

# SENATE, No. 20

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JUNE 17, 2019

**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)**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As introduced.



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

3  
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

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

9 1. This act shall be known and may be cited as the **["New**  
10 **Jersey]** "Jake Honig Compassionate Use Medical [Marijuana]  
11 Cannabis Act."  
12 (cf: P.L.2009, c.307, s.1)  
13

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

16 2. The Legislature finds and declares that:

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

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

29 c. Although federal law currently prohibits the use of  
30 **[marijuana]** cannabis, the laws of Alaska, Arkansas, California,  
31 Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Maine,  
32 Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada,  
33 New Hampshire, New Mexico, New York, North Dakota, Ohio,  
34 Oregon, Pennsylvania, Rhode Island, Vermont, **[and]** Washington,  
35 West Virginia, and the District of Columbia permit the use of  
36 **[marijuana]** cannabis for medical purposes, and in Arizona doctors  
37 are permitted to prescribe **[marijuana]** cannabis. New Jersey joins  
38 this effort for the health and welfare of its citizens **[:]** .

39 d. States are not required to enforce federal law or prosecute  
40 people for engaging in activities prohibited by federal law;  
41 therefore, compliance with this act does not put the State of New  
42 Jersey in violation of federal law **[: and]** .

43 e. Compassion dictates that a distinction be made between  
44 medical and non-medical uses of **[marijuana]** cannabis. Hence, the

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 purpose of this act is to protect from arrest, prosecution, property  
2 forfeiture, and criminal and other penalties, those patients who use  
3 **【marijuana】** cannabis to alleviate suffering from **【debilitating】**  
4 qualifying medical conditions, as well as their **【physicians】** health  
5 care practitioners, **【primary】** designated caregivers, institutional  
6 caregivers, and those who are authorized to produce **【marijuana】**  
7 cannabis for medical purposes.

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

9  
10 3. Section 3 of P.L.2009, c.307 (C.24:6I-3) is amended to read  
11 as follows:

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

14 “Academic medical center” means an entity located in New  
15 Jersey that, on the effective date of P.L. , c. (C. ) (pending  
16 before the Legislature as this bill), has an addiction medicine  
17 faculty practice or is in the same health care system as another  
18 facility located in New Jersey that offers outpatient medical  
19 detoxification services or inpatient treatment services for substance  
20 use disorder; has a pain management faculty practice or a facility-  
21 based pain management service located in New Jersey; has graduate  
22 medical training programs accredited, or pending accreditation, by  
23 the Accreditation Council for Graduate Medical Education or the  
24 American Osteopathic Association in primary care and medical  
25 specialties; is the principal teaching affiliate of a medical school  
26 based in the State; and has the ability to conduct research related to  
27 medical cannabis. If the entity is part of a system of health care  
28 facilities, the entity shall not qualify as an academic medical center  
29 unless the health care system 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 **【“Bona fide physician-patient relationship” means a relationship**  
36 **in which the physician has ongoing responsibility for the**  
37 **assessment, care, and treatment of a patient's debilitating medical**  
38 **condition.】**

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

42 **【“Certification” means a statement signed by a physician with**  
43 **whom a qualifying patient has a bona fide physician-patient**  
44 **relationship, which attests to the physician's authorization for the**  
45 **patient to apply for registration for the medical use of marijuana.】**

46 “Clinical registrant” means an entity that has a written  
47 contractual relationship with an academic medical center in the

region in which it has its principal place of business, which includes provisions whereby the parties will engage in clinical research related to the use of medical cannabis and the academic medical center or its affiliate will provide advice to the entity regarding patient health and safety, medical applications, and dispensing and managing controlled dangerous substances, among other areas.

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

“Commissioner” means the Commissioner of Health.

**【“Debilitating medical condition” means:**

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

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

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

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

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

“Common ownership or control” means:

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

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

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

“Department” means the Department of Health.

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

(1) is at least 18 years old;

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

(3) subject to the provisions of paragraph (2) of subsection c. of 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

1 such conviction occurred after the effective date of P.L.2009, c.307  
2 (C.24:6I-1 et al.) and was for a violation of federal law related to  
3 possession or sale of cannabis that is authorized under P.L.2009,  
4 c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.);

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

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

13 “Dispense” means the furnishing of medical cannabis to a  
14 registered qualifying patient, designated caregiver, or institutional  
15 caregiver by a medical cannabis dispensary or clinical registrant  
16 pursuant to written instructions issued by a health care practitioner  
17 pursuant to the requirements of P.L.2009, c.307 (C.24:6I-1 et al.).  
18 The term shall include the act of furnishing medical cannabis to a  
19 medical cannabis handler for delivery to a registered qualifying  
20 patient, designated caregiver, or institutional caregiver, consistent  
21 with the requirements of subsection i. of section 27 of P.L. ,  
22 c. (C. ) (pending before the Legislature as this bill).

23 “Health care facility” means a general acute care hospital,  
24 nursing home, long term care facility, hospice care facility, group  
25 home, facility that provides services to persons with developmental  
26 disabilities, behavioral health care facility, or rehabilitation center.

27 “Health care practitioner” means a physician, advanced practice  
28 nurse, or physician assistant licensed or certified pursuant to Title  
29 45 of the Revised Statutes who:

30 (1) possesses active registrations to prescribe controlled  
31 dangerous substances issued by the United States Drug  
32 Enforcement Administration and the Division of Consumer Affairs  
33 in the Department of Law and Public Safety;

34 (2) is the health care practitioner responsible for the ongoing  
35 treatment of a patient's qualifying medical condition, the symptoms  
36 of that condition, or the symptoms associated with the treatment of  
37 that condition, provided, however, that the ongoing treatment shall  
38 not be limited to the provision of authorization for a patient to use  
39 medical cannabis or consultation solely for that purpose; and

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

41 “Immediate family” means the spouse, domestic partner, civil  
42 union partner, child, sibling, or parent of an individual, and shall  
43 include the siblings, parents, and children of the individual's  
44 spouse, domestic partner, or civil union partner, and the parents,  
45 spouses, domestic partners, or civil union partners of the  
46 individual's parents, siblings, and children.

47 “Institutional caregiver” means a resident of the State who:

48 (1) is at least 18 years old;

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

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

6       (4) is authorized by the health care facility employing the person  
7 to assist registered qualifying patients who are patients or residents  
8 of the facility with the medical use of cannabis, including, but not  
9 limited to, obtaining medical cannabis for registered qualifying  
10 patients and assisting registered qualifying patients with the  
11 administration of medical cannabis;

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

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

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 principles,  
26 practical experience, or both involving the cultivation,  
27 manufacturing, dispensing, delivery, or medical use of cannabis to a  
28 specific area of study, including, but not limited to, agriculture,  
29 biology, business, chemistry, culinary studies, ecology,  
30 environmental studies, health care, horticulture, technology, or any  
31 other appropriate area of study or combined areas of study.  
32 Integrated curricula shall be subject to approval by the commission  
33 and the Office of the Secretary of Higher 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 Office  
38 of the Secretary of Higher 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, including a conditional permit, by the [department]**  
45 **commission to [perform activities necessary to provide registered**  
46 **qualifying patients with usable marijuana and related paraphernalia**  
47 **in accordance with the provisions of this act] operate as a medical**

1 cannabis cultivator, medical cannabis manufacturer, medical  
2 cannabis dispensary, or clinical registrant. This term shall include  
3 the organization's officers, directors, board members, and  
4 employees.

5 “Medical cannabis cultivator” means an organization holding a  
6 permit issued by the commission that authorizes the organization to:  
7 possess and cultivate cannabis and deliver, transfer, transport,  
8 distribute, supply, and sell medical cannabis and related supplies to  
9 other medical cannabis cultivators and to medical cannabis  
10 manufacturers, clinical registrants, and medical cannabis  
11 dispensaries, as well as to plant, cultivate, grow, and harvest  
12 medical cannabis for research purposes. A medical cannabis  
13 cultivator permit shall not authorize the permit holder to  
14 manufacture, produce, or otherwise create medical cannabis  
15 products, or to deliver, transfer, transport, distribute, supply, sell, or  
16 dispense medical cannabis, medical cannabis products,  
17 paraphernalia, or related supplies to qualifying patients, designated  
18 caregivers, or institutional caregivers.

19 “Medical cannabis dispensary” means an organization issued a  
20 permit by the commission that authorizes the organization to:  
21 purchase or obtain medical cannabis and related supplies from  
22 medical cannabis cultivators; purchase or obtain medical cannabis  
23 products and related supplies from medical cannabis manufacturers;  
24 purchase or obtain medical cannabis, medical cannabis products,  
25 and related supplies and paraphernalia from other medical cannabis  
26 dispensaries and from clinical registrants; deliver, transfer,  
27 transport, distribute, supply, and sell medical cannabis and medical  
28 cannabis products to other medical cannabis dispensaries; furnish  
29 medical cannabis, including medical cannabis products, to a  
30 medical cannabis handler for delivery to a registered qualifying  
31 patient, designated caregiver, or institutional caregiver consistent  
32 with the requirements of subsection i. of section 27 of P.L. \_\_\_\_\_,  
33 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill); and  
34 possess, display, deliver, transfer, transport, distribute, supply, sell,  
35 and dispense medical cannabis, medical cannabis products,  
36 paraphernalia, and related supplies to qualifying patients,  
37 designated caregivers, and institutional caregivers. A medical  
38 cannabis dispensary permit shall not authorize the permit holder to  
39 cultivate medical cannabis, to produce, manufacture, or otherwise  
40 create medical cannabis products.

41 “Medical cannabis manufacturer” means an organization issued a  
42 permit by the commission that authorizes the organization to:  
43 purchase or obtain medical cannabis and related supplies from a  
44 medical cannabis cultivator or a clinical registrant; purchase or  
45 obtain medical cannabis products from another medical cannabis  
46 manufacturer or a clinical registrant; produce, manufacture, or  
47 otherwise create medical cannabis products; and possess, deliver,  
48 transfer, transport, distribute, supply, and sell medical cannabis

1 products and related supplies to other medical cannabis  
2 manufacturers and to medical cannabis dispensaries and clinical  
3 registrants. A medical cannabis manufacturer permit shall not  
4 authorize the permit holder to cultivate medical cannabis or to  
5 deliver, transfer, transport, distribute, supply, sell, or dispense  
6 medical cannabis, medical cannabis products, paraphernalia, or  
7 related supplies to registered qualifying patients, designated  
8 caregivers, or institutional caregivers.

9 "Medical use of **【marijuana】** cannabis" means the acquisition,  
10 possession, transport, or use of **【marijuana】** cannabis or  
11 paraphernalia by a registered qualifying patient as authorized by  
12 **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158  
13 (C.18A:40-12.22 et al.).

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

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

18 "Pediatric specialist" means a physician who is a board-certified  
19 pediatrician or pediatric specialist, or an advanced practice nurse or  
20 physician assistant who is certified as a pediatric specialist by an  
21 appropriate professional certification or licensing entity.

22 **【**"Physician" means a person licensed to practice medicine and  
23 surgery pursuant to Title 45 of the Revised Statutes with whom the  
24 patient has a bona fide physician-patient relationship and who is the  
25 primary care physician, hospice physician, or physician responsible  
26 for the ongoing treatment of a patient's debilitating medical  
27 condition, provided, however, that the ongoing treatment shall not  
28 be limited to the provision of authorization for a patient to use  
29 medical marijuana or consultation solely for that purpose.

30 "Primary caregiver" or "caregiver" means a resident of the State  
31 who:

32 a. is at least 18 years old;

33 b. has agreed to assist with a registered qualifying patient's  
34 medical use of marijuana, is not currently serving as primary  
35 caregiver for another qualifying patient, and is not the qualifying  
36 patient's physician;

37 c. has never been convicted of possession or sale of a  
38 controlled dangerous substance, unless such conviction occurred  
39 after the effective date of this act and was for a violation of federal  
40 law related to possession or sale of marijuana that is authorized  
41 under this act;

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

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



1       “Primary care” means the practice of family medicine, general  
2 internal medicine, general pediatrics, general obstetrics, or  
3 gynecology.

4       “Qualifying medical condition” means seizure disorder,  
5 including epilepsy; intractable skeletal muscular spasticity; post-  
6 traumatic stress disorder; glaucoma; positive status for human  
7 immunodeficiency virus; acquired immune deficiency syndrome;  
8 cancer; amyotrophic lateral sclerosis; multiple sclerosis; muscular  
9 dystrophy; inflammatory bowel disease, including Crohn's disease;  
10 terminal illness, if the patient has a prognosis of less than 12  
11 months of life; anxiety; migraine; Tourette’s syndrome;  
12 dysmenorrhea; chronic pain; opioid use disorder; or any other  
13 medical condition or its treatment that is approved by the  
14 commission.

15       “Qualifying patient” or “patient” means a resident of the State  
16 who has been [provided with a certification] authorized for the  
17 medical use of cannabis by a [physician] health care practitioner  
18 [pursuant to a bona fide physician-patient relationship].

19       ["Registry identification card"] “Registration with the  
20 commission” means [a document issued by the department that  
21 identifies] a person has met the qualification requirements for, and  
22 has been registered by the commission as, a registered qualifying  
23 patient [or primary], designated caregiver, or institutional  
24 caregiver. The commission shall establish appropriate means for  
25 health care practitioners, health care facilities, medical cannabis  
26 dispensaries, law enforcement, schools, facilities providing  
27 behavioral health services or services for persons with  
28 developmental disabilities, and other appropriate entities to verify  
29 an individual’s status as a registrant with the commission.

30       “Significantly involved person” means a person or entity who  
31 holds at least a five percent investment interest in an entity issued,  
32 or applying for a permit to operate as, a medical cannabis cultivator,  
33 medical cannabis manufacturer, medical cannabis dispensary, or  
34 clinical registrant, or who is a decision making member of a group  
35 that holds at least a 20 percent investment interest in an entity  
36 issued, or applying for a permit to operate as, a medical cannabis  
37 cultivator, medical cannabis manufacturer, medical cannabis  
38 dispensary, or clinical registrant, in which no member of that group  
39 holds more than a five percent interest in the total group investment  
40 interest, and the person or entity makes controlling decisions  
41 regarding the operations of the entity issued, or applying for a  
42 permit to operate as, a medical cannabis cultivator, medical  
43 cannabis manufacturer, medical cannabis dispensary, or clinical  
44 registrant.

45       “Terminally ill” means having an illness or condition with a  
46 prognosis of less than 12 months of life.

1 "Usable **【marijuana】** cannabis" means the dried leaves and  
2 flowers of **【marijuana】** cannabis, and any mixture or preparation  
3 thereof, and does not include the seeds, stems, stalks, or roots of the  
4 plant.

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

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

9 4. a. The **【department】** commission shall establish a registry  
10 of qualifying patients and their **【primary】** each designated  
11 caregivers **【**, and shall issue a registry identification card, which  
12 shall be valid for two years, to a qualifying patient and caregiver, if  
13 applicable, who submits<sup>】</sup> and shall establish a means of identifying  
14 and verifying the registration status of patients and designated  
15 caregivers who are registered with the commission. Registration  
16 with the commission shall be valid for two years. A patient or  
17 designated caregiver shall be registered with the commission upon  
18 submitting the following, in accordance with regulations adopted by  
19 the 【department】 commission:

20 (1) **【a certification that meets the requirements of section 5 of**  
21 **this act】** documentation of a health care practitioner's authorization  
22 for the patient for the medical use of cannabis;

23 (2) an application or renewal fee, which may be based on a  
24 sliding scale as determined by the **【commissioner】** commission;

25 (3) the name, home address, and date of birth of the patient and  
26 each designated caregiver, as applicable; **【and】**

27 (4) the name, address, and telephone number of the patient's  
28 **【physician】** health care practitioner; and

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

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

40 The commission shall establish a registry of institutional  
41 caregivers and shall establish a means of identifying and verifying  
42 the registration status of institutional caregivers who are registered  
43 with the commission. Registration with the commission shall be  
44 valid for one year. An institutional caregiver shall be registered  
45 with the commission upon submitting the name, address, and  
46 telephone number of the institutional caregiver and of the health

1 care facility at which the individual will be serving as institutional  
2 caregiver and a certification that meets the requirements of  
3 subsection h. of this section. The application or renewal fee for the  
4 institutional caregiver shall be paid by the health care facility at  
5 which the institutional caregiver will be serving as institutional  
6 caregiver. An institutional caregiver shall not be limited in the  
7 number of qualifying patients for whom the institutional caregiver  
8 may serve as institutional caregiver at one time, provided that each  
9 qualifying patient served by the institutional caregiver is a current  
10 patient or resident at the health care facility at which the  
11 institutional caregiver is authorized to serve as institutional  
12 caregiver, and the number of qualifying patients served by the  
13 institutional caregiver is commensurate with the institutional  
14 caregiver's ability to fully meet the treatment and related needs of  
15 each qualifying patient and attend to the institutional caregiver's  
16 other professional duties at the health care facility without  
17 jeopardizing the health or safety of any patient or resident at the  
18 facility.

19 b. Before **【issuing a registry identification card】** registering an  
20 individual, the **【department】** commission shall verify the  
21 information contained in the application or renewal form submitted  
22 pursuant to this section. In the case of a **【primary】** designated or  
23 institutional caregiver, the **【department】** commission shall  
24 provisionally approve an application pending the results of a  
25 criminal history record background check, if the caregiver  
26 otherwise meets the requirements of **【this act】** P.L.2009, c.307  
27 (C.24:6I-1 et al.). The **【department】** commission shall approve or  
28 deny an application or renewal and complete the registration  
29 process for successful applicants within 30 days of receipt of the  
30 completed application or renewal **【**, and shall issue a registry  
31 identification card within five days of approving the application or  
32 renewal**】**. The **【department】** commission may deny an application  
33 or renewal only if the applicant fails to provide the information  
34 required pursuant to this section, or if the **【department】** commission  
35 determines that the information was incorrect or falsified or does  
36 not meet the requirements of **【this act】** P.L.2009, c.307 (C.24:6I-1  
37 et al.). Denial of an application shall be a final agency decision,  
38 subject to review by the Superior Court, Appellate Division.

39 c. (1) The **【commissioner】** commission shall require each  
40 applicant seeking to serve as a **【primary】** designated or institutional  
41 caregiver to undergo a criminal history record background check;  
42 except that no criminal history record background check shall be  
43 required for an applicant seeking to serve as a designated caregiver  
44 if the applicant is an immediate family member of the patient, and  
45 no criminal history record background check shall be required for  
46 an applicant seeking to serve as an institutional caregiver if the

1 applicant completed a criminal history record background check as  
2 a condition of professional licensure or certification. The  
3 **【commissioner】** commission is authorized to exchange fingerprint  
4 data with and receive criminal history record background  
5 information from the Division of State Police and the Federal  
6 Bureau of Investigation consistent with the provisions of applicable  
7 federal and State laws, rules, and regulations. The Division of State  
8 Police shall forward criminal history record background  
9 information to the **【commissioner】** commission in a timely manner  
10 when requested pursuant to the provisions of this section.

11 An applicant seeking to serve as a **【primary】** designated or  
12 institutional caregiver who is required to complete a criminal  
13 history record background check pursuant to this section shall  
14 submit to being fingerprinted in accordance with applicable State  
15 and federal laws, rules, and regulations. No check of criminal  
16 history record background information shall be performed pursuant  
17 to this section unless the applicant has furnished **【his】** the  
18 applicant's written consent to that check. An applicant who is  
19 required to complete a criminal history record background check  
20 pursuant to this section who refuses to consent to, or cooperate in,  
21 the securing of a check of criminal history record background  
22 information shall not be considered for inclusion in the registry as a  
23 **【primary】** designated or institutional caregiver **【or issuance of an**  
24 **identification card】**. An applicant shall bear the cost for the  
25 criminal history record background check, including all costs of  
26 administering and processing the check.

27 (2) The **【commissioner】** commission shall not approve an  
28 applicant seeking to serve as a **【primary】** designated or institutional  
29 caregiver who is required to complete a criminal history record  
30 background check pursuant to this section if the criminal history  
31 record background information of the applicant reveals a  
32 disqualifying conviction. For the purposes of this section, a  
33 disqualifying conviction shall mean a conviction of a crime  
34 involving any controlled dangerous substance or controlled  
35 substance analog as set forth in chapter 35 of Title 2C of the New  
36 Jersey Statutes except paragraph (4) of subsection a. of  
37 N.J.S.2C:35-10, or any similar law of the United States or of any  
38 other state.

39 (3) Upon receipt of the criminal history record background  
40 information from the Division of State Police and the Federal  
41 Bureau of Investigation, the **【commissioner】** commission shall  
42 provide written notification to the applicant of **【his】** the applicant's  
43 qualification or disqualification for serving as a **【primary】**  
44 designated or institutional caregiver.

45 If the applicant is disqualified because of a disqualifying  
46 conviction pursuant to the provisions of this section, the conviction

1 that constitutes the basis for the disqualification shall be identified  
2 in the written notice.

3 (4) The Division of State Police shall promptly notify the  
4 **【commissioner】** commission in the event that an individual who  
5 was the subject of a criminal history record background check  
6 conducted pursuant to this section is convicted of a crime or offense  
7 in this State after the date the background check was performed.  
8 Upon receipt of that notification, the **【commissioner】** commission  
9 shall make a determination regarding the continued eligibility of the  
10 applicant to serve as a **【primary】** designated or institutional  
11 caregiver.

12 (5) Notwithstanding the provisions of paragraph (2) of this  
13 subsection **【b. of this section】** to the contrary, no applicant shall be  
14 disqualified from serving as a **【registered primary】** designated or  
15 institutional caregiver on the basis of any conviction disclosed by a  
16 criminal history record background check conducted pursuant to  
17 this section if the individual has affirmatively demonstrated to the  
18 **【commissioner】** commission clear and convincing evidence of  
19 rehabilitation. In determining whether clear and convincing  
20 evidence of rehabilitation has been demonstrated, the following  
21 factors shall be considered:

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

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

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

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

28 (e) the age of the individual when the crime or offense was  
29 committed;

30 (f) whether the crime or offense was an isolated or repeated  
31 incident;

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

34 (h) any evidence of rehabilitation, including good conduct in  
35 prison or in the community, counseling or psychiatric treatment  
36 received, acquisition of additional academic or vocational  
37 schooling, successful participation in correctional work-release  
38 programs, or the recommendation of those who have had the  
39 individual under their supervision.

