[Third 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)

2

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: 16 Modern medical research has discovered a beneficial use for 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 States are not required to enforce federal law or prosecute 38 d. 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 <u>thus</u> is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate floor amendments adopted December 17, 2018.

² Senate floor amendments adopted January 31, 2019.

³ Senate floor amendments adopted March 14, 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 ²[, family medicine, 23 internal medicine,]² 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 ¹["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.]¹ 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.]

4

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, ² and ² 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

5

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 ¹[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 commission¹ 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, ¹group 22 home, facility that provides services to persons with developmental 23 disabilities, behavioral health care facility,¹ 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; ¹and¹ 31 32 (2) ¹[has a bona fide practitioner-patient relationship with the patient; and 33 34 (3)]¹ 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. 44 "Institutional caregiver" means a resident of the State who: 45 (1) is at least 18 years old; 46 (2) is an employee of a health care facility;

6

(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; (5) subject to the provisions of paragraph (2) of subsection c. of 11 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 other medical cannabis cultivators and to medical cannabis 8 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 ²[,];² 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.

8

"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. 10 "Paraphernalia" has the meaning given in N.J.S.2C:36-1. 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.] ²"Primary care" means the practice of family medicine, general 41 42 internal medicine, general pediatrics, general obstetrics, or gynecology.² 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;

9

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; ²opioid use disorder;² 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 ¹[pursuant to a bona fide [physician-patient] <u>practitioner-patient</u> 11 12 relationship]¹. ¹["Registry identification card"] <u>"Registration with the</u> 13 commission"¹ means ¹[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 commission¹ as $\frac{1}{1}$ 16 17 a registered qualifying patient [or primary], designated caregiver, ¹<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 ¹[, 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 submitting¹ the following, in accordance with 44 regulations adopted by the [department] commission: 45

10

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. Each qualifying patient may concurrently have up to two 11 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 ¹[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 submitting¹ 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 ¹[issuing a registry identification card] <u>registering</u> 44 an individual¹, 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

11

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 ¹and complete the registration 6 process for successful applicants¹ 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]¹. 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 ¹ [or issuance of an identification card]¹. 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:

13

(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. ¹[A registry identification card] <u>A verification of</u> registration issued by the commission¹ shall contain the following 20 21 information: (1) (a) in the case of ¹[a registry identification card for]¹ a 22 23 patient or designated caregiver ¹registration¹, 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 ¹[registry identification card] 29 30 registration¹; (3) photo identification of the 1 [cardholder] <u>registrant</u>¹; and 31 32 (4) such other information that the [department] commission 33 may specify by regulation. 34 e. (1) A patient who has been ¹[issued a registry identification card] registered by the commission¹ 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 ¹[issued a registry identification card <u>registered by the commission</u>¹ 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 ¹[registry identification card] caregiver's registration¹ shall be 45 deemed null and void. 46

(3) An institutional caregiver who has been ¹[issued a registry 1 identification card] registered by the commission¹ 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 ¹[registry] 8 identification card] caregiver's registration¹ 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 ¹[to whom it has issued registry identification 13 cards] registered with the commission¹. 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 ¹[in possession of a registry identification card] registered with the commission¹. 28 29 g. Applying for ¹[or receiving a registry card] <u>registration or</u> being registered by the commission¹ 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;

15

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.

25

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 28 the medical use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 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 cannabis dispensary, or clinical registrant, shall certify that the 11 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.

17

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 ¹[a valid patient registry 23 card] proof of registration in,¹ 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 ¹ [that issued the patient's registry card] in30 which the patient is registered¹, 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 ¹[a valid registry card] proof of registration in,¹ and a valid photo identification card issued by ¹,¹ the other state or

18

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 ¹[that issued the caregiver's registry card] 6 7 in which the caregiver is registered¹, 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 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-

19

1 et al.) [or] , P.L.2015, c.158 (C.18A:40-12.22 et al.), 1 2 or P.L., c. (C.) (pending before the Legislature as this 3 bill). 4 ¹[Possession of] <u>Registration with the commission</u>¹, or c. 5 application for ¹registration by the commission¹, ¹[a registry 6 identification card]¹ shall not alone constitute probable cause to 7 search the person or the property of the ¹[person possessing or 8 applying for the registry identification card] registrant or 9 applicant¹, 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 ¹[has in his possession a registry identification card] is registered 15 with the commission¹ and $\frac{1}{16}$ in possession of¹ no more than the 16 17 maximum amount of usable [marijuana] cannabis that may be 18 obtained in accordance with section 10 of P.L.2009, c.307 (C.24:6I-19 10).

e. No person shall be subject to arrest or prosecution for
constructive possession, conspiracy, or any other offense for simply
being in the presence or vicinity of the medical use of [marijuana]
<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 ¹[registry identification cardholder] registrant with the
 commission¹, unless failing to do so would result in the school or
 institution losing a monetary or licensing-related benefit granted

20

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 ¹[a registry identification cardholder] registered with the commission¹. 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 ¹[registry identification cardholder] 10 registrant with the commission¹, 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 ¹[a registry identification] 15 16 cardholder registered with the commission¹. 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 ¹[registry identification cardholder] registrant with the 20 21 commission¹, 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.) 34 (pending before the Legislature as this bill), including, but not 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

21

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 ¹n. (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.¹ 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 ¹[registry registrant with the 42 commission¹. 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, ¹[a registry identification card] proof of registration with the 9 10 <u>commission</u>¹, 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 substances during work hours; or 14 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 ¹[a 21 registry identification cardholder] registered with the commission¹. 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] commission 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 shall not be authorized to hold a medical cannabis dispensary 34 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.) (pending before the Legislature as this bill), a permit 40 <u>c.</u> (C. 41 holder shall be authorized to concurrently hold a medical cannabis 42 cultivator permit, a medical cannabis manufacturer permit, and a 43 medical cannabis dispensary permit, provided that no permit holder 44 shall be authorized to concurrently hold more than one permit of 45 each type. The permit holder may submit an application for a 46 permit of any type that the permit holder does not currently hold

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

23

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., 11 c. (C.) (pending before the Legislature as this bill) pursuant 12 to an application submitted prior to the effective date of P.L., 13 c. (C.) (pending before the Legislature as this bill), or to one 14 of the six alternative treatment centers issued a permit pursuant to 15 section 11 of P.L., c. (C.) (pending before the Legislature 16 as this bill) that are expressly exempt from the provisions of 17 subsection (a) of this paragraph, which alternative treatment centers 18 shall be deemed to concurrently hold a medical cannabis cultivator 19 permit, a medical cannabis manufacturer permit, and a medical 20 cannabis dispensary permit, and shall be authorized to engage in 21 any conduct authorized pursuant to those permits in relation to the 22 cultivation, manufacturing, and dispensing of medical cannabis. In 23 addition, an alternative treatment center that was issued a permit 24 prior to the effective date of P.L. , c. (C.) (pending before 25 the Legislature as this bill), an alternative treatment center that was issued a permit after the effective date of P.L., c. (C.) 26 27 (pending before the Legislature as this bill) pursuant to an 28 application submitted prior to the effective date of P.L. 29 c. (C.) (pending before the Legislature as this bill), and the 30 six alternative treatment center permits issued pursuant to section 31 11 of P.L., c. (C.) (pending before the Legislature as this 32 bill) that are expressly exempt from the provisions of subparagraph (a) of this paragraph shall, upon the effective date of P.L. 33 34 c. (C.) (pending before the Legislature as Senate Bill No. 2703), be deemed to ¹either hold a Class 3 Cannabis Wholesaler 35 license or¹ concurrently hold a Class 1 Cannabis Grower license, a 36 Class 2 Cannabis Processor ¹[License, a Class 3 Cannabis] 37 Wholesaler]¹ license, and a Class 4 Cannabis ¹[Retail] Retailer¹ 38 39 license, plus an additional Class 4 Cannabis ¹[Retail] Retailer¹ 40 license for each satellite dispensary that was approved pursuant to an application submitted prior to ³or within 18 months after³ the 41 42 effective date of P.L., c. (C.) (pending before the Legislature as this bill). ¹[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

24

1 Cannabis Grower license, a Class 2 Cannabis Processor license, a 2 Class 4 Cannabis Retailer license, or any combination thereof, 3 concurrently hold a Class 3 Cannabis Wholesaler license. An¹ alternative treatment center ¹issued an adult use cannabis license 4 pursuant to this subsubparagraph¹ 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 center shall be required to certify to the commission that the 12 alternative treatment center has sufficient quantities of medical 13 14 cannabis and medical cannabis products available to meet the 15 reasonably anticipated treatment needs of registered qualifying patients as a condition of ¹[selling] engaging in activities related to 16 the growing, producing, wholesaling, or retail sale of¹ adult use 17 cannabis ¹[at retail], as applicable¹. 18 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 P.L. 24 <u>c</u> (C.) (pending before the Legislature as this bill), except that 25 an alternative treatment center that was issued a permit prior to the effective date of P.L., c. (C.) (pending before the 26 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 dispensary that was approved pursuant to an application submitted 32 prior to ³or within 18 months after³ the effective date of P.L. 33 c. (C.) (pending before the Legislature as this bill). ³An 34 35 alternative treatment center that was issued a permit after the effective date of P.L., c. (C.) (pending before the 36 37 Legislature as this bill) pursuant to an application submitted prior to the effective date of P.L., c. (C.) (pending before the 38 39 Legislature as this bill) shall be authorized to establish and maintain 40 one additional satellite dispensary upon application to and approval 41 by the commission, which approval shall not be unreasonably 42 withheld.³ 43 (e) No entity issued a medical cannabis cultivator, medical 44 cannabis manufacturer, or medical cannabis dispensary permit may 45 concurrently hold a clinical registrant permit issued pursuant to 46 section 13 of P.L., c. (C.) (pending before the legislature as this bill, and no entity issued a clinical registrant permit pursuant 47

25

to section 13 of P.L., c. (C.) (pending before the 1 2 Legislature as this bill) may concurrently hold a medical cannabis 3 cultivator permit, a medical cannabis manufacturer permit, or a 4 medical cannabis dispensary permit. 5 (3) The [department] commission shall seek to ensure the 6 availability of a sufficient number of [alternative treatment centers] 7 medical cannabis cultivators, medical cannabis manufacturers, and 8 medical cannabis dispensaries throughout the State, pursuant to 9 need, including at least two each in the northern, central, and 10 southern regions of the State. [The first two centers issued a permit in each region shall be nonprofit entities, and centers subsequently] 11 12 Medical cannabis cultivators, medical cannabis manufacturers, and 13 medical cannabis dispensaries issued permits pursuant to this 14 section may be nonprofit or for-profit entities. 15 [An alternative treatment center] 16 (4) The commission shall periodically evaluate whether the 17 number of medical cannabis cultivator, medical cannabis 18 manufacturer, and medical cannabis dispensary permits issued are 19 sufficient to meet the needs of qualifying patients in the State, and 20 shall make requests for applications and issue such additional 21 permits as shall be necessary to meet those needs. The types of 22 permits requested and issued, and the locations of any additional 23 permits that are authorized, shall be in the discretion of the 24 executive director based on the needs of qualifying patients in the 25 State. 26 (5) (a) A medical cannabis cultivator shall be authorized to: 27 acquire a reasonable initial and ongoing inventory, as determined 28 by the [department] commission, of [marijuana] cannabis seeds or seedlings and paraphernalia [,] ; possess, cultivate, plant, grow, 29 30 harvest, [process, display, manufacture,] and package medical 31 cannabis, including prerolled forms, for any authorized purpose, 32 including, but not limited to, research purposes; and deliver, 33 transfer, transport, distribute, supply, or sell [, or dispense] medical 34 [marijuana] <u>cannabis</u> [, or] <u>and</u> related supplies to <u>any medical</u> 35 cannabis cultivator, medical cannabis manufacturer, medical 36 cannabis dispensary, or clinical registrant in the State. In no case 37 shall a medical cannabis cultivator or clinical registrant operate or 38 be located on land that is valued, assessed or taxed as an 39 agricultural or horticultural use pursuant to the "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.). 40 41 (b) A medical cannabis manufacturer shall be authorized to: 42 purchase or obtain medical cannabis from any medical cannabis 43 cultivator, medical cannabis manufacturer, or clinical registrant in 44 the State; possess and utilize medical cannabis in the manufacture, 45 production, and creation of medical cannabis products; and deliver, transfer, transport, supply, or sell medical cannabis products and 46

