# [Second Reprint]

# SENATE COMMITTEE SUBSTITUTE FOR SENATE, Nos. 10 and 2426

# STATE OF NEW JERSEY 218th LEGISLATURE

ADOPTED NOVEMBER 26, 2018

Sponsored by: Senator JOSEPH F. VITALE District 19 (Middlesex) Senator NICHOLAS P. SCUTARI District 22 (Middlesex, Somerset and Union) Senator DECLAN J. O'SCANLON, JR. District 13 (Monmouth)

Co-Sponsored by: Senator Gopal

#### SYNOPSIS

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



(Sponsorship Updated As Of: 3/5/2019)

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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 1. Section 1 of P.L.2009, c.307 (C.24:6I-1) is amended to read 7 8 as follows: 9 1. This act shall be known and may be cited as the ["New Jersey] "Jake Honig Compassionate Use Medical [Marijuana] 10 Cannabis Act." 11 12 13 2. Section 2 of P.L.2009, c.307 (C.24:6I-2) is amended to read 14 as follows: 15 2. The Legislature finds and declares that: Modern medical research has discovered a beneficial use for 16 a. [marijuana] cannabis in treating or alleviating the pain or other 17 18 symptoms associated with certain [debilitating] medical conditions, 19 as found by the National Academy of Sciences' Institute of 20 Medicine in March 1999 [;]. 21 b. According to the U.S. Sentencing Commission and the Federal Bureau of Investigation, 99 out of every 100 [marijuana] 22 23 cannabis arrests in the country are made under state law, rather than 24 under federal law. Consequently, changing state law will have the 25 practical effect of protecting from arrest the vast majority of seriously ill people who have a medical need to use [marijuana] 26 27 cannabis **[**;**]**. 28 Although federal law currently prohibits the use of c. 29 [marijuana] cannabis, the laws of Alaska, Arkansas, California, 30 Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Maine, 31 Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada, 32 New Hampshire, New Mexico, New York, North Dakota, Ohio, 33 Oregon, Pennsylvania, Rhode Island, Vermont, [and] Washington, 34 West Virginia, and the District of Columbia permit the use of 35 [marijuana] <u>cannabis</u> for medical purposes, and in Arizona doctors 36 are permitted to prescribe [marijuana] cannabis. New Jersey joins this effort for the health and welfare of its citizens **[**; **]**. 37 d. States are not required to enforce federal law or prosecute 38 39 people for engaging in activities prohibited by federal law; 40 therefore, compliance with this act does not put the State of New Jersey in violation of federal law [; and]. 41

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.

Matter enclosed in superscript numerals has been adopted as follows: <sup>1</sup> Senate floor amendments adopted December 17, 2018.

<sup>&</sup>lt;sup>2</sup> Senate floor amendments adopted January 31, 2019.

e. Compassion dictates that a distinction be made between 1 2 medical and non-medical uses of [marijuana] cannabis. Hence, the 3 purpose of this act is to protect from arrest, prosecution, property 4 forfeiture, and criminal and other penalties, those patients who use 5 [marijuana] cannabis to alleviate suffering from [debilitating] 6 qualifying medical conditions, as well as their [physicians] health 7 care practitioners, [primary] designated caregivers, institutional 8 caregivers, and those who are authorized to produce [marijuana] 9 cannabis for medical purposes. 10 (cf: P.L.2009, c.307, s.2) 11 12 3. Section 3 of P.L.2009, c.307 (C.24:6I-3) is amended to read 13 as follows: 14 3. As used in [this act] P.L.2009, c.307 (C.24:6I-1 et al.), 15 P.L.2015, c.158 (C.18A:40-12.22 et al.), and P.L., c. (C. ) 16 (pending before the Legislature as this bill): 17 "Academic medical center" means an entity located in New 18 Jersey that, on the effective date of P.L., c. (C.) (pending 19 before the Legislature as this bill), has an addiction medicine 20 faculty practice; has a pain management faculty practice; has 21 graduate medical training programs accredited by the Accreditation 22 Council for Graduate Medical Education or the American Osteopathic Association in primary care <sup>2</sup>[, family medicine, 23 internal medicine, ]<sup>2</sup> and medical specialties; is the principal 24 teaching affiliate of a medical school based in the State; and has the 25 26 ability to conduct research related to medical cannabis. If the entity 27 is part of a system of health care facilities, the entity shall not 28 qualify as an academic medical center unless the health care system 29 is principally located within the State. 30 "Adverse employment action" means refusing to hire or employ 31 an individual, barring or discharging an individual from 32 employment, requiring an individual to retire from employment, or 33 discriminating against an individual in compensation or in any 34 terms, conditions, or privileges of employment. 35 <sup>1</sup>["Bona fide [physician-patient] practitioner-patient 36 relationship" means a relationship in which the [physician] health 37 care practitioner has ongoing responsibility for the assessment, care, 38 and treatment of a patient's [debilitating] qualifying medical 39 condition.]<sup>1</sup> 40 "Cannabis" has the meaning given to "marihuana" in section 2 of 41 the "New Jersey Controlled Dangerous Substances Act," P.L.1970, 42 <u>c.226 (C.24:21-2).</u> 43 ["Certification" means a statement signed by a physician with 44 whom a qualifying patient has a bona fide physician-patient 45 relationship, which attests to the physician's authorization for the

46 patient to apply for registration for the medical use of marijuana.]

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1 "Clinical registrant" means an entity that has a written 2 contractual relationship with an academic medical center in the 3 region in which it has its principal place of business, which includes 4 provisions whereby the parties will engage in clinical research 5 related to the use of medical cannabis and the academic medical center or its affiliate will provide advice to the entity regarding 6 patient health and safety, medical applications, <sup>2</sup> and <sup>2</sup> dispensing 7 8 and managing controlled dangerous substances, among other areas. 9 "Commission" means the Cannabis Regulatory Commission 10 established pursuant to section 7 of P.L., c. (C.) (pending 11 before the Legislature as Senate Bill No. 2703). 12 "Commissioner" means the Commissioner of Health. 13 ["Debilitating medical condition" means: 14 (1) one of the following conditions, if resistant to conventional 15 medical therapy: seizure disorder, including epilepsy; intractable 16 skeletal muscular spasticity; post-traumatic stress disorder; or 17 glaucoma; 18 (2) one of the following conditions, if severe or chronic pain, 19 severe nausea or vomiting, cachexia, or wasting syndrome results 20 from the condition or treatment thereof: positive status for human 21 immunodeficiency virus; acquired immune deficiency syndrome; or 22 cancer; 23 (3) amyotrophic lateral sclerosis, multiple sclerosis, terminal 24 cancer, muscular dystrophy, or inflammatory bowel disease, 25 including Crohn's disease; (4) terminal illness, if the physician has determined a prognosis 26 27 of less than 12 months of life; or 28 (5) any other medical condition or its treatment that is approved 29 by the department by regulation.] 30 "Common ownership or control" means: 31 (1) between two for-profit entities, the same individuals or 32 entities own and control more than 50 percent of both entities; 33 (2) between a nonprofit entity and a for-profit entity, a majority 34 of the directors, trustees, or members of the governing body of the nonprofit entity directly or indirectly own and control more than 50 35 percent of the for-profit entity; and 36 37 (3) between two nonprofit entities, the same directors, trustees, or governing body members comprise a majority of the voting 38 39 directors, trustees, or governing body members of both nonprofits. 40 "Department" means the Department of Health. 41 "Designated caregiver" means a resident of the State who: 42 (1) is at least 18 years old; 43 (2) has agreed to assist with a registered qualifying patient's 44 medical use of cannabis, is not currently serving as designated 45 caregiver for more than one other qualifying patient, and is not the qualifying patient's health care practitioner; 46 47 (3) subject to the provisions of paragraph (2) of subsection c. of 48 section 4 of P.L.2009, c.307 (C.24:6I-4), has never been convicted

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of possession or sale of a controlled dangerous substance, unless 1 2 such conviction occurred after the effective date of P.L.2009, c.307 3 (C.24:6I-1 et al.) and was for a violation of federal law related to 4 possession or sale of cannabis that is authorized under P.L.2009, 5 c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-12.22 et al.), or 6 P.L., c. (C.) (pending before the Legislature as this bill); 7 (4) has registered with the commission pursuant to section 4 of 8 P.L.2009, c.307 (C.24:6I-4), and, except in the case of a designated 9 caregiver who is an immediate family member of the patient, has 10 satisfied the criminal history record background check requirement 11 of section 4 of P.L.2009, c.307 (C.24:6I-4); and 12 (5) has been designated as designated caregiver <sup>1</sup>[on the qualifying patient's application or renewal for a registry 13 14 identification card by the patient when registering or renewing a registration with the commission<sup>1</sup> or in other written notification to 15 16 the commission. "Executive director" means the executive director of the 17 18 Cannabis Regulatory Commission established pursuant to section 7 19 of P.L., c. (C. ) (pending before the Legislature as Senate B<u>ill No. 2703).</u> 20 21 "Health care facility" means a general acute care hospital, nursing home, long term care facility, hospice care facility, <sup>1</sup>group 22 home, facility that provides services to persons with developmental 23 disabilities, behavioral health care facility,<sup>1</sup> or rehabilitation center. 24 "Health care practitioner" means a physician, advanced practice 25 26 nurse, or physician assistant licensed or certified pursuant to Title 27 45 of the Revised Statutes who: 28 (1) possesses active registrations to prescribe controlled 29 dangerous substances issued by the United States Drug 30 Enforcement Administration and the Division of Consumer Affairs in the Department of Law and Public Safety; <sup>1</sup>and<sup>1</sup> 31 32 (2) <sup>1</sup>[has a bona fide practitioner-patient relationship with the patient; and 33 34 (3)]<sup>1</sup> is the health care practitioner responsible for the ongoing 35 treatment of a patient's qualifying medical condition, provided, 36 however, that the ongoing treatment shall not be limited to the 37 provision of authorization for a patient to use medical cannabis or 38 consultation solely for that purpose. 39 "Immediate family" means the spouse, civil union partner, child, sibling, or parent of an individual, and shall include the siblings and 40 41 parents of the individual's spouse or civil union partner, and the 42 spouses or civil union partners of the individual's siblings and 43 children. "Institutional caregiver" means a resident of the State who: 44 45 (1) is at least 18 years old; 46 (2) is an employee of a health care facility;

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(3) is authorized, within the scope of the individual's 1 2 professional duties, to possess and administer controlled dangerous 3 substances in connection with the care and treatment of patients and 4 residents pursuant to applicable State and federal laws; 5 (4) is authorized by the health care facility employing the person 6 to assist registered qualifying patients who are patients or residents 7 of the facility with the medical use of cannabis, including, but not 8 limited to, obtaining medical cannabis for registered qualifying 9 patients and assisting registered qualifying patients with the 10 administration of medical cannabis; 11 (5) subject to the provisions of paragraph (2) of subsection c. of 12 section 4 of P.L.2009, c.307 (C.24:6I-4), has never been convicted of possession or sale of a controlled dangerous substance, unless 13 14 such conviction occurred after the effective date of P.L.2009, c.307 15 (C.24:6I-1 et al.) and was for a violation of federal law related to possession or sale of cannabis that is authorized under P.L.2009, 16 17 c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-12.22 et al.), or 18 P.L., c. (C. ) (pending before the Legislature as this bill); 19 and 20 (6) has registered with the commission pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4). 21 22 "Integrated curriculum" means an academic, clinical, or research 23 program at an institution of higher education that is coordinated 24 with a medical cannabis cultivator, medical cannabis manufacturer, 25 or medical cannabis dispensary to apply theoretical principals, practical experience, or both involving the cultivation, 26 27 manufacturing, dispensing, or medical use of cannabis to a specific 28 area of study, including, but not limited to, agriculture, biology, 29 business, chemistry, culinary studies, ecology, environmental 30 studies, health care, horticulture, technology, or any other 31 appropriate area of study or combined areas of study. Integrated 32 curricula shall be subject to approval by the commission and the 33 Department of Education. 34 "Integrated curriculum permit" or "IC permit" means a permit 35 issued to a medical cannabis cultivator, medical cannabis 36 manufacturer, or medical cannabis dispensary that includes an 37 integrated curriculum approved by the commission and the 38 Department of Education. 39 ["Marijuana" has the meaning given in section 2 of the "New 40 Jersey Controlled Dangerous Substances Act," P.L.1970, c.226 41 (C.24:21-2).] 42 "Medical [marijuana] cannabis alternative treatment center" or 43 "alternative treatment center" means an organization [approved] 44 issued a permit by the [department] commission to [perform 45 activities necessary to provide registered qualifying patients with 46 usable marijuana and related paraphernalia in accordance with the 47 provisions of this act] operate as a medical cannabis cultivator,

1 medical cannabis manufacturer, medical cannabis dispensary, or 2 clinical registrant. This term shall include the organization's 3 officers, directors, board members, and employees. 4 "Medical cannabis cultivator" means an organization holding a 5 permit issued by the commission that authorizes the organization to: possess and cultivate cannabis and deliver, transfer, transport, 6 7 distribute, supply, and sell medical cannabis and related supplies to 8 other medical cannabis cultivators and to medical cannabis 9 manufacturers and medical cannabis dispensaries, as well as to 10 plant, cultivate, grow, and harvest medical cannabis for research 11 purposes. A medical cannabis cultivator permit shall not authorize the permit holder to manufacture, produce, or otherwise create 12 medical cannabis products, or to deliver, transfer, transport, 13 14 distribute, supply, sell, or dispense medical cannabis, medical 15 cannabis products, paraphernalia, or related supplies to qualifying patients, designated caregivers, or institutional caregivers. 16 17 "Medical cannabis dispensary" means an organization issued a 18 permit by the commission that authorizes the organization to: 19 purchase or obtain medical cannabis and related supplies from 20 medical cannabis cultivators; purchase or obtain medical cannabis products and related supplies from medical cannabis manufacturers; 21 22 purchase or obtain medical cannabis, medical cannabis products, 23 and related supplies and paraphernalia from other medical cannabis 24 dispensaries; deliver, transfer, transport, distribute, supply, and sell 25 medical cannabis and medical cannabis products to other medical cannabis dispensaries <sup>2</sup>[,];<sup>2</sup> and possess, display, deliver, transfer, 26 transport, distribute, supply, sell, and dispense medical cannabis, 27 28 medical cannabis products, paraphernalia, and related supplies to 29 qualifying patients, designated caregivers, and institutional 30 caregivers. A medical cannabis dispensary permit shall not 31 authorize the permit holder to cultivate medical cannabis or to 32 produce, manufacture, or otherwise create medical cannabis 33 products. 34 "Medical cannabis manufacturer" means an organization issued a 35 permit by the commission that authorizes the organization to: 36 purchase or obtain medical cannabis and related supplies from a 37 medical cannabis cultivator; purchase or obtain medical cannabis 38 products from another medical cannabis manufacturer; produce, 39 manufacture, or otherwise create medical cannabis products; and 40 possess, deliver, transfer, transport, distribute, supply, and sell medical cannabis products and related supplies to other medical 41 42 cannabis manufacturers and to medical cannabis dispensaries. A 43 medical cannabis manufacturer permit shall not authorize the permit 44 holder to cultivate medical cannabis or to deliver, transfer, 45 transport, distribute, supply, sell, or dispense medical cannabis, 46 medical cannabis products, paraphernalia, or related supplies to qualifying patients, designated caregivers, or institutional 47 48 caregivers.

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"Medical use of [marijuana] cannabis" means the acquisition, 1 2 possession, transport, or use of [marijuana] cannabis or 3 paraphernalia by a registered qualifying patient as authorized by [this act] P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2015, c.158 4 5 (C.18A:40-12.22 et al.), and P.L., c. (C.) (pending before the Legislature as this bill). 6 7 "Minor" means a person who is under 18 years of age and who has not been married or previously declared by a court or an 8 9 administrative agency to be emancipated. "Paraphernalia" has the meaning given in N.J.S.2C:36-1. 10 11 "Pediatric specialist" means a physician who is a board-certified 12 pediatrician or pediatric specialist, or an advanced practice nurse or physician assistant who is certified as a pediatric specialist by an 13 14 appropriate professional certification or licensing entity. 15 ["Physician" means a person licensed to practice medicine and surgery pursuant to Title 45 of the Revised Statutes with whom the 16 17 patient has a bona fide physician-patient relationship and who is the 18 primary care physician, hospice physician, or physician responsible 19 for the ongoing treatment of a patient's debilitating medical 20 condition, provided, however, that the ongoing treatment shall not 21 be limited to the provision of authorization for a patient to use 22 medical marijuana or consultation solely for that purpose. 23 "Primary caregiver" or "caregiver" means a resident of the State 24 who: 25 is at least 18 years old; a. 26 b. has agreed to assist with a registered qualifying patient's 27 medical use of marijuana, is not currently serving as primary 28 caregiver for another qualifying patient, and is not the qualifying 29 patient's physician; 30 c. has never been convicted of possession or sale of a 31 controlled dangerous substance, unless such conviction occurred 32 after the effective date of this act and was for a violation of federal 33 law related to possession or sale of cannabis that is authorized 34 under this act; 35 d. has registered with the department pursuant to section 5 of 36 this act, and has satisfied the criminal history record background 37 check requirement of section 5 of this act; and 38 has been designated as primary caregiver on the qualifying 39 patient's application or renewal for a registry identification card or 40 in other written notification to the department. <sup>2</sup>"Primary care" means the practice of family medicine, general 41 42 internal medicine, general pediatrics, general obstetrics, or gynecology.<sup>2</sup> 43 "Qualifying medical condition" means seizure disorder, 44 including epilepsy; intractable skeletal muscular spasticity; post-45 traumatic stress disorder; glaucoma; positive status for human 46 47 immunodeficiency virus; acquired immune deficiency syndrome;

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1 cancer; amyotrophic lateral sclerosis; multiple sclerosis; muscular 2 dystrophy; inflammatory bowel disease, including Crohn's disease; 3 terminal illness, if the patient has a prognosis of less than 12 4 months of life; anxiety; migraine; Tourette's syndrome; dysmenorrhea; chronic pain; <sup>2</sup>opioid use disorder;<sup>2</sup> or any other 5 medical condition or its treatment that is approved by the 6 commission. 7 "Qualifying patient" or "patient" means a resident of the State 8 9 who has been [provided with a certification] authorized for the 10 medical use of cannabis by a [physician] health care practitioner <sup>1</sup>[pursuant to a bona fide [physician-patient] <u>practitioner-patient</u> 11 12 relationship]<sup>1</sup>. <sup>1</sup>["Registry identification card"] <u>"Registration with the</u> 13 commission"<sup>1</sup> means <sup>1</sup>[a document issued by the [department] 14 <u>commission</u> that identifies  $]^1$  a person  $^1$ <u>has met the qualification</u> 15 requirements for, and has been registered by the commission<sup>1</sup> as  $\frac{1}{1}$ 16 17 a registered qualifying patient [or primary], designated caregiver, <sup>1</sup><u>The commission shall establish</u> 18 or institutional caregiver. 19 appropriate means for health care practitioners, health care facilities, medical cannabis dispensaries, law enforcement, schools, 20 21 facilities providing behavioral health services or services for 22 persons with developmental disabilities, and other appropriate 23 entities to verify an individual's status as a registrant with the 24 commission. 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 flowers of [marijuana] cannabis, and any mixture or preparation 28 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] <u>commission</u> shall establish a registry 36 of qualifying patients and their [primary] designated caregivers <sup>1</sup>[, 37 and shall issue a registry identification card, which shall be valid 38 for two years, to a qualifying patient and [primary] each designated 39 caregiver for the patient, if applicable, who submits ] and shall establish a means of identifying and verifying the registration status 40 41 of patients and designated caregivers who are registered with the 42 commission. Registration with the commission shall be valid for two years. A patient or designated caregiver shall be registered with 43 the commission upon submitting<sup>1</sup> the following, in accordance with 44 regulations adopted by the [department] commission: 45

