

**SENATE, No. 2426**

**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

INTRODUCED MARCH 26, 2018

**Sponsored by:**

**Senator JOSEPH F. VITALE**

**District 19 (Middlesex)**

**Senator DECLAN J. O'SCANLON, JR.**

**District 13 (Monmouth)**

**Senator NICHOLAS P. SCUTARI**

**District 22 (Middlesex, Somerset and Union)**

**SYNOPSIS**

Authorizes medical marijuana for treatment of any diagnosed condition; revises requirements for physicians to authorize qualifying patients; and revises requirements for alternative treatment center operations and permitting.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning medical marijuana and revising and  
2 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 2 of P.L.2009, c.307 (C.24:6I-2) is amended to read  
8 as follows:

9 2. The Legislature finds and declares that:

10 a. Modern medical research has discovered a beneficial use for  
11 marijuana in treating or alleviating the pain or other symptoms  
12 associated with certain **【debilitating】** qualifying medical  
13 conditions, as found by the National Academy of Sciences' Institute  
14 of Medicine in March 1999;

15 b. According to the U.S. Sentencing Commission and the  
16 Federal Bureau of Investigation, 99 out of every 100 marijuana  
17 arrests in the country are made under state law, rather than under  
18 federal law. Consequently, changing state law will have the  
19 practical effect of protecting from arrest the vast majority of  
20 seriously ill people who have a medical need to use marijuana;

21 c. Although federal law currently prohibits the use of  
22 marijuana, the laws of Alaska, California, Colorado, Hawaii, Maine,  
23 Michigan, Montana, Nevada, New Mexico, Oregon, Rhode Island,  
24 Vermont, and Washington permit the use of marijuana for medical  
25 purposes, and in Arizona doctors are permitted to prescribe  
26 marijuana. New Jersey joins this effort for the health and welfare  
27 of its citizens;

28 d. States are not required to enforce federal law or prosecute  
29 people for engaging in activities prohibited by federal law;  
30 therefore, compliance with this act does not put the State of New  
31 Jersey in violation of federal law; and

32 e. Compassion dictates that a distinction be made between  
33 medical and non-medical uses of marijuana. Hence, the purpose of  
34 this act is to protect from arrest, prosecution, property forfeiture,  
35 and criminal and other penalties, those patients who use marijuana  
36 to alleviate suffering from **【debilitating】** certain qualifying medical  
37 conditions, as well as their physicians, primary caregivers, and  
38 those who are authorized to produce marijuana for medical  
39 purposes.

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

41

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

44 3. As used in **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.),  
45 P.L.2015, c.158 (C.18A:40-12.22), and P.L. , c. (C. )  
46 (pending before the Legislature as this bill):

**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     “ATC identification card” means a document issued by the  
2 department that identifies a person as an owner, director, board  
3 member, principal officer, or employee of an ATC.

4     "Bona fide physician-patient relationship" means a relationship  
5 in which the physician has ongoing responsibility for the  
6 assessment, care, and treatment of a patient's **【debilitating】**  
7 **qualifying** medical condition.

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

12     “Central region” means the counties of Hunterdon, Middlesex,  
13 Mercer, Monmouth, Ocean, Somerset, and Union.

14     "Commissioner" means the Commissioner of Health.

15     “Common ownership or control” means:

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

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

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

25     “Cultivate” means possessing, planting, propagating, cultivating,  
26 growing, harvesting, processing, labeling, manufacturing,  
27 compounding, and storing medical marijuana consistent with  
28 P.L.2009, c.307 (C.24:6I-1 et al.).

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

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

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

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

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

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

46     "Department" means the Department of Health.

1 “Immediate family” means the spouse, child, sibling, or parent of  
2 an individual, and shall include the siblings and parents of the  
3 individual’s spouse and the spouse of the individual’s child.

4 “Interest holder” means a direct or indirect owner, part owner,  
5 investor, lender, stockholder, officer, director, partner, or member  
6 of any corporation, partnership, limited liability company, limited  
7 liability partnership, employee cooperative, association, nonprofit  
8 corporation, business entity, or any other person with a direct  
9 ownership interest or indirect interest through intermediary business  
10 entities or other structures in an alternative treatment center.

11 "Marijuana" has the meaning given in section 2 of the "New  
12 Jersey Controlled Dangerous Substances Act," P.L.1970, c.226  
13 (C.24:21-2).

14 "Medical marijuana alternative treatment center" or "alternative  
15 treatment center" or “ATC” means an organization **[approved]**  
16 issued a permit by the department to **[perform activities necessary**  
17 **to provide registered qualifying patients with usable marijuana and**  
18 **related paraphernalia in accordance with the provisions of this act]**  
19 operate as a medical marijuana cultivator-processor or as a medical  
20 marijuana dispensary. This term shall include the organization's  
21 officers, directors, board members, and employees.

22 “Medical marijuana cultivator-processor” means an organization  
23 holding a permit issued by the department that authorizes the  
24 organization to: possess and cultivate marijuana; produce,  
25 manufacture, or otherwise create marijuana-infused and marijuana-  
26 derived products; and deliver, transfer, transport, distribute, supply,  
27 and sell medical marijuana, marijuana-infused products, marijuana-  
28 derived products, and related supplies to medical marijuana  
29 dispensaries. A medical marijuana cultivator-processor permit shall  
30 not authorize the permit holder to deliver, transfer, transport,  
31 distribute, supply, sell, or dispense medical marijuana, marijuana-  
32 infused products, marijuana-derived products, or related supplies to  
33 qualifying patients or their primary caregivers.

34 “Medical marijuana dispensary” means an organization issued a  
35 permit by the department that authorizes the organization to obtain  
36 medical marijuana, marijuana-infused products, and marijuana  
37 derived products from a medical marijuana cultivator-processor,  
38 and to possess, display, deliver, transfer, transport, distribute,  
39 supply, sell, and dispense medical marijuana, marijuana-infused  
40 products, marijuana-derived products, and related supplies to  
41 qualifying patients and their primary caregivers. A medical  
42 marijuana dispensary permit shall not authorize the permit holder to  
43 cultivate marijuana or to manufacture or process marijuana-infused  
44 or marijuana-derived products.

45 "Medical use of marijuana" means the acquisition, possession,  
46 transport, or use of marijuana or paraphernalia by a registered  
47 qualifying patient as authorized by **[this act]** P.L.2009, c.307

1 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-12.22), and P.L. , c.  
2 (C. ) (pending before the Legislature as this bill).

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

6 "Northern region" means the counties of Bergen, Essex, Hudson,  
7 Morris, Passaic, Sussex, and Warren.

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

9 "Physician" means a person licensed to practice medicine and  
10 surgery pursuant to Title 45 of the Revised Statutes with whom the  
11 patient has a bona fide physician-patient relationship and who is the  
12 primary care physician, hospice physician, or physician responsible  
13 for the ongoing treatment of a patient's **【debilitating】** qualifying  
14 medical condition, provided, however, that the ongoing treatment  
15 shall not be limited to the provision of authorization for a patient to  
16 use medical marijuana or consultation solely for that purpose.

17 "Primary caregiver" or "caregiver" means a resident of the State  
18 who:

19 a. is at least 18 years old;

20 b. has agreed to assist with a registered qualifying patient's  
21 medical use of marijuana, is not currently serving as primary  
22 caregiver for **【another】** more than one other qualifying patient, and  
23 is not the qualifying patient's physician;

24 c. subject to the provisions of paragraph (2) of section 4 of  
25 P.L.2009, c.307 (C.24:6I-4), has never been convicted of possession  
26 or sale of a controlled dangerous substance, unless such conviction  
27 occurred after the effective date of **【this act】** P.L.2009, c.307  
28 (C.24:6I-1 et al.) and was for a violation of federal law related to  
29 possession or sale of marijuana that is authorized under **【this act】**  
30 P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-  
31 12.22), or P.L. , c. (C. ) (pending before the Legislature as  
32 this bill);

33 d. has registered with the department pursuant to section 4 of  
34 **【this act】** P.L.2009, c.307 (C.24:6I-4), and, if the individual is not  
35 an immediate family member of the patient, has satisfied the  
36 criminal history record background check requirement of section 4  
37 of **【this act】** P.L.2009, c.307 (C.24:6I-4); and

38 e. has been designated as primary caregiver on the qualifying  
39 patient's application or renewal for a registry identification card or  
40 in other written notification to the department.

41 "Qualifying medical condition" means any medical condition  
42 diagnosed by a physician, including the symptoms of the condition  
43 and any symptoms resulting from any treatment for the condition,  
44 which the physician determines may be treated using medical  
45 marijuana.

46 "Qualifying patient" or "patient" means a resident of the State  
47 who has been **【provided with a certification】** authorized for the

1 medical use of marijuana by a physician pursuant to a bona fide  
2 physician-patient relationship.

3 “Region” means the northern region, the central region, or the  
4 southern region, as defined in this section.

5 "Registry identification card" means a document issued by the  
6 department that identifies a person as a registered qualifying patient  
7 or primary caregiver.

8 “Southern region” means the counties of Atlantic, Burlington,  
9 Camden, Cape May, Cumberland, Gloucester, and Salem.

10 "Usable marijuana" means the dried leaves and flowers of  
11 marijuana, and any mixture or preparation thereof, and does not  
12 include the seeds, stems, stalks, or roots of the plant.