26

1 related supplies to any medical cannabis manufacturer, medical 2 cannabis dispensary, or clinical registrant in the State. 3 (c) A medical cannabis dispensary shall be authorized to: 4 purchase or acquire medical cannabis from any medical cannabis 5 cultivator, medical cannabis dispensary, or clinical registrant in the 6 State and medical cannabis products and related supplies from any 7 medical cannabis manufacturer, medical cannabis dispensary, or 8 clinical registrant in the State; purchase or acquire paraphernalia 9 from any legal source; and distribute, supply, sell, or dispense 10 medical cannabis, medical cannabis products, paraphernalia, and <u>related supplies to</u> qualifying patients or their [primary] <u>designated</u> 11 12 or institutional caregivers who are registered with the [department] commission pursuant to section 4 of [this act] P.L.2009, c.307 13 14 (C.24:6I-4). [An alternative treatment center] 15 (6) A medical cannabis cultivator shall not be limited in the number of strains of medical [marijuana] cannabis cultivated, and a 16 17 medical cannabis manufacturer shall not be limited in the number or 18 type of medical cannabis products manufactured, produced, or 19 created. A medical cannabis manufacturer may package, and a 20 medical cannabis dispensary may directly dispense [marijuana] 21 medical cannabis and medical cannabis products to qualifying 22 patients and their designated and institutional caregivers in any 23 authorized form. Authorized forms shall include dried form, oral 24 lozenges, topical formulations, transdermal form, sublingual form, 25 tincture form, or edible form, or any other form as authorized by the Edible form shall include 26 [commissioner] <u>executive director</u>. tablets, capsules, drops or syrups, oils, and any other form as 27 28 authorized by the [commissioner] executive director. Edible 29 forms shall be available only to qualifying patients who are minors. 30 Applicants for authorization as nonprofit alternative treatment 31 centers shall be subject to all applicable State laws governing 32 nonprofit entities, but] 33 (7) Nonprofit medical cannabis cultivators, medical cannabis 34 manufacturers, and medical cannabis dispensaries need not be 35 recognized as a 501(c)(3) organization by the federal Internal 36 Revenue Service. 37 b. The [department] <u>commission</u> shall require that an applicant 38 provide such information as the [department] commission 39 determines to be necessary pursuant to regulations adopted pursuant to [this act] P.L.2009, c.307 (C.24:6I-1 et al.). 40 41 A person who has been convicted of a crime of the first, c. 42 second, or third degree under New Jersey law or of a crime 43 involving any controlled dangerous substance or controlled 44 substance analog as set forth in chapter 35 of Title 2C of the New 45 Jersey Statutes except paragraph (4) of subsection a. of 46 N.J.S.2C:35-10, or any similar law of the United States or any other 47 state shall not be issued a permit to operate as **[**an alternative

27

1 treatment center] a medical cannabis cultivator, medical cannabis 2 manufacturer, medical cannabis dispensary, or clinical registrant or 3 be a director, officer, or employee of **[**an alternative treatment 4 center] a medical cannabis cultivator, medical cannabis 5 manufacturer, medical cannabis dispensary, or clinical registrant, 6 unless such conviction occurred after the effective date of [this act] 7 P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of federal 8 law relating to possession or sale of [marijuana] cannabis for 9 conduct that is authorized under [this act] P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-12.22 et al.), or 10 P.L., c. (C.) (pending before the Legislature as this bill). 11 12 d. (1) The [commissioner] executive director shall require each applicant seeking a permit to operate as [an alternative 13 treatment center ¹, to be a director, officer, or employee of, or to 14 be an investor in,¹ a medical cannabis cultivator, medical cannabis 15 16 manufacturer, medical cannabis dispensary, or clinical registrant to 17 undergo a criminal history record background check, except that no 18 criminal history record background check shall be required for an ¹[applicant] individual¹ who holds less than a five percent 19 20 investment interest in the medical cannabis cultivator, medical 21 cannabis manufacturer, medical cannabis dispensary, or clinical 22 registrant or who is a member of a group that holds less than a 20 23 percent investment interest in the medical cannabis cultivator, 24 medical cannabis manufacturer, medical cannabis dispensary, or 25 clinical registrant where no member of the group holds more than a 26 five percent interest in the total group investment interest, and the 27 ¹[applicant] individual or group¹ lacks the authority to make 28 controlling decisions regarding medical cannabis cultivator, medical 29 cannabis manufacturer, medical cannabis dispensary, or clinical 30 registrant operations. 31 In the event that an individual who is exempt from the criminal 32 history record background check requirement of this section 33 subsequently acquires an investment interest of five percent or more 34 in the medical cannabis cultivator, medical cannabis manufacturer, 35 medical cannabis dispensary, or clinical registrant, or a group that is 36 exempt from the criminal history record background check 37 requirement of this section subsequently acquires an investment 38 interest of 20 percent or more in the medical cannabis cultivator, 39 medical cannabis manufacturer, medical cannabis dispensary, or 40 clinical registrant or any member of the group acquires more than a 41 five percent interest in the total group investment interest, or the 42 individual or group gains the authority to make controlling decisions regarding medical cannabis cultivator, medical cannabis 43 44 manufacturer, medical cannabis dispensary, or clinical registrant 45 operations, the individual or the members of the group, as applicable, shall notify the commission and shall complete a 46 47 criminal history record background check ¹and provide all

28

information as may be required by the commission¹ no later than 30 days after the date that such change occurs, or any permit issued to the individual or group shall be revoked and the individual or group shall be deemed ineligible to hold any ownership or investment interest in a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant for a period of two years, commencing from the date of revocation.

8 For purposes of this section, the term "applicant" shall include any owner, director, officer, or employee of **[**an alternative 9 treatment center]¹, and any investor in,¹ a medical cannabis 10 cultivator, medical cannabis manufacturer, medical cannabis 11 dispensary, or clinical registrant ¹, but shall not include any 12 13 individual or group that is exempt from the criminal history record 14 background check requirements of this section, which individuals 15 and groups shall not be required to complete any portion of an 16 initial or renewal permit application unless the individual or group 17 subsequently becomes subject to the criminal history record 18 background check requirement as provided in this section, in which 19 case the individual or group shall be required to provide all 20 information as may be required by the commission within 30 days of the change or any permit issued to the individual or group shall 21 22 be revoked and the individual or group shall be deemed ineligible to 23 hold any ownership or investment interest in a medical cannabis 24 cultivator, medical cannabis manufacturer, medical cannabis 25 dispensary, or clinical registrant for a period of two years, commencing from the date of revocation¹. The [commissioner] 26 27 executive director is authorized to exchange fingerprint data with 28 and receive criminal history record background information from 29 the Division of State Police and the Federal Bureau of Investigation 30 consistent with the provisions of applicable federal and State laws, 31 rules, and regulations. The Division of State Police shall forward 32 criminal history record background information to the 33 [commissioner] executive director in a timely manner when 34 requested pursuant to the provisions of this section.

35 An applicant who is required to undergo a criminal history 36 record background check pursuant to this section shall submit to 37 being fingerprinted in accordance with applicable State and federal 38 laws, rules, and regulations. No check of criminal history record 39 background information shall be performed pursuant to this section 40 unless the applicant has furnished [his] the applicant's written 41 consent to that check. An applicant who is required to undergo a 42 criminal history record background check pursuant to this section 43 who refuses to consent to, or cooperate in, the securing of a check 44 of criminal history record background information shall not be 45 considered for a permit to operate, or authorization to be employed at $\frac{1}{\text{or to be an investor in}^1}$, [an alternative treatment center] <u>a</u> 46 47 medical cannabis cultivator, medical cannabis manufacturer,

<u>medical cannabis dispensary, or clinical registrant</u>. An applicant
 shall bear the cost for the criminal history record background check,

3 including all costs of administering and processing the check.

4 (2) The [commissioner] executive director shall not approve an 5 applicant for a permit to operate, or authorization to be employed at 6 ¹or to be an investor in¹, [an alternative treatment center] a medical 7 cannabis cultivator, medical cannabis manufacturer, medical 8 cannabis dispensary, or clinical registrant if the criminal history 9 record background information of the applicant reveals a 10 disqualifying conviction as set forth in subsection c. of this section.

(3) Upon receipt of the criminal history record background 11 12 information from the Division of State Police and the Federal 13 Bureau of Investigation, the [commissioner] executive director 14 shall provide written notification to the applicant of [his] the 15 applicant's qualification for or disqualification for a permit to operate or be a director, officer, or employee of [an alternative 16 treatment center]¹, or an investor in,¹ a medical cannabis 17 cultivator, medical cannabis manufacturer, medical cannabis 18 19 dispensary, or clinical registrant.

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

24 (4) The Division of State Police shall promptly notify the [commissioner] executive director in the event that an individual 25 26 who was the subject of a criminal history record background check 27 conducted pursuant to this section is convicted of a crime or offense in this State after the date the background check was performed. 28 29 Upon receipt of that notification, the [commissioner] executive 30 director shall make a determination regarding the continued eligibility to operate or be a director, officer, or employee of **[**an 31 alternative treatment center]¹, or an investor in,¹ a medical 32 33 cannabis cultivator, medical cannabis manufacturer, medical 34 cannabis dispensary, or clinical registrant.

35 (5) Notwithstanding the provisions of subsection [b.] c. of this section to the contrary, the [commissioner] executive director may 36 37 offer provisional authority for an applicant to be an owner, director, officer, or employee of [an alternative treatment center] ¹, or an 38 39 investor in,¹ a medical cannabis cultivator, medical cannabis 40 manufacturer, medical cannabis dispensary, or clinical registrant for 41 a period not to exceed three months if the applicant submits to the 42 [commissioner] executive director a sworn statement attesting that 43 the person has not been convicted of any disqualifying conviction 44 pursuant to this section.

45 (6) Notwithstanding the provisions of subsection [b.] <u>c.</u> of this
46 section to the contrary, no <u>applicant to be an owner, director</u>,

30

officer, or employee of [an alternative treatment center]¹, or an 1 investor in,¹ a medical cannabis cultivator, medical cannabis 2 manufacturer, medical cannabis dispensary, or clinical registrant 3 4 shall be disqualified on the basis of any conviction disclosed by a 5 criminal history record background check conducted pursuant to this section if the individual has affirmatively demonstrated to the 6 7 [commissioner] executive director clear and convincing evidence of rehabilitation. In determining whether clear and convincing 8 9 evidence of rehabilitation has been demonstrated, the following 10 factors shall be considered: 11 (a) the nature and responsibility of the position which the 12 convicted individual would hold, has held, or currently holds; 13 (b) the nature and seriousness of the crime or offense; 14 (c) the circumstances under which the crime or offense 15 occurred; 16 (d) the date of the crime or offense; 17 (e) the age of the individual when the crime or offense was 18 committed; 19 (f) whether the crime or offense was an isolated or repeated 20 incident; 21 (g) any social conditions which may have contributed to the 22 commission of the crime or offense; and 23 (h) any evidence of rehabilitation, including good conduct in 24 prison or in the community, counseling or psychiatric treatment 25 received, acquisition of additional academic or vocational 26 schooling, successful participation in correctional work-release programs, or the recommendation of those who have had the 27 28 individual under their supervision. 29 e. The [department] <u>commission</u> shall issue a permit to [a person to] operate [as an alternative treatment center] or be an 30 <u>owner, director, officer, or employee of 1, or an investor in, 1 a</u> 31 32 medical cannabis cultivator, medical cannabis manufacturer, or 33 medical cannabis dispensary if the [department] commission finds 34 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 35 36 this section and section 11 of P.L., c. (C.) (pending before 37 the Legislature as this bill) are met [and the department has verified 38 the information contained in the application. The department shall 39 approve or deny an application within 60 days after receipt of a 40 completed application]. The denial of an application shall be 41 considered a final agency decision, subject to review by the Appellate Division of the Superior Court. [The department may 42 43 suspend or revoke a permit to operate as an alternative treatment 44 center for cause, which shall be subject to review by the Appellate 45 Division of the Superior Court An initial permit to operate a 46 medical cannabis cultivator, medical cannabis manufacturer, or 47 medical cannabis dispensary issued on or after the effective date of

P.L. , c. (C.) (pending before the Legislature as this bill) 1 2 shall be valid for three years. Medical cannabis cultivator, medical 3 cannabis manufacturer, and medical cannabis dispensary permits 4 shall be renewable biennially. 5 f. A person who has been issued a permit pursuant to this 6 section, a conditional permit pursuant to section 11 of P.L., 7 (C.) (pending before the Legislature as this bill), or a c. 8 clinical registrant permit pursuant to section 13 of P.L., 9 c. (C.) (pending before the Legislature as this bill) shall 10 display the permit or conditional permit at the front entrance to the 11 premises of the [alternative treatment center] permitted facility at 12 all times when the facility is engaged in conduct authorized 13 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) involving medical 14 cannabis, including, but not limited to, the cultivating, 15 manufacturing, or dispensing of medical cannabis [marijuana is 16 being produced, or dispensed to a registered qualifying patient or 17 the patient's primary caregiver]. 18 g. [An alternative treatment center] <u>A medical cannabis</u> cultivator, medical cannabis manufacturer, medical cannabis 19 20 dispensary, or clinical registrant shall report any change in 21 information to the [department] <u>commission</u> not later than 10 days 22 after such change, or the permit shall be deemed null and void. 23 [An alternative treatment center may charge a registered h. 24 qualifying patient or primary caregiver for the reasonable costs 25 associated with the production and distribution of marijuana for the cardholder] (1) Each medical cannabis cultivator shall maintain 26 27 and make available through its Internet website, if any, a standard 28 price list that shall apply to all medical cannabis sold by the 29 medical cannabis cultivator to other medical cannabis cultivators 30 and to medical cannabis manufacturers, medical cannabis 31 dispensaries, and clinical registrants, which prices shall be 32 reasonable and consistent with the actual costs incurred by the 33 medical cannabis cultivator in connection with cultivating the 34 medical cannabis. The prices charged by the medical cannabis 35 cultivator shall not deviate from the prices indicated on the 36 facility's current price list. (2) Each medical cannabis manufacturer shall maintain and 37 38 make available through its Internet website, if any, a standard price 39 list that shall apply to all medical cannabis products sold by the 40 medical cannabis manufacturer to other medical cannabis 41 manufacturers and to medical cannabis dispensaries and clinical 42 registrants, which prices shall be reasonable and consistent with the 43 actual costs incurred by the medical cannabis manufacturer in 44 connection with producing the medical cannabis product. The 45 prices charged by the medical cannabis manufacturer shall not deviate from the prices indicated on the facility's current price list. 46

