

Title 24.
Chapter 6I. (Rename)
Medical Cannabis
§§5-7 -
C.24:6I-5.1 to
24:6I-5.3
§9 - C.24:6I-6.1
§§11-16 -
C.24:6I-7.1 to
24:6I-7.6
§§24-36,39 -
C.24:6I-17 to
24:6I-30
§43 - C.26:2H-12.86
§48 - Repealer

P.L. 2019, CHAPTER 153, *approved July 2, 2019*
Assembly, No. 20

1 **AN ACT** concerning medical cannabis, revising various parts of the
2 statutory law, and supplementing P.L.2009, c.307.

3

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

6

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

9 1. This act shall be known and may be cited as the **["New**
10 **Jersey]** "Jake Honig Compassionate Use Medical **["Marijuana]**
11 Cannabis Act."
12 (cf: P.L.2009, c.307, s.1)

13

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

16 2. The Legislature finds and declares that:

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

22 b. According to the U.S. Sentencing Commission and the
23 Federal Bureau of Investigation, 99 out of every 100 **["marijuana]**
24 cannabis arrests in the country are made under state law, rather than
25 under federal law. Consequently, changing state law will have the
26 practical effect of protecting from arrest the vast majority of

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 seriously ill people who have a medical need to use **【marijuana】**
2 cannabis **【;】** .

3 c. Although federal law currently prohibits the use of
4 **【marijuana】** cannabis, the laws of Alaska, Arkansas, California,
5 Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Maine,
6 Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada,
7 New Hampshire, New Mexico, New York, North Dakota, Ohio,
8 Oregon, Pennsylvania, Rhode Island, Vermont, **【and】** Washington,
9 West Virginia, and the District of Columbia permit the use of
10 **【marijuana】** cannabis for medical purposes, and in Arizona doctors
11 are permitted to prescribe **【marijuana】** cannabis. New Jersey joins
12 this effort for the health and welfare of its citizens **【;】** .

13 d. States are not required to enforce federal law or prosecute
14 people for engaging in activities prohibited by federal law;
15 therefore, compliance with this act does not put the State of New
16 Jersey in violation of federal law **【; and】** .

17 e. Compassion dictates that a distinction be made between
18 medical and non-medical uses of **【marijuana】** cannabis. Hence, the
19 purpose of this act is to protect from arrest, prosecution, property
20 forfeiture, and criminal and other penalties, those patients who use
21 **【marijuana】** cannabis to alleviate suffering from **【debilitating】**
22 qualifying medical conditions, as well as their **【physicians】** health
23 care practitioners, **【primary】** designated caregivers, institutional
24 caregivers, and those who are authorized to produce **【marijuana】**
25 cannabis for medical purposes.

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

27

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

30 3. As used in **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.) and
31 P.L.2015, c.158 (C.18A:40-12.22 et al.):

32 “Academic medical center” means an entity located in New
33 Jersey that, on the effective date of P.L. , c. (C.) (pending
34 before the Legislature as this bill), has an addiction medicine
35 faculty practice or is in the same health care system as another
36 facility located in New Jersey that offers outpatient medical
37 detoxification services or inpatient treatment services for substance
38 use disorder; has a pain management faculty practice or a facility-
39 based pain management service located in New Jersey; has graduate
40 medical training programs accredited, or pending accreditation, by
41 the Accreditation Council for Graduate Medical Education or the
42 American Osteopathic Association in primary care and medical
43 specialties; is the principal teaching affiliate of a medical school
44 based in the State; and has the ability to conduct research related to
45 medical cannabis. If the entity is part of a system of health care

1 facilities, the entity shall not qualify as an academic medical center
2 unless the health care system is principally located within the State.

3 “Adverse employment action” means refusing to hire or employ
4 an individual, barring or discharging an individual from
5 employment, requiring an individual to retire from employment, or
6 discriminating against an individual in compensation or in any
7 terms, conditions, or privileges of employment.

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

12 “Cannabis” has the meaning given to “marihuana” in section 2 of
13 the “New Jersey Controlled Dangerous Substances Act,” P.L.1970,
14 c.226 (C.24:21-2).

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

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

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

30 "Commissioner" means the Commissioner of Health.

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

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

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

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

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

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

3 “Common ownership or control” means:

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

6 (2) between a nonprofit entity and a for-profit entity, a majority
7 of the directors, trustees, or members of the governing body of the
8 nonprofit entity directly or indirectly own and control more than 50
9 percent of the for-profit entity; and

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

13 “Department” means the Department of Health.

14 “Designated caregiver” means a resident of the State who:

15 (1) is at least 18 years old;

16 (2) has agreed to assist with a registered qualifying patient's
17 medical use of cannabis, is not currently serving as designated
18 caregiver for more than one other qualifying patient, and is not the
19 qualifying patient's health care practitioner;

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

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

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

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

45 “Health care facility” means a general acute care hospital,
46 nursing home, long term care facility, hospice care facility, group

1 home, facility that provides services to persons with developmental
2 disabilities, behavioral health care facility, or rehabilitation center.

3 "Health care practitioner" means a physician, advanced practice
4 nurse, or physician assistant licensed or certified pursuant to Title
5 45 of the Revised Statutes who:

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

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

16 (3) if the patient is a minor, is a pediatric specialist.

17 "Immediate family" means the spouse, domestic partner, civil
18 union partner, child, sibling, or parent of an individual, and shall
19 include the siblings, parents, and children of the individual's
20 spouse, domestic partner, or civil union partner, and the parents,
21 spouses, domestic partners, or civil union partners of the
22 individual's parents, siblings, and children.

23 "Institutional caregiver" means a resident of the State who:

24 (1) is at least 18 years old;

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

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

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

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

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

46 "Integrated curriculum" means an academic, clinical, or research
47 program at an institution of higher education that is coordinated

1 with a medical cannabis cultivator, medical cannabis manufacturer,
2 or medical cannabis dispensary to apply theoretical principles,
3 practical experience, or both involving the cultivation,
4 manufacturing, dispensing, delivery, or medical use of cannabis to a
5 specific area of study, including, but not limited to, agriculture,
6 biology, business, chemistry, culinary studies, ecology,
7 environmental studies, health care, horticulture, technology, or any
8 other appropriate area of study or combined areas of study.
9 Integrated curricula shall be subject to approval by the commission
10 and the Office of the Secretary of Higher Education.

11 “Integrated curriculum permit” or “IC permit” means a permit
12 issued to a medical cannabis cultivator, medical cannabis
13 manufacturer, or medical cannabis dispensary that includes an
14 integrated curriculum approved by the commission and the Office
15 of the Secretary of Higher Education.

16 **【“Marijuana” has the meaning given in section 2 of the “New**
17 **Jersey Controlled Dangerous Substances Act,” P.L.1970, c.226**
18 **(C.24:21-2).】**

19 **“Medical **【marijuana】** cannabis alternative treatment center” or**
20 **“alternative treatment center” means an organization **【approved】****
21 **issued a permit, including a conditional permit, by the **【department】****
22 **commission to **【perform activities necessary to provide registered****
23 **qualifying patients with usable marijuana and related paraphernalia**
24 **in accordance with the provisions of this act**】** operate as a medical**
25 **cannabis cultivator, medical cannabis manufacturer, medical**
26 **cannabis dispensary, or clinical registrant.** This term shall include
27 the organization's officers, directors, board members, and
28 employees.

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

43 “Medical cannabis dispensary” means an organization issued a
44 permit by the commission that authorizes the organization to:
45 purchase or obtain medical cannabis and related supplies from
46 medical cannabis cultivators; purchase or obtain medical cannabis

1 products and related supplies from medical cannabis manufacturers;
2 purchase or obtain medical cannabis, medical cannabis products,
3 and related supplies and paraphernalia from other medical cannabis
4 dispensaries and from clinical registrants; deliver, transfer,
5 transport, distribute, supply, and sell medical cannabis and medical
6 cannabis products to other medical cannabis dispensaries; furnish
7 medical cannabis, including medical cannabis products, to a
8 medical cannabis handler for delivery to a registered qualifying
9 patient, designated caregiver, or institutional caregiver consistent
10 with the requirements of subsection i. of section 27 of P.L. _____, c.
11 (C. _____) (pending before the Legislature as this bill); and possess,
12 display, deliver, transfer, transport, distribute, supply, sell, and
13 dispense medical cannabis, medical cannabis products,
14 paraphernalia, and related supplies to qualifying patients,
15 designated caregivers, and institutional caregivers. A medical
16 cannabis dispensary permit shall not authorize the permit holder to
17 cultivate medical cannabis, to produce, manufacture, or otherwise
18 create medical cannabis products.

19 “Medical cannabis manufacturer” means an organization issued a
20 permit by the commission that authorizes the organization to:
21 purchase or obtain medical cannabis and related supplies from a
22 medical cannabis cultivator or a clinical registrant; purchase or
23 obtain medical cannabis products from another medical cannabis
24 manufacturer or a clinical registrant; produce, manufacture, or
25 otherwise create medical cannabis products; and possess, deliver,
26 transfer, transport, distribute, supply, and sell medical cannabis
27 products and related supplies to other medical cannabis
28 manufacturers and to medical cannabis dispensaries and clinical
29 registrants. A medical cannabis manufacturer permit shall not
30 authorize the permit holder to cultivate medical cannabis or to
31 deliver, transfer, transport, distribute, supply, sell, or dispense
32 medical cannabis, medical cannabis products, paraphernalia, or
33 related supplies to registered qualifying patients, designated
34 caregivers, or institutional caregivers.

35 "Medical use of [marijuana] cannabis" means the acquisition,
36 possession, transport, or use of [marijuana] cannabis or
37 paraphernalia by a registered qualifying patient as authorized by
38 [this act] P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158
39 (C.18A:40-12.22 et al.).

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

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

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

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

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

11 a. is at least 18 years old;

12 b. has agreed to assist with a registered qualifying patient's
13 medical use of marijuana, is not currently serving as primary
14 caregiver for another qualifying patient, and is not the qualifying
15 patient's physician;

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

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

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

27 "Primary care" means the practice of family medicine, general
28 internal medicine, general pediatrics, general obstetrics, or
29 gynecology.

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

41 "Qualifying patient" or "patient" means a resident of the State
42 who has been **【**provided with a certification**】** authorized for the
43 medical use of cannabis by a **【**physician**】** health care practitioner
44 **【**pursuant to a bona fide physician-patient relationship**】**.

45 **【**"Registry identification card"**】** "Registration with the
46 commission" means **【**a document issued by the department that

1 identifies] a person has met the qualification requirements for, and
2 has been registered by the commission as, a registered qualifying
3 patient [or primary], designated caregiver, or institutional
4 caregiver. The commission shall establish appropriate means for
5 health care practitioners, health care facilities, medical cannabis
6 dispensaries, law enforcement, schools, facilities providing
7 behavioral health services or services for persons with
8 developmental disabilities, and other appropriate entities to verify
9 an individual's status as a registrant with the commission.

10 "Significantly involved person" means a person or entity who
11 holds at least a five percent investment interest in an entity issued,
12 or applying for a permit to operate as, a medical cannabis cultivator,
13 medical cannabis manufacturer, medical cannabis dispensary, or
14 clinical registrant, or who is a decision making member of a group
15 that holds at least a 20 percent investment interest in an entity
16 issued, or applying for a permit to operate as, a medical cannabis
17 cultivator, medical cannabis manufacturer, medical cannabis
18 dispensary, or clinical registrant, in which no member of that group
19 holds more than a five percent interest in the total group investment
20 interest, and the person or entity makes controlling decisions
21 regarding the operations of the entity issued, or applying for a
22 permit to operate as, a medical cannabis cultivator, medical
23 cannabis manufacturer, medical cannabis dispensary, or clinical
24 registrant.

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

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

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

32

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

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

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

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

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

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

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

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

21 The commission shall establish a registry of institutional
22 caregivers and shall establish a means of identifying and verifying
23 the registration status of institutional caregivers who are registered
24 with the commission. Registration with the commission shall be
25 valid for one year. An institutional caregiver shall be registered
26 with the commission upon submitting the name, address, and
27 telephone number of the institutional caregiver and of the health
28 care facility at which the individual will be serving as institutional
29 caregiver and a certification that meets the requirements of
30 subsection h. of this section. The application or renewal fee for the
31 institutional caregiver shall be paid by the health care facility at
32 which the institutional caregiver will be serving as institutional
33 caregiver. An institutional caregiver shall not be limited in the
34 number of qualifying patients for whom the institutional caregiver
35 may serve as institutional caregiver at one time, provided that each
36 qualifying patient served by the institutional caregiver is a current
37 patient or resident at the health care facility at which the
38 institutional caregiver is authorized to serve as institutional
39 caregiver, and the number of qualifying patients served by the
40 institutional caregiver is commensurate with the institutional
41 caregiver's ability to fully meet the treatment and related needs of
42 each qualifying patient and attend to the institutional caregiver's
43 other professional duties at the health care facility without
44 jeopardizing the health or safety of any patient or resident at the
45 facility.

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

21 c. (1) The **【commissioner】** commission shall require each
22 applicant seeking to serve as a **【primary】** designated or institutional
23 caregiver to undergo a criminal history record background check;
24 except that no criminal history record background check shall be
25 required for an applicant seeking to serve as a designated caregiver
26 if the applicant is an immediate family member of the patient, and
27 no criminal history record background check shall be required for
28 an applicant seeking to serve as an institutional caregiver if the
29 applicant completed a criminal history record background check as
30 a condition of professional licensure or certification. The
31 **【commissioner】** commission is authorized to exchange fingerprint
32 data with and receive criminal history record background
33 information from the Division of State Police and the Federal
34 Bureau of Investigation consistent with the provisions of applicable
35 federal and State laws, rules, and regulations. The Division of State
36 Police shall forward criminal history record background
37 information to the **【commissioner】** commission in a timely manner
38 when requested pursuant to the provisions of this section.

39 An applicant seeking to serve as a **【primary】** designated or
40 institutional caregiver who is required to complete a criminal
41 history record background check pursuant to this section shall
42 submit to being fingerprinted in accordance with applicable State
43 and federal laws, rules, and regulations. No check of criminal
44 history record background information shall be performed pursuant
45 to this section unless the applicant has furnished **【his】** the

1 applicant's written consent to that check. An applicant who is
2 required to complete a criminal history record background check
3 pursuant to this section who refuses to consent to, or cooperate in,
4 the securing of a check of criminal history record background
5 information shall not be considered for inclusion in the registry as a
6 **【primary】** designated or institutional caregiver **【or issuance of an**
7 **identification card】**. An applicant shall bear the cost for the
8 criminal history record background check, including all costs of
9 administering and processing the check.

10 (2) The **【commissioner】** commission shall not approve an
11 applicant seeking to serve as a **【primary】** designated or institutional
12 caregiver who is required to complete a criminal history record
13 background check pursuant to this section if the criminal history
14 record background information of the applicant reveals a
15 disqualifying conviction. For the purposes of this section, a
16 disqualifying conviction shall mean a conviction of a crime
17 involving any controlled dangerous substance or controlled
18 substance analog as set forth in chapter 35 of Title 2C of the New
19 Jersey Statutes except paragraph (4) of subsection a. of
20 N.J.S.2C:35-10, or any similar law of the United States or of any
21 other state.

22 (3) Upon receipt of the criminal history record background
23 information from the Division of State Police and the Federal
24 Bureau of Investigation, the **【commissioner】** commission shall
25 provide written notification to the applicant of **【his】** the applicant's
26 qualification or disqualification for serving as a **【primary】**
27 designated or institutional caregiver.

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

32 (4) The Division of State Police shall promptly notify the
33 **【commissioner】** commission in the event that an individual who
34 was the subject of a criminal history record background check
35 conducted pursuant to this section is convicted of a crime or offense
36 in this State after the date the background check was performed.
37 Upon receipt of that notification, the **【commissioner】** commission
38 shall make a determination regarding the continued eligibility of the
39 applicant to serve as a **【primary】** designated or institutional
40 caregiver.

41 (5) Notwithstanding the provisions of paragraph (2) of this
42 subsection **【b. of this section】** to the contrary, no applicant shall be
43 disqualified from serving as a **【registered primary】** designated or
44 institutional caregiver on the basis of any conviction disclosed by a
45 criminal history record background check conducted pursuant to
46 this section if the individual has affirmatively demonstrated to the

1 **【commissioner】** commission clear and convincing evidence of
2 rehabilitation. In determining whether clear and convincing
3 evidence of rehabilitation has been demonstrated, the following
4 factors shall be considered:

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

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

8 (c) the circumstances under which the crime or offense
9 occurred;

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

11 (e) the age of the individual when the crime or offense was
12 committed;

13 (f) whether the crime or offense was an isolated or repeated
14 incident;

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

17 (h) any evidence of rehabilitation, including good conduct in
18 prison or in the community, counseling or psychiatric treatment
19 received, acquisition of additional academic or vocational
20 schooling, successful participation in correctional work-release
21 programs, or the recommendation of those who have had the
22 individual under their supervision.

23 d. **【A registry identification card】** A verification of registration
24 issued by the commission shall contain the following information:

25 (1) (a) in the case of a patient or designated caregiver
26 registration, the name, address, and date of birth of the patient and
27 **【primary】** each designated caregiver, if applicable; and

28 (b) in the case of an institutional caregiver, the caregiver's name
29 and date of birth and the name and address of the health care
30 facility at which the caregiver is serving as institutional caregiver;

31 (2) the expiration date of the **【registry identification card】**
32 registration;

33 (3) photo identification of the **【cardholder】** registrant; and

34 (4) such other information that the **【department】** commission
35 may specify by regulation.

36 e. (1) A patient who has been **【issued a registry identification**
37 **card】** registered by the commission shall notify the **【department】**
38 commission of any change in the patient's name, address, or
39 **【physician】** health care practitioner or change in status of the
40 patient's **【debilitating】** qualifying medical condition, within 10 days
41 of such change, or the **【registry identification card】** patient's
42 registration shall be deemed null and void.

43 (2) A **【primary】** designated caregiver who has been **【issued a**
44 **registry identification card】** registered by the commission shall
45 notify the **【department】** commission of any change in the
46 caregiver's name or address within 10 days of such change, or the

1 **[registry identification card]** caregiver's registration shall be
2 deemed null and void.

3 (3) An institutional caregiver who has been registered by the
4 commission shall notify the commission of any change in the
5 caregiver's name, address, employment by a health care facility at
6 which the caregiver is registered to serve as institutional caregiver,
7 or authorization from the health care facility to assist qualifying
8 patients with the medical use of cannabis, within 10 days of such
9 change, or the caregiver's registration shall be deemed null and
10 void and the individual shall be deemed ineligible to serve as an
11 institutional caregiver for a period of not less than one year.

12 f. The **[department]** commission shall maintain a confidential
13 list of the persons **[to whom it has issued registry identification**
14 **cards]** registered with the commission. Individual names and other
15 identifying information on the list, and information contained in any
16 application form, or accompanying or supporting document shall be
17 confidential, and shall not be considered a public record under
18 P.L.1963, c.73 (C.47:1A-1 et seq.) **[or]** P.L.2001, c.404 (C.47:1A-
19 5 et al.), or the common law concerning access to government
20 records, and shall not be disclosed except to:

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

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

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

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

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

44 (2) the facility has established protocols and procedures and
45 implemented security measures to ensure that any medical cannabis
46 obtained by an institutional caregiver that is transported by the

1 caregiver to the facility is transported in a safe and secure manner
2 that prevents theft, diversion, adulteration, and access by
3 unauthorized individuals, and that any medical cannabis present at
4 the facility is stored in a safe and secure manner that prevents theft,
5 diversion, adulteration, and access by unauthorized individuals;

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

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

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

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

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

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

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

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

42

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

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

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

17
18 6. (New section) a. Except as provided in subsection b. of this
19 section, no health care practitioner who has authorized a patient for
20 the medical use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1
21 et al.) within the past 90 days, and no member of such health care
22 practitioner's immediate family, shall be an interest holder in, or
23 receive any form of direct or indirect compensation from, any
24 medical cannabis cultivator, medical cannabis manufacturer,
25 medical cannabis dispensary, or clinical registrant.

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

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

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

44 c. A health care practitioner, or an immediate family member
45 of a health care practitioner, who applies to be an owner, director,
46 officer, or employee of a medical cannabis cultivator, medical
47 cannabis manufacturer, medical cannabis dispensary, or clinical
48 registrant, or who otherwise seeks to be an interest holder in, or

1 receive any form of direct or indirect compensation from, a medical
2 cannabis cultivator, medical cannabis manufacturer, medical
3 cannabis dispensary, or clinical registrant, shall certify that the
4 health care practitioner has not authorized a patient for the medical
5 use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) within
6 the 90 days immediately preceding the date of the application.

