

STATEMENT TO

**SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 10 and 2426**

with Senate Floor Amendments
(Proposed by Senator VITALE)

ADOPTED: DECEMBER 17, 2018

These Senate floor amendments revise the bill to remove the requirement that a patient have a bona fide relationship with the health care practitioner authorizing the patient for medical cannabis, as the requirement may require patients to visit with the practitioner at least four times before the patient may be authorized for medical cannabis.

The Senate floor amendments revise the definition of “health care facility” to include group homes, facilities providing services to individuals with developmental disabilities, and behavioral health care facilities.

The Senate floor amendments clarify that, when an existing nonprofit alternative treatment center seeks to sell or transfer its permit to a for-profit entity, the for-profit entity will be required to pay the value of all other assets held by the alternative treatment center that are included in the sale or transfer, as reflected on the alternative treatment center’s balance sheet.

The Senate floor amendments allow the Cannabis Regulatory Commission to establish an alternate means to identify and verify the registration status of patients and caregivers other than the registry identification card currently in use.

The Senate floor amendments provide that investors with a limited interest in an alternative treatment center permit holder or applicant will not be required to complete any application information. The bill currently provides that these same small investors are exempt from the criminal history record background check requirements generally applicable to all owners, operators, directors, and employees of an alternative treatment center permit holder or applicant. An investor that loses exemption status will be required to provide all information required by the Cannabis Regulatory Commission within 30 days or will lose any permit currently held and will be prohibited from holding any interest in any medical cannabis alternative treatment center for a period of two years.

The Senate floor amendments revise the minimum set aside for alternative treatment center permits to provide that at least 15 percent of the total number of new permits are to be issued to minority businesses, and an additional 15 percent of the total number of new permits are to be issued to women or disabled-veteran businesses. Prior to amendment, the bill provided that 25 percent of the total number of new permits issued were to be issued to minority, women, veteran, or disabled-veteran businesses.

The Senate floor amendments specify no health care facility will be penalized or denied any benefit under State law solely for permitting or prohibiting the handling, administration, usage, or storage of medical cannabis, provided that its policies related to medical cannabis are consistent with all other facility policies on medication handling, administration, usage, or storage. Health care facilities will also not be penalized or denied any benefit under State law solely for prohibiting the smoking of medical cannabis on facility property in accordance with the facility's smoke free policy.

The Senate floor amendments provide that the alternative treatment centers and clinical registrants authorized to obtain adult use licensure as provided in the bill may hold either a Class 3 Cannabis Wholesaler license or a Class 1 Cannabis Grower, a Class 2 Cannabis Processor, and a Class 4 Cannabis Retailer license; no entity holding a Class 3 Cannabis Wholesaler license will be authorized to concurrently hold any Class 1 Cannabis Grower license, Class 2 Cannabis Processor licenses, or Class 4 Cannabis Retailer license; and no entity holding a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor license, or a Class 4 Cannabis Retailer license may concurrently hold a Class 3 Cannabis Wholesaler license. An alternative treatment center or clinical registrant authorized for adult use licensure may concurrently hold a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor license, and a Class 4 Cannabis Retailer license.

The Senate floor amendments provide that, although applications for alternative treatment center permits and clinical registrant permits will continue to be exempt from the "Open Public Records Act," P.L.1963, c.73 (C.47:1A-1 et seq.) and P.L.2001, c.404 (C.47:1A-5 et al.), they will not be considered exempt under the common law concerning public access to government records.

The Senate floor amendments provide that any sales tax assessed on medical cannabis is to be exclusively appropriated to programs for the treatment of mental health and substance use disorders.

As amended, this bill is identical to the Assembly committee substitute for Assembly Bill Nos. 10, 3740, and 3437(1R).