32

1 (3) Each clinical registrant shall maintain and make available 2 through its Internet website, if any, a standard price list that shall 3 apply to all medical cannabis sold by the clinical registrant to other 4 clinical registrants and to medical cannabis cultivators, medical 5 cannabis manufacturers, and medical cannabis dispensaries and to 6 all medical cannabis products sold by the clinical registrant to other 7 clinical registrants and to medical cannabis manufacturers and 8 medical cannabis dispensaries, which prices shall be reasonable and 9 consistent with the actual costs incurred by the clinical registrant in 10 connection with cultivating the medical cannabis or producing the medical cannabis product. The prices charged by the clinical 11 12 registrant shall not deviate from the prices indicated on the clinical registrant's current price list. Any prices a clinical registrant 13 14 charges to a qualifying patient, designated caregiver, or institutional 15 caregiver for medical cannabis, medical cannabis products, and 16 related supplies and paraphernalia shall be reasonable and 17 consistent with the actual costs incurred by the medical cannabis 18 dispensary in connection with cultivating, producing, acquiring, or 19 dispensing the medical cannabis or medical cannabis product and 20 related supplies and paraphernalia. A clinical registrant may 21 establish a written policy for making medical cannabis available at 22 a reduced price or without charge to qualifying patients who have a 23 demonstrated financial hardship, as that term shall be defined by the 24 commission by regulation. 25 (4) Any prices a medical cannabis dispensary charges to another 26 medical cannabis dispensary or to a clinical registrant, qualifying 27 patient, designated caregiver, or institutional caregiver for medical 28 cannabis, medical cannabis products, and related supplies and 29 paraphernalia shall be reasonable and consistent with the actual 30 costs incurred by the medical cannabis dispensary in connection 31 with acquiring and selling, transferring, or dispensing the medical 32 cannabis or medical cannabis product and related supplies and paraphernalia. A medical cannabis dispensary may establish a 33 34 written policy for making medical cannabis available at a reduced 35 price or without charge to qualifying patients who have a 36 demonstrated financial hardship, as that term shall be defined by the 37 commission by regulation. 38 (5) A price list required under paragraphs (1), (2), or (3) of this 39 subsection may be revised no more than once per month, and each 40 medical cannabis cultivator, medical cannabis manufacturer, and 41 clinical registrant shall be responsible for ensuring that the 42 commission has a copy of the facility's current price list. A 43 medical cannabis cultivator, medical cannabis manufacturer, or 44 clinical registrant shall be liable to a civil penalty of \$1,000 for 45 each sale that occurs at a price that deviates from the entity's 46 current price list, and to a civil penalty of \$10,000 for each week 47 during which the entity's current price list is not on file with the 48 commission. Any civil penalties collected by the commission

33

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

34

1 approve the sale or transfer of a permit until each applicant at the 2 entity applying to purchase or receive the transfer of the permit 3 undergoes a criminal history record background check pursuant to 4 subsection d. of this section and the commission finds that the sale or transfer of the permit would be consistent with the purposes of 5 6 P.L.2009, c.307 (C.24:6I-1 et al.). The denial of an application to 7 sell or transfer a medical cannabis cultivator, medical cannabis 8 manufacturer, or medical cannabis dispensary permit shall be 9 considered a final agency decision, subject to review by the 10 Appellate Division of the Superior Court. 11 (2) If a nonprofit medical cannabis cultivator, medical cannabis 12 manufacturer, or medical cannabis dispensary proposes to sell or transfer its permit ¹and other assets¹ to a for-profit entity, its board 13 14 of directors may proceed with the sale or transfer upon receiving 15 approval for the sale or transfer from the commission pursuant to 16 paragraph (1) of this subsection. In the case of a nonprofit alternative treatment center that was issued a permit prior to the 17 effective date of P.L., c. (C.) (pending before the Legislature 18 19 as this bill) or that was issued a permit after the effective date of 20 P.L., c. (C.) (pending before the Legislature as this bill) 21 pursuant to an application submitted prior to the effective date of 22 P.L., c. (C.) (pending before the Legislature as this bill), 23 any such transfer shall not be subject to the requirements of the 24 "New Jersey Nonprofit Corporation Act," N.J.S.15A:1-1 et seq., 25 provided that, prior to or at the time of the sale or transfer, all debts 26 and obligations of the nonprofit entity are either paid in full or 27 assumed by the for-profit entity purchasing or acquiring the permit, 28 or a reserve fund is established for the purpose of paying in full the debts and obligations of the nonprofit entity ¹, and the for-profit 29 30 entity pays the full value of all assets held by the nonprofit entity, 31 as reflected on the nonprofit entity's balance sheet, in addition to 32 the agreed-upon and commission-approved price for the sale or 33 transfer of the entity's alternative treatment center permit¹. 34 No employee of any department, division, agency, board, or 1. 35 other State, county, or local government entity involved in the 36 process of reviewing, processing, or making determinations with 37 regard to medical cannabis cultivator, medical cannabis 38 manufacturer, medical cannabis dispensary, or clinical registrant 39 permit applications shall have any direct or indirect financial 40 interest in the cultivating, manufacturing, or dispensing of medical 41 cannabis or related paraphernalia, or otherwise receive anything of 42 value from an applicant for a medical cannabis cultivator, medical 43 cannabis manufacturer, medical cannabis dispensary, or clinical 44 registrant permit in exchange for reviewing, processing, or making 45 any recommendations with respect to a permit application. 46 m. In the event that a medical cannabis cultivator, medical 47 cannabis manufacturer, medical cannabis dispensary, or clinical 48 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 1 2 before the Legislature as this bill), or any related law or regulation, 3 the commission may invoke penalties or take administrative action 4 against the medical cannabis cultivator, medical cannabis 5 manufacturer, medical cannabis dispensary, or clinical registrant 6 and its employees, officers, investors, directors, or governing board, 7 including, but not limited to, assessing fines, referring matters to 8 another State agency, and suspending or terminating any permit 9 held by the medical cannabis cultivator, medical cannabis 10 manufacturer, medical cannabis dispensary, or clinical registrant. 11 Any penalties imposed or administrative actions taken by the 12 commission pursuant to this subsection may be imposed in a 13 summary proceeding. 14 (cf: P.L.2013, c.160, s.2) 15

16 11. (New section) The commission shall, no later than 90 days 17 after the effective date of P.L., c. (C.) (pending before the 18 Legislature as this bill) or upon adoption of rules and regulations as 19 provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-20 16), whichever occurs first, begin accepting and processing 21 applications for new medical cannabis cultivator, medical cannabis 22 manufacturer. and medical cannabis dispensary permits. 23 Notwithstanding the provisions of subparagraph (a) of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), the first 24 25 six alternative treatment center permits issued by the commission 26 pursuant to an application submitted on or after the effective date of 27 P.L. , c.) (pending before the Legislature as this bill) (C. shall be deemed to concurrently hold a medical cannabis cultivator 28 29 permit, a medical cannabis manufacturer permit, and a medical 30 cannabis dispensary permit. Any permits issued by the commission 31 thereafter shall be subject to the provisions of subparagraph (a) of 32 paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 33 (C.24:6I-7). The commission may establish nonrefundable 34 application fees for permit applications and permit fees for 35 successful applicants.

36 The commission shall make a determination as to any permit 37 application no later than 90 days after receiving the application, 38 which may include a determination that the commission reasonably 39 requires more time to adequately review the application. The 40 commission may issue a conditional permit to an applicant pending 41 the commission's final determination on the applicant's permit 42 application, provided the applicant submits a sworn statement 43 attesting that no person named in the permit application has been 44 convicted of any disqualifying conviction pursuant to subsection c. 45 of section 7 of P.L.2009, c.307 (C.24:6I-7) or that, if a person 46 named in the application has been convicted of a disqualifying 47 conviction, the person has or will submit evidence of rehabilitation. 48 The commission shall determine by regulation which permit

requirements are necessary for the issuance of a conditional permit
 pursuant to this section and the scope of conduct authorized under a
 conditional permit, and shall establish the terms, conditions, and
 restrictions for such conditional permit as may be necessary and
 appropriate.

The commission shall issue a permit to an approved applicant at 6 7 such time as the commission completes the application review 8 process and any mandatory inspections, and determines that the 9 applicant is in compliance with and is implementing the plans, 10 procedures, protocols, actions, or other measures set forth in the 11 applicant's permit application submitted pursuant to section 12 of 12 P.L., c. (C.) (pending before the Legislature as this bill), 13 did maintain compliance with the terms, conditions, or restrictions 14 of a conditional permit issued to the applicant, if applicable, and is 15 otherwise in compliance with the requirements of P.L.2009, c.307 16 (C.24:6I-1 et al.) and P.L. , c. (C.) (pending before the 17 Legislature as this bill).

18

19 12. (New section) a. Each application for an initial three-year 20 medical cannabis cultivator permit, medical cannabis manufacturer permit, and medical cannabis dispensary permit, and each 21 22 application for biennial renewal of such permit, shall be submitted 23 to the commission. A full, separate application shall be required for 24 each initial permit requested by the applicant and for each location 25 at which an applicant seeks to operate, regardless of whether the 26 applicant was previously issued, or currently holds, a medical 27 cannabis cultivator, medical cannabis manufacturer, medical 28 cannabis dispensary, or clinical registrant permit. Renewal 29 applications shall be submitted to the commission on a form and in 30 a manner as shall be specified by the commission no later than 90 days before the date the current permit will expire. 31

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:

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

47 (a) State-authorized cultivation of medical cannabis;

(b) conventional horticulture or agriculture, familiarity with

good agricultural practices, and any relevant certifications or

1 2

3 degrees; 4 (c) quality control and quality assurance; 5 (d) recall plans; (e) packaging and labeling; 6 7 (f) inventory control and tracking software or systems for the 8 production of medical cannabis; 9 (g) analytical chemistry and testing of medical cannabis; 10 (h) water management practices; (i) odor mitigation practices; 11 12 (j) onsite and offsite recordkeeping; 13 (k) strain variety and plant genetics; 14 (1) pest control and disease management practices, including 15 plans for the use of pesticides, nutrients, and additives; (m) waste disposal plans; and 16 17 (n) compliance with applicable laws and regulations. 18 (2) In the case of an applicant for a medical cannabis 19 manufacturer permit, the operating plan summary shall include a written description concerning the applicant's qualifications for, 20 experience in, and knowledge of each of the following topics: 21 22 (a) State-authorized manufacture, production, and creation of 23 cannabis products using appropriate extraction methods, including 24 intended use and sourcing of extraction equipment and associated 25 solvents or intended methods and equipment for non-solvent 26 extraction; 27 (b) pharmaceutical manufacturing, good manufacturing 28 practices, and good laboratory practices; 29 (c) quality control and quality assurance; 30 (d) recall plans; 31 (e) packaging and labeling; 32 (f) inventory control and tracking software or systems for the 33 production of medical cannabis; 34 (g) analytical chemistry and testing of medical cannabis and 35 medical cannabis products and formulations; 36 (h) water management practices; 37 (i) odor mitigation practices; 38 (j) onsite and offsite recordkeeping; 39 (k) a list of product formulations or products proposed to be manufactured with estimated cannabinoid profiles, if known, 40 41 including varieties with high cannabidiol content; 42 (1) intended use and sourcing of all non-cannabis ingredients used in the manufacture, production, and creation of cannabis 43 44 products, including methods to verify or ensure the safety and 45 integrity of those ingredients and their potential to be or contain 46 allergens; 47 (m) waste disposal plans; and 48 (n) compliance with applicable laws and regulations.