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

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

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

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

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

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

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

13 (2) A **【primary】** designated caregiver who has been **【issued a**  
14 **registry identification card】** registered by the commission shall  
15 notify the **【department】** commission of any change in the  
16 caregiver's name or address within 10 days of such change, or the  
17 **【registry identification card】** caregiver's registration shall be  
18 deemed null and void.

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

28 f. The **【department】** commission shall maintain a confidential  
29 list of the persons **【to whom it has issued registry identification**  
30 **cards】** registered with the commission. Individual names and other  
31 identifying information on the list, and information contained in any  
32 application form, or accompanying or supporting document shall be  
33 confidential, and shall not be considered a public record under  
34 P.L.1963, c.73 (C.47:1A-1 et seq.) **【or】** , P.L.2001, c.404 (C.47:1A-  
35 5 et al.), or the common law concerning access to government  
36 records, and shall not be disclosed except to:

37 (1) authorized employees of the **【department】** commission and  
38 the Division of Consumer Affairs in the Department of Law and  
39 Public Safety as necessary to perform official duties of the  
40 **【department】** commission and the division, as applicable; and

41 (2) authorized employees of State or local law enforcement  
42 agencies, only as necessary to verify that a person who is engaged  
43 in the suspected or alleged medical use of **【marijuana】** cannabis is  
44 lawfully **【in possession of a registry identification card】** registered  
45 with the commission.

1 g. Applying for **【or receiving a registry card】** registration or  
2 being registered by the commission does not constitute a waiver of  
3 the qualifying patient's **【patient-physician】** practitioner-patient  
4 privilege.

5 h. An applicant seeking to serve as an institutional caregiver  
6 shall submit with the application a certification executed by the  
7 director or administrator of the health care facility employing the  
8 applicant attesting that:

9 (1) the facility has authorized the applicant to assist registered  
10 qualifying patients at the facility with the medical use of cannabis,  
11 including obtaining medical cannabis from a medical cannabis  
12 dispensary, accepting deliveries of medical cannabis on behalf of  
13 registered qualifying patients, and assisting registered qualifying  
14 patients with the administration of medical cannabis;

15 (2) the facility has established protocols and procedures and  
16 implemented security measures to ensure that any medical cannabis  
17 obtained by an institutional caregiver that is transported by the  
18 caregiver to the facility is transported in a safe and secure manner  
19 that prevents theft, diversion, adulteration, and access by  
20 unauthorized individuals, and that any medical cannabis present at  
21 the facility is stored in a safe and secure manner that prevents theft,  
22 diversion, adulteration, and access by unauthorized individuals;

23 (3) the facility has established protocols and procedures to  
24 review the medications and treatment plans of registered qualifying  
25 patients at the facility to ensure that the patient's medical use of  
26 cannabis will not result in adverse drug interactions, side effects, or  
27 other complications that could significantly jeopardize the health or  
28 safety of the patient;

29 (4) the facility will not charge a registered qualifying patient for  
30 medical cannabis obtained on the registered qualifying patient's  
31 behalf in an amount that exceeds the actual cost of the medical  
32 cannabis, plus any reasonable costs incurred in acquiring the  
33 medical cannabis;

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

38 (6) the facility will promptly notify the commission in the event  
39 that:

40 (a) an institutional caregiver registered with the commission  
41 pursuant to this section ceases to be employed by the facility or  
42 ceases to be authorized by the facility to assist registered qualifying  
43 patients with the medical use of cannabis, in which case, upon  
44 receipt of the notification, the commission shall immediately revoke  
45 the institutional caregiver's registration; or

46 (b) an institutional caregiver registered with the commission  
47 pursuant to this section, who completed a criminal history record

1 background check as a condition of professional licensure or  
2 certification, is convicted of a crime or offense in this State after the  
3 date the criminal history background check was performed, in  
4 which case, upon receipt of that notification, the commission shall  
5 make a determination regarding the continued eligibility of the  
6 applicant to serve as an institutional caregiver.

7 Nothing in this section shall be deemed to require any facility to  
8 authorize any employee of the facility to serve as an institutional  
9 caregiver or to issue a certification that meets the requirements of  
10 this subsection.

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

12  
13 5. (New section) a. A health care practitioner shall not be  
14 required to be listed publicly in any medical cannabis practitioner  
15 registry as a condition of authorizing patients for the medical use of  
16 cannabis.

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

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

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

42 b. Nothing in subsection a. of this section shall be construed to  
43 prevent a health care practitioner from serving on the governing  
44 board of a medical cannabis cultivator, medical cannabis  
45 manufacturer, medical cannabis dispensary, or clinical registrant, or  
46 on the medical advisory board of a medical cannabis cultivator,  
47 medical cannabis manufacturer, medical cannabis dispensary, or  
48 clinical registrant established pursuant to section 15 of



1 P.L. , c. (C. ) (pending before the Legislature as this bill),  
2 or from receiving a reasonable stipend for such service, provided  
3 that:

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

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

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

23 d. A person who violates subsection a. of this section shall be  
24 guilty of a crime of the fourth degree.  
25

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

1 who is not registered with the commission pursuant to section 4 of  
2 P.L.2009, c.307 (C.24:6I-4).

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

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

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

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

45 b. A qualifying patient, **【primary】** designated caregiver,  
46 **【alternative treatment center, physician】** institutional caregiver,  
47 health care facility, medical cannabis cultivator, medical cannabis

1 manufacturer, medical cannabis dispensary, medical cannabis  
2 handler, health care practitioner, academic medical center, clinical  
3 registrant, testing laboratory, or any other person acting in  
4 accordance with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.)  
5 or P.L.2015, c.158 (C.18A:40-12.22 et al.) shall not be subject to  
6 any civil or administrative penalty, or denied any right or privilege,  
7 including, but not limited to, civil penalty or disciplinary action by  
8 a professional licensing board, related to the medical use of  
9 **【marijuana】** cannabis as authorized under P.L.2009, c.307 (C.24:6I-  
10 1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

11 c. Registration with the commission, or application for  
12 registration by the commission, **【a registry identification card】** shall  
13 not alone constitute probable cause to search the person or the  
14 property of the **【person possessing or applying for the registry**  
15 **identification card】** registrant or applicant, or otherwise subject the  
16 person or **【his】** the person's property to inspection by any  
17 governmental agency.

18 d. The provisions of section 2 of P.L.1939, c.248 (C.26:2-82),  
19 relating to destruction of **【marijuana】** cannabis determined to exist  
20 by the **【department】** commission, shall not apply if a qualifying  
21 patient **【or primary】**, designated caregiver, or institutional caregiver  
22 **【has in his possession a registry identification card】** is registered  
23 with the commission and is in possession of no more than the  
24 maximum amount of usable **【marijuana】** cannabis that may be  
25 obtained in accordance with section 10 of P.L.2009, c.307 (C.24:6I-  
26 10).

27 e. No person shall be subject to arrest or prosecution for  
28 constructive possession, conspiracy, or any other offense for simply  
29 being in the presence or vicinity of the medical use of **【marijuana】**  
30 cannabis as authorized under P.L.2009, c.307 (C.24:6I-1 et al.)  
31 or P.L.2015, c.158 (C.18A:40-12.22 et al.).

32 f. No custodial parent, guardian, or person who has legal  
33 custody of a qualifying patient who is a minor shall be subject to  
34 arrest or prosecution for constructive possession, conspiracy, or any  
35 other offense for assisting the minor in the medical use of  
36 **【marijuana】** cannabis as authorized under P.L.2009, c.307 (C.24:6I-  
37 1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

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

1        h. No public or private school or institution of higher education  
2 may refuse to enroll a person based solely on the person's status as  
3 a registrant with the commission, unless failing to do so would  
4 result in the school or institution losing a monetary or licensing-  
5 related benefit granted pursuant to federal law. No public or private  
6 school or institution of higher education shall be penalized or  
7 denied any benefit under State law solely on the basis of enrolling a  
8 person who is registered with the commission.

9        i. No person shall refuse to rent, lease, or sublease any real  
10 property or part or portion thereof, or discriminate in the terms,  
11 conditions, or privileges of the rental or lease of any real property  
12 or part or portion thereof or in the furnishing of facilities or services  
13 in connection therewith, based solely on the status of the  
14 prospective tenant as a registrant with the commission, unless  
15 failing to do so would result in the person losing a monetary or  
16 licensing-related benefit granted pursuant to federal law. No such  
17 person shall be penalized or denied any benefit under State law  
18 solely on the basis of renting or leasing real property to a person  
19 who is registered with the commission.

20        j. No person shall be denied, or subject to adverse action in  
21 connection with, any license, certification, or permit issued  
22 pursuant to State law solely based on the person's status as a  
23 registrant with the commission, unless issuance or continuance of  
24 the license, certification, or permit would result in the licensing or  
25 permitting agency losing federal certification, federal funding, or  
26 other benefits granted pursuant to federal law.

27        k. (1) Unless failing to do so would result in the health care  
28 facility losing a monetary or licensing-related benefit granted  
29 pursuant to federal law, a health care facility that employs or  
30 maintains a professional affiliation with a health care practitioner  
31 shall not take adverse employment action against the health care  
32 practitioner or otherwise limit, restrict, or terminate a professional  
33 affiliation with the health care practitioner solely based on the  
34 health care practitioner engaging in conduct authorized under  
35 P.L.2009, c.307 (C.24:6I-1 et al.), including, but not limited to,  
36 authorizing patients for the medical use of cannabis, issuing written  
37 instructions pursuant to section 10 of P.L.2009, c.307 (C.24:6I-10),  
38 and consulting with patients regarding the use of medical cannabis  
39 to treat the patient's qualifying medical 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 1 et al.).

45        l. Unless failing to do so would result in the insurer or  
46 insurance association losing a monetary or licensing-related benefit  
47 granted pursuant to federal law, an insurer or insurance association  
48 authorized to issue medical malpractice liability insurance in New

1 Jersey shall not deny coverage to a health care practitioner, increase  
2 the amount of premiums or deductibles under the policy, or charge  
3 any additional fees in connection with the policy, solely based on  
4 the health care practitioner engaging in conduct authorized under  
5 P.L.2009, c.307 (C.24:6I-1 et al.), including, but not limited to,  
6 authorizing qualifying patients for the medical use of cannabis,  
7 issuing written instructions pursuant to section 10 of P.L.2009,  
8 c.307 (C.24:6I-10), and consulting with patients regarding the use  
9 of medical cannabis to treat a qualifying medical condition. No  
10 insurer or insurance association shall be penalized or denied any  
11 benefit under State law solely on the basis of providing medical  
12 malpractice liability insurance to a health care practitioner who  
13 engages in conduct authorized under P.L.2009, c.307 (C.24:6I-  
14 1 et al.).

15 m. A person's status as a registered qualifying patient, a  
16 designated or institutional caregiver, or an owner, director, officer,  
17 or employee of a medical cannabis cultivator, medical cannabis  
18 manufacturer, medical cannabis dispensary, clinical registrant, or  
19 licensed testing laboratory, or as a certified medical cannabis  
20 handler, shall not constitute the sole grounds for entering an order  
21 that restricts or denies custody of, or visitation with, a minor child  
22 of the person.

23 n. (1) No health care facility shall be penalized or denied any  
24 benefit under State law solely for permitting or prohibiting the  
25 handling, administration, usage, or storage of medical cannabis,  
26 provided that the facility's policies related to medical cannabis are  
27 consistent with all other facility policies concerning medication  
28 handling, administration, usage, or storage.

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

33 o. No action or proceeding by the Division of Child Protection  
34 and Permanency in the Department of Children and Families shall  
35 be initiated against a pregnant woman or against the parent or legal  
36 guardian of minor child on the sole grounds that the pregnant  
37 woman or the parent or legal guardian is a registered qualifying  
38 patient, a designated or institutional caregiver, an owner, director,  
39 officer, or employee of a medical cannabis cultivator, medical  
40 cannabis manufacturer, medical cannabis dispensary, clinical  
41 registrant, or licensed testing laboratory, or a certified medical  
42 cannabis handler; provided, however, that nothing in this subsection  
43 shall preclude any action or proceeding by the division based on  
44 harm or risk of harm to a child.

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

46  
47 9. (New section) a. It shall be unlawful to take any adverse  
48 employment action against an employee who is a registered

1 qualifying patient based solely on the employee's status as a  
2 registrant with the commission.

3 b. (1) If an employer has a drug testing policy and an  
4 employee or job applicant tests positive for cannabis, the employer  
5 shall offer the employee or job applicant an opportunity to present a  
6 legitimate medical explanation for the positive test result, and shall  
7 provide written notice of the right to explain to the employee or job  
8 applicant.

9 (2) Within three working days after receiving notice pursuant to  
10 paragraph (1) of this subsection, the employee or job applicant may  
11 submit information to the employer to explain the positive test  
12 result, or may request a confirmatory retest of the original sample at  
13 the employee's or job applicant's own expense. As part of an  
14 employee's or job applicant's explanation for the positive test  
15 result, the employee or job applicant may present an authorization  
16 for medical cannabis issued by a health care practitioner, proof of  
17 registration with the commission, or both.

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

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

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

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

30

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

33 7. a. (1) The **【department】** commission shall accept  
34 applications from entities for permits to operate as **【alternative**  
35 **treatment centers and may charge a reasonable fee for the issuance**  
36 **of a permit under this section】** medical cannabis cultivators,  
37 medical cannabis manufacturers, and medical cannabis dispensaries.  
38 For the purposes of this section, the term "permit" shall be deemed  
39 to include a conditional permit issued pursuant to subsection d. of  
40 section 11 of P.L. , c. (C. ) (pending before the Legislature  
41 as this bill) and any permit issued to a microbusiness pursuant to  
42 subsection e. of section 11 of P.L. , c. (C. ) (pending before  
43 the Legislature as this bill).

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

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

4        (ii) there shall be no more than 28 active medical cannabis  
5 cultivator permits, including medical cannabis cultivator permits  
6 deemed to be held by alternative treatment centers issued a permit  
7 prior to the effective date of P.L. , c. (C. ) (pending before  
8 the Legislature as this bill) and medical cannabis cultivator permits  
9 deemed to be held by alternative treatment centers issued a permit  
10 subsequent to the effective date of P.L. , c. (C. ) (pending  
11 before the Legislature as this bill) pursuant to an application  
12 submitted prior to the effective date of P.L. , c. (C. )  
13 (pending before the Legislature as this bill); provided that medical  
14 cannabis cultivator permits issued to microbusinesses pursuant to  
15 subsection e. of section 11 of P.L. , c. (C. ) (pending before  
16 the Legislature as this bill) shall not count toward this limit.

17        (b) Commencing 18 months after the effective date of P.L. ,  
18 c. (C. ) (pending before the Legislature as this bill), a permit  
19 holder shall be authorized to concurrently hold a medical cannabis  
20 cultivator permit, a medical cannabis manufacturer permit, and a  
21 medical cannabis dispensary permit, provided that no permit holder  
22 shall be authorized to concurrently hold more than one permit of  
23 each type. The permit holder may submit an application for a  
24 permit of any type that the permit holder does not currently hold  
25 prior to the expiration of the 18 month period described in  
26 subparagraph (a) of this paragraph, provided that no additional  
27 permit shall be awarded to the permit holder during the 18 month  
28 period.

29        (c) The provisions of subparagraph (a) of this paragraph shall  
30 not apply to any alternative treatment center that was issued a  
31 permit prior to the effective date of P.L. , c. (C. ) (pending  
32 before the Legislature as this bill), to any alternative treatment  
33 center that was issued a permit after the effective date of P.L. ,  
34 c. (C. ) (pending before the Legislature as this bill) pursuant  
35 to an application submitted prior to the effective date of P.L. ,  
36 c. (C. ) (pending before the Legislature as this bill), to one of  
37 the four alternative treatment centers issued a permit pursuant to an  
38 application submitted after the effective date of P.L. ,  
39 c. (C. ) (pending before the Legislature as this bill) pursuant  
40 to a request for applications published in the New Jersey Register  
41 prior to the effective date of P.L. , c. (C. ) (pending before  
42 the Legislature as this bill) that are expressly exempt from the  
43 provisions of subsubparagraph (i) of subparagraph (a) of this  
44 paragraph, or to one of the three alternative treatment centers issued  
45 a permit pursuant to section 11 of P.L. , c. (C. ) (pending  
46 before the Legislature as this bill) that are expressly exempt from  
47 the provisions of subsubparagraph (i) of subparagraph (a) of this  
48 paragraph, which alternative treatment centers shall be deemed to

1 concurrently hold a medical cannabis cultivator permit, a medical  
2 cannabis manufacturer permit, and a medical cannabis dispensary  
3 permit, and shall be authorized to engage in any conduct authorized  
4 pursuant to those permits in relation to the cultivation,  
5 manufacturing, and dispensing of medical cannabis.

6 (d) No entity may be issued or concurrently hold more than one  
7 medical cannabis cultivator permit, one medical cannabis  
8 manufacturer permit, or one medical cannabis dispensary permit at  
9 one time, and no medical cannabis dispensary shall be authorized to  
10 establish a satellite location on or after the effective date of P.L. ,  
11 c. (C. ) (pending before the Legislature as this bill), except  
12 that an alternative treatment center that was issued a permit prior to  
13 the effective date of P.L. , c. (C. ) (pending before the  
14 Legislature as this bill) or that was issued a permit after the  
15 effective date of P.L. , c. (C. ) (pending before the  
16 Legislature as this bill) pursuant to an application submitted prior to  
17 the effective date of P.L. , c. (C. ) (pending before the  
18 Legislature as this bill) shall be authorized to maintain up to two  
19 satellite dispensaries, including any satellite dispensary that was  
20 approved pursuant to an application submitted prior to or within 18  
21 months after the effective date of P.L. , c. (C. ) (pending  
22 before the Legislature as this bill). The three alternative treatment  
23 centers issued permits pursuant to section 11 of P.L. ,  
24 c. (C. ) (pending before the Legislature as this bill) that are  
25 expressly exempt from the provisions of subsubparagraph (i) of  
26 subparagraph (a) of this paragraph shall be authorized to establish  
27 and maintain up to one satellite dispensary location, provided that  
28 the satellite dispensary was approved pursuant to an application  
29 submitted within 18 months after the effective date of P.L. ,  
30 c. (C. ) (pending before the Legislature as this bill).

31 (e) No entity issued a medical cannabis cultivator, medical  
32 cannabis manufacturer, or medical cannabis dispensary permit may  
33 concurrently hold a clinical registrant permit issued pursuant to  
34 section 13 of P.L. , c. (C. ) (pending before the legislature  
35 as this bill), and no entity issued a clinical registrant permit  
36 pursuant to section 13 of P.L. , c. (C. ) (pending before the  
37 Legislature as this bill) may concurrently hold a medical cannabis  
38 cultivator permit, a medical cannabis manufacturer permit, or a  
39 medical cannabis dispensary permit.

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

45 (g) An alternative treatment center that was issued a permit prior  
46 to the effective date of P.L. , c. (C. ) (pending before the  
47 Legislature as this bill), that was issued a permit after the effective  
48 date of P.L. , c. (C. ) (pending before the Legislature as this



1 bill) pursuant to an application submitted pursuant to a request for  
2 applications published in the New Jersey Register prior to the  
3 effective date of P.L. , c. (C. ) (pending before the  
4 Legislature as this bill), or that was issued a permit after the  
5 effective date of P.L. , c. (C. ) (pending before the  
6 Legislature as this bill) pursuant to an application submitted prior to  
7 the effective date of P.L. , c. (C. ) (pending before the  
8 Legislature as this bill), shall be required to submit an attestation  
9 signed by a bona fide labor organization stating that the alternative  
10 treatment center has entered into a labor peace agreement with such  
11 bona fide labor organization no later than 100 days after the  
12 effective date of P.L. , c. (C. ) (pending before the  
13 Legislature as this bill) or no later than 100 days after the date the  
14 alternative treatment center first opens, whichever date is later. The  
15 maintenance of a labor peace agreement with a bona fide labor  
16 organization shall be an ongoing material condition of maintaining  
17 the alternative treatment center's permit. The failure to submit an  
18 attestation as required pursuant to this subparagraph within 100  
19 days after the effective date of P.L. , c. (C. ) (pending  
20 before the Legislature as this bill) or within 100 days after the  
21 alternative treatment center first opens, as applicable, shall result in  
22 the suspension or revocation of the alternative treatment center's  
23 permit, provided that the commission may grant an extension to this  
24 deadline to the alternative treatment center based upon extenuating  
25 circumstances or for good cause shown.

26 (3) The **【department】** commission shall seek to ensure the  
27 availability of a sufficient number of **【alternative treatment centers】**  
28 medical cannabis cultivators, medical cannabis manufacturers, and  
29 medical cannabis dispensaries throughout the State, pursuant to  
30 need, including at least two each in the northern, central, and  
31 southern regions of the State. **【The first two centers issued a permit**  
32 **in each region shall be nonprofit entities, and centers subsequently】**  
33 Medical cannabis cultivators, medical cannabis manufacturers, and  
34 medical cannabis dispensaries issued permits pursuant to this  
35 section may be nonprofit or for-profit entities.

36 **【An alternative treatment center】**

37 (4) The commission shall periodically evaluate whether the  
38 number of medical cannabis cultivator, medical cannabis  
39 manufacturer, and medical cannabis dispensary permits issued are  
40 sufficient to meet the needs of qualifying patients in the State, and  
41 shall make requests for applications and issue such additional  
42 permits as shall be necessary to meet those needs. The types of  
43 permits requested and issued, and the locations of any additional  
44 permits that are authorized, shall be in the discretion of the  
45 commission based on the needs of qualifying patients in the State.

46 (5) (a) A medical cannabis cultivator shall be authorized to:  
47 acquire a reasonable initial and ongoing inventory, as determined

1 by the **【department】** commission, of **【marijuana】** cannabis seeds or  
2 seedlings and paraphernalia **【,】** ; possess, cultivate, plant, grow,  
3 harvest, **【process, display, manufacture,】** and package medical  
4 cannabis, including prerolled forms, for any authorized purpose,  
5 including, but not limited to, research purposes; and deliver,  
6 transfer, transport, distribute, supply, or sell 【, or dispense】 medical  
7 **【marijuana】** cannabis 【, or】 and related supplies to any medical  
8 cannabis cultivator, medical cannabis manufacturer, medical  
9 cannabis dispensary, or clinical registrant in the State. In no case  
10 shall a medical cannabis cultivator operate or be located on land  
11 that is valued, assessed or taxed as an agricultural or horticultural  
12 use pursuant to the "Farmland Assessment Act of 1964," P.L.1964,  
13 c.48 (C.54:4-23.1 et seq.).