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

14

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

17 4. a. The department shall establish a registry of qualifying  
18 patients and their primary caregivers, and shall issue a registry  
19 identification card, which shall be valid for two years, to a  
20 qualifying patient and primary caregiver, if applicable, who submits  
21 the following, in accordance with regulations adopted by the  
22 department:

23 (1) a **【certification that meets the requirements of section 5 of**  
24 **this act】** documentation of a physician’s authorization for the  
25 medical use of marijuana;

26 (2) an application or renewal fee, which may be based on a  
27 sliding scale as determined by the commissioner; except that no  
28 application or renewal fee shall apply to a qualifying patient, or in  
29 the case of an immediate family member of the patient who serves  
30 as primary caregiver to the patient. In all other cases, the  
31 application and renewal fee shall not exceed \$10 for patients who  
32 are indigent and \$50 for all other cardholders;

33 (3) the name, address, and date of birth of the patient and  
34 caregiver, as applicable; and

35 (4) the name, address, and telephone number of the patient's  
36 physician.

37 b. Before issuing a registry identification card, the department  
38 shall verify the information contained in the application or renewal  
39 form submitted pursuant to this section. In the case of a primary  
40 caregiver who is not an immediate family member of the patient,  
41 the department shall provisionally approve an application pending  
42 the results of a criminal history record background check, if the  
43 caregiver otherwise meets the requirements of **【this act】** P.L.2009,  
44 c.307 (C.24:6I-1 et al.). The department shall approve or deny an  
45 application or renewal within 30 days of receipt of the completed  
46 application or renewal, and shall issue a registry identification card  
47 within five days of approving the application or renewal. The  
48 department may deny an application or renewal only if the applicant

1 fails to provide the information required pursuant to this section, or  
2 if the department determines that the information was incorrect or  
3 falsified or does not meet the requirements of **【this act】** P.L.2009,  
4 c.307 (C.24:6I-1 et al.). Denial of an application shall be a final  
5 agency decision, subject to review by the Superior Court, Appellate  
6 Division.

7 c. (1) The commissioner shall require each applicant seeking  
8 to serve as a primary caregiver who is not an immediate family  
9 member of the patient to undergo a criminal history record  
10 background check. The commissioner is authorized to exchange  
11 fingerprint data with and receive criminal history record  
12 background information from the Division of State Police and the  
13 Federal Bureau of Investigation consistent with the provisions of  
14 applicable federal and State laws, rules, and regulations. The  
15 Division of State Police shall forward criminal history record  
16 background information to the commissioner in a timely manner  
17 when requested pursuant to the provisions of this section.

18 An applicant seeking to serve as a primary caregiver who is not  
19 an immediate family member of the patient shall submit to being  
20 fingerprinted in accordance with applicable State and federal laws,  
21 rules, and regulations. No check of criminal history record  
22 background information shall be performed pursuant to this section  
23 unless the applicant has furnished **【his】** the applicant's written  
24 consent to that check. An applicant who is not an immediate family  
25 member of the patient who refuses to consent to, or cooperate in,  
26 the securing of a check of criminal history record background  
27 information shall not be considered for inclusion in the registry as a  
28 primary caregiver or issuance of an identification card. An  
29 applicant shall bear the cost for the criminal history record  
30 background check, including all costs of administering and  
31 processing the check. No criminal history record background check  
32 shall be required of an applicant to be a primary caregiver if the  
33 applicant is an immediate family member of the patient.

34 (2) The commissioner shall not approve an applicant seeking to  
35 serve as a primary caregiver who is not an immediate family  
36 member of the patient if the criminal history record background  
37 information of the applicant reveals a disqualifying conviction. For  
38 the purposes of this section, a disqualifying conviction shall mean a  
39 conviction of a crime involving any controlled dangerous substance  
40 or controlled substance analog as set forth in chapter 35 of Title 2C  
41 of the New Jersey Statutes except paragraph (4) of subsection a. of  
42 N.J.S.2C:35-10, or any similar law of the United States or of any  
43 other state.

44 (3) Upon receipt of the criminal history record background  
45 information from the Division of State Police and the Federal  
46 Bureau of Investigation, the commissioner shall provide written  
47 notification to the applicant of **【his】** the applicant's qualification or  
48 disqualification for serving as a primary caregiver.

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

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

13 (5) Notwithstanding the provisions of subsection b. of this  
14 section to the contrary, no applicant shall be disqualified from  
15 serving as a registered primary caregiver on the basis of any  
16 conviction disclosed by a criminal history record background check  
17 conducted pursuant to this section if the individual has affirmatively  
18 demonstrated to the commissioner 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 shall contain the following  
41 information:

42 (1) the name, address, and date of birth of the patient and  
43 primary caregiver, if applicable;

44 (2) the expiration date of the registry identification card;

45 (3) photo identification of the cardholder; and

46 (4) such other information that the department may specify by  
47 regulation.



1 e. (1) A patient who has been issued a registry identification  
2 card shall notify the department of any change in the patient's name,  
3 address, or physician or change in status of the patient's  
4 **【debilitating】** qualifying medical condition, within 10 days of such  
5 change, or the registry identification card shall be deemed null and  
6 void.

7 (2) A primary caregiver who has been issued a registry  
8 identification card shall notify the department of any change in the  
9 caregiver's name or address within 10 days of such change, or the  
10 registry identification card shall be deemed null and void.

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

19 (1) authorized employees of the department and the Division of  
20 Consumer Affairs in the Department of Law and Public Safety as  
21 necessary to perform official duties of the department and the  
22 division, as applicable; and

23 (2) authorized employees of State or local law enforcement  
24 agencies, only as necessary to verify that a person who is engaged  
25 in the suspected or alleged medical use of marijuana is lawfully in  
26 possession of a registry identification card.

27 g. Applying for or receiving a registry card does not constitute  
28 a waiver of the qualifying patient's patient-physician privilege.  
29 (cf: P.L.2009, c.307, s.4)

30  
31 4. (New section) a. A physician shall not be required to enroll  
32 in any medical marijuana physician registry or undergo any  
33 additional registration process as a condition of authorizing patients  
34 for the medical use of marijuana.

35 b. When authorizing a qualifying patient who is a minor for the  
36 medical use of marijuana, if the treating physician is not trained in  
37 the care of pediatric patients, the treating physician shall, prior to  
38 authorizing the patient for the medical use of marijuana, obtain  
39 written confirmation from a physician trained in the care of  
40 pediatric patients establishing, in the physician's professional  
41 opinion, and following an examination of the minor patient or  
42 review of the minor patient's medical record, that the minor patient  
43 is likely to receive therapeutic or palliative benefits from the  
44 medical use of marijuana to treat or alleviate symptoms associated  
45 with the patient's qualifying medical condition. If the treating  
46 physician is trained in the care of pediatric patients, no additional  
47 written confirmation from any other physician shall be required as a

1 condition of authorizing the patient for the medical use of  
2 marijuana.

3  
4 5. (New section) a. Except as provided in subsection b. of this  
5 section, no physician who has authorized a patient for the medical  
6 use of marijuana pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)  
7 within the past 90 days, and no member of such physician's  
8 immediate family, shall be an interest holder in, or receive any form  
9 of direct or indirect compensation from, any alternative treatment  
10 center.

11 b. Nothing in subsection a. of this section shall be construed to  
12 prevent a physician from serving on the medical advisory board of  
13 an alternative treatment center established pursuant to section 9 of  
14 P.L. , c. (C. ) (pending before the Legislature as this bill)  
15 and receiving a reasonable stipend for such service, provided that:

16 (1) the stipend does not exceed the stipend paid to any other  
17 member of the medical advisory board for serving on the board; and

18 (2) the amount of the stipend is not based on patient volumes at  
19 the alternative treatment center or on the number of authorizations  
20 for the medical use of marijuana the physician issues pursuant to  
21 P.L.2009, c.307 (C.24:6I-1 et al.).

22 c. A physician, or an immediate family member of a physician,  
23 who applies for an ATC identification card shall certify that the  
24 physician has not authorized a patient for the medical use of  
25 marijuana pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) within the  
26 90 days immediately preceding the date of the application.

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

29  
30 6. Section 7 of P.L.2009, c.307 (C.24:6I-7) is amended to read  
31 as follows:

32 7. a. The department shall accept applications from entities  
33 for permits to operate as alternative treatment centers **】, and may**  
34 **charge a reasonable fee for the issuance of a permit under this**  
35 **section】. 【The department shall seek to ensure the availability of a**  
36 **sufficient number of】 To ensure adequate access to alternative**  
37 **treatment centers throughout the State, 【pursuant to need, including**  
38 **at least two each in】 the department shall grant permits authorizing**  
39 **a total of 12 medical marijuana cultivator-processors and 40**  
40 **medical marijuana dispensaries in the State, which to the extent**  
41 **possible in light of patient need, shall be evenly distributed among**  
42 **the northern, central, and southern regions of the State; this total**  
43 **number of permits shall include the six alternative treatment center**  
44 **permits issued prior to the effective date of P.L. , c. (C. )**  
45 **(pending before the Legislature as this bill), which shall constitute**  
46 **six of the medical marijuana cultivator-processor permits and six of**  
47 **the medical marijuana dispensary permits, plus the six medical**

1 marijuana cultivator-processor permits and the 34 medical  
2 marijuana dispensary permits issued pursuant to section 7 of P.L. ,  
3 c. (C. ) (pending before the Legislature as this bill).

4 An initial application for a medical marijuana cultivator-  
5 processor permit or a medical marijuana dispensary permit shall  
6 meet the application requirements set forth in section 8 of P.L. , c.  
7 (C. ) (pending before the Legislature as this bill).