38

(3) In the case of an applicant for a medical cannabis dispensary 1 2 permit, the operating plan summary shall include a written 3 description concerning the applicant's qualifications for, experience 4 in, and knowledge of each of the following topics: 5 (a) State-authorized dispensation of medical cannabis to 6 qualifying patients; 7 (b) healthcare, medicine, and treatment of patients with 8 qualifying medical conditions; 9 (c) medical cannabis product evaluation procedures; 10 (d) recall plans; (e) packaging and labeling; 11 12 (f) inventory control and point-of-sale software or systems for 13 the sale of medical cannabis; 14 (g) patient counseling procedures; 15 (h) the routes of administration, strains, varieties, and cannabinoid profiles of medical cannabis and medical cannabis 16 17 products; 18 (i) odor mitigation practices; 19 (j) onsite and offsite recordkeeping; 20 (k) compliance with State and federal patient privacy rules; 21 (1) waste disposal plans; and 22 (m) compliance with applicable laws and regulations. 23 The criteria to be developed by the commission pursuant to d. 24 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 25 26 criteria developed by the commission, an analysis of the following 27 factors, if applicable: 28 (1) The applicant's environmental impact plan. 29 (2) A summary of the applicant's safety and security plans and 30 procedures, which shall include descriptions of the following: (a) plans for the use of security personnel, including 31 32 contractors; 33 (b) the experience or qualifications of security personnel and 34 proposed contractors; (c) security and surveillance features, including descriptions of 35 36 any alarm systems, video surveillance systems, and access and 37 visitor management systems, along with drawings identifying the 38 proposed locations for surveillance cameras and other security 39 features; (d) plans for the storage of medical cannabis and medical 40 41 cannabis products, including any safes, vaults, and climate control 42 systems that will be utilized for this purpose; (e) a diversion prevention plan; 43 44 (f) an emergency management plan; 45 (g) procedures for screening, monitoring, and performing 46 criminal history record background checks of employees; 47 (h) cybersecurity procedures, including, in the case of an 48 applicant for a medical cannabis dispensary permit, procedures for

collecting, processing, and storing patient data, and the applicant's 1 2 familiarity with State and federal privacy laws; 3 (i) workplace safety plans and the applicant's familiarity with 4 federal Occupational Safety and Health Administration regulations; 5 (j) the applicant's history of workers' compensation claims and 6 safety assessments; 7 (k) procedures for reporting adverse events; and 8 (1) a sanitation practices plan. 9 (3) A summary of the applicant's business experience, including 10 the following, if applicable: (a) the applicant's experience operating businesses in highly-11 12 regulated industries; 13 (b) the applicant's experience in operating alternative treatment 14 centers and related medical cannabis production and dispensation entities under the laws of New Jersey or any other state or 15 jurisdiction within the United States; and 16 17 (c) the applicant's plan to comply with and mitigate the effects 18 of 26 U.S.C. s.280E on cannabis businesses, and for evidence that 19 the applicant is not in arrears with respect to any tax obligation to 20 the State. In evaluating the experience described under subparagraphs (a), 21 22 (b), and (c) of this paragraph, the commission shall afford the 23 greatest weight to the experience of the applicant itself, controlling 24 owners, and entities with common ownership or control with the 25 applicant; followed by the experience of those with a 15 percent or 26 greater ownership interest in the applicant's organization; followed 27 by interest holders in the applicant's organization; followed by 28 other officers, directors, and bona fide full-time employees of the 29 applicant as of the submission date of the application. 30 (4) A description of the proposed location for the applicant's 31 site, including the following, if applicable: 32 (a) the proposed location, the surrounding area, and the 33 suitability or advantages of the proposed location, along with a 34 floor plan and optional renderings or architectural or engineering 35 plans; 36 (b) the submission of zoning approvals for the proposed 37 location, which shall consist of a letter or affidavit from appropriate 38 municipal officials that the location will conform to municipal 39 zoning requirements allowing for such activities related to the 40 cultivation, manufacturing, or dispensing of medical cannabis, 41 cannabis products, and related supplies as will be conducted at the 42 proposed facility; and 43 (c) the submission of proof of local support for the suitability of 44 the location, which may be demonstrated by a resolution adopted by 45 the municipality's governing body indicating that the intended 46 location is appropriately located or otherwise suitable for such 47 activities related to the cultivation, manufacturing, or dispensing of medical cannabis, cannabis products, and related supplies as will be
 conducted at the proposed facility.

3 Notwithstanding any other provision of this subsection, an 4 application shall be disqualified from consideration unless it 5 includes documentation demonstrating that the applicant will have final control of the premises upon approval of the application, 6 7 including, but not limited to, a lease agreement, contract for sale, 8 title, deed, or similar documentation. In addition, if the applicant 9 will lease the premises, the application will be disqualified from 10 consideration unless it includes certification from the landlord that 11 the landlord is aware that the tenant's use of the premises will 12 involve activities related to the cultivation, manufacturing, or 13 dispensing of medical cannabis and medical cannabis products. An 14 application shall not be disqualified from consideration if the 15 application does not include the materials described in 16 subparagraphs (b) or (c) of this paragraph.

17 (5) A community impact, social responsibility, and research18 statement, which may include, but shall not be limited to, the19 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.

37 In evaluating the information submitted pursuant to 38 subparagraphs (b) and (c) of this paragraph, the commission shall 39 afford the greatest weight to the experience of the applicant itself, controlling owners, and entities with common ownership or control 40 41 with the applicant; followed by the experience of those with a 15 42 percent or greater ownership interest in the applicant's organization; 43 followed by interest holders in the applicant's organization; 44 followed by other officers, directors, and bona fide full-time 45 employees of the applicant as of the submission date of the 46 application.

47 (6) A workforce development and job creation plan, which may48 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.

6 (7) A business and financial plan, which may include, but shall7 not be limited to, the following:

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

8

9 (b) a demonstration of the applicant's financial ability to 10 implement its business plan, which may include, but shall not be 11 limited to, bank statements, business and individual financial 12 statements, net worth statements, and debt and equity financing 13 statements; and

14 (c) a description of the applicant's experience complying with 15 guidance pertaining to cannabis issued by the Financial Crimes Enforcement Network under 31 U.S.C. s.5311 et seq., the federal 16 17 "Bank Secrecy Act", which may be demonstrated by submitting 18 letters regarding the applicant's banking history from banks or 19 credit unions that certify they are aware of the business activities of the applicant, or entities with common ownership or control of the 20 applicant's organization, in any state where the applicant has 21 22 operated a business related to medical cannabis. For the purposes 23 of this subparagraph, the commission shall consider only bank 24 references involving accounts in the name of the applicant or of an 25 entity with common ownership or control of the applicant's 26 organization. An applicant who does not submit the information 27 described in this subparagraph shall not be disqualified from 28 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

3 (c) the school, hospital, facility, or pharmacy participates in 4 major decision-making activities within the applicant's 5 organization, which may be demonstrated by representation on the 6 board of directors of the applicant's organization.

7 (10) The proposed composition of the applicant's medical 8 advisory board established pursuant to section 15 of P.L.

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

(11) Any other information the commission deems relevant indetermining whether to grant a permit to the applicant.

12 e. In addition to the information to be submitted pursuant to 13 subsections c. and d. of this section, the commission shall require 14 all permit applicants, other than applicants issued a conditional 15 license, to submit an attestation signed by a bona fide labor 16 organization stating that the applicant has entered into a labor peace 17 agreement with such bona fide labor organization. The 18 maintenance of a labor peace agreement with a bona fide labor 19 organization shall be an ongoing material condition of maintaining 20 a medical cannabis cultivator, medical cannabis manufacturer, or The submission of an 21 medical cannabis dispensary permit. 22 attestation and maintenance of a labor peace agreement with a bona 23 fide labor organization by an applicant issued a conditional permit 24 pursuant to section 11 of P.L., c. (C.) (pending before the 25 Legislature as this bill) shall be a requirement for final approval for 26 a permit; failure to enter into a collective bargaining agreement within 200 days of the opening of a medical cannabis cultivator, 27 medical cannabis manufacturer, or medical cannabis dispensary 28 29 shall result in the suspension or revocation of such permit or 30 conditional permit. In reviewing initial permit applications, the 31 commission shall give priority to the following:

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

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

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

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

f. In reviewing an initial permit application, unless the
information is otherwise solicited by the commission in a specific
application question, the commission's evaluation of the application
shall be limited to the experience and qualifications of the
applicant's organization, including any entities with common

ownership or control of the applicant's organization, controlling 1 2 owners or interest holders in the applicant's organization, and the 3 officers, directors, and current full-time existing employees of the 4 applicant's organization. Responses pertaining to consultants, independent contractors, applicants who are exempt from the 5 6 criminal history record background check requirements of section 7 7 of P.L.2009, c.307 (C.24:6I-7), and prospective or part-time 8 employees of the entity shall not be considered. Each applicant 9 shall certify as to the status of the individuals and entities included 10 in the application.

The commission shall develop policies and procedures to 11 g. 12 promote and encourage full participation in the medical cannabis 13 industry by individuals from communities that have historically 14 experienced disproportionate harm under the State's cannabis 15 prohibition and enforcement laws, and to have a positive effect on 16 those communities. The commission shall conduct a disparity study 17 to determine whether race-based measures should be considered 18 when issuing permits pursuant to this section, and shall require that 19 at least $1[25] \underline{30}^1$ percent of the total number of new medical cannabis cultivator permits, medical cannabis manufacturer permits, 20 21 and medical cannabis dispensary permits issued on or after the 22 effective date of P.L.) (pending before the , c. (C. Legislature as this bill) are issued ¹[to a qualified applicant that] as 23 24 follows¹:

25 (1) ¹at least 15 percent of the total number of new medical cannabis cultivator permits, medical cannabis manufacturer 26 27 permits, and medical cannabis dispensary permits issued on or after the effective date of P.L., c. (C.) (pending before the 28 Legislature as this bill) shall be issued to a qualified applicant that¹ 29 has been certified as a minority business ¹[or as a women's 30 business]¹ pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.); 31 ¹and¹ 32

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

35 (3) at least 15 percent of the total number of new medical 36 cannabis cultivator permits, medical cannabis manufacturer 37 permits, and medical cannabis dispensary permits issued on or after the effective date of P.L., c. (C.) (pending before the 38 39 Legislature as this bill) shall be issued to a qualified applicant that has been certified as a women's business pursuant to P.L.1986, 40 c.195 (C.52:27H-21.18 et seq.) or that¹ is a disabled-veterans' 41 42 business, as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2) 43 ¹[; or 44 (4) has been certified by the United States Small Business

Administration or other issuing agency of the federal government as
a minority-owned business, women-owned business, or servicedisabled veteran-owned business]¹.

In selecting among applicants who meet these criteria, the 1 2 commission shall grant a higher preference to applicants with up to 3 two of the certifications described in this subsection.

4 h. The commission shall give special consideration to any 5 applicant that has entered into an agreement with an institution of 6 higher education to create an integrated curriculum involving the 7 cultivation, manufacturing, and dispensing of medical cannabis, 8 provided that the curriculum is approved by both the commission 9 and the Department of Education and the applicant agrees to 10 maintain the integrated curriculum in perpetuity. An integrated 11 curriculum permit shall be subject to revocation if the IC permit 12 holder fails to maintain or continue the integrated curriculum. In the event that, because of circumstances outside an IC permit 13 14 holder's control, the IC permit holder will no longer be able to 15 continue an integrated curriculum, the IC permit holder shall notify 16 the commission and shall make reasonable efforts to establish a new 17 integrated curriculum with an institution of higher education, 18 subject to approval by the commission and the Department of 19 Education. If the IC permit holder is unable to establish a new 20 integrated curriculum within six months after the date the current 21 integrated curriculum arrangement ends, the commission shall 22 revoke the entity's IC permit, unless the commission finds there are 23 extraordinary circumstances that justify allowing the permit holder 24 to retain the permit without an integrated curriculum and the 25 commission finds that allowing the permit holder to retain the 26 permit would be consistent with the purposes of P.L.2009, c.307 27 (C.24:6I-1 et al.), in which case the IC permit shall convert to a 28 regular permit of the same type. The commission may revise the 29 application and permit fees or other conditions for an IC permit as 30 may be necessary to encourage applications for IC permits.

31 i. Application materials submitted to the commission pursuant 32 to this section shall not be considered a public record pursuant to P.L.1963, c.73 ¹[, P.L.2001, c.404]¹ (C.47:1A-1 et ¹[al.), or the 33 common law concerning access to public records] seq.) or 34 35 P.L.2001, c.404 (C.47:1A-5 et al.)¹.

36 If the commission notifies an applicant that it has performed i. 37 sufficiently well on multiple applications to be awarded more than 38 one medical cannabis cultivator permit, more than one medical 39 cannabis manufacturer permit, or more than one medical cannabis 40 dispensary permit by the commission, the applicant shall notify the 41 commission, within seven business days after receiving such notice, 42 as to which permit it will accept. For any permit award declined by 43 an applicant pursuant to this subsection, the commission shall, upon 44 receiving notice from the applicant of the declination, award the 45 permit to the applicant for that permit type who, in the 46 determination of the commission, best satisfies the commission's 47 criteria while meeting the commission's determination of Statewide 48 need. If an applicant fails to notify the commission as to which

permit it will accept, the commission shall have the discretion to determine which permit it will award to the applicant, based on the commission's determination of Statewide need and other applications submitted for facilities to be located in the affected regions.

6

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

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

16 (2) submit to the commission any required application and17 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.

23 b. The commission shall, no later than 90 days after the 24 effective date of P.L. , C. (C.) (pending before the 25 Legislature as this bill) or upon adoption of rules and regulations as 26 provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-27 16), whichever occurs first, begin accepting and processing 28 applications for four clinical registrant permits. Thereafter, the 29 commission shall accept applications for and issue such additional 30 clinical registrant permits as it determines to be necessary and consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) 31 32) (pending before the Legislature as this and P.L. , c. (C. 33 bill). The commission shall make a determination as to a clinical 34 registrant permit application no later than 90 days after receiving 35 the application, which may include a determination that the 36 commission reasonably requires more time to adequately review the 37 application.