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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 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] executive 6 director; 7 (3) the name, address, and date of birth of the patient and each 8 designated caregiver, as applicable; and 9 (4) the name, address, and telephone number of the patient's 10 [physician] health care practitioner. 11 Each qualifying patient may concurrently have up to two designated caregivers. A qualifying patient may petition the 12 13 commission for approval to concurrently have more than two 14 designated caregivers, which petition shall be approved if the 15 commission finds that allowing the patient additional designated 16 caregivers is necessary to meet the patient's treatment needs and is 17 consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.). 18 The commission shall establish a registry of institutional 19 caregivers and shall <sup>1</sup>[issue a registry identification card, which 20 shall be valid for one year, to an institutional caregiver who submits] establish a means of identifying and verifying the 21 22 registration status of institutional caregivers who are registered with 23 the commission. Registration with the commission shall be valid 24 for one year. An institutional caregiver shall be registered with the commission upon submitting<sup>1</sup> the name, address, and telephone 25 number of the institutional caregiver and of the health care facility 26 27 at which the individual will be serving as institutional caregiver and a certification that meets the requirements of subsection h. of this 28 29 section. The application or renewal fee for the institutional 30 caregiver shall be paid by the health care facility at which the 31 institutional caregiver will be serving as institutional caregiver. An 32 institutional caregiver shall not be limited in the number of 33 qualifying patients for whom the institutional caregiver may serve 34 as institutional caregiver at one time, provided that each qualifying 35 patient served by the institutional caregiver is a current patient or 36 resident at the health care facility at which the institutional 37 caregiver is authorized to serve as institutional caregiver, and the 38 number of qualifying patients served by the institutional caregiver 39 is commensurate with the institutional caregiver's ability to fully 40 meet the treatment and related needs of each qualifying patient and 41 attend to the institutional caregiver's other professional duties at the 42 health care facility without jeopardizing the health or safety of any 43 patient or resident at the facility. b. Before <sup>1</sup>[issuing a registry identification card] <u>registering</u> 44 an individual<sup>1</sup>, the [department] <u>commission</u> shall verify the 45 information contained in the application or renewal form submitted 46 47 pursuant to this section. In the case of a [primary] designated or

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institutional caregiver, the [department] commission shall 1 2 provisionally approve an application pending the results of a 3 criminal history record background check, if the caregiver 4 otherwise meets the requirements of [this act] P.L.2009, c.307 5 (C.24:6I-1 et al.). The [department] commission shall approve or deny an application or renewal <sup>1</sup>and complete the registration 6 process for successful applicants<sup>1</sup> within 30 days of receipt of the 7 8 completed application or renewal  ${}^{1}\mathbf{I}$ , and shall issue a registry 9 identification card within five days of approving the application or 10 renewal]<sup>1</sup>. The [department] <u>commission</u> may deny an application 11 or renewal only if the applicant fails to provide the information 12 required pursuant to this section, or if the [department] commission 13 determines that the information was incorrect or falsified or does not meet the requirements of [this act] P.L.2009, c.307 (C.24:6I-1 14 15 et al.). Denial of an application shall be a final agency decision, 16 subject to review by the Superior Court, Appellate Division.

17 c. (1) The [commissioner] executive director shall require 18 each applicant seeking to serve as a [primary] designated or 19 institutional caregiver to undergo a criminal history record 20 background check; except that no criminal history record 21 background check shall be required for an applicant seeking to 22 serve as a designated caregiver if the applicant is an immediate 23 family member of the patient, and no criminal history record 24 background check shall be required for an applicant seeking to 25 serve as an institutional caregiver if the applicant completed a 26 criminal history record background check as a condition of 27 professional licensure or certification. The [commissioner] 28 executive director is authorized to exchange fingerprint data with 29 and receive criminal history record background information from 30 the Division of State Police and the Federal Bureau of Investigation 31 consistent with the provisions of applicable federal and State laws, 32 rules, and regulations. The Division of State Police shall forward 33 information criminal history record background to the 34 [commissioner] executive director in a timely manner when 35 requested pursuant to the provisions of this section.

36 An applicant seeking to serve as a [primary] designated or 37 institutional caregiver who is required to complete a criminal 38 history record background check pursuant to this section shall 39 submit to being fingerprinted in accordance with applicable State 40 and federal laws, rules, and regulations. No check of criminal 41 history record background information shall be performed pursuant 42 to this section unless the applicant has furnished [his] the 43 applicant's written consent to that check. An applicant who is 44 required to complete a criminal history record background check 45 pursuant to this section who refuses to consent to, or cooperate in, 46 the securing of a check of criminal history record background

information shall not be considered for inclusion in the registry as a 1 2 [primary] <u>designated or institutional</u> caregiver <sup>1</sup> [or issuance of an identification card]<sup>1</sup>. An applicant shall bear the cost for the 3 criminal history record background check, including all costs of 4 5 administering and processing the check. 6 (2) The [commissioner] executive director shall not approve an applicant seeking to serve as a [primary] designated or institutional 7 8 caregiver who is required to complete a criminal history record

9 background check pursuant to this section if the criminal history 10 record background information of the applicant reveals a For the purposes of this section, a 11 disqualifying conviction. disqualifying conviction shall mean a conviction of a crime 12 13 involving any controlled dangerous substance or controlled 14 substance analog as set forth in chapter 35 of Title 2C of the New 15 Jersey Statutes except paragraph (4) of subsection a. of 16 N.J.S.2C:35-10, or any similar law of the United States or of any 17 other state.

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

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

(4) The Division of State Police shall promptly notify the 28 29 [commissioner] executive director in the event that an individual 30 who 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] executive 34 director shall make a determination regarding the continued 35 eligibility of the applicant to serve as a [primary] designated or 36 institutional caregiver.

37 (5) Notwithstanding the provisions of paragraph (2) of this 38 subsection [b. of this section] to the contrary, no applicant shall be 39 disqualified from serving as a [registered primary] designated or 40 institutional caregiver on the basis of any conviction disclosed by a 41 criminal history record background check conducted pursuant to 42 this section if the individual has affirmatively demonstrated to the [commissioner] executive director clear and convincing evidence 43 44 of rehabilitation. In determining whether clear and convincing 45 evidence of rehabilitation has been demonstrated, the following 46 factors shall be considered:

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(a) the nature and responsibility of the position which the 1 2 convicted individual would hold, has held, or currently holds; 3 (b) the nature and seriousness of the crime or offense; 4 (c) the circumstances under which the crime or offense 5 occurred: (d) the date of the crime or offense; 6 7 (e) the age of the individual when the crime or offense was 8 committed; 9 (f) whether the crime or offense was an isolated or repeated 10 incident; (g) any social conditions which may have contributed to the 11 12 commission of the crime or offense; and 13 (h) any evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment 14 received, acquisition of additional academic or vocational 15 schooling, successful participation in correctional work-release 16 17 programs, or the recommendation of those who have had the 18 individual under their supervision. 19 d. <sup>1</sup>[A registry identification card] <u>A verification of</u> registration issued by the commission<sup>1</sup> shall contain the following 20 21 information: (1) (a) in the case of <sup>1</sup>[a registry identification card for]<sup>1</sup> a 22 23 patient or designated caregiver <sup>1</sup>registration<sup>1</sup>, the name, address, 24 and date of birth of the patient and [primary] each designated 25 caregiver, if applicable; and 26 (b) in the case of an institutional caregiver, the caregiver's name 27 and date of birth and the name and address of the health care 28 facility at which the caregiver is serving as institutional caregiver; (2) the expiration date of the <sup>1</sup>[registry identification card] 29 30 registration<sup>1</sup>; (3) photo identification of the  ${}^{1}$  [cardholder] <u>registrant</u><sup>1</sup>; and 31 32 (4) such other information that the [department] commission 33 may specify by regulation. 34 e. (1) A patient who has been <sup>1</sup>[issued a registry identification card] registered by the commission<sup>1</sup> shall notify the 35 [department] commission of any change in the patient's name, 36 37 address, or [physician] health care practitioner or change in status 38 of the patient's [debilitating] qualifying medical condition, within 39 10 days of such change, or the [registry identification card] 40 patient's registration shall be deemed null and void. 41 (2) A [primary] designated caregiver who has been <sup>1</sup>[issued a registry identification card <u>registered by the commission</u><sup>1</sup> shall 42 43 notify the [department] commission of any change in the 44 caregiver's name or address within 10 days of such change, or the <sup>1</sup>[registry identification card] caregiver's registration<sup>1</sup> shall be 45 deemed null and void. 46

(3) An institutional caregiver who has been <sup>1</sup>[issued a registry 1 identification card] registered by the commission<sup>1</sup> shall notify the 2 commission of any change in the caregiver's name, address, 3 employment by a health care facility at which the caregiver is 4 5 registered to serve as institutional caregiver, or authorization from the health care facility to assist qualifying patients with the medical 6 7 use of cannabis, within 10 days of such change, or the <sup>1</sup>[registry] 8 identification card] caregiver's registration<sup>1</sup> shall be deemed null 9 and void and the individual shall be deemed ineligible to serve as an 10 institutional caregiver for a period of not less than one year. 11 f. The [department] commission shall maintain a confidential 12 list of the persons <sup>1</sup>[to whom it has issued registry identification 13 cards] registered with the commission<sup>1</sup>. Individual names and 14 other identifying information on the list, and information contained 15 in any application form, or accompanying or supporting document 16 shall be confidential, and shall not be considered a public record under P.L.1963, c.73 (C.47:1A-1 et seq.) [or], P.L.2001, c.404 17 18 (C.47:1A-5 et al.), or the common law concerning access to 19 government records, and shall not be disclosed except to: 20 (1) authorized employees of the [department] commission and 21 the Division of Consumer Affairs in the Department of Law and 22 Public Safety as necessary to perform official duties of the 23 [department] commission and the division, as applicable; and 24 (2) authorized employees of State or local law enforcement 25 agencies, only as necessary to verify that a person who is engaged 26 in the suspected or alleged medical use of [marijuana] cannabis is 27 lawfully <sup>1</sup>[in possession of a registry identification card] registered with the commission<sup>1</sup>. 28 29 g. Applying for <sup>1</sup>[or receiving a registry card] <u>registration or</u> being registered by the commission<sup>1</sup> does not constitute a waiver of 30 31 the qualifying patient's [patient-physician] practitioner-patient 32 privilege. 33 h. An applicant seeking to serve as an institutional caregiver 34 shall submit with the application a certification executed by the 35 director or administrator of the health care facility employing the 36 applicant attesting that: 37 (1) the facility has authorized the applicant to assist registered 38 qualifying patients at the facility with the medical use of cannabis, including obtaining medical cannabis from a medical cannabis 39 dispensary and assisting registered qualifying patients with the 40 41 administration of medical cannabis; 42 (2) the facility has established protocols and procedures and 43 implemented security measures to ensure that any medical cannabis 44 present at the facility is stored in a safe and secure manner that 45 prevents theft, diversion, adulteration, and access by unauthorized 46 individuals;

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1 (3) the facility has established protocols and procedures to 2 review the medications and treatment plans of registered qualifying 3 patients at the facility to ensure that the patient's medical use of 4 cannabis will not result in adverse drug interactions, side effects, or 5 other complications that could significantly jeopardize the health or 6 safety of the patient; 7 (4) the facility will not charge a registered qualifying patient for 8 medical cannabis obtained on the registered qualifying patient's 9 behalf in an amount that exceeds the actual cost of the medical 10 cannabis, plus any reasonable costs incurred in acquiring the 11 medical cannabis; 12 (5) the facility has established protocols and procedures 13 concerning whether, and to what extent, designated caregivers are 14 permitted to assist registered qualifying patients with the medical 15 use of cannabis while at the facility; and 16 (6) the facility will promptly notify the executive director in the 17 event that: 18 (a) an institutional caregiver registered with the commission 19 pursuant to this section ceases to be employed by the facility or 20 ceases to be authorized by the facility to assist registered qualifying patients with the medical use of cannabis, in which case, upon 21 22 receipt of the notification, the executive director shall immediately 23 revoke the institutional caregiver's registration; or 24 (b) an institutional caregiver registered with the commission 25 pursuant to this section, who completed a criminal history record 26 background check as a condition of professional licensure or 27 certification, is convicted of a crime or offense in this State after the 28 date the criminal history background check was performed, in 29 which case, upon receipt of that notification, the executive director 30 shall make a determination regarding the continued eligibility of the 31 applicant to serve as an institutional caregiver. 32 Nothing in this section shall be deemed to require any facility to 33 authorize any employee of the facility to serve as an institutional 34 caregiver or to issue a certification that meets the requirements of 35 this subsection. 36 (cf: P.L.2009, c.307, s.4) 37 38 5. (New section) a. A health care practitioner shall not be 39 required to be listed publicly in any medical cannabis practitioner 40 registry as a condition of authorizing patients for the medical use of 41 cannabis. 42 b. When authorizing a qualifying patient who is a minor for the 43 medical use of cannabis, if the treating health care practitioner is 44 not a pediatric specialist, the treating health care practitioner shall, 45 prior to authorizing the patient for the medical use of cannabis, 46 obtain written confirmation from a health care practitioner who is a 47 pediatric specialist establishing, in that health care practitioner's 48 professional opinion, and following an examination of the minor

patient or review of the minor patient's medical record, that the 1 2 minor patient is likely to receive therapeutic or palliative benefits 3 from the medical use of cannabis to treat or alleviate symptoms 4 associated with the patient's qualifying medical condition. If the 5 treating health care practitioner is a pediatric specialist, no additional written confirmation from any other health care 6 7 practitioner shall be required as a condition of authorizing the 8 patient for the medical use of cannabis.

9 c. No authorization for the medical use of cannabis may be 10 issued by a health care practitioner to the practitioner's own self or 11 to a member of the practitioner's immediate family.

12 d. The commission shall establish a process to allow medical 13 cannabis to be dispensed to a patient who has been authorized for 14 the medical use of cannabis and who has initiated the process of 15 registering with the commission pursuant to section 4 of P.L.2009, 16 c.307 (C.24:6I-4), but whose registration has not been completed or 17 subject to other final action by the commission. A patient may be 18 dispensed medical cannabis in quantities of up to a two-week 19 supply during the pendency of the patient's registration, after which 20 time the patient may be dispensed medical cannabis in an amount consistent with the requirements of section 10 of P.L.2009, c.307 21 22 (C.24:6I-10). The commission shall impose such restrictions on 23 access to medical cannabis pursuant to this subsection as shall be 24 necessary to protect against fraud, abuse, and diversion.

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26 6. (New section) a. Except as provided in subsection b. of this 27 section, no health care practitioner who has authorized a patient for the medical use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 28 29 et al.) within the past 90 days, and no member of such health care 30 practitioner's immediate family, shall be an interest holder in, or 31 receive any form of direct or indirect compensation from, any 32 medical cannabis cultivator, medical cannabis manufacturer, 33 medical cannabis dispensary, or clinical registrant.

34 b. Nothing in subsection a. of this section shall be construed to 35 prevent a health care practitioner from serving on the governing 36 board of a medical cannabis cultivator, medical cannabis 37 manufacturer, medical cannabis dispensary, or clinical registrant, or 38 on the medical advisory board of a medical cannabis cultivator, 39 medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant established pursuant to section 15 of 40 41 P.L. , c. (C. ) (pending before the Legislature as this bill), 42 or from receiving a reasonable stipend for such service, provided 43 that:

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

47 (2) the amount of the stipend is not based on patient volumes at48 any medical cannabis dispensary or clinical registrant or on the

number of authorizations for the medical use of cannabis issued by
 the health care practitioner pursuant to P.L.2009, c.307 (C.24:6I-1
 et al.).

4 c. A health care practitioner, or an immediate family member 5 of a health care practitioner, who applies to be an owner, director, officer, or employee of a medical cannabis cultivator, medical 6 7 cannabis manufacturer, medical cannabis dispensary, or clinical 8 registrant, or who otherwise seeks to be an interest holder in, or 9 receive any form of direct or indirect compensation from, a medical 10 cannabis cultivator, medical cannabis manufacturer, medical 11 cannabis dispensary, or clinical registrant, shall certify that the 12 health care practitioner has not authorized a patient for the medical 13 use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) within 14 the 90 days immediately preceding the date of the application.

d. A person who violates subsection a. of this section shall beguilty of a crime of the fourth degree.

