commission to:

11 (1) oversee the development, regulation, and enforcement of
12 activities associated with the personal use of cannabis pursuant to
13 P.L. , c. (C.), and assume responsibility from the
14 Department of Health for the further development and expansion,
15 regulation, and enforcement of activities associated with the
16 medical use of cannabis pursuant to the “Jake Honig Compassionate
17 Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and
18 P.L.2015, c.158 (C.18A:40-12.22 et al.);

19 (2) defray costs, in an amount determined by the Legislature in the
20 annual appropriations act or any other act, associated with the filing
21 and review of applications for persons seeking expedited expungement
22 relief pursuant to section 47 of P.L. , c. (C.) (pending
23 before the Legislature as this bill) for being charged with, convicted
24 of, or adjudicated delinquent for offenses associated with marijuana or
25 hashish as set forth in that section, which occurred prior to the
26 effective date of the “New Jersey Cannabis Regulatory and
27 Expungement Aid Modernization Act,” P.L. , c. (C.)
28 (pending before the Legislature as this bill); and

29 (3) reimburse the expenses incurred by any county or municipality
30 for the training costs associated with the attendance and participation
31 of a police officer from its law enforcement unit, as those terms are
32 defined in section 2 of P.L.1961, c.56 (C.52:17B-67), in a program
33 provided by an approved school, also defined in that section, which
34 trains and certifies the police officer, including a police officer with a
35 working dog as that term is defined in section 1 of P.L.2006, c.88
36 (C.10:5-29.7), as a Drug Recognition Expert for detecting, identifying,
37 and apprehending drug-impaired motor vehicle operators, and pay for
38 costs incurred by the State Police in furnishing additional program
39 instructors to provide Drug Recognition Expert training to police
40 officers and working dogs. A municipality or county seeking
41 reimbursement shall apply to the commission, itemizing the costs, with
42 appropriate proofs, for which reimbursement is requested and provide
43 a copy of the certificate issued to the police officer to indicate the
44 successful completion of the program by the police officer, and that
45 officer’s working dog, if applicable.

46 c. Any remaining monies, after the commission uses the
47 monies in the fund in accordance with subsection b. of this section,
48 shall be deposited in the State’s General Fund.

1 82. (New section) Cannabis Consumption Area.

2 a. (1) A local governmental entity may authorize, through the
3 enactment of an ordinance, the operation of locally endorsed
4 cannabis consumption areas by cannabis retailers and alternative
5 treatment centers within its jurisdiction, at which areas the on-
6 premises consumption of personal use, medical use, or both
7 personal use and medical use cannabis may occur.

8 (2) As further specified in subsection h. of this section, an
9 endorsed cannabis consumption area shall be either: (a) an indoor,
10 structurally enclosed area of a cannabis retailer or alternative
11 treatment center that is separate from the area in which retail sales
12 of cannabis items or the dispensing of medical cannabis occurs; or
13 (b) an exterior structure on the same premises as the cannabis
14 retailer or alternative treatment center, either separate from or
15 connected to the retailer or center.

16 b. (1) If a local governmental entity authorizes the operation of
17 cannabis consumption areas, it may adopt an approval requirement
18 that complies with the requirements of P.L. , c. (C.) (pending
19 before the Legislature as this bill).

20 (2) Notwithstanding the provisions of this subsection, a local
21 governmental entity shall not allow a cannabis consumption area
22 endorsement to a cannabis retailer or alternative treatment center
23 that is within 1,000 feet of a boundary with an adjoining jurisdiction
24 that does not permit retail cannabis establishments in its boundaries.