38 c. A contract between a clinical registrant and an academic 39 medical center shall include a commitment by the academic medical center, or its affiliate, to engage in clinical research related to the 40 41 use of medical cannabis in order to advise the clinical registrant 42 concerning patient health and safety, medical applications, and dispensing and management of controlled substances, among other 43 44 areas. A clinical registrant issued a permit pursuant to this section 45 shall have a written contractual relationship with no more than one 46 academic medical center.

d. A clinical registrant issued a permit pursuant to this sectionshall be authorized to engage in all conduct involving the

cultivation, processing, and dispensing of medical cannabis as is 1 2 authorized for an entity holding medical cannabis cultivator, 3 medical cannabis manufacturer, and medical cannabis dispensary 4 permits pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and P.L., c. 5 (C.) (pending before the Legislature as this bill), including dispensing medical cannabis and medical cannabis products to 6 7 qualifying patients and designated and institutional caregivers. The 8 clinical registrant shall additionally be authorized to engage in 9 clinical research involving medical cannabis using qualifying 10 patients who consent to being part of such research, subject to any 11 restrictions established by the commission. 12 e. A clinical registrant issued a permit pursuant to this section may apply to the commission for a ¹Class 3 Cannabis Wholesaler 13 license or for a¹ Class 1 Cannabis Grower license, a Class 2 14 Cannabis Processor ¹[License, a Class 3 Cannabis Wholesaler]¹ 15 license, and a Class 4 Cannabis ¹[Retail] <u>Retailer</u>¹ license, and 16 17 shall be authorized to ¹[concurrently hold one of each license type and]¹ engage in any activities authorized pursuant to ¹[the] <u>any</u> 18 such¹ license ¹issued, provided that: 19 20 (1) a clinical registrant may concurrently hold a Class 1 21 Cannabis Grower license, a Class 2 Cannabis Processor license, and 22 a Class 4 Cannabis Retailer license; (2) a clinical registrant that is issued a Class 3 Cannabis 23 24 Wholesaler license shall not be authorized to concurrently hold a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor 25 license, or a Class 4 Cannabis Retailer license; and 26 (3) a clinical registrant that has been issued a Class 1 Cannabis 27 Grower license, a Class 2 Cannabis Processor license, or a Class 4 28 29 Cannabis Retailer license shall not be authorized to concurrently hold a Class 3 Cannabis Wholesaler license¹. 30 ¹[The] \underline{A}^1 clinical registrant ¹issued an adult use cannabis 31 license pursuant to this subsection¹ shall be authorized to use the 32 33 same premises for all activities authorized under P.L.2009, c.307 34 (C.24:6I-1 et al.) and P.L. , c. (C.) (pending before the 35 Legislature as Senate Bill No. 2703) without being required to 36 establish or maintain any physical barriers or separations between 37 operations related to the medical use of cannabis and operations 38 related to adult use cannabis, provided that the clinical registrant 39 shall be required to certify to the commission that the clinical 40 registrant has sufficient quantities of medical cannabis and medical 41 cannabis products available to meet the reasonably anticipated 42 treatment needs of registered qualifying patients as a condition of 43 ¹[selling] <u>engaging in activities related to the growing, producing</u>, wholesaling, or retail sale of¹ adult use cannabis ¹[at retail], as 44 <u>applicable¹</u>. 45 46 f. (1) A clinical registrant issued a permit pursuant to this

section may conduct authorized activities related to medical

47

cannabis and, if applicable, adult use cannabis, at more than one
 physical location, provided that each location is approved by the
 commission and is in the same region in which the academic
 medical center with which the clinical registrant has a contract is
 located.

6 (2) A clinical registrant may apply to the commission for 7 approval to relocate an approved facility to another location in the 8 same region, which application shall be approved unless the 9 commission makes a specific determination that the proposed 10 relocation would be inconsistent with the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) and P.L., c. (C. 11) (pending before the 12 Legislature as this bill). The denial of an application for relocation 13 submitted pursuant to this paragraph shall be considered a final 14 agency decision, subject to review by the Appellate Division of the 15 Superior Court.

16 (3) The commission may authorize a clinical registrant to 17 dispense medical cannabis and medical cannabis products from 18 more than one physical location if the commission determines that 19 authorizing additional dispensing locations is necessary for the 20 clinical registrant to best serve and treat qualifying patients and 21 clinical trial participants.

g. A clinical registrant permit shall not be sold or transferred to any other entity unless the commission finds that the sale or transfer of the permit is necessary to continue essential clinical research or the commission finds that the sale or transfer is otherwise consistent 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). No sale
or transfer of a clinical registrant permit shall be approved until
each applicant at the entity applying to purchase or receive the
transfer of the permit undergoes a criminal history record
background check pursuant to subsection d. of section 7 of
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.

39 i. Each clinical registrant shall submit the results of the clinical research obtained through an approved clinical registrant permit to 40 41 the commission no later than one year following the conclusion of 42 the research study or publication of the research study in a peer-43 reviewed medical journal. Nothing in this subsection shall be 44 deemed to require the disclosure of any clinical research that would 45 infringe on the intellectual property of the clinical registrant or on 46 the confidentiality of patient information.

47 j. Application materials submitted to the commission pursuant48 to this section shall not be considered a public record pursuant to

P.L.1963, c.73 ¹[, P.L.2001, c.404]¹ (C.47:1A-1 et ¹[al.), or the 1 2 common law concerning access to public records] seq.) or 3 P.L.2001, c.404 (C.47:1A-5 et al.)¹.

4

5 14. (New section) a. (1) The commission shall, within 18 6 months following the commission's organization, and every three 7 years thereafter, conduct a feasibility study concerning the potential 8 for establishing a cannabis research and development permit type. 9 In order to advance scientific and medical understanding concerning 10 the potential uses of medical cannabis, and to ensure ongoing 11 quality control in the collection of data and the aggregation of 12 clinical, translational, and other research, the feasibility study shall assess the medical cannabis market and industry, current 13 14 perspectives in the scientific and medical communities on medical 15 cannabis, as well as those of other relevant disciplines, to determine 16 the potential benefits of establishing a research and development 17 permit type. Any cannabis research and development permit 18 established by the commission shall be limited to advancing the use 19 of cannabis as medicine, improving the lives of current registered 20 qualifying patients as well as future patients who could derive 21 therapeutic benefit from the use of cannabis, and furthering the 22 knowledge of cannabis in the scientific and medical communities.

23 (2) The commission shall additionally assess the feasibility of 24 securing State funding to support the award of a monetary grant in 25 conjunction with the issuance of a cannabis research and 26 development permit to a successful applicant, following a 27 competitive application process, as well as assess potential future 28 regulations to apply to any cannabis research and development 29 permits that are supported by private investment.

30 (3) Each feasibility study conducted pursuant to this subsection 31 shall include at least one public hearing, at which the commission 32 shall receive testimony from interested members of the public.

33 (4) The commission shall submit a report of its findings and 34 conclusions to the Governor and, pursuant to section 2 of P.L.1991, 35 c.164 (C.52:14-19.1), to the Legislature, within 90 days following 36 the conclusion of each feasibility study.

37 b. The requirement to complete a feasibility study pursuant to 38 subsection a. of this section shall expire at such time as the 39 commission establishes a cannabis research and development permit 40 type and promulgates rules and regulations with regard to the 41 permit pursuant to the "Administrative Procedure Act," P.L.1968, 42 c.410 (C.52:14B-1 et seq.).

43 The commission may establish, by regulation, such c. 44 additional permit types in connection with medical cannabis as the 45 commission deems necessary and appropriate to maximize the 46 effectiveness and efficiency of the State medical cannabis program 47 and meet the needs of qualifying patients, health care practitioners, 48 medical cannabis cultivators, medical cannabis manufacturers,

49

medical cannabis dispensaries, and related entities. Such permits 1 2 may include, but shall not be limited to, permits authorizing 3 sites licensed pharmacy practice pursuant to 4 P.L.2003, c.280 (C.45:14-40 et seq.) to be authorized to dispense 5 medical cannabis to qualifying patients and their designated and 6 institutional caregivers.

7

8 15. (New section) a. A medical cannabis cultivator, medical 9 cannabis manufacturer, medical cannabis dispensary, or clinical 10 registrant may appoint a medical advisory board to provide advice 11 to the medical cannabis cultivator, medical cannabis manufacturer, 12 medical cannabis dispensary, or clinical registrant on all aspects of 13 its business.

14 b. A medical advisory board appointed pursuant to this section 15 shall comprise five members: three health care practitioners 16 licensed or certified to practice in New Jersey; one qualifying 17 patient who resides in the same area in which the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis 18 19 dispensary, or clinical registrant is located; and one individual who owns a business in the same area in which the medical cannabis 20 cultivator, medical cannabis manufacturer, medical cannabis 21 22 dispensary, or clinical registrant is located. No owner, director, officer, or employee of a medical cannabis cultivator, medical 23 24 cannabis manufacturer, medical cannabis dispensary, or clinical 25 registrant may serve on a medical advisory board. The membership 26 of a medical advisory board shall be subject to commission 27 approval.

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

30

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.

35 (2) The issuance of a permit to operate a medical cannabis 36 cultivator, medical cannabis manufacturer, cannabis dispensary, or 37 clinical registrant to an organization that has been awarded a State or local economic incentive shall invalidate the right of the 38 39 organization to benefit from the economic incentive as of the date 40 of issuance of the permit, except that an academic medical center 41 that has entered into a contractual relationship with a clinical 42 registrant shall not have any right to benefit from an economic 43 incentive invalidated pursuant to this paragraph on the basis of that 44 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 1 2 effect. 3 (2) The issuance of a permit to operate a medical cannabis 4 cultivator, medical cannabis manufacturer, medical cannabis 5 dispensary, or clinical registrant at a location that is the subject of a State or local economic incentive shall invalidate the right of a 6 7 property owner, developer, or operator to benefit from the economic 8 incentive as of the date of issuance of the permit, except that an 9 academic medical center that has entered into a contractual 10 relationship with a clinical registrant shall not have any right to benefit from an economic incentive invalidated pursuant to this 11 paragraph on the basis of that contractual relationship. 12 13 c. As used in this section: 14 "Business" means any non-governmental person, association, 15 for-profit or non-profit corporation, joint venture, limited liability 16 company, partnership, sole proprietorship, or other form of business 17 organization or entity. 18 "Governmental entity" means the State, a local unit of 19 government, or a State or local government agency or authority. 20 "State or local economic incentive" means a financial incentive, awarded by a governmental entity to a business, or agreed to 21 22 between a governmental entity and a business, for the purpose of 23 stimulating economic development or redevelopment in New 24 Jersey, including, but not limited to, a bond, grant, loan, loan 25 guarantee, matching fund, tax credit, or other tax expenditure. 26 "Tax expenditure" means the amount of foregone tax collections 27 due to any abatement, reduction, exemption, credit, or transfer 28 certificate against any State or local tax. 29 30 17. Section 8 of P.L.2009, c.307 (C.24:6I-8) is amended to read 31 as follows: 32 8. The provisions of [this act] P.L.2009, c.307 (C.24:6I-33 1 et al.), P.L.2015, c.158 (C.18A:40-12.22 et al.), and P.L. , c. (C.) (pending before the Legislature as this bill) 34 35 shall not be construed to permit a person to: 36 operate, navigate, or be in actual physical control of any a. 37 vehicle, aircraft, railroad train, stationary heavy equipment or vessel 38 while under the influence of [marijuana] cannabis; or 39 b. smoke [marijuana] <u>cannabis</u> in a school bus or other form of 40 public transportation, in a private vehicle unless the vehicle is not in 41 operation, on any school grounds, in any correctional facility, at any 42 public park or beach, at any recreation center, or in any place where 43 smoking is prohibited pursuant to N.J.S.2C:33-13. 44 A person who commits an act as provided in this section shall be 45 subject to such penalties as are provided by law.

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

18. Section 10 of P.L.2009, c.307 (C.24:6I-10) is amended to 1 2 read as follows: 3 10. a. A [physician] health care practitioner shall provide 4 written instructions for a registered qualifying patient or [his] the 5 patient's designated caregiver, or an institutional caregiver acting 6 on behalf of the patient, to present to an alternative treatment center] a medical cannabis dispensary or a clinical registrant 7 8 concerning the total amount of usable [marijuana] cannabis that a 9 patient may be dispensed, in weight, in a 30-day period, which 10 amount shall not exceed [two ounces. If no amount is noted, the maximum amount that may be dispensed at one time is two ounces 11 12 the maximum amount that may be authorized for the patient

13 pursuant to subsection f. of this section.

14 b. A [physician] health care practitioner may issue multiple 15 written instructions at one time authorizing the patient to receive a 16 total of up to a [90-day] one year supply, provided that the 17 following conditions are met:

18 (1) Each separate set of instructions shall be issued for a 19 legitimate medical purpose by the [physician] health care 20 practitioner, as provided in [this act] P.L.2009, c.307 (C.24:6I-21 <u>1 et al.);</u>

22 (2) Each separate set of instructions shall indicate the earliest 23 date on which a [center] dispensary or clinical registrant may dispense the [marijuana] cannabis, except for the first dispensation 24 25 if it is to be filled immediately; and

26 (3) The [physician] health care practitioner has determined that 27 providing the patient with multiple instructions in this manner does 28 not create an undue risk of diversion or abuse.