8 An alternative treatment center holding a permit that was issued  
9 prior to the effective date of P.L. , c. (C. ) (pending before  
10 the Legislature as this bill) shall be deemed to hold both a medical  
11 marijuana cultivator-processor permit and a medical marijuana  
12 dispensary permit, and shall be authorized to hold both permits  
13 concurrently. [The first two centers issued a permit in each region  
14 shall be nonprofit entities, and centers subsequently issued permits  
15 may be nonprofit or for-profit entities]

16 No interest holder, or natural person with a direct or indirect  
17 interest through intermediary business entities or other structures, in  
18 any medical marijuana cultivator-processor, shall own, either in  
19 whole or in part, or be directly or indirectly interested in, a medical  
20 marijuana dispensary. The foregoing shall not apply to interest  
21 holders of a medical marijuana alternative treatment center issued a  
22 permit by the department prior to the effective date of P.L. , c.  
23 (C. ) (pending before the Legislature as this bill).

24 No interest holder, or natural person with a direct or indirect  
25 interest through intermediary business entities or other structures, in  
26 any medical marijuana dispensary, shall own, either in whole or in  
27 part, or be directly or indirectly interested in, a medical marijuana  
28 cultivator-processor. The foregoing shall not apply to interest  
29 holders of a medical marijuana alternative treatment center issued a  
30 permit by the department prior to the effective date of P.L. , c.  
31 (C. ) (pending before the Legislature as this bill).

32 No natural person or entity shall hold an interest in more than  
33 one medical marijuana cultivator-processor or more than one  
34 medical marijuana dispensary at any time, except that an interest  
35 holder in a medical marijuana alternative treatment center that was  
36 issued a permit by the department prior to the effective date of P.L.,  
37 c. (C. ) (pending before the Legislature as this bill) may  
38 concurrently hold up to a 15 percent ownership interest in up to one  
39 additional medical marijuana alternative treatment center that was  
40 issued a permit by the department prior to the effective date of P.L.,  
41 c. (C. ) (pending before the Legislature as this bill), up to one  
42 medical marijuana cultivator-processor, or up to one medical  
43 marijuana dispensary; a medical marijuana cultivator-processor may  
44 concurrently hold up to a 15 percent ownership interest in up to one  
45 additional medical marijuana cultivator-processor or up to one  
46 medical marijuana alternative treatment center that was issued a  
47 permit by the department prior to the effective date of P.L. , c.  
48 (C. ) (pending before the Legislature as this bill); and a medical

1 marijuana dispensary may concurrently hold up to a 15 percent  
2 ownership interest in up to one additional medical marijuana  
3 dispensary or up to one medical marijuana alternative treatment  
4 center that was issued a permit by the department prior to the  
5 effective date of P.L. , c. (C. ) (pending before the  
6 Legislature as this bill).

7 None of the ownership restrictions set forth in this subsection  
8 shall be construed to be implicated solely by any person's  
9 ownership of less than one percent of the total capitalization of a  
10 publicly traded company, provided that the stockholder is not also  
11 an employee, officer, or director of the publicly traded company.

12 **【An alternative treatment center】** A medical marijuana  
13 cultivator-processor shall be authorized to acquire a reasonable  
14 initial and ongoing inventory, as determined by the department, of  
15 marijuana seeds or seedlings and paraphernalia, possess, cultivate,  
16 plant, grow, harvest, process, 【display,】 and manufacture medical  
17 marijuana and marijuana-infused and marijuana-derived products,  
18 and deliver, transfer, transport, distribute, supply, sell, or dispense  
19 medical marijuana, 【or】 marijuana-infused products, marijuana-  
20 derived products, and related supplies to any medical marijuana  
21 dispensary in the State. If approved by the department, a medical  
22 marijuana cultivator-processor may operate, within the scope of its  
23 permit, from more than one physical location. Medical marijuana  
24 dispensaries may purchase or acquire medical marijuana,  
25 marijuana-infused and marijuana-derived products, paraphernalia,  
26 and related supplies from any medical marijuana cultivator-  
27 processor in the State, and distribute, supply, sell, or dispense  
28 marijuana, marijuana-infused products, marijuana-derived products,  
29 and related supplies to qualifying patients or their primary  
30 caregivers who are registered with the department pursuant to  
31 section 4 of 【this act】 P.L.2009, c.307 (C.24:6I-4). 【An alternative  
32 treatment center】 A medical marijuana cultivator-producer shall not  
33 be limited in the number of strains of medical marijuana cultivated  
34 【, and】 or the number of products manufactured. A medical  
35 marijuana cultivator-producer may package, and a medical  
36 marijuana dispensary may directly dispense 【marijuana】 to  
37 qualifying patients and their primary caregivers, medical marijuana  
38 in dried form, oral lozenges, topical formulations, transdermal form,  
39 sublingual form, tincture form, or edible form, or any other form as  
40 authorized by the commissioner. Edible form shall include tablets,  
41 capsules, drops or syrups, and any other form as authorized by the  
42 commissioner. 【Edible forms shall be available only to qualifying  
43 patients who are minors.】

44 Applicants that choose to apply for authorization as **【nonprofit】**  
45 alternative treatment centers with nonprofit status shall be subject to  
46 all applicable State laws governing nonprofit entities, but need not

1 be recognized as a 501(c)(3) organization by the federal Internal  
2 Revenue Service.

3 b. The department shall require that an applicant provide such  
4 information as the department determines to be necessary pursuant  
5 to regulations adopted pursuant to **【this act】** P.L.2009, c.307  
6 (C.24:6I-1 et al.) and may, in its discretion, require any applicant to  
7 submit a personal history disclosure and conduct financial due  
8 diligence on any person or entity providing \$100,000 or more in  
9 financial backing to an applicant.

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

23 d. (1) The commissioner shall require each applicant seeking  
24 a permit to operate as an alternative treatment center to undergo a  
25 criminal history record background check. For purposes of this  
26 section, the term "applicant" shall include any applicant for an ATC  
27 identification card authorizing the individual to be an owner,  
28 director, board member, principal officer, or employee of an  
29 alternative treatment center. The commissioner is authorized to  
30 exchange fingerprint data with and receive criminal history record  
31 background information from the Division of State Police and the  
32 Federal Bureau of Investigation consistent with the provisions of  
33 applicable federal and State laws, rules, and regulations. The  
34 Division of State Police shall forward criminal history record  
35 background information to the commissioner in a timely manner  
36 when requested pursuant to the provisions of this section.

37 An applicant shall submit to being fingerprinted in accordance  
38 with applicable State and federal laws, rules, and regulations. No  
39 check of criminal history record background information shall be  
40 performed pursuant to this section unless the applicant has  
41 furnished **【his】** written consent to that check. An applicant who  
42 refuses to consent to, or cooperate in, the securing of a check of  
43 criminal history record background information shall not be  
44 considered for **【a permit to operate, or authorization to be employed**  
45 **at, an alternative treatment center】** issuance of an ATC  
46 identification card. An applicant shall bear the cost for the criminal

1 history record background check, including all costs of  
2 administering and processing the check.

3 (2) The commissioner shall not approve an applicant for [a  
4 permit to operate, or authorization to be employed at, an alternative  
5 treatment center] issuance of an ATC identification card if the  
6 criminal history record background information of the applicant  
7 reveals a disqualifying conviction as set forth in subsection c. of  
8 this section.

9 (3) Upon receipt of the criminal history record background  
10 information from the Division of State Police and the Federal  
11 Bureau of Investigation, the commissioner shall provide written  
12 notification to the applicant of [his] the applicant's qualification  
13 for or disqualification for [a permit to operate or] issuance of an  
14 ATC identification card authorizing the individual to be [a] an  
15 owner, director, board member, principal officer, or employee of an  
16 alternative treatment center, as appropriate.

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

21 (4) The Division of State Police shall promptly notify the  
22 commissioner in the event that an individual who was the subject of  
23 a criminal history record background check conducted pursuant to  
24 this section is convicted of a crime or offense in this State after the  
25 date the background check was performed. Upon receipt of that  
26 notification, the commissioner shall make a determination regarding  
27 the continued eligibility to operate or be [a] an owner, director,  
28 board member, principal officer, or employee of an alternative  
29 treatment center.

30 (5) Notwithstanding the provisions of subsection b. of this  
31 section to the contrary, the commissioner may offer [provisional  
32 authority for] an applicant to be an employee of an alternative  
33 treatment center a provisional ATC identification card, which shall  
34 be valid for a period not to exceed three months, if the applicant  
35 submits to the commissioner a sworn statement attesting that the  
36 [person] applicant has not been convicted of any disqualifying  
37 conviction pursuant to this section.