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

9
10 7. (New section) a. An individual who is registered as a
11 qualifying patient in another state or jurisdiction within the United
12 States that authorizes the medical use of cannabis shall be
13 considered a registered qualifying patient for the purposes of
14 P.L.2009, c.307 (C.24:6I-1 et al.) for a period of up to six months,
15 provided that the individual possesses both proof of registration in,
16 and a valid photo identification card issued by, the other state or
17 jurisdiction. During the six month period, the individual shall be
18 authorized to possess and use medical cannabis and engage in such
19 other conduct related to medical cannabis in New Jersey as is
20 consistent with the requirements of P.L.2009, c.307 (C.24:6I-1 et
21 al.) and the laws of the state or jurisdiction in which the patient is
22 registered, except that medical cannabis shall not be dispensed to
23 the individual unless a health care practitioner licensed in New
24 Jersey issues written instructions for the individual that meet the
25 requirements of section 10 of P.L.2009, c.307 (C.24:6I-10). No
26 individual shall be authorized to acquire, possess, use, or engage in
27 other conduct in connection with medical cannabis in New Jersey
28 pursuant to a medical cannabis registration from another State or
29 jurisdiction for more than six months unless the individual registers
30 with the commission as a qualifying patient pursuant to section 4 of
31 P.L.2009, c.307 (C.24:6I-4). Nothing in this subsection shall be
32 construed to authorize delivery of medical cannabis to any person
33 who is not registered with the commission pursuant to section 4 of
34 P.L.2009, c.307 (C.24:6I-4).

35 b. An individual who is registered as a designated caregiver in
36 another state or jurisdiction within the United States that authorizes
37 the medical use of cannabis shall be considered a designated
38 caregiver for the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) for a
39 period of up to six months, provided that the individual is in
40 possession of both proof of registration in, and a valid photo
41 identification card issued by, the other state or jurisdiction. During
42 the six month period, the individual shall be authorized to assist a
43 registered qualifying patient with the medical use of cannabis and
44 engage in such other conduct in connection with medical cannabis
45 in New Jersey as is consistent with the requirements of P.L.2009,
46 c.307 (C.24:6I-1 et al.) and the laws of the state or jurisdiction in
47 which the caregiver is registered, except that medical cannabis shall

1 not be dispensed to the individual on behalf of a registered
2 qualifying patient unless a health care practitioner licensed in New
3 Jersey issues written instructions for the registered qualifying
4 patient that meet the requirements of section 10 of P.L.2009, c.307
5 (C.24:6I-10). No individual shall be authorized to assist a registered
6 qualifying patient with the medical use of cannabis or engage in
7 other conduct in connection with medical cannabis in New Jersey
8 pursuant to a medical cannabis registration from another State or
9 jurisdiction for more than six months unless the individual registers
10 with the commission as a designated caregiver pursuant to section 4
11 of P.L.2009, c.307 (C.24:6I-4). Nothing in this subsection shall be
12 construed to authorize delivery of medical cannabis to any person
13 who is not registered with the commission pursuant to section 4 of
14 P.L.2009, c.307 (C.24:6I-4).

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

18

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

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

30 b. A qualifying patient, **【primary】** designated caregiver,
31 **【alternative treatment center, physician】** institutional caregiver,
32 health care facility, medical cannabis cultivator, medical cannabis
33 manufacturer, medical cannabis dispensary, medical cannabis
34 handler, health care practitioner, academic medical center, clinical
35 registrant, testing laboratory, or any other person acting in
36 accordance with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.)
37 or P.L.2015, c.158 (C.18A:40-12.22 et al.) shall not be subject to
38 any civil or administrative penalty, or denied any right or privilege,
39 including, but not limited to, civil penalty or disciplinary action by
40 a professional licensing board, related to the medical use of
41 **【marijuana】** cannabis as authorized under P.L.2009, c.307 (C.24:6I-
42 1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

43 c. Registration with the commission, or application for
44 registration by the commission, **【a registry identification card】** shall
45 not alone constitute probable cause to search the person or the
46 property of the **【person possessing or applying for the registry**

1 identification card] registrant or applicant, or otherwise subject the
2 person or [his] the person's property to inspection by any
3 governmental agency.

4 d. The provisions of section 2 of P.L.1939, c.248 (C.26:2-82),
5 relating to destruction of [marijuana] cannabis determined to exist
6 by the [department] commission, shall not apply if a qualifying
7 patient [or primary], designated caregiver, or institutional caregiver
8 [has in his possession a registry identification card] is registered
9 with the commission and is in possession of no more than the
10 maximum amount of usable [marijuana] cannabis that may be
11 obtained in accordance with section 10 of P.L.2009, c.307 (C.24:6I-
12 10).

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

18 f. No custodial parent, guardian, or person who has legal
19 custody of a qualifying patient who is a minor shall be subject to
20 arrest or prosecution for constructive possession, conspiracy, or any
21 other offense for assisting the minor in the medical use of
22 [marijuana] cannabis as authorized under P.L.2009, c.307 (C.24:6I-
23 1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

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

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

40 i. No person shall refuse to rent, lease, or sublease any real
41 property or part or portion thereof, or discriminate in the terms,
42 conditions, or privileges of the rental or lease of any real property
43 or part or portion thereof or in the furnishing of facilities or services
44 in connection therewith, based solely on the status of the
45 prospective tenant as a registrant with the commission, unless
46 failing to do so would result in the person losing a monetary or

1 licensing-related benefit granted pursuant to federal law. No such
2 person shall be penalized or denied any benefit under State law
3 solely on the basis of renting or leasing real property to a person
4 who is registered with the commission.

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

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

25 (2) No health care facility shall be penalized or denied any
26 benefit under State law solely on the basis of employing or
27 maintaining a professional affiliation with a health care practitioner
28 who engages in conduct authorized under P.L.2009, c.307 (C.24:6I-
29 1 et al.).

30 l. Unless failing to do so would result in the insurer or
31 insurance association losing a monetary or licensing-related benefit
32 granted pursuant to federal law, an insurer or insurance association
33 authorized to issue medical malpractice liability insurance in New
34 Jersey shall not deny coverage to a health care practitioner, increase
35 the amount of premiums or deductibles under the policy, or charge
36 any additional fees in connection with the policy, solely based on
37 the health care practitioner engaging in conduct authorized under
38 P.L.2009, c.307 (C.24:6I-1 et al.), including, but not limited to,
39 authorizing qualifying patients for the medical use of cannabis,
40 issuing written instructions pursuant to section 10 of P.L.2009,
41 c.307 (C.24:6I-10), and consulting with patients regarding the use
42 of medical cannabis to treat a qualifying medical condition. No
43 insurer or insurance association shall be penalized or denied any
44 benefit under State law solely on the basis of providing medical
45 malpractice liability insurance to a health care practitioner who
46 engages in conduct authorized under P.L.2009, c.307 (C.24:6I-
47 1 et al.).

1 m. A person's status as a registered qualifying patient, a
2 designated or institutional caregiver, or an owner, director, officer,
3 or employee of a medical cannabis cultivator, medical cannabis
4 manufacturer, medical cannabis dispensary, clinical registrant, or
5 licensed testing laboratory, or as a certified medical cannabis
6 handler, shall not constitute the sole grounds for entering an order
7 that restricts or denies custody of, or visitation with, a minor child
8 of the person.

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

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

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

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

32
33 9. (New section) a. It shall be unlawful to take any adverse
34 employment action against an employee who is a registered
35 qualifying patient based solely on the employee's status as a
36 registrant with the commission.

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

43 (2) Within three working days after receiving notice pursuant to
44 paragraph (1) of this subsection, the employee or job applicant may
45 submit information to the employer to explain the positive test
46 result, or may request a confirmatory retest of the original sample at
47 the employee's or job applicant's own expense. As part of an

1 employee's or job applicant's explanation for the positive test
2 result, the employee or job applicant may present an authorization
3 for medical cannabis issued by a health care practitioner, proof of
4 registration with the commission, or both.

5 c. Nothing in this section shall be deemed to:

6 (1) restrict an employer's ability to prohibit, or take adverse
7 employment action for, the possession or use of intoxicating
8 substances during work hours or on the premises of the workplace
9 outside of work hours; or

10 (2) require an employer to commit any act that would cause the
11 employer to be in violation of federal law, that would result in a
12 loss of a licensing-related benefit pursuant to federal law, or that
13 would result in the loss of a federal contract or federal funding.

14 d. No employer shall be penalized or denied any benefit under
15 State law solely on the basis of employing a person who is
16 registered with the commission.

17

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

20 7. a. (1) The **【department】** commission shall accept
21 applications from entities for permits to operate as **【alternative**
22 **treatment centers and may charge a reasonable fee for the issuance**
23 **of a permit under this section】** medical cannabis cultivators,
24 medical cannabis manufacturers, and medical cannabis dispensaries.
25 For the purposes of this section, the term "permit" shall be deemed
26 to include a conditional permit issued pursuant to subsection d. of
27 section 11 of P.L. , c. (C.) (pending before the Legislature
28 as this bill) and any permit issued to a microbusiness pursuant to
29 subsection e. of section 11 of P.L. , c. (C.) (pending before
30 the Legislature as this bill).

31 (2) (a) For a period of 18 months after the effective date of
32 P.L. , c. (C.) (pending before the Legislature as this bill):

33 (i) no applicant may concurrently hold more than one permit
34 issued by the commission pursuant to this section, regardless of
35 type; and

36 (ii) there shall be no more than 28 active medical cannabis
37 cultivator permits, including medical cannabis cultivator permits
38 deemed to be held by alternative treatment centers issued a permit
39 prior to the effective date of P.L. , c. (C.) (pending before
40 the Legislature as this bill) and medical cannabis cultivator permits
41 deemed to be held by alternative treatment centers issued a permit
42 subsequent to the effective date of P.L. , c. (C.) (pending
43 before the Legislature as this bill) pursuant to an application
44 submitted prior to the effective date of P.L. , c. (C.)
45 (pending before the Legislature as this bill); provided that medical
46 cannabis cultivator permits issued to microbusinesses pursuant to

1 subsection e. of section 11 of P.L. , c. (C.) (pending before
2 the Legislature as this bill) shall not count toward this limit.

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

15 (c) The provisions of subparagraph (a) of this paragraph shall
16 not apply to any alternative treatment center that was issued a
17 permit prior to the effective date of P.L. , c. (C.) (pending
18 before the Legislature as this bill), to any alternative treatment
19 center that was issued a permit after the effective date of P.L. , c.
20 (C.) (pending before the Legislature as this bill) pursuant to an
21 application submitted prior to the effective date of P.L. , c.
22 (C.) (pending before the Legislature as this bill), to one of the
23 four alternative treatment centers issued a permit pursuant to an
24 application submitted after the effective date of P.L. , c.
25 (C.) (pending before the Legislature as this bill) pursuant to a
26 request for applications published in the New Jersey Register prior
27 to the effective date of P.L. , c. (C.) (pending before the
28 Legislature as this bill) that are expressly exempt from the
29 provisions of subparagraph (i) of subparagraph (a) of this
30 paragraph, or to one of the three alternative treatment centers issued
31 a permit pursuant to section 11 of P.L. , c. (C.) (pending
32 before the Legislature as this bill) that are expressly exempt from
33 the provisions of subparagraph (i) of subparagraph (a) of this
34 paragraph, which alternative treatment centers shall be deemed to
35 concurrently hold a medical cannabis cultivator permit, a medical
36 cannabis manufacturer permit, and a medical cannabis dispensary
37 permit, and shall be authorized to engage in any conduct authorized
38 pursuant to those permits in relation to the cultivation,
39 manufacturing, and dispensing of medical cannabis.

40 (d) No entity may be issued or concurrently hold more than one
41 medical cannabis cultivator permit, one medical cannabis
42 manufacturer permit, or one medical cannabis dispensary permit at
43 one time, and no medical cannabis dispensary shall be authorized to
44 establish a satellite location on or after the effective date of P.L. ,
45 c (C.) (pending before the Legislature as this bill), except
46 that an alternative treatment center that was issued a permit prior to
47 the effective date of P.L. , c. (C.) (pending before the

1 Legislature as this bill) or that was issued a permit after the
2 effective date of P.L. , c. (C.) (pending before the
3 Legislature as this bill) pursuant to an application submitted prior to
4 the effective date of P.L. , c. (C.) (pending before the
5 Legislature as this bill) shall be authorized to maintain up to two
6 satellite dispensaries, including any satellite dispensary that was
7 approved pursuant to an application submitted prior to or within 18
8 months after the effective date of P.L. , c. (C.) (pending
9 before the Legislature as this bill). The three alternative treatment
10 centers issued permits pursuant to section 11 of P.L. , c.
11 (C.) (pending before the Legislature as this bill) that are
12 expressly exempt from the provisions of subsubparagraph (i) of
13 subparagraph (a) of this paragraph shall be authorized to establish
14 and maintain up to one satellite dispensary location, provided that
15 the satellite dispensary was approved pursuant to an application
16 submitted within 18 months after the effective date of P.L. , c.
17 (C.) (pending before the Legislature as this bill).

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

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

32 (g) An alternative treatment center that was issued a permit prior
33 to the effective date of P.L. , c. (C.) (pending before the
34 Legislature as this bill), that was issued a permit after the effective
35 date of P.L. , c. (C.) (pending before the Legislature as this
36 bill) pursuant to an application submitted pursuant to a request for
37 applications published in the New Jersey Register prior to the
38 effective date of P.L. , c. (C.) (pending before the
39 Legislature as this bill), or that was issued a permit after the
40 effective date of P.L. , c. (C.) (pending before the
41 Legislature as this bill) pursuant to an application submitted prior to
42 the effective date of P.L. , c. (C.) (pending before the
43 Legislature as this bill), shall be required to submit an attestation
44 signed by a bona fide labor organization stating that the alternative
45 treatment center has entered into a labor peace agreement with such
46 bona fide labor organization no later than 100 days after the
47 effective date of P.L. , c. (C.) (pending before the

1 Legislature as this bill) or no later than 100 days after the date the
2 alternative treatment center first opens, whichever date is later. The
3 maintenance of a labor peace agreement with a bona fide labor
4 organization shall be an ongoing material condition of maintaining
5 the alternative treatment center's permit. The failure to submit an
6 attestation as required pursuant to this subparagraph within 100
7 days after the effective date of P.L. , c. (C.) (pending
8 before the Legislature as this bill) or within 100 days after the
9 alternative treatment center first opens, as applicable, shall result in
10 the suspension or revocation of the alternative treatment center's
11 permit, provided that the commission may grant an extension to this
12 deadline to the alternative treatment center based upon extenuating
13 circumstances or for good cause shown.

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

24 **【An alternative treatment center】**

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

34 (5) (a) A medical cannabis cultivator shall be authorized to:
35 acquire a reasonable initial and ongoing inventory, as determined
36 by the **【department】** commission, of **【marijuana】** cannabis seeds or
37 seedlings and paraphernalia **【,】** ; possess, cultivate, plant, grow,
38 harvest, **【process, display, manufacture,】** and package medical
39 cannabis, including prerolled forms, for any authorized purpose,
40 including, but not limited to, research purposes; and deliver,
41 transfer, transport, distribute, supply, or sell **【, or dispense】** medical
42 **【marijuana】** cannabis **【, or】** and related supplies to any medical
43 cannabis cultivator, medical cannabis manufacturer, medical
44 cannabis dispensary, or clinical registrant in the State. In no case
45 shall a medical cannabis cultivator operate or be located on land
46 that is valued, assessed or taxed as an agricultural or horticultural

1 use pursuant to the "Farmland Assessment Act of 1964," P.L.1964,
2 c.48 (C.54:4-23.1 et seq.).

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

11 (c) A medical cannabis dispensary shall be authorized to:
12 purchase or acquire medical cannabis from any medical cannabis
13 cultivator, medical cannabis dispensary, or clinical registrant in the
14 State and medical cannabis products and related supplies from any
15 medical cannabis manufacturer, medical cannabis dispensary, or
16 clinical registrant in the State; purchase or acquire paraphernalia
17 from any legal source; and distribute, supply, sell, or dispense
18 medical cannabis, medical cannabis products, paraphernalia, and
19 related supplies to qualifying patients or their [primary] designated
20 or institutional caregivers who are registered with the [department]
21 commission pursuant to section 4 of [this act] P.L.2009, c.307
22 (C.24:6I-4). [An alternative treatment center] A medical cannabis
23 dispensary may furnish medical cannabis, medical cannabis
24 products, paraphernalia, and related supplies to a medical cannabis
25 handler for delivery to a registered qualifying patient, designated
26 caregiver, or institutional caregiver consistent with the requirements
27 of subsection i. of section 27 of P.L. , c. (C.) (pending
28 before the Legislature as this bill).

29 (6) A medical cannabis cultivator shall not be limited in the
30 number of strains of medical [marijuana] cannabis cultivated, and a
31 medical cannabis manufacturer shall not be limited in the number or
32 type of medical cannabis products manufactured, produced, or
33 created. A medical cannabis manufacturer may package, and a
34 medical cannabis dispensary may directly dispense [marijuana]
35 medical cannabis and medical cannabis products to qualifying
36 patients and their designated and institutional caregivers in any
37 authorized form. Authorized forms shall include dried form, oral
38 lozenges, topical formulations, transdermal form, sublingual form,
39 tincture form, or edible form, or any other form as authorized by the
40 [commissioner] commission. Edible form shall include pills,
41 tablets, capsules, drops or syrups, oils, chewable forms, and any
42 other form as authorized by the [commissioner] commission,
43 except that the edible forms made available to minor patients shall
44 be limited to forms that are medically appropriate for children,
45 including pills, tablets, capsules, chewable forms, and drops, oils,

1 syrups, and other liquids. **【**Edible forms shall be available only to
2 qualifying patients who are minors.

3 Applicants for authorization as nonprofit alternative treatment
4 centers shall be subject to all applicable State laws governing
5 nonprofit entities, but**】**

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

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

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

32 d. (1) The **【**commissioner**】** commission shall require each
33 applicant seeking a permit to operate as **【**an alternative treatment
34 center**】** , to be a director, officer, or employee of, or to be a
35 significantly involved person in, a medical cannabis cultivator,
36 medical cannabis manufacturer, medical cannabis dispensary, or
37 clinical registrant to undergo a criminal history record background
38 check.

39 Any individual seeking to become a director, officer, or
40 employee of a medical cannabis cultivator, medical cannabis
41 manufacturer, medical cannabis dispensary, or clinical registrant,
42 after issuance of an initial permit shall notify the commission and
43 shall complete a criminal history record background check and
44 provide all information as may be required by the commission as a
45 condition of assuming a position as director, officer, or employee of
46 the permitted entity. An individual who incurs an investment

1 interest or gains the authority to make controlling decisions in a
2 permitted entity that makes the individual a significantly involved
3 person shall notify the commission, complete a criminal history
4 record background check, and provide all information as may be
5 required by the commission no later than 30 days after the date the
6 individual becomes a significantly involved person, or any permit
7 issued to the individual or group of which the significantly involved
8 person is a member shall be revoked and the individual or group
9 shall be deemed ineligible to hold any ownership or investment
10 interest in a medical cannabis cultivator, medical cannabis
11 manufacturer, medical cannabis dispensary, or clinical registrant for
12 a period of at least two years, commencing from the date of
13 revocation, and for such additional period of time as the
14 commission deems appropriate, based on the duration of the
15 nondisclosure, the size of the individual's or group's investment
16 interest in the permitted entity, the amount of profits, revenue, or
17 income realized by the individual or group from the permitted entity
18 during the period of nondisclosure, and whether the individual had a
19 disqualifying conviction or would otherwise have been deemed
20 ineligible to be a significantly involved person in a medical
21 cannabis cultivator, medical cannabis manufacturer, medical
22 cannabis dispensary, or clinical registrant.

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

36 An applicant who is required to undergo a criminal history
37 record background check pursuant to this section shall submit to
38 being fingerprinted in accordance with applicable State and federal
39 laws, rules, and regulations. No check of criminal history record
40 background information shall be performed pursuant to this section
41 unless the applicant has furnished **【his】** the applicant's written
42 consent to that check. An applicant who is required to undergo a
43 criminal history record background check pursuant to this section
44 who refuses to consent to, or cooperate in, the securing of a check
45 of criminal history record background information shall not be
46 considered for a permit to operate, or authorization to be employed

1 at or to be a significantly involved person in, **[an alternative**
2 **treatment center]** a medical cannabis cultivator, medical cannabis
3 manufacturer, medical cannabis dispensary, or clinical registrant.
4 An applicant shall bear the cost for the criminal history record
5 background check, including all costs of administering and
6 processing the check.