29 A registered qualifying patient or [his primary] the patient's c. 30 designated caregiver, or an institutional caregiver acting on behalf of a qualifying patient, shall present $\frac{1}{\text{verification of}}$ the patient's or 31 caregiver's ¹[registry identification card] registration with the 32 commission¹, as applicable, and these written instructions to [the 33 34 alternative treatment center] any medical cannabis dispensary or 35 clinical registrant, which shall verify and log the documentation presented. An institutional caregiver shall additionally present an 36 37 authorization executed by the patient certifying that the institutional 38 caregiver is authorized to obtain medical cannabis on behalf of the 39 patient. A [physician] health care practitioner may provide a copy 40 of a written instruction by electronic or other means, as determined 41 by the [commissioner] executive director, directly to [an alternative treatment center] a medical cannabis dispensary or a 42 43 clinical registrant on behalf of a registered qualifying patient. The 44 dispensation of [marijuana] medical cannabis pursuant to any 45 written instructions shall occur within one month of the date that

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

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

54

1 b. All fees collected pursuant to [this act] P.L.2009, c.307 2 (C.24:6I-1 et al.) and P.L., c. (C.) (pending before the 3 Legislature as this bill), including those from qualifying patients, 4 designated and institutional caregivers, and alternative treatment 5 centers'] initial, modification and renewal applications for alternative treatment centers, including medical cannabis 6 cultivators, medical cannabis manufacturers, medical cannabis 7 8 dispensaries, and clinical registrants, shall be used to offset the cost 9 of the [department's] commission's administration of the provisions of [this act] P.L.2009, c.307 (C.24:6I-1 et al.) and 10 11 P.L., c. (C.) (pending before the Legislature as this bill). 12 (cf: P.L.2009, c.307, s.13) 13 14 20. Section 14 of P.L.2009, c.307 (C.24:6I-12) is amended to 15 read as follows: 14. a. The commissioner, or after the effective date of 16 17 P.L., c. (C.) (pending before the Legislature as this bill), the 18 executive director, shall report to the Governor, and to the 19 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1): 20 (1) no later than one year after the effective date of [this act] 21 P.L.2009, c.307 (C.24:6I-1 et al.), on the actions taken to 22 implement the provisions of [this act] P.L.2009, c.307 (C.24:6I-23 <u>1 et al.</u>); and 24 (2) annually thereafter on the number of applications for 25 ¹[registry identification cards] <u>registration with the commission</u>¹, the number of qualifying patients registered, the number of 26 27 [primary] designated and institutional caregivers registered, the 28 nature of the [debilitating] qualifying medical conditions of the 29 patients, the number of ¹[registry identification cards] registrations¹ revoked, the number of [alternative treatment center] 30 31 medical cannabis cultivator, medical cannabis manufacturer, and 32 medical cannabis dispensary permits issued and revoked, the 33 number and type of integrated curricula approved, established, and 34 maintained in connection with an IC permit, the number of testing 35 laboratories licensed, the number of clinical registrant permits 36 issued and the nature of the clinical research conducted by each 37 clinical registrant, any incidents of diversion of medical cannabis, 38 information concerning racial, ethnic, and gender diversity in the 39 individuals issued and currently holding permits issued by the 40 commission, statistics concerning arrests for drug offenses throughout the State and in areas where medical cannabis 41 42 dispensaries are located, including information concerning racial 43 disparities in arrest rates for drug offenses generally and cannabis 44 offenses in particular, and the number of [physicians providing 45 certifications for] health care practitioners authorizing patients for 46 the medical use of cannabis, including the types of license or 47 certification held by those practitioners.

55

b. The reports shall not contain any identifying information of
patients, caregivers, or [physicians] health care practitioners.

c. Within two years after the effective date of [this act] 3 4 P.L.2009, c.307 (C.24:6I-1 et al.) and every two years thereafter, 5 the commissioner or, after the effective date of) (pending before the Legislature as this bill), 6 <u>P.L.</u>, c. (C. 7 the executive director, shall: evaluate whether there are sufficient 8 numbers of [alternative treatment centers] medical cannabis 9 cultivators, medical cannabis manufacturers, medical cannabis 10 dispensaries, and clinical registrants to meet the needs of registered 11 qualifying patients throughout the State; evaluate whether the 12 maximum amount of medical [marijuana] cannabis allowed pursuant to [this act] P.L.2009, c.307 (C.24:6I-1 et al.) is sufficient 13 14 to meet the medical needs of qualifying patients; and determine 15 whether any [alternative treatment center] medical cannabis cultivator, medical cannabis manufacturer, medical cannabis 16 17 dispensary, or clinical registrant has charged excessive prices [for marijuana] in connection with medical cannabis [that the center 18 19 dispensed].

The 20 commissioner or, after the effective date of 21 P.L., c. (C.) (pending before the Legislature as this bill), 22 the executive director, shall report his findings no later than two 23 years after the effective date of [this act] P.L.2009, c.307 (C.24:6I-1 et al.), and every two years thereafter, to the Governor, and to the 24 25 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1). 26 (cf: P.L.2009, c.307, s.14)

27

28 21. Section 15 of P.L.2009, c.307 (C.24:6I-13) is amended to 29 read as follows:

30 15. a. The [Department of Health] Cannabis Regulatory 31 Commission is authorized to exchange fingerprint data with, and 32 receive information from, the Division of State Police in the 33 Department of Law and Public Safety and the Federal Bureau of 34 Investigation for use in reviewing applications for individuals 35 [seeking] who are required to complete a criminal history record 36 background check in connection with applications to serve as 37 [primary] designated caregivers or institutional caregivers pursuant 38 to section 4 of P.L.2009, c.307 (C.24:6I-4), for licenses to operate 39 as, or to be a director, officer, or employee of, medical cannabis 40 testing laboratories pursuant to section 25 of P.L., c. (C.) 41 (pending before the Legislature as this bill), for permits to operate as, or to be a director, officer, or employee of ¹, or an investor in,¹ 42 43 clinical registrants pursuant to section 13 of P.L., c. (C.) 44 (pending before the Legislature as this bill), and for permits to operate as, or to be a director, officer, or employee of, [alternative 45 treatment centers]¹, or an investor in,¹ medical cannabis 46

56

1 cultivators, medical cannabis manufacturers, and medical cannabis 2 dispensaries pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7). 3 b. The Division of State Police shall promptly notify the 4 [Department of Health] Cannabis Regulatory Commission in the 5 event an applicant seeking to serve as a [primary] designated or institutional caregiver, an applicant for a license to operate as, or to 6 7 be a director, officer, or employee of, a medical cannabis testing 8 laboratory, an applicant for a license to operate as, or to be a director, officer, or employee of, ¹or an investor in,¹ a clinical 9 10 registrant, or an applicant for a permit to operate as, or to be a director, officer, or employee of, [an alternative treatment center] 11 ¹or an investor in,¹ a medical cannabis cultivator, medical cannabis 12 manufacturer, or medical cannabis dispensary, who was the subject 13 14 of a criminal history record background check conducted pursuant 15 to subsection a. of this section, is convicted of a crime involving 16 possession or sale of a controlled dangerous substance. 17 (cf: P.L.2012, c.17, s.91) 18 19 22. Section 16 of P.L.2009, c.307 (C.24:6I-14) is amended to 20 read as follows: 21 16. Nothing in [this act] P.L.2009, c.307 (C.24:6I-1 et al.), 22 P.L.2015, c.158 (C.18A:40-12.22 et al.), or P.L., c. (C.) 23 (pending before the Legislature as this bill) shall be construed to 24 require a government medical assistance program or private health 25 insurer to reimburse a person for costs associated with the medical 26 use of **[**marijuana, or an employer to accommodate the medical use of marijuana in any workplace] <u>cannabis</u>, or to restrict or otherwise 27 28 affect the distribution, sale, prescribing, and dispensing of any 29 product that has been approved for marketing as a prescription drug 30 or device by the federal Food and Drug Administration. 31 (cf: P.L.2009, c.307, s.16) 32 33 23. Section 18 of P.L.2009, c.307 (C.24:6I-16) is amended to 34 read as follows: Pursuant to the "Administrative Procedure Act," 35 18. a. P.L.1968, c.410 (C.52:14B-1 et seq.), the commissioner or, after the 36 37 effective date of P.L., c. (C.) (pending before the 38 Legislature as this bill), the executive director, shall promulgate 39 rules and regulations to effectuate the purposes of [this act] 40 P.L.2009, c.307 (C.24:6I-1 et al.), in consultation with the 41 Department of Law and Public Safety. 42 b. Notwithstanding any provision of P.L.1968, c.410 43 (C.52:14B-1 et seq.) to the contrary, the commissioner shall adopt, 44 immediately upon filing with the Office of Administrative Law and 45 no later than the 90th day after the effective date of [this act] 46 P.L.2009, c.307 (C.24:6I-1 et al.), such regulations as the 47 commissioner deems necessary to implement the provisions of **[**this

57

1 act] P.L.2009, c.307 (C.24:6I-1 et al.). Regulations adopted 2 pursuant to this subsection shall be effective until the adoption of 3 rules and regulations pursuant to subsection a. of this section and 4 may be amended, adopted, or readopted by the commissioner in 5 accordance with the requirements of P.L.1968, c.410 (C.52:14B-1 6 et seq.). 7 c. No later than 90 days after the effective date of 8 P.L., c. (C.) (pending before the Legislature as this bill), 9 the executive director shall promulgate rules and regulations to 10 effectuate the purposes of P.L., c. (C.) (pending before the 11 Legislature as this bill). Rules and regulations adopted pursuant to 12 this subsection shall, at a minimum: (1) Specify the number of new medical cannabis cultivator, 13 14 medical cannabis manufacturer, and medical cannabis dispensary 15 permits the commission will issue in the first year next following 16 the effective date of P.L., c. (C.) (pending before the 17 Legislature as this bill); and 18 (2) Establish recommended dosage guidelines for medical 19 cannabis in each form available to qualifying patients that are 20 equivalent to one ounce of medical cannabis in dried form. The 21 executive director shall periodically review and update the dosage 22 guidelines as appropriate, including to establish dosage guidelines 23 for new forms of medical cannabis that become available. 24 (cf: P.L.2009, c.307, s.18) 25 26 24. (New section) a. Each batch of medical cannabis cultivated 27 by a medical cannabis cultivator or a clinical registrant and each 28 batch of a medical cannabis product produced by a medical 29 cannabis manufacturer or a clinical registrant shall be tested in 30 accordance with the requirements of section 26 of 31 P.L., c. (C.) (pending before the Legislature as this bill) by 32 a laboratory licensed pursuant to section 25 of P.L., c. (C.) 33 (pending before the Legislature as this bill). The laboratory 34 performing the testing shall produce a written report detailing the 35 results of the testing, a summary of which shall be included in any 36 packaging materials for medical cannabis and medical cannabis 37 products dispensed to qualifying patients and their designated and 38 institutional caregivers. The laboratory may charge a reasonable 39 fee for any test performed pursuant to this section. 40 b. The requirements of subsection a. of this section shall take 41 effect at such time as the executive director certifies that a 42 sufficient number of laboratories have been licensed pursuant to section 25 of P.L., c. (C. 43) (pending before the Legislature 44 as this bill) to ensure that all medical cannabis and medical 45 cannabis products can be promptly tested and labeled without 46 disrupting patient access to medical cannabis.

1 25. (New section) a. A laboratory that performs testing services 2 pursuant to section 24 of P.L., c. (C.) (pending before the 3 Legislature as this bill) shall be licensed by the commission and 4 may be subject to inspection by the commission to determine the 5 condition and calibration of any equipment used for testing 6 purposes and to ensure that testing is being performed in 7 accordance with the requirements of section 26 of 8) (pending before the Legislature as this bill). P.L. , c. (C.

9 b. There shall be no upper limit on the number of laboratories10 that may be licensed to perform testing services.

A person who has been convicted of a crime involving any 11 c. 12 controlled dangerous substance or controlled substance analog as set forth in chapter 35 of Title 2C of the New Jersey Statutes except 13 paragraph (4) of subsection a. of N.J.S.2C:35-10, or any similar law 14 15 of the United States or any other state shall not be issued a license 16 to operate as or be a director, officer, or employee of a medical 17 cannabis testing laboratory, unless such conviction occurred after 18 the effective date of P.L.2009, c.307 (C.24:6I-1 et al.) and was for a 19 violation of federal law relating to possession or sale of cannabis 20 for conduct that is authorized under P.L.2009, c.307 (C.24:6I-21 1 et al.), P.L.2015, c.158 (C.18A:40-12.22 et al.), or 22 P.L., c. (C.) (pending before the Legislature as this bill).

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.

29 For purposes of this section, the term "applicant" shall include 30 any owner, director, officer, or employee of a medical cannabis testing laboratory. The executive director is authorized to exchange 31 32 fingerprint data with and receive criminal history record 33 background information from the Division of State Police and the 34 Federal Bureau of Investigation consistent with the provisions of 35 applicable federal and State laws, rules, and regulations. The 36 Division of State Police shall forward criminal history record 37 background information to the executive director in a timely 38 manner when requested pursuant to the provisions of this section.