38 (6) Notwithstanding the provisions of subsection b. of this  
39 section to the contrary, no employee of an alternative treatment  
40 center shall be disqualified from issuance of an ATC identification  
41 card on the basis of any conviction disclosed by a criminal history  
42 record background check conducted pursuant to this section if the  
43 individual has affirmatively demonstrated to the commissioner clear  
44 and convincing evidence of rehabilitation. In determining whether  
45 clear and convincing evidence of rehabilitation has been  
46 demonstrated, the following factors shall be considered:

- 1 (a) the nature and responsibility of the position which the  
2 convicted individual would hold, has held, or currently holds;
- 3 (b) the nature and seriousness of the crime or offense;
- 4 (c) the circumstances under which the crime or offense  
5 occurred;
- 6 (d) the date of the crime or offense;
- 7 (e) the age of the individual when the crime or offense was  
8 committed;
- 9 (f) whether the crime or offense was an isolated or repeated  
10 incident;
- 11 (g) any social conditions which may have contributed to the  
12 commission of the crime or offense; and
- 13 (h) any evidence of rehabilitation, including good conduct in  
14 prison or in the community, counseling or psychiatric treatment  
15 received, acquisition of additional academic or vocational  
16 schooling, successful participation in correctional work-release  
17 programs, or the recommendation of those who have had the  
18 individual under their supervision.
- 19 e. The department shall issue ~~【a permit to a person to operate~~  
20 ~~as】~~ an alternative treatment center permit to an applicant if the  
21 department finds that issuing such a permit would be consistent  
22 with the purposes of ~~【this act】~~ P.L.2009, c.307 (C.24:6I-1 et al.)  
23 and the requirements of this section are met and the department has  
24 verified the information contained in the application. An initial  
25 permit to operate an alternative treatment center issued pursuant to  
26 this subsection shall be valid for three years, and thereafter shall be  
27 renewable biennially. The department shall approve or deny an  
28 application within 60 days after receipt of a completed application.  
29 The denial of an application shall be considered a final agency  
30 decision, subject to review by the Appellate Division of the  
31 Superior Court. The department may suspend or revoke a permit to  
32 operate as an alternative treatment center for cause, which shall be  
33 subject to review by the Appellate Division of the Superior Court.
- 34 f. A person ~~【who has been】~~ or entity issued a medical  
35 marijuana cultivator-processor permit pursuant to this section shall  
36 display the permit at the premises of the ~~【alternative treatment~~  
37 ~~center】~~ medical marijuana cultivator-processor facility at all times  
38 when marijuana is being produced, ~~【or】~~ , cultivated, processed, or  
39 manufactured, and a person or entity issued a medical marijuana  
40 dispensary permit pursuant to this section shall display the permit  
41 on the premises of the medical marijuana dispensary at all times  
42 when medical marijuana is being dispensed to a registered  
43 qualifying patient or the patient's primary caregiver. An individual  
44 who has been issued an ATC identification card shall have the card  
45 on the cardholder's person at all times that the individual is on the  
46 premises of an alternative treatment center.

- 1 g. An alternative treatment center shall report any change in  
2 information to the department not later than 10 days after such  
3 change, or the permit shall be deemed null and void.
- 4 h. ~~【An alternative treatment center】~~ A medical marijuana  
5 cultivator-processor may charge a medical marijuana dispensary for  
6 the reasonable costs associated with the production, cultivation,  
7 processing, and manufacture of medical marijuana and marijuana-  
8 infused and marijuana-derived products, and a medical marijuana  
9 dispensary may charge a registered qualifying patient or primary  
10 caregiver for the reasonable costs associated with the ~~【production~~  
11 ~~and】~~ distribution of medical marijuana ~~【for】~~ to the cardholder.
- 12 i. The commissioner shall adopt regulations to:
- 13 (1) require such written documentation of each delivery of  
14 marijuana to, and pickup of marijuana for, a registered qualifying  
15 patient, including the date and amount dispensed, to be maintained  
16 in the records of the ~~【alternative treatment center】~~ medical  
17 marijuana dispensary, as the commissioner determines necessary to  
18 ensure effective documentation of the operations of each  
19 ~~【alternative treatment center】~~ medical marijuana dispensary;
- 20 (2) monitor, oversee, and investigate all activities performed by  
21 an alternative treatment center; and
- 22 (3) ensure adequate security of all facilities 24 hours per day,  
23 including production and retail locations, and security of all  
24 delivery methods to registered qualifying patients.
- 25 j. A medical marijuana cultivator-processor may apply to the  
26 department for approval to relocate to another location within the  
27 same region, and a medical marijuana dispensary may apply to the  
28 department for approval to relocate the medical marijuana  
29 dispensary to another location within the same county. The  
30 department may approve an application for relocation if the  
31 department finds the relocation would be consistent with the  
32 purposes of P.L.2009, c.307 (C.24:6I-1 et al.). The denial of an  
33 application to relocate a medical marijuana cultivator-processor or  
34 medical marijuana dispensary shall be considered a final agency  
35 decision, subject to review by the Appellate Division of the  
36 Superior Court.
- 37 k. (1) A medical marijuana cultivator-processor or medical  
38 marijuana dispensary may apply to the department for approval to  
39 sell or transfer its permit to another entity. The department shall  
40 not approve the sale or transfer of a medical marijuana cultivator  
41 processor or medical marijuana dispensary permit until each  
42 applicant at the entity applying to purchase or receive the transfer of  
43 the permit undergoes a criminal history record background check  
44 pursuant to subsection d. of this section, the department finds that  
45 the sale or transfer of the permit would be consistent with the  
46 purposes of P.L.2009, c.307 (C.24:6I-1 et al.), the requirements of  
47 this section are met, and the department has verified the information



1 contained in the application. The department shall approve or deny  
2 an application within 90 days after receipt of a completed  
3 application. The denial of an application to sell or transfer a  
4 medical marijuana cultivator processor or medical marijuana  
5 dispensary permit shall be considered a final agency decision,  
6 subject to review by the Appellate Division of the Superior Court.  
7 The sale or transfer of a permit pursuant to this subsection shall not  
8 constitute authorization to relocate the permitted facility unless the  
9 entity purchasing or receiving transfer of the permit additionally  
10 receives approval for the relocation from the department pursuant to  
11 subsection j. of this section.

12 (2) If a nonprofit medical marijuana cultivator processor or  
13 medical marijuana dispensary proposes to sell or transfer its permit  
14 to a for-profit entity, its board of directors may proceed with the  
15 sale or transfer upon receiving approval for the sale or transfer from  
16 the department pursuant to paragraph (1) of this subsection, and,  
17 except as provided in paragraph (3) of this subsection, after  
18 obtaining an independent appraisal for the fair market value of the  
19 permit. The sale or transfer of the permit shall be consistent with  
20 the requirements of the "New Jersey Nonprofit Corporation Act,"  
21 N.J.S.15A:1-1 et seq. The proceeds of the sale or transfer,  
22 following satisfaction of the obligations of the medical marijuana  
23 cultivator-processor or medical marijuana dispensary, shall be  
24 retained or expended in a manner consistent with the requirements  
25 of the "New Jersey Nonprofit Corporation Act," N.J.S.15A:1-1 et  
26 seq., or until the organization is lawfully wound down or dissolved.  
27 If a nonprofit medical marijuana cultivator processor or medical  
28 marijuana dispensary seeks to sell or transfer its permit to a for-  
29 profit entity with which it shares common ownership or control, the  
30 sale or transfer shall not proceed unless at least one disinterested  
31 director or trustee approves the sale or transfer in accordance with  
32 the requirements of the "New Jersey Nonprofit Corporation Act,"  
33 N.J.S.15A:1-1 et seq.

34 (3) In the case of a nonprofit alternative treatment center that  
35 was issued a permit prior to the effective date of P.L. , c. (C. )  
36 (pending before the Legislature as this bill), in lieu of obtaining an  
37 independent appraisal of the fair market value of the alternative  
38 treatment center's medical marijuana cultivator-processor or  
39 medical marijuana dispensary permit as required under paragraph  
40 (2) of this subsection, upon receiving approval for the sale from the  
41 department pursuant to paragraph (1) of this subsection, a nonprofit  
42 alternative treatment center that was issued a permit prior to the  
43 effective date of P.L. , c. (C. ) (pending before the  
44 Legislature as this bill) may, on a single occasion and no later than  
45 one year after the effective date of P.L. , c. (C. ) (pending  
46 before the Legislature as this bill), elect to pay the department a fee  
47 of \$300,000 and sell or transfer its medical marijuana cultivator

1 processor permit or medical marijuana dispensary permit for a sum  
2 that satisfies its outstanding obligations.

3 1. The maximum fees that may be charged in connection with  
4 an alternative treatment center permit shall be as follows:

5 (1) for issuance of an initial three-year permit or biennial  
6 renewal of an existing permit, \$40,000;

7 (2) for authorization to relocate a medical marijuana cultivator-  
8 processor to a new location within the same region, or for  
9 authorization to relocate a medical marijuana dispensary to another  
10 location within the same county, \$20,000; and

11 (3) except as otherwise provided in paragraph (3) of subsection  
12 k. of this section, to sell or transfer an alternative treatment center  
13 permit, \$150,000.

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

15

16 7. (New section) The department shall begin accepting and  
17 processing applications for six additional cultivator-processors and  
18 34 additional medical marijuana dispensaries no later than 90 days  
19 after the effective date of P.L. , c. (C. ) (pending before the  
20 Legislature as this bill).

21 The department shall make a determination as to a permit  
22 application within 90 days after receiving the application, and shall  
23 issue an initial permit to an approved applicant immediately upon  
24 collection of the permit fee, unless the department finds the  
25 applicant is not implementing the plans, procedures, protocols,  
26 actions, or other measures set forth in the applicant's permit  
27 application submitted pursuant to section 8 of P.L. , c. (C. )  
28 (pending before the Legislature as this bill), or is otherwise not in  
29 compliance with the requirements of P.L.2009, c.307 (C.24:6I-1 et  
30 al.), in which case the department shall issue the permit to the next  
31 highest scoring applicant in the same region that is in compliance  
32 with the applicant's permit application and the requirements of  
33 P.L.2009, c.307 (C.24:6I-1 et al.).