14 (b) A medical cannabis manufacturer shall be authorized to:  
15 purchase or acquire medical cannabis from any medical cannabis  
16 cultivator, medical cannabis manufacturer, or clinical registrant in  
17 the State; possess and utilize medical cannabis in the manufacture,  
18 production, and creation of medical cannabis products; and deliver,  
19 transfer, transport, supply, or sell medical cannabis products and  
20 related supplies to any medical cannabis manufacturer, medical  
21 cannabis dispensary, or clinical registrant in the State.

22 (c) A medical cannabis dispensary shall be authorized to:  
23 purchase or acquire medical cannabis from any medical cannabis  
24 cultivator, medical cannabis dispensary, or clinical registrant in the  
25 State and medical cannabis products and related supplies from any  
26 medical cannabis manufacturer, medical cannabis dispensary, or  
27 clinical registrant in the State; purchase or acquire paraphernalia  
28 from any legal source; and distribute, supply, sell, or dispense  
29 medical cannabis, medical cannabis products, paraphernalia, and  
30 related supplies to qualifying patients or their 【primary】 designated  
31 or institutional caregivers who are registered with the 【department】  
32 commission pursuant to section 4 of 【this act】 P.L.2009, c.307  
33 (C.24:6I-4). 【An alternative treatment center】 A medical cannabis  
34 dispensary may furnish medical cannabis, medical cannabis  
35 products, paraphernalia, and related supplies to a medical cannabis  
36 handler for delivery to a registered qualifying patient, designated  
37 caregiver, or institutional caregiver consistent with the requirements  
38 of subsection i. of section 27 of P.L. , c. (C. ) (pending  
39 before the Legislature as this bill).

40 (6) A medical cannabis cultivator shall not be limited in the  
41 number of strains of medical 【marijuana】 cannabis cultivated, and a  
42 medical cannabis manufacturer shall not be limited in the number or  
43 type of medical cannabis products manufactured, produced, or  
44 created. A medical cannabis manufacturer may package, and a  
45 medical cannabis dispensary may directly dispense 【marijuana】  
46 medical cannabis and medical cannabis products to qualifying

1 patients and their designated and institutional caregivers in any  
2 authorized form. Authorized forms shall include dried form, oral  
3 lozenges, topical formulations, transdermal form, sublingual form,  
4 tincture form, or edible form, or any other form as authorized by the  
5 **【commissioner】** commission. Edible form shall include pills,  
6 tablets, capsules, drops or syrups, oils, chewable forms, and any  
7 other form as authorized by the 【commissioner】 commission,  
8 except that the edible forms made available to minor patients shall  
9 be limited to forms that are medically appropriate for children,  
10 including pills, tablets, capsules, chewable forms, and drops, oils,  
11 syrups, and other liquids. 【Edible forms shall be available only to  
12 qualifying patients who are minors.

13 Applicants for authorization as nonprofit alternative treatment  
14 centers shall be subject to all applicable State laws governing  
15 nonprofit entities, but】

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

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

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

42 d. (1) The **【commissioner】** commission shall require each  
43 applicant seeking a permit to operate as **【an alternative treatment**  
44 **center】** , to be a director, officer, or employee of, or to be a  
45 significantly involved person in, a medical cannabis cultivator,  
46 medical cannabis manufacturer, medical cannabis dispensary, or

1 clinical registrant to undergo a criminal history record background  
2 check.

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

33 For purposes of this section, the term "applicant" shall include  
34 any owner, director, officer, or employee of **【an alternative**  
35 **treatment center】** , and any significantly involved person in, a  
36 medical cannabis cultivator, medical cannabis manufacturer,  
37 medical cannabis dispensary, or clinical registrant. The  
38 **【commissioner】** commission is authorized to exchange fingerprint  
39 data with and receive criminal history record background  
40 information from the Division of State Police and the Federal  
41 Bureau of Investigation consistent with the provisions of applicable  
42 federal and State laws, rules, and regulations. The Division of State  
43 Police shall forward criminal history record background  
44 information to the **【commissioner】** commission in a timely manner  
45 when requested pursuant to the provisions of this section.

46 An applicant who is required to undergo a criminal history  
47 record background check pursuant to this section shall submit to

1 being fingerprinted in accordance with applicable State and federal  
2 laws, rules, and regulations. No check of criminal history record  
3 background information shall be performed pursuant to this section  
4 unless the applicant has furnished **【his】** the applicant's written  
5 consent to that check. An applicant who is required to undergo a  
6 criminal history record background check pursuant to this section  
7 who refuses to consent to, or cooperate in, the securing of a check  
8 of criminal history record background information shall not be  
9 considered for a permit to operate, or authorization to be employed  
10 at or to be a significantly involved person in, 【an alternative  
11 treatment center】 a medical cannabis cultivator, medical cannabis  
12 manufacturer, medical cannabis dispensary, or clinical registrant.  
13 An applicant shall bear the cost for the criminal history record  
14 background check, including all costs of administering and  
15 processing the check.

16 (2) The **【commissioner】** commission shall not approve an  
17 applicant for a permit to operate, or authorization to be employed at  
18 or to be a significantly involved person in, 【an alternative treatment  
19 center】 a medical cannabis cultivator, medical cannabis  
20 manufacturer, medical cannabis dispensary, or clinical registrant if  
21 the criminal history record background information of the applicant  
22 reveals a disqualifying conviction as set forth in subsection c. of  
23 this section.

24 (3) Upon receipt of the criminal history record background  
25 information from the Division of State Police and the Federal  
26 Bureau of Investigation, the **【commissioner】** commission shall  
27 provide written notification to the applicant of **【his】** the applicant's  
28 qualification for or disqualification for a permit to operate or be a  
29 director, officer, or employee of **【an alternative treatment center】** ,  
30 or a significantly involved person in, a medical cannabis cultivator,  
31 medical cannabis manufacturer, medical cannabis dispensary, or  
32 clinical registrant.

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

37 (4) The Division of State Police shall promptly notify the  
38 **【commissioner】** commission in the event that an individual who  
39 was the subject of a criminal history record background check  
40 conducted pursuant to this section is convicted of a crime or offense  
41 in this State after the date the background check was performed.  
42 Upon receipt of that notification, the **【commissioner】** commission  
43 shall make a determination regarding the continued eligibility to  
44 operate or be a director, officer, or employee of **【an alternative**  
45 **treatment center】** , or a significantly involved person in, a medical

1 cannabis cultivator, medical cannabis manufacturer, medical  
2 cannabis dispensary, or clinical registrant.

3 (5) Notwithstanding the provisions of subsection **[b.] c.** of this  
4 section to the contrary, the **[commissioner]** commission may offer  
5 provisional authority for an applicant to be an owner, director,  
6 officer, or employee of [an alternative treatment center] , or a  
7 significantly involved person in, a medical cannabis cultivator,  
8 medical cannabis manufacturer, medical cannabis dispensary, or  
9 clinical registrant for a period not to exceed three months if the  
10 applicant submits to the **[commissioner]** commission a sworn  
11 statement attesting that the person has not been convicted of any  
12 disqualifying conviction pursuant to this section.

13 (6) Notwithstanding the provisions of subsection **[b.] c.** of this  
14 section to the contrary, no applicant to be an owner, director,  
15 officer, or employee of [an alternative treatment center] , or a  
16 significantly involved person in, a medical cannabis cultivator,  
17 medical cannabis manufacturer, medical cannabis dispensary, or  
18 clinical registrant shall be disqualified on the basis of any  
19 conviction disclosed by a criminal history record background check  
20 conducted pursuant to this section if the individual has affirmatively  
21 demonstrated to the **[commissioner]** commission clear and  
22 convincing evidence of rehabilitation. In determining whether clear  
23 and convincing evidence of rehabilitation has been demonstrated,  
24 the following factors shall be considered:

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

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

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

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

31 (e) the age of the individual when the crime or offense was  
32 committed;

33 (f) whether the crime or offense was an isolated or repeated  
34 incident;

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

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

43 e. The **[department]** commission shall issue a permit to **[a**  
44 **person to]** operate **[as an alternative treatment center]** or be an  
45 owner, director, officer, or employee of, or a significantly involved  
46 person in, a medical cannabis cultivator, medical cannabis  
47 manufacturer, or medical cannabis dispensary if the **[department]**

1 commission finds that issuing such a permit would be consistent  
2 with the purposes of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.)  
3 and the requirements of this section and section 11 of P.L. ,  
4 c. (C. ) (pending before the Legislature as this bill) are met  
5 **【and the department has verified the information contained in the**  
6 **application. The department shall approve or deny an application**  
7 **within 60 days after receipt of a completed application】.** The denial  
8 of an application shall be considered a final agency decision,  
9 subject to review by the Appellate Division of the Superior Court.  
10 **【The department may suspend or revoke a permit to operate as an**  
11 **alternative treatment center for cause, which shall be subject to**  
12 **review by the Appellate Division of the Superior Court】** A permit  
13 to operate a medical cannabis cultivator, medical cannabis  
14 manufacturer, or medical cannabis dispensary issued on or after the  
15 effective date of P.L. , c. (C. ) (pending before the  
16 Legislature as this bill) shall be valid for one year and shall be  
17 renewable annually.

18 f. A person who has been issued a permit pursuant to this  
19 section or a clinical registrant permit pursuant to section 13 of  
20 P.L. , c. (C. ) (pending before the Legislature as this bill)  
21 shall display the permit at the front entrance to the premises of the  
22 **【alternative treatment center】** permitted facility at all times when  
23 **【marijuana is being produced, or dispensed to a registered**  
24 **qualifying patient or the patient's primary caregiver】** the facility is  
25 engaged in conduct authorized pursuant to P.L.2009, c.307  
26 (C.24:6I-1 et al.) involving medical cannabis, including, but not  
27 limited to, the cultivating, manufacturing, or dispensing of medical  
28 cannabis.

29 g. **【An alternative treatment center】** A medical cannabis  
30 cultivator, medical cannabis manufacturer, medical cannabis  
31 dispensary, or clinical registrant shall report any change in  
32 information to the **【department】** commission not later than 10 days  
33 after such change, or the permit shall be deemed null and void.

34 h. **【An alternative treatment center may charge a registered**  
35 **qualifying patient or primary caregiver for the reasonable costs**  
36 **associated with the production and distribution of marijuana for the**  
37 **cardholder】** Each medical cannabis dispensary and clinical  
38 registrant shall maintain and make available on its Internet website,  
39 if any, a standard price list that shall apply to all medical cannabis,  
40 medical cannabis products, and related supplies and paraphernalia  
41 sold or dispensed by the medical cannabis dispensary or clinical  
42 registrant, which prices shall be reasonable and consistent with the  
43 actual costs incurred by the medical cannabis dispensary or clinical  
44 registrant in connection with acquiring and selling, transferring, or  
45 dispensing the medical cannabis or medical cannabis product and  
46 related supplies and paraphernalia. The prices charged by medical

1 cannabis dispensary or clinical registrant shall not deviate from the  
2 prices indicated on the entity's current price list, provided that a  
3 price list maintained by a medical cannabis dispensary or clinical  
4 registrant may allow for medical cannabis to be made available at a  
5 reduced price or without charge to qualifying patients who have a  
6 demonstrated financial hardship, as that term shall be defined by the  
7 commission by regulation. A price list required pursuant to this  
8 subsection may be revised no more than once per month, and each  
9 medical cannabis dispensary and clinical registrant shall be  
10 responsible for ensuring that the commission has a copy of the  
11 facility's current price list. A medical cannabis dispensary or  
12 clinical registrant shall be liable to a civil penalty of \$1,000 for  
13 each sale that occurs at a price that deviates from the entity's  
14 current price list, and to a civil penalty of \$10,000 for each week  
15 during which the entity's current price list is not on file with the  
16 commission. Any civil penalties collected by the commission  
17 pursuant to this section shall be used by the commission for the  
18 purposes of administering the State medical cannabis program.

19 i. The **【commissioner】** commission shall adopt regulations to:

20 (1) require such written documentation of each delivery or  
21 dispensation of 【marijuana】 cannabis to, and pickup of 【marijuana】  
22 cannabis for, a registered qualifying patient, including the date and  
23 amount dispensed, and, in the case of delivery, the date and times  
24 the delivery commenced and was completed, the address where the  
25 medical cannabis was delivered, the name of the patient or  
26 caregiver to whom the medical cannabis was delivered, and the  
27 name, handler certification number, and delivery certification  
28 number of the medical cannabis handler who performed the  
29 delivery, to be maintained in the records of the 【alternative  
30 treatment center】 medical cannabis dispensary or clinical registrant,  
31 as the 【commissioner】 commission determines necessary to ensure  
32 effective documentation of the operations of each 【alternative  
33 treatment center】 medical cannabis dispensary or clinical registrant;

34 (2) monitor, oversee, and investigate all activities performed by  
35 **【an alternative treatment center】** medical cannabis cultivators,  
36 medical cannabis manufacturers, medical cannabis dispensaries, and  
37 clinical registrants; 【and】

38 (3) ensure adequate security of all facilities 24 hours per day **【,**  
39 including production and retail locations,】 and security of all  
40 delivery methods to registered qualifying patients; and

41 (4) establish thresholds for administrative action to be taken  
42 against a medical cannabis cultivator, medical cannabis  
43 manufacturer, medical cannabis dispensary, or clinical registrant  
44 and its employees, officers, investors, directors, or governing board  
45 pursuant to subsection m. of this section, including, but not limited



1 to, specific penalties or disciplinary actions that may be imposed in  
2 a summary proceeding.

3 j. (1) Each medical cannabis cultivator, medical cannabis  
4 manufacturer, medical cannabis dispensary, and clinical registrant  
5 shall require the owners, directors, officers, and employees at the  
6 permitted facility to complete at least eight hours of ongoing  
7 training each calendar year. The training shall be tailored to the  
8 roles and responsibilities of the individual's job function, and shall  
9 include training on confidentiality and such other topics as shall be  
10 required by the commission.

11 (2) Each medical cannabis dispensary and clinical registrant  
12 shall consider whether to make interpreter services available to the  
13 population served, including for individuals with a visual or hearing  
14 impairment. The commission shall provide assistance to any  
15 medical cannabis dispensary or clinical registrant that seeks to  
16 provide such services in locating appropriate interpreter resources.  
17 A medical cannabis dispensary or clinical registrant shall assume  
18 the cost of providing interpreter services pursuant to this  
19 subsection.

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

1 Regulatory Commission are appointed and the commission first  
2 organizes, the Department of Health shall have full authority to  
3 approve a sale or transfer pursuant to this paragraph.

4 (2) The sale or transfer of any interest of five percent or more in  
5 a medical cannabis cultivator, medical cannabis manufacturer,  
6 medical cannabis dispensary, or clinical registrant permit shall be  
7 subject to approval by the commission and conditioned on the entity  
8 that is purchasing or receiving transfer of the interest in the medical  
9 cannabis cultivator, medical cannabis manufacturer, medical  
10 cannabis dispensary, or clinical registrant permit completing a  
11 criminal history record background check pursuant to the  
12 requirements of subsection d. of this section.

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

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

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

41  
42 11. (New section) a. The commission shall, no later than 90  
43 days after the effective date of P.L. , c. (C. ) (pending  
44 before the Legislature as this bill) or upon adoption of rules and  
45 regulations as provided in subsection c. of section 18 of P.L.2009,  
46 c.307 (C.24:6I-16), whichever occurs later, begin accepting and  
47 processing applications for new medical cannabis cultivator,  
48 medical cannabis manufacturer, and medical cannabis dispensary

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

24 b. The commission may establish nonrefundable application  
25 fees for permit applications and conditional permit applications, and  
26 permit and conditional permit fees for successful applicants.

27 c. (1) The commission shall make a determination as to any  
28 permit application, other than an application for a conditional  
29 permit submitted pursuant to subsection d. of this section, no later  
30 than 90 days after receiving the application, which may include a  
31 determination that the commission reasonably requires more time to  
32 adequately review the application.

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

45 d. (1) The commission shall ensure that at least one third of  
46 the total permits issued for each type of medical cannabis permit are  
47 conditional permits, which one-third figure shall include any  
48 conditional permit issued to an applicant which is subsequently

1 converted by the commission into a full permit pursuant to  
2 paragraph (4) of this subsection and any conditional permit,  
3 including a converted permit, issued to a microbusiness pursuant to  
4 subsection e. of this section. The requirements of this subsection  
5 shall not apply to permits issued to clinical registrants or to permits  
6 issued to the three alternative treatment centers issued a permit  
7 pursuant to subsection a. of this section that are expressly exempt  
8 from the provisions of subsubparagraph (i) of subparagraph (a) of  
9 paragraph (2) of subsection a. of section 7 of P.L.2009, c.307  
10 (C.24:6I-7).

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

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

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

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

26 (d) documentation that each significantly involved person in the  
27 proposed medical cannabis entity has, for the immediately  
28 preceding taxable year, an adjusted gross income of no more than  
29 \$200,000 or no more than \$400,000 if filing jointly with another;

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

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

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

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

44 (i) the plan by which the applicant intends to obtain appropriate  
45 liability insurance coverage for the proposed medical cannabis  
46 entity; and

47 (j) any other requirements established by the commission  
48 pursuant to regulation.

1       (3) The commission shall make a determination on an  
2 application for a conditional permit within 30 days after the date the  
3 application is received. A determination made pursuant to this  
4 paragraph may include a determination that the commission  
5 requires more time to adequately review the application. The  
6 commission shall approve a permit application that meets the  
7 requirements of this subsection unless the commission finds by  
8 clear and convincing evidence that the applicant would be  
9 manifestly unsuitable to perform the activities authorized for the  
10 permit sought by the applicant. The commission shall deny a  
11 conditional permit to any applicant who fails to provide  
12 information, documentation, and assurances as required by this  
13 subsection; who fails to reveal any fact material to qualification; or  
14 who supplies information that is untrue or misleading as to a  
15 material fact pertaining to the qualification criteria for issuance of a  
16 conditional permit. If the application is denied, the commission  
17 shall notify the applicant in writing of the specific reason for its  
18 denial and provide the applicant with the opportunity for a hearing  
19 in accordance with the “Administrative Procedure Act,” P.L.1968,  
20 c.410 (C.52:14B-1 et seq.).

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

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

39       e. (1) The commission shall ensure that at least 10 percent of  
40 the total permits issued for each medical cannabis permit type, other  
41 than a clinical registrant permit, are designated for and only issued  
42 to microbusinesses, and that at least 25 percent of the total permits  
43 issued be issued to microbusinesses. A microbusiness may be  
44 issued a full annual permit pursuant to section 7 of P.L.2009, c.307  
45 (C.24:6I-7) or a conditional permit pursuant to subsection d. of this  
46 section. The maximum fee assessed by the commission for issuance  
47 or renewal of a permit issued to a microbusiness shall be no more  
48 than half the fee applicable to a permit of the same type issued to a

1 person or entity that is not a microbusiness. A permit issued to a  
2 microbusiness shall be valid for one year and may be renewed  
3 annually.

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

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

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

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

16 (d) the microbusiness shall not exceed the following size and  
17 capacity restrictions:

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

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

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

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

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

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

42

43 12. (New section) a. Each application for a medical cannabis  
44 cultivator permit, medical cannabis manufacturer permit, and  
45 medical cannabis dispensary permit, and each application for annual  
46 renewal of such permit, including permit and renewal applications  
47 for microbusinesses that meet the requirements of subsection e. of  
48 section 11 of P.L. , c. (C. ) (pending before the Legislature

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

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

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

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

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

29 (b) conventional horticulture or agriculture, familiarity with  
30 good agricultural practices, and any relevant certifications or  
31 degrees;

32 (c) quality control and quality assurance;

33 (d) recall plans;

34 (e) packaging and labeling;

35 (f) inventory control and tracking software or systems for the  
36 production of medical cannabis;

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

38 (h) water management practices;

39 (i) odor mitigation practices;

40 (j) onsite and offsite recordkeeping;

41 (k) strain variety and plant genetics;

42 (l) pest control and disease management practices, including  
43 plans for the use of pesticides, nutrients, and additives;

44 (m) waste disposal plans; and

45 (n) compliance with applicable laws and regulations.

46 (2) In the case of an applicant for a medical cannabis  
47 manufacturer permit, the operating plan summary shall include a

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

47 (c) a description of the applicant's experience complying with  
48 guidance pertaining to cannabis issued by the Financial Crimes

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

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

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

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

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

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

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

42 (11) Whether the applicant intends to or has entered into a  
43 partnership with a prisoner re-entry program for the purpose of  
44 identifying and promoting employment opportunities at the  
45 applicant’s organization for former inmates and current inmates  
46 leaving the corrections system. If so, the applicant shall provide  
47 details concerning the name of the re-entry program, the  
48 employment opportunities at the applicant’s organization that will

1 be made available to the re-entry population, and any other  
2 initiatives the applicant's organization will undertake to provide  
3 support and assistance to the re-entry population.

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

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

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

31 (2) Applicants that are party to a collective bargaining  
32 agreement with a labor organization that currently represents  
33 cannabis workers in another state.

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

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

40 The requirements of this subsection shall not apply to a  
41 microbusiness applying for a conditional or annual permit of any  
42 type.

43 f. In reviewing an initial permit application, unless the  
44 information is otherwise solicited by the commission in a specific  
45 application question, the commission's evaluation of the application  
46 shall be limited to the experience and qualifications of the  
47 applicant's organization, including any entities with common  
48 ownership or control of the applicant's organization, controlling

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

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

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

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

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

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

29       i. Application materials submitted to the commission pursuant  
30 to this section shall not be considered a public record pursuant to  
31 P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404 (C.47:1A-  
32 5 et al.).

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

1 applications submitted for facilities to be located in the affected  
2 regions.

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

7  
8 13. (New section) a. The commission shall issue clinical  
9 registrant permits to qualified applicants that meet the requirements  
10 of this section. In addition to any other requirements as the  
11 commission establishes by regulation regarding application for and  
12 issuance of a clinical registrant permit, each clinical registrant  
13 applicant shall:

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

17 (2) submit to the commission any required application and  
18 permit fees;

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

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

24 b. The commission shall, no later than 90 days after the  
25 effective date of P.L. , c. (C. ) (pending before the  
26 Legislature as this bill) or upon adoption of rules and regulations as  
27 provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-  
28 16), whichever occurs first, begin accepting and processing  
29 applications for four clinical registrant permits. Thereafter, the  
30 commission shall accept applications for and issue such additional  
31 clinical registrant permits as it determines to be necessary and  
32 consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).  
33 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. In reviewing and approving applications for clinical  
38 registrant permits, the commission shall seek to incorporate the  
39 policies, practices, protocols, standards, and criteria developed by  
40 the Office of Minority, Disabled Veterans, and Women Medical  
41 Cannabis Business Development pursuant to section 32 of P.L. ,  
42 c. (C. ) (pending before the Legislature as this bill) to  
43 promote participation in the medical cannabis industry by persons  
44 from socially and economically disadvantaged communities. In no  
45 case shall the commission accept, process, or approve an  
46 application submitted by an applicant that has contracted with an  
47 academic medical center that is part of a health care system that



1 includes another academic medical center that has contracted with  
2 an applicant for, or a holder of, a clinical registrant permit.