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

15 (3) Upon receipt of the criminal history record background
16 information from the Division of State Police and the Federal
17 Bureau of Investigation, the **[commissioner]** commission shall
18 provide written notification to the applicant of **[his]** the applicant's
19 qualification for or disqualification for a permit to operate or be a
20 director, officer, or employee of [an alternative treatment center] ,
21 or a significantly involved person in, a medical cannabis cultivator,
22 medical cannabis manufacturer, medical cannabis dispensary, or
23 clinical registrant.

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

28 (4) The Division of State Police shall promptly notify the
29 **[commissioner]** commission in the event that an individual who
30 was the subject of a criminal history record background check
31 conducted pursuant to this section is convicted of a crime or offense
32 in this State after the date the background check was performed.
33 Upon receipt of that notification, the **[commissioner]** commission
34 shall make a determination regarding the continued eligibility to
35 operate or be a director, officer, or employee of **[an alternative**
36 **treatment center]** , or a significantly involved person in, a medical
37 cannabis cultivator, medical cannabis manufacturer, medical
38 cannabis dispensary, or clinical registrant.

39 (5) Notwithstanding the provisions of subsection **[b.] c.** of this
40 section to the contrary, the **[commissioner]** commission may offer
41 provisional authority for an applicant to be an owner, director,
42 officer, or employee of **[an alternative treatment center]** , or a
43 significantly involved person in, a medical cannabis cultivator,
44 medical cannabis manufacturer, medical cannabis dispensary, or
45 clinical registrant for a period not to exceed three months if the

1 applicant submits to the **【commissioner】** commission a sworn
2 statement attesting that the person has not been convicted of any
3 disqualifying conviction pursuant to this section.

4 (6) Notwithstanding the provisions of subsection **【b.】** c. of this
5 section to the contrary, no applicant to be an owner, director,
6 officer, or employee of 【an alternative treatment center】 , or a
7 significantly involved person in, a medical cannabis cultivator,
8 medical cannabis manufacturer, medical cannabis dispensary, or
9 clinical registrant shall be disqualified on the basis of any
10 conviction disclosed by a criminal history record background check
11 conducted pursuant to this section if the individual has affirmatively
12 demonstrated to the **【commissioner】** commission clear and
13 convincing evidence of rehabilitation. In determining whether clear
14 and convincing evidence of rehabilitation has been demonstrated,
15 the following factors shall be considered:

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

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

19 (c) the circumstances under which the crime or offense
20 occurred;

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

22 (e) the age of the individual when the crime or offense was
23 committed;

24 (f) whether the crime or offense was an isolated or repeated
25 incident;

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

28 (h) any evidence of rehabilitation, including good conduct in
29 prison or in the community, counseling or psychiatric treatment
30 received, acquisition of additional academic or vocational
31 schooling, successful participation in correctional work-release
32 programs, or the recommendation of those who have had the
33 individual under their supervision.

34 e. The **【department】** commission shall issue a permit to **【a**
35 **person to】** operate **【as an alternative treatment center】** or be an
36 owner, director, officer, or employee of, or a significantly involved
37 person in, a medical cannabis cultivator, medical cannabis
38 manufacturer, or medical cannabis dispensary if the **【department】**
39 commission finds that issuing such a permit would be consistent
40 with the purposes of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.)
41 and the requirements of this section and section 11 of P.L. , c.
42 (C.) (pending before the Legislature as this bill) are met **【and**
43 the department has verified the information contained in the
44 application. The department shall approve or deny an application
45 within 60 days after receipt of a completed application**】**. The denial
46 of an application shall be considered a final agency decision,

- 1 subject to review by the Appellate Division of the Superior Court.
2 **【The department may suspend or revoke a permit to operate as an**
3 **alternative treatment center for cause, which shall be subject to**
4 **review by the Appellate Division of the Superior Court】** A permit
5 to operate a medical cannabis cultivator, medical cannabis
6 manufacturer, or medical cannabis dispensary issued on or after the
7 effective date of P.L. , c. (C.) (pending before the
8 Legislature as this bill) shall be valid for one year and shall be
9 renewable annually.
- 10 f. A person who has been issued a permit pursuant to this
11 section or a clinical registrant permit pursuant to section 13 of
12 P.L. , c. (C.) (pending before the Legislature as this bill)
13 shall display the permit at the front entrance to the premises of the
14 **【alternative treatment center】** permitted facility at all times when
15 **【marijuana is being produced, or dispensed to a registered**
16 **qualifying patient or the patient's primary caregiver】** the facility is
17 engaged in conduct authorized pursuant to P.L.2009, c.307
18 (C.24:6I-1 et al.) involving medical cannabis, including, but not
19 limited to, the cultivating, manufacturing, or dispensing of medical
20 cannabis.
- 21 g. **【An alternative treatment center】** A medical cannabis
22 cultivator, medical cannabis manufacturer, medical cannabis
23 dispensary, or clinical registrant shall report any change in
24 information to the 【department】 commission not later than 10 days
25 after such change, or the permit shall be deemed null and void.
- 26 h. **【An alternative treatment center may charge a registered**
27 **qualifying patient or primary caregiver for the reasonable costs**
28 **associated with the production and distribution of marijuana for the**
29 **cardholder】** Each medical cannabis dispensary and clinical
30 registrant shall maintain and make available on its Internet website,
31 if any, a standard price list that shall apply to all medical cannabis,
32 medical cannabis products, and related supplies and paraphernalia
33 sold or dispensed by the medical cannabis dispensary or clinical
34 registrant, which prices shall be reasonable and consistent with the
35 actual costs incurred by the medical cannabis dispensary or clinical
36 registrant in connection with acquiring and selling, transferring, or
37 dispensing the medical cannabis or medical cannabis product and
38 related supplies and paraphernalia. The prices charged by medical
39 cannabis dispensary or clinical registrant shall not deviate from the
40 prices indicated on the entity's current price list, provided that a
41 price list maintained by a medical cannabis dispensary or clinical
42 registrant may allow for medical cannabis to be made available at a
43 reduced price or without charge to qualifying patients who have a
44 demonstrated financial hardship, as that term shall be defined by the
45 commission by regulation. A price list required pursuant to this
46 subsection may be revised no more than once per month, and each

1 medical cannabis dispensary and clinical registrant shall be
2 responsible for ensuring that the commission has a copy of the
3 facility's current price list. A medical cannabis dispensary or
4 clinical registrant shall be liable to a civil penalty of \$1,000 for
5 each sale that occurs at a price that deviates from the entity's
6 current price list, and to a civil penalty of \$10,000 for each week
7 during which the entity's current price list is not on file with the
8 commission. Any civil penalties collected by the commission
9 pursuant to this section shall be used by the commission for the
10 purposes of administering the State medical cannabis program.

11 i. The **【commissioner】** commission shall adopt regulations to:
12 (1) require such written documentation of each delivery or
13 dispensation of **【marijuana】** cannabis to, and pickup of **【marijuana】**
14 cannabis for, a registered qualifying patient, including the date and
15 amount dispensed, and, in the case of delivery, the date and times
16 the delivery commenced and was completed, the address where the
17 medical cannabis was delivered, the name of the patient or
18 caregiver to whom the medical cannabis was delivered, and the
19 name, handler certification number, and delivery certification
20 number of the medical cannabis handler who performed the
21 delivery, to be maintained in the records of the **【alternative**
22 treatment center】 medical cannabis dispensary or clinical registrant,
23 as the **【commissioner】** commission determines necessary to ensure
24 effective documentation of the operations of each **【alternative**
25 treatment center】 medical cannabis dispensary or clinical registrant;
26 (2) monitor, oversee, and investigate all activities performed by
27 **【an alternative treatment center】** medical cannabis cultivators,
28 medical cannabis manufacturers, medical cannabis dispensaries, and
29 clinical registrants; **【and】**
30 (3) ensure adequate security of all facilities 24 hours per day **【,**
31 including production and retail locations,**】** and security of all
32 delivery methods to registered qualifying patients; and
33 (4) establish thresholds for administrative action to be taken
34 against a medical cannabis cultivator, medical cannabis
35 manufacturer, medical cannabis dispensary, or clinical registrant
36 and its employees, officers, investors, directors, or governing board
37 pursuant to subsection m. of this section, including, but not limited
38 to, specific penalties or disciplinary actions that may be imposed in
39 a summary proceeding.

40 j. (1) Each medical cannabis cultivator, medical cannabis
41 manufacturer, medical cannabis dispensary, and clinical registrant
42 shall require the owners, directors, officers, and employees at the
43 permitted facility to complete at least eight hours of ongoing
44 training each calendar year. The training shall be tailored to the
45 roles and responsibilities of the individual's job function, and shall

1 include training on confidentiality and such other topics as shall be
2 required by the commission.

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

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

44 (2) The sale or transfer of any interest of five percent or more in
45 a medical cannabis cultivator, medical cannabis manufacturer,
46 medical cannabis dispensary, or clinical registrant permit shall be
47 subject to approval by the commission and conditioned on the entity

1 that is purchasing or receiving transfer of the interest in the medical
2 cannabis cultivator, medical cannabis manufacturer, medical
3 cannabis dispensary, or clinical registrant permit completing a
4 criminal history record background check pursuant to the
5 requirements of subsection d. of this section.

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

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

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

34

35 11. (New section) a. The commission shall, no later than 90
36 days after the effective date of P.L. , c. (C.) (pending
37 before the Legislature as this bill) or upon adoption of rules and
38 regulations as provided in subsection c. of section 18 of P.L.2009,
39 c.307 (C.24:6I-16), whichever occurs later, begin accepting and
40 processing applications for new medical cannabis cultivator,
41 medical cannabis manufacturer, and medical cannabis dispensary
42 permits. Notwithstanding the provisions of subsubparagraph (i) of
43 subparagraph (a) of paragraph (2) of subsection a. of section 7 of
44 P.L.2009, c.307 (C.24:6I-7), the first three alternative treatment
45 center permits issued by the commission pursuant to an application
46 submitted on or after the effective date of P.L. , c. (C.)
47 (pending before the Legislature as this bill) and up to four

1 alternative treatment centers permits issued by the commission after
2 the effective date of P.L. , c. (C.) (pending before the
3 Legislature as this bill) pursuant to an application submitted
4 pursuant to a request for applications published in the New Jersey
5 Register prior to the effective date of P.L. , c. (C.) (pending
6 before the Legislature as this bill) shall be deemed to concurrently
7 hold a medical cannabis cultivator permit, a medical cannabis
8 manufacturer permit, and a medical cannabis dispensary permit; of
9 these permits, one permit shall be issued to an applicant located in
10 the northern region of the State, one permit shall be issued to an
11 applicant located in the central region of the State, and one permit
12 shall be issued to an applicant located in the southern region of the
13 State. Any permits issued by the commission thereafter shall be
14 subject to the provisions of subsubparagraph (i) of subparagraph (a)
15 of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307
16 (C.24:6I-7), and the requirements of subsection d. of this section
17 concerning conditional permits.

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

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

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

39 d. (1) The commission shall ensure that at least one third of
40 the total permits issued for each type of medical cannabis permit are
41 conditional permits, which one-third figure shall include any
42 conditional permit issued to an applicant which is subsequently
43 converted by the commission into a full permit pursuant to
44 paragraph (4) of this subsection and any conditional permit,
45 including a converted permit, issued to a microbusiness pursuant to
46 subsection e. of this section. The requirements of this subsection
47 shall not apply to permits issued to clinical registrants or to permits

1 issued to the three alternative treatment centers issued a permit
2 pursuant to subsection a. of this section that are expressly exempt
3 from the provisions of subparagraph (i) of subparagraph (a) of
4 paragraph (2) of subsection a. of section 7 of P.L.2009, c.307
5 (C.24:6I-7).

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

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

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

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

21 (d) documentation that each significantly involved person in the
22 proposed medical cannabis entity has, for the immediately
23 preceding taxable year, an adjusted gross income of no more than
24 \$200,000 or no more than \$400,000 if filing jointly with another;

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

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

33 (g) information about the proposed medical cannabis entity,
34 including its legal name, any registered alternate name under which
35 it may conduct business, and a copy of its articles of organization
36 and bylaws;

37 (h) the business plan and management operation profile for the
38 proposed medical cannabis entity;

39 (i) the plan by which the applicant intends to obtain appropriate
40 liability insurance coverage for the proposed medical cannabis
41 entity; and

42 (j) any other requirements established by the commission
43 pursuant to regulation.

44 (3) The commission shall make a determination on an
45 application for a conditional permit within 30 days after the date the
46 application is received. A determination made pursuant to this
47 paragraph may include a determination that the commission

1 requires more time to adequately review the application. The
2 commission shall approve a permit application that meets the
3 requirements of this subsection unless the commission finds by
4 clear and convincing evidence that the applicant would be
5 manifestly unsuitable to perform the activities authorized for the
6 permit sought by the applicant. The commission shall deny a
7 conditional permit to any applicant who fails to provide
8 information, documentation, and assurances as required by this
9 subsection; who fails to reveal any fact material to qualification; or
10 who supplies information that is untrue or misleading as to a
11 material fact pertaining to the qualification criteria for issuance of a
12 conditional permit. If the application is denied, the commission
13 shall notify the applicant in writing of the specific reason for its
14 denial and provide the applicant with the opportunity for a hearing
15 in accordance with the “Administrative Procedure Act,” P.L.1968,
16 c.410 (C.52:14B-1 et seq.).

17 (4) The commission shall furnish to each entity issued a
18 conditional permit a list of the requirements that the entity will be
19 required to comply with within 120 days after issuance of the
20 conditional permit. If the commission subsequently determines
21 that, during the 120-day period, the conditional permit holder is in
22 compliance with all applicable conditions and is implementing the
23 plans, procedures, protocols, actions, or other measures set forth in
24 its application, the commission shall convert the conditional permit
25 into a full permit, which will expire one year from its date of
26 issuance and be subject to annual renewal; if the commission
27 determines that the conditional permit holder is not in compliance
28 with all applicable conditions or not implementing the plans,
29 procedures, protocols, actions, or other measures set forth in its
30 application, the conditional permit shall automatically expire at the
31 end of the 120-day period, or, at the discretion of the commission,
32 may be revoked prior to the end of the 120-day period.

33 (5) A conditional permit issued pursuant this subsection may not
34 be sold or transferred.

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

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

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

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

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

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

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

17 (ii) in the case of a microbusiness that is a medical cannabis
18 cultivator, the total medical cannabis grow area shall not exceed
19 2,500 square feet, measured on a horizontal plane, shall grow no
20 higher than 24 feet above that plane, and shall possess a total of no
21 more than 1,000 plants, including mature and immature medical
22 cannabis plants, but not including seedlings;

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

27 (iv) in the case of a microbusiness that is a medical cannabis
28 dispensary, the dispensary shall acquire no more than 1,000 pounds
29 of medical cannabis in dried form, or the equivalent amount in any
30 other form, or any combination thereof, for dispensing to or on
31 behalf of registered qualifying patients each month; and

32 (e) the microbusiness shall comply with such other requirements
33 as may be established by the commission by regulation.

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

39
40 12. (New section) a. Each application for a medical cannabis
41 cultivator permit, medical cannabis manufacturer permit, and
42 medical cannabis dispensary permit, and each application for annual
43 renewal of such permit, including permit and renewal applications
44 for microbusinesses that meet the requirements of subsection e. of
45 section 11 of P.L. , c. (C.) (pending before the Legislature
46 as this bill), shall be submitted to the commission. A full, separate
47 application shall be required for each initial permit requested by the

1 applicant and for each location at which an applicant seeks to
2 operate, regardless of whether the applicant was previously issued
3 a medical cannabis cultivator, medical cannabis manufacturer,
4 medical cannabis dispensary, or clinical registrant permit, and
5 regardless of whether the applicant currently holds a medical
6 cannabis cultivator, medical cannabis manufacturer, or medical
7 cannabis dispensary permit. Renewal applications shall be
8 submitted to the commission on a form and in a manner as shall be
9 specified by the commission no later than 90 days before the date
10 the current permit will expire.

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

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

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

- 26 (a) State-authorized cultivation of medical cannabis;
- 27 (b) conventional horticulture or agriculture, familiarity with
28 good agricultural practices, and any relevant certifications or
29 degrees;
- 30 (c) quality control and quality assurance;
- 31 (d) recall plans;
- 32 (e) packaging and labeling;
- 33 (f) inventory control and tracking software or systems for the
34 production of medical cannabis;
- 35 (g) analytical chemistry and testing of medical cannabis;
- 36 (h) water management practices;
- 37 (i) odor mitigation practices;
- 38 (j) onsite and offsite recordkeeping;
- 39 (k) strain variety and plant genetics;
- 40 (l) pest control and disease management practices, including
41 plans for the use of pesticides, nutrients, and additives;
- 42 (m) waste disposal plans; and
- 43 (n) compliance with applicable laws and regulations.

44 (2) In the case of an applicant for a medical cannabis
45 manufacturer permit, the operating plan summary shall include a
46 written description concerning the applicant's qualifications for,
47 experience in, and knowledge of each of the following topics:

- 1 (a) State-authorized manufacture, production, and creation of
- 2 cannabis products using appropriate extraction methods, including
- 3 intended use and sourcing of extraction equipment and associated
- 4 solvents or intended methods and equipment for non-solvent
- 5 extraction;
- 6 (b) pharmaceutical manufacturing, good manufacturing
- 7 practices, and good laboratory practices;
- 8 (c) quality control and quality assurance;
- 9 (d) recall plans;
- 10 (e) packaging and labeling;
- 11 (f) inventory control and tracking software or systems for the
- 12 production of medical cannabis;
- 13 (g) analytical chemistry and testing of medical cannabis and
- 14 medical cannabis products and formulations;
- 15 (h) water management practices;
- 16 (i) odor mitigation practices;
- 17 (j) onsite and offsite recordkeeping;
- 18 (k) a list of product formulations or products proposed to be
- 19 manufactured with estimated cannabinoid profiles, if known,
- 20 including varieties with high cannabidiol content;
- 21 (l) intended use and sourcing of all non-cannabis ingredients
- 22 used in the manufacture, production, and creation of cannabis
- 23 products, including methods to verify or ensure the safety and
- 24 integrity of those ingredients and their potential to be or contain
- 25 allergens;
- 26 (m) waste disposal plans; and
- 27 (n) compliance with applicable laws and regulations.
- 28 (3) In the case of an applicant for a medical cannabis dispensary
- 29 permit, the operating plan summary shall include a written
- 30 description concerning the applicant's qualifications for, experience
- 31 in, and knowledge of each of the following topics:
- 32 (a) State-authorized dispensation of medical cannabis to
- 33 qualifying patients;
- 34 (b) healthcare, medicine, and treatment of patients with
- 35 qualifying medical conditions;
- 36 (c) medical cannabis product evaluation procedures;
- 37 (d) recall plans;
- 38 (e) packaging and labeling;
- 39 (f) inventory control and point-of-sale software or systems for
- 40 the sale of medical cannabis;
- 41 (g) patient counseling procedures;
- 42 (h) the routes of administration, strains, varieties, and
- 43 cannabinoid profiles of medical cannabis and medical cannabis
- 44 products;
- 45 (i) odor mitigation practices;
- 46 (j) onsite and offsite recordkeeping;
- 47 (k) compliance with State and federal patient privacy rules;

- 1 (l) waste disposal plans; and
2 (m) compliance with applicable laws and regulations.
- 3 d. The criteria to be developed by the commission pursuant to
4 subsection b. of this section shall include, in addition to the criteria
5 set forth in subsections c. and e. of this section and any other
6 criteria developed by the commission, an analysis of the following
7 factors, if applicable:
- 8 (1) The applicant's environmental impact plan.
9 (2) A summary of the applicant's safety and security plans and
10 procedures, which shall include descriptions of the following:
- 11 (a) plans for the use of security personnel, including
12 contractors;
13 (b) the experience or qualifications of security personnel and
14 proposed contractors;
15 (c) security and surveillance features, including descriptions of
16 any alarm systems, video surveillance systems, and access and
17 visitor management systems, along with drawings identifying the
18 proposed locations for surveillance cameras and other security
19 features;
20 (d) plans for the storage of medical cannabis and medical
21 cannabis products, including any safes, vaults, and climate control
22 systems that will be utilized for this purpose;
23 (e) a diversion prevention plan;
24 (f) an emergency management plan;
25 (g) procedures for screening, monitoring, and performing
26 criminal history record background checks of employees;
27 (h) cybersecurity procedures, including, in the case of an
28 applicant for a medical cannabis dispensary permit, procedures for
29 collecting, processing, and storing patient data, and the applicant's
30 familiarity with State and federal privacy laws;
31 (i) workplace safety plans and the applicant's familiarity with
32 federal Occupational Safety and Health Administration regulations;
33 (j) the applicant's history of workers' compensation claims and
34 safety assessments;
35 (k) procedures for reporting adverse events; and
36 (l) a sanitation practices plan.
- 37 (3) A summary of the applicant's business experience, including
38 the following, if applicable:
- 39 (a) the applicant's experience operating businesses in highly-
40 regulated industries;
41 (b) the applicant's experience in operating alternative treatment
42 centers and related medical cannabis production and dispensation
43 entities under the laws of New Jersey or any other state or
44 jurisdiction within the United States; and
45 (c) the applicant's plan to comply with and mitigate the effects
46 of 26 U.S.C. s.280E on cannabis businesses, and for evidence that

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

3 In evaluating the experience described under subparagraphs (a),
4 (b), and (c) of this paragraph, the commission shall afford the
5 greatest weight to the experience of the applicant itself, controlling
6 owners, and entities with common ownership or control with the
7 applicant; followed by the experience of those with a 15 percent or
8 greater ownership interest in the applicant's organization; followed
9 by significantly involved persons in the applicant's organization;
10 followed by other officers, directors, and current and prospective
11 employees of the applicant who have a bona fide relationship with
12 the applicant's organization as of the submission date of the
13 application.