34

35 8. (New section) a. Each application for an initial three year  
36 permit to operate a medical marijuana cultivator processor or  
37 medical marijuana dispensary, and for biennial renewal of such  
38 permit, shall be submitted to the department. A separate application  
39 shall be required for each location at which an applicant seeks to  
40 operate. Renewal applications shall be submitted to the department  
41 no later than 90 days before the date the current permit will expire.

42 b. An initial medical marijuana cultivator-processor or medical  
43 marijuana dispensary permit application shall be evaluated and  
44 scored on a 100 point scale, consistent with the requirements of  
45 subsections c. and d. of this section, plus any bonus points awarded  
46 pursuant to subsection e. of this section.

47 c. In addition to any points awarded for an initial application  
48 for a medical marijuana cultivator-processor permit or a medical

1 marijuana dispensary permit pursuant to subsection d. of this  
2 section and any bonus points awarded pursuant to subsection e. of  
3 this section, up to 21 points may be awarded for the summary of the  
4 applicant's operating plan, excluding safety and security criteria:

5 (1) In the case of an applicant for a medical marijuana  
6 cultivator-processor permit, the operating plan summary shall  
7 include a written description, of up to 1,000 words per topic,  
8 concerning the applicant's qualifications for, experience in, and  
9 knowledge of each of the following topics:

10 (a) State-licensed cultivation of medical marijuana and  
11 manufacture of marijuana products using appropriate extraction  
12 methods;

13 (b) conventional horticulture or agriculture, familiarity with  
14 good agricultural practices, and any relevant certifications or  
15 degrees;

16 (c) pharmaceutical manufacturing, good manufacturing  
17 practices, quality control, and quality assurance;

18 (d) recall plans;

19 (e) packaging and labeling;

20 (f) inventory control and tracking software or systems for the  
21 production of medical marijuana;

22 (g) analytical chemistry and testing of marijuana and marijuana-  
23 infused or marijuana-derived products and formulations;

24 (h) water management practices;

25 (i) odor mitigation practices;

26 (j) onsite and offsite recordkeeping;

27 (k) strain variety and plant genetics;

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

30 (m) waste disposal plans; and

31 (n) compliance with applicable laws and regulations.

32 (2) In the case of an applicant for a medical marijuana  
33 dispensary permit, the operating plan summary shall include a  
34 written description, of up 1,000 words per topic, concerning the  
35 applicant's qualifications for, experience in, and knowledge of each  
36 of the following topics:

37 (a) State-licensed dispensation of medical marijuana to  
38 qualifying patients;

39 (b) healthcare, medicine, and treatment of patients with  
40 debilitating medical conditions;

41 (c) marijuana product evaluation procedures;

42 (d) recall plans;

43 (e) packaging and labeling;

44 (f) inventory control and point-of-sale software or systems for  
45 the sale of medical marijuana;

46 (g) patient counseling procedures;

47 (h) the routes of administration, strains, varieties, and  
48 cannabinoid profiles of medical marijuana products;

- 1 (i) odor mitigation practices;
  - 2 (j) onsite and offsite recordkeeping;
  - 3 (k) the composition of the applicant's medical advisory board, if
  - 4 any;
  - 5 (l) compliance with State and federal patient privacy rules;
  - 6 (m) waste disposal plans; and
  - 7 (n) compliance with applicable laws and regulations.
- 8 d. In addition to any points awarded for an operating plan
- 9 summary submitted pursuant to subsection c. of this section and any
- 10 bonus points awarded pursuant to subsection e. of this section, up
- 11 79 points may be awarded for an initial application for a medical
- 12 marijuana cultivator-processor permit or a medical marijuana
- 13 dispensary permit, as follows:
- 14 (1) Up to four points may be awarded for the applicant's
  - 15 environmental impact plan, which shall not exceed five pages.
  - 16 (2) Up to 7.5 points may be awarded for the summary of the
  - 17 applicant's safety and security plans and procedures, which shall
  - 18 include descriptions of the following:
    - 19 (a) plans for the use of security personnel;
    - 20 (b) the experience or qualifications of existing security
    - 21 personnel;
    - 22 (c) security and surveillance features, including descriptions of
    - 23 any alarm systems, video surveillance systems, and access and
    - 24 visitor management systems, along with drawings identifying the
    - 25 proposed locations for surveillance cameras and other security
    - 26 features;
    - 27 (d) plans for the storage of medical marijuana and medical
    - 28 marijuana products, including any safes, vaults, and climate control
    - 29 systems that will be utilized for this purpose;
    - 30 (e) a diversion prevention plan;
    - 31 (f) an emergency management plan;
    - 32 (g) procedures for screening, monitoring, and performing
    - 33 criminal history record background checks of employees;
    - 34 (h) cybersecurity procedures, including, in the case of an
    - 35 applicant for a medical marijuana dispensary permit, procedures for
    - 36 collecting, processing, and storing patient data, and the applicant's
    - 37 familiarity with State and federal privacy laws;
    - 38 (i) workplace safety plans and the applicant's familiarity with
    - 39 federal Occupational Safety and Health Administration regulations;
    - 40 (j) the applicant's history of workers' compensation claims and
    - 41 safety assessments;
    - 42 (k) procedures for reporting adverse events; and
    - 43 (l) a sanitation practices plan.
  - 44 (3) Up to 15 total points may be awarded for the summary of the
  - 45 applicant's business experience, subject to the following
  - 46 requirements:

1 (a) up to six points may be awarded for the description of the  
2 applicant's experience operating businesses in highly-regulated  
3 industries;

4 (b) up to six points may be awarded for a description of the  
5 applicant's experience in operating alternative treatment centers and  
6 related medical marijuana production and dispensation entities  
7 under the laws of New Jersey or any other state; and

8 (c) up to three points may be awarded for the applicant's plan,  
9 which shall not exceed three pages, to comply with and mitigate the  
10 effects of 26 U.S.C. s.280E on marijuana businesses, and for  
11 evidence that the applicant is not in arrears with respect to any tax  
12 obligation to the State.

13 In evaluating the experience described under subparagraphs (a)  
14 and (b) of this paragraph, the department shall afford the greatest  
15 weight to the experience of the applicant itself, controlling owners,  
16 and entities with common ownership or control with the applicant;  
17 followed by the experience of those with a 15 percent or greater  
18 ownership interest in the applicant's organization; followed by  
19 interest holders in the applicant's organization; followed by other  
20 officers, directors, and bona fide full-time employees of the  
21 applicant as of the submission date of the application.

22 (4) Up to 15 points may be awarded based on a description of  
23 the proposed location for the applicant's alternative treatment center  
24 site, which shall be awarded as follows:

25 (a) up to seven points may be awarded for a description of the  
26 proposed location, the surrounding area, and the suitability or  
27 advantages of the proposed location, along with a floor plan and  
28 optional renderings or architectural or engineering plans;

29 (b) four points may be awarded for submitting zoning approvals  
30 for the proposed location, which shall consist of a letter or affidavit  
31 from appropriate municipal officials that the location will conform  
32 to municipal zoning requirements allowing for the cultivation,  
33 processing, or dispensing of medical marijuana, marijuana-infused  
34 and marijuana-derived products, and related supplies, as  
35 appropriate; and

36 (c) four points may be awarded for submitting proof of local  
37 support for the suitability of the location, which may be  
38 demonstrated by a letter from the municipality's highest-ranking  
39 official or by a resolution adopted by the municipality's governing  
40 body indicating that the intended location is appropriately located  
41 or otherwise suitable for the cultivation, processing, or dispensing  
42 of medical marijuana, marijuana-infused and marijuana-derived  
43 products, and related supplies, as appropriate.

44 Notwithstanding any other provision of this subsection, an  
45 application shall be disqualified from consideration unless it  
46 includes documentation demonstrating that the applicant will have  
47 final control of the premises upon approval of the application,  
48 including, but not limited to, a lease agreement, contract for sale,

1 title, deed, or similar documentation. In addition, if the applicant  
2 will lease the premises, the application will be disqualified from  
3 consideration unless it includes certification from the landlord that  
4 the landlord is aware that the tenant's use of the premises will  
5 involve cultivation, processing, or dispensing of medical marijuana  
6 and medical marijuana products, as appropriate. An application  
7 shall not be disqualified from consideration if the application does  
8 not include the materials described in subparagraphs (b) or (c) of  
9 this paragraph.

10 (5) Up to 15 total points may be awarded in the community  
11 impact and social responsibility section of the application, subject  
12 to the following requirements:

13 (a) up to four points may be awarded for a community impact  
14 plan, not to exceed five pages, summarizing how the applicant  
15 intends to have a positive impact on the community in which the  
16 proposed medical marijuana cultivator-processor or medical  
17 marijuana dispensary is to be located, which shall include an  
18 economic impact plan, a description of outreach activities, and any  
19 financial assistance or discount plans the applicant will provide to  
20 qualifying patients and primary caregivers;

21 (b) up to three points may be awarded for a written description  
22 of the applicant's record of social responsibility, philanthropy, and  
23 ties to the proposed host community, which shall not exceed five  
24 pages;

25 (c) up to four points may be awarded for a written description of  
26 any research the applicant has conducted on the medical efficacy or  
27 adverse effects of marijuana use and the applicant's participation in  
28 or support of marijuana-related research and educational activities,  
29 which shall not exceed three pages; and

30 (d) up to four points may be awarded for a written plan, which  
31 shall not exceed three pages, describing any research and  
32 development regarding the medical efficacy or adverse effects of  
33 marijuana, and any marijuana-related educational and outreach  
34 activities, the applicant intends to conduct if issued a permit by the  
35 department.