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

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

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

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

39 (3) The commission may authorize a clinical registrant to  
40 dispense medical cannabis and medical cannabis products from  
41 more than one physical location if the commission determines that  
42 authorizing additional dispensing locations is necessary for the  
43 clinical registrant to best serve and treat qualifying patients and  
44 clinical trial participants.

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

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

3 g. Clinical registrant permits shall be valid for the term of the  
4 contractual relationship between the academic medical center and  
5 the clinical registrant. The commission may renew a clinical  
6 registrant permit to correspond to any renewal of the contractual  
7 relationship between the academic medical center and the clinical  
8 registrant.

9 h. Each clinical registrant shall submit the results of the clinical  
10 research obtained through an approved clinical registrant permit to  
11 the commission no later than one year following the conclusion of  
12 the research study or publication of the research study in a peer-  
13 reviewed medical journal. Nothing in this subsection shall be  
14 deemed to require the disclosure of any clinical research that would  
15 infringe on the intellectual property of the clinical registrant or on  
16 the confidentiality of patient information.

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

21

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

40 (2) The commission shall additionally assess the feasibility of  
41 securing State funding to support the award of a monetary grant in  
42 conjunction with the issuance of a cannabis research and  
43 development permit to a successful applicant, following a  
44 competitive application process, as well as assess potential future  
45 regulations to apply to any cannabis research and development  
46 permits that are supported by private investment.

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

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

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

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

26

27 15. (New section) a. A medical cannabis cultivator, medical  
28 cannabis manufacturer, medical cannabis dispensary, or clinical  
29 registrant may appoint a medical advisory board to provide advice  
30 to the medical cannabis cultivator, medical cannabis manufacturer,  
31 medical cannabis dispensary, or clinical registrant on all aspects of  
32 its business.

33 b. A medical advisory board appointed pursuant to this section  
34 shall comprise five members: three health care practitioners  
35 licensed or certified to practice in New Jersey; one qualifying  
36 patient who resides in the same area in which the medical cannabis  
37 cultivator, medical cannabis manufacturer, medical cannabis  
38 dispensary, or clinical registrant is located; and one individual who  
39 owns a business in the same area in which the medical cannabis  
40 cultivator, medical cannabis manufacturer, medical cannabis  
41 dispensary, or clinical registrant is located. No owner, director,  
42 officer, or employee of a medical cannabis cultivator, medical  
43 cannabis manufacturer, medical cannabis dispensary, or clinical  
44 registrant may serve on a medical advisory board. The membership  
45 of a medical advisory board shall be subject to commission  
46 approval.

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

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

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

21       b. (1) A property owner, developer, or operator of a project to  
22       be used, in whole or in part, as a medical cannabis cultivator,  
23       medical cannabis manufacturer, medical cannabis dispensary, or  
24       clinical registrant or an entity that employs medical cannabis  
25       handlers to perform transfers or deliveries of medical cannabis  
26       pursuant to section 27 of P.L.     , c. (C.     ) (pending before the  
27       Legislature as this bill) shall not be eligible for a State or local  
28       economic incentive during the period of time that the economic  
29       incentive is in effect.

30       (2) The issuance of a permit to operate a medical cannabis  
31       cultivator, medical cannabis manufacturer, medical cannabis  
32       dispensary, or clinical registrant or of a certification to a medical  
33       cannabis handler employed by any entity to perform transfers and  
34       deliveries of medical cannabis pursuant to section 27 of P.L.     ,  
35       c. (C.     ) (pending before the Legislature as this bill) at a  
36       location that is the subject of a State or local economic incentive  
37       shall invalidate the right of a property owner, developer, or operator  
38       to benefit from the economic incentive as of the date of issuance of  
39       the permit, except that an academic medical center that has entered  
40       into a contractual relationship with a clinical registrant shall not  
41       have any right to benefit from an economic incentive invalidated  
42       pursuant to this paragraph on the basis of that contractual  
43       relationship.

44       c. As used in this section:

45       "Business" means any non-governmental person, association,  
46       for-profit or non-profit corporation, joint venture, limited liability  
47       company, partnership, sole proprietorship, or other form of business  
48       organization or entity.

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

3 "State or local economic incentive" means a financial incentive,  
4 awarded by a governmental entity to a business, or agreed to  
5 between a governmental entity and a business, for the purpose of  
6 stimulating economic development or redevelopment in New  
7 Jersey, including, but not limited to, a bond, grant, loan, loan  
8 guarantee, matching fund, tax credit, or other tax expenditure.

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

12

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

15 8. The provisions of **【this act】** P.L.2009, c.307 (C.24:6I-  
16 1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.) shall not be  
17 construed to permit a person to:

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

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

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

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

29

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

32 10. a. A **【physician】** health care practitioner shall provide  
33 written instructions for a registered qualifying patient or **【his】** the  
34 patient's designated caregiver, or an institutional caregiver acting  
35 on behalf of the patient, to present to **【an alternative treatment**  
36 **center】** a medical cannabis dispensary or a clinical registrant  
37 concerning the total amount of usable **【marijuana】** cannabis that a  
38 patient may be dispensed, in weight, in a 30-day period, which  
39 amount shall not exceed **【two ounces**. If no amount is noted, the  
40 maximum amount that may be dispensed at one time is two ounces**】**  
41 the maximum amount that may be authorized for the patient  
42 pursuant to subsection f. of this section.

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

1 (1) Each separate set of instructions shall be issued for a  
2 legitimate medical purpose by the **【physician】** health care  
3 practitioner, as provided in **【this act】** P.L.2009, c.307 (C.24:6I-  
4 1 et al.);

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

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

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

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

37 e. Prior to dispensing medical cannabis to a qualifying patient,  
38 the patient's designated caregiver, or an institutional caregiver, the  
39 medical cannabis dispensary or clinical registrant shall access the  
40 system established pursuant to section 11 of P.L.2009, c.307  
41 (C.45:1-45.1) to ascertain whether medical cannabis was dispensed  
42 to or on behalf of the patient by any medical cannabis dispensary or  
43 clinical registrant within the preceding 30 days. Upon dispensing  
44 medical cannabis to a qualifying patient, the patient's designated  
45 caregiver, or an institutional caregiver, the medical cannabis  
46 dispensary or clinical registrant shall transmit to the patient's health

1 care practitioner information concerning the amount, strain, and  
2 form of medical cannabis that was dispensed.

3 f. (1) Except as provided in paragraph (2) of this subsection,  
4 for a period of 18 months after the effective date of P.L. \_\_\_\_\_,  
5 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill), the  
6 maximum amount of usable cannabis that a patient may be  
7 dispensed, in weight, in a 30-day period, shall be three ounces.  
8 Commencing 18 months after the effective date of P.L. \_\_\_\_\_,  
9 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill), the  
10 maximum amount of usable cannabis that a patient may be  
11 dispensed shall prescribed by the commission by regulation.

12 (2) The monthly limits set forth in paragraph (1) of this  
13 subsection shall not apply to patients who are terminally ill or who  
14 are currently receiving hospice care through a licensed hospice,  
15 which patients may be dispensed an unlimited amount of medical  
16 cannabis. Qualifying patients who are not receiving hospice care or  
17 who are not terminally ill may petition the commission, on a form  
18 and in a manner as the commission shall require by regulation, for  
19 an exemption from the monthly limits set forth in paragraph (1) of  
20 this paragraph, which petition the commission shall approve if the  
21 commission finds that granting the exemption is necessary to meet  
22 the patient's treatment needs and is consistent with the provisions of  
23 P.L.2009, c.307 (C.24:6I-1 et al.).

24 g. The commission shall establish, by regulation, curricula for  
25 health care practitioners and for staff at medical cannabis  
26 dispensaries and clinical registrants:

27 (1) The curriculum for health care practitioners shall be  
28 designed to assist practitioners in counseling patients with regard to  
29 the quantity, dosing, and administration of medical cannabis as  
30 shall be appropriate to treat the patient's qualifying medical  
31 condition. Health care practitioners shall complete the curriculum  
32 as a condition of authorizing patients for the medical use of  
33 cannabis; and

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

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

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

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

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

15 i. A municipality in which a medical cannabis dispensary is  
16 located may adopt an ordinance imposing a transfer tax on any  
17 medical cannabis dispensed by the dispensary, including medical  
18 cannabis that is furnished by the dispensary to a medical cannabis  
19 handler for delivery to a registered qualifying patient or the  
20 patient's caregiver. The rate of a transfer tax established pursuant  
21 to this subsection shall be at the discretion of the municipality,  
22 except that in no case shall the rate exceed two percent of the  
23 purchase price of the medical cannabis.

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

25  
26 19. Section 13 of P.L.2009, c.307 (C.24:6I-11) is amended to  
27 read as follows:

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

32 b. All fees collected pursuant to **【this act】** P.L.2009, c.307  
33 (C.24:6I-1 et al.), including those from qualifying patients,  
34 designated and institutional caregivers, and 【alternative treatment  
35 centers'】 initial, modification and renewal applications for  
36 alternative treatment centers, including medical cannabis  
37 cultivators, medical cannabis manufacturers, medical cannabis  
38 dispensaries, and clinical registrants, shall be used to offset the cost  
39 of the 【department's】 commission's administration of the  
40 provisions of 【this act】 P.L.2009, c.307 (C.24:6I-1 et al.).

41 (cf: P.L.2009, c.307, s.13)

42  
43 20. Section 14 of P.L.2009, c.307 (C.24:6I-12) is amended to  
44 read as follows:

45 14. a. The commissioner, or after the effective date of  
46 P.L. , c. (C. ) (pending before the Legislature as this bill), the



1 commission, shall report to the Governor, and to the Legislature  
2 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1):

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

7 (2) annually thereafter on the number of applications for  
8 **【registry identification cards】** registration with the commission, the  
9 number of qualifying patients registered, the number of **【primary】**  
10 designated and institutional caregivers registered, the nature of the  
11 **【debilitating】** qualifying medical conditions of the patients, the  
12 number of **【registry identification cards】** registrations revoked, the  
13 number of **【alternative treatment center】** medical cannabis  
14 cultivator, medical cannabis manufacturer, and medical cannabis  
15 dispensary permits issued and revoked, the number and type of  
16 integrated curricula approved, established, and maintained in  
17 connection with an IC permit, the number of testing laboratories  
18 licensed, the number of clinical registrant permits issued and the  
19 nature of the clinical research conducted by each clinical registrant,  
20 any incidents of diversion of medical cannabis, information  
21 concerning racial, ethnic, disabled veteran, and gender diversity in  
22 the individuals issued and currently holding permits issued by the  
23 commission, the number of permit applications received from  
24 businesses owned by minorities, disabled veterans, and women and  
25 the number of such applications that were approved, the business  
26 development initiatives undertaken by the Office of Minority,  
27 Disabled Veterans, and Women Medical Cannabis Business  
28 Development pursuant to section 32 of P.L. , c. (C. )  
29 (pending before the Legislature as this bill) and the outcomes or  
30 effects of those initiatives, statistics concerning arrests for drug  
31 offenses throughout the State and in areas where medical cannabis  
32 dispensaries are located, including information concerning racial  
33 disparities in arrest rates for drug offenses generally and cannabis  
34 offenses in particular, the number of motor vehicle stops by law  
35 enforcement involving violations of R.S.39:4-50, or section 5 of  
36 P.L.1990, c.103 (C.39:3-10.13) concerning operators of commercial  
37 motor vehicles, for driving under the influence of medical cannabis,  
38 or suspicion thereof, cataloged by the jurisdictions in which the stop  
39 occurred, and the race, ethnicity, gender, and age of the vehicle  
40 driver and any other vehicle occupants, the number of deliveries of  
41 medical cannabis performed and the percentage of total medical  
42 cannabis dispensations that were completed by delivery, and the  
43 number of **【physicians providing certifications for】** health care  
44 practitioners authorizing patients for the medical use of cannabis,  
45 including the types of license or certification held by those  
46 practitioners.

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

3       c. Within two years after the effective date of **【this act】**  
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  
6 P.L. , c. (C. ) (pending before the Legislature as this bill),  
7 the commission, 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  
13 pursuant to **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.) is sufficient  
14 to meet the medical needs of qualifying patients; and determine  
15 whether any **【alternative treatment center】** medical cannabis  
16 cultivator, medical cannabis manufacturer, medical cannabis  
17 dispensary, or clinical registrant has charged excessive prices **【for**  
18 marijuana】 in connection with medical cannabis **【that the center**  
19 dispensed】.

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

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

28

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

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

1 employee of, **alternative treatment centers**, or a significantly  
2 involved person in, medical cannabis cultivators, medical cannabis  
3 manufacturers, and medical cannabis dispensaries pursuant to  
4 section 7 of P.L.2009, c.307 (C.24:6I-7).

5 b. The Division of State Police shall promptly notify the  
6 **Department of Health** Cannabis Regulatory Commission in the  
7 event an applicant seeking to serve as a **primary** designated or  
8 institutional caregiver, an applicant for a license to operate as, or to  
9 be a director, officer, or employee of, a medical cannabis testing  
10 laboratory, an applicant for a permit to operate as, or to be a  
11 director, officer, or employee of, or a significantly involved person  
12 in, a clinical registrant, or an applicant for a permit to operate as, or  
13 to be a director, officer, or employee of, an alternative treatment  
14 center or a significantly involved person in, a medical cannabis  
15 cultivator, medical cannabis manufacturer, or medical cannabis  
16 dispensary, who was the subject of a criminal history record  
17 background check conducted pursuant to subsection a. of this  
18 section, is convicted of a crime involving possession or sale of a  
19 controlled dangerous substance.

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

21  
22 22. Section 16 of P.L.2009, c.307 (C.24:6I-14) is amended to  
23 read as follows:

24 16. Nothing in **this act** P.L.2009, c.307 (C.24:6I-1 et al.) or  
25 P.L.2015, c.158 (C.18A:40-12.22 et al.) shall be construed to  
26 require a government medical assistance program or private health  
27 insurer to reimburse a person for costs associated with the medical  
28 use of **marijuana**, or an employer to accommodate the medical use  
29 of marijuana in any workplace **cannabis**, or to restrict or otherwise  
30 affect the distribution, sale, prescribing, and dispensing of any  
31 product that has been approved for marketing as a prescription drug  
32 or device by the federal Food and Drug Administration.

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

34  
35 23. Section 18 of P.L.2009, c.307 (C.24:6I-16) is amended to  
36 read as follows:

37 18. a. Pursuant to the "Administrative Procedure Act,"  
38 P.L.1968, c.410 (C.52:14B-1 et seq.), the commissioner or, after the  
39 effective date of P.L. , c. (C. ) (pending before the  
40 Legislature as this bill), the commission, shall promulgate rules and  
41 regulations to effectuate the purposes of **this act** P.L.2009, c.307  
42 (C.24:6I-1 et al.), in consultation with the Department of Law and  
43 Public Safety.

44 b. Notwithstanding any provision of P.L.1968, c.410  
45 (C.52:14B-1 et seq.) to the contrary, the commissioner shall adopt,  
46 immediately upon filing with the Office of Administrative Law and  
47 no later than the 90th day after the effective date of **this act**

1 P.L.2009, c.307 (C.24:6I-1 et al.), such regulations as the  
2 commissioner deems necessary to implement the provisions of **【this**  
3 **act】** P.L.2009, c.307 (C.24:6I-1 et al.). Regulations adopted  
4 pursuant to this subsection shall be effective until the adoption of  
5 rules and regulations pursuant to subsection a. of this section and  
6 may be amended, adopted, or readopted by the commissioner in  
7 accordance with the requirements of P.L.1968, c.410 (C.52:14B-  
8 1 et seq.).

9 c. No later than 180 days after the effective date of  
10 P.L. , c. (C. ) (pending before the Legislature as this bill),  
11 the commission shall promulgate rules and regulations to effectuate  
12 the purposes of P.L. , c. (C. ) (pending before the  
13 Legislature as this bill). Rules and regulations adopted pursuant to  
14 this subsection shall, at a minimum:

15 (1) Specify the number of new medical cannabis cultivator,  
16 medical cannabis manufacturer, and medical cannabis dispensary  
17 permits the commission will issue in the first year next following  
18 the effective date of P.L. , c. (C. ) (pending before the  
19 Legislature as this bill); and

20 (2) Establish recommended dosage guidelines for medical  
21 cannabis in each form available to qualifying patients that are  
22 equivalent to one ounce of medical cannabis in dried form. The  
23 commission shall periodically review and update the dosage  
24 guidelines as appropriate, including to establish dosage guidelines  
25 for new forms of medical cannabis that become available.

26 d. The commission may convene a task force comprised of  
27 individuals with expertise in matters pertaining to the medical  
28 cannabis industry to make recommendations to the commission  
29 concerning the content of rules and regulations adopted by the  
30 commission to implement the provisions of P.L.2009, c.307  
31 (C.24:6I-1 et al.) and P.L. , c. (C. ) (pending before the  
32 Legislature as this bill).

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

34  
35 24. (New section) a. Each batch of medical cannabis cultivated  
36 by a medical cannabis cultivator or a clinical registrant and each  
37 batch of a medical cannabis product produced by a medical  
38 cannabis manufacturer or a clinical registrant shall be tested in  
39 accordance with the requirements of section 26 of  
40 P.L. , c. (C. ) (pending before the Legislature as this bill) by  
41 a laboratory licensed pursuant to section 25 of P.L. , c. (C. )  
42 (pending before the Legislature as this bill). The laboratory  
43 performing the testing shall produce a written report detailing the  
44 results of the testing, a summary of which shall be included in any  
45 packaging materials for medical cannabis and medical cannabis  
46 products dispensed to qualifying patients and their designated and

1 institutional caregivers. The laboratory may charge a reasonable  
2 fee for any test performed pursuant to this section.

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

10

11 25. (New section) a. A laboratory that performs testing services  
12 pursuant to section 24 of P.L. , c. (C. ) (pending before the  
13 Legislature as this bill) shall be licensed by the commission and  
14 may be subject to inspection by the commission to determine the  
15 condition and calibration of any equipment used for testing  
16 purposes and to ensure that testing is being performed in  
17 accordance with the requirements of section 26 of  
18 P.L. , c. (C. ) (pending before the Legislature as this bill).  
19 Each applicant for licensure pursuant to this section shall submit an  
20 attestation signed by a bona fide labor organization stating that the  
21 applicant has entered into a labor peace agreement with such bona  
22 fide labor organization. The maintenance of a labor peace  
23 agreement with a bona fide labor organization shall be an ongoing  
24 material condition of maintaining a license to test medical cannabis.

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

27 c. A person who has been convicted of a crime involving any  
28 controlled dangerous substance or controlled substance analog as  
29 set forth in chapter 35 of Title 2C of the New Jersey Statutes except  
30 paragraph (4) of subsection a. of N.J.S.2C:35-10, or any similar law  
31 of the United States or any other state shall not be issued a license  
32 to operate as or be a director, officer, or employee of a medical  
33 cannabis testing laboratory, unless such conviction occurred after  
34 the effective date of P.L.2009, c.307 (C.24:6I-1 et al.) and was for a  
35 violation of federal law relating to possession or sale of cannabis  
36 for conduct that is authorized under P.L.2009, c.307 (C.24:6I-  
37 1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

38 d. (1) The commission shall require each applicant for  
39 licensure as a medical cannabis testing laboratory to undergo a  
40 criminal history record background check, except that no criminal  
41 history record background check shall be required for an applicant  
42 who completed a criminal history record background check as a  
43 condition of professional licensure or certification.

44 For purposes of this section, the term "applicant" shall include  
45 any owner, director, officer, or employee of a medical cannabis  
46 testing laboratory. The commission is authorized to exchange  
47 fingerprint data with and receive criminal history record  
48 background information from the Division of State Police and the  
49 Federal Bureau of Investigation consistent with the provisions of

1 applicable federal and State laws, rules, and regulations. The  
2 Division of State Police shall forward criminal history record  
3 background information to the commission in a timely manner  
4 when requested pursuant to the provisions of this section.

5 An applicant who is required to undergo a criminal history  
6 record background check pursuant to this section shall submit to  
7 being fingerprinted in accordance with applicable State and federal  
8 laws, rules, and regulations. No check of criminal history record  
9 background information shall be performed pursuant to this section  
10 unless the applicant has furnished the applicant's written consent to  
11 that check. An applicant who is required to undergo a criminal  
12 history record background check pursuant to this section who  
13 refuses to consent to, or cooperate in, the securing of a check of  
14 criminal history record background information shall not be  
15 considered for a license to operate, or authorization to be employed  
16 at, a medical cannabis testing laboratory. An applicant shall bear  
17 the cost for the criminal history record background check, including  
18 all costs of administering and processing the check.

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

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

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

34 (4) The Division of State Police shall promptly notify the  
35 commission in the event that an individual who was the subject of a  
36 criminal history record background check conducted pursuant to  
37 this section is convicted of a crime or offense in this State after the  
38 date the background check was performed. Upon receipt of that  
39 notification, the commission shall make a determination regarding  
40 the continued eligibility to operate or be a director, officer, or  
41 employee of a medical cannabis testing laboratory.

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

49 (6) Notwithstanding the provisions of subsection c. of this  
50 section to the contrary, no applicant to be an owner, director,

1 officer, or employee of a medical cannabis testing laboratory shall  
2 be disqualified on the basis of any conviction disclosed by a  
3 criminal history record background check conducted pursuant to  
4 this section if the individual has affirmatively demonstrated to the  
5 commission clear and convincing evidence of rehabilitation. In  
6 determining whether clear and convincing evidence of rehabilitation  
7 has been demonstrated, the following factors shall be considered:

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

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

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

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

14 (e) the age of the individual when the crime or offense was  
15 committed;

16 (f) whether the crime or offense was an isolated or repeated  
17 incident;

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

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

26  
27 26. (New section) a. The commission shall establish, by  
28 regulation, standardized requirements and procedures for testing  
29 medical cannabis and medical cannabis products.