39 An applicant who is required to undergo a criminal history 40 record background check pursuant to this section shall submit to 41 being fingerprinted in accordance with applicable State and federal 42 laws, rules, and regulations. No check of criminal history record 43 background information shall be performed pursuant to this section 44 unless the applicant has furnished the applicant's written consent to 45 that check. An applicant who is required to undergo a criminal 46 history record background check pursuant to this section who 47 refuses to consent to, or cooperate in, the securing of a check of 48 criminal history record background information shall not be

considered for a license to operate, or authorization to be employed
 at, a medical cannabis testing laboratory. An applicant shall bear
 the cost for the criminal history record background check, including

4 all costs of administering and processing the check.

5 (2) The executive director shall not approve an applicant for a 6 license to operate, or authorization to be employed at, a medical 7 cannabis testing laboratory if the criminal history record 8 background information of the applicant reveals a disqualifying 9 conviction as set forth in subsection c. of this section.

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

16 If the applicant is disqualified because of a disqualifying 17 conviction pursuant to the provisions of this section, the conviction 18 that constitutes the basis for the disqualification shall be identified 19 in the written notice.

(4) The Division of State Police shall promptly notify the 20 executive director in the event that an individual who was the 21 22 subject of a criminal history record background check conducted 23 pursuant to this section is convicted of a crime or offense in this 24 State after the date the background check was performed. Upon 25 receipt of that notification, the executive director shall make a 26 determination regarding the continued eligibility to operate or be a 27 director, officer, or employee of a medical cannabis testing 28 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.

36 (6) Notwithstanding the provisions of subsection c. of this 37 section to the contrary, no applicant to be an owner, director, 38 officer, or employee of a medical cannabis testing laboratory shall 39 be disqualified on the basis of any conviction disclosed by a 40 criminal history record background check conducted pursuant to 41 this section if the individual has affirmatively demonstrated to the 42 executive director clear and convincing evidence of rehabilitation. 43 In determining whether clear and convincing evidence of 44 rehabilitation has been demonstrated, the following factors shall be 45 considered:

46 (a) the nature and responsibility of the position which the47 convicted individual would hold, has held, or currently holds;

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

(c) the circumstances under which the crime or offense 1 2 occurred; 3 (d) the date of the crime or offense; 4 (e) the age of the individual when the crime or offense was 5 committed; (f) whether the crime or offense was an isolated or repeated 6 7 incident; 8 (g) any social conditions which may have contributed to the 9 commission of the crime or offense; and 10 (h) any evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment 11 12 received, acquisition of additional academic or vocational schooling, successful participation in correctional work-release 13 14 programs, or the recommendation of those who have had the 15 individual under their supervision. 16 17 26. (New section) a. The commission shall establish, by 18 regulation, standardized requirements and procedures for testing 19 medical cannabis and medical cannabis products. 20 b. Any test performed on medical cannabis or on a medical cannabis product shall include ³[, at a minimum,]³ liquid 21 chromatography analysis to determine chemical composition and 22 potency, and ³, at a minimum,³ screening for ³each of the 23 following: 24 (1) microbial³ contamination ³ [by biologic contaminants,]; 25 $(2)^3$ foreign material ³[,]; 26 (3)³ residual pesticides ³[, and]; 27 $(4)^3$ other agricultural residue and residual solvents ³; and 28 (5) heavy metals³. 29 30 c. Laboratories shall use the dosage equivalence guidelines 31 developed by the commission pursuant to paragraph (2) of 32 subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-16) when 33 testing and determining the potency of medical cannabis products. d. ³[Equipment used by a licensed laboratory for testing 34 35 purposes shall be] As a condition of licensure, each laboratory shall certify its intention to seek third party accreditation in accordance 36 with ISO 17025 standards in order to ensure equipment is³ routinely 37 inspected, calibrated, and maintained ³ [in accordance with national 38 39 standards or, if national standards are not available, with the manufacturer's specifications. Calibration procedures shall include 40 41 specific directions and limits for accuracy and precision, and provisions for remedial action when these limits are not met. Each 42 licensed laboratory shall maintain records of all inspection, 43 44 calibration, and maintenance activities, which shall be made 45 available to the commission upon request] until such time as the 46 commission issues its own standards or confirms the use of ISO 47 <u>17025</u>³.

e. Until such time as the commission establishes the standards required by this section, a licensed laboratory ³[may utilize testing standards established by any other] <u>shall utilize the testing</u> <u>standards established by another</u>³ state with a medical cannabis program ³, which state shall be designated by the executive <u>director</u>³.

7

8 27. (New section) The executive director may waive any 9 P.L.2009, c.307 (C.24:6I-1 requirement of et al.) or 10 P.L., c. (C.) (pending before the Legislature as this bill) if 11 the executive director determines that granting the waiver is 12 necessary to achieve the purposes of P.L.2009, c.307 (C.24:6I-13 1 et al.) and P.L. , c. (C.) (pending before the Legislature 14 as this bill) and provide access to patients who would not otherwise 15 qualify for the medical use of cannabis to alleviate suffering from a 16 diagnosed medical condition, and does not create a danger to the 17 public health, safety, or welfare.

18

19 28. (New section) All powers, duties, and responsibilities with 20 regard to the regulation and oversight of activities authorized 21 pursuant P.L.2009, c.307 (C.24:6I-1 al.) and to et 22) (pending before the Legislature as this bill) P.L. , c. (C. 23 shall be transferred from the Department of Health to the Cannabis 24 Regulatory Commission established pursuant to section 7 of 25) (pending before the Legislature as Senate Bill P.L., c. (C. 26 No. 2703) at such time as the members of the Cannabis Regulatory 27 Commission are appointed and the commission first organizes. Any 28 reference to the Department of Health or the Commissioner of 29 Health in any statute or regulation pertaining to the provisions of 30 P.L.2009, c.307 (C.24:6I-1 et al.) or P.L. , c. (C.) (pending 31 before the Legislature as this bill) shall be deemed to refer to the 32 Cannabis Regulatory Commission and the Executive Director of the 33 Cannabis Regulatory Commission, respectively. The provisions of 34 this section shall be carried out in accordance with the "State 35 Agency Transfer Act," P.L.1971, c.375 (C.52:14D-1 et seq.).

36

37 29. (New section) If any provision of P.L.2009, c.307 (C.24:6I-38 1 et al.), P.L.2015, c.158 (C.18A:40-12.22 et al.), or 39 P.L., c. (C.) (pending before the Legislature as this bill) or 40 its application to any person or circumstance is held invalid, the 41 invalidity does not affect other provisions or applications of 42 P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-43 12.22 et al.), and P.L. , c. (C.) (pending before the 44 Legislature as this bill) which can be given effect without the 45 invalid provision or application, and to this end the provisions of P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-46

1 12.22 et al.), and P.L. (C.) (pending before the , c. 2 Legislature as this bill) are severable. 3 4 30. N.J.S.2C:35-18 is amended to read as follows: 5 2C:35-18. Exemption; Burden of Proof. a. If conduct is authorized by the provisions of P.L.1970, c.226 (C.24:21-1 et seq.), 6 7 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 8 9 Legislature as this bill), that authorization shall, subject to the 10 provisions of this section, constitute an exemption from criminal 11 liability under this chapter or chapter 36, and the absence of such 12 authorization shall not be construed to be an element of any offense 13 in this chapter or chapter 36. It is an affirmative defense to any 14 criminal action arising under this chapter or chapter 36 that the 15 defendant is the authorized holder of an appropriate registration, 16 permit, or order form or is otherwise exempted or excepted from 17 criminal liability by virtue of any provision of P.L.1970, c.226 (C.24:21-1 et seq.), P.L.2009, c.307 (C.24:6I-1 et al.), [or] 18 P.L.2015, c.158 (C.18A:40-12.22 et al.), or P.L. , c. (C. 19) 20 (pending before the Legislature as this bill). The affirmative defense 21 established herein shall be proved by the defendant by a 22 preponderance of the evidence. It shall not be necessary for the 23 State to negate any exemption set forth in this act or in any 24 provision of Title 24 of the Revised Statutes in any complaint, 25 information, indictment, or other pleading or in any trial, hearing, 26 or other proceeding under this act. 27 b. No liability shall be imposed by virtue of this chapter or 28 chapter 36 upon any duly authorized State officer, engaged in the 29 enforcement of any law or municipal ordinance relating to 30 controlled dangerous substances or controlled substance analogs. 31 (cf: P.L.2015, c.158, s.3) 32 33 31. Section 1 of P.L.2015, c.158 (C.18A:40-12.22) is amended 34 to read as follows: A board of education or chief school administrator of a 35 1. a. 36 nonpublic school shall develop a policy authorizing parents, 37 guardians, and [primary] designated caregivers to administer 38 medical [marijuana] cannabis to a student while the student is on 39 school grounds, aboard a school bus, or attending a school-40 sponsored event. 41 b. A policy adopted pursuant to subsection a. of this section 42 shall, at a minimum: 43 (1) require that the student be authorized to engage in the 44 medical use of [marijuana] cannabis pursuant to P.L.2009, c.307 45 (C.24:6I-1 et al.) and that the parent, guardian, or [primary] 46 designated caregiver be authorized to assist the student with the

1 medical use of [marijuana] cannabis pursuant to P.L.2009, c.307 2 (C.24:6I-1 et al.); 3 (2) establish protocols for verifying the registration status and 4 ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) 5 concerning the medical use of [marijuana] cannabis for the student 6 and the parent, guardian, or [primary] designated caregiver; 7 (3) expressly authorize parents, guardians, and [primary] 8 designated caregivers of students who have been authorized for the 9 medical use of [marijuana] cannabis to administer medical 10 [marijuana] <u>cannabis</u> to the student while the student is on school 11 grounds, aboard a school bus, or attending a school-sponsored 12 event; 13 (4) identify locations on school grounds where medical 14 [marijuana] <u>cannabis</u> may be administered; and 15 (5) prohibit the administration of medical [marijuana] <u>cannabis</u> to a student by smoking or other form of inhalation while the 16 17 student is on school grounds, aboard a school bus, or attending a 18 school-sponsored event. 19 c. Medical [marijuana] cannabis may be administered to a 20 student while the student is on school grounds, aboard a school bus, 21 or attending school-sponsored events, provided that such 22 administration is consistent with the requirements of the policy 23 adopted pursuant to this section. 24 (cf: P.L.2015, c.158, s.1) 25 26 32. Section 2 of P.L.2015, c.158 (C.30:6D-5b) is amended to 27 read as follows: 28 2. a. The chief administrator of a facility that offers services 29 for persons with developmental disabilities shall develop a policy 30 authorizing a parent, guardian, or [primary] designated caregiver 31 authorized to assist a qualifying patient with the use of medical 32 [marijuana] <u>cannabis</u> pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) 33 to administer medical [marijuana] cannabis to a person who is 34 receiving services for persons with developmental disabilities at the 35 facility. 36 b. A policy adopted pursuant to subsection a. of this section 37 shall, at a minimum: 38 (1) require the person receiving services for persons with 39 developmental disabilities be a qualifying patient authorized for the 40 use of medical [marijuana] cannabis pursuant to P.L.2009, c.307 41 (C.24:6I-1 et al.), and that the parent, guardian, or [primary] 42 designated caregiver be authorized to assist the person with the medical use of [marijuana] cannabis pursuant to P.L.2009, c.307 43 44 (C.24:6I-1 et al.); 45 (2) establish protocols for verifying the registration status and

46 ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)

concerning the medical use of [marijuana] cannabis for the person

(3) expressly authorize parents, guardians, and [primary]

and the parent, guardian, or [primary] designated caregiver;

1

2 3

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

40 caregivers to administer medical cannabis to the person receiving
41 behavioral health care services while the person is at the facility;
42 and

43 (4) identify locations at the facility where medical cannabis may44 be administered.

c. Medical cannabis may be administered to a person receiving
behavioral health care services at a facility that offers such services
while the person is at the facility, provided that such administration

is consistent with the requirements of the policy adopted pursuant to 1 2 this section and the provisions of P.L.2009, c.307 (C.24:6I-1 et al.). 3 d. Nothing in this section shall be construed to authorize 4 medical cannabis to be smoked in any place where smoking is 5 prohibited pursuant to N.J.S.2C:33-13. e. As used in this section, "behavioral health care services" 6 7 means procedures or services provided by a health care practitioner 8 to a patient for the treatment of a mental illness or emotional 9 disorder that is of mild to moderate severity. "Behavioral health 10 care" and "behavioral health care services" shall not include procedures or services that are provided for the treatment of severe 11 12 mental illness, severe emotional disorder, or any drug or alcohol use 13 disorder. 14 15 34. Section 11 of P.L.2009, c.307 (C.45:1-45.1) is amended to 16 read as follows: 11. a. A [physician] health care practitioner who [provides a 17 certification] authorizes a patient for the medical use of cannabis or 18 who provides a written instruction for the medical use of 19 20 [marijuana] <u>cannabis</u> to a qualifying patient pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and [any alternative treatment center] each 21 22 medical cannabis dispensary and clinical registrant shall furnish to 23 the Director of the Division of Consumer Affairs in the Department 24 of Law and Public Safety such information, on a daily basis and in such a format [and at such intervals,] as the director shall prescribe 25 26 by regulation, for inclusion in a system established to monitor the dispensation of [marijuana] cannabis in this State for medical use 27 as authorized by the provisions of P.L.2009, c.307 (C.24:6I-28 29 1 et al.), which system shall serve the same purpose as, and be 30 cross-referenced with, the electronic system for monitoring 31 controlled dangerous substances established pursuant to section 25 32 of P.L.2007, c.244 (C.45:1-45). 33 The Director of the Division of Consumer Affairs, pursuant b. to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-34 1 et seq.), and in consultation with the Commissioner of Health 35 and Senior Services Executive Director of the Cannabis 36 37 Regulatory Commission, shall adopt rules and regulations to 38 effectuate the purposes of subsection a. of this section. 39 c. Notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the Director of the Division of 40 41 Consumer Affairs shall adopt, immediately upon filing with the 42 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 43 44 regulations as the director deems necessary to implement the 45 provisions of subsection a. of this section. Regulations adopted 46 pursuant to this subsection shall be effective until the adoption of 47 rules and regulations pursuant to subsection b. of this section and