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18 7. (New section) a. An individual who is registered as a 19 qualifying patient in another state or jurisdiction within the United States that authorizes the medical use of cannabis shall be 20 considered a registered qualifying patient for the purposes of 21 22 P.L.2009, c.307 (C.24:6I-1 et al.) for a period of up to six months, provided that the individual possesses both <sup>1</sup>[a valid patient registry 23 card] proof of registration in,<sup>1</sup> and a valid photo identification card 24 issued by  $\frac{1}{2}$  the other state or jurisdiction. During the six month 25 26 period, the individual shall be authorized to possess and use 27 medical cannabis and engage in such other conduct related to 28 medical cannabis in New Jersey as is consistent with the 29 requirements of P.L.2009, c.307 (C.24:6I-1 et al.) and the laws of the state or jurisdiction <sup>1</sup> [that issued the patient's registry card] in30 which the patient is registered<sup>1</sup>, except that medical cannabis shall 31 32 not be dispensed to the individual unless a health care practitioner 33 licensed in New Jersey issues written instructions for the individual 34 that meet the requirements of section 10 of P.L.2009, c.307 35 (C.24:6I-10). No individual shall be authorized to acquire, possess, 36 use, or engage in other conduct in connection with medical cannabis 37 in New Jersey pursuant to a medical cannabis registration from 38 another State or jurisdiction for more than six months unless the 39 individual registers with the commission as a qualifying patient 40 pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4).

b. An individual who is registered as a designated caregiver in another state or jurisdiction within the United States that authorizes the medical use of cannabis shall be considered a designated caregiver for the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) for a period of up to six months, provided that the individual is in possession of both <sup>1</sup>[a valid registry card] proof of registration in, <sup>1</sup> and a valid photo identification card issued by <sup>1</sup>, <sup>1</sup> the other state or

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jurisdiction. During the six month period, the individual shall be 1 2 authorized to assist a registered qualifying patient with the medical 3 use of cannabis and engage in such other conduct in connection 4 with medical cannabis in New Jersey as is consistent with the 5 requirements of P.L.2009, c.307 (C.24:6I-1 et al.) and the laws of the state or jurisdiction <sup>1</sup>[that issued the caregiver's registry card] 6 7 in which the caregiver is registered<sup>1</sup>, except that medical cannabis 8 shall not be dispensed to the individual on behalf of a registered 9 qualifying patient unless a health care practitioner licensed in New 10 Jersey issues written instructions for the registered qualifying patient that meet the requirements of section 10 of P.L.2009, c.307 11 12 (C.24:6I-10). No individual shall be authorized to assist a registered 13 qualifying patient with the medical use of cannabis or engage in 14 other conduct in connection with medical cannabis in New Jersey 15 pursuant to a medical cannabis registration from another State or 16 jurisdiction for more than six months unless the individual registers 17 with the commission as a designated caregiver pursuant to section 4 18 of P.L.2009, c.307 (C.24:6I-4). The commission shall seek to enter into reciprocity 19 c. agreements with other states and jurisdictions within the United 20 21 States that authorize the medical use of cannabis. 22 23 8. Section 6 of P.L.2009, c.307 (C.24:6I-6) is amended to read 24 as follows: 6. a. The provisions of N.J.S.2C:35-18 shall apply to any 25 26 qualifying patient, [primary] designated caregiver, [alternative 27 treatment center, physician <u>institutional caregiver, health care</u> facility, medical cannabis cultivator, medical cannabis 28 29 manufacturer, medical cannabis dispensary, health care practitioner, 30 academic medical center, clinical registrant, testing laboratory, or 31 any other person acting in accordance with the provisions of 32 P.L.2009, c.307 (C.24:6I-1 et al.) [or], P.L.2015, c.158 (C.18A:40-12.22 et al.), or P.L., c. (C.) (pending before the 33 34 Legislature as this bill). 35 b. A qualifying patient, [primary] designated caregiver, 36 [alternative treatment center, physician] institutional caregiver, health care facility, medical cannabis cultivator, medical cannabis 37 38 manufacturer, medical cannabis dispensary, health care practitioner, 39 academic medical center, clinical registrant, testing laboratory, or 40 any other person acting in accordance with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) [or], P.L.2015, c.158 (C.18A:40-41 42 12.22 et al.), or P.L. , c. (C. ) (pending before the 43 Legislature as this bill) shall not be subject to any civil or 44 administrative penalty, or denied any right or privilege, including, 45 but not limited to, civil penalty or disciplinary action by a 46

46 professional licensing board, related to the medical use of 47 [marijuana] <u>cannabis</u> as authorized under P.L.2009, c.307 (C.24:6I-

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1 et al.) [or] , P.L.2015, c.158 (C.18A:40-12.22 et al.),

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2 or P.L., c. (C.) (pending before the Legislature as this 3 bill). 4 <sup>1</sup>[Possession of] <u>Registration with the commission</u><sup>1</sup>, or c. 5 application for <sup>1</sup>registration by the commission<sup>1</sup>, <sup>1</sup>[a registry 6 identification card]<sup>1</sup> shall not alone constitute probable cause to search the person or the property of the <sup>1</sup>[person possessing or 7 8 applying for the registry identification card] registrant or 9 applicant<sup>1</sup>, or otherwise subject the person or [his] the person's 10 property to inspection by any governmental agency. 11 d. The provisions of section 2 of P.L.1939, c.248 (C.26:2-82), 12 relating to destruction of [marijuana] cannabis determined to exist 13 by the [department] commission, shall not apply if a qualifying 14 patient [or primary], designated caregiver, or institutional caregiver 15 <sup>1</sup>[has in his possession a registry identification card] is registered

with the commission<sup>1</sup> and <sup>1</sup>is in possession of<sup>1</sup> no more than the
maximum amount of usable [marijuana] cannabis that may be
obtained in accordance with section 10 of P.L.2009, c.307 (C.24:6I10).

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

f. No custodial parent, guardian, or person who has legal
custody of a qualifying patient who is a minor shall be subject to
arrest or prosecution for constructive possession, conspiracy, or any
other offense for assisting the minor in the medical use of
[marijuana] cannabis as authorized under P.L.2009, c.307 (C.24:6I1 et al.) [or], P.L.2015, c.158 (C.18A:40-12.22 et al.), or
P.L., c. (C. ) (pending before the Legislature as this bill).

g. For the purposes of medical care, including organ 33 transplants, a qualifying patient's authorized use of medical 34 35 cannabis in accordance with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-12.22 et al.), and 36 37 P.L., c. (C.) (pending before the Legislature as this bill), 38 shall be considered equivalent to the authorized use of any other 39 medication used at the direction of a health care practitioner, and 40 shall not constitute the use of an illicit substance or otherwise 41 disqualify a qualifying patient from needed medical care.

h. No public or private school or institution of higher education
 may refuse to enroll a person based solely on the person's status as
 a <sup>1</sup>[registry identification cardholder] registrant with the
 commission<sup>1</sup>, unless failing to do so would result in the school or
 institution losing a monetary or licensing-related benefit granted

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pursuant to federal law. No public or private school or institution 1 2 of higher education shall be penalized or denied any benefit under 3 State law solely on the basis of enrolling a person who is <sup>1</sup>[a registry identification cardholder] registered with the commission<sup>1</sup>. 4 5 i. No person shall refuse to rent, lease, or sublease any real 6 property or part or portion thereof, or discriminate in the terms, 7 conditions, or privileges of the rental or lease of any real property 8 or part or portion thereof or in the furnishing of facilities or services 9 in connection therewith, based solely on the status of the prospective tenant as a <sup>1</sup>[registry identification cardholder] 10 registrant with the commission<sup>1</sup>, unless failing to do so would 11 result in the person losing a monetary or licensing-related benefit 12 13 granted pursuant to federal law. No such person shall be penalized 14 or denied any benefit under State law solely on the basis of renting or leasing real property to a person who is <sup>1</sup>[a registry identification] 15 16 cardholder registered with the commission<sup>1</sup>. 17 j. No person shall be denied, or subject to adverse action in 18 connection with, any license, certification, or permit issued 19 pursuant to State law solely based on the person's status as a <sup>1</sup>[registry identification cardholder] registrant with the 20 21 commission<sup>1</sup>, unless issuance or continuance of the license, 22 certification, or permit would result in the licensing or permitting 23 agency losing federal certification, federal funding, or other 24 benefits granted pursuant to federal law. k. (1) Unless failing to do so would result in the health care 25 26 facility losing a monetary or licensing-related benefit granted 27 pursuant to federal law, a health care facility that employs or 28 maintains a professional affiliation with a health care practitioner 29 shall not take adverse employment action against the health care 30 practitioner or otherwise limit, restrict, or terminate a professional 31 affiliation with the health care practitioner solely based on the 32 health care practitioner engaging in conduct authorized under 33 P.L.2009, c.307 (C.24:6I-1 et al.) and P.L. , c. (C. ) (pending before the Legislature as this bill), including, but not 34 limited to, authorizing patients for the medical use of cannabis, 35 36 issuing written instructions pursuant to section 10 of P.L.2009, 37 c.307 (C.24:6I-10), and consulting with patients regarding the use 38 of medical cannabis to treat the patient's qualifying medical 39 condition. 40 (2) No health care facility shall be penalized or denied any 41 benefit under State law solely on the basis of employing or 42 maintaining a professional affiliation with a health care practitioner 43 who engages in conduct authorized under P.L.2009, c.307 (C.24:6I-44 <u>1 et al.</u>) and P.L. , c. (C. ) (pending before the Legislature 45 as this bill). 46 1. Unless failing to do so would result in the insurer or 47 insurance association losing a monetary or licensing-related benefit

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granted pursuant to federal law, an insurer or insurance association 1 2 authorized to issue medical malpractice liability insurance in New 3 Jersey shall not deny coverage to a health care practitioner, increase 4 the amount of premiums or deductibles under the policy, or charge 5 any additional fees in connection with the policy, solely based on 6 the health care practitioner engaging in conduct authorized under 7 P.L.2009, c.307 (C.24:6I-1 et al.) or P.L., c. (C.) (pending 8 before the Legislature as this bill), including, but not limited to, authorizing qualifying patients for the medical use of cannabis, 9 10 issuing written instructions pursuant to section 10 of P.L.2009, 11 c.307 (C.24:6I-10), and consulting with patients regarding the use 12 of medical cannabis to treat a qualifying medical condition. No 13 insurer or insurance association shall be penalized or denied any 14 benefit under State law solely on the basis of providing medical 15 malpractice liability insurance to a health care practitioner who 16 engages in conduct authorized under P.L.2009, c.307 (C.24:6I-17 <u>1 et al.</u>) or P.L. , c. (C. ) (pending before the Legislature as 18 this bill). 19 m. A person's status as a registered qualifying patient, a 20 designated or institutional caregiver, or an owner, director, officer, 21 or employee of a medical cannabis cultivator, medical cannabis 22 manufacturer, medical cannabis dispensary, or clinical registrant 23 shall not constitute the sole grounds for entering an order that 24 restricts or denies custody of, or visitation with, a minor child of the 25 person. 26 <sup>1</sup>n. (1) No health care facility shall be penalized or denied any 27 benefit under State law solely for permitting or prohibiting the 28 handling, administration, usage, or storage of medical cannabis, 29 provided that the facility's policies related to medical cannabis are consistent with all other facility policies concerning medication 30 31 handling, administration, usage, or storage. 32 (2) No health care facility shall be penalized or denied any 33 benefit under State law solely for prohibiting the smoking of 34 medical cannabis on facility property in accordance with the facility's smoke free policy.<sup>1</sup> 35 (cf: P.L.2015, c.158, s.4) 36 37 9. (New section) a. It shall be unlawful to take any adverse 38 employment action against an employee who is a registered 39 40 qualifying patient based solely on the employee's status as a identification cardholder] 41 <sup>1</sup>[registry registrant with the 42 commission<sup>1</sup>. 43 b. (1) If an employer has a drug testing policy and an employee 44 or job applicant tests positive for cannabis, the employer shall offer 45 the employee or job applicant an opportunity to present a legitimate 46 medical explanation for the positive test result, and shall provide 47 written notice of the right to explain to the employee or job 48 applicant.

1 (2) Within three working days after receiving notice pursuant to 2 paragraph (1) of this subsection, the employee or job applicant may 3 submit information to the employer to explain the positive test 4 result, or may request a confirmatory retest of the original sample at 5 the employee's or job applicant's own expense. As part of an employee's or job applicant's explanation for the positive test 6 7 result, the employee or job applicant may present an authorization 8 for medical cannabis issued by a health care practitioner, <sup>1</sup>[a registry identification card] proof of registration with the 9 10 <u>commission</u><sup>1</sup>, or both. 11 c. Nothing in this section shall be deemed to: 12 (1) restrict an employer's ability to prohibit, or take adverse 13 employment action for, the possession or use of intoxicating 14 substances during work hours; or 15 (2) require an employer to commit any act that would cause the 16 employer to be in violation of federal law, that would result in a 17 loss of a licensing-related benefit pursuant to federal law, or that 18 would result in the loss of a federal contract or federal funding. 19 d. No employer shall be penalized or denied any benefit under 20 State law solely on the basis of employing a person who is <sup>1</sup>[a 21 registry identification cardholder ] registered with the commission<sup>1</sup>. 22 23 10. Section 7 of P.L.2009, c.307 (C.24:6I-7) is amended to read 24 as follows: 25 7. a. (1) The [department] <u>commission</u> shall accept 26 applications from entities for permits to operate as [alternative treatment centers and may charge a reasonable fee for the issuance 27 28 of a permit under this section] medical cannabis cultivators, 29 medical cannabis manufacturers, and medical cannabis dispensaries. 30 (2) (a) For a period of 18 months after the effective date of 31 P.L., c. (C.) (pending before the Legislature as this bill): 32 (i) an applicant may concurrently hold a medical cannabis 33 cultivator permit and a medical cannabis manufacturer permit, but 34 shall not be authorized to hold a medical cannabis dispensary 35 permit; and 36 (ii) an applicant who holds a medical cannabis dispensary permit 37 shall not be authorized to concurrently hold a medical cannabis 38 cultivator permit or a medical cannabis manufacturer permit. 39 (b) Commencing 18 months after the effective date of P.L., c. (C.) (pending before the Legislature as this bill), a 40 41 permit holder shall be authorized to concurrently hold a medical 42 cannabis cultivator permit, a medical cannabis manufacturer permit, 43 and a medical cannabis dispensary permit, provided that no permit 44 holder shall be authorized to concurrently hold more than one 45 permit of each type. The permit holder may submit an application

for a permit of any type that the permit holder does not currently

hold prior to the expiration of the 18 month period described in

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1 subparagraph (a) of this paragraph, provided that no permit shall be 2 awarded to the permit holder during the 18 month period if issuance 3 of the permit would violate the restrictions set forth in subparagraph 4 (a) of this paragraph concerning the types of permits that may be 5 concurrently held during the 18 month period. 6 (c) The provisions of subparagraph (a) of this paragraph shall 7 not apply to any alternative treatment center that was issued a 8 permit prior to the effective date of P.L., c. (C.) (pending 9 before the Legislature as this bill), to any alternative treatment 10 center that was issued a permit after the effective date of P.L., c. (C. ) (pending before the Legislature as this bill) 11 12 pursuant to an application submitted prior to the effective date of P.L., c. (C. ) (pending before the Legislature as this bill), 13 14 or to one of the six alternative treatment centers issued a permit 15 pursuant to section 11 of P.L., c. (C.) (pending before the 16 Legislature as this bill) that are expressly exempt from the 17 provisions of subsection (a) of this paragraph, which alternative 18 treatment centers shall be deemed to concurrently hold a medical 19 cannabis cultivator permit, a medical cannabis manufacturer permit, 20 and a medical cannabis dispensary permit, and shall be authorized 21 to engage in any conduct authorized pursuant to those permits in 22 relation to the cultivation, manufacturing, and dispensing of 23 medical cannabis. In addition, an alternative treatment center that 24 was issued a permit prior to the effective date of P.L., c. (C. ) (pending before the Legislature as this bill), 25 26 an alternative treatment center that was issued a permit after the 27 effective date of P.L., c. (C.) (pending before the 28 Legislature as this bill) pursuant to an application submitted prior to the effective date of P.L., c. (C.) (pending before the 29 30 Legislature as this bill), and the six alternative treatment center 31 permits issued pursuant to section 11 of P.L., c. (C.) 32 (pending before the Legislature as this bill) that are expressly 33 exempt from the provisions of subparagraph (a) of this paragraph 34 shall, upon the effective date of P.L., c. (C.) (pending before the Legislature as Senate Bill No. 2703), be deemed to 35 36 <sup>1</sup>either hold a Class 3 Cannabis Wholesaler license or <sup>1</sup> concurrently 37 hold a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor <sup>1</sup>[License, a Class 3 Cannabis Wholesaler]<sup>1</sup> license, and 38 <u>a Class 4 Cannabis</u> <sup>1</sup>[Retail] <u>Retailer</u><sup>1</sup> <u>license</u>, <u>plus an additional</u> 39 <u>Class 4 Cannabis</u> <sup>1</sup>[<u>Retail</u>] <u>Retailer</u><sup>1</sup> <u>license for each satellite</u> 40 41 dispensary that was approved pursuant to an application submitted 42 prior to the effective date of P.L., c. (C.) (pending before the Legislature as this bill). <sup>1</sup>[The] In no case may an alternative 43 44 treatment center holding a Class 3 Cannabis Wholesaler license 45 concurrently hold a Class I Cannabis Grower license, Class 2 46 Cannabis Processor license, or Class 4 Cannabis Retailer license; 47 and in no case may an alternative treatment center holding a Class 1

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Cannabis Grower license, a Class 2 Cannabis Processor license, a 1 2 Class 4 Cannabis Retailer license, or any combination thereof, 3 concurrently hold a Class 3 Cannabis Wholesaler license. An<sup>1</sup> alternative treatment center <sup>1</sup>issued an adult use cannabis license 4 pursuant to this subsubparagraph<sup>1</sup> shall be authorized to use the 5 same premises for all activities authorized under P.L.2009, c.307 6 7 (C.24:6I-1 et al.) and P.L., c. (C.) (pending before the 8 Legislature as Senate Bill No. 2703) without being required to 9 establish or maintain any physical barriers or separations between 10 operations related to the medical use of cannabis and operations 11 related to adult use cannabis, provided that the alternative treatment 12 center shall be required to certify to the commission that the 13 alternative treatment center has sufficient quantities of medical 14 cannabis and medical cannabis products available to meet the 15 reasonably anticipated treatment needs of registered qualifying patients as a condition of <sup>1</sup>[selling] engaging in activities related to 16 the growing, producing, wholesaling, or retail sale of<sup>1</sup> adult use 17 18 cannabis <sup>1</sup>[at retail], as applicable<sup>1</sup>. 19 (d) No entity may be issued or concurrently hold more than one 20 medical cannabis cultivator permit, one medical cannabis 21 manufacturer permit, or one medical cannabis dispensary permit at 22 one time, and no medical cannabis dispensary shall be authorized to 23 establish a satellite location on or after the effective date of 24 P.L., c (C.) (pending before the Legislature as this bill), 25 except that an alternative treatment center that was issued a permit prior to the effective date of P.L., c. (C. ) (pending before 26 the Legislature as this bill) or that was issued a permit after the 27 effective date of P.L., c. (C.) (pending before the 28 29 Legislature as this bill) pursuant to an application submitted prior to 30 the effective date of P.L. , c. (C. ) (pending before the 31 Legislature as this bill) shall be authorized to maintain any satellite 32 dispensary that was approved pursuant to an application submitted 33 prior to the effective date of P.L., c. (C.) (pending before 34 the Legislature as this bill). 35 (e) No entity issued a medical cannabis cultivator, medical 36 cannabis manufacturer, or medical cannabis dispensary permit may 37 concurrently hold a clinical registrant permit issued pursuant to section 13 of P.L., c. (C.) (pending before the legislature 38 39 as this bill, and no entity issued a clinical registrant permit pursuant to section 13 of P.L., c. (C.) (pending before the 40 41 Legislature as this bill) may concurrently hold a medical cannabis 42 cultivator permit, a medical cannabis manufacturer permit, or a 43 medical cannabis dispensary permit. 44 (3) The [department] commission shall seek to ensure the 45 availability of a sufficient number of [alternative treatment centers] 46 medical cannabis cultivators, medical cannabis manufacturers, and 47 medical cannabis dispensaries throughout the State, pursuant to

need, including at least two each in the northern, central, and
 southern regions of the State. [The first two centers issued a permit
 in each region shall be nonprofit entities, and centers subsequently]
 <u>Medical cannabis cultivators, medical cannabis manufacturers, and</u>
 <u>medical cannabis dispensaries</u> issued permits <u>pursuant to this</u>
 <u>section</u> may be nonprofit or for-profit entities.

7 [An alternative treatment center]

8 (4) The commission shall periodically evaluate whether the number of medical cannabis cultivator, medical cannabis 9 10 manufacturer, and medical cannabis dispensary permits issued are 11 sufficient to meet the needs of qualifying patients in the State, and 12 shall make requests for applications and issue such additional 13 permits as shall be necessary to meet those needs. The types of 14 permits requested and issued, and the locations of any additional 15 permits that are authorized, shall be in the discretion of the 16 executive director based on the needs of qualifying patients in the 17 State.