30 b. Any test performed on medical cannabis or on a medical  
31 cannabis product shall include liquid chromatography analysis to  
32 determine chemical composition and potency, and, at a minimum,  
33 screening for each of the following:

34 (1) microbial contamination;

35 (2) foreign material;

36 (3) residual pesticides;

37 (4) other agricultural residue and residual solvents; and

38 (5) heavy metals.

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

43 d. As a condition of licensure, each laboratory shall certify its  
44 intention to seek third party accreditation in accordance with ISO  
45 17025 standards in order to ensure equipment is routinely inspected,  
46 calibrated, and maintained until such time as the commission issues  
47 its own standards or confirms the use of ISO 17025.

48 e. Until such time as the commission establishes the standards  
49 required by this section, a licensed laboratory shall utilize the

1 testing standards established by another state with a medical  
2 cannabis program, which state shall be designated by the  
3 commission.

4  
5 27. (New section) a. An individual who performs work for or  
6 on behalf of a medical cannabis cultivator, medical cannabis  
7 manufacturer, or medical cannabis dispensary, issued a permit  
8 pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), a clinical  
9 registrant issued a permit pursuant to section 13 of P.L. ,  
10 c. (C. ) (pending before the Legislature as this bill), or a  
11 testing laboratory licensed pursuant to section 25 of P.L. , c.  
12 (C. ) (pending before the Legislature as this bill) shall hold a  
13 valid medical cannabis handler certification issued by the  
14 commission pursuant to this section if the individual participates in  
15 any activity involving obtaining, possessing, cultivating,  
16 processing, manufacturing, creating, testing, transporting,  
17 transferring, relocating, dispensing, or delivering medical cannabis.

18 b. An entity issued a permit pursuant to section 7 of P.L.2009,  
19 c.307 (C.24:6I-7) or section 13 of P.L. , c. (C. ) (pending  
20 before the Legislature as this bill) or a license pursuant to section  
21 25 of P.L. , c. (C. ) (pending before the Legislature as this  
22 bill) shall verify that, before allowing any individual to perform any  
23 work described in subsection a. of this section at the premises for  
24 which the permit has been issued, the individual holds a valid  
25 medical cannabis handler certification issued pursuant to this  
26 section.

27 c. The commission shall issue medical cannabis handler  
28 certifications to qualified applicants to perform work described in  
29 subsection a. of this section. The commission shall adopt rules and  
30 regulations establishing: the qualifications for performing work  
31 described in subsection a. of this section; the terms of a medical  
32 cannabis handler certification issued pursuant to this section;  
33 procedures for applying for and renewing a medical cannabis  
34 handler certification issued pursuant to this section; and reasonable  
35 application, issuance, and renewal fees for a medical cannabis  
36 handler certification issued pursuant to this section.

37 d. The commission may require an individual applying for a  
38 medical cannabis handler certification under this section to  
39 successfully complete a course, to be made available by or through  
40 the commission, in which the individual receives training on:  
41 verifying the registration status of patients, designated caregivers,  
42 and institutional caregivers; handling medical cannabis; statutory  
43 and regulatory provisions relating to medical cannabis; and any  
44 matter deemed necessary by the commission to protect the public  
45 health and safety. The commission or other provider may charge a  
46 reasonable fee for the course.

47 The commission shall not require an individual to successfully  
48 complete the course required pursuant to this subsection more than



1 once, except that the commission may adopt regulations directing  
2 continuing education training on a prescribed schedule. The course  
3 may comprise part of the eight hours of training required for  
4 employees of medical cannabis cultivators, medical cannabis  
5 manufacturers, medical cannabis dispensaries, and clinical  
6 registrants pursuant to paragraph (1) of subsection j. of section 7 of  
7 P.L.2009, c.307 (C.24:6I-7).

8 As part of a final order suspending a medical cannabis handler  
9 certification issued pursuant to this section, the commission may  
10 require the holder of a medical cannabis handler certification to  
11 successfully complete the course described in this subsection as a  
12 condition of lifting the suspension; and as part of a final order  
13 revoking a medical cannabis handler certification issued pursuant to  
14 this section, the commission shall require an individual to  
15 successfully complete the course described in this subsection prior  
16 to applying for a new medical cannabis handler certification.

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

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

31 g. A medical cannabis handler certification issued pursuant to  
32 this section is a personal privilege and permits work described in  
33 subsection a. of this section only for the individual who holds the  
34 certification.

35 h. The commission shall enact rules and regulations governing  
36 the transfer of medical cannabis and medical cannabis products  
37 between medical cannabis cultivators, medical cannabis  
38 manufacturers, medical cannabis dispensaries, clinical registrants,  
39 and testing laboratories, which regulations shall require, at a  
40 minimum:

41 (1) Transfer of medical cannabis and medical cannabis products  
42 shall be made directly to the medical cannabis cultivator, medical  
43 cannabis manufacturer, medical cannabis dispensary, clinical  
44 registrant, or testing laboratory receiving the medical cannabis or  
45 medical cannabis product.

46 (2) Transfers shall be performed by a medical cannabis handler  
47 who is certified by the department to perform transfers and is at  
48 least 18 years of age. Transfers of medical cannabis may be

1 performed by a medical cannabis handler who is an employee of the  
2 medical cannabis cultivator, medical cannabis manufacturer,  
3 medical cannabis dispensary, or clinical registrant providing or  
4 receiving the transfer or by an independent third party who has  
5 entered into a contract with a medical cannabis cultivator, medical  
6 cannabis manufacturer, medical cannabis dispensary, or clinical  
7 registrant to perform transfers of medical cannabis, which contract  
8 may provide for a one-time transfer of medical cannabis or for  
9 ongoing transfers of medical cannabis. A medical cannabis handler  
10 holding a transfer certification issued by the commission may  
11 simultaneously hold a delivery certification issued by the  
12 commission, subject to the requirements of paragraph (2) of  
13 subsection i. of this section.

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

17 (4) All transfers of medical cannabis shall be made in person. A  
18 transfer of medical cannabis shall not be made through the use of an  
19 unmanned vehicle.

20 (5) Each certified medical cannabis handler shall carry a copy of  
21 the individual's medical cannabis handler certification card and  
22 transfer certification card when performing a transfer. The medical  
23 cannabis handler shall present the certification cards upon request  
24 to State and local law enforcement and to State and local regulatory  
25 authorities and agencies.

26 (6) Each certified medical cannabis handler engaged in a  
27 transfer of medical cannabis shall have access to a secure form of  
28 communication with the medical cannabis cultivator, medical  
29 cannabis manufacturer, medical cannabis dispensary, or clinical  
30 registrant that furnished the medical cannabis to the handler for  
31 transfer, such as a cellular telephone, at all times that the handler is  
32 in possession of medical cannabis for transfer.

33 (7) During transfer, the certified medical cannabis handler shall  
34 maintain a physical or electronic copy of the transfer order, and  
35 shall make it available upon request to State and local law  
36 enforcement and to State and local regulatory authorities and  
37 agencies.

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

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

44 (10) A transfer vehicle shall contain a Global Positioning  
45 System (GPS) device for identifying the geographic location of the  
46 vehicle. The device shall be either permanently or temporarily  
47 affixed to the vehicle while the vehicle is in operation, and the  
48 device shall remain active and in the possession of the certified

1 medical cannabis handler at all times while the vehicle is being  
2 used for the transfer of medical cannabis. At all times, the medical  
3 cannabis cultivator, medical cannabis manufacturer, medical  
4 cannabis dispensary, or clinical registrant that furnished the medical  
5 cannabis to the handler for transfer shall be able to identify the  
6 geographic location of all vehicles that are making transfers for that  
7 entity and shall provide that information to the commission upon  
8 request.

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

15 (12) Each medical cannabis cultivator, medical cannabis  
16 manufacturer, medical cannabis dispensary, and clinical registrant  
17 that engages in, or contracts with an independent third party to  
18 perform, transfers of medical cannabis shall maintain current hired  
19 and non-owned automobile liability insurance sufficient to insure  
20 all transfer vehicles in the amount of not less than \$1,000,000 per  
21 occurrence or accident.

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

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

27 (15) While performing transfers of medical cannabis, a certified  
28 medical cannabis handler shall only travel from the premises of the  
29 medical cannabis cultivator, medical cannabis manufacturer,  
30 medical cannabis dispensary, or clinical registrant furnishing the  
31 medical cannabis to the transfer address; from one transfer address  
32 to another transfer address; from a testing laboratory back to the  
33 medical cannabis cultivator, medical cannabis manufacturer, or  
34 clinical registrant that furnished the medical cannabis for testing  
35 purposes, or from a transfer address back to the premises of the  
36 medical cannabis handler's employer. A medical cannabis handler  
37 shall not deviate from the route described in this paragraph, except  
38 in the event of emergency or as necessary for rest, fuel, or vehicle  
39 repair stops, or because road conditions make continued use of the  
40 route or operation of the vehicle unsafe, impossible, or  
41 impracticable.

42 (16) The process of transfer shall begin when the certified  
43 medical cannabis handler leaves the premises of the medical  
44 cannabis cultivator, medical cannabis manufacturer, medical  
45 cannabis dispensary, clinical registrant, or testing laboratory with  
46 medical cannabis for transfer. The process of transferring medical  
47 cannabis ends when the medical cannabis handler returns to the

1 premises of the medical cannabis handler's employer after  
2 completing the transfer.

3 (17) Each medical cannabis handler performing transfers of  
4 medical cannabis shall maintain a record of each transfer in a log,  
5 which may be written or electronic. For each transfer, the log shall  
6 record:

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

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

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

11 (d) The signature and employee identification number of the  
12 employee accepting the transfer.

13 (18) A medical cannabis handler shall report any vehicle  
14 accidents, diversions, losses, or other reportable events that occur  
15 during transfer of medical cannabis to the appropriate State and  
16 local authorities, including the commission. A medical cannabis  
17 cultivator, medical cannabis manufacturer, medical cannabis  
18 dispensary, or clinical registrant furnishing medical cannabis for  
19 transfer or accepting the transfer of medical cannabis shall have no  
20 criminal liability for any vehicle accidents, diversions, losses, or  
21 other reportable events that occur during the transfer.

22 i. The commission shall enact rules and regulations governing  
23 the delivery of medical cannabis, including medical cannabis  
24 products, to a registered qualifying patient, designated caregiver, or  
25 institutional caregiver by a medical cannabis dispensary, which  
26 regulations shall require, at a minimum:

27 (1) Delivery of medical cannabis shall only be made to a  
28 registered qualifying patient at the patient's home or secondary  
29 address, to the patient's designated caregiver at the caregiver's  
30 home address, or directly to the patient's institutional caregiver at  
31 the health care facility where the patient is a current patient or  
32 resident; except that the commission shall establish a process for  
33 registered qualifying patients to request delivery directly to the  
34 patient at an alternate address in cases of need.

35 (2) Deliveries shall be performed by a medical cannabis handler  
36 who is certified by the department to perform deliveries and is at  
37 least 18 years of age. Deliveries may be performed by an employee  
38 of a medical cannabis dispensary or clinical registrant or by an  
39 independent third party who has entered into a contract with a  
40 medical cannabis dispensary or clinical registrant to perform  
41 deliveries of medical cannabis, which contract may provide for a  
42 one-time delivery or for ongoing deliveries of medical cannabis. A  
43 medical cannabis handler holding a delivery certification issued by  
44 the commission may simultaneously hold a transfer certification  
45 issued by the commission.

46 (3) Medical cannabis shall not be delivered to an address located  
47 on land owned by the federal government or any address on land or  
48 in a building leased by the federal government.

1 (4) All deliveries of medical cannabis shall be made in person.  
2 Delivery of medical cannabis shall not be made through the use of  
3 an unmanned vehicle.

4 (5) Each certified medical cannabis handler shall carry a copy of  
5 the individual's medical cannabis handler certification card and  
6 delivery certification card when performing a delivery of medical  
7 cannabis. The medical cannabis handler shall present the  
8 certification cards upon request to State and local law enforcement  
9 and to State and local regulatory authorities and agencies.

10 (6) Each certified medical cannabis handler engaged in a  
11 delivery of medical cannabis shall have access to a secure form of  
12 communication with the medical cannabis dispensary or clinical  
13 registrant that furnished the medical cannabis to the handler for  
14 delivery, such as a cellular telephone, at all times that the handler is  
15 in possession of medical cannabis for delivery.

16 (7) During delivery, the certified medical cannabis handler shall  
17 maintain a physical or electronic copy of the delivery request, and  
18 shall make it available upon request to State and local law  
19 enforcement and to State and local regulatory authorities and  
20 agencies.

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

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

27 (10) A delivery vehicle shall contain a Global Positioning  
28 System (GPS) device for identifying the geographic location of the  
29 vehicle. The device shall be either permanently or temporarily  
30 affixed to the vehicle while the vehicle is in operation, and the  
31 device shall remain active and in the possession of the certified  
32 medical cannabis handler at all times during which the vehicle is  
33 engaged in the delivery of medical cannabis. At all times, the  
34 medical cannabis dispensary or clinical registrant that furnished the  
35 medical cannabis to the handler for delivery shall be able to identify  
36 the geographic location of all vehicles that are making deliveries for  
37 that entity and shall provide that information to the commission  
38 upon request.

39 (11) Each entity that employs a medical cannabis handler  
40 certified to deliver medical cannabis shall provide the commission  
41 with current information concerning all vehicles utilized for  
42 medical cannabis deliveries, including each vehicle's make, model,  
43 color, Vehicle Identification Number, license plate number, and  
44 vehicle registration.

45 (12) A medical cannabis dispensary or clinical registrant  
46 furnishing medical cannabis to a medical cannabis handler for  
47 delivery shall maintain current hired and non-owned automobile

1 liability insurance sufficient to insure all delivery vehicles in the  
2 amount of not less than \$1,000,000 per occurrence or accident.

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

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

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

19 (16) The process of delivery shall begin when the certified  
20 medical cannabis handler leaves the premises of the medical  
21 cannabis dispensary or clinical registrant with medical cannabis for  
22 delivery. The process of delivering medical cannabis ends when the  
23 medical cannabis handler returns to the premises of the medical  
24 cannabis handler's employer after completing the delivery.

25 (17) Each medical cannabis handler performing deliveries of  
26 medical cannabis shall maintain a record of each delivery in a log,  
27 which may be written or electronic. For each delivery, the log shall  
28 record:

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

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

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

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

35 (18) A medical cannabis handler shall report any vehicle  
36 accidents, diversions, losses, or other reportable events that occur  
37 during delivery of medical cannabis to the appropriate State and  
38 local authorities, including the commission. A medical cannabis  
39 dispensary or clinical registrant furnishing medical cannabis for  
40 delivery shall have no criminal liability for any vehicle accidents,  
41 diversions, losses, or other reportable events that occur during  
42 delivery after such time as the dispensary or clinical registrant, as  
43 applicable, furnishes medical cannabis for delivery.

44 (19) A medical cannabis dispensary or clinical registrant shall be  
45 authorized to use any medical cannabis handler employed by the  
46 dispensary or clinical registrant or any independent third party  
47 medical cannabis handler that is not employed by a medical  
48 cannabis dispensary or clinical registrant for the purposes of

1 delivering medical cannabis, and, subject to the requirements of  
2 paragraph (2) of this subsection, an independent third party medical  
3 cannabis handler possessing a delivery certification who is not  
4 employed by any medical cannabis dispensary or clinical registrant  
5 shall be authorized to provide medical cannabis transport services  
6 to any medical cannabis dispensary or clinical registrant.

7 j. Medical cannabis may be transferred or delivered, consistent  
8 with the requirements of subsections h. and i. of this section,  
9 respectively, to any location in the State. In no case may a  
10 municipality restrict transfers or deliveries of medical cannabis  
11 within that municipality by adoption of municipal ordinance or any  
12 other measure, and any restriction to the contrary shall be deemed  
13 void and unenforceable.

14 k. The commission may authorize the use of an Internet-based  
15 web service developed and maintained by an independent third  
16 party entity that does not hold any permit, license, or certificate  
17 issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and is not a  
18 significantly involved person or other investor in any permit holder,  
19 which web service may be used by registered qualifying patients,  
20 designated caregivers, and institutional caregivers to request or  
21 schedule deliveries of medical cannabis pursuant to subsection i. of  
22 this section.

23

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

29 b. Applications for an endorsement pursuant to this section  
30 shall be made to the commission in a form and manner as shall be  
31 prescribed the commission and shall set forth such information as  
32 the commission may require. Each application shall be verified by  
33 the oath or affirmation of such persons as the commission may  
34 prescribe. The endorsement shall be conditioned upon approval by  
35 a municipality. An applicant is prohibited from operating a  
36 cannabis consumption area without State and local approval. If the  
37 applicant does not receive approval from the municipality within  
38 one year after the date of State approval, the State endorsement  
39 shall expire and may not be renewed. If an application is denied by  
40 the municipality or the approval of the municipality is revoked, the  
41 commission shall revoke the State endorsement. Any person  
42 aggrieved by the local denial of an endorsement application may  
43 request a hearing in the Superior Court of the county in which the  
44 application was filed. The request for a hearing shall be filed  
45 within 30 days after the date the application was denied. The  
46 person shall serve a copy of the person's request for a hearing upon  
47 the appropriate officer for the municipality that denied the  
48 application. The hearing shall be held and a record made thereof

1 within 30 days after the receipt of the application for a hearing. No  
2 formal pleading and no filing fee shall be required for the hearing.

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

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

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

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

17 (c) the premises have been operated in a manner that adversely  
18 affects the public health or the safety of the immediate  
19 neighborhood in which the medical cannabis consumption area is  
20 located.

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

26 d. A medical cannabis consumption area endorsement shall be  
27 valid for one year and may be renewed annually, subject to the  
28 approval of the commission and the municipality as set forth in this  
29 section. The commission shall establish by rule the amount of the  
30 application fee and renewal fee for the endorsement, which shall not  
31 exceed the administrative cost for processing and reviewing the  
32 application.

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

36 f. A medical cannabis consumption area shall be located on the  
37 premises of a medical cannabis dispensary or clinical registrant,  
38 may be indoors or outdoors, and shall be designated by conspicuous  
39 signage.

40 (1) An indoor medical cannabis consumption area shall be a  
41 structurally enclosed area within a medical cannabis dispensary or  
42 clinical registrant facility that is separated by solid walls or  
43 windows from the area in which medical cannabis is dispensed and  
44 shall only be accessible through an interior door after first entering  
45 the facility.

46 (2) An outdoor medical cannabis consumption area shall be an  
47 exterior structure on the same premises as the medical cannabis  
48 dispensary or clinical registrant facility, that is either separate from



1 or connected to the facility, and that is not required to be  
2 completely enclosed, but shall have sufficient walls, fences, or other  
3 barriers to prevent any view of patients consuming medical  
4 cannabis from any sidewalk or other pedestrian or non-motorist  
5 right-of-way, as the case may be, within the consumption area.

6 (3) Nothing in this subsection shall be construed to authorize the  
7 consumption of medical cannabis by smoking in any indoor public  
8 place or workplace, as those terms are defined in subsection 3 of  
9 P.L.2005, c.383 (C.26:3D-57), and the medical cannabis dispensary  
10 or clinical registrant operating the consumption area shall ensure  
11 that any smoking of medical cannabis that occurs in an outdoor  
12 medical cannabis consumption area does not result in migration,  
13 seepage, or recirculation of smoke to any indoor public place or  
14 workplace. The commission may require a consumption area to  
15 include any ventilation features as the commission deems necessary  
16 and appropriate.

17 g. (1) A medical cannabis dispensary or clinical registrant  
18 holding a medical cannabis consumption area endorsement, and the  
19 employees of the dispensary or clinical registrant, subject to any  
20 regulations for medical cannabis consumption areas promulgated by  
21 the commission, may permit a person to bring medical cannabis into  
22 a medical cannabis consumption area.

23 (2) A medical cannabis dispensary or clinical registrant holding  
24 a medical cannabis consumption area endorsement shall not sell  
25 alcohol, including fermented malt beverages or malt, vinous, or  
26 spirituous liquor, sell tobacco or nicotine products, or allow the  
27 consumption of alcohol, tobacco, or nicotine products on premises,  
28 or operate as a retail food establishment.

29 (3) A medical cannabis dispensary or clinical registrant holding  
30 a medical cannabis consumption area endorsement shall not allow  
31 on-duty employees of the establishment to consume any medical  
32 cannabis in the consumption area.

33 h. Access to a medical cannabis consumption area shall be  
34 restricted to employees of the medical cannabis dispensary or  
35 clinical registrant and to registered qualified patients and their  
36 designated caregivers.

37 i. When a patient leaves a medical cannabis consumption area,  
38 the establishment shall ensure any remaining unconsumed medical  
39 cannabis that is not taken by the patient or the patient's designated  
40 caregiver is destroyed.

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

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

44 (2) may remove an individual from the establishment for any  
45 reason;

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

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

5 k. If an emergency requires law enforcement, firefighters,  
6 emergency medical services providers, or other public safety  
7 personnel to enter a medical cannabis consumption area, employees  
8 of the establishment shall prohibit on-site consumption of medical  
9 cannabis until such personnel have completed their investigation or  
10 services and have left the premises.

11  
12 29. (New section) a. (1) The commission shall develop and  
13 maintain a system for tracking the cultivation of medical cannabis,  
14 the manufacturing of medical cannabis products, the transfer of  
15 medical cannabis and medical cannabis products between medical  
16 cannabis cultivators, medical cannabis manufacturers, medical  
17 cannabis dispensaries, clinical registrants, and testing laboratories  
18 as authorized pursuant to paragraph (5) of subsection a. of section 7  
19 of P.L.2009, c.307 (C.24:6I-7) and subsection h. of section 27 of  
20 P.L. , c. (C. ) (pending before the Legislature as this bill),  
21 and the dispensing or delivery of medical cannabis to registered  
22 qualifying patients, designated caregivers, and institutional  
23 caregivers.

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

29 (a) The commission, in consultation with the Director of the  
30 Division of Taxation, shall secure stamps based on the designs,  
31 specifications, and denominations prescribed by the commission in  
32 regulation, and which incorporate encryption, security, and  
33 counterfeit-resistant features to prevent the unauthorized  
34 duplication or counterfeiting of any stamp. The stamp shall be  
35 readable by a scanner or similar device that may be used by the  
36 commission, the Director of the Division of Taxation, and medical  
37 cannabis cultivators, medical cannabis manufacturers, medical  
38 cannabis dispensaries, or clinical registrants.