14 (4) A description of the proposed location for the applicant's
15 site, including the following, if applicable:

16 (a) the proposed location, the surrounding area, and the
17 suitability or advantages of the proposed location, along with a
18 floor plan and optional renderings or architectural or engineering
19 plans;

20 (b) the submission of zoning approvals for the proposed
21 location, which shall consist of a letter or affidavit from appropriate
22 municipal officials that the location will conform to municipal
23 zoning requirements allowing for such activities related to the
24 cultivation, manufacturing, or dispensing of medical cannabis,
25 cannabis products, and related supplies as will be conducted at the
26 proposed facility; and

27 (c) the submission of proof of local support for the suitability of
28 the location, which may be demonstrated by a resolution adopted by
29 the municipality's governing body indicating that the intended
30 location is appropriately located or otherwise suitable for such
31 activities related to the cultivation, manufacturing, or dispensing of
32 medical cannabis, cannabis products, and related supplies as will be
33 conducted at the proposed facility.

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

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

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

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

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

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

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

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

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

41 (a) an executive summary of the applicant's business plan;

42 (b) a demonstration of the applicant's financial ability to
43 implement its business plan, which may include, but shall not be
44 limited to, bank statements, business and individual financial
45 statements, net worth statements, and debt and equity financing
46 statements; and

1 (c) a description of the applicant’s experience complying with
2 guidance pertaining to cannabis issued by the Financial Crimes
3 Enforcement Network under 31 U.S.C. s.5311 et seq., the federal
4 “Bank Secrecy Act”, which may be demonstrated by submitting
5 letters regarding the applicant’s banking history from banks or
6 credit unions that certify they are aware of the business activities of
7 the applicant, or entities with common ownership or control of the
8 applicant’s organization, in any state where the applicant has
9 operated a business related to medical cannabis. For the purposes
10 of this subparagraph, the commission shall consider only bank
11 references involving accounts in the name of the applicant or of an
12 entity with common ownership or control of the applicant’s
13 organization. An applicant who does not submit the information
14 described in this subparagraph shall not be disqualified from
15 consideration.

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

21 (9) Whether the applicant can demonstrate that its governance
22 structure includes the involvement of a school of medicine or
23 osteopathic medicine licensed and accredited in the United States,
24 or a general acute care hospital, ambulatory care facility, adult day
25 care services program, or pharmacy licensed in New Jersey,
26 provided that:

27 (a) the school, hospital, facility, or pharmacy has conducted or
28 participated in research approved by an institutional review board
29 related to cannabis involving the use of human subjects, except in
30 the case of an accredited school of medicine or osteopathic
31 medicine that is located and licensed in New Jersey;

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

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

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

44 (11) Whether the applicant intends to or has entered into a
45 partnership with a prisoner re-entry program for the purpose of
46 identifying and promoting employment opportunities at the
47 applicant’s organization for former inmates and current inmates

1 leaving the corrections system. If so, the applicant shall provide
2 details concerning the name of the re-entry program, the
3 employment opportunities at the applicant's organization that will
4 be made available to the re-entry population, and any other
5 initiatives the applicant's organization will undertake to provide
6 support and assistance to the re-entry population.

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

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

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

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

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

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

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

46 f. In reviewing an initial permit application, unless the
47 information is otherwise solicited by the commission in a specific

1 application question, the commission's evaluation of the application
2 shall be limited to the experience and qualifications of the
3 applicant's organization, including any entities with common
4 ownership or control of the applicant's organization, controlling
5 owners or interest holders in the applicant's organization, the
6 officers, directors, and current or prospective employees of the
7 applicant's organization who have a bona fide relationship with the
8 applicant's organization as of the date of the application, and
9 consultants and independent contractors who have a bona fide
10 relationship with the applicant as of the date of the application.
11 Responses pertaining to applicants who are exempt from the
12 criminal history record background check requirements of section 7
13 of P.L.2009, c.307 (C.24:6I-7) shall not be considered. Each
14 applicant shall certify as to the status of the individuals and entities
15 included in the application.

16 g. The commission shall conduct a disparity study to determine
17 whether race-based measures should be considered when issuing
18 permits pursuant to this section, and shall incorporate the policies,
19 practices, protocols, standards, and criteria developed by the Office
20 of Minority, Disabled Veterans, and Women Medical Cannabis
21 Business Development pursuant to section 32 of P.L. , c.
22 (C.) (pending before the Legislature as this bill) to promote
23 participation in the medical cannabis industry by persons from
24 socially and economically disadvantaged communities, including
25 promoting applications for, and the issuance of, medical cannabis
26 cultivator, medical cannabis manufacturer, and medical cannabis
27 dispensary permits to certified minority, women's, and disabled
28 veterans' businesses. To this end, the commission shall seek to
29 issue at least 30 percent of the total number of new medical
30 cannabis cultivator permits, medical cannabis manufacturer permits,
31 and medical cannabis dispensary permits issued on or after the
32 effective date of P.L. , c. (C.) (pending before the
33 Legislature as this bill) as follows:

34 (1) at least 15 percent of the total number of new medical
35 cannabis cultivator permits, medical cannabis manufacturer
36 permits, and medical cannabis dispensary permits issued on or after
37 the effective date of P.L. , c. (C.) (pending before the
38 Legislature as this bill) are issued to a qualified applicant that has
39 been certified as a minority business pursuant to P.L.1986, c.195
40 (C.52:27H-21.18 et seq.); and

41 (2) at least 15 percent of the total number of new medical
42 cannabis cultivator permits, medical cannabis manufacturer
43 permits, and medical cannabis dispensary permits issued on or after
44 the effective date of P.L. , c. (C.) (pending before the
45 Legislature as this bill) are issued to a qualified applicant that has
46 been certified as a women's business pursuant to P.L.1986, c.195

1 (C.52:27H-21.18 et seq.) or that is a disabled-veterans' business, as
2 defined in section 2 of P.L.2015, c.116 (C.52:32-31.2).

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

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

34 i. Application materials submitted to the commission pursuant
35 to this section shall not be considered a public record pursuant to
36 P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404 (C.47:1A-
37 5 et al.).

38 j. If the commission notifies an applicant that it has performed
39 sufficiently well on multiple applications to be awarded more than
40 one medical cannabis cultivator permit, more than one medical
41 cannabis manufacturer permit, or more than one medical cannabis
42 dispensary permit by the commission, the applicant shall notify the
43 commission, within seven business days after receiving such notice,
44 as to which permit it will accept. For any permit award declined by
45 an applicant pursuant to this subsection, the commission shall, upon
46 receiving notice from the applicant of the declination, award the
47 permit to the applicant for that permit type who, in the

1 determination of the commission, best satisfies the commission's
2 criteria while meeting the commission's determination of Statewide
3 need. If an applicant fails to notify the commission as to which
4 permit it will accept, the commission shall have the discretion to
5 determine which permit it will award to the applicant, based on the
6 commission's determination of Statewide need and other
7 applications submitted for facilities to be located in the affected
8 regions.

9 k. The provisions of this section shall not apply to any permit
10 applications submitted pursuant to a request for applications
11 published in the New Jersey Register prior to the effective date of
12 P.L. , c. (C.) (pending before the Legislature as this bill).

13

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

20 (1) complete a criminal history record background check that
21 meets the requirements of subsection d. of section 7 of P.L.2009,
22 c.307 (C.24:6I-7);

23 (2) submit to the commission any required application and
24 permit fees;

25 (3) submit to the commission written documentation of an
26 existing contract with an academic medical center that meets the
27 requirements of subsection c. of this section; and

28 (4) submit to the commission documentation that the applicant
29 has a minimum of \$15 million in capital.

30 b. The commission shall, no later than 90 days after the
31 effective date of P.L. , c. (C.) (pending before the
32 Legislature as this bill) or upon adoption of rules and regulations as
33 provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-
34 16), whichever occurs first, begin accepting and processing
35 applications for four clinical registrant permits. Thereafter, the
36 commission shall accept applications for and issue such additional
37 clinical registrant permits as it determines to be necessary and
38 consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).
39 The commission shall make a determination as to a clinical
40 registrant permit application no later than 90 days after receiving
41 the application, which may include a determination that the
42 commission reasonably requires more time to adequately review the
43 application. In reviewing and approving applications for clinical
44 registrant permits, the commission shall seek to incorporate the
45 policies, practices, protocols, standards, and criteria developed by
46 the Office of Minority, Disabled Veterans, and Women Medical
47 Cannabis Business Development pursuant to section 32 of P.L. ,

1 c. (C.) (pending before the Legislature as this bill) to
2 promote participation in the medical cannabis industry by persons
3 from socially and economically disadvantaged communities. In no
4 case shall the commission accept, process, or approve an
5 application submitted by an applicant that has contracted with an
6 academic medical center that is part of a health care system that
7 includes another academic medical center that has contracted with
8 an applicant for, or a holder of, a clinical registrant permit.

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

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

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

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

45 (3) The commission may authorize a clinical registrant to
46 dispense medical cannabis and medical cannabis products from
47 more than one physical location if the commission determines that

1 authorizing additional dispensing locations is necessary for the
2 clinical registrant to best serve and treat qualifying patients and
3 clinical trial participants.

4 (4) In no case shall a clinical registrant operate or be located on
5 land that is valued, assessed or taxed as an agricultural or
6 horticultural use pursuant to the "Farmland Assessment Act of
7 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

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

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

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

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

28
29 14. (New section) a. (1) The commission shall, within 18
30 months following the commission's organization, and every three
31 years thereafter, conduct a feasibility study concerning the potential
32 for establishing a cannabis research and development permit type.
33 In order to advance scientific and medical understanding concerning
34 the potential uses of medical cannabis, and to ensure ongoing
35 quality control in the collection of data and the aggregation of
36 clinical, translational, and other research, the feasibility study shall
37 assess the medical cannabis market and industry, current
38 perspectives in the scientific and medical communities on medical
39 cannabis, as well as those of other relevant disciplines, to determine
40 the potential benefits of establishing a research and development
41 permit type. Any cannabis research and development permit
42 established by the commission shall be limited to advancing the use
43 of cannabis as medicine, improving the lives of current registered
44 qualifying patients as well as future patients who could derive
45 therapeutic benefit from the use of cannabis, and furthering the
46 knowledge of cannabis in the scientific and medical communities.

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

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

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

15 b. The requirement to complete a feasibility study pursuant to
16 subsection a. of this section shall expire at such time as the
17 commission establishes a cannabis research and development permit
18 type and promulgates rules and regulations with regard to the
19 permit pursuant to the “Administrative Procedure Act,” P.L.1968,
20 c.410 (C.52:14B-1 et seq.).

21 c. The commission may establish, by regulation, such
22 additional permit types in connection with medical cannabis as the
23 commission deems necessary and appropriate to maximize the
24 effectiveness and efficiency of the State medical cannabis program
25 and meet the needs of qualifying patients, health care practitioners,
26 medical cannabis cultivators, medical cannabis manufacturers,
27 medical cannabis dispensaries, and related entities. Such permits
28 may include, but shall not be limited to, permits authorizing
29 pharmacy practice sites licensed pursuant to
30 P.L.2003, c.280 (C.45:14-40 et seq.) to be authorized to dispense
31 medical cannabis to qualifying patients and their designated and
32 institutional caregivers.

33

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

40 b. A medical advisory board appointed pursuant to this section
41 shall comprise five members: three health care practitioners
42 licensed or certified to practice in New Jersey; one qualifying
43 patient who resides in the same area in which the medical cannabis
44 cultivator, medical cannabis manufacturer, medical cannabis
45 dispensary, or clinical registrant is located; and one individual who
46 owns a business in the same area in which the medical cannabis
47 cultivator, medical cannabis manufacturer, medical cannabis

1 dispensary, or clinical registrant is located. No owner, director,
2 officer, or employee of a medical cannabis cultivator, medical
3 cannabis manufacturer, medical cannabis dispensary, or clinical
4 registrant may serve on a medical advisory board. The membership
5 of a medical advisory board shall be subject to commission
6 approval.

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

9
10 16. (New section)a. (1) An organization issued a permit to
11 operate a medical cannabis cultivator, medical cannabis
12 manufacturer, medical cannabis dispensary, or clinical registrant or
13 that employs certified medical cannabis handlers for transfer or
14 delivery of medical cannabis pursuant to section 27 of P.L. , c.
15 (C.) (pending before the Legislature as this bill shall not be
16 eligible for a State or local economic incentive.

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

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

39 (2) The issuance of a permit to operate a medical cannabis
40 cultivator, medical cannabis manufacturer, medical cannabis
41 dispensary, or clinical registrant or of a certification to a medical
42 cannabis handler employed by any entity to perform transfers and
43 deliveries of medical cannabis pursuant to section 27 of P.L. , c.
44 (C.) (pending before the Legislature as this bill) at a location
45 that is the subject of a State or local economic incentive shall
46 invalidate the right of a property owner, developer, or operator to
47 benefit from the economic incentive as of the date of issuance of the

1 permit, except that an academic medical center that has entered into
2 a contractual relationship with a clinical registrant shall not have
3 any right to benefit from an economic incentive invalidated
4 pursuant to this paragraph on the basis of that contractual
5 relationship.

6 c. As used in this section:

7 "Business" means any non-governmental person, association,
8 for-profit or non-profit corporation, joint venture, limited liability
9 company, partnership, sole proprietorship, or other form of business
10 organization or entity.

11 "Governmental entity" means the State, a local unit of
12 government, or a State or local government agency or authority.

13 "State or local economic incentive" means a financial incentive,
14 awarded by a governmental entity to a business, or agreed to
15 between a governmental entity and a business, for the purpose of
16 stimulating economic development or redevelopment in New
17 Jersey, including, but not limited to, a bond, grant, loan, loan
18 guarantee, matching fund, tax credit, or other tax expenditure.

19 "Tax expenditure" means the amount of foregone tax collections
20 due to any abatement, reduction, exemption, credit, or transfer
21 certificate against any State or local tax.

22

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

25 8. The provisions of **【this act】** P.L.2009, c.307 (C.24:6I-
26 1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.) shall not be
27 construed to permit a person to:

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

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

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

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

39

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

42 10. a. A **【physician】** health care practitioner shall provide
43 written instructions for a registered qualifying patient or **【his】** the
44 patient's designated caregiver, or an institutional caregiver acting
45 on behalf of the patient, to present to **【an alternative treatment**
46 **center】** a medical cannabis dispensary or a clinical registrant

1 concerning the total amount of usable **【marijuana】** cannabis that a
2 patient may be dispensed, in weight, in a 30-day period, which
3 amount shall not exceed **【two ounces**. If no amount is noted, the
4 maximum amount that may be dispensed at one time is two ounces**】**
5 the maximum amount that may be authorized for the patient
6 pursuant to subsection f. of this section.

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

11 (1) Each separate set of instructions shall be issued for a
12 legitimate medical purpose by the **【physician】** health care
13 practitioner, as provided in **【this act】** P.L.2009, c.307 (C.24:6I-
14 1 et al.);

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

19 (3) The **【physician】** health care practitioner has determined that
20 providing the patient with multiple instructions in this manner does
21 not create an undue risk of diversion or abuse.

22 c. A registered qualifying patient or **【his primary】** the patient's
23 designated caregiver, or an institutional caregiver acting on behalf
24 of a qualifying patient, shall present verification of the patient's or
25 caregiver's 【registry identification card】 registration with the
26 commission, as applicable, and these written instructions to **【the**
27 alternative treatment center】 any medical cannabis dispensary or
28 clinical registrant at the time the patient or caregiver requests the
29 dispensing or delivery of medical cannabis, which medical cannabis
30 dispensary or clinical registrant shall verify and log the
31 documentation presented. An institutional caregiver shall
32 additionally present an authorization executed by the patient
33 certifying that the institutional caregiver is authorized to obtain
34 medical cannabis on behalf of the patient. A **【physician】** health
35 care practitioner may provide a copy of a written instruction by
36 electronic or other means, as determined by the **【commissioner】**
37 commission, directly to **【an alternative treatment center】** a medical
38 cannabis dispensary or a clinical registrant on behalf of a registered
39 qualifying patient. The dispensation of **【marijuana】** medical
40 cannabis pursuant to any written instructions shall occur within one
41 **【month】** year of the date that the instructions were written or
42 become eligible for dispensing, whichever is later, or the
43 instructions are void.

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

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

16 f. (1) Except as provided in paragraph (2) of this subsection,
17 for a period of 18 months after the effective date of P.L. , c.
18 (C.) (pending before the Legislature as this bill), the maximum
19 amount of usable cannabis that a patient may be dispensed, in
20 weight, in a 30-day period, shall be three ounces. Commencing 18
21 months after the effective date of P.L. , c. (C.) (pending
22 before the Legislature as this bill), the maximum amount of usable
23 cannabis that a patient may be dispensed shall prescribed by the
24 commission by regulation.

25 (2) The monthly limits set forth in paragraph (1) of this
26 subsection shall not apply to patients who are terminally ill or who
27 are currently receiving hospice care through a licensed hospice,
28 which patients may be dispensed an unlimited amount of medical
29 cannabis. Qualifying patients who are not receiving hospice care or
30 who are not terminally ill may petition the commission, on a form
31 and in a manner as the commission shall require by regulation, for
32 an exemption from the monthly limits set forth in paragraph (1) of
33 this paragraph, which petition the commission shall approve if the
34 commission finds that granting the exemption is necessary to meet
35 the patient’s treatment needs and is consistent with the provisions of
36 P.L.2009, c.307 (C.24:6I-1 et al.).

37 g. The commission shall establish, by regulation, curricula for
38 health care practitioners and for staff at medical cannabis
39 dispensaries and clinical registrants:

40 (1) The curriculum for health care practitioners shall be
41 designed to assist practitioners in counseling patients with regard to
42 the quantity, dosing, and administration of medical cannabis as
43 shall be appropriate to treat the patient’s qualifying medical
44 condition. Health care practitioners shall complete the curriculum
45 as a condition of authorizing patients for the medical use of
46 cannabis; and

1 (2) The curriculum for employees of medical cannabis
2 dispensaries and clinical registrants shall be designed to assist the
3 employees in counseling patients with regard to determining the
4 strain and form of medical cannabis that is appropriate to treat the
5 patient's qualifying medical condition. Employees of medical
6 cannabis dispensaries and clinical registrants shall be required to
7 complete the curriculum as a condition of registration with the
8 commission. Completion of the curriculum may constitute part of
9 the annual training required pursuant to paragraph (1) of subsection
10 j. of section 7 of P.L.2009, c.307 (C.24:6I-7).