18 (5) (a) A medical cannabis cultivator shall be authorized to: 19 acquire a reasonable initial and ongoing inventory, as determined 20 by the [department] commission, of [marijuana] cannabis seeds or 21 seedlings and paraphernalia [,] ; possess, cultivate, plant, grow, 22 harvest, [process, display, manufacture,] and package medical 23 cannabis, including prerolled forms, for any authorized purpose, 24 including, but not limited to, research purposes; and deliver, 25 transfer, transport, distribute, supply, or sell [, or dispense] medical 26 [marijuana] <u>cannabis</u> [, or] <u>and</u> related supplies to <u>any medical</u> 27 cannabis cultivator, medical cannabis manufacturer, medical 28 cannabis dispensary, or clinical registrant in the State. In no case 29 shall a medical cannabis cultivator or clinical registrant operate or 30 be located on land that is valued, assessed or taxed as an 31 agricultural or horticultural use pursuant to the "Farmland 32 Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

33 (b) A medical cannabis manufacturer shall be authorized to: 34 purchase or obtain medical cannabis from any medical cannabis 35 cultivator, medical cannabis manufacturer, or clinical registrant in the State; possess and utilize medical cannabis in the manufacture, 36 37 production, and creation of medical cannabis products; and deliver, 38 transfer, transport, supply, or sell medical cannabis products and 39 related supplies to any medical cannabis manufacturer, medical 40 cannabis dispensary, or clinical registrant in the State.

(c) A medical cannabis dispensary shall be authorized to:
 purchase or acquire medical cannabis from any medical cannabis
 cultivator, medical cannabis dispensary, or clinical registrant in the
 State and medical cannabis products and related supplies from any
 medical cannabis manufacturer, medical cannabis dispensary, or
 clinical registrant in the State; purchase or acquire paraphernalia
 from any legal source; and distribute, supply, sell, or dispense

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medical cannabis, medical cannabis products, paraphernalia, and 1 2 <u>related supplies to qualifying patients or their [primary] designated</u> 3 or institutional caregivers who are registered with the [department] 4 commission pursuant to section 4 of [this act] P.L.2009, c.307 5 (C.24:6I-4). [An alternative treatment center] 6 (6) A medical cannabis cultivator shall not be limited in the 7 number of strains of medical [marijuana] cannabis cultivated, and a 8 medical cannabis manufacturer shall not be limited in the number or 9 type of medical cannabis products manufactured, produced, or 10 created. A medical cannabis manufacturer may package, and a 11 medical cannabis dispensary may directly dispense [marijuana] 12 medical cannabis and medical cannabis products to qualifying 13 patients and their designated and institutional caregivers in any 14 authorized form. Authorized forms shall include dried form, oral 15 lozenges, topical formulations, transdermal form, sublingual form, 16 tincture form, or edible form, or any other form as authorized by the 17 [commissioner] executive director. Edible form shall include tablets, capsules, drops or syrups, oils, and any other form as 18 19 authorized by the [commissioner] executive director. [Edible 20 forms shall be available only to qualifying patients who are minors. 21 Applicants for authorization as nonprofit alternative treatment 22 centers shall be subject to all applicable State laws governing 23 nonprofit entities, but] 24 (7) Nonprofit medical cannabis cultivators, medical cannabis 25 manufacturers, and medical cannabis dispensaries need not be 26 recognized as a 501(c)(3) organization by the federal Internal 27 Revenue Service. 28 b. The [department] <u>commission</u> shall require that an applicant provide such information as the [department] commission 29 30 determines to be necessary pursuant to regulations adopted pursuant 31 to [this act] P.L.2009, c.307 (C.24:6I-1 et al.). 32 c. A person who has been convicted of a crime of the first, 33 second, or third degree under New Jersey law or of a crime 34 involving any controlled dangerous substance or controlled 35 substance analog as set forth in chapter 35 of Title 2C of the New 36 Jersey Statutes except paragraph (4) of subsection a. of 37 N.J.S.2C:35-10, or any similar law of the United States or any other 38 state shall not be issued a permit to operate as **[**an alternative 39 treatment center] a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant or 40 41 be a director, officer, or employee of **[**an alternative treatment 42 center] <u>a medical cannabis cultivator, medical cannabis</u> 43 manufacturer, medical cannabis dispensary, or clinical registrant, unless such conviction occurred after the effective date of [this act] 44 P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of federal 45 46 law relating to possession or sale of [marijuana] cannabis for

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conduct that is authorized under [this act] P.L.2009, c.307 1 2 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-12.22 et al.), or 3 P.L., c. (C. ) (pending before the Legislature as this bill). 4 d. (1) The [commissioner] executive director shall require 5 each applicant seeking a permit to operate as [an alternative treatment center <sup>1</sup>, to be a director, officer, or employee of, or to 6 be an investor in,<sup>1</sup> a medical cannabis cultivator, medical cannabis 7 8 manufacturer, medical cannabis dispensary, or clinical registrant to 9 undergo a criminal history record background check, except that no 10 criminal history record background check shall be required for an <sup>1</sup>[applicant] individual<sup>1</sup> who holds less than a five percent 11 12 investment interest in the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical 13 14 registrant or who is a member of a group that holds less than a 20 15 percent investment interest in the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or 16 17 clinical registrant where no member of the group holds more than a 18 five percent interest in the total group investment interest, and the <sup>1</sup>[applicant] individual or group<sup>1</sup> lacks the authority to make 19 controlling decisions regarding medical cannabis cultivator, medical 20 21 cannabis manufacturer, medical cannabis dispensary, or clinical 22 registrant operations. In the event that an individual who is exempt from the criminal 23 24 history record background check requirement of this section 25 subsequently acquires an investment interest of five percent or more 26 in the medical cannabis cultivator, medical cannabis manufacturer, 27 medical cannabis dispensary, or clinical registrant, or a group that is 28 exempt from the criminal history record background check 29 requirement of this section subsequently acquires an investment 30 interest of 20 percent or more in the medical cannabis cultivator, 31 medical cannabis manufacturer, medical cannabis dispensary, or 32 clinical registrant or any member of the group acquires more than a 33 five percent interest in the total group investment interest, or the 34 individual or group gains the authority to make controlling 35 decisions regarding medical cannabis cultivator, medical cannabis 36 manufacturer, medical cannabis dispensary, or clinical registrant operations, the individual or the members of the group, as 37 38 applicable, shall notify the commission and shall complete a criminal history record background check <sup>1</sup>and provide all 39 information as may be required by the commission<sup>1</sup> no later than 30 40 41 days after the date that such change occurs, or any permit issued to 42 the individual or group shall be revoked and the individual or group 43 shall be deemed ineligible to hold any ownership or investment 44 interest in a medical cannabis cultivator, medical cannabis 45 manufacturer, medical cannabis dispensary, or clinical registrant for 46 a period of two years, commencing from the date of revocation.

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For purposes of this section, the term "applicant" shall include 1 any owner, director, officer, or employee of **[**an alternative 2 treatment center]<sup>1</sup>, and any investor in,<sup>1</sup> a medical cannabis 3 cultivator, medical cannabis manufacturer, medical cannabis 4 dispensary, or clinical registrant <sup>1</sup>, but shall not include any 5 individual or group that is exempt from the criminal history record 6 7 background check requirements of this section, which individuals 8 and groups shall not be required to complete any portion of an 9 initial or renewal permit application unless the individual or group 10 subsequently becomes subject to the criminal history record 11 background check requirement as provided in this section, in which 12 case the individual or group shall be required to provide all 13 information as may be required by the commission within 30 days 14 of the change or any permit issued to the individual or group shall 15 be revoked and the individual or group shall be deemed ineligible to 16 hold any ownership or investment interest in a medical cannabis 17 cultivator, medical cannabis manufacturer, medical cannabis 18 dispensary, or clinical registrant for a period of two years, 19 <u>commencing from the date of revocation</u><sup>1</sup>. The [commissioner] 20 executive director is authorized to exchange fingerprint data with and receive criminal history record background information from 21 22 the Division of State Police and the Federal Bureau of Investigation 23 consistent with the provisions of applicable federal and State laws, 24 rules, and regulations. The Division of State Police shall forward 25 criminal history record background information to the 26 [commissioner] <u>executive director</u> in a timely manner when 27 requested pursuant to the provisions of this section. 28 An applicant who is required to undergo a criminal history 29 record background check pursuant to this section shall submit to 30 being fingerprinted in accordance with applicable State and federal 31 laws, rules, and regulations. No check of criminal history record 32 background information shall be performed pursuant to this section 33 unless the applicant has furnished [his] the applicant's written 34 consent to that check. An applicant who is required to undergo a 35 criminal history record background check pursuant to this section 36 who refuses to consent to, or cooperate in, the securing of a check 37 of criminal history record background information shall not be 38 considered for a permit to operate, or authorization to be employed

at <sup>1</sup>or to be an investor in<sup>1</sup>, [an alternative treatment center] <u>a</u>
medical cannabis cultivator, medical cannabis manufacturer,
medical cannabis dispensary, or clinical registrant. An applicant
shall bear the cost for the criminal history record background check,
including all costs of administering and processing the check.

44 (2) The [commissioner] executive director shall not approve an
45 applicant for a permit to operate, or authorization to be employed at
46 <sup>1</sup>or to be an investor in<sup>1</sup>, [an alternative treatment center] <u>a medical</u>
47 <u>cannabis cultivator, medical cannabis manufacturer, medical</u>

cannabis dispensary, or clinical registrant if the criminal history 1 2 record background information of the applicant reveals a 3 disqualifying conviction as set forth in subsection c. of this section. 4 (3) Upon receipt of the criminal history record background 5 information from the Division of State Police and the Federal 6 Bureau of Investigation, the [commissioner] executive director 7 shall provide written notification to the applicant of [his] the 8 applicant's qualification for or disqualification for a permit to operate or be a director, officer, or employee of [an alternative 9 treatment center]<sup>1</sup>, or an investor in,<sup>1</sup> a medical cannabis 10 cultivator, medical cannabis manufacturer, medical cannabis 11 12 dispensary, or clinical registrant.

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

17 (4) The Division of State Police shall promptly notify the 18 [commissioner] executive director in the event that an individual 19 who was the subject of a criminal history record background check 20 conducted pursuant to this section is convicted of a crime or offense 21 in this State after the date the background check was performed. 22 Upon receipt of that notification, the [commissioner] executive 23 director shall make a determination regarding the continued eligibility to operate or be a director, officer, or employee of **[**an 24 alternative treatment center]<sup>1</sup>, or an investor in,<sup>1</sup> a medical 25 cannabis cultivator, medical cannabis manufacturer, medical 26 27 cannabis dispensary, or clinical registrant.

(5) Notwithstanding the provisions of subsection [b.] c. of this 28 29 section to the contrary, the [commissioner] executive director may 30 offer provisional authority for an applicant to be an owner, director, officer, or employee of [an alternative treatment center] <sup>1</sup>, or an 31 32 investor in,<sup>1</sup> a medical cannabis cultivator, medical cannabis 33 manufacturer, medical cannabis dispensary, or clinical registrant for 34 a period not to exceed three months if the applicant submits to the 35 [commissioner] <u>executive director</u> a sworn statement attesting that 36 the person has not been convicted of any disqualifying conviction 37 pursuant to this section.

(6) Notwithstanding the provisions of subsection [b.] <u>c.</u> of this 38 section to the contrary, no applicant to be an owner, director, 39 40 officer, or employee of [an alternative treatment center] <sup>1</sup>, or an investor in,<sup>1</sup> a medical cannabis cultivator, medical cannabis 41 42 manufacturer, medical cannabis dispensary, or clinical registrant 43 shall be disqualified on the basis of any conviction disclosed by a 44 criminal history record background check conducted pursuant to 45 this section if the individual has affirmatively demonstrated to the 46 [commissioner] executive director clear and convincing evidence

of rehabilitation. In determining whether clear and convincing

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2 evidence of rehabilitation has been demonstrated, the following 3 factors shall be considered: 4 (a) the nature and responsibility of the position which the 5 convicted individual would hold, has held, or currently holds; 6 (b) the nature and seriousness of the crime or offense; 7 (c) the circumstances under which the crime or offense 8 occurred; 9 (d) the date of the crime or offense; 10 (e) the age of the individual when the crime or offense was 11 committed; 12 (f) whether the crime or offense was an isolated or repeated 13 incident; 14 (g) any social conditions which may have contributed to the 15 commission of the crime or offense; and 16 (h) any evidence of rehabilitation, including good conduct in

prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational schooling, successful participation in correctional work-release programs, or the recommendation of those who have had the individual under their supervision.

22 e. The [department] commission shall issue a permit to [a 23 person to] operate [as an alternative treatment center] or be an 24 owner, director, officer, or employee of 1, or an investor in, 1 a 25 medical cannabis cultivator, medical cannabis manufacturer, or 26 medical cannabis dispensary if the [department] commission finds 27 that issuing such a permit would be consistent with the purposes of [this act] P.L.2009, c.307 (C.24:6I-1 et al.) and the requirements of 28 29 this section and section 11 of P.L., c. (C.) (pending before 30 the Legislature as this bill) are met [and the department has verified 31 the information contained in the application. The department shall 32 approve or deny an application within 60 days after receipt of a 33 completed application]. The denial of an application shall be 34 considered a final agency decision, subject to review by the 35 Appellate Division of the Superior Court. [The department may 36 suspend or revoke a permit to operate as an alternative treatment 37 center for cause, which shall be subject to review by the Appellate 38 Division of the Superior Court An initial permit to operate a 39 medical cannabis cultivator, medical cannabis manufacturer, or 40 medical cannabis dispensary issued on or after the effective date of 41 P.L., c. (C.) (pending before the Legislature as this bill) 42 shall be valid for three years. Medical cannabis cultivator, medical 43 cannabis manufacturer, and medical cannabis dispensary permits 44 shall be renewable biennially. 45 f. A person who has been issued a permit pursuant to this

46 section <u>, a conditional permit pursuant to section 11 of</u> 47 <u>P.L.</u>, c. (C. ) (pending before the Legislature as this bill),

1 or a clinical registrant permit pursuant to section 13 of 2 P.L., c. (C.) (pending before the Legislature as this bill) 3 shall display the permit or conditional permit at the front entrance 4 to the premises of the [alternative treatment center] permitted 5 facility at all times when the facility is engaged in conduct 6 authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) involving 7 medical cannabis, including, but not limited to, the cultivating, manufacturing, or dispensing of medical cannabis [marijuana is 8 9 being produced, or dispensed to a registered qualifying patient or 10 the patient's primary caregiver].

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

16 h. [An alternative treatment center may charge a registered 17 qualifying patient or primary caregiver for the reasonable costs 18 associated with the production and distribution of marijuana for the 19 cardholder] (1) Each medical cannabis cultivator shall maintain 20 and make available through its Internet website, if any, a standard 21 price list that shall apply to all medical cannabis sold by the 22 medical cannabis cultivator to other medical cannabis cultivators and to medical cannabis manufacturers, medical cannabis 23 24 dispensaries, and clinical registrants, which prices shall be 25 reasonable and consistent with the actual costs incurred by the 26 medical cannabis cultivator in connection with cultivating the 27 medical cannabis. The prices charged by the medical cannabis 28 cultivator shall not deviate from the prices indicated on the 29 facility's current price list.

30 (2) Each medical cannabis manufacturer shall maintain and 31 make available through its Internet website, if any, a standard price 32 list that shall apply to all medical cannabis products sold by the medical cannabis manufacturer to other medical cannabis 33 34 manufacturers and to medical cannabis dispensaries and clinical 35 registrants, which prices shall be reasonable and consistent with the 36 actual costs incurred by the medical cannabis manufacturer in connection with producing the medical cannabis product. The 37 38 prices charged by the medical cannabis manufacturer shall not 39 deviate from the prices indicated on the facility's current price list. 40 (3) Each clinical registrant shall maintain and make available

40 (5) Each enhear registrant shart maintain and make available 41 through its Internet website, if any, a standard price list that shall 42 apply to all medical cannabis sold by the clinical registrant to other 43 clinical registrants and to medical cannabis cultivators, medical 44 cannabis manufacturers, and medical cannabis dispensaries and to 45 all medical cannabis products sold by the clinical registrant to other 46 clinical registrants and to medical cannabis manufacturers and 47 medical cannabis dispensaries, which prices shall be reasonable and

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1 consistent with the actual costs incurred by the clinical registrant in 2 connection with cultivating the medical cannabis or producing the 3 medical cannabis product. The prices charged by the clinical 4 registrant shall not deviate from the prices indicated on the clinical 5 registrant's current price list. Any prices a clinical registrant charges to a qualifying patient, designated caregiver, or institutional 6 7 caregiver for medical cannabis, medical cannabis products, and 8 related supplies and paraphernalia shall be reasonable and 9 consistent with the actual costs incurred by the medical cannabis 10 dispensary in connection with cultivating, producing, acquiring, or 11 dispensing the medical cannabis or medical cannabis product and 12 related supplies and paraphernalia. A clinical registrant may 13 establish a written policy for making medical cannabis available at 14 a reduced price or without charge to qualifying patients who have a 15 demonstrated financial hardship, as that term shall be defined by the 16 commission by regulation. 17 (4) Any prices a medical cannabis dispensary charges to another 18 medical cannabis dispensary or to a clinical registrant, qualifying 19 patient, designated caregiver, or institutional caregiver for medical 20 cannabis, medical cannabis products, and related supplies and paraphernalia shall be reasonable and consistent with the actual 21 22 costs incurred by the medical cannabis dispensary in connection 23 with acquiring and selling, transferring, or dispensing the medical 24 cannabis or medical cannabis product and related supplies and 25 paraphernalia. A medical cannabis dispensary may establish a 26 written policy for making medical cannabis available at a reduced 27 price or without charge to qualifying patients who have a 28 demonstrated financial hardship, as that term shall be defined by the 29 commission by regulation. 30 (5) A price list required under paragraphs (1), (2), or (3) of this 31 subsection may be revised no more than once per month, and each 32 medical cannabis cultivator, medical cannabis manufacturer, and 33 clinical registrant shall be responsible for ensuring that the 34 commission has a copy of the facility's current price list. A 35 medical cannabis cultivator, medical cannabis manufacturer, or 36 clinical registrant shall be liable to a civil penalty of \$1,000 for 37 each sale that occurs at a price that deviates from the entity's 38 current price list, and to a civil penalty of \$10,000 for each week 39 during which the entity's current price list is not on file with the 40 commission. Any civil penalties collected by the commission 41 pursuant to this section shall be used by the commission for the 42 purposes of administering the State medical cannabis program. 43 i. The [commissioner] executive director shall adopt 44 regulations to: 45 (1) require such written documentation of each delivery of 46 cannabis to, and pickup of cannabis for, a registered qualifying 47 patient, including the date and amount dispensed, to be maintained

in the records of the [alternative treatment center] medical cannabis

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dispensary or clinical registrant, as the [commissioner] executive 1 2 director determines necessary to ensure effective documentation of the operations of each [alternative treatment center] medical 3 4 cannabis dispensary or clinical registrant; 5 (2) monitor, oversee, and investigate all activities performed by 6 [an alternative treatment center] medical cannabis cultivators, 7 medical cannabis manufacturers, medical cannabis dispensaries, and 8 clinical registrants; [and] 9 (3) ensure adequate security of all facilities 24 hours per day **[**, 10 including production and retail locations,] and security of all delivery methods to registered qualifying patients; and 11 12 (4) establish thresholds for administrative action to be taken 13 against a medical cannabis cultivator, medical cannabis 14 manufacturer, medical cannabis dispensary, or clinical registrant 15 and its employees, officers, investors, directors, or governing board 16 pursuant to subsection m. of this section, including, but not limited 17 to, specific penalties or disciplinary actions that may be imposed in 18 a summary proceeding. 19 j. (1) Each medical cannabis cultivator, medical cannabis 20 manufacturer, medical cannabis dispensary, and clinical registrant shall require the owners, directors, officers, and employees at the 21 22 permitted facility to complete at least eight hours of ongoing 23 training each calendar year. The training shall be tailored to the 24 roles and responsibilities of the individual's job function, and shall 25 include training on confidentiality and such other topics as shall be 26 required by the commission. 27 (2) Each medical cannabis dispensary and clinical registrant 28 shall consider whether to make interpreter services available to the 29 population served, including for individuals with a visual or hearing 30 impairment. The commission shall provide assistance to any 31 medical cannabis dispensary or clinical registrant that seeks to 32 provide such services in locating appropriate interpreter resources. 33 A medical cannabis dispensary or clinical registrant shall assume 34 the cost of providing interpreter services pursuant to this 35 subsection. 36 k. (1) A medical cannabis cultivator, medical cannabis 37 manufacturer, or medical cannabis dispensary that seeks to sell or 38 transfer its permit to another entity shall apply to the commission 39 for approval of the sale or transfer. The commission shall not 40 approve the sale or transfer of a permit until each applicant at the 41 entity applying to purchase or receive the transfer of the permit 42 undergoes a criminal history record background check pursuant to 43 subsection d. of this section and the commission finds that the sale 44 or transfer of the permit would be consistent with the purposes of 45 P.L.2009, c.307 (C.24:6I-1 et al.). The denial of an application to 46 sell or transfer a medical cannabis cultivator, medical cannabis 47 manufacturer, or medical cannabis dispensary permit shall be