39 (b) The commission, and the Director of the Division of  
40 Taxation if authorized by the commission, shall make stamps  
41 available for purchase by medical cannabis cultivators, medical  
42 cannabis manufacturers, and clinical registrants, which shall be the  
43 only entities authorized to affix a stamp to a container or package  
44 for medical cannabis in accordance with applicable regulations  
45 promulgated by the commission in consultation with the Director of  
46 the Division of Taxation. The price charged by the commission to  
47 medical cannabis cultivators, medical cannabis manufacturers, and  
48 clinical registrants for a stamp required pursuant to this paragraph

1 shall be reasonable and commensurate with the cost of producing  
2 the stamp.

3 (c) A medical cannabis cultivator, medical cannabis  
4 manufacturer, medical cannabis dispensary, clinical registrant, or  
5 certified medical cannabis handler shall not purchase, sell, offer for  
6 sale, transfer, transport, or deliver any medical cannabis unless a  
7 stamp is properly affixed to the container or package for the  
8 medical cannabis.

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

11 (1) preventing the diversion of medical cannabis to criminal  
12 enterprises, gangs, cartels, persons not authorized to possess  
13 medical cannabis, and other states;

14 (2) preventing persons from substituting or tampering with  
15 medical cannabis;

16 (3) ensuring an accurate accounting of the cultivation,  
17 manufacturing, transferring, dispensing, and delivery of medical  
18 cannabis;

19 (4) ensuring that the testing results from licensed testing  
20 laboratories are accurately reported; and

21 (5) ensuring compliance with the rules and regulations adopted  
22 by the commission and any other law of this State that charges the  
23 commission with a duty, function, or power related to medical  
24 cannabis.

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

27 (1) the propagation of immature medical cannabis plants and the  
28 production of medical cannabis by a medical cannabis cultivator;

29 (2) the utilization of medical cannabis in the manufacture,  
30 production, and creation of medical cannabis products by a medical  
31 cannabis manufacturer;

32 (3) the transfer of medical cannabis and medical cannabis  
33 products to and from licensed testing laboratories for testing  
34 purposes;

35 (4) the dispensing of medical cannabis by a medical cannabis  
36 dispensary or clinical registrant;

37 (5) the furnishing of medical cannabis by a medical cannabis  
38 dispensary or clinical registrant to a medical cannabis handler for  
39 delivery;

40 (6) the delivery of medical cannabis by a medical cannabis  
41 handler;

42 (7) the purchase, sale, or other transfer of medical cannabis and  
43 medical cannabis products between medical cannabis cultivators,  
44 medical cannabis manufacturers, medical cannabis dispensaries, and  
45 clinical registrants as authorized pursuant to paragraph (5) of  
46 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and  
47 subsection h. of section 27 of P.L. , c. (C. ) (pending before  
48 the Legislature as this bill); and

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

5 30. (New section) The commission may waive any requirement  
6 of P.L.2009, c.307 (C.24:6I-1 et al.) if the commission determines  
7 that granting the waiver is necessary to achieve the purposes of  
8 P.L.2009, c.307 (C.24:6I-1 et al.) and provide access to patients  
9 who would not otherwise qualify for the medical use of cannabis to  
10 alleviate suffering from a diagnosed medical condition, and does  
11 not create a danger to the public health, safety, or welfare.  
12

13 31. (New section) a. The Cannabis Regulatory Commission is  
14 hereby created in, but not of, the Department of the Treasury, to  
15 assume all powers, duties, and responsibilities with regard to the  
16 regulation and oversight of activities authorized pursuant to  
17 P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health  
18 for the further development, expansion, regulation, and enforcement  
19 of activities associated with the medical use of cannabis pursuant  
20 P.L.2009, c.307 (C.24:6I-1 et al.). All powers, duties, and  
21 responsibilities with regard to the regulation and oversight of  
22 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)  
23 shall be transferred from the Department of Health to the Cannabis  
24 Regulatory Commission at such time as the members of the  
25 commission are appointed as provided in subsection b. of this  
26 section and the commission first organizes. Thereafter, any  
27 reference to the Department of Health or the Commissioner of  
28 Health in any statute or regulation pertaining to the provisions of  
29 P.L.2009, c.307 (C.24:6I-1 et al.) shall be deemed to refer to the  
30 Cannabis Regulatory Commission. The provisions of this  
31 subsection shall be carried out in accordance with the "State  
32 Agency Transfer Act," P.L.1971, c.375 (C.52:14D-1 et seq.).

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

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

39 (a) One member shall be appointed upon recommendation of the  
40 Senate President;

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

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

45 (3) Initial appointments of commission members pursuant to  
46 paragraph (2) of this subsection shall not require the advice and  
47 consent of the Senate. Subsequent appointments made pursuant to  
48 subparagraph (c) of paragraph (2) of this subsection, including

1 reappointments of members initially appointed, shall be made with  
2 the advice and consent of the Senate. Subsequent appointments  
3 made pursuant to subparagraphs (a) and (b) of paragraph (2) of this  
4 subsection shall be made in the same manner as the original  
5 appointment.

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

17 (5) The chair and the other members shall serve for terms of five  
18 years; provided that, for the two other members initially appointed  
19 by the Governor without any needed recommendation, one shall be  
20 appointed for a term of four years, and one shall be appointed for a  
21 term of three years. The chair and the other members shall serve in  
22 their respective capacities throughout their entire term and until  
23 their successors shall have been duly appointed and qualified. Any  
24 vacancy in the commission occurring for any reason other than the  
25 expiration of a term, including a vacancy occurring during the term  
26 of the initial chair or another initial member, shall be filled in  
27 accordance with the requirements for subsequent appointments set  
28 forth in paragraph (3) of this subsection for the remainder of the  
29 unexpired term only.

30 (6) The chair and other members of the commission shall devote  
31 full time to their respective duties of office and shall not pursue or  
32 engage in any other business, occupation, or gainful employment.  
33 Each member shall receive an annual salary to be fixed and  
34 established by the Governor, which for the chair shall not exceed  
35 \$141,000, and for the other members shall not exceed \$125,000.

36 (7) The members of the commission, at the commission's first  
37 meeting when called by the chair, shall elect, by a majority of the  
38 total authorized membership of the commission, one of the  
39 members who is appointed based upon the recommendation of the  
40 Senate President or Speaker of the General Assembly as set forth in  
41 paragraph (2) of this subsection to serve as vice-chair during that  
42 member's term. A new vice-chair shall be elected upon the  
43 expiration of the current vice-chair's term, even if that member  
44 remains on the commission until that member's successor is duly  
45 appointed and qualified. The vice-chair shall be empowered to  
46 carry out all of the responsibilities of the chair during the chair's  
47 absence, disqualification, or inability to serve.

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

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

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

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

26 (a) The initial executive director shall be appointed by the  
27 Governor, and thereafter every subsequent executive director shall  
28 be appointed by the Governor with the advice and consent of the  
29 Senate. The executive director shall serve at the pleasure of the  
30 appointing Governor during the Governor's term of office and until  
31 a successor has been duly appointed and qualified. Any vacancy in  
32 the office occurring for any reason other than the expiration of a  
33 term, including a vacancy occurring during the term of the initial  
34 executive director, shall be filled for the unexpired term only in the  
35 same manner as the appointment of any subsequent executive  
36 director as set forth herein. The executive director shall receive an  
37 annual salary to be fixed and established by the Governor, which  
38 shall not exceed \$141,000.

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

45 (ii) If, as a result of transferring powers, duties, and  
46 responsibilities with regard to the regulation and oversight of  
47 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)  
48 from the Department of Health to the commission pursuant to

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

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

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

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

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

46 f. The commission shall, no later than three years after the date  
47 it first organizes, contract with a public research university, as

1 defined in section 3 of P.L.1994, c.48 (C.18A:3B-3), to conduct an  
2 independent study to review:

- 3 (1) the commission's organization;
- 4 (2) the commission's regulation and enforcement activities;
- 5 (3) the overall effectiveness of the commission as a full time  
6 entity; and
- 7 (4) whether the regulation and oversight of medical cannabis  
8 could be more effectively and efficiently managed through a  
9 reorganization of the commission, consolidation of the commission  
10 within the Department of Health or another Executive Branch  
11 department, conversion to a part-time commission, or the transfer of  
12 some or all of the commission's operations elsewhere within the  
13 Executive Branch.

14 The commission shall submit the findings of the independent  
15 study, along with the commission's recommendations for  
16 appropriate executive, administrative, or legislative action, to the  
17 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-  
18 19.1), to the Legislature.

19

20 32. (New section) a. There is hereby established in the  
21 commission an Office of Minority, Disabled Veterans, and Women  
22 Medical Cannabis Business Development. The office shall be  
23 under the immediate supervision of a director. The director of the  
24 office shall be appointed by the Governor, and shall serve at the  
25 pleasure of the appointing Governor during the Governor's term of  
26 office and until a successor has been duly appointed and qualified.  
27 Any vacancy in the directorship occurring for any reason other than  
28 the expiration of the director's term of office shall be filled for the  
29 unexpired term only in the same manner as the original  
30 appointment. The director shall receive an annual salary as  
31 provided by law which shall be at an amount not to exceed the  
32 annual salary of the executive director of the commission.

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



1       (2) The office shall conduct advertising and promotional  
2 campaigns, and shall disseminate information to the public, to  
3 increase awareness for participation in the medical cannabis  
4 industry by persons from socially and economically disadvantaged  
5 communities. To this end, the office shall sponsor seminars and  
6 informational programs, and shall provide information on its  
7 Internet website, providing practical information concerning the  
8 medical cannabis industry, including information on business  
9 management, marketing, and other related matters.

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

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

38       d. The office may review the commission's measures regarding  
39 participation in the medical cannabis industry by persons from  
40 socially and economically disadvantaged communities, and  
41 minority, women's, and disabled veterans' businesses, and make  
42 recommendations on relevant policy and implementation matters for  
43 the improvement thereof. The office may consult with experts or  
44 other knowledgeable individuals in the public or private sector on  
45 any aspect of its mission.

46       e. The office shall prepare information regarding its activities  
47 pursuant to this section concerning participation in the medical  
48 cannabis industry by persons from socially and economically

1 disadvantaged communities, including medical cannabis business  
2 development initiatives for minority, women's, and disabled  
3 veterans' businesses participating in the medical cannabis  
4 marketplace, to be incorporated by the commission into its annual  
5 report submitted to the Governor and to the Legislature pursuant to  
6 section 14 of P.L.2009, c.307 (C.24:6I-12).

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

32 b. Prior to appointment or employment, each member of the  
33 commission and each employee of the commission shall swear or  
34 affirm that the member or employee, as applicable, possesses no  
35 interest in any business or organization issued a medical cannabis  
36 cultivator, medical cannabis manufacturer, medical cannabis  
37 dispensary, or clinical registrant permit by the commission.

38 c. (1) Each member of the commission shall file with the State  
39 Ethics Commission a financial disclosure statement listing all assets  
40 and liabilities, property and business interests, and sources of  
41 income of the member and the member's spouse, domestic partner,  
42 or partner in a civil union couple, as the case may be, and shall also  
43 provide to the State Ethics Commission in the same financial  
44 disclosure statement a list of all assets and liabilities, property and  
45 business interests, and sources of income of each dependent child or  
46 stepchild, recognized by blood or by law, of the member, or of the  
47 spouse, domestic partner, or partner in a civil union couple residing  
48 in the same household as the member. Each statement shall be

1 under oath and shall be filed at the time of appointment and  
2 annually thereafter.

3 (2) Each employee of the commission, except for secretarial and  
4 clerical personnel, shall file with the State Ethics Commission a  
5 financial disclosure statement listing all assets and liabilities,  
6 property and business interests, and sources of income of the  
7 employee and the employee's spouse, domestic partner, or partner in  
8 a civil union couple, as the case may be. Such statement shall be  
9 under oath and shall be filed at the time of employment and  
10 annually thereafter. Notwithstanding the provisions of subsection  
11 (n) of section 10 of P.L.1971, c.182 (C.52:13D-21), only financial  
12 disclosure statements filed by a commission employee who is in a  
13 policy-making management position shall be posted on the Internet  
14 website of the State Ethics Commission.

15

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

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

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

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

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

46 (2) No commission member or employee shall solicit or accept  
47 employment from any holder of, or applicant for, a medical  
48 cannabis cultivator, medical cannabis manufacturer, medical

1 cannabis dispensary, or clinical registrant permit or any entity that  
2 employs any certified medical cannabis handler to perform transfers  
3 or deliveries of medical cannabis for a period of two years after  
4 termination of service with the commission, except as otherwise  
5 provided in section 35 of P.L. , c. (C. ) (pending before the  
6 Legislature as this bill).

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

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

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

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

1 d. No commission member or employee shall have any interest,  
2 direct or indirect, in any holder of, or applicant for, a medical  
3 cannabis cultivator, medical cannabis manufacturer, medical  
4 cannabis dispensary, or clinical registrant permit or in any entity  
5 that employs any certified medical cannabis handler to perform  
6 transfers or deliveries of medical cannabis during the member's  
7 term of office or employee's term of employment.

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

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

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

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

29 (b) directly or indirectly coerce, attempt to coerce, command, or  
30 advise any person to pay, lend, or contribute anything of value to a  
31 party, committee, organization, agency, or person for political  
32 purposes; or

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

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

46  
47 35. (New section) a. No member of the commission shall hold  
48 any direct or indirect interest in, or be employed by, any holder of,

1 or applicant for, a medical cannabis cultivator, medical cannabis  
2 manufacturer, medical cannabis dispensary, or clinical registrant  
3 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or in  
4 any entity that employs any certified medical cannabis handler to  
5 perform transfers or deliveries of medical cannabis for a period of  
6 two years commencing on the date that membership on the  
7 commission terminates.

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

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

47 c. No commission member or employee shall represent any  
48 person or party other than the State before or against the

1 commission for a period of two years from the termination of office  
2 or employment with the commission.

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

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

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

25 b. (1) A member or employee of the commission who makes  
26 or causes to be made a political contribution prohibited under  
27 subsection f. of section 34 of P.L. , c. (C. ) (pending before  
28 the Legislature as this bill) is guilty of a crime of the fourth degree,  
29 but notwithstanding the provisions of subsection b. of N.J.S.2C:43-  
30 3, a fine not to exceed \$200,000 may be imposed.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

1 Legislature; members of the Casino Reinvestment Development  
2 Authority; or

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

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

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

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

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

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

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

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

1 employment directly with any holder of or applicant for a medical  
2 cannabis cultivator, medical cannabis manufacturer, medical  
3 cannabis dispensary, or clinical registrant permit, or any entity that  
4 employs any certified medical cannabis handler to perform transfers  
5 or deliveries of medical cannabis, or any holding or intermediary  
6 company thereof, and if so employed may hold, directly or  
7 indirectly, an interest in, or represent, appear for, or negotiate on  
8 behalf of, that employer, except as otherwise prohibited by law.

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

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

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

45 Nothing herein contained shall alter or amend the post-  
46 employment restrictions applicable to members and employees of  
47 the Casino Control Commission and employees and agents of the

1 Division of Gaming Enforcement pursuant to paragraph (2) of  
2 subsection e. **[(2)]** of section 59 and to section 60 of P.L.1977,  
3 c.110 (C.5:12-59 and C.5:12-60); and

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

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

1 to perform transfers or deliveries of medical cannabis in connection  
2 with any phase of development, permitting, licensure, or any other  
3 matter whatsoever related to medical cannabis activity, except as  
4 provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except  
5 that:

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

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

39 (c) any partnership, firm, or corporation engaged in the practice  
40 of law or in providing any other professional services with which  
41 any person included in subparagraphs (a) and (c) of paragraph (1) of  
42 subsection a. of this section, or a member of the immediate family  
43 of that person, is associated, and any partner, officer, director, or  
44 employee thereof, other than that person, or immediate family  
45 member, may represent, appear for, or negotiate on behalf of any  
46 holder of, or applicant for, a medical cannabis cultivator, medical  
47 cannabis manufacturer, medical cannabis dispensary, or clinical  
48 registrant permit or any entity that employs any certified medical

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

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

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

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

41 (2) No person shall solicit or accept, directly or indirectly, any  
42 complimentary service or discount from any holder of, or applicant  
43 for, a medical cannabis cultivator, medical cannabis manufacturer,  
44 medical cannabis dispensary, or clinical registrant permit issued  
45 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that  
46 employs any certified medical cannabis handler to perform transfers  
47 or deliveries of medical cannabis, which the person knows or has



1 reason to know is other than a service or discount that is offered to  
2 members of the general public in like circumstance.

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

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

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

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

39 (cf: P.L.2013, c.27, s.35)

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

1 end the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) and  
2 P.L.2015, c.158 (C.18A:40-12.22 et al.) are severable.

3  
4 40. N.J.S.2C:35-18 is amended to read as follows:

5 2C:35-18. Exemption; Burden of Proof. a. If conduct is  
6 authorized by the provisions of P.L.1970, c.226 (C.24:21-1 et seq.),  
7 P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-  
8 12.22 et al.), that authorization shall, subject to the provisions of  
9 this section, constitute an exemption from criminal liability under  
10 this chapter or chapter 36, and the absence of such authorization  
11 shall not be construed to be an element of any offense in this  
12 chapter or chapter 36. It is an affirmative defense to any criminal  
13 action arising under this chapter or chapter 36 that the defendant is  
14 the authorized holder of an appropriate registration, permit, or order  
15 form or is otherwise exempted or excepted from criminal liability  
16 by virtue of any provision of P.L.1970, c.226 (C.24:21-1 et seq.),  
17 P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-  
18 12.22 et al.). The affirmative defense established herein shall be  
19 proved by the defendant by a preponderance of the evidence. It  
20 shall not be necessary for the State to negate any exemption set  
21 forth in this act or in any provision of Title 24 of the Revised  
22 Statutes in any complaint, information, indictment, or other  
23 pleading or in any trial, hearing, or other proceeding under this act.

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

28 (cf: P.L.2015, c.158, s.3)  
29

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

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

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

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

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

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

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

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

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

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

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

21

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

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

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

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

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

45 (3) expressly authorize parents, guardians, and **【primary】**  
46 designated caregivers to administer medical **【marijuana】** cannabis

1 to the person receiving services for persons with developmental  
2 disabilities while the person is at the facility; and

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

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

11 d. Nothing in this section shall be construed to authorize  
12 medical **【marijuana】** cannabis to be smoked in any place where  
13 smoking is prohibited pursuant to N.J.S.2C:33-13.  
14 (cf: P.L.2015, c.158, s.2)

15

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

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

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

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

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

39 (4) identify locations at the facility where medical cannabis may  
40 be administered.

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

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

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

12  
13 44. Section 11 of P.L.2009, c.307 (C.45:1-45.1) is amended to  
14 read as follows:

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

31 b. The Director of the Division of Consumer Affairs, pursuant  
32 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-  
33 1 et seq.), and in consultation with the **【Commissioner of Health**  
34 **and Senior Services】** Cannabis Regulatory Commission, shall adopt  
35 rules and regulations to effectuate the purposes of subsection a. of  
36 this section.

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

1 accordance with the requirements of P.L.1968, c.410 (C.52:14B-  
2 1 et seq.).

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

4  
5 45. Section 7 of P.L.1991, c.378 (C.45:9-27.16) is amended to  
6 read as follows:

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

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

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

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

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

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

27 (6) Referring patients to, and promoting their awareness of,  
28 health care facilities and other appropriate agencies and resources in  
29 the community.

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

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

36 (1) Performing non-invasive laboratory procedures and related  
37 studies or assisting duly licensed personnel in the performance of  
38 invasive laboratory procedures and related studies;

39 (2) Giving injections, administering medications, and requesting  
40 diagnostic studies;

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

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

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

47 (6) Authorizing qualifying patients for the medical use of  
48 cannabis and issuing written instructions for medical cannabis to

1 registered qualifying patients pursuant to P.L.2009, c.307 (C.24:6I-  
2 1 et al.).

3 c. A physician assistant may assist a supervising surgeon in the  
4 operating room when a qualified assistant physician is not required  
5 by the board and a second assistant is deemed necessary by the  
6 supervising surgeon.

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

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

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

23

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

26 10. A physician assistant may order, prescribe, dispense, and  
27 administer medications and medical devices and issue written  
28 instructions to registered qualifying patients for medical cannabis to  
29 the extent delegated by a supervising physician.

30 a. Controlled dangerous substances may only be ordered or  
31 prescribed if:

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

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

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

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

45 (d) initiate an order or prescription for a controlled dangerous  
46 substance as part of a treatment plan for a patient with a terminal  
47 illness, which for the purposes of this subparagraph means a

1 medical condition that results in a patient's life expectancy being 12  
2 months or less as determined by the supervising physician;

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

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

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

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

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

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

26 f. A physician assistant may request, receive, and sign for  
27 prescription drug samples and may distribute those samples to  
28 patients.

29 g. A physician assistant may issue written instructions to a  
30 registered qualifying patient for medical cannabis pursuant to  
31 section 10 of P.L.2009, c.307 (C.24:6I-10) only if:

32 (1) a supervising physician has authorized the physician  
33 assistant to issue written instructions to registered qualifying  
34 patients;

35 (2) the physician assistant verifies the patient's status as a  
36 registered qualifying patient; and

37 (3) the physician assistant complies with the requirements for  
38 issuing written instructions for medical cannabis established  
39 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.).

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

41  
42 47. Section 10 of P.L.1991, c.377 (C.45:11-49) is amended to  
43 read as follows:

44 10. a. In addition to all other tasks which a registered  
45 professional nurse may, by law, perform, an advanced practice  
46 nurse may manage preventive care services and diagnose and  
47 manage deviations from wellness and long-term illnesses, consistent



1 with the needs of the patient and within the scope of practice of the  
2 advanced practice nurse, by:

- 3 (1) initiating laboratory and other diagnostic tests;
- 4 (2) prescribing or ordering medications and devices, as  
5 authorized by subsections b. and c. of this section; and
- 6 (3) prescribing or ordering treatments, including referrals to  
7 other licensed health care professionals, and performing specific  
8 procedures in accordance with the provisions of this subsection.