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

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

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

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

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

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

40

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

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

1 b. All fees collected pursuant to **【this act】** P.L.2009, c.307
2 (C.24:6I-1 et al.), including those from qualifying patients,
3 designated and institutional caregivers, and **【alternative treatment**
4 **centers'】** initial, modification and renewal applications for
5 alternative treatment centers, including medical cannabis
6 cultivators, medical cannabis manufacturers, medical cannabis
7 dispensaries, and clinical registrants, shall be used to offset the cost
8 of the **【department's】** commission's administration of the
9 provisions of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.).
10 (cf: P.L.2009, c.307, s.13)

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

14 14. a. The commissioner, or after the effective date of
15 P.L. , c. (C.) (pending before the Legislature as this bill), the
16 commission, shall report to the Governor, and to the Legislature
17 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1):

18 (1) no later than one year after the effective date of **【this act】**
19 P.L.2009, c.307 (C.24:6I-1 et al.), on the actions taken to
20 implement the provisions of **【this act】** P.L.2009, c.307 (C.24:6I-
21 1 et al.); and

22 (2) annually thereafter on the number of applications for
23 **【registry identification cards】** registration with the commission, the
24 number of qualifying patients registered, the number of **【primary】**
25 designated and institutional caregivers registered, the nature of the
26 **【debilitating】** qualifying medical conditions of the patients, the
27 number of **【registry identification cards】** registrations revoked, the
28 number of **【alternative treatment center】** medical cannabis
29 cultivator, medical cannabis manufacturer, and medical cannabis
30 dispensary permits issued and revoked, the number and type of
31 integrated curricula approved, established, and maintained in
32 connection with an IC permit, the number of testing laboratories
33 licensed, the number of clinical registrant permits issued and the
34 nature of the clinical research conducted by each clinical registrant,
35 any incidents of diversion of medical cannabis, information
36 concerning racial, ethnic, disabled veteran, and gender diversity in
37 the individuals issued and currently holding permits issued by the
38 commission, the number of permit applications received from
39 businesses owned by minorities, disabled veterans, and women and
40 the number of such applications that were approved, the business
41 development initiatives undertaken by the Office of Minority,
42 Disabled Veterans, and Women Medical Cannabis Business
43 Development pursuant to section 32 of P.L. , c. (C.)
44 (pending before the Legislature as this bill) and the outcomes or
45 effects of those initiatives, statistics concerning arrests for drug
46 offenses throughout the State and in areas where medical cannabis

1 dispensaries are located, including information concerning racial
2 disparities in arrest rates for drug offenses generally and cannabis
3 offenses in particular, the number of motor vehicle stops by law
4 enforcement involving violations of R.S.39:4-50, or section 5 of
5 P.L.1990, c.103 (C.39:3-10.13) concerning operators of commercial
6 motor vehicles, for driving under the influence of medical cannabis,
7 or suspicion thereof, cataloged by the jurisdictions in which the stop
8 occurred, and the race, ethnicity, gender, and age of the vehicle
9 driver and any other vehicle occupants, the number of deliveries of
10 medical cannabis performed and the percentage of total medical
11 cannabis dispensations that were completed by delivery, and the
12 number of **【physicians providing certifications for】** health care
13 practitioners authorizing patients for the medical use of cannabis,
14 including the types of license or certification held by those
15 practitioners.

16 b. The reports shall not contain any identifying information of
17 patients, caregivers, or **【physicians】** health care practitioners.

18 c. Within two years after the effective date of **【this act】**
19 P.L.2009, c.307 (C.24:6I-1 et al.) and every two years thereafter,
20 the commissioner or, after the effective date of
21 P.L. , c. (C.) (pending before the Legislature as this bill),
22 the commission, shall: evaluate whether there are sufficient
23 numbers of **【alternative treatment centers】** medical cannabis
24 cultivators, medical cannabis manufacturers, medical cannabis
25 dispensaries, and clinical registrants to meet the needs of registered
26 qualifying patients throughout the State; evaluate whether the
27 maximum amount of medical **【marijuana】** cannabis allowed
28 pursuant to **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.) is sufficient
29 to meet the medical needs of qualifying patients; and determine
30 whether any **【alternative treatment center】** medical cannabis
31 cultivator, medical cannabis manufacturer, medical cannabis
32 dispensary, or clinical registrant has charged excessive prices **【for**
33 marijuana】 in connection with medical cannabis **【that the center**
34 dispensed】.

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

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

43

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

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

21 b. The Division of State Police shall promptly notify the
22 **【Department of Health】** Cannabis Regulatory Commission in the
23 event an applicant seeking to serve as a **【primary】** designated or
24 institutional caregiver, an applicant for a license to operate as, or to
25 be a director, officer, or employee of, a medical cannabis testing
26 laboratory, an applicant for a permit to operate as, or to be a
27 director, officer, or employee of, or a significantly involved person
28 in, a clinical registrant, or an applicant for a permit to operate as, or
29 to be a director, officer, or employee of, 【an alternative treatment
30 center】 or a significantly involved person in, a medical cannabis
31 cultivator, medical cannabis manufacturer, or medical cannabis
32 dispensary, who was the subject of a criminal history record
33 background check conducted pursuant to subsection a. of this
34 section, is convicted of a crime involving possession or sale of a
35 controlled dangerous substance.

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

37

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

40 16. Nothing in **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.) or
41 P.L.2015, c.158 (C.18A:40-12.22 et al.) shall be construed to
42 require a government medical assistance program or private health
43 insurer to reimburse a person for costs associated with the medical
44 use of **【marijuana, or an employer to accommodate the medical use**
45 **of marijuana in any workplace】** cannabis, or to restrict or otherwise
46 affect the distribution, sale, prescribing, and dispensing of any

1 product that has been approved for marketing as a prescription drug
2 or device by the federal Food and Drug Administration.

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

4

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

7 18. a. Pursuant to the "Administrative Procedure Act,"
8 P.L.1968, c.410 (C.52:14B-1 et seq.), the commissioner or, after the
9 effective date of P.L. _____, c. _____ (C. _____) (pending before the
10 Legislature as this bill), the commission, shall promulgate rules and
11 regulations to effectuate the purposes of **【this act】** P.L.2009, c.307
12 (C.24:6I-1 et al.), in consultation with the Department of Law and
13 Public Safety.

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

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

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

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

43 d. The commission may convene a task force comprised of
44 individuals with expertise in matters pertaining to the medical
45 cannabis industry to make recommendations to the commission
46 concerning the content of rules and regulations adopted by the
47 commission to implement the provisions of P.L.2009, c.307

1 (C.24:6I-1 et al.) and P.L. , c. (C.) (pending before the
2 Legislature as this bill).

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

4

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

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

26

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

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

43 c. A person who has been convicted of a crime involving any
44 controlled dangerous substance or controlled substance analog as set
45 forth in chapter 35 of Title 2C of the New Jersey Statutes except
46 paragraph (4) of subsection a. of N.J.S.2C:35-10, or any similar law of
47 the United States or any other state shall not be issued a license to

1 operate as or be a director, officer, or employee of a medical cannabis
2 testing laboratory, unless such conviction occurred after the effective
3 date of P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of
4 federal law relating to possession or sale of cannabis for conduct that
5 is authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015,
6 c.158 (C.18A:40-12.22 et al.).

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

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

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

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

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

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

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

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

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

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

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

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

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

34 (e) the age of the individual when the crime or offense was
35 committed;

36 (f) whether the crime or offense was an isolated or repeated
37 incident;

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

40 (h) any evidence of rehabilitation, including good conduct in
41 prison or in the community, counseling or psychiatric treatment
42 received, acquisition of additional academic or vocational schooling,
43 successful participation in correctional work-release programs, or the
44 recommendation of those who have had the individual under their
45 supervision.

- 1 26. (New section) a. The commission shall establish, by
2 regulation, standardized requirements and procedures for testing
3 medical cannabis and medical cannabis products.
- 4 b. Any test performed on medical cannabis or on a medical
5 cannabis product shall include liquid chromatography analysis to
6 determine chemical composition and potency, and, at a minimum,
7 screening for each of the following:
- 8 (1) microbial contamination;
9 (2) foreign material;
10 (3) residual pesticides;
11 (4) other agricultural residue and residual solvents; and
12 (5) heavy metals.
- 13 c. Laboratories shall use the dosage equivalence guidelines
14 developed by the commission pursuant to paragraph (2) of
15 subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-16) when
16 testing and determining the potency of medical cannabis products.
- 17 d. As a condition of licensure, each laboratory shall certify its
18 intention to seek third party accreditation in accordance with ISO
19 17025 standards in order to ensure equipment is routinely inspected,
20 calibrated, and maintained until such time as the commission issues
21 its own standards or confirms the use of ISO 17025.
- 22 e. Until such time as the commission establishes the standards
23 required by this section, a licensed laboratory shall utilize the
24 testing standards established by another state with a medical
25 cannabis program, which state shall be designated by the
26 commission.
- 27
- 28 27. (New section) a. An individual who performs work for or
29 on behalf of a medical cannabis cultivator, medical cannabis
30 manufacturer, or medical cannabis dispensary, issued a permit
31 pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), a clinical
32 registrant issued a permit pursuant to section 13 of P.L. , c.
33 (C.) (pending before the Legislature as this bill), or a testing
34 laboratory licensed pursuant to section 25 of P.L. , c. (C.)
35 (pending before the Legislature as this bill) shall hold a valid
36 medical cannabis handler certification issued by the commission
37 pursuant to this section if the individual participates in any activity
38 involving obtaining, possessing, cultivating, processing,
39 manufacturing, creating, testing, transporting, transferring,
40 relocating, dispensing, or delivering medical cannabis.
- 41 b. An entity issued a permit pursuant to section 7 of P.L.2009,
42 c.307 (C.24:6I-7) or section 13 of P.L. , c. (C.) (pending
43 before the Legislature as this bill) or a license pursuant to section
44 25 of P.L. , c. (C.) (pending before the Legislature as this
45 bill) shall verify that, before allowing any individual to perform any
46 work described in subsection a. of this section at the premises for
47 which the permit has been issued, the individual holds a valid

1 medical cannabis handler certification issued pursuant to this
2 section.

3 c. The commission shall issue medical cannabis handler
4 certifications to qualified applicants to perform work described in
5 subsection a. of this section. The commission shall adopt rules and
6 regulations establishing: the qualifications for performing work
7 described in subsection a. of this section; the terms of a medical
8 cannabis handler certification issued pursuant to this section;
9 procedures for applying for and renewing a medical cannabis
10 handler certification issued pursuant to this section; and reasonable
11 application, issuance, and renewal fees for a medical cannabis
12 handler certification issued pursuant to this section.

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

23 The commission shall not require an individual to successfully
24 complete the course required pursuant to this subsection more than
25 once, except that the commission may adopt regulations directing
26 continuing education training on a prescribed schedule. The course
27 may comprise part of the eight hours of training required for
28 employees of medical cannabis cultivators, medical cannabis
29 manufacturers, medical cannabis dispensaries, and clinical
30 registrants pursuant to paragraph (1) of subsection j. of section 7 of
31 P.L.2009, c.307 (C.24:6I-7).

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

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

1 f. The commission may suspend, revoke, or refuse to renew a
2 medical cannabis handler certification if the individual who is
3 applying for or who holds the certification: violates any provision
4 of P.L.2009, c.307 (C.24:6I-1 et al.) or any rule or regulation
5 adopted by the commission; makes a false statement to the
6 commission; or refuses to cooperate in any investigation by the
7 commission.

8 g. A medical cannabis handler certification issued pursuant to
9 this section is a personal privilege and permits work described in
10 subsection a. of this section only for the individual who holds the
11 certification.

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

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

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

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

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

45 (5) Each certified medical cannabis handler shall carry a copy of
46 the individual's medical cannabis handler certification card and
47 transfer certification card when performing a transfer. The medical

1 cannabis handler shall present the certification cards upon request
2 to State and local law enforcement and to State and local regulatory
3 authorities and agencies.

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

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

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

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

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

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

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

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

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

6 (15) While performing transfers of medical cannabis, a certified
7 medical cannabis handler shall only travel from the premises of the
8 medical cannabis cultivator, medical cannabis manufacturer,
9 medical cannabis dispensary, or clinical registrant furnishing the
10 medical cannabis to the transfer address; from one transfer address
11 to another transfer address; from a testing laboratory back to the
12 medical cannabis cultivator, medical cannabis manufacturer, or
13 clinical registrant that furnished the medical cannabis for testing
14 purposes, or from a transfer address back to the premises of the
15 medical cannabis handler's employer. A medical cannabis handler
16 shall not deviate from the route described in this paragraph, except
17 in the event of emergency or as necessary for rest, fuel, or vehicle
18 repair stops, or because road conditions make continued use of the
19 route or operation of the vehicle unsafe, impossible, or
20 impracticable.

21 (16) The process of transfer shall begin when the certified
22 medical cannabis handler leaves the premises of the medical
23 cannabis cultivator, medical cannabis manufacturer, medical
24 cannabis dispensary, clinical registrant, or testing laboratory with
25 medical cannabis for transfer. The process of transferring medical
26 cannabis ends when the medical cannabis handler returns to the
27 premises of the medical cannabis handler's employer after
28 completing the transfer.

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

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

34 (b) The handler's name, medical cannabis handler certification
35 number, and medical cannabis transfer certification number;

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

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

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

- 1 i. The commission shall enact rules and regulations governing
2 the delivery of medical cannabis, including medical cannabis
3 products, to a registered qualifying patient, designated caregiver, or
4 institutional caregiver by a medical cannabis dispensary, which
5 regulations shall require, at a minimum:
- 6 (1) Delivery of medical cannabis shall only be made to a
7 registered qualifying patient at the patient's home or secondary
8 address, to the patient's designated caregiver at the caregiver's
9 home address, or directly to the patient's institutional caregiver at
10 the health care facility where the patient is a current patient or
11 resident; except that the commission shall establish a process for
12 registered qualifying patients to request delivery directly to the
13 patient at an alternate address in cases of need.
- 14 (2) Deliveries shall be performed by a medical cannabis handler
15 who is certified by the department to perform deliveries and is at
16 least 18 years of age. Deliveries may be performed by an employee
17 of a medical cannabis dispensary or clinical registrant or by an
18 independent third party who has entered into a contract with a
19 medical cannabis dispensary or clinical registrant to perform
20 deliveries of medical cannabis, which contract may provide for a
21 one-time delivery or for ongoing deliveries of medical cannabis. A
22 medical cannabis handler holding a delivery certification issued by
23 the commission may simultaneously hold a transfer certification
24 issued by the commission.
- 25 (3) Medical cannabis shall not be delivered to an address located
26 on land owned by the federal government or any address on land or
27 in a building leased by the federal government.
- 28 (4) All deliveries of medical cannabis shall be made in person.
29 Delivery of medical cannabis shall not be made through the use of
30 an unmanned vehicle.
- 31 (5) Each certified medical cannabis handler shall carry a copy of
32 the individual's medical cannabis handler certification card and
33 delivery certification card when performing a delivery of medical
34 cannabis. The medical cannabis handler shall present the
35 certification cards upon request to State and local law enforcement
36 and to State and local regulatory authorities and agencies.
- 37 (6) Each certified medical cannabis handler engaged in a
38 delivery of medical cannabis shall have access to a secure form of
39 communication with the medical cannabis dispensary or clinical
40 registrant that furnished the medical cannabis to the handler for
41 delivery, such as a cellular telephone, at all times that the handler is
42 in possession of medical cannabis for delivery.
- 43 (7) During delivery, the certified medical cannabis handler shall
44 maintain a physical or electronic copy of the delivery request, and
45 shall make it available upon request to State and local law
46 enforcement and to State and local regulatory authorities and
47 agencies.

1 (8) Delivery vehicles shall be equipped with a secure lockbox in
2 a secured cargo area, which shall be used for the sanitary and secure
3 transport of medical cannabis.

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

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

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

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

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

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

35 (15) While performing deliveries of medical cannabis, a certified
36 medical cannabis handler shall only travel from the premises of the
37 medical cannabis dispensary or clinical registrant furnishing the
38 medical cannabis to the delivery address; from one delivery address
39 to another delivery address; or from a delivery address back to the
40 premises of the medical cannabis handler's employer. A medical
41 cannabis handler shall not deviate from the route described in this
42 paragraph, except in the event of emergency or as necessary for
43 rest, fuel, or vehicle repair stops, or because road conditions make
44 continued use of the route or operation of the vehicle unsafe,
45 impossible, or impracticable.

46 (16) The process of delivery shall begin when the certified
47 medical cannabis handler leaves the premises of the medical

1 cannabis dispensary or clinical registrant with medical cannabis for
2 delivery. The process of delivering medical cannabis ends when the
3 medical cannabis handler returns to the premises of the medical
4 cannabis handler's employer after completing the delivery.

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

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

10 (b) The handler's name, medical cannabis handler certification
11 number, and medical cannabis delivery certification number;

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

13 (d) The signature and registry number of the patient or caregiver
14 who accepted delivery.

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

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

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

42 k. The commission may authorize the use of an Internet-based
43 web service developed and maintained by an independent third
44 party entity that does not hold any permit, license, or certificate
45 issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and is not a
46 significantly involved person or other investor in any permit holder,
47 which web service may be used by registered qualifying patients,

1 designated caregivers, and institutional caregivers to request or
2 schedule deliveries of medical cannabis pursuant to subsection i. of
3 this section.

4

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

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

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

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

39 (a) the endorsed permit holder or applicant has violated, does
40 not meet, or has failed to comply with, any of the terms, conditions,
41 or provisions of this section, any rules promulgated pursuant to this
42 section, or any supplemental local laws, rules, or regulations;

43 (b) the endorsed permit holder or applicant has failed to comply
44 with any special terms or conditions that were placed on its
45 endorsement by the commission or municipality; or

46 (c) the premises have been operated in a manner that adversely
47 affects the public health or the safety of the immediate

1 neighborhood in which the medical cannabis consumption area is
2 located.

3 (3) Any commission decision made pursuant to this subsection
4 shall be considered a final agency decision for the purposes of the
5 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
6 seq.) and may be subject to judicial review as provided in the Rules
7 of Court.

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

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

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

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

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

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

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

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

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

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

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

25 j. A medical cannabis consumption area and its employees:

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

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

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

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

36 k. If an emergency requires law enforcement, firefighters,
37 emergency medical services providers, or other public safety
38 personnel to enter a medical cannabis consumption area, employees
39 of the establishment shall prohibit on-site consumption of medical
40 cannabis until such personnel have completed their investigation or
41 services and have left the premises.

42
43 29. (New section) a. (1) The commission shall develop and
44 maintain a system for tracking the cultivation of medical cannabis,
45 the manufacturing of medical cannabis products, the transfer of
46 medical cannabis and medical cannabis products between medical
47 cannabis cultivators, medical cannabis manufacturers, medical

1 cannabis dispensaries, clinical registrants, and testing laboratories
2 as authorized pursuant to paragraph (5) of subsection a. of section 7
3 of P.L.2009, c.307 (C.24:6I-7) and subsection h. of section 27 of
4 P.L. , c. (C.) (pending before the Legislature as this bill),
5 and the dispensing or delivery of medical cannabis to registered
6 qualifying patients, designated caregivers, and institutional
7 caregivers.

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

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

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

35 (c) A medical cannabis cultivator, medical cannabis
36 manufacturer, medical cannabis dispensary, clinical registrant, or
37 certified medical cannabis handler shall not purchase, sell, offer for
38 sale, transfer, transport, or deliver any medical cannabis unless a
39 stamp is properly affixed to the container or package for the
40 medical cannabis.

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

43 (1) preventing the diversion of medical cannabis to criminal
44 enterprises, gangs, cartels, persons not authorized to possess
45 medical cannabis, and other states;

46 (2) preventing persons from substituting or tampering with
47 medical cannabis;

- 1 (3) ensuring an accurate accounting of the cultivation,
2 manufacturing, transferring, dispensing, and delivery of medical
3 cannabis;
- 4 (4) ensuring that the testing results from licensed testing
5 laboratories are accurately reported; and
- 6 (5) ensuring compliance with the rules and regulations adopted
7 by the commission and any other law of this State that charges the
8 commission with a duty, function, or power related to medical
9 cannabis.
- 10 c. The system developed and maintained under this section
11 shall be capable of tracking, at a minimum:
- 12 (1) the propagation of immature medical cannabis plants and the
13 production of medical cannabis by a medical cannabis cultivator;
- 14 (2) the utilization of medical cannabis in the manufacture,
15 production, and creation of medical cannabis products by a medical
16 cannabis manufacturer;
- 17 (3) the transfer of medical cannabis and medical cannabis
18 products to and from licensed testing laboratories for testing
19 purposes;
- 20 (4) the dispensing of medical cannabis by a medical cannabis
21 dispensary or clinical registrant;
- 22 (5) the furnishing of medical cannabis by a medical cannabis
23 dispensary or clinical registrant to a medical cannabis handler for
24 delivery;
- 25 (6) the delivery of medical cannabis by a medical cannabis
26 handler;
- 27 (7) the purchase, sale, or other transfer of medical cannabis and
28 medical cannabis products between medical cannabis cultivators,
29 medical cannabis manufacturers, medical cannabis dispensaries, and
30 clinical registrants as authorized pursuant to paragraph (5) of
31 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and
32 subsection h. of section 27 of P.L. , c. (C.) (pending before
33 the Legislature as this bill); and
- 34 (8) any other information that the commission determines is
35 reasonably necessary to accomplish the duties, functions, and
36 powers of the commission.
- 37
- 38 30. (New section) The commission may waive any requirement
39 of P.L.2009, c.307 (C.24:6I-1 et al.) if the commission determines
40 that granting the waiver is necessary to achieve the purposes of
41 P.L.2009, c.307 (C.24:6I-1 et al.) and provide access to patients
42 who would not otherwise qualify for the medical use of cannabis to
43 alleviate suffering from a diagnosed medical condition, and does
44 not create a danger to the public health, safety, or welfare.
- 45
- 46 31. (New section) a. The Cannabis Regulatory Commission is
47 hereby created in, but not of, the Department of the Treasury, to

1 assume all powers, duties, and responsibilities with regard to the
2 regulation and oversight of activities authorized pursuant to
3 P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health
4 for the further development, expansion, regulation, and enforcement
5 of activities associated with the medical use of cannabis pursuant
6 P.L.2009, c.307 (C.24:6I-1 et al.). All powers, duties, and
7 responsibilities with regard to the regulation and oversight of
8 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
9 shall be transferred from the Department of Health to the Cannabis
10 Regulatory Commission at such time as the members of the
11 commission are appointed as provided in subsection b. of this
12 section and the commission first organizes. Thereafter, any
13 reference to the Department of Health or the Commissioner of
14 Health in any statute or regulation pertaining to the provisions of
15 P.L.2009, c.307 (C.24:6I-1 et al.) shall be deemed to refer to the
16 Cannabis Regulatory Commission. The provisions of this
17 subsection shall be carried out in accordance with the “State
18 Agency Transfer Act,” P.L.1971, c.375 (C.52:14D-1 et seq.).