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

46 (6) Up to 7.5 total points may be awarded for the applicant's  
47 workforce development and job creation plan, which may be  
48 awarded based on the following criteria:

1 (a) up to four points may be awarded for a description of the  
2 applicant's workforce development and job creation plan, which  
3 may include information on the applicant or its owners' history of  
4 job creation and planned job creation at its proposed medical  
5 marijuana cultivator-processor or medical marijuana dispensary;  
6 education, training, and resources to be made available for  
7 employees; any relevant certifications; and an optional diversity  
8 plan; and

9 (b) 3.5 points shall be awarded to any applicant that has  
10 executed a labor peace agreement or card check and neutrality  
11 agreement with a collective bargaining unit for the proposed  
12 medical marijuana cultivator-processor or medical marijuana  
13 dispensary. An applicant that does not submit the information  
14 described in this subparagraph shall not be disqualified from  
15 consideration.

16 (7) Up to 15 total points may be awarded for the description of  
17 applicant's business and financial plan:

18 (a) up to five points may be awarded for an executive summary  
19 of the applicant's business plan, which shall not exceed 1,500  
20 words;

21 (b) up to five points may be awarded for a demonstration of the  
22 applicant's financial ability to implement its business plan, which  
23 shall not exceed 10 pages including attachments, and which may  
24 include, but shall not be limited to, bank statements, business and  
25 individual financial statements, net worth statements, and debt and  
26 equity financing statements. An applicant who demonstrates the  
27 availability of at least \$500,000 in a bank account in the applicant's  
28 name at the time the application is submitted shall be awarded full  
29 points under this subparagraph;

30 (c) up to five points may be awarded for a description of the  
31 applicant's experience complying with guidance pertaining to  
32 marijuana issued by the Financial Crimes Enforcement Network  
33 under 31 U.S.C. s.5311 et seq., the federal Bank Secrecy Act, which  
34 may be demonstrated by submitting letters regarding its banking  
35 history from banks or credit unions that certify they are aware of the  
36 business activities of the applicant, or entities with common  
37 ownership or control of the applicant's organization, in any state  
38 where the applicant has operated a business related to medical  
39 marijuana. For the purposes of this subparagraph, the department  
40 shall consider only bank references involving accounts in the name  
41 of the applicant or of an entity with common ownership or control  
42 of the applicant's organization. An applicant who does not submit  
43 the information described in this subparagraph shall not be  
44 disqualified from consideration.

45 e. Up to a total of 40 bonus points may be added to the  
46 applicant's total score based on the following:

47 (1) If any of the applicant's majority or controlling owners were  
48 previously approved by the department to serve as an officer,

1 director, principal, or key employee of an alternative treatment  
2 center, and the individual served in such capacity at the alternative  
3 treatment center for two or more years, the department shall award  
4 10 bonus points, which shall be added to the applicant's total score.  
5 No points shall be deducted from the applicant's total score if none  
6 of the majority or controlling owners meet the requirements of this  
7 paragraph.

8 (2) If an applicant can demonstrate that its governance structure  
9 includes the involvement of a licensed and accredited school of  
10 medicine or osteopathic medicine, a general acute care hospital or  
11 ambulatory care facility licensed in New Jersey, or a pharmacy, the  
12 department shall award 15 bonus points, which shall be added to the  
13 applicant's total score, provided the following conditions are met:

14 (a) the school, hospital, facility, or pharmacy has conducted or  
15 participated in institutional review board-approved research related  
16 to marijuana involving the use of human subjects;

17 (b) the school, hospital, facility, or pharmacy holds a profit  
18 share or ownership interest in the applicant's organization of 10  
19 percent or more; and

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

24 No points shall be deducted from the applicant's total score if the  
25 applicant's governance structure does not include a school, hospital,  
26 facility, or pharmacy that meets the requirements of this paragraph.

27 (3) If the applicant submits evidence that the applicant, or an  
28 entity with common ownership or control with the applicant, has  
29 executed a collective bargaining agreement in the cannabis industry  
30 that has been in effect for at least six months as of the submission  
31 date of the application, the department shall award 15 bonus points,  
32 which shall be added to the applicant's total score. No points shall  
33 be deducted from the applicant's total score if the applicant has not  
34 executed a collective bargaining agreement in the cannabis industry  
35 that meets the requirements of this paragraph.

36 f. In reviewing a medical marijuana cultivator-processor or  
37 medical marijuana dispensary initial permit application, unless the  
38 information is otherwise solicited by the department in a specific  
39 application question, the department's evaluation of the application  
40 shall be limited to the experience and qualifications of the  
41 applicant's organization, including any entities with common  
42 ownership or control of the applicant's organization, controlling  
43 owners or interest holders in the applicant's organization, and the  
44 officers, directors, and actual full-time existing employees of the  
45 applicant's organization. Responses pertaining to consultants,  
46 independent contractors, and prospective or part-time employees of  
47 the entity shall not be considered or scored. Each applicant shall



1 certify as to the status of the individuals and entities included in the  
2 application.

3 g. To the extent possible, the department shall seek to ensure  
4 that at least 15 percent of the total number of new medical  
5 marijuana dispensary permits issued on or after the effective date of  
6 P.L. , c. (C. ) (pending before the Legislature as this bill)  
7 are issued to a qualified applicant that:

8 (1) has been certified as a minority business or as a women's  
9 business by the Division of Development for Small Businesses and  
10 Women's and Minority Businesses in the New Jersey Commerce  
11 and Economic Growth Commission pursuant to P.L.1986, c.195  
12 (C.52:27H-21.18 et seq.);

13 (2) has been certified as a veteran-owned business by the  
14 Department of the Treasury pursuant to P.L.2011, c.147 (C.52:32-  
15 49 et seq.); or

16 (3) is a disabled-veteran business, as defined in section 2 of  
17 P.L.2015, c.116 (C.52:32-31.2).

18 In selecting among applicants who meet these criteria, the  
19 Department of Health shall grant a higher preference to applicants  
20 with up to two groups in its ownership composition that meet the  
21 criteria described in this subsection.

22 h. No employee of the department shall have any direct or  
23 indirect financial interest in the cultivation, processing, or  
24 dispensing of medical marijuana or related paraphernalia, or  
25 otherwise receive anything of value from a medical marijuana  
26 cultivator-processor or medical marijuana dispensary permit  
27 applicant in exchange for reviewing, processing, or making any  
28 recommendations with respect to a permit application.

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

33 j. If the department notifies an applicant that it has scored  
34 sufficiently high on multiple applications to be awarded more than  
35 one medical marijuana cultivator-processor or medical marijuana  
36 dispensary permit by the department, the applicant shall notify the  
37 department, within seven business days after receiving such notice,  
38 as to which permit it will accept. For any permit award declined by  
39 an applicant pursuant to this subsection, the department shall, upon  
40 receiving notice from the applicant of the declination, award the  
41 permit to the applicant with the next highest score on an application  
42 for that permit in the same region. If an applicant fails to notify the  
43 department as to which permit it will accept, the department shall  
44 have the discretion to determine which permit it will award to the  
45 applicant, based on the department's determination of Statewide  
46 need and the scores awarded to other applications in the affected  
47 regions.

1 9. (New section) a. An alternative treatment center may  
2 appoint a medical advisory board to provide advice to the  
3 alternative treatment center on all aspects of its business.

4 b. A medical advisory board appointed pursuant to this section  
5 shall comprise five members: three health care professionals  
6 licensed to practice in New Jersey, at least one of whom shall be a  
7 physician; one qualifying patient; and one individual who owns a  
8 business in the same region in which the alternative treatment  
9 center is located. The qualifying patient member shall reside in the  
10 same county in which the alternative treatment center is located. No  
11 ATC identification card holder may serve on a medical advisory  
12 board.

13 c. A medical advisory board appointed pursuant to this section  
14 shall meet at least two times per calendar year.  
15

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

18 10. a. A physician shall provide written instructions for a  
19 registered qualifying patient or **his** the patient's primary caregiver  
20 to present to **an alternative treatment center** a medical marijuana  
21 dispensary concerning the form and total amount of usable  
22 marijuana that a patient may be dispensed, in weight, in a 30-day  
23 period, which amount shall not exceed **two** four ounces in dried  
24 form or the equivalent amount, as established by the commissioner  
25 by regulation, in any other form, including, but not limited to, oral  
26 lozenges, topical formulations, transdermal form, sublingual form,  
27 tincture form, edible form, or any other authorized form. If no  
28 amount is noted, the maximum amount that may be dispensed at  
29 one time is **two** four ounces in dried form or the equivalent  
30 amount, as established by the commissioner by regulation, in any  
31 other form, including, but not limited to, oral lozenges, topical  
32 formulations, transdermal form, sublingual form, tincture form,  
33 edible form, or any other authorized form. If no form is noted, the  
34 dispensary shall return the instructions to the physician in order to  
35 specify the form.

36 b. A physician may issue multiple written instructions at one  
37 time authorizing the patient to receive a total of up to a 90-day  
38 supply, provided that the following conditions are met:

39 (1) Each separate set of instructions shall be issued for a  
40 legitimate medical purpose by the physician, as provided in **this**  
41 act P.L.2009, c.307 (C.24:6I-1 et al.);

42 (2) Each separate set of instructions shall indicate the earliest  
43 date on which a **center** dispensary may dispense the marijuana,  
44 except for the first dispensation if it is to be filled immediately; and

45 (3) The physician has determined that providing the patient with  
46 multiple instructions in this manner does not create an undue risk of  
47 diversion or abuse.