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1 considered a final agency decision, subject to review by the 2 Appellate Division of the Superior Court. 3 (2) If a nonprofit medical cannabis cultivator, medical cannabis 4 manufacturer, or medical cannabis dispensary proposes to sell or 5 transfer its permit <sup>1</sup>and other assets<sup>1</sup> to a for-profit entity, its board of directors may proceed with the sale or transfer upon receiving 6 7 approval for the sale or transfer from the commission pursuant to paragraph (1) of this subsection. In the case of a nonprofit 8 9 alternative treatment center that was issued a permit prior to the 10 effective date of P.L., c. (C.) (pending before the Legislature 11 as this bill) or that was issued a permit after the effective date of 12 P.L., c. (C.) (pending before the Legislature as this bill) 13 pursuant to an application submitted prior to the effective date of 14 P.L., c. (C. ) (pending before the Legislature as this bill), 15 any such transfer shall not be subject to the requirements of the 16 "New Jersey Nonprofit Corporation Act," N.J.S.15A:1-1 et seq., provided that, prior to or at the time of the sale or transfer, all debts 17 18 and obligations of the nonprofit entity are either paid in full or 19 assumed by the for-profit entity purchasing or acquiring the permit, 20 or a reserve fund is established for the purpose of paying in full the debts and obligations of the nonprofit entity <sup>1</sup>, and the for-profit 21 22 entity pays the full value of all assets held by the nonprofit entity, 23 as reflected on the nonprofit entity's balance sheet, in addition to 24 the agreed-upon and commission-approved price for the sale or 25 transfer of the entity's alternative treatment center permit<sup>1</sup>. 26 1. No employee of any department, division, agency, board, or 27 other State, county, or local government entity involved in the 28 process of reviewing, processing, or making determinations with 29 regard to medical cannabis cultivator, medical cannabis 30 manufacturer, medical cannabis dispensary, or clinical registrant 31 permit applications shall have any direct or indirect financial 32 interest in the cultivating, manufacturing, or dispensing of medical 33 cannabis or related paraphernalia, or otherwise receive anything of 34 value from an applicant for a medical cannabis cultivator, medical 35 cannabis manufacturer, medical cannabis dispensary, or clinical 36 registrant permit in exchange for reviewing, processing, or making 37 any recommendations with respect to a permit application. 38 m. In the event that a medical cannabis cultivator, medical 39 cannabis manufacturer, medical cannabis dispensary, or clinical 40 registrant fails to comply with any requirements set forth in P.L.2009, c.307 (C.24:6I-1 et al.), P.L., c. (C.) (pending 41 42 before the Legislature as this bill), or any related law or regulation, 43 the commission may invoke penalties or take administrative action against the medical cannabis cultivator, medical cannabis 44 45 manufacturer, medical cannabis dispensary, or clinical registrant 46 and its employees, officers, investors, directors, or governing board, 47 including, but not limited to, assessing fines, referring matters to 48 another State agency, and suspending or terminating any permit

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held by the medical cannabis cultivator, medical cannabis 1 2 manufacturer, medical cannabis dispensary, or clinical registrant. 3 Any penalties imposed or administrative actions taken by the 4 commission pursuant to this subsection may be imposed in a 5 summary proceeding. 6 (cf: P.L.2013, c.160, s.2) 7 8 11. (New section) The commission shall, no later than 90 days 9 after the effective date of P.L., c. (C. ) (pending before the 10 Legislature as this bill) or upon adoption of rules and regulations as 11 provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-12 16), whichever occurs first, begin accepting and processing 13 applications for new medical cannabis cultivator, medical cannabis 14 medical manufacturer, and cannabis dispensary permits. 15 Notwithstanding the provisions of subparagraph (a) of paragraph (2) 16 of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), the first 17 six alternative treatment center permits issued by the commission 18 pursuant to an application submitted on or after the effective date of 19 P.L. , c. (C. ) (pending before the Legislature as this bill) 20 shall be deemed to concurrently hold a medical cannabis cultivator 21 permit, a medical cannabis manufacturer permit, and a medical 22 cannabis dispensary permit. Any permits issued by the commission 23 thereafter shall be subject to the provisions of subparagraph (a) of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 24 25 (C.24:6I-7). The commission may establish nonrefundable 26 application fees for permit applications and permit fees for 27 successful applicants. 28 The commission shall make a determination as to any permit 29 application no later than 90 days after receiving the application, 30 which may include a determination that the commission reasonably 31 requires more time to adequately review the application. The 32 commission may issue a conditional permit to an applicant pending 33 the commission's final determination on the applicant's permit 34 application, provided the applicant submits a sworn statement attesting that no person named in the permit application has been 35 36 convicted of any disqualifying conviction pursuant to subsection c. 37 of section 7 of P.L.2009, c.307 (C.24:6I-7) or that, if a person 38 named in the application has been convicted of a disqualifying 39 conviction, the person has or will submit evidence of rehabilitation. 40 The commission shall determine by regulation which permit 41 requirements are necessary for the issuance of a conditional permit 42 pursuant to this section and the scope of conduct authorized under a 43 conditional permit, and shall establish the terms, conditions, and 44 restrictions for such conditional permit as may be necessary and 45 appropriate.

46 The commission shall issue a permit to an approved applicant at
47 such time as the commission completes the application review
48 process and any mandatory inspections, and determines that the

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applicant is in compliance with and is implementing the plans, 1 2 procedures, protocols, actions, or other measures set forth in the 3 applicant's permit application submitted pursuant to section 12 of 4 , c. (C. ) (pending before the Legislature as this bill), P.L. 5 did maintain compliance with the terms, conditions, or restrictions 6 of a conditional permit issued to the applicant, if applicable, and is 7 otherwise in compliance with the requirements of P.L.2009, c.307 8 (C.24:6I-1 et al.) and P.L. (C. ) (pending before the . c. 9 Legislature as this bill).

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11 12. (New section) a. Each application for an initial three-year 12 medical cannabis cultivator permit, medical cannabis manufacturer 13 permit, and medical cannabis dispensary permit, and each 14 application for biennial renewal of such permit, shall be submitted 15 to the commission. A full, separate application shall be required for each initial permit requested by the applicant and for each location 16 17 at which an applicant seeks to operate, regardless of whether the 18 applicant was previously issued, or currently holds, a medical 19 cannabis cultivator, medical cannabis manufacturer, medical 20 cannabis dispensary, or clinical registrant permit. Renewal applications shall be submitted to the commission on a form and in 21 22 a manner as shall be specified by the commission no later than 90 23 days before the date the current permit will expire.

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

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

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

(a) State-authorized cultivation of medical cannabis;

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

43 (c) quality control and quality assurance;

44 (d) recall plans;

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45 (e) packaging and labeling;

46 (f) inventory control and tracking software or systems for the47 production of medical cannabis;

48 (g) analytical chemistry and testing of medical cannabis;

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

48 (c) medical cannabis product evaluation procedures;

#### 38

1 (d) recall plans;

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(e) packaging and labeling;

3 (f) inventory control and point-of-sale software or systems for

4 the sale of medical cannabis;

(g) patient counseling procedures;

6 (h) the routes of administration, strains, varieties, and
7 cannabinoid profiles of medical cannabis and medical cannabis
8 products;

9 (i) odor mitigation practices;

10 (j) onsite and offsite recordkeeping;

11 (k) compliance with State and federal patient privacy rules;

12 (1) waste disposal plans; and

13 (m) compliance with applicable laws and regulations.

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

(1) The applicant's environmental impact plan.

20 (2) A summary of the applicant's safety and security plans and21 procedures, which shall include descriptions of the following:

22 (a) plans for the use of security personnel, including23 contractors;

(b) the experience or qualifications of security personnel andproposed contractors;

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

31 (d) plans for the storage of medical cannabis and medical
32 cannabis products, including any safes, vaults, and climate control
33 systems that will be utilized for this purpose;

34 (e) a diversion prevention plan;

(f) an emergency management plan;

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

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

42 (i) workplace safety plans and the applicant's familiarity with43 federal Occupational Safety and Health Administration regulations;

44 (j) the applicant's history of workers' compensation claims and45 safety assessments;

46 (k) procedures for reporting adverse events; and

47 (1) a sanitation practices plan.

(3) A summary of the applicant's business experience, including 1 2 the following, if applicable: 3 (a) the applicant's experience operating businesses in highly-4 regulated industries; 5 (b) the applicant's experience in operating alternative treatment centers and related medical cannabis production and dispensation 6 7 entities under the laws of New Jersey or any other state or 8 jurisdiction within the United States; and 9 (c) the applicant's plan to comply with and mitigate the effects 10 of 26 U.S.C. s.280E on cannabis businesses, and for evidence that 11 the applicant is not in arrears with respect to any tax obligation to 12 the State. 13 In evaluating the experience described under subparagraphs (a), 14 (b), and (c) of this paragraph, the commission shall afford the 15 greatest weight to the experience of the applicant itself, controlling 16 owners, and entities with common ownership or control with the 17 applicant; followed by the experience of those with a 15 percent or 18 greater ownership interest in the applicant's organization; followed 19 by interest holders in the applicant's organization; followed by 20 other officers, directors, and bona fide full-time employees of the applicant as of the submission date of the application. 21 22 (4) A description of the proposed location for the applicant's 23 site, including the following, if applicable: (a) the proposed location, the surrounding area, and the 24 25 suitability or advantages of the proposed location, along with a 26 floor plan and optional renderings or architectural or engineering 27 plans; 28 (b) the submission of zoning approvals for the proposed 29 location, which shall consist of a letter or affidavit from appropriate 30 municipal officials that the location will conform to municipal zoning requirements allowing for such activities related to the 31 32 cultivation, manufacturing, or dispensing of medical cannabis, 33 cannabis products, and related supplies as will be conducted at the 34 proposed facility; and 35 (c) the submission of proof of local support for the suitability of 36 the location, which may be demonstrated by a resolution adopted by 37 the municipality's governing body indicating that the intended 38 location is appropriately located or otherwise suitable for such 39 activities related to the cultivation, manufacturing, or dispensing of 40 medical cannabis, cannabis products, and related supplies as will be 41 conducted at the proposed facility. 42 Notwithstanding any other provision of this subsection, an 43 application shall be disqualified from consideration unless it 44 includes documentation demonstrating that the applicant will have 45 final control of the premises upon approval of the application, 46 including, but not limited to, a lease agreement, contract for sale, 47 title, deed, or similar documentation. In addition, if the applicant

will lease the premises, the application will be disqualified from

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consideration unless it includes certification from the landlord that 1 2 the landlord is aware that the tenant's use of the premises will 3 involve activities related to the cultivation, manufacturing, or 4 dispensing of medical cannabis and medical cannabis products. An 5 application shall not be disqualified from consideration if the application does not include the materials 6 described in 7 subparagraphs (b) or (c) of this paragraph.

8 (5) A community impact, social responsibility, and research 9 statement, which may include, but shall not be limited to, the 10 following:

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

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

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

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

28 information In evaluating the submitted pursuant to 29 subparagraphs (b) and (c) of this paragraph, the commission shall 30 afford the greatest weight to the experience of the applicant itself, controlling owners, and entities with common ownership or control 31 32 with the applicant; followed by the experience of those with a 15 33 percent or greater ownership interest in the applicant's organization; 34 followed by interest holders in the applicant's organization; 35 followed by other officers, directors, and bona fide full-time 36 employees of the applicant as of the submission date of the 37 application.

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

45 (7) A business and financial plan, which may include, but shall46 not be limited to, the following:

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

1 (b) a demonstration of the applicant's financial ability to 2 implement its business plan, which may include, but shall not be 3 limited to, bank statements, business and individual financial 4 statements, net worth statements, and debt and equity financing 5 statements; and

(c) a description of the applicant's experience complying with 6 7 guidance pertaining to cannabis issued by the Financial Crimes 8 Enforcement Network under 31 U.S.C. s.5311 et seq., the federal 9 "Bank Secrecy Act", which may be demonstrated by submitting letters regarding the applicant's banking history from banks or 10 11 credit unions that certify they are aware of the business activities of 12 the applicant, or entities with common ownership or control of the applicant's organization, in any state where the applicant has 13 14 operated a business related to medical cannabis. For the purposes 15 of this subparagraph, the commission shall consider only bank 16 references involving accounts in the name of the applicant or of an 17 entity with common ownership or control of the applicant's 18 organization. An applicant who does not submit the information 19 described in this subparagraph shall not be disqualified from 20 consideration.

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

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

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

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

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

46 (10) The proposed composition of the applicant's medical
47 advisory board established pursuant to section 15 of P.L. ,

48 c. (C. ) (pending before the Legislature as this bill), if any.

1 (11) Any other information the commission deems relevant in 2 determining whether to grant a permit to the applicant.

3 In addition to the information to be submitted pursuant to e. 4 subsections c. and d. of this section, the commission shall require 5 all permit applicants, other than applicants issued a conditional license, to submit an attestation signed by a bona fide labor 6 7 organization stating that the applicant has entered into a labor peace 8 agreement with such bona fide labor organization. The 9 maintenance of a labor peace agreement with a bona fide labor 10 organization shall be an ongoing material condition of maintaining 11 a medical cannabis cultivator, medical cannabis manufacturer, or 12 medical cannabis dispensary permit. The submission of an attestation and maintenance of a labor peace agreement with a bona 13 fide labor organization by an applicant issued a conditional permit 14 15 pursuant to section 11 of P.L., c. (C. ) (pending before the 16 Legislature as this bill) shall be a requirement for final approval for 17 a permit; failure to enter into a collective bargaining agreement 18 within 200 days of the opening of a medical cannabis cultivator, 19 medical cannabis manufacturer, or medical cannabis dispensary 20 shall result in the suspension or revocation of such permit or 21 conditional permit. In reviewing initial permit applications, the 22 commission shall give priority to the following:

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

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

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

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

35 In reviewing an initial permit application, unless the f. 36 information is otherwise solicited by the commission in a specific 37 application question, the commission's evaluation of the application 38 shall be limited to the experience and qualifications of the 39 applicant's organization, including any entities with common 40 ownership or control of the applicant's organization, controlling 41 owners or interest holders in the applicant's organization, and the 42 officers, directors, and current full-time existing employees of the 43 applicant's organization. Responses pertaining to consultants, 44 independent contractors, applicants who are exempt from the 45 criminal history record background check requirements of section 7 46 of P.L.2009, c.307 (C.24:6I-7), and prospective or part-time 47 employees of the entity shall not be considered. Each applicant

1 shall certify as to the status of the individuals and entities included2 in the application.

3 g. The commission shall develop policies and procedures to 4 promote and encourage full participation in the medical cannabis 5 industry by individuals from communities that have historically experienced disproportionate harm under the State's cannabis 6 prohibition and enforcement laws, and to have a positive effect on 7 8 those communities. The commission shall conduct a disparity study 9 to determine whether race-based measures should be considered 10 when issuing permits pursuant to this section, and shall require that 11 at least  $1[25] \underline{30}^1$  percent of the total number of new medical cannabis cultivator permits, medical cannabis manufacturer permits, 12 13 and medical cannabis dispensary permits issued on or after the 14 effective date of P.L. , c. (C. ) (pending before the 15 Legislature as this bill) are issued <sup>1</sup>[to a qualified applicant that] <u>as</u> 16 follows<sup>1</sup>: 17 (1) <sup>1</sup>at least 15 percent of the total number of new medical

18 cannabis cultivator permits, medical cannabis manufacturer 19 permits, and medical cannabis dispensary permits issued on or after 20 the effective date of P.L., c. (C.) (pending before the 21 Legislature as this bill) shall be issued to a qualified applicant that<sup>1</sup> 22 has been certified as a minority business <sup>1</sup>[or as a women's 23 business]<sup>1</sup> pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.); 24 <sup>1</sup>and<sup>1</sup>

(2) <sup>1</sup>[has been certified as a veteran-owned business pursuant to
P.L.2011, c.147 (C.52:32-49 et seq.);

27 (3) at least 15 percent of the total number of new medical 28 cannabis cultivator permits, medical cannabis manufacturer 29 permits, and medical cannabis dispensary permits issued on or after the effective date of P.L., c. (C.) (pending before the 30 31 Legislature as this bill) shall be issued to a qualified applicant that 32 has been certified as a women's business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.) or that<sup>1</sup> is a disabled-veterans' 33 34 business, as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2) 35 <sup>1</sup>[; or

36 (4) has been certified by the United States Small Business
37 Administration or other issuing agency of the federal government as
38 a minority-owned business, women-owned business, or service39 disabled veteran-owned business]<sup>1</sup>.