25 c. The commission may issue a cannabis consumption area
26 endorsement only to a cannabis retailer or an alternative treatment
27 center that has a permit to dispense medical cannabis to registered
28 qualifying patients in accordance with the “Jake Honig
29 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
30 (C.24:6I-1 et al.), or is also deemed to have, pursuant to section 7 of
31 P.L.2009, c.307 (C.24:6I-7) one or more Class 4 Cannabis Retailer
32 licenses, and has been issued a license by the commission following
33 receipt of written approval of the local governmental entity for
34 operation of a cannabis retailer pursuant to subparagraph (a) of
35 paragraph (3) of subsection a. of section 30 of P.L. , c. (C.)
36 (pending before the Legislature as this bill), or has otherwise been
37 issued one or more such licenses by the commission pursuant to
38 P.L. , c. (C.) (pending before the Legislature as this bill).
39 An endorsement to a cannabis retailer shall only permit the
40 consumption of personal use cannabis at the retailer’s consumption
41 area. An endorsement to an alternative treatment center shall only
42 permit the consumption of medical cannabis at the center’s
43 consumption area, unless the alternative treatment center is also
44 issued a Class 4 Cannabis Retailer license, in which case that
45 alternative treatment center may permit the consumption of both
46 personal use and medical use cannabis at the center’s consumption
47 area.

48 d. Applications for an endorsement pursuant to this section
49 shall be made to the commission on forms prepared and furnished

1 by the commission and shall set forth such information as the
2 commission may require. Each application shall be verified by the
3 oath or affirmation of such person or persons as the commission
4 may prescribe. The endorsement is conditioned upon approval by a
5 local governmental entity. An applicant is prohibited from
6 operating a cannabis consumption area without State and local
7 approval. If the applicant does not receive approval from the local
8 governmental entity within one year from the date of State
9 approval, the State endorsement expires and may not be renewed.
10 If an application is denied by the local governmental entity or the
11 approval of the local governmental entity is revoked, the
12 commission shall revoke the State endorsement. Any person
13 aggrieved by the local denial of an endorsement application may
14 request a hearing in the Superior Court of the county in which the
15 person's application was filed. The request for a hearing shall be
16 filed within 30 days of the denial of the endorsement application.
17 The person shall serve a copy of his request for a hearing upon the
18 appropriate officer for the local governmental entity that denied the
19 application. The hearing shall be held and a record made thereof
20 within 30 days of the receipt of the application for a hearing. No
21 formal pleading and no filing fee shall be required for the hearing.

22 e. (1) The commission shall deny a State endorsement if the
23 premises on which the applicant proposes to conduct its business
24 does not meet the requirements of P.L. , c. (C.) (pending
25 before the Legislature as this bill) or the "Jake Honig
26 Compassionate Use Medical Cannabis Act," P.L.2009, c.307
27 (C.24:6I-1 et al.), as applicable, or for reasons set forth in this
28 section. The commission may revoke or deny an endorsement
29 renewal, or reinstatement, or an initial endorsement for good cause.

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

31 (a) the endorsed licensee or applicant has violated, does not
32 meet, or has failed to comply with any of the terms, conditions, or
33 provisions of this section, any rules promulgated pursuant to this
34 section, or any supplemental local law, rules, or regulations;

35 (b) the endorsed licensee or applicant has failed to comply with
36 any special terms or conditions that were placed on its endorsement
37 pursuant to an order of the commission or local governmental
38 entity; or

39 (c) the premises have been operated in a manner that adversely
40 affects the public health or the safety of the immediate
41 neighborhood in which the establishment is located.

42 (3) Any commission decision made pursuant to this subsection
43 shall be considered a final agency action for the purposes of the
44 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
45 seq.) and shall be subject only to judicial review as provided in the
46 Rules of Court.

47 f. The cannabis consumption area endorsement is valid for one
48 year and may be renewed annually, subject to the approval of the
49 commission and local governmental entity as set forth in this section,

1 upon the renewal of the cannabis retail licensee's license or the
2 alternative treatment center's permit or retail license. The
3 commission shall establish by rule the amount of the application fee
4 and renewal fee for the endorsement which shall not exceed the
5 administrative cost for processing and reviewing the application.

6 g. The commission shall maintain a list of all cannabis
7 consumption areas in the State and shall make the list available on
8 its website.