1 c. A registered qualifying patient or **【his】** the patient's primary  
2 caregiver shall present the patient's or caregiver's registry  
3 identification card, as applicable, and these written instructions to  
4 the **【alternative treatment center】** medical marijuana dispensary,  
5 which shall verify and log the documentation presented. A  
6 physician may provide a copy of a written instruction by electronic  
7 or other means, as determined by the commissioner, directly to **【an**  
8 **alternative treatment center】** a medical marijuana dispensary on  
9 behalf of a registered qualifying patient. The dispensation of  
10 marijuana pursuant to any written instructions shall occur within  
11 one month of the date that the instructions were written or the  
12 instructions are void.

13 d. **【A】** Medical marijuana may be dispensed to a patient or the  
14 patient's primary caregiver **【may be registered at only one**  
15 **alternative treatment center at any time】** by any medical marijuana  
16 dispensary in the State. Prior to dispensing medical marijuana to a  
17 qualifying patient or the patient's primary caregiver, the medical  
18 marijuana dispensary shall access the system established pursuant  
19 to section 11 of P.L.2009, c.307 (C.45:1-45.1) to ascertain whether  
20 medical marijuana was dispensed to the patient or the patient's  
21 primary caregiver by any medical marijuana dispensary within the  
22 preceding 30 days. Upon dispensing medical marijuana to a  
23 qualifying patient or the patient's primary caregiver, the medical  
24 marijuana dispensary shall transmit to the patient's physician  
25 information concerning the amount, strain, and form of medical  
26 marijuana that was dispensed.

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

28

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

31 14. a. The commissioner shall report to the Governor, and to the  
32 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1):

33 (1) no later than one year after the effective date of **【this act】**  
34 P.L.2009, c.307 (C.24:6I-1 et al.), on the actions taken to  
35 implement the provisions of **【this act】** P.L.2009, c.307 (C.24:6I-1  
36 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); and

37 (2) annually thereafter on the number of applications for registry  
38 identification cards, the number of qualifying patients registered,  
39 the number of primary caregivers registered, the nature of the  
40 **【debilitating】** qualifying medical conditions of the patients, the  
41 number of registry identification cards revoked, the number of  
42 alternative treatment center permits issued and revoked, and the  
43 number of physicians **【providing certifications for】** authorizing  
44 patients for the medical use of marijuana.

45 b. The reports shall not contain any identifying information of  
46 patients, caregivers, or physicians.

1 c. Within two years after the effective date of **[this act]**  
2 P.L.2009, c.307 (C.24:6I-1 et al.) and every two years thereafter,  
3 the commissioner shall: evaluate whether there are sufficient  
4 numbers of alternative treatment centers to meet the needs of  
5 registered qualifying patients throughout the State; evaluate  
6 whether the maximum amount of medical marijuana allowed  
7 pursuant to **[this act]** P.L.2009, c.307 (C.24:6I-1 et al.) is sufficient  
8 to meet the medical needs of qualifying patients; and determine  
9 whether any alternative treatment center has charged excessive  
10 prices for marijuana that the center dispensed.

11 The commissioner shall report his findings no later than two  
12 years after the effective date of **[this act]** P.L.2009, c.307 (C.24:6I-  
13 1 et al.), and every two years thereafter, to the Governor, and to the  
14 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).  
15 (cf: P.L.2009, c.307, s.14)

16

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

19 15. a. The Department of Health is authorized to exchange  
20 fingerprint data with, and receive information from, the Division of  
21 State Police in the Department of Law and Public Safety and the  
22 Federal Bureau of Investigation for use in reviewing applications  
23 for individuals seeking to serve as primary caregivers who are not  
24 an immediate family member of the patient pursuant to section 4 of  
25 P.L.2009, c.307 (C.24:6I-4), applications for an ATC identification  
26 card pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), and  
27 applications for permits to operate as **[**, or to be a director, officer,  
28 or employee of,**]** alternative treatment centers pursuant to section 7  
29 of P.L.2009, c.307 (C.24:6I-7).

30 b. The Division of State Police shall promptly notify the  
31 Department of Health in the event an applicant seeking to serve as a  
32 primary caregiver who is not an immediate family member of the  
33 patient, an applicant for an ATC identification card, or an applicant  
34 for a permit to operate as **[**, or to be a director, officer, or employee  
35 of,**]** an alternative treatment center, who was the subject of a  
36 criminal history record background check conducted pursuant to  
37 subsection a. of this section, is convicted of a crime involving  
38 possession or sale of a controlled dangerous substance.

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

40

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

43 18. a. Pursuant to the "Administrative Procedure Act,"  
44 P.L.1968, c.410 (C.52:14B-1 et seq.), the commissioner shall  
45 promulgate rules and regulations to effectuate the purposes of **[this**  
46 **act]** P.L.2009, c.307 (C.24:6I-1 et al.), in consultation with the  
47 Department of Law and Public Safety.

1 b. Notwithstanding any provision of P.L.1968, c.410  
2 (C.52:14B-1 et seq.) to the contrary, the commissioner shall adopt,  
3 immediately upon filing with the Office of Administrative Law and  
4 no later than the 90th day after the effective date of **【this act】**  
5 P.L.2009, c.307 (C.24:6I-1 set al.), such regulations as the  
6 commissioner deems necessary to implement the provisions of **【this**  
7 **act】** P.L.2009, c.307 (C.24:6I-1 set al.). Regulations adopted  
8 pursuant to this subsection shall be effective until the adoption of  
9 rules and regulations pursuant to subsection a. of this section and  
10 may be amended, adopted, or readopted by the commissioner in  
11 accordance with the requirements of P.L.1968, c.410 (C.52:14B-1  
12 et seq.).

13 c. No later than 90 days after the effective date of P.L. , c.  
14 (C. ) (pending before the Legislature as this bill), the  
15 commissioner shall establish, by regulation, dosage amounts for  
16 medical marijuana in each form available to qualifying patients that  
17 are equivalent to four ounces of medical marijuana in dried form.  
18 The commissioner shall periodically review and update the dosage  
19 amounts as appropriate, including to establish equivalent dosage  
20 amounts for new forms of medical marijuana that become available.  
21 (cf: P.L.2009, c.307, s.18)

22  
23 14. Section 11 of P.L.2009, c.307 (C.45:1-45.1) is amended to  
24 read as follows:

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

40 b. The Director of the Division of Consumer Affairs, pursuant  
41 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-  
42 1 et seq.), and in consultation with the Commissioner of Health  
43 **【and Senior Services】**, shall adopt rules and regulations to  
44 effectuate the purposes of subsection a. of this section.

45 c. Notwithstanding any provision of P.L.1968, c.410  
46 (C.52:14B-1 et seq.) to the contrary, the Director of the Division of  
47 Consumer Affairs shall adopt, immediately upon filing with the

1 Office of Administrative Law and no later than the 90th day after  
2 the effective date of P.L.2009, c.307 (C.24:6I-1 et al.), such  
3 regulations as the director deems necessary to implement the  
4 provisions of subsection a. of this section. Regulations adopted  
5 pursuant to this subsection shall be effective until the adoption of  
6 rules and regulations pursuant to subsection b. of this section and  
7 may be amended, adopted, or readopted by the director in  
8 accordance with the requirements of P.L.1968, c.410 (C.52:14B-1  
9 et seq.).  
10 (cf: P.L.2009, c.307, s.11)

11  
12 15. Section 5 of P.L.2009, c.307 (C.24:6I-5) is repealed.

13  
14 16. The Commissioner of Health shall adopt, pursuant to the  
15 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et  
16 seq., such rules and regulations as may be necessary to effectuate  
17 the purposes of this act.

18  
19 17. This act shall take effect 90 days after the date of enactment,  
20 except that the Commissioner of Health may take any advance  
21 administrative action as may be necessary to implement the  
22 requirements of this act.

#### 23 24 25 STATEMENT

26  
27 This bill makes various revisions to the requirements of the  
28 “Compassionate Use Medical Marijuana Act,” P.L.2009, c.307  
29 (C.24:6I-1 et al.), including allowing medical marijuana to be  
30 authorized for any condition, revising the application, ownership,  
31 and operational requirements for alternative treatment centers  
32 (ATCs), revising the requirements for physicians to authorize  
33 patients for the medical use of marijuana, and revising certain  
34 requirements concerning patients and primary caregivers.

#### 35 36 Patient Registration and Certification and Dispensing Requirements

37  
38 The bill provides that medical marijuana may be authorized for  
39 the treatment of any medical condition diagnosed by a physician,  
40 including the symptoms of the medical condition and the symptoms  
41 resulting from any treatment for the medical condition, rather than  
42 the list of enumerated conditions as provided under current law.

43 The bill provides that no application or renewal fee will apply  
44 for qualifying patients or in the case of an immediate family  
45 member of a qualifying patient who serves as primary caregiver to  
46 the patient; in all other cases, the maximum fee will be \$10 for an  
47 individual who is indigent and \$50 for all other cardholders. The  
48 current application fee is \$200, with a reduced fee of \$20 for low-

1 income applicants. In addition, an immediate family member of a  
2 patient will not be required to undergo a criminal history record  
3 background check. The bill provides that a person may serve as  
4 primary caregiver for up to two patients at one time; under current  
5 law, primary caregivers are restricted to serving as primary  
6 caregiver for no more than one patient at a time.

7 The bill provides that physicians will not be required to enroll in  
8 a physician registry as a condition of authorizing qualifying patients  
9 for the medical use of marijuana and removes the requirement that  
10 physicians certify a patient for medical marijuana.