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

h. The commission shall give special consideration to any
applicant that has entered into an agreement with an institution of
higher education to create an integrated curriculum involving the
cultivation, manufacturing, and dispensing of medical cannabis,
provided that the curriculum is approved by both the commission

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and the Department of Education and the applicant agrees to 1 2 maintain the integrated curriculum in perpetuity. An integrated 3 curriculum permit shall be subject to revocation if the IC permit 4 holder fails to maintain or continue the integrated curriculum. In 5 the event that, because of circumstances outside an IC permit 6 holder's control, the IC permit holder will no longer be able to 7 continue an integrated curriculum, the IC permit holder shall notify 8 the commission and shall make reasonable efforts to establish a new 9 integrated curriculum with an institution of higher education, subject to approval by the commission and the Department of 10 11 Education. If the IC permit holder is unable to establish a new integrated curriculum within six months after the date the current 12 13 integrated curriculum arrangement ends, the commission shall 14 revoke the entity's IC permit, unless the commission finds there are 15 extraordinary circumstances that justify allowing the permit holder 16 to retain the permit without an integrated curriculum and the 17 commission finds that allowing the permit holder to retain the 18 permit would be consistent with the purposes of P.L.2009, c.307 19 (C.24:6I-1 et al.), in which case the IC permit shall convert to a 20 regular permit of the same type. The commission may revise the 21 application and permit fees or other conditions for an IC permit as 22 may be necessary to encourage applications for IC permits.

i. Application materials submitted to the commission pursuant
to this section shall not be considered a public record pursuant to
P.L.1963, c.73 <sup>1</sup>[, P.L.2001, c.404]<sup>1</sup> (C.47:1A-1 et <sup>1</sup>[al.), or the
common law concerning access to public records] <u>seq.</u>) or
P.L.2001, c.404 (C.47:1A-5 et al.)<sup>1</sup>.

28 i. If the commission notifies an applicant that it has performed 29 sufficiently well on multiple applications to be awarded more than 30 one medical cannabis cultivator permit, more than one medical 31 cannabis manufacturer permit, or more than one medical cannabis 32 dispensary permit by the commission, the applicant shall notify the 33 commission, within seven business days after receiving such notice, 34 as to which permit it will accept. For any permit award declined by 35 an applicant pursuant to this subsection, the commission shall, upon 36 receiving notice from the applicant of the declination, award the 37 permit to the applicant for that permit type who, in the 38 determination of the commission, best satisfies the commission's 39 criteria while meeting the commission's determination of Statewide 40 need. If an applicant fails to notify the commission as to which 41 permit it will accept, the commission shall have the discretion to 42 determine which permit it will award to the applicant, based on the 43 commission's determination of Statewide need and other applications submitted for facilities to be located in the affected 44 45 regions.

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47 13. (New section) a. The commission shall issue clinical48 registrant permits to qualified applicants that meet the requirements

of this section. In addition to any other requirements as the
 commission establishes by regulation regarding application for and
 issuance of a clinical registrant permit, each clinical registrant
 applicant shall:

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

8 (2) submit to the commission any required application and 9 permit fees;

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

(4) submit to the commission documentation that the applicanthas a minimum of \$15 million in capital.

15 The commission shall, no later than 90 days after the b. effective date of P.L. 16 , c. (C. ) (pending before the 17 Legislature as this bill) or upon adoption of rules and regulations as 18 provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-19 16), whichever occurs first, begin accepting and processing 20 applications for four clinical registrant permits. Thereafter, the commission shall accept applications for and issue such additional 21 22 clinical registrant permits as it determines to be necessary and 23 consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) 24 and P.L. . c. (C. ) (pending before the Legislature as this 25 bill). The commission shall make a determination as to a clinical 26 registrant permit application no later than 90 days after receiving 27 the application, which may include a determination that the 28 commission reasonably requires more time to adequately review the 29 application.

30 c. A contract between a clinical registrant and an academic medical center shall include a commitment by the academic medical 31 32 center, or its affiliate, to engage in clinical research related to the 33 use of medical cannabis in order to advise the clinical registrant 34 concerning patient health and safety, medical applications, and 35 dispensing and management of controlled substances, among other 36 areas. A clinical registrant issued a permit pursuant to this section 37 shall have a written contractual relationship with no more than one 38 academic medical center.

39 d. A clinical registrant issued a permit pursuant to this section shall be authorized to engage in all conduct involving the 40 41 cultivation, processing, and dispensing of medical cannabis as is 42 authorized for an entity holding medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary 43 44 permits pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and P.L., c. 45 ) (pending before the Legislature as this bill), including (C. 46 dispensing medical cannabis and medical cannabis products to 47 qualifying patients and designated and institutional caregivers. The 48 clinical registrant shall additionally be authorized to engage in

clinical research involving medical cannabis using qualifying 1 2 patients who consent to being part of such research, subject to any 3 restrictions established by the commission. 4 e. A clinical registrant issued a permit pursuant to this section 5 may apply to the commission for a <sup>1</sup><u>Class 3 Cannabis Wholesaler</u> license or for a<sup>1</sup> Class 1 Cannabis Grower license, a Class 2 6 Cannabis Processor <sup>1</sup>[License, a Class 3 Cannabis Wholesaler]<sup>1</sup> 7 license, and a Class 4 Cannabis <sup>1</sup>[Retail] Retailer<sup>1</sup> license, and 8 9 shall be authorized to <sup>1</sup>[concurrently hold one of each license type and **]**<sup>1</sup> engage in any activities authorized pursuant to <sup>1</sup>[the] <u>any</u> 10 such<sup>1</sup> license <sup>1</sup>issued, provided that: 11 12 (1) a clinical registrant may concurrently hold a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor license, and 13 14 a Class 4 Cannabis Retailer license; 15 (2) a clinical registrant that is issued a Class 3 Cannabis Wholesaler license shall not be authorized to concurrently hold a 16 17 Class 1 Cannabis Grower license, a Class 2 Cannabis Processor license, or a Class 4 Cannabis Retailer license; and 18 19 (3) a clinical registrant that has been issued a Class 1 Cannabis 20 Grower license, a Class 2 Cannabis Processor license, or a Class 4 21 Cannabis Retailer license shall not be authorized to concurrently 22 hold a Class 3 Cannabis Wholesaler license<sup>1</sup>. <sup>1</sup>[The]  $\underline{A}^{1}$  clinical registrant <sup>1</sup>issued an adult use cannabis 23 license pursuant to this subsection<sup>1</sup> shall be authorized to use the 24 same premises for all activities authorized under P.L.2009, c.307 25 (C.24:6I-1 et al.) and P.L., c. (C. ) (pending before the 26 Legislature as Senate Bill No. 2703) without being required to 27 28 establish or maintain any physical barriers or separations between 29 operations related to the medical use of cannabis and operations 30 related to adult use cannabis, provided that the clinical registrant 31 shall be required to certify to the commission that the clinical 32 registrant has sufficient quantities of medical cannabis and medical 33 cannabis products available to meet the reasonably anticipated 34 treatment needs of registered qualifying patients as a condition of 35 <sup>1</sup>[selling] <u>engaging in activities related to the growing, producing</u>, wholesaling, or retail sale of<sup>1</sup> adult use cannabis <sup>1</sup>[at retail], as 36 applicable<sup>1</sup>. 37 38 f. (1) A clinical registrant issued a permit pursuant to this 39 section may conduct authorized activities related to medical 40 cannabis and, if applicable, adult use cannabis, at more than one 41 physical location, provided that each location is approved by the 42 commission and is in the same region in which the academic 43 medical center with which the clinical registrant has a contract is 44 located. 45 (2) A clinical registrant may apply to the commission for 46 approval to relocate an approved facility to another location in the 47

same region, which application shall be approved unless the

commission makes a specific determination that the proposed
 relocation would be inconsistent with the purposes of P.L.2009,
 c.307 (C.24:6I-1 et al.) and P.L., c. (C.) (pending before the
 Legislature as this bill). The denial of an application for relocation
 submitted pursuant to this paragraph shall be considered a final
 agency decision, subject to review by the Appellate Division of the
 Superior Court.

8 (3) The commission may authorize a clinical registrant to 9 dispense medical cannabis and medical cannabis products from 10 more than one physical location if the commission determines that 11 authorizing additional dispensing locations is necessary for the 12 clinical registrant to best serve and treat qualifying patients and 13 clinical trial participants.

14 g. A clinical registrant permit shall not be sold or transferred to 15 any other entity unless the commission finds that the sale or transfer 16 of the permit is necessary to continue essential clinical research or 17 the commission finds that the sale or transfer is otherwise consistent 18 with the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) and P.L. 19 c. (C. ) (pending before the Legislature as this bill). No sale 20 or transfer of a clinical registrant permit shall be approved until 21 each applicant at the entity applying to purchase or receive the 22 transfer of the permit undergoes a criminal history record 23 background check pursuant to subsection d. of section 7 of 24 P.L.2009, c.307 (C.24:6I-7).

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

31 Each clinical registrant shall submit the results of the clinical i. 32 research obtained through an approved clinical registrant permit to 33 the commission no later than one year following the conclusion of 34 the research study or publication of the research study in a peer-35 reviewed medical journal. Nothing in this subsection shall be 36 deemed to require the disclosure of any clinical research that would 37 infringe on the intellectual property of the clinical registrant or on 38 the confidentiality of patient information.

j. Application materials submitted to the commission pursuant
to this section shall not be considered a public record pursuant to
P.L.1963, c.73 <sup>1</sup>[, P.L.2001, c.404]<sup>1</sup> (C.47:1A-1 et <sup>1</sup>[al.), or the
common law concerning access to public records] <u>seq.</u>) or
<u>P.L.2001, c.404 (C.47:1A-5 et al.</u>)<sup>1</sup>.

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45 14. (New section) a. (1) The commission shall, within 18
46 months following the commission's organization, and every three
47 years thereafter, conduct a feasibility study concerning the potential
48 for establishing a cannabis research and development permit type.

In order to advance scientific and medical understanding concerning 1 2 the potential uses of medical cannabis, and to ensure ongoing 3 quality control in the collection of data and the aggregation of 4 clinical, translational, and other research, the feasibility study shall 5 assess the medical cannabis market and industry, current perspectives in the scientific and medical communities on medical 6 7 cannabis, as well as those of other relevant disciplines, to determine 8 the potential benefits of establishing a research and development 9 Any cannabis research and development permit permit type. 10 established by the commission shall be limited to advancing the use 11 of cannabis as medicine, improving the lives of current registered 12 qualifying patients as well as future patients who could derive 13 therapeutic benefit from the use of cannabis, and furthering the 14 knowledge of cannabis in the scientific and medical communities.

15 (2) The commission shall additionally assess the feasibility of 16 securing State funding to support the award of a monetary grant in 17 conjunction with the issuance of a cannabis research and 18 development permit to a successful applicant, following a 19 competitive application process, as well as assess potential future 20 regulations to apply to any cannabis research and development 21 permits that are supported by private investment.

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

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

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

35 c. The commission may establish, by regulation, such 36 additional permit types in connection with medical cannabis as the 37 commission deems necessary and appropriate to maximize the 38 effectiveness and efficiency of the State medical cannabis program 39 and meet the needs of qualifying patients, health care practitioners, 40 medical cannabis cultivators, medical cannabis manufacturers, 41 medical cannabis dispensaries, and related entities. Such permits 42 may include, but shall not be limited to, permits authorizing 43 pharmacy practice sites licensed pursuant to 44 P.L.2003, c.280 (C.45:14-40 et seq.) to be authorized to dispense 45 medical cannabis to qualifying patients and their designated and 46 institutional caregivers.

1 15. (New section) a. A medical cannabis cultivator, medical 2 cannabis manufacturer, medical cannabis dispensary, or clinical 3 registrant may appoint a medical advisory board to provide advice 4 to the medical cannabis cultivator, medical cannabis manufacturer, 5 medical cannabis dispensary, or clinical registrant on all aspects of 6 its business.

7 b. A medical advisory board appointed pursuant to this section 8 shall comprise five members: three health care practitioners 9 licensed or certified to practice in New Jersey; one qualifying patient who resides in the same area in which the medical cannabis 10 cultivator, medical cannabis manufacturer, medical cannabis 11 12 dispensary, or clinical registrant is located; and one individual who owns a business in the same area in which the medical cannabis 13 14 cultivator, medical cannabis manufacturer, medical cannabis 15 dispensary, or clinical registrant is located. No owner, director, 16 officer, or employee of a medical cannabis cultivator, medical 17 cannabis manufacturer, medical cannabis dispensary, or clinical 18 registrant may serve on a medical advisory board. The membership 19 of a medical advisory board shall be subject to commission 20 approval.

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

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16. (New section) a. (1) An organization issued a permit to
operate a medical cannabis cultivator, medical cannabis
manufacturer, medical cannabis dispensary, or clinical registrant
shall not be eligible for a State or local economic incentive.

28 (2) The issuance of a permit to operate a medical cannabis 29 cultivator, medical cannabis manufacturer, cannabis dispensary, or 30 clinical registrant to an organization that has been awarded a State or local economic incentive shall invalidate the right of the 31 32 organization to benefit from the economic incentive as of the date 33 of issuance of the permit, except that an academic medical center 34 that has entered into a contractual relationship with a clinical 35 registrant shall not have any right to benefit from an economic 36 incentive invalidated pursuant to this paragraph on the basis of that 37 contractual relationship.

b. (1) A property owner, developer, or operator of a project to
be used, in whole or in part, as a medical cannabis cultivator,
medical cannabis manufacturer, medical cannabis dispensary, or
clinical registrant shall not be eligible for a State or local economic
incentive during the period of time that the economic incentive is in
effect.

(2) The issuance of a permit to operate a medical cannabis
cultivator, medical cannabis manufacturer, medical cannabis
dispensary, or clinical registrant at a location that is the subject of a
State or local economic incentive shall invalidate the right of a
property owner, developer, or operator to benefit from the economic

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incentive as of the date of issuance of the permit, except that an

academic medical center that has entered into a contractual

relationship with a clinical registrant shall not have any right to

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4 benefit from an economic incentive invalidated pursuant to this 5 paragraph on the basis of that contractual relationship. c. As used in this section: 6 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 stimulating economic development or redevelopment in New 16 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 due to any abatement, reduction, exemption, credit, or transfer 20 certificate against any State or local tax. 21 22 23 17. Section 8 of P.L.2009, c.307 (C.24:6I-8) is amended to read 24 as follows: 8. The provisions of [this act] P.L.2009, c.307 (C.24:6I-25 <u>1 et al.</u>), P.L.2015, c.158 (C.18A:40-12.22 et al.), and 26 P.L., c. (C.) (pending before the Legislature as this bill) 27 28 shall not be construed to permit a person to: 29 a. operate, navigate, or be in actual physical control of any 30 vehicle, aircraft, railroad train, stationary heavy equipment or vessel while under the influence of [marijuana] cannabis; or 31 32 smoke [marijuana] cannabis in a school bus or other form of b. 33 public transportation, in a private vehicle unless the vehicle is not in 34 operation, on any school grounds, in any correctional facility, at any 35 public park or beach, at any recreation center, or in any place where 36 smoking is prohibited pursuant to N.J.S.2C:33-13. 37 A person who commits an act as provided in this section shall be 38 subject to such penalties as are provided by law. 39 (cf: P.L.2009, c.307, c.8) 40 18. Section 10 of P.L.2009, c.307 (C.24:6I-10) is amended to 41 42 read as follows: 43 10. a. A [physician] health care practitioner shall provide 44 written instructions for a registered qualifying patient or [his] the patient's designated caregiver, or an institutional caregiver acting 45 46 on behalf of the patient, to present to an alternative treatment 47 center] a medical cannabis dispensary or a clinical registrant

concerning the total amount of usable [marijuana] cannabis that a

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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 legitimate medical purpose by the [physician] health care 12 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 if it is to be filled immediately; and 18 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 of a qualifying patient, shall present  $^{1}$  verification of  $^{1}$  the patient's or 24 25 caregiver's <sup>1</sup>[registry identification card] <u>registration with the</u> <u>commission</u><sup>1</sup>, as applicable, and these written instructions to **[**the 26 27 alternative treatment center] any medical cannabis dispensary or clinical registrant, which shall verify and log the documentation 28 29 presented. An institutional caregiver shall additionally present an 30 authorization executed by the patient certifying that the institutional 31 caregiver is authorized to obtain medical cannabis on behalf of the 32 patient. A [physician] health care practitioner may provide a copy 33 of a written instruction by electronic or other means, as determined 34 by the [commissioner] executive director, directly to [an 35 alternative treatment center <u>a medical cannabis dispensary or a</u> 36 clinical registrant on behalf of a registered qualifying patient. The 37 dispensation of [marijuana] medical cannabis pursuant to any written instructions shall occur within one month of the date that 38 39 the instructions were written or become eligible for dispensing, 40 whichever is later, or the instructions are void. 41 d. [A patient may be registered at only one alternative 42 treatment center at any time. (deleted by amendment, P.L., c.) 43 (pending before the Legislature as this bill) 44 e. Prior to dispensing medical cannabis to a qualifying patient, 45 the patient's designated caregiver, or an institutional caregiver, the 46 medical cannabis dispensary or clinical registrant shall access the