9 h. A cannabis consumption area on the premises of a cannabis
10 retailer or alternative treatment center may be indoors or outdoors,
11 and shall be designated by conspicuous signage indicating whether
12 it may be used for the on-premises consumption of personal use or
13 medical use cannabis, or both.

14 (1) An indoor consumption area shall be a structurally enclosed
15 area within a cannabis retailer or alternative treatment center that is
16 separated by solid walls or windows from the area in which retail
17 sales of cannabis or the dispensing of medical cannabis occurs,
18 shall only be accessible through an interior door after first entering
19 the retailer or center, and shall comply with all ventilation
20 requirements applicable to cigar lounges, as that term is defined in
21 section 3 of P.L.2005, c.383 (C.26:3D-57), in order to permit indoor
22 smoking that is the equivalent of smoking tobacco not in violation
23 of the "New Jersey Smoke-Free Air Act," P.L.2005, c.383
24 (C.26:3D-55 et seq.). Any consumption of cannabis items or
25 medical cannabis shall not be visible from outside the cannabis
26 retailer or alternative treatment center.

27 (2) An outdoor consumption area shall be an exterior structure
28 on the same premises as the cannabis retailer or alternative
29 treatment center, that is either separate from or connected to the
30 retailer or center and that is not required to be completely enclosed,
31 but shall have enough walls, fences, or other barriers to prevent any
32 view of persons consuming personal use cannabis items or medical
33 cannabis from any sidewalk or other pedestrian or non-motorist
34 right-of-way, as the case may be, within the consumption area, and
35 with respect to any consumption by smoking, the cannabis retailer
36 or alternative treatment center operating the outdoor consumption
37 area shall ensure that any smoking does not result in migration,
38 seepage, or recirculation of smoke to any indoor public place or
39 workplace, as those terms are defined in section 3 of P.L.2005,
40 c.383 (C.26:3D-57).

41 i. An endorsed cannabis retail licensee or alternative treatment
42 center and its employees, subject to any regulations for cannabis
43 consumption areas promulgated by the commission, may:

44 (1) permit a person to bring medical or retail cannabis, medical
45 or retail cannabis concentrate, a medical cannabis-infused product,
46 or a retail cannabis-infused product into a cannabis consumption
47 area; and

1 (2) distribute free samples of medical or retail cannabis, medical
2 or retail cannabis concentrate, medical cannabis-infused products,
3 or retail cannabis-infused products in the consumption area.

4 An endorsed cannabis retail licensee or alternative treatment
5 center and its employees shall not sell alcohol, including fermented
6 malt beverages or malt, vinous, or spirituous liquor, sell tobacco or
7 nicotine products, or allow the consumption of alcohol or tobacco
8 or nicotine products on premises, or operate as a retail food
9 establishment. An endorsed cannabis retail licensee or alternative
10 treatment center shall also not allow on-duty employees of the
11 establishment to consume any medical or retail cannabis, medical or
12 retail cannabis concentrate, medical cannabis-infused products, or
13 retail cannabis-infused products in the establishment.

14 j. A cannabis consumption area and its employees shall admit
15 into the cannabis retailer or alternative treatment center only
16 patrons who are at least 21 years of age, and shall require each
17 patron to produce a form of government-issued identification that
18 may be accepted, pursuant to subparagraph (a) of paragraph (6) of
19 subsection a. of section 17 of P.L. , c. (C.) (pending before
20 the Legislature as this bill), in order to enter and be sold or served
21 cannabis items or medical cannabis.

22 k. (1) A cannabis retailer or alternative treatment center
23 operating a cannabis consumption area shall limit a patron to no
24 more than the sales limit set by the commission. A cannabis retailer
25 or alternative treatment center operating a cannabis consumption
26 area shall not engage in multiple sales transactions to the same
27 patron during the same business day when the establishment's
28 employee knows or reasonably should have known that the sales
29 transaction would result in the patron possessing more than the
30 sales limit established by the commission. A patron may leave the
31 consumption area with any product that he does not consume.