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

- 11 (1) the collaborating physician and advanced practice nurse  
12 shall address in the joint protocols whether prior consultation with  
13 the collaborating physician is required to initiate an order for a  
14 controlled dangerous substance;

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

- 19 (3) the advanced practice nurse authorizes the order by signing  
20 the nurse's own name, printing the name and certification number,  
21 and printing the collaborating physician's name;

- 22 (4) the physician is present or readily available through  
23 electronic communications;

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

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

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

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

- 47 (1) the collaborating physician and advanced practice nurse  
48 shall address in the joint protocols whether prior consultation with

- 1 the collaborating physician is required to initiate a prescription for a  
2 controlled dangerous substance;
- 3 (2) the prescription is written in accordance with standing orders  
4 or joint protocols developed in agreement between a collaborating  
5 physician and the advanced practice nurse, or pursuant to the  
6 specific direction of a physician;
- 7 (3) the advanced practice nurse writes the prescription on a New  
8 Jersey Prescription Blank pursuant to P.L.2003, c.280 (C.45:14-  
9 40 et seq.), signs the nurse's own name to the prescription and prints  
10 the nurse's name and certification number;
- 11 (4) the prescription is dated and includes the name of the patient  
12 and the name, address, and telephone number of the collaborating  
13 physician;
- 14 (5) the physician is present or readily available through  
15 electronic communications;
- 16 (6) the charts and records of the patients treated by the advanced  
17 practice nurse are periodically reviewed by the collaborating  
18 physician and the advanced practice nurse;
- 19 (7) the joint protocols developed by the collaborating physician  
20 and the advanced practice nurse are reviewed, updated, and signed  
21 at least annually by both parties; and
- 22 (8) the advanced practice nurse has completed six contact hours  
23 of continuing professional education in pharmacology related to  
24 controlled substances, including pharmacologic therapy, addiction  
25 prevention and management, and issues concerning prescription  
26 opioid drugs, including responsible prescribing practices,  
27 alternatives to opioids for managing and treating pain, and the risks  
28 and signs of opioid abuse, addiction, and diversion, in accordance  
29 with regulations adopted by the New Jersey Board of Nursing. The  
30 six contact hours shall be in addition to New Jersey Board of  
31 Nursing pharmacology education requirements for advanced  
32 practice nurses related to initial certification and recertification of  
33 an advanced practice nurse as set forth in N.J.A.C.13:37-7.2.
- 34 d. The joint protocols employed pursuant to subsections b. and  
35 c. of this section shall conform with standards adopted by the  
36 Director of the Division of Consumer Affairs pursuant to section 12  
37 of P.L.1991, c.377 (C.45:11-51) or section 10 of P.L.1999, c.85  
38 (C.45:11-49.2), as applicable.
- 39 e. (Deleted by amendment, P.L.2004, c.122.)
- 40 f. An attending advanced practice nurse may determine and  
41 certify the cause of death of the nurse's patient and execute the  
42 death certification pursuant to R.S.26:6-8 if no collaborating  
43 physician is available to do so and the nurse is the patient's primary  
44 caregiver.
- 45 g. An advanced practice nurse may authorize qualifying  
46 patients for the medical use of cannabis and issue written  
47 instructions for medical cannabis to registered qualifying patients,  
48 subject to the following conditions:



Cannabis Regulatory Commission

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

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

The CRC will assume responsibility for oversight, administration, and enforcement of the medical cannabis program from the Department of Health at such time as the members of the commission are appointed and the commission first organizes. The bill will permit, based on the transfer of responsibility, employees of the department who performed the duties of any position to be filled by the CRC a one-time right of first refusal offer of employment. Any department employee who is employed by the CRC in this manner will retain seniority, and all rights related to seniority, that the employee had with the department as of the last day of employment with the department.

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

One mandatory aspect to the CRC's organization plan will be the inclusion of an Office of Minority, Disabled Veterans, and Women Cannabis Business Development, operating under the supervision of a director appointed by the Governor. This office is to establish and administer, under the direction of the CRC, unified practices and procedures for promoting participation in the medical cannabis

1 industry by persons from socially and economically disadvantaged  
2 communities, including by prospective and existing minority owned  
3 and women's owned businesses and disabled veterans' businesses.  
4 These unified practices and procedures are to include a business's  
5 certification and subsequent recertification at regular intervals as a  
6 minority owned or women's owned business, or a disabled  
7 veterans' business, in accordance with eligibility criteria and a  
8 certification application process established by the CRC in  
9 consultation with the office.

10 The effectiveness of these methods will be measured by whether  
11 the office's actions result in at least 30 percent of the total number  
12 of ATC permits issued by the CRC being issued to businesses  
13 certified by the office; the effectiveness will be further assessed by  
14 considering whether the actions resulted in at least 15 percent of  
15 new permits being issued to certified minority owned businesses,  
16 and at least 15 percent of new permits being issued to certified  
17 women-owned and disabled veterans' businesses. The office, in  
18 support of these efforts, is to conduct advertising and promotional  
19 campaigns, as well as sponsor seminars and informational  
20 programs, directed toward those persons and prospective and  
21 existing certified businesses, which would address medical cannabis  
22 business management, marketing, and other practical business  
23 matters.

#### 24 Ethical and Conflicts-of-Interest Requirements for the CRC

25  
26  
27 The members of the CRC and all CRC employees will be subject  
28 to ethical and conflicts-of-interest restrictions, addressing activities  
29 engaged in prior to, during, and following service with the CRC.  
30 For instance, a person generally may not be an appointed member  
31 or employee of the CRC if, during the period commencing three  
32 years prior to appointment or employment, the person held any  
33 direct or indirect interest in, or any employment by, a holder of or  
34 applicant for an ATC permit, unless the person's prior interest  
35 would not, in the opinion of the CRC, interfere with the person's  
36 obligations of appointment or employment. Additionally, for a  
37 period of two years commencing from the date that a member's or  
38 employee's service terminates, that former member or employee  
39 will not be permitted to hold any direct or indirect interest in, or any  
40 employment by, a holder of or applicant for an ATC permit;  
41 provided that the two-year post-service restriction would not apply  
42 to secretarial or clerical employees.

43 At the time each member and employee commences service, with  
44 the exception of secretarial and clerical employees, the member or  
45 employee will be required to file a financial disclosure statement  
46 with the State Ethics Commission listing all assets and liabilities,  
47 property and business interests, and sources of income for the  
48 person and for the person's spouse or domestic or civil union  
49 partner. Additionally, CRC members are to provide the same  
50 information for each dependent child or stepchild of the member,

1 and of the member's spouse or domestic or civil union partner, who  
2 resides in the same household as the member.

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

19 The bill also revises the "New Jersey Conflicts of Interest Law"  
20 to establish restrictions on various State officers or employees, the  
21 Governor and full-time professionals employed in the Governor's  
22 Office, full-time members of the Judiciary, and various officers of  
23 the municipality in which an ATC is located. These restrictions  
24 concern not only their own activities, but the activities of their  
25 associated partnerships, firms, or corporations, and their family  
26 members in connection with either employment or another interest  
27 in, or representation of, current ATCs. These restrictions are  
28 similar to the restrictions that apply to these people and businesses  
29 under the current law concerning casino licensees and applicants,  
30 and casino-related activities, and include a general prohibition on  
31 employment, representation, appearance for, or negotiation on  
32 behalf of, any permit holder or applicant in connection with any  
33 cause, application, or matter, and these restrictions can carry over  
34 into the post-employment or post-service period following the  
35 departure of a person from State or local employment or office.

36 The ethical and conflicts-of-interest restrictions will be enforced  
37 by the State Ethics Commission, and any person found to have  
38 committed a violation will be subject to a civil penalty of not less  
39 than \$500 or more than \$10,000. Additionally, any willful violation  
40 of these restrictions will constitute a disorderly persons offense,  
41 punishable by a term of imprisonment of up to six months, a fine of  
42 up to \$1,000, or both.

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

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

5  
6 Patient and Caregiver Requirements  
7

8 Current law sets forth an enumerated list of debilitating medical  
9 conditions that can qualify a patient for the medical use of cannabis.  
10 The bill changes the term “debilitating medical condition” to  
11 “qualifying medical condition,” and updates and revises the list of  
12 conditions in certain ways, including adding additional conditions  
13 and providing that medical cannabis may be used as a treatment of  
14 first resort for any condition included in the list, which are: seizure  
15 disorder, including epilepsy; intractable skeletal muscular  
16 spasticity; post-traumatic stress disorder; glaucoma; positive status  
17 for human immunodeficiency virus; acquired immune deficiency  
18 syndrome; cancer; amyotrophic lateral sclerosis; multiple sclerosis;  
19 muscular dystrophy; inflammatory bowel disease, including Crohn's  
20 disease; terminal illness, if the patient has a prognosis of less than  
21 12 months of life; anxiety; migraine; Tourette's syndrome;  
22 dysmenorrhea; chronic pain; opioid use disorder; or any other  
23 condition that is approved by the CRC.

24 The bill expands the list of professionals who can authorize  
25 patients for the medical use of cannabis. Current law only allows  
26 physicians to provide this authorization; the bill provides that  
27 physician assistants and advanced practice nurses may authorize  
28 patients for medical cannabis as well, and eliminates the  
29 requirement for the professional to have a bona fide provider-  
30 patient relationship with the patient. The bill requires that only a  
31 pediatric specialist may approve a patient who is a minor for  
32 medical cannabis. The bill provides that health care practitioners  
33 will not be required to register with the CRC, or be publicly listed  
34 in any CRC registry, as a condition of authorizing patients for  
35 medical cannabis. Practitioners will be prohibited from authorizing  
36 themselves or members of their immediate family for medical  
37 cannabis.

38 With regard to caregivers, current law provides that each patient  
39 may have only one primary caregiver and that a person may serve  
40 as primary caregiver to no more than one patient at a time. The bill  
41 changes the term “primary caregiver” to “designated caregiver,”  
42 and provides that each caregiver may serve up to two patients at one  
43 time and that each patient may have up to two designated caregivers  
44 at one time. Patients may petition the CRC for approval to have  
45 more than two designated caregivers. An immediate family  
46 member of a patient will not be required to undergo a criminal  
47 history record background check as a condition of serving as  
48 designated caregiver.

49 The bill also establishes the position of “institutional caregiver,”  
50 which is an employee of a health care facility who is authorized to

1 assist qualifying patients who are patients or residents at the health  
2 care facility with the medical use of cannabis, including obtaining  
3 medical cannabis for the patient from a medical cannabis dispensary  
4 or clinical registrant and accepting deliveries of medical cannabis  
5 for the patient. An institutional caregiver registration will be valid  
6 for one year. Each institutional caregiver will be required to be a  
7 New Jersey resident, at least 18 years of age, and authorized, within  
8 the individual's scope of professional practice, to possess and  
9 administer controlled dangerous substances to patients and residents  
10 at the facility. An institutional caregiver will be required to  
11 undergo a criminal history record background check unless the  
12 individual has already done so as a condition of professional  
13 licensure or certification. Medical cannabis may be dispensed to an  
14 institutional caregiver if authorized by the patient. There will be no  
15 limit to the number of patients an institutional caregiver can serve at  
16 one time, provided that the caregiver is able to meet the needs of all  
17 such patients and attend to the caregiver's other duties at the facility  
18 without jeopardizing the health or safety of any patient or resident  
19 at the facility. Facilities that choose to authorize the use of  
20 institutional caregivers will be required to certify, with each  
21 caregiver application, that the facility has established appropriate  
22 security measures to prevent unauthorized access to medical  
23 cannabis to guard against theft, diversion, and adulteration while  
24 the cannabis is stored at the facility or is being transported to the  
25 facility by an institutional caregiver; the facility has established  
26 protocols to prevent adverse drug interactions between medical  
27 cannabis and other medications; the facility will not charge a patient  
28 for medical cannabis in excess of the actual cost of the medical  
29 cannabis plus reasonable acquisition costs; and the facility will  
30 promptly notify the CRC in the event that an institutional caregiver  
31 ceases to be employed by the facility or is convicted of a crime.  
32 For the purposes of the bill, "health care facility" includes a general  
33 acute care hospital, nursing home, long term care facility, hospice  
34 care facility, group home, facility that provides services to persons  
35 with developmental disabilities, behavioral health care facility, and  
36 rehabilitation center.

37 The bill provides that qualifying patients and designated  
38 caregivers who are registered with a medical cannabis program in  
39 another state will be deemed to be qualifying patients and  
40 designated caregivers for the purposes of New Jersey law for up to  
41 six months, provided the individual possesses a valid registry card  
42 and a photo identification card issued by the other state. Medical  
43 cannabis may only be dispensed to an out-of-State patient or  
44 caregiver pursuant to written instructions issued by a New Jersey  
45 practitioner, and medical cannabis cannot be delivered to any  
46 individual who is not registered with the CRC. After six months,  
47 the out-of-State registrant will be prohibited from engaging in  
48 conduct related to medical cannabis in New Jersey unless the  
49 individual is registered as a qualifying patient or caregiver in New



1 Jersey. The CRC is to seek to establish medical cannabis  
2 reciprocity agreements with other states.

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

6

7 Dispensing Requirements for Medical Cannabis

8

9 Current law provides that up to two ounces of medical cannabis  
10 may be dispensed to a patient in a 30-day period. The bill revises  
11 these quantity restrictions to provide that, for a period of 18 months  
12 after the effective date of the bill, patients may be dispensed up to  
13 three ounces of medical cannabis in dried form or the equivalent  
14 amount in any other form. Thereafter, the maximum amount that  
15 may be dispensed to a patient will be established by the CRC by  
16 regulation. Current law provides that a physician may authorize a  
17 patient for up to a 90-day supply of medical cannabis at one time,  
18 with specified dates on which each set of written instructions  
19 becomes valid for dispensing. The bill revises this to allow a  
20 practitioner to authorize up to a one-year supply at one time, subject  
21 to the same staggered dispensing requirements. Upon dispensing  
22 medical cannabis, the medical cannabis dispensary or clinical  
23 registrant is to notify the practitioner of the amount, strain, and  
24 form of medical cannabis dispensed. The bill removes a provision  
25 that limits access to edible forms of medical cannabis, including  
26 oils, to qualifying patients who are minors, and specifies that  
27 medical cannabis may be distributed in transdermal, sublingual, and  
28 tincture forms, as well as in the forms authorized under current law.

29 The bill authorizes delivery of medical cannabis to patients by a  
30 certified medical cannabis handler who holds a medical cannabis  
31 delivery certification. Medical cannabis may be delivered to the  
32 patient at the patient's home address or at a second address on file  
33 with the CRC, to the home address of the patient's designated  
34 caregiver, or directly to an institutional caregiver at a health care  
35 facility where the patient is a current resident. The CRC is to  
36 additionally establish a process to authorize deliveries of medical  
37 cannabis to the patient at an alternate address in cases of need.  
38 Medical cannabis deliveries may be made by an employee of a  
39 medical cannabis dispensary or clinical registrant or by an  
40 independent third party contractor. A handler who holds a medical  
41 cannabis delivery certification may simultaneously hold a medical  
42 cannabis transfer certification, described below. Municipalities  
43 may not restrict or prohibit deliveries of medical cannabis by  
44 municipal ordinance or any other measure, and any such  
45 prohibition, if enacted, would be deemed null and void. The CRC  
46 may authorize the use of an Internet-based web service operated by  
47 an independent third party entity for patients and their caregivers to  
48 request and schedule deliveries. Permitted entities that use a third  
49 party delivery service will be exempt from any criminal liability for

1 any reportable events occurring during delivery, such as motor  
2 vehicle accidents, diversion, or losses.

3 The CRC is to establish recommended dosing guidelines for  
4 medical cannabis products that are equivalent to one ounce of  
5 medical cannabis in dried form.

6 The bill requires the CRC to establish a process for patients to be  
7 dispensed up to a two-week supply of medical cannabis during the  
8 pendency of the patient's registration with the CRC. The CRC is to  
9 establish appropriate restrictions to protect against fraud, abuse, and  
10 diversion.

11 The bill provides that medical cannabis may be dispensed to a  
12 patient by any medical cannabis dispensary or clinical registrant in  
13 the State; under current law, patients are to be registered with, and  
14 may only be dispensed medical cannabis from, a single ATC where  
15 the patient is registered. The bill requires that, prior to dispensing  
16 medical cannabis to a patient, the dispensary or clinical registrant  
17 will be required to access a system currently maintained by the  
18 Division of Consumer Affairs in the Department of Law and Public  
19 Safety that tracks written instructions for, and dispensations of,  
20 medical cannabis, in order to ascertain whether any medical  
21 cannabis was dispensed to or on behalf of the patient within the  
22 preceding 30 days.

23 The bill provides that a practitioner or an immediate family  
24 member of a practitioner who authorizes patients for medical  
25 cannabis may not hold any profit or ownership interest in an ATC.  
26 A practitioner or the immediate family member of a practitioner  
27 who applies for an ATC identification card is to certify that the  
28 practitioner has not authorized any patients for medical cannabis in  
29 the preceding 90 days. A person who violates the prohibition will  
30 be guilty of a crime of the fourth degree, which is punishable by  
31 imprisonment for up to 18 months, up to a \$10,000 fine, or both.  
32 The bill specifies that nothing in the prohibition will ban any  
33 practitioner from serving on the governing board or medical  
34 advisory board of an ATC, provided the practitioner receives no  
35 special compensation or remuneration from the ATC, including  
36 payments based on patient volumes or the number of authorizations  
37 for medical cannabis the practitioner issues.

38 The bill additionally prohibits practitioners from authorizing  
39 themselves or members of their immediate family for the medical  
40 use of cannabis.

41 The bill requires the CRC to establish curricula for practitioners  
42 and employees of medical cannabis dispensaries and clinical  
43 registrants that are designed to assist with patient consultations  
44 regarding the form, strain, quantity, and dosing of medical cannabis  
45 appropriate to the patient's qualifying medical condition.  
46 Practitioners will be required to complete the health care  
47 practitioner curriculum as a condition of authorizing patients for the  
48 medical use of cannabis, and employees of medical cannabis  
49 dispensaries and clinical registrants will be required to complete the  
50 curriculum as a condition of registering with the CRC.

1 Currently, medical cannabis is subject to the State sales tax. The  
2 bill will phase out the sales tax over three years, with the tax  
3 dropping to four percent on July 1, 2020, to two percent on July 1,  
4 2021, and being completely exempt from all state sales tax as of  
5 July 1, 2022. Until then, any sales tax assessed on medical  
6 cannabis is to be exclusively appropriated to programs for the  
7 treatment of mental health and substance use disorders.

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

#### 12 13 ATC Application and Permitting Requirements

14  
15 The bill establishes three distinct permit types in connection with  
16 the production and dispensing of medical cannabis: medical  
17 cannabis cultivators, medical cannabis manufacturers, and medical  
18 cannabis dispensaries. The bill identifies the specific activities and  
19 functions authorized for each permit type. The CRC will be  
20 required to issue a request for new permit applications within 90  
21 days of the effective date of the bill, and to make a determination on  
22 any permit application within 90 days after the date of submission.

23 For a period of 18 months after the effective date of the bill, an  
24 entity will be permitted to hold only one permit of any type. After  
25 18 months, an entity will be authorized to concurrently hold  
26 medical cannabis cultivator, medical cannabis manufacturer, and  
27 medical cannabis dispensary permits.

28 However, the bill provides that the CRC is to issue three new  
29 ATC permits that are not subject to these restrictions; these three  
30 ATCs will be deemed to concurrently hold medical cannabis  
31 cultivator, medical cannabis manufacturer, and medical cannabis  
32 dispensary permits immediately upon approval, regardless on the  
33 general 18-month restriction on vertical integration. These three  
34 ATCs will also be authorized to establish one satellite dispensary  
35 location each, provided the entity applies for the satellite dispensary  
36 within 18 months after the effective date of the bill. The three ATC  
37 permits are to be distributed with one located in each of the  
38 northern, central, and southern regions of the State.

39 The restriction on vertical integration will also not apply to  
40 ATCs that were issued a permit prior to the effective date of the bill  
41 or that were issued a permit after the effective date of the bill  
42 pursuant to an application submitted prior to the effective date of  
43 the bill, or to up to four ATCs issued permits after the effective date  
44 of the bill pursuant to a request for applications published in the  
45 New Jersey Register prior to the effective date of the bill, which  
46 will be deemed to hold medical cannabis cultivator, medical  
47 cannabis manufacturer, and medical cannabis dispensary permits.  
48 Any ATC issued a permit prior to the effective date of the bill and  
49 any ATCs issued a permit after the effective date of the bill  
50 pursuant to an application submitted prior to the effective date of

1 the bill will be authorized to hold up to two satellite dispensary  
2 permits, including any satellite dispensary permit approved prior to  
3 the effective date of the bill or approved pursuant to an application  
4 submitted prior to the effective date of the bill, and any satellite  
5 dispensary approved pursuant to an application submitted within the  
6 first 18 months after the effective date of the bill. Aside from these  
7 grandfathered satellite dispensaries and the new satellite  
8 dispensaries expressly authorized under the bill, plus any satellite  
9 dispensary authorized for a clinical registrant, no new satellite  
10 dispensaries will be approved.

11 The bill restricts the total number of entities authorized to  
12 cultivate medical cannabis to 28 for the first 18 months after the  
13 effective date of the bill, which will include any ATCs issued a  
14 permit prior to the effective date of the bill and the new permits  
15 required to be issued under the bill, but will not include  
16 microbusinesses issued a cultivator permit.

17 The CRC will be required to specify by regulation the number of  
18 new permits of each type that it will authorize in the first year  
19 following the effective date of the bill, and thereafter periodically  
20 evaluate whether the current number of permits is sufficient to meet  
21 the needs of qualifying patients and issue requests for new  
22 applications as needed. The CRC may additionally convene a task  
23 force comprising individuals with expertise in the medical cannabis  
24 industry to make recommendations to the CRC concerning the  
25 content of rules and regulations governing the medical cannabis  
26 program.

27 The bill sets forth the specific information to be considered when  
28 reviewing new permit applications, which includes specific  
29 information concerning the applicant's operational experience,  
30 workforce development plan, community impact analysis, security  
31 capabilities, storage systems, emergency management plan, prisoner  
32 reentry program plan, and proposed location, along with any other  
33 criteria the CRC deems appropriate. The CRC will determine the  
34 weight to be afforded to each criterion.

35 Additionally, each applicant will be required to submit an  
36 attestation by a bona fide labor organization stating that the  
37 applicant has entered into a labor peace agreement with the  
38 organization. Maintenance of a labor peace agreement will be an  
39 ongoing condition for maintaining a permit. In reviewing  
40 applications, the CRC is to additionally evaluate the applicant's  
41 history and relationships with labor organizations, as well as any  
42 current collective bargaining agreements the applicant is part of.  
43 Microbusinesses, described below, are exempt from these  
44 requirements.