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system established pursuant to section 11 of P.L.2009, c.307 1 2 (C.45:1-45.1) to ascertain whether medical cannabis was dispensed 3 for the patient by any medical cannabis dispensary or clinical 4 registrant within the preceding 30 days. Upon dispensing medical 5 cannabis to a qualifying patient, the patient's designated caregiver, 6 or an institutional caregiver, the medical cannabis dispensary or 7 clinical registrant shall transmit to the patient's health care 8 practitioner information concerning the amount, strain, and form of 9 medical cannabis that was dispensed. f. (1) Except as provided in paragraph (2) of this subsection, 10 11 the maximum amount of usable cannabis that a patient may be 12 dispensed, in weight, in a 30-day period, shall be: 13 (a) until January 1, 2019, two ounces in dried form or the 14 equivalent amount in any other form; 15 (b) on or after January 1, 2019 and continuing until July 1, 16 2019, two and one-half ounces in dried form or the equivalent 17 amount in any other form; and 18 (c) on or after July 1, 2019, three ounces in dried form or the 19 equivalent amount in any other form. 20 (2) The monthly limits set forth in paragraph (1) of this 21 subsection shall not apply to patients who are terminally ill or who 22 are currently receiving hospice care through a licensed hospice, 23 which patients may be dispensed an unlimited amount of medical 24 cannabis. Qualifying patients who are not receiving hospice care or 25 who are not terminally ill may petition the commission, on a form 26 and in a manner as the commission shall require by regulation, for 27 an exemption from the monthly limits set forth in paragraph (1) of 28 this paragraph, which petition the commission shall approve if the 29 commission finds that granting the exemption is necessary to meet 30 the patient's treatment needs and is consistent with the provisions of 31 P.L.2009, c.307 (C.24:6I-1 et al.). 32 g. The executive director shall establish, by regulation, 33 curricula for health care practitioners and for staff at medical 34 cannabis dispensaries and clinical registrants: 35 (1) The curriculum for health care practitioners shall be 36 designed to assist practitioners in counseling patients with regard to 37 the quantity, dosing, and administration of medical cannabis as 38 shall be appropriate to treat the patient's qualifying medical 39 condition. Health care practitioners shall complete the curriculum 40 as a condition of authorizing patients for the medical use of 41 cannabis; and 42 (2) The curriculum for employees of medical cannabis 43 dispensaries and clinical registrants shall be designed to assist the 44 employees in counseling patients with regard to determining the 45 strain and form of medical cannabis that is appropriate to treat the 46 patient's qualifying medical condition. Employees of medical cannabis dispensaries and clinical registrants shall be required to 47 complete the curriculum as a condition of registration with the 48

commission. Completion of the curriculum may constitute part of 1 2 the annual training required pursuant to paragraph (1) of subsection 3 j. of section 7 of P.L.2009, c.307 (C.24:6I-7). 4 h. Commencing July 1, 2020, the amount of the sales tax that 5 may be imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) on medical cannabis dispensed by a medical 6 7 cannabis dispensary or clinical registrant shall not exceed five 8 percent. 9 Commencing July 1, 2022, the amount of the sales tax that may be imposed under the "Sales and Use Tax Act," P.L.1966, c.30 10 11 (C.54:32B-1 et seq.) on medical cannabis dispensed by a medical cannabis dispensary or clinical registrant shall not exceed three 12 13 percent. 14 Commencing July 1, 2023, the amount of the sales tax that may 15 be imposed under the "Sales and Use Tax Act," P.L.1966, c.30 16 (C.54:32B-1 et seq.) on medical cannabis dispensed by a medical 17 cannabis dispensary or clinical registrant shall not exceed one 18 percent. 19 Commencing July 1, 2024, medical cannabis dispensed by a 20 medical cannabis dispensary or clinical registrant shall not be subject to any tax imposed under the "Sales and Use Tax Act," 21 22 P.L.1966, c.30 (C.54:32B-1 et seq.). 23 <sup>1</sup>Any revenue collected pursuant to a tax imposed on the sale of 24 medical cannabis under the "Sales and Use Tax Act," P.L.1966, 25 c.30 (C.54:32B-1 et seq.), shall be exclusively appropriated to 26 programs for the treatment of mental health and substance use disorders.<sup>1</sup> 27 (cf: P.L.2009, c.307, s.10) 28 29 30 19. Section 13 of P.L.2009, c.307 (C.24:6I-11) is amended to 31 read as follows: 32 13. a. The [commissioner] executive director may accept 33 from any governmental department or agency, public or private 34 body or any other source grants or contributions to be used in 35 carrying out the purposes of [this act] P.L.2009, c.307 (C.24:6I-1 36 et al.) and P.L., c. (C.) (pending before the Legislature as 37 this bill). b. All fees collected pursuant to [this act] P.L.2009, c.307 38 39 (C.24:6I-1 et al.) and P.L., c. (C.) (pending before the 40 Legislature as this bill), including those from qualifying patients, 41 designated and institutional caregivers, and [alternative treatment centers'] initial, modification and renewal applications for 42 43 alternative treatment centers, including medical cannabis 44 cultivators, medical cannabis manufacturers, medical cannabis 45 dispensaries, and clinical registrants, shall be used to offset the cost of the [department's] commission's administration of the 46

1 provisions of [this act] P.L.2009, c.307 (C.24:6I-1 et al.) and 2 P.L., c. (C. ) (pending before the Legislature as this bill). 3 (cf: P.L.2009, c.307, s.13) 4 5 20. Section 14 of P.L.2009, c.307 (C.24:6I-12) is amended to 6 read as follows: 7 14. a. The commissioner, or after the effective date of P.L., c. (C.) (pending before the Legislature as this bill), the 8 9 executive director, shall report to the Governor, and to the 10 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1): (1) no later than one year after the effective date of [this act] 11 12 P.L.2009, c.307 (C.24:6I-1 et al.), on the actions taken to 13 implement the provisions of [this act] P.L.2009, c.307 (C.24:6I-14 1 et al.); and 15 (2) annually thereafter on the number of applications for <sup>1</sup>[registry identification cards] <u>registration with the commission</u><sup>1</sup>, 16 17 the number of qualifying patients registered, the number of [primary] designated and institutional caregivers registered, the 18 19 nature of the [debilitating] qualifying medical conditions of the <sup>1</sup>[registry identification cards] 20 the number of patients, 21 registrations<sup>1</sup> revoked, the number of [alternative treatment center] 22 medical cannabis cultivator, medical cannabis manufacturer, and 23 medical cannabis dispensary permits issued and revoked, the 24 number and type of integrated curricula approved, established, and 25 maintained in connection with an IC permit, the number of testing 26 laboratories licensed, the number of clinical registrant permits 27 issued and the nature of the clinical research conducted by each 28 clinical registrant, any incidents of diversion of medical cannabis, 29 information concerning racial, ethnic, and gender diversity in the 30 individuals issued and currently holding permits issued by the 31 commission, statistics concerning arrests for drug offenses 32 throughout the State and in areas where medical cannabis 33 dispensaries are located, including information concerning racial 34 disparities in arrest rates for drug offenses generally and cannabis 35 offenses in particular, and the number of [physicians providing certifications for ] health care practitioners authorizing patients for 36 37 the medical use of cannabis, including the types of license or 38 certification held by those practitioners. 39 b. The reports shall not contain any identifying information of 40 patients, caregivers, or [physicians] health care practitioners. c. Within two years after the effective date of [this act] 41 42 P.L.2009, c.307 (C.24:6I-1 et al.) and every two years thereafter, or, after the effective date of 43 the commissioner 44 P.L., c. (C.) (pending before the Legislature as this bill), 45 the executive director, shall: evaluate whether there are sufficient 46 numbers of [alternative treatment centers] medical cannabis cultivators, medical cannabis manufacturers, medical cannabis 47

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dispensaries, and clinical registrants to meet the needs of registered 1 2 qualifying patients throughout the State; evaluate whether the 3 maximum amount of medical [marijuana] cannabis allowed pursuant to [this act] P.L.2009, c.307 (C.24:6I-1 et al.) is sufficient 4 5 to meet the medical needs of qualifying patients; and determine 6 whether any [alternative treatment center] medical cannabis 7 cultivator, medical cannabis manufacturer, medical cannabis 8 dispensary, or clinical registrant has charged excessive prices [for 9 marijuana] in connection with medical cannabis [that the center 10 dispensed]. 11 The commissioner or, after the effective date of 12 P.L., c. (C. ) (pending before the Legislature as this bill), 13 the executive director, shall report his findings no later than two years after the effective date of [this act] P.L.2009, c.307 (C.24:6I-14 15 <u>1 et al.</u>), and every two years thereafter, to the Governor, and to the 16 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1). 17 (cf: P.L.2009, c.307, s.14) 18 19 21. Section 15 of P.L.2009, c.307 (C.24:6I-13) is amended to 20 read as follows: 21 15. a. The [Department of Health] <u>Cannabis Regulatory</u> 22 Commission is authorized to exchange fingerprint data with, and 23 receive information from, the Division of State Police in the 24 Department of Law and Public Safety and the Federal Bureau of 25 Investigation for use in reviewing applications for individuals [seeking] who are required to complete a criminal history record 26 27 background check in connection with applications to serve as 28 [primary] designated caregivers or institutional caregivers pursuant 29 to section 4 of P.L.2009, c.307 (C.24:6I-4), for licenses to operate 30 as, or to be a director, officer, or employee of, medical cannabis 31 testing laboratories pursuant to section 25 of P.L., c. (C.) 32 (pending before the Legislature as this bill), for permits to operate as, or to be a director, officer, or employee of <sup>1</sup>, or an investor in,<sup>1</sup> 33 34 clinical registrants pursuant to section 13 of P.L., c. (C.) 35 (pending before the Legislature as this bill), and for permits to operate as, or to be a director, officer, or employee of, [alternative 36 treatment centers]<sup>1</sup>, or an investor in,<sup>1</sup> medical cannabis 37 38 cultivators, medical cannabis manufacturers, and medical cannabis 39 dispensaries pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7). 40 b. The Division of State Police shall promptly notify the [Department of Health] Cannabis Regulatory Commission in the 41 42 event an applicant seeking to serve as a [primary] designated or 43 institutional caregiver, an applicant for a license to operate as, or to 44 be a director, officer, or employee of, a medical cannabis testing 45 laboratory, an applicant for a license to operate as, or to be a director, officer, or employee of, <sup>1</sup>or an investor in,<sup>1</sup> a clinical 46

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registrant, or an applicant for a permit to operate as, or to be a 1 2 director, officer, or employee of, [an alternative treatment center] <sup>1</sup>or an investor in,<sup>1</sup> a medical cannabis cultivator, medical cannabis 3 manufacturer, or medical cannabis dispensary, who was the subject 4 5 of a criminal history record background check conducted pursuant 6 to subsection a. of this section, is convicted of a crime involving 7 possession or sale of a controlled dangerous substance. 8 (cf: P.L.2012, c.17, s.91) 9 10 22. Section 16 of P.L.2009, c.307 (C.24:6I-14) is amended to 11 read as follows: 16. Nothing in [this act] P.L.2009, c.307 (C.24:6I-1 et al.), 12 P.L.2015, c.158 (C.18A:40-12.22 et al.), or P.L., c. (C.) 13 14 (pending before the Legislature as this bill) shall be construed to 15 require a government medical assistance program or private health 16 insurer to reimburse a person for costs associated with the medical 17 use of **[**marijuana, or an employer to accommodate the medical use 18 of marijuana in any workplace ] <u>cannabis</u>, or to restrict or otherwise 19 affect the distribution, sale, prescribing, and dispensing of any 20 product that has been approved for marketing as a prescription drug 21 or device by the federal Food and Drug Administration. 22 (cf: P.L.2009, c.307, s.16) 23 24 23. Section 18 of P.L.2009, c.307 (C.24:6I-16) is amended to 25 read as follows: 26 18. a. Pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the commissioner or, after the 27 28 effective date of P.L., c. (C.) (pending before the Legislature as this bill), the executive director, shall promulgate 29 30 rules and regulations to effectuate the purposes of [this act] 31 P.L.2009, c.307 (C.24:6I-1 et al.), in consultation with the 32 Department of Law and Public Safety. 33 b. Notwithstanding any provision of P.L.1968, c.410 34 (C.52:14B-1 et seq.) to the contrary, the commissioner shall adopt, immediately upon filing with the Office of Administrative Law and 35 36 no later than the 90th day after the effective date of [this act] P.L.2009, c.307 (C.24:6I-1 et al.), such regulations as the 37 38 commissioner deems necessary to implement the provisions of **[**this act] P.L.2009, c.307 (C.24:6I-1 et al.). Regulations adopted 39 40 pursuant to this subsection shall be effective until the adoption of 41 rules and regulations pursuant to subsection a. of this section and 42 may be amended, adopted, or readopted by the commissioner in 43 accordance with the requirements of P.L.1968, c.410 (C.52:14B-1 44 et seq.). c. No later than 90 days after the effective date of 45 P.L., c. (C. ) (pending before the Legislature as this bill), 46

the executive director shall promulgate rules and regulations to

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effectuate the purposes of P.L., c. (C. ) (pending before the 1 2 Legislature as this bill). Rules and regulations adopted pursuant to 3 this subsection shall, at a minimum: 4 (1) Specify the number of new medical cannabis cultivator, 5 medical cannabis manufacturer, and medical cannabis dispensary 6 permits the commission will issue in the first year next following 7 the effective date of P.L., c. (C.) (pending before the 8 Legislature as this bill); and 9 (2) Establish recommended dosage guidelines for medical cannabis in each form available to qualifying patients that are 10 11 equivalent to one ounce of medical cannabis in dried form. The 12 executive director shall periodically review and update the dosage 13 guidelines as appropriate, including to establish dosage guidelines 14 for new forms of medical cannabis that become available. 15 (cf: P.L.2009, c.307, s.18) 16 17 24. (New section) a. Each batch of medical cannabis cultivated 18 by a medical cannabis cultivator or a clinical registrant and each 19 batch of a medical cannabis product produced by a medical 20 cannabis manufacturer or a clinical registrant shall be tested in 21 accordance with the requirements of section 26 of 22 P.L., c. (C. ) (pending before the Legislature as this bill) by 23 a laboratory licensed pursuant to section 25 of P.L., c. (C. ) 24 (pending before the Legislature as this bill). The laboratory 25 performing the testing shall produce a written report detailing the 26 results of the testing, a summary of which shall be included in any 27 packaging materials for medical cannabis and medical cannabis 28 products dispensed to qualifying patients and their designated and 29 institutional caregivers. The laboratory may charge a reasonable 30 fee for any test performed pursuant to this section. 31 b. The requirements of subsection a. of this section shall take 32 effect at such time as the executive director certifies that a sufficient number of laboratories have been licensed pursuant to 33 34 section 25 of P.L., c. (C. ) (pending before the Legislature 35 as this bill) to ensure that all medical cannabis and medical 36 cannabis products can be promptly tested and labeled without 37 disrupting patient access to medical cannabis. 38 39 25. (New section) a. A laboratory that performs testing services ) (pending before the 40 pursuant to section 24 of P.L., c. (C. 41 Legislature as this bill) shall be licensed by the commission and 42 may be subject to inspection by the commission to determine the condition and calibration of any equipment used for testing 43 44 purposes and to ensure that testing is being performed in 45 accordance with requirements the of section 26 of 46 P.L., c. (C. ) (pending before the Legislature as this bill). 47 b. There shall be no upper limit on the number of laboratories 48 that may be licensed to perform testing services.

c. A person who has been convicted of a crime involving any 1 2 controlled dangerous substance or controlled substance analog as 3 set forth in chapter 35 of Title 2C of the New Jersey Statutes except 4 paragraph (4) of subsection a. of N.J.S.2C:35-10, or any similar law 5 of the United States or any other state shall not be issued a license to operate as or be a director, officer, or employee of a medical 6 7 cannabis testing laboratory, unless such conviction occurred after 8 the effective date of P.L.2009, c.307 (C.24:6I-1 et al.) and was for a 9 violation of federal law relating to possession or sale of cannabis 10 for conduct that is authorized under P.L.2009, c.307 (C.24:6I-11 1 et al.), P.L.2015, (C.18A:40-12.22 c.158 et al.), or 12 P.L., c. (C. ) (pending before the Legislature as this bill). 13 d. (1) The executive director shall require each applicant for

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

19 For purposes of this section, the term "applicant" shall include any owner, director, officer, or employee of a medical cannabis 20 testing laboratory. The executive director is authorized to exchange 21 22 fingerprint data with and receive criminal history record 23 background information from the Division of State Police and the 24 Federal Bureau of Investigation consistent with the provisions of 25 applicable federal and State laws, rules, and regulations. The 26 Division of State Police shall forward criminal history record 27 background information to the executive director in a timely 28 manner when requested pursuant to the provisions of this section.

29 An applicant who is required to undergo a criminal history 30 record background check pursuant to this section shall submit to being fingerprinted in accordance with applicable State and federal 31 32 laws, rules, and regulations. No check of criminal history record 33 background information shall be performed pursuant to this section 34 unless the applicant has furnished the applicant's written consent to 35 that check. An applicant who is required to undergo a criminal 36 history record background check pursuant to this section who 37 refuses to consent to, or cooperate in, the securing of a check of 38 criminal history record background information shall not be 39 considered for a license to operate, or authorization to be employed 40 at, a medical cannabis testing laboratory. An applicant shall bear 41 the cost for the criminal history record background check, including 42 all costs of administering and processing the check.

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

1 (3) Upon receipt of the criminal history record background 2 information from the Division of State Police and the Federal 3 Bureau of Investigation, the executive director shall provide written 4 notification to the applicant of the applicant's qualification for or 5 disqualification for a permit to operate or be a director, officer, or 6 employee of a medical cannabis testing laboratory.

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

(4) The Division of State Police shall promptly notify the 11 executive director in the event that an individual who was the 12 subject of a criminal history record background check conducted 13 14 pursuant to this section is convicted of a crime or offense in this 15 State after the date the background check was performed. Upon receipt of that notification, the executive director shall make a 16 17 determination regarding the continued eligibility to operate or be a 18 director, officer, or employee of a medical cannabis testing 19 laboratory.

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

(6) Notwithstanding the provisions of subsection c. of this 27 28 section to the contrary, no applicant to be an owner, director, 29 officer, or employee of a medical cannabis testing laboratory shall 30 be disqualified on the basis of any conviction disclosed by a criminal history record background check conducted pursuant to 31 32 this section if the individual has affirmatively demonstrated to the 33 executive director clear and convincing evidence of rehabilitation. 34 In determining whether clear and convincing evidence of 35 rehabilitation has been demonstrated, the following factors shall be

36 considered:

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37 (a) the nature and responsibility of the position which the38 convicted individual would hold, has held, or currently holds;

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

40 (c) the circumstances under which the crime or offense 41 occurred;

(d) the date of the crime or offense;

43 (e) the age of the individual when the crime or offense was44 committed;

45 (f) whether the crime or offense was an isolated or repeated46 incident;

47 (g) any social conditions which may have contributed to the48 commission of the crime or offense; and

1 (h) any evidence of rehabilitation, including good conduct in 2 prison or in the community, counseling or psychiatric treatment 3 received, acquisition of additional academic or vocational 4 schooling, successful participation in correctional work-release 5 programs, or the recommendation of those who have had the 6 individual under their supervision.

7

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

b. Any test performed on medical cannabis or on a medical
cannabis product shall include, at a minimum, liquid
chromatography analysis to determine chemical composition and
potency, and screening for contamination by biologic contaminants,
foreign material, residual pesticides, and other agricultural residue
and residual solvents.

c. Laboratories shall use the dosage equivalence guidelines
developed by the commission pursuant to paragraph (2) of
subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-16) when
testing and determining the potency of medical cannabis products.

21 d. Equipment used by a licensed laboratory for testing purposes 22 shall be routinely inspected, calibrated, and maintained in 23 accordance with national standards or, if national standards are not 24 available, with the manufacturer's specifications. Calibration 25 procedures shall include specific directions and limits for accuracy 26 and precision, and provisions for remedial action when these limits 27 are not met. Each licensed laboratory shall maintain records of all 28 inspection, calibration, and maintenance activities, which shall be 29 made available to the commission upon request.

e. Until such time as the commission establishes the standards
required by this section, a licensed laboratory may utilize testing
standards established by any other state with a medical cannabis
program.

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35 27. (New section) The executive director may waive any 36 requirement of P.L.2009, c.307 (C.24:6I-1 et al.) or 37 P.L., c. (C. ) (pending before the Legislature as this bill) if 38 the executive director determines that granting the waiver is 39 necessary to achieve the purposes of P.L.2009, c.307 (C.24:6I-40 1 et al.) and P.L., c. ) (pending before the Legislature (C. 41 as this bill) and provide access to patients who would not otherwise 42 qualify for the medical use of cannabis to alleviate suffering from a 43 diagnosed medical condition, and does not create a danger to the 44 public health, safety, or welfare.

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46 28. (New section) All powers, duties, and responsibilities with
47 regard to the regulation and oversight of activities authorized
48 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and

1

P.L., c. (C.