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

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

25 (a) One member shall be appointed upon recommendation of the
26 Senate President;

27 (b) One member shall be appointed upon recommendation of the
28 Speaker of the General Assembly;

29 (c) Three members, including the chair, shall be appointed
30 without any needed recommendation.

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

40 (4) All five members shall be residents of this State. At least
41 one member shall be a State representative of a national
42 organization or State branch of a national organization with a stated
43 mission of studying, advocating, or adjudicating against minority
44 historical oppression, past and present discrimination,
45 unemployment, poverty and income inequality, and other forms of
46 social injustice or inequality, and all five members shall possess
47 education, training, or experience with legal, policy, or criminal

1 justice issues, corporate or industry management, finance,
2 securities, or production or distribution, medicine or pharmacology,
3 or public health, mental health, or substance use disorders.

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

17 (6) The chair and other members of the commission shall devote
18 full time to their respective duties of office and shall not pursue or
19 engage in any other business, occupation, or gainful employment.
20 Each member shall receive an annual salary to be fixed and
21 established by the Governor, which for the chair shall not exceed
22 \$141,000, and for the other members shall not exceed \$125,000.

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

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

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

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

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

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

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

32 (ii) If, as a result of transferring powers, duties, and
33 responsibilities with regard to the regulation and oversight of
34 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
35 from the Department of Health to the commission pursuant to
36 subsection a. of this section, the commission needs to employ an
37 individual to fill a position, employees of the department who
38 performed the duties of the position to be filled shall be given a
39 one-time right of first refusal offer of employment with the
40 commission, and such employees may be removed by the
41 commission for cause or if deemed unqualified to hold the position,
42 notwithstanding any other provision of law to the contrary. A
43 department employee who becomes employed by the commission
44 shall retain as an employee of the commission the seniority, and all
45 rights related to seniority, that the employee had with the
46 department as of the last day of employment with the department;
47 provided, however, that such seniority and seniority rights shall be

1 retained only by an employee who was transferred from
2 employment with the department to employment with the
3 commission, and shall not be retained by an employee who was
4 removed from employment with the department due to layoff
5 procedures or who resigned from a position with the department
6 prior to being hired by the commission.

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

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

16 d. With respect to the activities of the commission, neither the
17 President of the Senate or the Speaker of the General Assembly
18 shall be permitted to appear or practice or act in any capacity
19 whatsoever before the commission regarding any matter
20 whatsoever, nor shall any member of the immediate family of the
21 Governor, President of the Senate, or Speaker of the General
22 Assembly be permitted to so practice or appear in any capacity
23 whatsoever before the commission regarding any matter
24 whatsoever. As used in this subsection, "immediate family" means
25 the spouse, domestic partner, or civil union partner, and any
26 dependent child or stepchild, recognized by blood or by law, of the
27 Governor, President of the Senate, or Speaker of the General
28 Assembly, or of the spouse, domestic partner, or civil union partner
29 residing in the same household as the Governor, President of the
30 Senate, or Speaker of the General Assembly.

31 e. The commission may designate its powers and authority as it
32 deems necessary and appropriate to carry out its duties and
33 implement the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

34 f. The commission shall, no later than three years after the date
35 it first organizes, contract with a public research university, as
36 defined in section 3 of P.L.1994, c.48 (C.18A:3B-3), to conduct an
37 independent study to review:

38 (1) the commission's organization;

39 (2) the commission's regulation and enforcement activities;

40 (3) the overall effectiveness of the commission as a full time
41 entity; and

42 (4) whether the regulation and oversight of medical cannabis
43 could be more effectively and efficiently managed through a
44 reorganization of the commission, consolidation of the commission
45 within the Department of Health or another Executive Branch
46 department, conversion to a part-time commission, or the transfer of

1 some or all of the commission's operations elsewhere within the
2 Executive Branch.

3 The commission shall submit the findings of the independent
4 study, along with the commission's recommendations for
5 appropriate executive, administrative, or legislative action, to the
6 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
7 19.1), to the Legislature.

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

22 b. (1) The office shall establish and administer, under the
23 direction of the commission, unified practices and procedures for
24 promoting participation in the medical cannabis industry by persons
25 from socially and economically disadvantaged communities,
26 including by prospective and existing ownership of minority
27 businesses and women's businesses, as these terms are defined in
28 section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled
29 veterans' businesses as defined in section 2 of P.L.2015, c.116
30 (C.52:32-31.2), to be issued medical cannabis cultivator, medical
31 cannabis manufacturer, medical cannabis dispensary, and clinical
32 registrant permits. These unified practices and procedures shall
33 include the certification and subsequent recertification at regular
34 intervals of a business as a minority or women's business, or a
35 disabled veterans' business, in accordance with eligibility criteria
36 and a certification application process established by the
37 commission through regulation in consultation with the office.

38 (2) The office shall conduct advertising and promotional
39 campaigns, and shall disseminate information to the public, to
40 increase awareness for participation in the medical cannabis
41 industry by persons from socially and economically disadvantaged
42 communities. To this end, the office shall sponsor seminars and
43 informational programs, and shall provide information on its
44 Internet website, providing practical information concerning the
45 medical cannabis industry, including information on business
46 management, marketing, and other related matters.

1 c. (1) The office shall develop, recommend, and implement
2 policies, practices, protocols, standards, and criteria designed to
3 promote the formulation of medical cannabis business entities and
4 participation in the medical cannabis industry by persons from
5 socially and economically disadvantaged communities, including by
6 promoting applications for, and the issuance of, medical cannabis
7 cultivator, medical cannabis manufacturer, medical cannabis
8 dispensary, and clinical registrant permits to certified minority,
9 women's, and disabled veterans' businesses. The office shall
10 evaluate the effectiveness of these measures by considering whether
11 the measures have resulted in new medical cannabis cultivator,
12 medical cannabis manufacturer, and medical cannabis dispensary
13 permits being issued in accordance with the provisions of
14 subsection g. of section 12 of P.L. , c. (C.) (pending
15 before the Legislature as this bill).

16 (2) The office shall periodically analyze the total number of
17 permits issued by the commission as compared with the number of
18 certified minority, women's, and disabled veterans' businesses that
19 submitted applications for, and that were awarded, such permits.
20 The office shall make good faith efforts to establish, maintain, and
21 enhance the measures designed to promote the formulation and
22 participation in the operation of medical cannabis businesses by
23 persons from socially and economically disadvantaged communities
24 consistent with the standards set forth in paragraph (1) of this
25 subsection, and to coordinate and assist the commission with
26 respect to its incorporation of these permitting measures into the
27 application and review process for issuing permits under P.L.2009,
28 c.307 (C.24:6I-1 et al.).

29 d. The office may review the commission's measures regarding
30 participation in the medical cannabis industry by persons from
31 socially and economically disadvantaged communities, and
32 minority, women's, and disabled veterans' businesses, and make
33 recommendations on relevant policy and implementation matters for
34 the improvement thereof. The office may consult with experts or
35 other knowledgeable individuals in the public or private sector on
36 any aspect of its mission.

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

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

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

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

44 (2) Each employee of the commission, except for secretarial and
45 clerical personnel, shall file with the State Ethics Commission a
46 financial disclosure statement listing all assets and liabilities,
47 property and business interests, and sources of income of the

1 employee and the employee's spouse, domestic partner, or partner in
2 a civil union couple, as the case may be. Such statement shall be
3 under oath and shall be filed at the time of employment and
4 annually thereafter. Notwithstanding the provisions of subsection
5 (n) of section 10 of P.L.1971, c.182 (C.52:13D-21), only financial
6 disclosure statements filed by a commission employee who is in a
7 policy-making management position shall be posted on the Internet
8 website of the State Ethics Commission.

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

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

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

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

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

40 (2) No commission member or employee shall solicit or accept
41 employment from any holder of, or applicant for, a medical
42 cannabis cultivator, medical cannabis manufacturer, medical
43 cannabis dispensary, or clinical registrant permit or any entity that
44 employs any certified medical cannabis handler to perform transfers
45 or deliveries of medical cannabis for a period of two years after
46 termination of service with the commission, except as otherwise

1 provided in section 35 of P.L. , c. (C.) (pending before the
2 Legislature as this bill).

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

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

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

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

44 d. No commission member or employee shall have any interest,
45 direct or indirect, in any holder of, or applicant for, a medical
46 cannabis cultivator, medical cannabis manufacturer, medical
47 cannabis dispensary, or clinical registrant permit or in any entity

1 that employs any certified medical cannabis handler to perform
2 transfers or deliveries of medical cannabis during the member's
3 term of office or employee's term of employment.

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

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

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

22 (a) use the member's or employee's official authority or
23 influence for the purpose of interfering with or affecting the result
24 of an election or a nomination for office;

25 (b) directly or indirectly coerce, attempt to coerce, command, or
26 advise any person to pay, lend, or contribute anything of value to a
27 party, committee, organization, agency, or person for political
28 purposes; or

29 (c) take any active part in political campaigns or the
30 management thereof; provided, however, that nothing herein shall
31 prohibit a member or employee from voting as the member or
32 employee chooses or from expressing personal opinions on political
33 subjects and candidates.

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

42

43 35. (New section) a. No member of the commission shall hold
44 any direct or indirect interest in, or be employed by, any holder of,
45 or applicant for, a medical cannabis cultivator, medical cannabis
46 manufacturer, medical cannabis dispensary, or clinical registrant
47 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or in

1 any entity that employs any certified medical cannabis handler to
2 perform transfers or deliveries of medical cannabis for a period of
3 two years commencing on the date that membership on the
4 commission terminates.

5 b. (1) No employee of the commission may acquire any direct
6 or indirect interest in, or accept employment with, any holder of, or
7 applicant for, a medical cannabis cultivator, medical cannabis
8 manufacturer, medical cannabis dispensary, or clinical registrant
9 permit or in any entity that employs any certified medical cannabis
10 handler to perform transfers or deliveries of medical cannabis, for a
11 period of two years commencing at the termination of employment
12 with the commission, except that a secretarial or clerical employee
13 of the commission may accept such employment at any time after
14 the termination of employment with the commission. At the end of
15 two years and for a period of two years thereafter, a former
16 employee who held a policy-making management position at any
17 time during the five years prior to termination of employment may
18 acquire an interest in, or accept employment with, any holder of, or
19 applicant for, a medical cannabis cultivator, medical cannabis
20 manufacturer, medical cannabis dispensary, or clinical registrant
21 permit or in any entity that employs any certified medical cannabis
22 handler to perform transfers or deliveries of medical cannabis, upon
23 application to, and the approval of, the commission, upon a finding
24 that the interest to be acquired or the employment will not create the
25 appearance of a conflict of interest and does not evidence a conflict
26 of interest in fact.

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

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

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

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

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

23 b. (1) A member or employee of the commission who makes
24 or causes to be made a political contribution prohibited under
25 subsection f. of section 34 of P.L. , c. (C.) (pending before
26 the Legislature as this bill) is guilty of a crime of the fourth degree,
27 but notwithstanding the provisions of subsection b. of N.J.S.2C:43-
28 3, a fine not to exceed \$200,000 may be imposed.

29 (2) A member or employee of the commission who willfully
30 violates any other provisions in sections 33 through 35 of P.L. ,
31 c. (C.) (pending before the Legislature as this bill) is guilty of
32 a disorderly persons offense.

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

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

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

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

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

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

23 d. "Head of a State agency" means; (1) in the case of the
24 Executive Branch of government, except with respect to interstate
25 agencies, the department head or, if the agency is not assigned to a
26 department, the Governor[,] ; and (2) in the case of the Legislative
27 Branch, the chief presiding officer of each House of the Legislature.

28 e. "Special State officer or employee" means; (1) any person
29 holding an office or employment in a State agency, excluding an
30 interstate agency, for which office or employment no compensation
31 is authorized or provided by law, or no compensation other than a
32 sum in reimbursement of expenses, whether payable per diem or per
33 annum, is authorized or provided by law; (2) any person, not a
34 member of the Legislature, holding a part-time elective or
35 appointive office or employment in a State agency, excluding an
36 interstate agency[,] ; or (3) any person appointed as a New Jersey
37 member to an interstate agency the duties of which membership are
38 not full-time.

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

41 g. "Interest" means; (1) the ownership or control of more than
42 **[10%]** 10 percent of the profits or assets of a firm, association, or
43 partnership, or more than **[10%]** 10 percent of the stock in a
44 corporation for profit other than a professional service corporation
45 organized under the "Professional Service Corporation Act,"
46 P.L.1969, c.232 (C. 14A:17-1 et seq.); or (2) the ownership or
47 control of more than **[1%]** one percent of the profits of a firm,

1 association, or partnership, or more than **【1%】** one percent of the
2 stock in any corporation, (a) which is the holder of, or an applicant
3 for, a casino license or in any holding or intermediary company
4 with respect thereto, as defined by the "Casino Control Act,"
5 P.L.1977, c.110 (C.5:12-1 et seq.), or (b) which is the holder of, or
6 an applicant for, a medical cannabis cultivator, medical cannabis
7 manufacturer, medical cannabis dispensary, or clinical registrant
8 permit issued pursuant P.L.2009, c.307 (C.24:6I-1 et al.), or any
9 holding or intermediary company with respect thereto. The
10 provisions of this act governing the conduct of individuals are
11 applicable to shareholders, associates or professional employees of
12 a professional service corporation regardless of the extent or
13 amount of their shareholder interest in such a corporation.

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

19 i. "Member of the immediate family" of any person means the
20 person's spouse, domestic partner, civil union partner, child, parent,
21 or sibling residing in the same household.
22 (cf: P.L.1987, c.432, s.2)

23
24 38. Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended to
25 read as follows:

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

27 (1) **【any State officer or employee subject to financial disclosure**
28 **by law or executive order and any other State officer or employee**
29 **with responsibility for matters affecting casino activity; any special**
30 **State officer or employee with responsibility for matters affecting**
31 **casino activity;】** (a) with respect to casino activity and activity
32 related to medical cannabis authorized pursuant to P.L.2009, c.307
33 (C.24:6I-1 et al.), the Governor; 【any member of the Legislature
34 or】 the President of the Senate; the Speaker of the General
35 Assembly; any full-time member of the Judiciary; any full-time
36 professional employee of the Office of the Governor 【, or the
37 Legislature; members of the Casino Reinvestment Development
38 Authority】; the head of a principal department; the assistant or
39 deputy heads of a principal department, including all assistant and
40 deputy commissioners; the head of any division of a principal
41 department;

42 (b) with respect to casino activity, any State officer or employee
43 subject to financial disclosure by law or executive order and any
44 other State officer or employee with responsibility for matters
45 affecting casino activity; any special State officer or employee with
46 responsibility for matters affecting casino activity; any member of

1 the Legislature; any full-time professional employee of the
2 Legislature; members of the Casino Reinvestment Development
3 Authority; or

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

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

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

27 b. (1) No State officer or employee, nor any person, nor any
28 member of the immediate family of any State officer or employee,
29 or person, nor any partnership, firm, or corporation with which any
30 such State officer or employee or person is associated or in which
31 he has an interest, nor any partner, officer, director, or employee
32 while he is associated with such partnership, firm, or corporation,
33 shall hold, directly or indirectly, an interest in, or hold employment
34 with, or represent, appear for, or negotiate on behalf of, any holder
35 of, or applicant for, a casino license, or any holding or intermediary
36 company with respect thereto, in connection with any cause,
37 application, or matter, except as provided in section 3 of P.L.2009,
38 c.26 (C.52:13D-17.3), and except that **[(1)]** (a) a State officer or
39 employee other than a State officer or employee included in the
40 definition of person, and **[(2)]** (b) a member of the immediate
41 family of a State officer or employee, or of a person, may hold
42 employment with the holder of, or applicant for, a casino license if,
43 in the judgment of the State Ethics Commission, the Joint
44 Legislative Committee on Ethical Standards, or the Supreme Court,
45 as appropriate, such employment will not interfere with the
46 responsibilities of the State officer or employee, or person, and will
47 not create a conflict of interest, or reasonable risk of the public

1 perception of a conflict of interest, on the part of the State officer or
2 employee, or person. No special State officer or employee without
3 responsibility for matters affecting casino activity, excluding those
4 serving in the Departments of Education, Health **[and Senior**
5 **Services]**, and Human Services and the **[Commission on]** Office of
6 the Secretary of Higher Education, shall hold, directly or indirectly,
7 an interest in, or represent, appear for, or negotiate on behalf of, any
8 holder of, or applicant for, a casino license, or any holding or
9 intermediary company with respect thereto, in connection with any
10 cause, application, or matter. However, a special State officer or
11 employee without responsibility for matters affecting casino
12 activity may hold employment directly with any holder of or
13 applicant for a casino license or any holding or intermediary
14 company thereof and if so employed may hold, directly or
15 indirectly, an interest in, or represent, appear for, or negotiate on
16 behalf of, **[his]** that employer, except as otherwise prohibited by
17 law.

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

1 Legislative Committee on Ethical Standards, or the Supreme Court,
2 as appropriate, such employment will not interfere with the
3 responsibilities of the State officer or employee, or person, and will
4 not create a conflict of interest, or reasonable risk of the public
5 perception of a conflict of interest, on the part of the State officer or
6 employee, or person.

7 (3) No State officer or employee, nor any person, nor any
8 member of the immediate family of any State officer or employee,
9 or person, nor any partnership, firm, or corporation with which any
10 such State officer or employee or person is associated or in which
11 he has an interest, nor any partner, officer, director, or employee
12 while he is associated with such partnership, firm, or corporation,
13 shall hold, directly or indirectly, an interest in, or hold employment
14 with, or represent, appear for, or negotiate on behalf of, any holder
15 of, or applicant for, a medical cannabis cultivator, medical cannabis
16 manufacturer, medical cannabis dispensary, or clinical registrant
17 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or in
18 any entity that employs any certified medical cannabis handler to
19 perform transfers or deliveries of medical cannabis, or any holding
20 or intermediary company with respect thereto, in connection with
21 any cause, application, or matter, except as provided in section 3 of
22 P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer
23 or employee other than a State officer or employee included in the
24 definition of person, and (b) a member of the immediate family of a
25 State officer or employee, or of a person, may hold employment
26 with the holder of, or applicant for, a medical cannabis cultivator,
27 medical cannabis manufacturer, medical cannabis dispensary, or
28 clinical registrant permit or any entity that employs any certified
29 medical cannabis handler to perform transfers or deliveries of
30 medical cannabis if, in the judgment of the State Ethics
31 Commission, the Joint Legislative Committee on Ethical Standards,
32 or the Supreme Court, as appropriate, such employment will not
33 interfere with the responsibilities of the State officer or employee,
34 or person, and will not create a conflict of interest, or reasonable
35 risk of the public perception of a conflict of interest, on the part of
36 the State officer or employee, or person. No special State officer or
37 employee without responsibility for matters affecting medical
38 cannabis activity, excluding those serving in the Departments of
39 Education, Health, and Human Services and the Office of the
40 Secretary of Higher Education, shall hold, directly or indirectly, an
41 interest in, or represent, appear for, or negotiate on behalf of, any
42 holder of, or applicant for, a medical cannabis cultivator, medical
43 cannabis manufacturer, medical cannabis dispensary, or clinical
44 registrant permit or any entity that employs any certified medical
45 cannabis handler to perform transfers or deliveries of medical
46 cannabis, or any holding or intermediary company with respect
47 thereto, in connection with any cause, application, or matter.