45 The bill requires that at least one-third of new permits of all  
46 types, other than clinical registrant permits, be issued as  
47 "conditional permits," which are permits issued pursuant to a less-  
48 restrictive application process for entities funded by smaller  
49 investors with an adjusted gross income of no more than \$200,000,  
50 or \$400,000 if filing jointly. The CRC is to provide the conditional

1 permit holder with a list of requirements with which the permit  
2 holder will be required to comply within 120 days after issuance of  
3 the conditional permit. If the CRC determines that, during this 120-  
4 day period, the permit holder was in compliance with the CRC's  
5 requirements, the CRC may convert the conditional permit into a  
6 full permit, which will be renewable annually. If the permit holder  
7 is not in compliance with the requirements, the permit will expire at  
8 the end of the 120-day period, unless it is revoked by the CRC  
9 sooner. A converted conditional permit will continue to count  
10 towards the total percentage of conditional permits required for that  
11 permit type. The requirement that one third of all new permits be  
12 conditional permits will not apply to the first three ATC permits  
13 issued after the effective date of the bill.

14 The bill additionally requires that at least 10 percent of the total  
15 permits issued for each permit type, other than clinical registrant  
16 permits, are to be issued to microbusinesses. The requirements for  
17 a microbusiness are: 100 percent of the ownership of a  
18 microbusiness is to be held by current New Jersey residents who  
19 have resided in the State for at least the past two years; at least 51  
20 percent of the owners, directors, officers, and employees of the  
21 microbusiness are to be residents of the municipality where the  
22 microbusiness is located or a bordering municipality; the  
23 microbusiness may employ no more than 10 employees, inclusive  
24 of owners, officers, and directors; and the microbusiness facility  
25 may occupy an area of no more than 2,500 square feet. The bill sets  
26 forth certain restrictions for each type of microbusiness permit:  
27 microbusiness medical cannabis cultivators will be restricted to a  
28 grow canopy of no more than 2,500 square feet and a height  
29 restriction of 24 feet, and will be limited to possessing no more than  
30 1,000 mature and immature plants at one time; microbusiness  
31 medical cannabis manufacturers will be restricted to acquiring and  
32 processing no more than 1,000 pounds of medical cannabis in dried  
33 form, or the equivalent amount in any other form, in a month; and a  
34 microbusiness medical cannabis dispensary will be permitted to  
35 acquire and dispense no more than 1,000 pounds of medical  
36 cannabis in dried form, or the equivalent in any other form, in a  
37 month. Permit fees for microbusinesses are half the regular permit  
38 fees. The application process for a microbusiness permit is the  
39 same as for any other permit, and a permit issued to a  
40 microbusiness, like any other permit, is renewable annually.

41 Applicants may submit multiple permit applications, with a  
42 separate application for each proposed facility; the bill establishes  
43 procedures for determining which permit to award to an applicant  
44 who scores high enough to be awarded multiple permits of the same  
45 type.

46 The CRC will be required to conduct a disparity study to  
47 evaluate the adverse effects of the State's drug laws on New Jersey  
48 communities to determine whether race-based measures should be  
49 considered when issuing new medical cannabis cultivator,  
50 manufacturer, and dispensary permits, and incorporate the policies,

1 practices, protocols, standards, and criteria developed by the Office  
2 of Minority, Disabled Veterans, and Women Medical Cannabis  
3 Business Development to promote participation in the medical  
4 cannabis industry by persons from socially and economically  
5 disadvantaged communities. At least 15 percent of the total number  
6 of new permits are to be issued to minority-owned businesses, and  
7 an additional 15 percent of the total number of new permits are to  
8 be issued to women-owned or disabled veteran-owned businesses.

9 The CRC is to grant special consideration to an applicant for an  
10 integrated curriculum permit or “IC permit,” pursuant to which the  
11 applicant establishes an agreement with an institution of higher  
12 education to create an integrated curriculum involving the  
13 theoretical or practical application of medical cannabis cultivation,  
14 manufacturing, or dispensing to an area of academic study.  
15 Integrated curricula are subject to approval by the CRC and the  
16 Office of the Secretary of Higher Education. If an IC permit  
17 holder’s agreement with an institution of higher education ends, the  
18 IC permit holder will have six months to establish a new integrated  
19 curriculum or the IC permit will be revoked, unless the CRC  
20 determines that the entity should be allowed to retain the permit.  
21 The CRC may establish incentives to encourage applicants to seek  
22 IC permits, such as revised permit fees.

23 The bill additionally establishes requirements for issuance of a  
24 clinical registrant permit, which will authorize the permit holder to  
25 engage in all conduct related to the cultivation, manufacturing, and  
26 dispensing of medical cannabis and medical cannabis products as is  
27 authorized for other ATC permit holders. The clinical registrant  
28 will be required to enter into a contractual relationship with an  
29 academic medical center, which is a facility located in New Jersey  
30 that has a faculty practice in addiction medicine or is in the same  
31 health care system as another facility in the State that offers  
32 substance use disorder treatment services, has a faculty practice in  
33 pain management or a facility-based pain management practice, has  
34 a graduate medical training program that includes primary care and  
35 specialized medicine, is the principal teaching affiliate of a New  
36 Jersey medical school, and has the ability to conduct research  
37 related to cannabis. If the facility is part of a health care system,  
38 the health care system is required to be principally located in New  
39 Jersey in order for the facility to qualify as an academic medical  
40 center. The CRC will be required to request applications for at least  
41 four clinical registrant permits within 90 days after the effective  
42 date of the bill or upon the adoption of rules and regulations  
43 required under the bill, whichever occurs first.

44 Academic medical centers will engage in clinical research related  
45 to medical cannabis in order to advise the affiliated clinical  
46 registrant concerning patient health and safety, medical  
47 applications, and the dispensing and management of controlled  
48 dangerous substances. Clinical registrant applicants will be  
49 required to demonstrate at least \$15 million in capital.

1 A clinical registrant permit will be valid for the term of the  
2 contractual relationship, and may be renewed based upon the  
3 clinical registrant renewing its contractual relationship with the  
4 academic medical center. A clinical registrant permit may not be  
5 sold or transferred. Each clinical registrant may contract with no  
6 more than one academic medical center.

7 Clinical registrants will be authorized to serve all qualifying  
8 patients, as well as qualifying patients who agree to participate in  
9 clinical research. Clinical registrants may operate from more than  
10 one location and may be approved for a satellite dispensing  
11 location, and may relocate to another location in the same region  
12 unless the CRC determines relocation would be contrary to the  
13 purposes of the medical cannabis laws. Clinical registrants are  
14 required to report the results of the clinical research to the CRC  
15 upon completion of the study or following publication of the study  
16 in a peer-reviewed medical journal.

17 An entity issued a medical cannabis cultivator, manufacturer, or  
18 dispensary permit may not concurrently hold a clinical registrant  
19 permit, and an entity issued a clinical registrant permit may not  
20 concurrently hold any medical cannabis cultivator, manufacturer, or  
21 dispensary permit.

22 The bill revises the criminal history record background check  
23 requirements for medical cannabis cultivator, manufacturer,  
24 dispensary, and clinical registrant applicants to provide that a  
25 conviction for a crime of the first, second, or third degree, as well  
26 as any drug offense other than marijuana possession convictions or  
27 convictions for dispensing less than five pounds of marijuana,  
28 constitutes a disqualifying conviction that may bar the applicant  
29 from holding an interest in or being employed by a medical  
30 cannabis cultivator, manufacturer, dispensary, or clinical registrant.  
31 Current law limits disqualifying convictions to drug offenses other  
32 than minor cannabis possession. The CRC will retain the discretion  
33 to issue a permit to an applicant if it finds evidence of  
34 rehabilitation.

35 The bill further provides that no criminal history record  
36 background check will be required for an applicant who holds less  
37 than a five percent investment interest in the medical cannabis  
38 cultivator, manufacturer, dispensary, or clinical registrant, or who is  
39 a member of a group that holds less than a 20 percent investment  
40 interest where no member of the group holds more than a five  
41 percent interest in the total group investment, and the applicant does  
42 not have the authority to make operational decisions for the  
43 permitted entity. Individuals and groups that are exempt from the  
44 criminal history record background check requirement will not be  
45 required to complete any application information. If the applicant  
46 or group gains an investment interest above these thresholds or the  
47 applicant gains the authority to make operational decisions, the  
48 individual or group will be required to notify the CRC, provide all  
49 information as may be required by the CRC, and undergo a criminal  
50 history record background check within 30 days, or the permit will

1 be revoked and the individual or group will be prohibited from  
2 holding any investment interest in a medical cannabis cultivator,  
3 manufacturer, dispensary, or clinical registrant for a period of at  
4 least two years, and for such additional period as the CRC deems  
5 appropriate in light of the duration of the nondisclosure, the size of  
6 the undisclosed interest, the profits realized from the entity during  
7 the period of nondisclosure, and whether the individual would have  
8 been otherwise ineligible to hold the investment interest or  
9 controlling authority based on a disqualifying conviction or other  
10 factor.

11 The bill prohibits an employee of any department, division,  
12 agency, board, or other governmental entity involved in the process  
13 of reviewing, processing, or making determinations with regard to a  
14 medical cannabis permit from having any financial interest in  
15 medical cannabis or receiving anything of value from a permit  
16 applicant in exchange for reviewing, processing, or making  
17 recommendations with regard to a permit application.

18 Applications for medical cannabis cultivator, manufacturer, and  
19 dispensary permits and for clinical registrant permits will be exempt  
20 from the "Open Public Records Act," P.L.1963, c.73 (C.47:1A-1 et  
21 seq.) and P.L.2001, c.404 (C.47:1A-5 et al.).

22

#### 23 ATC Operational Requirements

24

25 The bill requires medical cannabis dispensaries and clinical  
26 registrants to establish and maintain standardized price lists, which  
27 will reflect the price of all medical cannabis, medical cannabis  
28 products, and related supplies and paraphernalia dispensed or sold  
29 by the dispensary or clinical registrant to or on behalf of registered  
30 qualifying patients. Price lists are to be posted on the dispensary's  
31 or clinical registrant's Internet website, if any, maintained on file  
32 with the CRC, and may be updated once per month. A dispensary  
33 or clinical registrant that sells medical cannabis or medical cannabis  
34 products at a price that deviates from its price list will be liable to a  
35 civil penalty of \$1,000 per sale, and dispensary or clinical registrant  
36 that fails to maintain its current price list on file with the CRC will  
37 be liable to a civil penalty of \$10,000 for each week during which  
38 the CRC does not have the current price list. The prices charged by  
39 a medical cannabis dispensary or clinical registrant are to be  
40 reasonable and consistent with the costs of acquiring and  
41 dispensing, selling, or transferring the medical cannabis or medical  
42 cannabis product.

43 The bill provides that medical cannabis may be transferred  
44 between medical cannabis cultivators, manufacturers, dispensaries,  
45 clinical registrants, and testing laboratories by a medical cannabis  
46 handler certified as a medical cannabis transporter. Transfers may  
47 be effectuated using either medical cannabis handlers employed by  
48 a permitted entity or by an independent third-party entity. The bill  
49 sets forth certain operational protocols and recordkeeping  
50 requirements for the transfer of medical cannabis, which are



1 generally comparable to the operational requirements and protocols  
2 for deliveries of medical cannabis. A medical cannabis handler  
3 may possess both delivery and transfer certifications.  
4 Municipalities may not restrict or prohibit transfers of medical  
5 cannabis by municipal ordinance or any other measure, and any  
6 such prohibition, if enacted, would be deemed null and void.

7 The bill requires the CRC to develop and maintain a  
8 comprehensive tracking system for medical cannabis that covers  
9 cultivation through final dispensing. The tracking system is to be  
10 designed to prevent diversion and tampering while promoting  
11 accurate accounting and recording of all information relevant to the  
12 medical cannabis or medical cannabis product. The system is to  
13 utilize a stamp for tracking purposes, which is to be affixed to  
14 medical cannabis packages and containers by medical cannabis  
15 cultivators, medical cannabis manufacturers, and clinical  
16 registrants. The purchase price of the stamp is to be reasonable and  
17 commensurate with the cost of producing the stamp.

18 The owners, directors, officers, and employees at each medical  
19 cannabis cultivator, manufacturer, dispensary, and clinical  
20 registrant will be required to undergo eight hours of ongoing  
21 training each calendar year. The training is to be tailored to the  
22 roles and responsibilities of the individual's job function and  
23 include training on confidentiality and any other topics required by  
24 the CRC. For medical cannabis dispensary and clinical registrant  
25 employees, the ongoing training may include completing the  
26 curriculum developed by the CRC concerning patient consultations.  
27 Additionally, all individuals who handle medical cannabis in any  
28 capacity are required to be certified by the CRC as medical  
29 cannabis handlers. The training required for handler certification  
30 will only be required once, and will count toward the required eight  
31 hours of annual training.

32 The bill requires the CRC to establish, by regulation, thresholds  
33 for administrative action to be taken against permit holders,  
34 including specific penalties and disciplinary actions that may be  
35 imposed in a summary proceeding.

36 The bill provides that the first six ATC permits issued after  
37 P.L.2009, c.307 (C.24:6I-1 et al.) took effect may sell or transfer  
38 that permit to a for profit entity, provided that: the owners, officers,  
39 directors, employees, and applicable investors complete a criminal  
40 history record background check; the CRC approves the sale or  
41 transfer; and the sale or transfer takes place within one year after  
42 the effective date of the bill. The sale or transfer will not be subject  
43 to the requirements of the "New Jersey Nonprofit Corporation Act,"  
44 N.J.S.15A:1-1 et seq., provided that, prior to or at the time of the  
45 sale or transfer, all debts and obligations of the nonprofit entity are  
46 either paid in full or assumed by the for-profit entity purchasing or  
47 acquiring the permit, or a reserve fund is established for the purpose  
48 of paying in full the debts and obligations of the nonprofit entity,  
49 and the for-profit entity pays the full value of all assets held by the  
50 nonprofit entity, as reflected on the nonprofit entity's balance sheet,

1 in addition to the agreed-upon price for the sale or transfer of the  
2 entity's alternative treatment center permit. Any other sale or  
3 transfer of an interest in a permitted entity of five percent or more  
4 will be subject to approval by the CRC and will be conditioned on  
5 the entity purchasing or receiving the transfer of the interest  
6 completing a criminal history record background check.

7 The bill authorizes medical cannabis dispensaries and clinical  
8 registrants to establish medical cannabis consumption areas, subject  
9 to approval by the CRC and the municipality in which the  
10 dispensary or clinical registrant is located. A consumption area is  
11 required to be on the premises of the dispensary or clinical  
12 registrant, accessible only to patients and their designated  
13 caregivers, and screened by sufficient walls or other barriers to  
14 prevent any view of patients consuming medical cannabis.  
15 Consumption areas may be indoor or outdoor, provided that no  
16 consumption of medical cannabis by smoking occurs indoors and no  
17 medical cannabis smoke seeps into any indoor public area or  
18 workplace. The CRC may require any ventilation features for a  
19 consumption area as it deems necessary and appropriate, and smoke  
20 from the consumption of medical cannabis may not seep into any  
21 indoor public place or workplace.

22 The bill provides that medical cannabis cultivators,  
23 manufacturers, dispensaries, and clinical registrants will be  
24 permitted to establish a medical advisory board to advise the  
25 permitted entity on all aspects of its business. A medical advisory  
26 board is to comprise five members: three healthcare practitioners;  
27 one qualifying patient who resides in the same area as the permitted  
28 entity; and one business owner from the same area as the permitted  
29 entity. No owner, director, officer, or employee of a permitted  
30 entity may serve on a medical advisory board. Medical advisory  
31 boards are to meet at least two times per year.

32 Medical cannabis dispensaries and clinical registrants are to  
33 consider whether to make interpreter services available to the  
34 population served, including for individuals with a vision or hearing  
35 impairment. The CRC is to assist facilities in locating appropriate  
36 interpreter resources. Dispensaries and clinical registrants will be  
37 responsible for the cost of providing interpreter services.

38 Medical cannabis cultivators, manufacturers, dispensaries,  
39 clinical registrants, and entities employing medical cannabis  
40 handlers to perform deliveries and transfers of medical cannabis  
41 operating on a for-profit basis may not operate at any premises that  
42 were the subject of a business development incentive. Medical  
43 cannabis cultivators and clinical registrants may not be located on  
44 land valued, assessed, or taxed as an agricultural or horticultural use  
45 pursuant to the "Farmland Assessment Act of 1964," P.L.1964, c.48  
46 (C.54:4-23.1 et seq.).

Other Cannabis-Related Licensure

The bill requires each batch of medical cannabis and each batch of a medical cannabis product to be tested by a laboratory to determine its chemical composition and potency and to screen for contamination by microbial contaminants, foreign material, residual pesticides, other agricultural residue and residual solvents, and heavy metals. The laboratory is to produce a written report detailing the results of the testing, a summary of which is to be included in any packaging materials for the medical cannabis or cannabis product. Laboratories may charge a reasonable fee for performing the test. The testing requirement will take effect once the CRC certifies that there are a sufficient number of testing laboratories licensed to ensure that the testing and labeling requirements can be satisfied without disrupting timely patient access to medical cannabis.

Laboratories providing testing services will be required to register with the CRC and will be subject to inspection to ensure that the equipment used is in good condition and properly calibrated. The owners, directors, officers, and employees of a testing laboratory will be required to undergo a criminal history record background check as a condition of licensure; no applicant with a disqualifying conviction will be authorized to own, operate, or be employed by a medical cannabis testing laboratory. “Disqualifying conviction” means any drug offense other than minor cannabis possession; applicants with a disqualifying conviction may still be approved if the applicant demonstrates clear and convincing evidence of rehabilitation. As a condition of licensure, each laboratory will be required to certify its intention to seek third party accreditation in accordance with ISO 17025 to ensure equipment is routinely inspected, calibrated, or maintained, until such time as the CRC issues its own standards or confirms the use of ISO 17025.

The CRC will be required to establish testing standards; however, until such time as the standards are adopted, testing laboratories will be authorized to utilize testing standards from another state with a medical cannabis program, which state is to be designated by the CRC.

The CRC is required to conduct a feasibility study concerning the establishment of a new research and development permit that would be dedicated to advancing the medical uses of cannabis. The study is to examine potential funding sources and include a public hearing, and the CRC is to conduct the study every three years until such time as a research and development permit is established in the State. The CRC will be authorized to establish additional permit types as may be appropriate, including permits authorizing pharmacies to be issued medical cannabis dispensary permits.

Legal Protections for Patients and Caregivers

The bill provides that qualifying patients and designated caregivers may not be discriminated against when enrolling in schools and institutions of higher education, when renting or leasing real property, or in the issuance of professional licensing, certifications, or permits issued by the State, solely on the basis of the individual's status as a registry cardholder or engaging in authorized conduct in relation to medical cannabis. However, schools, institutions of higher education, landlords, and licensing authorities will not be required to take any action that would jeopardize a monetary grant or privilege of licensure based on federal law. Schools, institutions, and landlords may not be penalized or denied benefits under State law solely on the basis of enrolling or renting or leasing real property to a registered patient. A person's status as a patient or caregiver, or as an owner, officer, director, or employee of a medical cannabis cultivator, manufacturer, dispensary, or clinical registrant will not constitute the sole grounds for entering an order restricting or denying custody of, or visitation with, a minor child of the person.

The bill provides that medical cannabis is to be treated the same as any other medication for the purposes of furnishing medical care, including determining the individual's eligibility for an organ transplant.

The bill prohibits employers from taking any adverse employment action against an employee based on the employee's status as a registry identification cardholder. If an employer has a drug testing policy and an employee or job applicant tests positive for cannabis, the employee or job applicant is to be offered an opportunity to present a legitimate medical explanation for the positive test result or request a retest. Nothing in the bill will restrict an employer's ability to prohibit or take adverse employment action for the possession or use of intoxicating substances during work hours or on workplace premises outside of work hours, or require an employer to commit any act that would violate federal law or result in the loss of a federal contract or federal funding. Employers will not be penalized or denied any benefit under State law for employing a person who is a registry cardholder.

The bill provides that health care facilities are prohibited from taking adverse employment action or ending a professional affiliation with a health care practitioner solely based on the practitioner authorizing patients for the medical use of medical cannabis or otherwise engaging in authorized conduct in relation to medical cannabis. Health care facilities may not be penalized or denied benefits under State law for employing or maintaining a professional affiliation with a practitioner who engages in authorized conduct in relation to medical cannabis.

Health care facilities may not be penalized or denied any benefit under State law solely for permitting or prohibiting the handling,

1 administration, usage, or storage of medical cannabis, provided that  
2 the facility's policies related to medical cannabis are consistent with  
3 all other facility policy on medication handling, administration,  
4 usage, or storage. Health care facilities will also not be penalized  
5 or denied any benefit under State law solely for prohibiting the  
6 smoking of medical cannabis on facility property in accordance  
7 with the facility's smoke free policy.

8 Insurance carriers will be prohibited from denying health care  
9 practitioners medical malpractice coverage or charging increased  
10 premiums, deductibles, or other fees based on the practitioner  
11 engaging in authorized conduct in relation to medical cannabis.

12 The bill prohibits any action or proceeding by the Division of  
13 Child Protection and Permanency in the Department of Children  
14 and Families be initiated against a pregnant woman or against the  
15 parent or guardian of a minor child on the sole grounds that the  
16 individual is a registered qualifying patient, a designated or  
17 institutional caregiver, or a director, officer, or employee of an  
18 ATC.

19 The bill provides that the chief administrator of a facility that  
20 provides behavioral health services is to develop a policy allowing  
21 designated caregivers, parents, and guardians access to registered  
22 qualifying patients who are receiving services at the facility, for the  
23 purpose of assisting the patient with the administration of medical  
24 cannabis. Nothing in the bill will authorize medical cannabis to be  
25 smoked in any area of the facility where smoking is otherwise  
26 prohibited by law.

27 The bill updates the annual reporting requirements for the CRC  
28 to reflect new data that will be generated pursuant to the bill,  
29 including information concerning diversity in the permits awarded  
30 in by the CRC and information on disparities in drug arrests.

31 Nothing in the bill is to be construed to restrict or otherwise  
32 affect the sale, prescribing, and dispensing of prescription drugs and  
33 devices approved by the federal Food and Drug Administration.

34 The bill adds a severability clause and provides that the CRC  
35 may waive any requirements of the State medical cannabis laws if a  
36 waiver is necessary to achieve the purposes of the law and provide  
37 access to patients who would not otherwise qualify for medical  
38 cannabis to alleviate suffering from a debilitating medical  
39 condition, and if granting the waiver does not create a danger to the  
40 public health, safety, or welfare.