) (pending before the Legislature as this bill)

2 shall be transferred from the Department of Health to the Cannabis 3 Regulatory Commission established pursuant to section 7 of 4 P.L., c. (C. ) (pending before the Legislature as Senate Bill 5 No. 2703) at such time as the members of the Cannabis Regulatory 6 Commission are appointed and the commission first organizes. Any 7 reference to the Department of Health or the Commissioner of 8 Health in any statute or regulation pertaining to the provisions of 9 P.L.2009, c.307 (C.24:6I-1 et al.) or P.L. , c. (C. ) (pending 10 before the Legislature as this bill) shall be deemed to refer to the 11 Cannabis Regulatory Commission and the Executive Director of the 12 Cannabis Regulatory Commission, respectively. The provisions of 13 this section shall be carried out in accordance with the "State 14 Agency Transfer Act," P.L.1971, c.375 (C.52:14D-1 et seq.). 15 16 29. (New section) If any provision of P.L.2009, c.307 (C.24:6I-17 1 et al.), P.L.2015, c.158 (C.18A:40-12.22 et al.), or ) (pending before the Legislature as this bill) or 18 P.L., c. (C. 19 its application to any person or circumstance is held invalid, the 20 invalidity does not affect other provisions or applications of 21 P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-22 12.22 et al.), and P.L. , c. (C. ) (pending before the 23 Legislature as this bill) which can be given effect without the 24 invalid provision or application, and to this end the provisions of 25 P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-26 (C. 12.22 et al.), and P.L. , c. ) (pending before the 27 Legislature as this bill) are severable. 28 29 30. N.J.S.2C:35-18 is amended to read as follows: 30 2C:35-18. Exemption; Burden of Proof. a. If conduct is 31 authorized by the provisions of P.L.1970, c.226 (C.24:21-1 et seq.), 32 P.L.2009, c.307 (C.24:6I-1 et al.), [or] P.L.2015, c.158 (C.18A:40-33 12.22 et al.), or P.L., c. (C.) (pending before the 34 Legislature as this bill), that authorization shall, subject to the 35 provisions of this section, constitute an exemption from criminal 36 liability under this chapter or chapter 36, and the absence of such 37 authorization shall not be construed to be an element of any offense 38 in this chapter or chapter 36. It is an affirmative defense to any 39 criminal action arising under this chapter or chapter 36 that the 40 defendant is the authorized holder of an appropriate registration, 41 permit, or order form or is otherwise exempted or excepted from 42 criminal liability by virtue of any provision of P.L.1970, c.226 43 (C.24:21-1 et seq.), P.L.2009, c.307 (C.24:6I-1 et al.), [or] 44 P.L.2015, c.158 (C.18A:40-12.22 et al.), or P.L., c. (C. ) 45 (pending before the Legislature as this bill). The affirmative defense 46 established herein shall be proved by the defendant by a 47 preponderance of the evidence. It shall not be necessary for the 48 State to negate any exemption set forth in this act or in any

provision of Title 24 of the Revised Statutes in any complaint, 1 2 information, indictment, or other pleading or in any trial, hearing, 3 or other proceeding under this act. 4 b. No liability shall be imposed by virtue of this chapter or 5 chapter 36 upon any duly authorized State officer, engaged in the 6 enforcement of any law or municipal ordinance relating to 7 controlled dangerous substances or controlled substance analogs. 8 (cf: P.L.2015, c.158, s.3) 9 10 31. Section 1 of P.L.2015, c.158 (C.18A:40-12.22) is amended to read as follows: 11 12 1. a. A board of education or chief school administrator of a 13 nonpublic school shall develop a policy authorizing parents, 14 guardians, and [primary] designated caregivers to administer 15 medical [marijuana] cannabis to a student while the student is on school grounds, aboard a school bus, or attending a school-16 17 sponsored event. 18 b. A policy adopted pursuant to subsection a. of this section 19 shall, at a minimum: 20 (1) require that the student be authorized to engage in the medical use of [marijuana] cannabis pursuant to P.L.2009, c.307 21 (C.24:6I-1 et al.) and that the parent, guardian, or [primary] 22 23 designated caregiver be authorized to assist the student with the 24 medical use of [marijuana] cannabis pursuant to P.L.2009, c.307 25 (C.24:6I-1 et al.); 26 (2) establish protocols for verifying the registration status and ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) 27 28 concerning the medical use of [marijuana] cannabis for the student 29 and the parent, guardian, or [primary] designated caregiver; 30 (3) expressly authorize parents, guardians, and [primary] 31 designated caregivers of students who have been authorized for the 32 medical use of [marijuana] <u>cannabis</u> to administer medical 33 [marijuana] cannabis to the student while the student is on school 34 grounds, aboard a school bus, or attending a school-sponsored 35 event; 36 (4) identify locations on school grounds where medical 37 [marijuana] cannabis may be administered; and 38 (5) prohibit the administration of medical [marijuana] cannabis 39 to a student by smoking or other form of inhalation while the 40 student is on school grounds, aboard a school bus, or attending a 41 school-sponsored event. 42 c. Medical [marijuana] cannabis may be administered to a 43 student while the student is on school grounds, aboard a school bus, 44 attending school-sponsored events, provided that such or 45 administration is consistent with the requirements of the policy 46 adopted pursuant to this section. 47 (cf: P.L.2015, c.158, s.1)

32. Section 2 of P.L.2015, c.158 (C.30:6D-5b) is amended to 1 2 read as follows: 3 2. a. The chief administrator of a facility that offers services 4 for persons with developmental disabilities shall develop a policy 5 authorizing a parent, guardian, or [primary] designated caregiver 6 authorized to assist a qualifying patient with the use of medical 7 [marijuana] cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) 8 to administer medical [marijuana] cannabis to a person who is 9 receiving services for persons with developmental disabilities at the 10 facility. 11 b. A policy adopted pursuant to subsection a. of this section shall, at a minimum: 12 (1) require the person receiving services for persons with 13 14 developmental disabilities be a qualifying patient authorized for the 15 use of medical [marijuana] cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and that the parent, guardian, or [primary] 16 17 designated caregiver be authorized to assist the person with the medical use of [marijuana] cannabis pursuant to P.L.2009, c.307 18 19 (C.24:6I-1 et al.); 20 (2) establish protocols for verifying the registration status and 21 ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) 22 concerning the medical use of [marijuana] cannabis for the person 23 and the parent, guardian, or [primary] designated caregiver; 24 (3) expressly authorize parents, guardians, and [primary] 25 designated caregivers to administer medical [marijuana] cannabis to the person receiving services for persons with developmental 26 27 disabilities while the person is at the facility; and 28 (4) identify locations at the facility where medical [marijuana] 29 cannabis may be administered. 30 c. Medical [marijuana] cannabis may be administered to a 31 person receiving services for persons with developmental 32 disabilities at a facility that offers such services while the person is 33 at the facility, provided that such administration is consistent with 34 the requirements of the policy adopted pursuant to this section and 35 the provisions of P.L.2009, c.307 (C.24:6I-1 et al.). 36 d. Nothing in this section shall be construed to authorize 37 medical [marijuana] cannabis to be smoked in any place where smoking is prohibited pursuant to N.J.S.2C:33-13. 38 39 (cf: P.L.2015, c.158, s.2) 40 41 33. (New section) a. The chief administrator of a facility that 42 offers behavioral health care services shall develop a policy 43 authorizing a parent, guardian, or designated caregiver authorized to 44 assist a qualifying patient with the use of medical cannabis pursuant 45 to P.L.2009, c.307 (C.24:6I-1 et al.) to administer medical cannabis 46 to a person who is receiving behavioral health care services at the 47 facility.

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

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

9 (2) establish protocols for verifying the registration status and 10 ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) 11 concerning the medical use of cannabis for the person and the 12 parent, guardian, or designated caregiver;

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

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

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

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

27 As used in this section, "behavioral health care services" e. 28 means procedures or services provided by a health care practitioner 29 to a patient for the treatment of a mental illness or emotional disorder that is of mild to moderate severity. "Behavioral health 30 care" and "behavioral health care services" shall not include 31 32 procedures or services that are provided for the treatment of severe 33 mental illness, severe emotional disorder, or any drug or alcohol use 34 disorder.

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36 34. Section 11 of P.L.2009, c.307 (C.45:1-45.1) is amended to 37 read as follows:

38 11. a. A [physician] health care practitioner who [provides a 39 certification] authorizes a patient for the medical use of cannabis or who provides a written instruction for the medical use of 40 41 [marijuana] <u>cannabis</u> to a qualifying patient pursuant to P.L.2009, 42 c.307 (C.24:6I-1 et al.) and [any alternative treatment center] each 43 medical cannabis dispensary and clinical registrant shall furnish to 44 the Director of the Division of Consumer Affairs in the Department 45 of Law and Public Safety such information, on a daily basis and in 46 such a format [and at such intervals,] as the director shall prescribe 47 by regulation, for inclusion in a system established to monitor the

dispensation of [marijuana] <u>cannabis</u> in this State for medical use
as authorized by the provisions of P.L.2009, c.307 (C.24:6I1 et al.), which system shall serve the same purpose as, and be
cross-referenced with, the electronic system for monitoring
controlled dangerous substances established pursuant to section 25
of P.L.2007, c.244 (C.45:1-45).

b. The Director of the Division of Consumer Affairs, pursuant
to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B1 et seq.), and in consultation with the [Commissioner of Health
and Senior Services] <u>Executive Director of the Cannabis</u>
<u>Regulatory Commission</u>, shall adopt rules and regulations to
effectuate the purposes of subsection a. of this section.

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

- 25 (cf: P.L.2009, c.307, s.11)
- 26

27 35. Section 7 of P.L.1991, c.378 (C.45:9-27.16) is amended to 28 read as follows:

29 7. a. A physician assistant may perform the following30 procedures:

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

35 (2) Suturing and caring for wounds including removing sutures
36 and clips and changing dressings, except for facial wounds,
37 traumatic wounds requiring suturing in layers, and infected wounds;
38 (3) Providing patient counseling services and patient education

39 consistent with directions of the supervising physician;

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

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

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(6) Referring patients to, and promoting their awareness of, 1 2 health care facilities and other appropriate agencies and resources in 3 the community. 4 (7) (Deleted by amendment, P.L.2015, c.224) 5 b. A physician assistant may perform the following procedures 6 only when directed, ordered, or prescribed by the supervising physician, or when performance of the procedure is delegated to the 7 physician assistant by the supervising physician as authorized under 8 9 subsection d. of this section: 10 (1) Performing non-invasive laboratory procedures and related 11 studies or assisting duly licensed personnel in the performance of 12 invasive laboratory procedures and related studies; 13 (2) Giving injections, administering medications, and requesting 14 diagnostic studies; 15 (3) Suturing and caring for facial wounds, traumatic wounds 16 requiring suturing in layers, and infected wounds; 17 (4) Writing prescriptions or ordering medications in an inpatient 18 or outpatient setting in accordance with section 10 of 19 P.L.1991, c.378 (C.45:9-27.19); [and] 20 (5) Prescribing the use of patient restraints: and 21 (6) Authorizing qualifying patients for the medical use of 22 cannabis and issuing written instructions for medical cannabis to 23 registered qualifying patients pursuant to P.L.2009, c.307 (C.24:6I-24 <u>1 et al.)</u>. 25 c. A physician assistant may assist a supervising surgeon in the 26 operating room when a qualified assistant physician is not required 27 by the board and a second assistant is deemed necessary by the 28 supervising surgeon. 29 d. A physician assistant may perform medical services beyond 30 those explicitly authorized in this section, when such services are 31 delegated by a supervising physician with whom the physician 32 assistant has signed a delegation agreement pursuant to section 8 of 33 P.L.1991, c.378 (C.45:9-27.17). The procedures delegated to a 34 physician assistant shall be limited to those customary to the 35 supervising physician's specialty and within the supervising physician's and the physician assistant's competence and training. 36 37 e. Notwithstanding subsection d. of this section, a physician 38 assistant shall not be authorized to measure the powers or range of 39 human vision, determine the accommodation and refractive states of 40 the human eye, or fit, prescribe, or adapt lenses, prisms, or frames 41 for the aid thereof. Nothing in this subsection shall be construed to 42 prohibit a physician assistant from performing a routine visual 43 screening. 44 (cf: P.L.2015, c.224, s.7) 45 46 36. Section 10 of P.L.1991, c.378 (C.45:9-27.19) is amended to 47 read as follows:

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

a. Controlled dangerous substances may only be ordered orprescribed if:

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

(a) continue or reissue an order or prescription for a controlleddangerous substance issued by the supervising physician;

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

(c) initiate an order or prescription for a controlled dangerous
substance for a patient, provided there is prior consultation with the
supervising physician if the order or prescription is not pursuant to
subparagraph (d) of this paragraph; or

(d) initiate an order or prescription for a controlled dangerous
substance as part of a treatment plan for a patient with a terminal
illness, which for the purposes of this subparagraph means a
medical condition that results in a patient's life expectancy being 12
months or less as determined by the supervising physician;

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

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

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

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

d. In the case of an order or prescription for a controlled
dangerous substance or written instructions for medical cannabis,
the physician assistant shall print on the order or prescription or the
written instructions the physician assistant's Drug Enforcement
Administration registration number.

e. The dispensing of medication or a medical device by a
physician assistant shall comply with relevant federal and State
regulations, and shall occur only if: (1) pharmacy services are not
reasonably available; (2) it is in the best interest of the patient; or
(3) the physician assistant is rendering emergency medical
assistance.

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A physician assistant may request, receive, and sign for 1 f. 2 prescription drug samples and may distribute those samples to 3 patients. 4 g. A physician assistant may issue written instructions to a 5 registered qualifying patient for medical cannabis pursuant to section 10 of P.L.2009, c.307 (C.24:6I-10) only if: 6 7 (1) a supervising physician has authorized the physician 8 assistant to issue written instructions to registered qualifying 9 patients; 10 (2) the physician assistant verifies the patient's status as a 11 registered qualifying patient; and 12 (3) the physician assistant complies with the requirements for issuing written instructions for medical cannabis established 13 14 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and 15 P.L., c. (C.) (pending before the Legislature as this bill). (cf: P.L.2015, c.224, s.7) 16 17 18 37. Section 10 of P.L.1991, c.377 (C.45:11-49) is amended to 19 read as follows: 20 10. a. In addition to all other tasks which a registered professional nurse may, by law, perform, an advanced practice 21 22 nurse may manage preventive care services and diagnose and 23 manage deviations from wellness and long-term illnesses, consistent 24 with the needs of the patient and within the scope of practice of the 25 advanced practice nurse, by: 26 (1) initiating laboratory and other diagnostic tests; 27 (2) prescribing or ordering medications and devices, as authorized by subsections b. and c. of this section; and 28 29 (3) prescribing or ordering treatments, including referrals to 30 other licensed health care professionals, and performing specific procedures in accordance with the provisions of this subsection. 31 32 b. An advanced practice nurse may order medications and 33 devices in the inpatient setting, subject to the following conditions: 34 (1) the collaborating physician and advanced practice nurse 35 shall address in the joint protocols whether prior consultation with 36 the collaborating physician is required to initiate an order for a 37 controlled dangerous substance; 38 (2) the order is written in accordance with standing orders or 39 joint protocols developed in agreement between a collaborating physician and the advanced practice nurse, or pursuant to the 40 41 specific direction of a physician; 42 (3) the advanced practice nurse authorizes the order by signing 43 the nurse's own name, printing the name and certification number, 44 and printing the collaborating physician's name; (4) the physician is present or readily available through 45 46 electronic communications; 47 (5) the charts and records of the patients treated by the advanced 48 practice nurse are reviewed by the collaborating physician and the

advanced practice nurse within the period of time specified by rule
 adopted by the Commissioner of Health pursuant to section 13 of

3 P.L.1991, c.377 (C.45:11-52);

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

7 (7) the advanced practice nurse has completed six contact hours 8 of continuing professional education in pharmacology related to 9 controlled substances, including pharmacologic therapy, addiction 10 prevention and management, and issues concerning prescription 11 opioid drugs, including responsible prescribing practices, 12 alternatives to opioids for managing and treating pain, and the risks 13 and signs of opioid abuse, addiction, and diversion, in accordance 14 with regulations adopted by the New Jersey Board of Nursing. The 15 six contact hours shall be in addition to New Jersey Board of 16 Nursing pharmacology education requirements for advanced 17 practice nurses related to initial certification and recertification of 18 an advanced practice nurse as set forth in N.J.A.C.13:37-7.2.

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

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

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

30 (3) the advanced practice nurse writes the prescription on a New
31 Jersey Prescription Blank pursuant to P.L.2003, c.280 (C.45:1432 40 et seq.), signs the nurse's own name to the prescription and prints
33 the nurse's name and certification number;

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

37 (5) the physician is present or readily available through38 electronic communications;

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

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

(8) the advanced practice nurse has completed six contact hours
of continuing professional education in pharmacology related to
controlled substances, including pharmacologic therapy, addiction
prevention and management, and issues concerning prescription

opioid drugs, including responsible prescribing practices, 1 2 alternatives to opioids for managing and treating pain, and the risks 3 and signs of opioid abuse, addiction, and diversion, in accordance 4 with regulations adopted by the New Jersey Board of Nursing. The 5 six contact hours shall be in addition to New Jersey Board of 6 Nursing pharmacology education requirements for advanced 7 practice nurses related to initial certification and recertification of 8 an advanced practice nurse as set forth in N.J.A.C.13:37-7.2. 9 d. The joint protocols employed pursuant to subsections b. and 10 c. of this section shall conform with standards adopted by the Director of the Division of Consumer Affairs pursuant to section 12 11 12 of P.L.1991, c.377 (C.45:11-51) or section 10 of P.L.1999, c.85 13 (C.45:11-49.2), as applicable. e. (Deleted by amendment, P.L.2004, c.122.) 14 15 f. An attending advanced practice nurse may determine and certify the cause of death of the nurse's patient and execute the 16 17 death certification pursuant to R.S.26:6-8 if no collaborating 18 physician is available to do so and the nurse is the patient's primary 19 caregiver. 20 g. An advanced practice nurse may authorize qualifying 21 patients for the medical use of cannabis and issue written 22 instructions for medical cannabis to registered qualifying patients, 23 subject to the following conditions: 24 (1) the collaborating physician and advanced practice nurse 25 shall address in the joint protocols whether prior consultation with 26 the collaborating physician is required to authorize a qualifying 27 patient for the medical use of cannabis or issue written instructions 28 for medical cannabis; 29 (2) the authorization for the medical use of cannabis or issuance 30 of written instructions for cannabis is in accordance with standing 31 orders or joint protocols developed in agreement between a 32 collaborating physician and the advanced practice nurse, or 33 pursuant to the specific direction of a physician; 34 (3) the advanced practice nurse signs the nurse's own name to 35 the authorization or written instruction and prints the nurse's name 36 and certification number; (4) the authorization or written instruction is dated and includes 37 38 the name of the qualifying patient and the name, address, and 39 telephone number of the collaborating physician; 40 (5) the physician is present or readily available through 41 electronic communications; 42 (6) the charts and records of qualifying patients treated by the 43 advanced practice nurse are periodically reviewed by the 44 collaborating physician and the advanced practice nurse; 45 (7) the joint protocols developed by the collaborating physician 46 and the advanced practice nurse are reviewed, updated, and signed 47 at least annually by both parties; and

(8) the advanced practice nurse complies with the requirements 1 2 for authorizing qualifying patients for the medical use of cannabis 3 and for issuing written instructions for medical cannabis established 4 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and P.L., c. (C. ) (pending before the Legislature as this bill). 5 (cf: P.L.2017, c.28, s.15) 6 7 8 38. Section 5 of P.L.2009, c.307 (C.24:6I-5) is repealed. 9 10 39. This act shall take effect immediately.