1 However, a special State officer or employee without responsibility
2 for matters affecting medical cannabis activity may hold
3 employment directly with any holder of or applicant for a medical
4 cannabis cultivator, medical cannabis manufacturer, medical
5 cannabis dispensary, or clinical registrant permit, or any entity that
6 employs any certified medical cannabis handler to perform transfers
7 or deliveries of medical cannabis, or any holding or intermediary
8 company thereof, and if so employed may hold, directly or
9 indirectly, an interest in, or represent, appear for, or negotiate on
10 behalf of, that employer, except as otherwise prohibited by law.

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

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

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

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

7 **[(3)] (c)** any partnership, firm, or corporation engaged in the
8 practice of law or in providing any other professional services with
9 which any person included in subparagraphs (a) and (b) of
10 paragraph (1) of subsection a. of this section, or a member of the
11 immediate family of that person, is associated, and any partner,
12 officer, director, or employee thereof, other than that person, or
13 immediate family member, may represent, appear for or negotiate
14 on behalf of any holder of, or applicant for, a casino license in
15 connection with any cause, application or matter or any holding
16 company or intermediary company with respect to such holder of,
17 or applicant for, a casino license in connection with any phase of
18 casino development, permitting, licensure or any other matter
19 whatsoever related to casino activity, and that person or immediate
20 family member shall not be barred from association with such
21 partnership, firm or corporation, if for a period of two years next
22 subsequent to the termination of the person's office or employment,
23 the person or immediate family member **[(a)] (i)** is screened from
24 personal participation in any such representation, appearance or
25 negotiation; and **[(b)] (ii)** is associated with the partnership, firm or
26 corporation in a position which does not entail any equity interest in
27 the partnership, firm or corporation. The exception provided in this
28 paragraph shall not apply to a former Governor, Lieutenant
29 Governor, Attorney General, member of the Legislature, person
30 included in subparagraph (a) of paragraph (2) of subsection a. of
31 this section, or to the members of their immediate families.

32 (2) No person or any member of the person's immediate family,
33 nor any partnership, firm, or corporation with which such person is
34 associated or in which the person has an interest, nor any partner,
35 officer, director, or employee while the person is associated with
36 such partnership, firm, or corporation, shall, within two years next
37 subsequent to the termination of the office or employment of such
38 person, hold, directly or indirectly, an interest in, or hold
39 employment with, or represent, appear for, or negotiate on behalf
40 of, any holder of, or applicant for, a medical cannabis cultivator,
41 medical cannabis manufacturer, medical cannabis dispensary, or
42 clinical registrant permit issued pursuant to P.L.2009, c.307
43 (C.24:6I-1 et al.) or in any entity that employs any certified medical
44 cannabis handler to perform transfers or deliveries of medical
45 cannabis, or any holding or intermediary company with respect
46 thereto, in connection with any cause, application, or matter, or any
47 holding or intermediary company with respect to such holder of, or

1 applicant for, a medical cannabis cultivator, medical cannabis
2 manufacturer, medical cannabis dispensary, or clinical registrant
3 permit or entity that employs any certified medical cannabis handler
4 to perform transfers or deliveries of medical cannabis in connection
5 with any phase of development, permitting, licensure, or any other
6 matter whatsoever related to medical cannabis activity, except as
7 provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except
8 that:

9 (a) a member of the immediate family of a person may hold
10 employment with the holder of, or applicant for, a medical cannabis
11 cultivator, medical cannabis manufacturer, medical cannabis
12 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
13 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
14 medical cannabis handler to perform transfers or deliveries of
15 medical cannabis if, in the judgment of the State Ethics
16 Commission, the Joint Legislative Committee on Ethical Standards,
17 or the Supreme Court, as appropriate, such employment will not
18 interfere with the responsibilities of the person and will not create a
19 conflict of interest, or reasonable risk of the public perception of a
20 conflict of interest, on the part of the person;

21 (b) an employee who is terminated as a result of a reduction in
22 the workforce at the agency where employed, other than an
23 employee who held a policy-making management position at any
24 time during the five years prior to termination of employment, may,
25 at any time prior to the end of the two-year period, accept
26 employment with the holder of, or applicant for, a medical cannabis
27 cultivator, medical cannabis manufacturer, medical cannabis
28 dispensary, or clinical registrant permit or any entity that employs
29 any certified medical cannabis handler to perform transfers or
30 deliveries of medical cannabis if, in the judgment of the State Ethics
31 Commission, the Joint Legislative Committee on Ethical Standards,
32 or the Supreme Court, as appropriate, such employment will not
33 create a conflict of interest, or reasonable risk of the public
34 perception of a conflict of interest, on the part of the employee. In
35 no case shall the restrictions of this subsection apply to a secretarial
36 or clerical employee. Nothing herein contained shall alter or amend
37 the post-service or post-employment restrictions applicable to
38 members and employees of the Cannabis Regulatory Commission
39 pursuant to paragraph (2) of subsection c. of section 34 and section
40 35 of P.L. , c. (C.) (pending before the Legislature as this
41 bill); and

42 (c) any partnership, firm, or corporation engaged in the practice
43 of law or in providing any other professional services with which
44 any person included in subparagraphs (a) and (c) of paragraph (1) of
45 subsection a. of this section, or a member of the immediate family
46 of that person, is associated, and any partner, officer, director, or
47 employee thereof, other than that person, or immediate family

1 member, may represent, appear for, or negotiate on behalf of any
2 holder of, or applicant for, a medical cannabis cultivator, medical
3 cannabis manufacturer, medical cannabis dispensary, or clinical
4 registrant permit or any entity that employs any certified medical
5 cannabis handler to perform transfers or deliveries of medical
6 cannabis in connection with any cause, application, or matter or any
7 holding company or intermediary company with respect to such
8 holder of, or applicant for, a medical cannabis cultivator, medical
9 cannabis manufacturer, medical cannabis dispensary, or clinical
10 registrant permit or entity that employs any certified medical
11 cannabis handler to perform transfers or deliveries of medical
12 cannabis, in connection with any phase of development, permitting,
13 or any other matter whatsoever related to medical cannabis activity,
14 and that person or immediate family member shall not be barred
15 from association with such partnership, firm, or corporation, if for a
16 period of two years next subsequent to the termination of the
17 person's office or employment, the person or immediate family
18 member (i) is screened from personal participation in any such
19 representation, appearance or negotiation; and (ii) is associated with
20 the partnership, firm, or corporation in a position which does not
21 entail any equity interest in the partnership, firm, or corporation.
22 The exception provided in this paragraph shall not apply to a former
23 Governor, Lieutenant Governor, Attorney General, the President of
24 the Senate, the Speaker of the General Assembly, to a person
25 included in subparagraph (b) of paragraph (2) of subsection a. of
26 this section, or to the members of their immediate families.

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

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

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

45 (2) No person shall solicit or accept, directly or indirectly, any
46 complimentary service or discount from any holder of, or applicant
47 for, a medical cannabis cultivator, medical cannabis manufacturer,

1 medical cannabis dispensary, or clinical registrant permit issued
2 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
3 employs any certified medical cannabis handler to perform transfers
4 or deliveries of medical cannabis, which the person knows or has
5 reason to know is other than a service or discount that is offered to
6 members of the general public in like circumstance.

7 g. (1) No person shall influence, or attempt to influence, by
8 use of his official authority, the decision of the **【commission】**
9 Casino Control Commission or the investigation of the **【division】**
10 Division of Gaming Enforcement in any application for casino
11 licensure or in any proceeding to enforce the provisions of this act
12 or the regulations of the commission. Any such attempt shall be
13 promptly reported to the Attorney General; provided, however, that
14 nothing in this section shall be deemed to proscribe a request for
15 information by any person concerning the status of any application
16 for licensure or any proceeding to enforce the provisions of this act
17 or the regulations of the commission.

18 (2) No person shall influence, or attempt to influence, by use of
19 the person's official authority, the decision of the Cannabis
20 Regulatory Commission in any application for a medical cannabis
21 cultivator, medical cannabis manufacturer, medical cannabis
22 dispensary, or clinical registrant permit, or in any proceeding to
23 enforce the provisions of P.L.1981, c.142 (C.52:13D-17.2 et al.),
24 P.L.2009, c.307 (C.24:6I-1 et al.), or the regulations of the
25 Cannabis Regulatory Commission. Any such attempt shall be
26 promptly reported to the Attorney General; provided, however, that
27 nothing in this section shall be deemed to proscribe a request for
28 information by any person concerning the status of any permit
29 application, or any proceeding to enforce the provisions of
30 P.L.1981, c.142 (C.52:13D-17.2 et al.), P.L.2009, c.307 (C.24:6I-1
31 et al.), or the regulations of the Cannabis Regulatory Commission.

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

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

44

45 39. (New section) If any provision of P.L.2009, c.307 (C.24:6I-
46 1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) or its application
47 to any person or circumstance is held invalid, the invalidity does not

1 affect other provisions or applications of P.L.2009, c.307 (C.24:6I-1
2 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) which can be
3 given effect without the invalid provision or application, and to this
4 end the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) and
5 P.L.2015, c.158 (C.18A:40-12.22 et al.) are severable.

6
7 40. N.J.S.2C:35-18 is amended to read as follows:

8 2C:35-18. Exemption; Burden of Proof. a. If conduct is
9 authorized by the provisions of P.L.1970, c.226 (C.24:21-1 et seq.),
10 P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-
11 12.22 et al.), that authorization shall, subject to the provisions of
12 this section, constitute an exemption from criminal liability under
13 this chapter or chapter 36, and the absence of such authorization
14 shall not be construed to be an element of any offense in this
15 chapter or chapter 36. It is an affirmative defense to any criminal
16 action arising under this chapter or chapter 36 that the defendant is
17 the authorized holder of an appropriate registration, permit, or order
18 form or is otherwise exempted or excepted from criminal liability
19 by virtue of any provision of P.L.1970, c.226 (C.24:21-1 et seq.),
20 P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-
21 12.22 et al.). The affirmative defense established herein shall be
22 proved by the defendant by a preponderance of the evidence. It
23 shall not be necessary for the State to negate any exemption set
24 forth in this act or in any provision of Title 24 of the Revised
25 Statutes in any complaint, information, indictment, or other
26 pleading or in any trial, hearing, or other proceeding under this act.

27 b. No liability shall be imposed by virtue of this chapter or
28 chapter 36 upon any duly authorized State officer, engaged in the
29 enforcement of any law or municipal ordinance relating to
30 controlled dangerous substances or controlled substance analogs.

31 (cf: P.L.2015, c.158, s.3)

32

33 41. Section 1 of P.L.2015, c.158 (C.18A:40-12.22) is amended
34 to read as follows:

35 1. a. A board of education or chief school administrator of a
36 nonpublic school shall develop a policy authorizing parents,
37 guardians, and **【primary】** designated caregivers to administer
38 medical **【marijuana】** cannabis to a student while the student is on
39 school grounds, aboard a school bus, or attending a school-
40 sponsored event.

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

43 (1) require that the student be authorized to engage in the
44 medical use of **【marijuana】** cannabis pursuant to P.L.2009, c.307
45 (C.24:6I-1 et al.) and that the parent, guardian, or **【primary】**
46 designated caregiver be authorized to assist the student with the

1 medical use of **【marijuana】 cannabis** pursuant to P.L.2009, c.307
2 (C.24:6I-1 et al.);

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

7 (3) expressly authorize parents, guardians, and **【primary】**
8 **designated** caregivers of students who have been authorized for the
9 medical use of **【marijuana】 cannabis** to administer medical
10 **【marijuana】 cannabis** to the student while the student is on school
11 grounds, aboard a school bus, or attending a school-sponsored
12 event;

13 (4) identify locations on school grounds where medical
14 **【marijuana】 cannabis** may be administered; and

15 (5) prohibit the administration of medical **【marijuana】 cannabis**
16 to a student by smoking or other form of inhalation while the
17 student is on school grounds, aboard a school bus, or attending a
18 school-sponsored event.

19 c. Medical **【marijuana】 cannabis** may be administered to a
20 student while the student is on school grounds, aboard a school bus,
21 or attending school-sponsored events, provided that such
22 administration is consistent with the requirements of the policy
23 adopted pursuant to this section.

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

25

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

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

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

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

45 (2) establish protocols for verifying the registration status and
46 ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)

1 concerning the medical use of **【marijuana】** cannabis for the person
2 and the parent, guardian, or **【primary】** designated caregiver;

3 (3) expressly authorize parents, guardians, and **【primary】**
4 designated caregivers to administer medical **【marijuana】** cannabis
5 to the person receiving services for persons with developmental
6 disabilities while the person is at the facility; and

7 (4) identify locations at the facility where medical **【marijuana】**
8 cannabis may be administered.

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

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

18 (cf: P.L.2015, c.158, s.2)

19

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

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

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

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

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

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

45 c. Medical cannabis may be administered to a person receiving
46 behavioral health care services at a facility that offers such services

1 while the person is at the facility, provided that such administration
2 is consistent with the requirements of the policy adopted pursuant to
3 this section and the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

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

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

15

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

18 11. a. A **【physician】** health care practitioner who **【provides a**
19 **certification】** authorizes a patient for the medical use of cannabis or
20 who provides a written instruction for the medical use of
21 **【marijuana】** cannabis to a qualifying patient pursuant to P.L.2009,
22 c.307 (C.24:6I-1 et al.) and **【any alternative treatment center】** each
23 medical cannabis dispensary and clinical registrant shall furnish to
24 the Director of the Division of Consumer Affairs in the Department
25 of Law and Public Safety such information, on a daily basis and in
26 such a format **【and at such intervals,】** as the director shall prescribe
27 by regulation, for inclusion in a system established to monitor the
28 dispensation of **【marijuana】** cannabis in this State for medical use
29 as authorized by the provisions of P.L.2009, c.307 (C.24:6I-
30 1 et al.), which system shall serve the same purpose as, and be
31 cross-referenced with, the electronic system for monitoring
32 controlled dangerous substances established pursuant to section 25
33 of P.L.2007, c.244 (C.45:1-45).

34 b. The Director of the Division of Consumer Affairs, pursuant
35 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
36 1 et seq.), and in consultation with the **【Commissioner of Health**
37 **and Senior Services】** Cannabis Regulatory Commission, shall adopt
38 rules and regulations to effectuate the purposes of subsection a. of
39 this section.

40 c. Notwithstanding any provision of P.L.1968, c.410
41 (C.52:14B-1 et seq.) to the contrary, the Director of the Division of
42 Consumer Affairs shall adopt, immediately upon filing with the
43 Office of Administrative Law and no later than the 90th day after
44 the effective date of P.L.2009, c.307 (C.24:6I-1 et al.), such
45 regulations as the director deems necessary to implement the
46 provisions of subsection a. of this section. Regulations adopted

1 pursuant to this subsection shall be effective until the adoption of
2 rules and regulations pursuant to subsection b. of this section and
3 may be amended, adopted, or readopted by the director in
4 accordance with the requirements of P.L.1968, c.410 (C.52:14B-
5 1 et seq.).

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

7

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

10 7. a. A physician assistant may perform the following
11 procedures:

12 (1) Approaching a patient to elicit a detailed and accurate
13 history, perform an appropriate physical examination, identify
14 problems, record information, and interpret and present information
15 to the supervising physician;

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

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

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

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

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

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

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

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

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

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

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

4 (5) Prescribing the use of patient restraints; and

5 (6) Authorizing qualifying patients for the medical use of
6 cannabis and issuing written instructions for medical cannabis to
7 registered qualifying patients pursuant to P.L.2009, c.307 (C.24:6I-
8 1 et al.).

9 c. A physician assistant may assist a supervising surgeon in the
10 operating room when a qualified assistant physician is not required
11 by the board and a second assistant is deemed necessary by the
12 supervising surgeon.

13 d. A physician assistant may perform medical services beyond
14 those explicitly authorized in this section, when such services are
15 delegated by a supervising physician with whom the physician
16 assistant has signed a delegation agreement pursuant to section 8 of
17 P.L.1991, c.378 (C.45:9-27.17). The procedures delegated to a
18 physician assistant shall be limited to those customary to the
19 supervising physician's specialty and within the supervising
20 physician's and the physician assistant's competence and training.

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

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

29
30 46. Section 10 of P.L.1991, c.378 (C.45:9-27.19) is amended to
31 read as follows:

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

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

38 (1) a supervising physician has authorized a physician assistant
39 to order or prescribe Schedule II, III, IV, or V controlled dangerous
40 substances in order to:

41 (a) continue or reissue an order or prescription for a controlled
42 dangerous substance issued by the supervising physician;

43 (b) otherwise adjust the dosage of an order or prescription for a
44 controlled dangerous substance originally ordered or prescribed by
45 the supervising physician, provided there is prior consultation with
46 the supervising physician;

- 1 (c) initiate an order or prescription for a controlled dangerous
2 substance for a patient, provided there is prior consultation with the
3 supervising physician if the order or prescription is not pursuant to
4 subparagraph (d) of this paragraph; or
- 5 (d) initiate an order or prescription for a controlled dangerous
6 substance as part of a treatment plan for a patient with a terminal
7 illness, which for the purposes of this subparagraph means a
8 medical condition that results in a patient's life expectancy being 12
9 months or less as determined by the supervising physician;
- 10 (2) the physician assistant has registered with, and obtained
11 authorization to order or prescribe controlled dangerous substances
12 from, the federal Drug Enforcement Administration and any other
13 appropriate State and federal agencies; and
- 14 (3) the physician assistant complies with all requirements which
15 the board shall establish by regulation for the ordering, prescription,
16 or administration of controlled dangerous substances, all applicable
17 educational program requirements, and continuing professional
18 education programs approved pursuant to section 16 of P.L.1991,
19 c.378 (C.45:9-27.25).
- 20 b. (Deleted by amendment, P.L.2015, c.224)
- 21 c. (Deleted by amendment, P.L.2015, c.224)
- 22 d. In the case of an order or prescription for a controlled
23 dangerous substance or written instructions for medical cannabis,
24 the physician assistant shall print on the order or prescription or the
25 written instructions the physician assistant's Drug Enforcement
26 Administration registration number.
- 27 e. The dispensing of medication or a medical device by a
28 physician assistant shall comply with relevant federal and State
29 regulations, and shall occur only if: (1) pharmacy services are not
30 reasonably available; (2) it is in the best interest of the patient; or
31 (3) the physician assistant is rendering emergency medical
32 assistance.
- 33 f. A physician assistant may request, receive, and sign for
34 prescription drug samples and may distribute those samples to
35 patients.
- 36 g. A physician assistant may issue written instructions to a
37 registered qualifying patient for medical cannabis pursuant to
38 section 10 of P.L.2009, c.307 (C.24:6I-10) only if:
- 39 (1) a supervising physician has authorized the physician
40 assistant to issue written instructions to registered qualifying
41 patients;
- 42 (2) the physician assistant verifies the patient's status as a
43 registered qualifying patient; and
- 44 (3) the physician assistant complies with the requirements for
45 issuing written instructions for medical cannabis established
46 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.).
- 47 (cf: P.L.2015, c.224, s.7)

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

3 10. a. In addition to all other tasks which a registered
4 professional nurse may, by law, perform, an advanced practice
5 nurse may manage preventive care services and diagnose and
6 manage deviations from wellness and long-term illnesses, consistent
7 with the needs of the patient and within the scope of practice of the
8 advanced practice nurse, by:

9 (1) initiating laboratory and other diagnostic tests;

10 (2) prescribing or ordering medications and devices, as
11 authorized by subsections b. and c. of this section; and

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

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

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

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

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

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

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

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

38 (7) the advanced practice nurse has completed six contact hours
39 of continuing professional education in pharmacology related to
40 controlled substances, including pharmacologic therapy, addiction
41 prevention and management, and issues concerning prescription
42 opioid drugs, including responsible prescribing practices,
43 alternatives to opioids for managing and treating pain, and the risks
44 and signs of opioid abuse, addiction, and diversion, in accordance
45 with regulations adopted by the New Jersey Board of Nursing. The
46 six contact hours shall be in addition to New Jersey Board of
47 Nursing pharmacology education requirements for advanced

1 practice nurses related to initial certification and recertification of
2 an advanced practice nurse as set forth in N.J.A.C.13:37-7.2.

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

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

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

14 (3) the advanced practice nurse writes the prescription on a New
15 Jersey Prescription Blank pursuant to P.L.2003, c.280 (C.45:14-
16 40 et seq.), signs the nurse's own name to the prescription and prints
17 the nurse's name and certification number;

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

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

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

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

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

41 d. The joint protocols employed pursuant to subsections b. and
42 c. of this section shall conform with standards adopted by the
43 Director of the Division of Consumer Affairs pursuant to section 12
44 of P.L.1991, c.377 (C.45:11-51) or section 10 of P.L.1999, c.85
45 (C.45:11-49.2), as applicable.