11 The bill provides that, in order to authorize a qualifying patient  
12 who is a minor for medical marijuana, the certifying physician will  
13 be required to either: (1) be trained in the care of pediatric patients;  
14 or (2) obtain written confirmation from a physician trained in the  
15 care of pediatric patients establishing that, following examination of  
16 the patient or a review of the patient's record, the minor patient is  
17 likely to receive therapeutic or palliative benefits from the medical  
18 use of marijuana to treat or alleviate symptoms associated with the  
19 patient's debilitating medical condition.

20 The bill increases the maximum amount of medical marijuana  
21 that may be dispensed to a patient for a 30-day period from two  
22 ounces to four ounces, or the equivalent amount of medical  
23 marijuana in any other form according to a list of equivalent dosage  
24 amounts to be established by the Commissioner of Health by  
25 regulation. The bill removes a provision that limited distribution of  
26 edible forms of medical marijuana to qualifying patients who are  
27 minors, and specifies that medical marijuana may be distributed in  
28 transdermal, sublingual, and tincture forms, as well as in the forms  
29 authorized under current law. When authorizing a qualifying  
30 patient for the medical use of marijuana, a physician is to note the  
31 form of medical marijuana that is to be dispensed. If no form is  
32 noted, the instructions are to be returned to the physician in order to  
33 specify the form.

34 The bill provides that medical marijuana may be dispensed to a  
35 patient by any medical marijuana dispensary in the State; under  
36 current law, patients are to be registered with, and may only be  
37 dispensed medical marijuana from, a single alternative treatment  
38 center where the patient is registered. The bill requires that, prior to  
39 dispensing medical marijuana to a patient, a medical marijuana  
40 dispensary will be required to access a system currently maintained  
41 by the Division of Consumer Affairs in the Department of Law and  
42 Public Safety that tracks medical marijuana dispensations in the  
43 State, in order to ascertain whether any medical marijuana was  
44 dispensed to the patient or the patient's primary caregiver within the  
45 preceding 30 days. Upon dispensing medical marijuana to a patient,  
46 the medical marijuana dispensary will be required to transmit to the  
47 authorizing physician information concerning the amount, form,  
48 and strain of medical marijuana that was dispensed.

1 The bill provides that a physician or an immediate family  
2 member of a physician who authorizes patients for medical  
3 marijuana may not hold any profit or ownership interest in an ATC.  
4 A physician or the immediate family member of a physician who  
5 applies for an ATC identification card is to certify that the  
6 physician has not authorized any patients for medical marijuana in  
7 the preceding 90 days. A violation of this prohibition will  
8 constitute a crime of the fourth degree, which is punishable by  
9 imprisonment for up to 18 months, up to a \$10,000 fine, or both.  
10 The bill specifies that nothing in the prohibition will prohibit any  
11 physician from serving on the medical advisory board of an ATC,  
12 provided the physician receives no special compensation or  
13 remuneration from the ATC, including payments based on patient  
14 volumes or the number of certifications issued by the physician.

15

16 ATC Application and Operational Requirements

17

18 With regard to ATCs, the bill differentiates between two  
19 different types of ATC: medical marijuana cultivator-processors  
20 and medical marijuana dispensaries. Medical marijuana cultivator-  
21 processors are facilities that will be authorized to cultivate and  
22 process marijuana and marijuana-infused and marijuana-derived  
23 products, which it may supply to medical marijuana dispensaries.  
24 Medical marijuana dispensaries will be authorized to dispense  
25 marijuana and marijuana products to qualifying patients. An ATC  
26 holding a permit as of the effective date of the bill will be deemed  
27 to hold both a cultivator-processor permit and a dispensary permit.  
28 The bill limits the ability of a person or entity holding a direct or  
29 indirect interest in an ATC that is issued a new permit under the  
30 bill. Specifically:

- 31
- 32 • A person or entity holding an interest in an ATC issued a  
33 permit prior to the effective date of the bill may  
34 simultaneously hold up to a 15 percent interest in up to one  
35 other ATC issued a permit prior to the effective date of the  
36 bill, on medical marijuana cultivator-processor, or one  
37 medical marijuana dispensary;
  - 38 • A person or entity holding an interest in a medical marijuana  
39 cultivator-processor may simultaneously hold up to a 15  
40 percent interest in up to one other medical marijuana  
41 cultivator-processor or in one ATC that was issued a permit  
42 prior to the effective date of the bill; and
  - 43 • A person or entity holding an interest in a medical marijuana  
44 dispensary may simultaneously hold up to a 15 percent  
45 interest in up to one other medical marijuana dispensary or  
46 in one ATC that was issued a permit prior to the effective  
47 date of the bill.

48 No person or entity will be permitted to simultaneously hold any  
other interest in any other ATC. These ownership restrictions do not



1 apply in the case of a person or entity holding an ownership interest  
2 of less than one percent of the total capitalization of a publicly  
3 traded company, provided the stockholder is not an employee,  
4 officer, or director of the publicly traded company. ATCs may, but  
5 are not required to be, nonprofit entities.

6 To ensure adequate access to ATCs throughout the State, the bill  
7 requires the Department of Health (DOH) to issue a request for  
8 applications for six additional medical marijuana cultivator-  
9 processors and 34 additional medical marijuana dispensary permits  
10 within 90 days after the effective date of the bill; these new  
11 facilities, along with the six ATCs currently operating in the State,  
12 will result in a total of 12 medical marijuana cultivator-processors  
13 and 40 total medical marijuana dispensaries.

14 The bill adds specific requirements for DOH to review and score  
15 initial permit applications for new medical marijuana cultivator-  
16 processors and medical marijuana dispensaries based on a 100-point  
17 scale, which includes evaluations of the applicant's operational  
18 plan, environmental impact plan, safety and security plan, business  
19 experience, proposed location, record of social responsibility,  
20 philanthropy, involvement in research concerning the medical  
21 efficacy and adverse effects of medical marijuana, workforce  
22 development and job creation plan, and business and financial plan.  
23 In evaluating an application, DOH is to limit its review to the  
24 controlling owners, officers, directors, and employees, and is not to  
25 consider responses pertaining to consultants, independent  
26 contractors, or prospective or part-time employees. To the extent  
27 possible, DOH is to seek to ensure that at least 15 percent of the  
28 new medical marijuana dispensary permits issued under the bill are  
29 awarded to entities certified as a minority business, a women's  
30 business, a veteran-owned business, or a disabled-veteran business,  
31 with higher preference going to entities that are certified in up to  
32 two such categories. Application materials submitted to DOH will  
33 not constitute a public record subject to the statutory or common  
34 laws concerning access to public records.

35 Applicants are to submit a separate application for each proposed  
36 medical marijuana cultivator-processor or medical marijuana  
37 dispensary location. If an applicant scores sufficiently high on  
38 multiple applications to be awarded more than one permit, the  
39 applicant is to notify DOH within seven business days as to which  
40 permit it will accept; for any permit declined by an applicant, DOH  
41 will award the permit to the next highest-scoring applicant. If an  
42 applicant fails to provide notice as to which permit it will accept  
43 within seven business days, DOH will have the discretion to  
44 determine which permit to award the applicant, based on its  
45 determination of Statewide need and the scores awarded to other  
46 applicants in the relevant locations.

47 The bill prohibits DOH employees from holding any financial  
48 interest in an ATC or receiving anything of value from an ATC in

1 connection with reviewing, processing, or making recommendations  
2 with respect to an ATC permit application.

3 The bill provides that an initial ATC permit will be valid for  
4 three years and will thereafter be renewable on a biennial basis.

5 The bill provides that DOH may require ATC permit applicants  
6 to submit a personal history disclosure and may conduct financial  
7 due diligence on any person or entity providing \$100,000 or more in  
8 financial backing to an applicant.

9 The bill clarifies that the officers, directors, board members,  
10 owners, and employees of an ATC will be issued "ATC  
11 identification cards" upon approval of the ATC's permit  
12 application.

13 The bill sets forth certain requirements for the sale or transfer of  
14 an ATC permit, which include completing a criminal history record  
15 background check of the entity purchasing or receiving the permit,  
16 as well as certain requirements specific to nonprofit ATCs, which  
17 will be required to comply with the requirements of the "New  
18 Jersey Nonprofit Corporation Act," N.J.S.15A:1-1 et seq. If the  
19 debts and liabilities of a nonprofit ATC exceed the value of all  
20 assets of the ATC other than the permit, the ATC may pay \$300,000  
21 to DOH and sell its permit for a sum that satisfies all outstanding  
22 obligations. The bill provides that, with DOH approval, medical  
23 marijuana cultivator-processors may relocate within the same  
24 region and medical marijuana dispensaries may relocate within the  
25 same county.

26 The bill provides that the maximum fee for initial issuance or  
27 renewal of an ATC permit will be \$40,000; the maximum fee for  
28 relocation of an ATC will be \$20,000; and the maximum fee to sell  
29 or transfer an ATC permit will be \$150,000.

30 The bill provides that ATCs will be permitted to establish a  
31 medical advisory board to advise the ATC on all aspects of its  
32 business. A medical advisory board is to comprise five members:  
33 three healthcare professionals, including at least one physician; one  
34 qualifying patient; and one business owner from the same region as  
35 the ATC. The qualifying patient member is to be a resident of the  
36 county in which the ATC is located. No ATC identification card  
37 holder may serve on an ATC medical advisory board. Medical  
38 advisory boards are to meet at least two times per year.