32 (2) When a patron leaves a cannabis consumption area, the
33 establishment shall destroy any remaining unconsumed retail
34 cannabis, retail cannabis concentrate, retail cannabis-infused
35 products, or medical cannabis that is not taken by a patron pursuant
36 to paragraph (1) of this subsection.

37 1. A cannabis consumption area and its employees:

38 (1) shall operate the establishment in a decent, orderly, and
39 respectable manner and shall not serve any patron who displays any
40 visible signs of intoxication;

41 (2) may remove an individual from the establishment for any
42 reason, including a patron who displays any visible signs of
43 intoxication;

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

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

1 m. A cannabis consumption area and all of its employees who
2 work at the endorsed premises shall successfully complete any
3 responsible vendor training program established in regulation by the
4 commission.

5 n. A cannabis consumption area shall provide, if required by
6 the commission, information regarding the safe consumption of
7 cannabis at the point of sale to all patrons who make a purchase.

8 o. The information required by this section shall be maintained
9 on the endorsed premises for inspection by State and local
10 endorsing authorities and law enforcement.

11 p. If an emergency requires law enforcement, firefighters,
12 emergency medical services providers, or other public safety
13 personnel to enter a cannabis consumption area, employees of the
14 establishment shall cease all on-site sales and prohibit on-site
15 consumption until such personnel have completed their
16 investigation or services and have left the premises.

17
18 83. (New section) Consuming, including by smoking, any
19 cannabis item available for lawful consumption pursuant to the
20 “New Jersey Cannabis Regulatory and Expungement Aid
21 Modernization Act,” P.L. , c. (C.) (pending before the
22 Legislature as this bill), is prohibited in any area of any building of,
23 on the grounds of, or in any facility owned, leased, or controlled by,
24 any public or private institution of higher education or a related
25 entity thereof, regardless of whether the area or facility is an indoor
26 place or is outdoors. As used in this subsection “related entity”
27 includes, but is not limited to, the foundation, auxiliary services
28 corporation, or alumni association, or any subsidiary thereof, of an
29 institution of higher learning. Any penalties that may be assessed
30 for the smoking of tobacco where prohibited under the “New Jersey
31 Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.), shall
32 be applicable to the consumption of cannabis items where
33 prohibited by this section.

34
35 84. (New section) Severability.

36 If any clause, sentence, paragraph, section, or part of P.L. ,
37 c. (C.) (pending before the Legislature as this bill) shall be
38 adjudged by any court of competent jurisdiction to be
39 unconstitutional or otherwise invalid, that judgment shall not affect,
40 impair, or invalidate the remainder thereof, but shall be confined in
41 its operation to the clause, sentence, paragraph, section, or part
42 thereof directly involved in the controversy in which the judgment
43 shall have been rendered.

44
45 85. This act shall take effect as follows:

46 a. Sections 1 through 3, 7 through 22, 31 through 36, 39
47 through 53, 56 and 57, 60 through 63, 71 through 73, 77, 81 and 82,
48 and 84 shall take effect immediately;

1 b. Sections 4 through 6, 23 through 30, 37 and 38, 54 and 55,
2 58 and 59, 64 through 70, 74 through 76, 78 through 80, and 83
3 shall take effect immediately, but shall only become operative upon
4 adoption of the commission's initial rules and regulations pursuant
5 to subparagraph (a) of paragraph (1) of subsection d. of section 8 of
6 P.L. , c. (C.) (pending before the Legislature as this bill);
7 and
8 c. The Attorney General, State Treasurer, Commissioner of
9 Health, Commissioner of Banking and Insurance, and the
10 Administrative Director of the Courts, and once constituted and
11 organized, the Cannabis Regulatory Commission, may take such
12 anticipatory administrative action as may be necessary to effectuate
13 the provisions of P.L. , c. (C.) (pending before the
14 Legislature as this bill).