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

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

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

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

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

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

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

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

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

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

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

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

39

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

41

42 49. This act shall take effect immediately.

STATEMENT

1
2
3 This bill makes various revisions to the “Compassionate Use
4 Medical Marijuana Act,” P.L.2009, c.307 (C.24:6I-1 et al.),
5 including renaming the act the “Jake Honig Compassionate Use
6 Medical Cannabis Act,” establishing a new Cannabis Regulatory
7 Commission (CRC) to oversee the medical cannabis program;
8 revising the requirements to authorize a patient for medical
9 cannabis; revising the permit and operational requirements for
10 alternative treatment centers (ATCs), including establishing discrete
11 cultivator, manufacturer, and dispensary permits; creating a new
12 clinical registrant permit; authorizing delivery of medical cannabis,
13 and establishing additional protections for registry cardholders.
14

15 Cannabis Regulatory Commission
16

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

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

42 The CRC will assume responsibility for oversight,
43 administration, and enforcement of the medical cannabis program
44 from the Department of Health at such time as the members of the
45 commission are appointed and the commission first organizes. The
46 bill will permit, based on the transfer of responsibility, employees
47 of the department who performed the duties of any position to be
48 filled by the CRC a one-time right of first refusal offer of
49 employment. Any department employee who is employed by the

1 CRC in this manner will retain seniority, and all rights related to
2 seniority, that the employee had with the department as of the last
3 day of employment with the department.

4 The CRC will be charged with establishing a plan of
5 organization, and employing personnel as it deems necessary to
6 operate under the direct supervision of a full-time executive
7 director. The new executive director position will be initially filled
8 directly by the Governor, and thereafter will be appointed by the
9 Governor with the advice and consent of the Senate.

10 One mandatory aspect to the CRC's organization plan will be the
11 inclusion of an Office of Minority, Disabled Veterans, and Women
12 Cannabis Business Development, operating under the supervision of
13 a director appointed by the Governor. This office is to establish and
14 administer, under the direction of the CRC, unified practices and
15 procedures for promoting participation in the medical cannabis
16 industry by persons from socially and economically disadvantaged
17 communities, including by prospective and existing minority owned
18 and women's owned businesses and disabled veterans' businesses.
19 These unified practices and procedures are to include a business's
20 certification and subsequent recertification at regular intervals as a
21 minority owned or women's owned business, or a disabled
22 veterans' business, in accordance with eligibility criteria and a
23 certification application process established by the CRC in
24 consultation with the office.

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

39

40 Ethical and Conflicts-of-Interest Requirements for the CRC

41

42 The members of the CRC and all CRC employees will be subject
43 to ethical and conflicts-of-interest restrictions, addressing activities
44 engaged in prior to, during, and following service with the CRC.
45 For instance, a person generally may not be an appointed member
46 or employee of the CRC if, during the period commencing three
47 years prior to appointment or employment, the person held any
48 direct or indirect interest in, or any employment by, a holder of or
49 applicant for an ATC permit, unless the person's prior interest

1 would not, in the opinion of the CRC, interfere with the person's
2 obligations of appointment or employment. Additionally, for a
3 period of two years commencing from the date that a member's or
4 employee's service terminates, that former member or employee
5 will not be permitted to hold any direct or indirect interest in, or any
6 employment by, a holder of or applicant for an ATC permit;
7 provided that the two-year post-service restriction would not apply
8 to secretarial or clerical employees.

9 At the time each member and employee commences service, with
10 the exception of secretarial and clerical employees, the member or
11 employee will be required to file a financial disclosure statement
12 with the State Ethics Commission listing all assets and liabilities,
13 property and business interests, and sources of income for the
14 person and for the person's spouse or domestic or civil union
15 partner. Additionally, CRC members are to provide the same
16 information for each dependent child or stepchild of the member,
17 and of the member's spouse or domestic or civil union partner, who
18 resides in the same household as the member.

19 Members and employees will generally be subject to the "New
20 Jersey Conflicts of Interest Law," P.L.1971, c.182 (C.52:13D-12 et
21 seq.), as well as a Code of Ethics promulgated by the CRC that is
22 modeled upon the Code of Judicial Conduct of the American Bar
23 Association. All members and employees will be prohibited from
24 using any official authority to interfere with or affect the result of
25 an election or nomination for office, coerce or advise any person to
26 contribute anything of value to another person or organization for
27 political purposes, or take active part in any political campaign.
28 Additionally, the members of the CRC, the executive director, and
29 any other employee holding a supervisory or policy-making
30 management position will be prohibited from making any political
31 contributions to candidates or campaigns. A violation of this
32 prohibition constitutes a crime of the fourth degree, which is
33 punishable by imprisonment for up to 18 months, a fine of up to
34 \$10,000, or both.

35 The bill also revises the "New Jersey Conflicts of Interest Law"
36 to establish restrictions on various State officers or employees, the
37 Governor and full-time professionals employed in the Governor's
38 Office, full-time members of the Judiciary, and various officers of
39 the municipality in which an ATC is located. These restrictions
40 concern not only their own activities, but the activities of their
41 associated partnerships, firms, or corporations, and their family
42 members in connection with either employment or another interest
43 in, or representation of, current ATCs. These restrictions are
44 similar to the restrictions that apply to these people and businesses
45 under the current law concerning casino licensees and applicants,
46 and casino-related activities, and include a general prohibition on
47 employment, representation, appearance for, or negotiation on
48 behalf of, any permit holder or applicant in connection with any
49 cause, application, or matter, and these restrictions can carry over

1 into the post-employment or post-service period following the
2 departure of a person from State or local employment or office.

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

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

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

21

22

Patient and Caregiver Requirements

23

24 Current law sets forth an enumerated list of debilitating medical
25 conditions that can qualify a patient for the medical use of cannabis.
26 The bill changes the term “debilitating medical condition” to
27 “qualifying medical condition,” and updates and revises the list of
28 conditions in certain ways, including adding additional conditions
29 and providing that medical cannabis may be used as a treatment of
30 first resort for any condition included in the list, which are: seizure
31 disorder, including epilepsy; intractable skeletal muscular
32 spasticity; post-traumatic stress disorder; glaucoma; positive status
33 for human immunodeficiency virus; acquired immune deficiency
34 syndrome; cancer; amyotrophic lateral sclerosis; multiple sclerosis;
35 muscular dystrophy; inflammatory bowel disease, including Crohn's
36 disease; terminal illness, if the patient has a prognosis of less than
37 12 months of life; anxiety; migraine; Tourette's syndrome;
38 dysmenorrhea; chronic pain; opioid use disorder; or any other
39 condition that is approved by the CRC.

40 The bill expands the list of professionals who can authorize
41 patients for the medical use of cannabis. Current law only allows
42 physicians to provide this authorization; the bill provides that
43 physician assistants and advanced practice nurses may authorize
44 patients for medical cannabis as well, and eliminates the
45 requirement for the professional to have a bona fide provider-
46 patient relationship with the patient. The bill requires that only a
47 pediatric specialist may approve a patient who is a minor for
48 medical cannabis. The bill provides that health care practitioners
49 will not be required to register with the CRC, or be publicly listed

1 in any CRC registry, as a condition of authorizing patients for
2 medical cannabis. Practitioners will be prohibited from authorizing
3 themselves or members of their immediate family for medical
4 cannabis.

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

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

1 acute care hospital, nursing home, long term care facility, hospice
2 care facility, group home, facility that provides services to persons
3 with developmental disabilities, behavioral health care facility, and
4 rehabilitation center.

5 The bill provides that qualifying patients and designated
6 caregivers who are registered with a medical cannabis program in
7 another state will be deemed to be qualifying patients and
8 designated caregivers for the purposes of New Jersey law for up to
9 six months, provided the individual possesses a valid registry card
10 and a photo identification card issued by the other state. Medical
11 cannabis may only be dispensed to an out-of-State patient or
12 caregiver pursuant to written instructions issued by a New Jersey
13 practitioner, and medical cannabis cannot be delivered to any
14 individual who is not registered with the CRC. After six months,
15 the out-of-State registrant will be prohibited from engaging in
16 conduct related to medical cannabis in New Jersey unless the
17 individual is registered as a qualifying patient or caregiver in New
18 Jersey. The CRC is to seek to establish medical cannabis
19 reciprocity agreements with other states.

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

23

24 Dispensing Requirements for Medical Cannabis

25

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

46 The bill authorizes delivery of medical cannabis to patients by a
47 certified medical cannabis handler who holds a medical cannabis
48 delivery certification. Medical cannabis may be delivered to the
49 patient at the patient's home address or at a second address on file

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

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

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

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

40 The bill provides that a practitioner or an immediate family
41 member of a practitioner who authorizes patients for medical
42 cannabis may not hold any profit or ownership interest in an ATC.
43 A practitioner or the immediate family member of a practitioner
44 who applies for an ATC identification card is to certify that the
45 practitioner has not authorized any patients for medical cannabis in
46 the preceding 90 days. A person who violates the prohibition will
47 be guilty of a crime of the fourth degree, which is punishable by
48 imprisonment for up to 18 months, up to a \$10,000 fine, or both.
49 The bill specifies that nothing in the prohibition will ban any

1 practitioner from serving on the governing board or medical
2 advisory board of an ATC, provided the practitioner receives no
3 special compensation or remuneration from the ATC, including
4 payments based on patient volumes or the number of authorizations
5 for medical cannabis the practitioner issues.

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

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

19 Currently, medical cannabis is subject to the State sales tax. The
20 bill will phase out the sales tax over three years, with the tax
21 dropping to four percent on July 1, 2020, to two percent on July 1,
22 2021, and being completely exempt from all state sales tax as of
23 July 1, 2022. Until then, any sales tax assessed on medical
24 cannabis is to be exclusively appropriated to programs for the
25 treatment of mental health and substance use disorders.

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

30

31 ATC Application and Permitting Requirements

32

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

41 For a period of 18 months after the effective date of the bill, an
42 entity will be permitted to hold only one permit of any type. After
43 18 months, an entity will be authorized to concurrently hold
44 medical cannabis cultivator, medical cannabis manufacturer, and
45 medical cannabis dispensary permits.

46 However, the bill provides that the CRC is to issue three new
47 ATC permits that are not subject to these restrictions; these three
48 ATCs will be deemed to concurrently hold medical cannabis
49 cultivator, medical cannabis manufacturer, and medical cannabis

1 dispensary permits immediately upon approval, regardless on the
2 general 18-month restriction on vertical integration. These three
3 ATCs will also be authorized to establish one satellite dispensary
4 location each, provided the entity applies for the satellite dispensary
5 within 18 months after the effective date of the bill. The three ATC
6 permits are to be distributed with one located in each of the
7 northern, central, and southern regions of the State.

8 The restriction on vertical integration will also not apply to
9 ATCs that were issued a permit prior to the effective date of the bill
10 or that were issued a permit after the effective date of the bill
11 pursuant to an application submitted prior to the effective date of
12 the bill, or to up to four ATCs issued permits after the effective date
13 of the bill pursuant to a request for applications published in the
14 New Jersey Register prior to the effective date of the bill, which
15 will be deemed to hold medical cannabis cultivator, medical
16 cannabis manufacturer, and medical cannabis dispensary permits.
17 Any ATC issued a permit prior to the effective date of the bill and
18 any ATCs issued a permit after the effective date of the bill
19 pursuant to an application submitted prior to the effective date of
20 the bill will be authorized to hold up to two satellite dispensary
21 permits, including any satellite dispensary permit approved prior to
22 the effective date of the bill or approved pursuant to an application
23 submitted prior to the effective date of the bill, and any satellite
24 dispensary approved pursuant to an application submitted within the
25 first 18 months after the effective date of the bill. Aside from these
26 grandfathered satellite dispensaries and the new satellite
27 dispensaries expressly authorized under the bill, plus any satellite
28 dispensary authorized for a clinical registrant, no new satellite
29 dispensaries will be approved.

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

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

46 The bill sets forth the specific information to be considered when
47 reviewing new permit applications, which includes specific
48 information concerning the applicant's operational experience,
49 workforce development plan, community impact analysis, security

1 capabilities, storage systems, emergency management plan, prisoner
2 reentry program plan, and proposed location, along with any other
3 criteria the CRC deems appropriate. The CRC will determine the
4 weight to be afforded to each criterion.

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

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

34 The bill additionally requires that at least 10 percent of the total
35 permits issued for each permit type, other than clinical registrant
36 permits, are to be issued to microbusinesses. The requirements for
37 a microbusiness are: 100 percent of the ownership of a
38 microbusiness is to be held by current New Jersey residents who
39 have resided in the State for at least the past two years; at least 51
40 percent of the owners, directors, officers, and employees of the
41 microbusiness are to be residents of the municipality where the
42 microbusiness is located or a bordering municipality; the
43 microbusiness may employ no more than 10 employees, inclusive
44 of owners, officers, and directors; and the microbusiness facility
45 may occupy an area of no more than 2,500 square feet. The bill sets
46 forth certain restrictions for each type of microbusiness permit:
47 microbusiness medical cannabis cultivators will be restricted to a
48 grow canopy of no more than 2,500 square feet and a height
49 restriction of 24 feet, and will be limited to possessing no more than

1 1,000 mature and immature plants at one time; microbusiness
2 medical cannabis manufacturers will be restricted to acquiring and
3 processing no more than 1,000 pounds of medical cannabis in dried
4 form, or the equivalent amount in any other form, in a month; and a
5 microbusiness medical cannabis dispensary will be permitted to
6 acquire and dispense no more than 1,000 pounds of medical
7 cannabis in dried form, or the equivalent in any other form, in a
8 month. Permit fees for microbusinesses are half the regular permit
9 fees. The application process for a microbusiness permit is the
10 same as for any other permit, and a permit issued to a
11 microbusiness, like any other permit, is renewable annually.

12 Applicants may submit multiple permit applications, with a
13 separate application for each proposed facility; the bill establishes
14 procedures for determining which permit to award to an applicant
15 who scores high enough to be awarded multiple permits of the same
16 type.

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

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

44 The bill additionally establishes requirements for issuance of a
45 clinical registrant permit, which will authorize the permit holder to
46 engage in all conduct related to the cultivation, manufacturing, and
47 dispensing of medical cannabis and medical cannabis products as is
48 authorized for other ATC permit holders. The clinical registrant
49 will be required to enter into a contractual relationship with an

1 academic medical center, which is a facility located in New Jersey
2 that has a faculty practice in addiction medicine or is in the same
3 health care system as another facility in the State that offers
4 substance use disorder treatment services, has a faculty practice in
5 pain management or a facility-based pain management practice, has
6 a graduate medical training program that includes primary care and
7 specialized medicine, is the principal teaching affiliate of a New
8 Jersey medical school, and has the ability to conduct research
9 related to cannabis. If the facility is part of a health care system,
10 the health care system is required to be principally located in New
11 Jersey in order for the facility to qualify as an academic medical
12 center. The CRC will be required to request applications for at least
13 four clinical registrant permits within 90 days after the effective
14 date of the bill or upon the adoption of rules and regulations
15 required under the bill, whichever occurs first.

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

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

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

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

43 The bill revises the criminal history record background check
44 requirements for medical cannabis cultivator, manufacturer,
45 dispensary, and clinical registrant applicants to provide that a
46 conviction for a crime of the first, second, or third degree, as well
47 as any drug offense other than marijuana possession convictions or
48 convictions for dispensing less than five pounds of marijuana,
49 constitutes a disqualifying conviction that may bar the applicant

1 from holding an interest in or being employed by a medical
2 cannabis cultivator, manufacturer, dispensary, or clinical registrant.
3 Current law limits disqualifying convictions to drug offenses other
4 than minor cannabis possession. The CRC will retain the discretion
5 to issue a permit to an applicant if it finds evidence of
6 rehabilitation.

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

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

40 Applications for medical cannabis cultivator, manufacturer, and
41 dispensary permits and for clinical registrant permits will be exempt
42 from the "Open Public Records Act," P.L.1963, c.73 (C.47:1A-1 et
43 seq.) and P.L.2001, c.404 (C.47:1A-5 et al.).

44

45 ATC Operational Requirements

46

47 The bill requires medical cannabis dispensaries and clinical
48 registrants to establish and maintain standardized price lists, which
49 will reflect the price of all medical cannabis, medical cannabis

1 products, and related supplies and paraphernalia dispensed or sold
2 by the dispensary or clinical registrant to or on behalf of registered
3 qualifying patients. Price lists are to be posted on the dispensary's
4 or clinical registrant's Internet website, if any, maintained on file
5 with the CRC, and may be updated once per month. A dispensary
6 or clinical registrant that sells medical cannabis or medical cannabis
7 products at a price that deviates from its price list will be liable to a
8 civil penalty of \$1,000 per sale, and dispensary or clinical registrant
9 that fails to maintain its current price list on file with the CRC will
10 be liable to a civil penalty of \$10,000 for each week during which
11 the CRC does not have the current price list. The prices charged by
12 a medical cannabis dispensary or clinical registrant are to be
13 reasonable and consistent with the costs of acquiring and
14 dispensing, selling, or transferring the medical cannabis or medical
15 cannabis product.

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

30 The bill requires the CRC to develop and maintain a
31 comprehensive tracking system for medical cannabis that covers
32 cultivation through final dispensing. The tracking system is to be
33 designed to prevent diversion and tampering while promoting
34 accurate accounting and recording of all information relevant to the
35 medical cannabis or medical cannabis product. The system is to
36 utilize a stamp for tracking purposes, which is to be affixed to
37 medical cannabis packages and containers by medical cannabis
38 cultivators, medical cannabis manufacturers, and clinical
39 registrants. The purchase price of the stamp is to be reasonable and
40 commensurate with the cost of producing the stamp.

41 The owners, directors, officers, and employees at each medical
42 cannabis cultivator, manufacturer, dispensary, courier, and clinical
43 registrant will be required to undergo eight hours of ongoing
44 training each calendar year. The training is to be tailored to the
45 roles and responsibilities of the individual's job function and
46 include training on confidentiality and any other topics required by
47 the CRC. For medical cannabis dispensary and clinical registrant
48 employees, the ongoing training may include completing the
49 curriculum developed by the CRC concerning patient consultations.

1 Additionally, all individuals who handle medical cannabis in any
2 capacity are required to be certified by the CRC as medical
3 cannabis handlers. The training required for handler certification
4 will only be required once, and will count toward the required eight
5 hours of annual training.

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

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

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

46 The bill provides that medical cannabis cultivators,
47 manufacturers, dispensaries, and clinical registrants will be
48 permitted to establish a medical advisory board to advise the
49 permitted entity on all aspects of its business. A medical advisory

1 board is to comprise five members: three healthcare practitioners;
2 one qualifying patient who resides in the same area as the permitted
3 entity; and one business owner from the same area as the permitted
4 entity. No owner, director, officer, or employee of a permitted
5 entity may serve on a medical advisory board. Medical advisory
6 boards are to meet at least two times per year.

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

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

22

23

Other Cannabis-Related Licensure

24

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

39 Laboratories providing testing services will be required to
40 register with the CRC and will be subject to inspection to ensure
41 that the equipment used is in good condition and properly
42 calibrated. The owners, directors, officers, and employees of a
43 testing laboratory will be required to undergo a criminal history
44 record background check as a condition of licensure; no applicant
45 with a disqualifying conviction will be authorized to own, operate,
46 or be employed by a medical cannabis testing laboratory.
47 “Disqualifying conviction” means any drug offense other than
48 minor cannabis possession; applicants with a disqualifying
49 conviction may still be approved if the applicant demonstrates clear

1 and convincing evidence of rehabilitation. As a condition of
2 licensure, each laboratory will be required to certify its intention to
3 seek third party accreditation in accordance with ISO 17025 to
4 ensure equipment is routinely inspected, calibrated, or maintained,
5 until such time as the CRC issues its own standards or confirms the
6 use of ISO 17025.

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

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

21

22 Legal Protections for Patients and Caregivers

23

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

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

46 The bill prohibits employers from taking any adverse
47 employment action against an employee based on the employee's
48 status as a registry identification cardholder. If an employer has a
49 drug testing policy and an employee or job applicant tests positive

1 for cannabis, the employee or job applicant is to be offered an
2 opportunity to present a legitimate medical explanation for the
3 positive test result or request a retest. Nothing in the bill will
4 restrict an employer's ability to prohibit or take adverse
5 employment action for the possession or use of intoxicating
6 substances during work hours or on workplace premises outside of
7 work hours, or require an employer to commit any act that would
8 violate federal law or result in the loss of a federal contract or
9 federal funding. Employers will not be penalized or denied any
10 benefit under State law for employing a person who is a registry
11 cardholder.

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

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

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

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

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

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

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

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

15

16

17

18

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