66

may be amended, adopted, or readopted by the director in 1 2 accordance with the requirements of P.L.1968, c.410 (C.52:14B-3 <u>1 et seq.)</u>. 4 (cf: P.L.2009, c.307, s.11) 5 6 35. Section 7 of P.L.1991, c.378 (C.45:9-27.16) is amended to 7 read as follows: 8 7. a. A physician assistant may perform the following 9 procedures: 10 (1) Approaching a patient to elicit a detailed and accurate history, perform an appropriate physical examination, identify 11 12 problems, record information, and interpret and present information 13 to the supervising physician; 14 (2) Suturing and caring for wounds including removing sutures 15 and clips and changing dressings, except for facial wounds, 16 traumatic wounds requiring suturing in layers, and infected wounds; 17 (3) Providing patient counseling services and patient education 18 consistent with directions of the supervising physician; 19 (4) Assisting a physician in an inpatient setting by conducting 20 patient rounds, recording patient progress notes, determining and 21 implementing therapeutic plans jointly with the supervising 22 physician, and compiling and recording pertinent narrative case 23 summaries; 24 (5) Assisting a physician in the delivery of services to patients 25 requiring continuing care in a private home, nursing home, 26 extended care facility, or other setting, including the review and 27 monitoring of treatment and therapy plans; and 28 (6) Referring patients to, and promoting their awareness of, 29 health care facilities and other appropriate agencies and resources in 30 the community. 31 (7) (Deleted by amendment, P.L.2015, c.224) 32 b. A physician assistant may perform the following procedures 33 only when directed, ordered, or prescribed by the supervising 34 physician, or when performance of the procedure is delegated to the 35 physician assistant by the supervising physician as authorized under 36 subsection d. of this section: 37 (1) Performing non-invasive laboratory procedures and related 38 studies or assisting duly licensed personnel in the performance of 39 invasive laboratory procedures and related studies; (2) Giving injections, administering medications, and requesting 40 41 diagnostic studies; 42 (3) Suturing and caring for facial wounds, traumatic wounds 43 requiring suturing in layers, and infected wounds; 44 (4) Writing prescriptions or ordering medications in an inpatient 45 or outpatient setting in accordance with section 10 of P.L.1991, c.378 (C.45:9-27.19); [and] 46 47 (5) Prescribing the use of patient restraints; and

67

1 (6) Authorizing qualifying patients for the medical use of 2 cannabis and issuing written instructions for medical cannabis to 3 registered qualifying patients pursuant to P.L.2009, c.307 (C.24:6I-4 <u>1 et al.)</u>. 5 c. A physician assistant may assist a supervising surgeon in the 6 operating room when a qualified assistant physician is not required 7 by the board and a second assistant is deemed necessary by the 8 supervising surgeon. 9 d. A physician assistant may perform medical services beyond 10 those explicitly authorized in this section, when such services are delegated by a supervising physician with whom the physician 11 12 assistant has signed a delegation agreement pursuant to section 8 of 13 P.L.1991, c.378 (C.45:9-27.17). The procedures delegated to a 14 physician assistant shall be limited to those customary to the 15 supervising physician's specialty and within the supervising 16 physician's and the physician assistant's competence and training. 17 Notwithstanding subsection d. of this section, a physician e. 18 assistant shall not be authorized to measure the powers or range of 19 human vision, determine the accommodation and refractive states of 20 the human eye, or fit, prescribe, or adapt lenses, prisms, or frames 21 for the aid thereof. Nothing in this subsection shall be construed to 22 prohibit a physician assistant from performing a routine visual 23 screening. 24 (cf: P.L.2015, c.224, s.7) 25 26 36. Section 10 of P.L.1991, c.378 (C.45:9-27.19) is amended to 27 read as follows: 28 10. A physician assistant may order, prescribe, dispense, and 29 administer medications and medical devices and issue written 30 instructions to registered qualifying patients for medical cannabis to 31 the extent delegated by a supervising physician. 32 Controlled dangerous substances may only be ordered or a. 33 prescribed if: 34 (1) a supervising physician has authorized a physician assistant 35 to order or prescribe Schedule II, III, IV, or V controlled dangerous 36 substances in order to: 37 (a) continue or reissue an order or prescription for a controlled 38 dangerous substance issued by the supervising physician; 39 (b) otherwise adjust the dosage of an order or prescription for a 40 controlled dangerous substance originally ordered or prescribed by 41 the supervising physician, provided there is prior consultation with 42 the supervising physician; 43 (c) initiate an order or prescription for a controlled dangerous substance for a patient, provided there is prior consultation with the 44 45 supervising physician if the order or prescription is not pursuant to 46 subparagraph (d) of this paragraph; or 47 (d) initiate an order or prescription for a controlled dangerous 48 substance as part of a treatment plan for a patient with a terminal

illness, which for the purposes of this subparagraph means a 1 2 medical condition that results in a patient's life expectancy being 12 3 months or less as determined by the supervising physician; 4 (2) the physician assistant has registered with, and obtained 5 authorization to order or prescribe controlled dangerous substances 6 from, the federal Drug Enforcement Administration and any other 7 appropriate State and federal agencies; and 8 (3) the physician assistant complies with all requirements which 9 the board shall establish by regulation for the ordering, prescription, 10 or administration of controlled dangerous substances, all applicable educational program requirements, and continuing professional 11 12 education programs approved pursuant to section 16 of P.L.1991, 13 c.378 (C.45:9-27.25). 14 b. (Deleted by amendment, P.L.2015, c.224) 15 (Deleted by amendment, P.L.2015, c.224) c. d. In the case of an order or prescription for a controlled 16 17 dangerous substance or written instructions for medical cannabis, 18 the physician assistant shall print on the order or prescription or the 19 written instructions the physician assistant's Drug Enforcement 20 Administration registration number. e. The dispensing of medication or a medical device by a 21 22 physician assistant shall comply with relevant federal and State 23 regulations, and shall occur only if: (1) pharmacy services are not 24 reasonably available; (2) it is in the best interest of the patient; or 25 (3) the physician assistant is rendering emergency medical 26 assistance. 27 A physician assistant may request, receive, and sign for f. 28 prescription drug samples and may distribute those samples to 29 patients. 30 g. A physician assistant may issue written instructions to a 31 registered qualifying patient for medical cannabis pursuant to 32 section 10 of P.L.2009, c.307 (C.24:6I-10) only if: 33 (1) a supervising physician has authorized the physician 34 assistant to issue written instructions to registered qualifying 35 patients; 36 (2) the physician assistant verifies the patient's status as a 37 registered qualifying patient; and 38 (3) the physician assistant complies with the requirements for 39 issuing written instructions for medical cannabis established pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and 40 41 P.L., c. (C.) (pending before the Legislature as this bill). 42 (cf: P.L.2015, c.224, s.7) 43 44 37. Section 10 of P.L.1991, c.377 (C.45:11-49) is amended to 45 read as follows: 46 10. a. In addition to all other tasks which a registered 47 professional nurse may, by law, perform, an advanced practice

nurse may manage preventive care services and diagnose and

48

1 manage deviations from wellness and long-term illnesses, consistent 2 with the needs of the patient and within the scope of practice of the 3 advanced practice nurse, by: 4 (1) initiating laboratory and other diagnostic tests; 5 (2) prescribing or ordering medications and devices, as 6 authorized by subsections b. and c. of this section; and 7 (3) prescribing or ordering treatments, including referrals to 8 other licensed health care professionals, and performing specific 9 procedures in accordance with the provisions of this subsection. 10 b. An advanced practice nurse may order medications and devices in the inpatient setting, subject to the following conditions: 11 12 (1) the collaborating physician and advanced practice nurse 13 shall address in the joint protocols whether prior consultation with 14 the collaborating physician is required to initiate an order for a 15 controlled dangerous substance; 16 (2) the order is written in accordance with standing orders or 17 joint protocols developed in agreement between a collaborating 18 physician and the advanced practice nurse, or pursuant to the 19 specific direction of a physician; (3) the advanced practice nurse authorizes the order by signing 20 21 the nurse's own name, printing the name and certification number, 22 and printing the collaborating physician's name; 23 (4) the physician is present or readily available through 24 electronic communications; 25 (5) the charts and records of the patients treated by the advanced 26 practice nurse are reviewed by the collaborating physician and the 27 advanced practice nurse within the period of time specified by rule 28 adopted by the Commissioner of Health pursuant to section 13 of 29 P.L.1991, c.377 (C.45:11-52); 30 (6) the joint protocols developed by the collaborating physician and the advanced practice nurse are reviewed, updated, and signed 31 32 at least annually by both parties; and 33 (7) the advanced practice nurse has completed six contact hours 34 of continuing professional education in pharmacology related to controlled substances, including pharmacologic therapy, addiction 35 36 prevention and management, and issues concerning prescription 37 drugs, including responsible prescribing practices, opioid 38 alternatives to opioids for managing and treating pain, and the risks 39 and signs of opioid abuse, addiction, and diversion, in accordance 40 with regulations adopted by the New Jersey Board of Nursing. The 41 six contact hours shall be in addition to New Jersey Board of 42 Nursing pharmacology education requirements for advanced 43 practice nurses related to initial certification and recertification of 44 an advanced practice nurse as set forth in N.J.A.C.13:37-7.2. 45 c. An advanced practice nurse may prescribe medications and 46 devices in all other medically appropriate settings, subject to the 47 following conditions:

1 (1) the collaborating physician and advanced practice nurse 2 shall address in the joint protocols whether prior consultation with 3 the collaborating physician is required to initiate a prescription for a 4 controlled dangerous substance;

5 (2) the prescription is written in accordance with standing orders 6 or joint protocols developed in agreement between a collaborating 7 physician and the advanced practice nurse, or pursuant to the 8 specific direction of a physician;

9 (3) the advanced practice nurse writes the prescription on a New 10 Jersey Prescription Blank pursuant to P.L.2003, c.280 (C.45:14-11 40 et seq.), signs the nurse's own name to the prescription and prints 12 the nurse's name and certification number;

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

16 (5) the physician is present or readily available through17 electronic communications;

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

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

24 (8) the advanced practice nurse has completed six contact hours 25 of continuing professional education in pharmacology related to 26 controlled substances, including pharmacologic therapy, addiction 27 prevention and management, and issues concerning prescription 28 opioid drugs, including responsible prescribing practices, 29 alternatives to opioids for managing and treating pain, and the risks 30 and signs of opioid abuse, addiction, and diversion, in accordance with regulations adopted by the New Jersey Board of Nursing. The 31 32 six contact hours shall be in addition to New Jersey Board of 33 Nursing pharmacology education requirements for advanced 34 practice nurses related to initial certification and recertification of 35 an advanced practice nurse as set forth in N.J.A.C.13:37-7.2.

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

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

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

47 g. An advanced practice nurse may authorize qualifying
48 patients for the medical use of cannabis and issue written

1	
1	instructions for medical cannabis to registered qualifying patients,
2	subject to the following conditions:
3	(1) the collaborating physician and advanced practice nurse
4	shall address in the joint protocols whether prior consultation with
5	the collaborating physician is required to authorize a qualifying
6	patient for the medical use of cannabis or issue written instructions
7	for medical cannabis;
8	(2) the authorization for the medical use of cannabis or issuance
9	of written instructions for cannabis is in accordance with standing
10	orders or joint protocols developed in agreement between a
11	collaborating physician and the advanced practice nurse, or
12	pursuant to the specific direction of a physician;
13	(3) the advanced practice nurse signs the nurse's own name to
14	the authorization or written instruction and prints the nurse's name
15	and certification number;
16	(4) the authorization or written instruction is dated and includes
17	the name of the qualifying patient and the name, address, and
18	telephone number of the collaborating physician;
19	(5) the physician is present or readily available through
20	electronic communications;
21	(6) the charts and records of qualifying patients treated by the
22	advanced practice nurse are periodically reviewed by the
23	collaborating physician and the advanced practice nurse;
24	(7) the joint protocols developed by the collaborating physician
25	and the advanced practice nurse are reviewed, updated, and signed
26	at least annually by both parties; and
27	(8) the advanced practice nurse complies with the requirements
28	for authorizing qualifying patients for the medical use of cannabis
29	and for issuing written instructions for medical cannabis established
30	pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and
31	P.L., c. (C.) (pending before the Legislature as this bill).
32	(cf: P.L.2017, c.28, s.15)
33	
34	38. Section 5 of P.L.2009, c.307 (C.24:6I-5) is repealed.
35	
36	39. This act shall take effect immediately.