ASSEMBLY, No. 4497

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED NOVEMBER 26, 2018

Sponsored by:
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SYNOPSIS
“New Jersey Cannabis Regulatory and Expungement Aid Modernization Act”; legalizes personal use cannabis for adults; creates Cannabis Regulatory Commission to regulate personal use and medical cannabis; provides expungement relief for certain past marijuana offenses.

CURRENT VERSION OF TEXT
As introduced.
AN ACT concerning the regulation and use of cannabis, and
amending and supplementing various parts of the statutory law.

BE IT ENACTED by the Senate and General Assembly of the State
of New Jersey:

1. (New section) This act shall be known and may be cited as
the “New Jersey Cannabis Regulatory and Expungement Aid
Modernization Act.”

2. (New section) Findings and Declarations.
   The Legislature finds and declares that:
   a. It is the intent of the people of New Jersey to adopt a new
      approach to our marijuana policies by taxing, controlling, and
      legalizing a marijuana product, to be referred to as cannabis, in a
      similar fashion to the regulation of alcohol for adults;
   b. It is the intent of the people of New Jersey that the
      provisions of this act will prevent the sale or distribution of
      cannabis to persons under 21 years of age;
   c. This act is designed to eliminate the problems caused by the
      unregulated manufacture, distribution, and use of illegal marijuana
      within New Jersey;
   d. This act will divert funds from marijuana sales from going to
      illegal enterprises, gangs, and cartels;
   e. New Jersey law enforcement officers made over 24,000
      arrests for marijuana possession in 2012, more than in the previous
      20 years;
   f. In 2012, a person was arrested for marijuana possession in
      New Jersey approximately every 22 minutes;
   g. Black New Jerseyans are nearly three times more likely to be
      arrested for marijuana possession than white New Jerseyans, despite
      similar usage rates;
   h. Marijuana possession arrests constituted three out of every
      five drug arrests in New Jersey in 2012;
   i. New Jersey spends approximately $127 million per year on
      marijuana possession enforcement costs;
   j. Taxing, controlling, and legalizing cannabis for adults like
      alcohol will free up precious resources to allow our criminal justice
      system to focus on serious crime and public safety issues;
   k. Taxing, controlling, and legalizing cannabis for adults like
      alcohol will strike a blow at the illegal enterprises that profit from
      New Jersey’s current, unregulated illegal marijuana market;
   l. New Jersey must strengthen our support for evidence-based,
      drug prevention programs that work to educate New Jerseyans,
      particularly young New Jerseyans, about the harms of drug abuse;

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.
m. New Jersey must enhance State-supported programming that provides appropriate, evidence-based treatment for those who suffer from the illness of drug addiction;

n. Controlling and regulating the manufacture, distribution, and sale of cannabis will strengthen our ability to keep it and illegal marijuana away from minors;

o. A controlled system of cannabis manufacturing, distribution, and sale must be designed in a way that enhances public health and minimizes harms to New Jersey communities and families;

p. The regulated cannabis system in New Jersey must be regulated so as to prevent persons younger than 21 years of age from accessing or purchasing cannabis;

q. A marijuana arrest in New Jersey can have a debilitating impact on a person’s future, including consequences for one’s job prospects, housing access, financial health, familial integrity, immigration status, and educational opportunities;

r. The tax revenue generated from a controlled cannabis manufacture, distribution, and retail sales system in New Jersey will generate hundreds of millions of dollars to bolster effective, evidence-based drug treatment and education, and to reinvest in New Jersey communities; and

s. New Jersey cannot afford to sacrifice its public safety and civil rights by continuing its ineffective and wasteful past marijuana enforcement policies.

3. (New section) Definitions.

As used in P.L. , c. (C. ) (pending before the Legislature as this bill) regarding the personal use of cannabis, unless the context otherwise requires:


“Cannabis” means all parts of the plant Genus Cannabis L., whether growing or not, the seeds thereof, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds, except those containing resin extracted from the plant, which are cultivated and processed in accordance with P.L. , c. (C. ) (pending before the Legislature as this bill) for use in cannabis items as set forth in this act, but shall not include the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product. “Cannabis” does not include medical cannabis dispensed to registered qualifying patients pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.), marijuana as defined in N.J.S.2C:35-2 and applied to any offense or civil violation set forth in chapters 35, 35A, and 36 of Title 2C of
the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.),
or marihuana as defined in section 2 of P.L.1970, c.226 (C.24:21-2)
and applied to any offense of the “New Jersey Controlled
“Cannabis consumption area” means a designated location
operated by a cannabis retailer or alternative treatment center, for
which both a State and local endorsement has been obtained, that is
either: (1) an indoor, structurally enclosed area of a cannabis
retailer or alternative treatment center that is separate from the area
in which retail sales of cannabis items or the dispensing of medical
cannabis occurs; or (2) an exterior structure on the same premises
as the cannabis retailer or alternative treatment center, either
separate from or connected to the retailer or center, at which
cannabis items or medical cannabis either obtained from the retailer
or center, or brought by a person to the consumption area, may be
consumed.
“Cannabis Regulatory Commission” means the commission
established in but not of the Department of the Treasury.
“Cannabis establishment” means a cannabis grower, also referred
to as a cannabis cultivation facility, a cannabis processor, also
referred to as a cannabis product manufacturing facility, a cannabis
wholesaler, or a cannabis retailer.
“Cannabis extract” means a substance obtained by separating
resins from cannabis by: (1) a chemical extraction process using a
hydrocarbon-based solvent, such as butane, hexane, or propane; (2)
a chemical extraction process using the hydrocarbon-based solvent
carbon dioxide, if the process uses high heat or pressure; or (3) any
other process identified by the commission by rule.
“Cannabis flowers” means the flowers of the plant Genus
Cannabis L. within the plant family Cannabaceae.
“Cannabis grower” means any licensed person or entity that
grows, cultivates, or produces cannabis in this State, and may sell
this cannabis to other cannabis growers, cannabis processors,
cannabis wholesalers, or cannabis retailers, but not to consumers.
This person or entity shall hold a Class 1 Cannabis Grower license.
A cannabis grower may also be referred to as a "cannabis
cultivation facility."
“Cannabis items” means cannabis, cannabis products, and
cannabis extracts.
“Cannabis leaves” means the leaves of the plant genus Genus
Cannabis L. within the plant family Cannabaceae.
“Cannabis paraphernalia" means any equipment, products, or
materials of any kind which are used, intended for use, or designed
for use in planting, propagating, cultivating, growing, harvesting,
composting, manufacturing, compounding, converting, producing,
processing, preparing, testing, analyzing, packaging, repackaging,
storing, vaporizing, or containing cannabis, or for ingesting,
inhaling, or otherwise introducing cannabis into the human body.
“Cannabis paraphernalia” does not include drug paraphernalia as
defined in N.J.S.2C:36-1 and which is used or intended for use to
commit a violation of chapter 35 of Title 2C of the New Jersey
Statutes.

“Cannabis processor” means any licensed person or entity that
processes cannabis items in this State by purchasing cannabis,
manufacturing, preparing, and packaging cannabis items, and
selling these items to other cannabis processors, cannabis
wholesalers, or cannabis retailers, but not to consumers. This
person or entity shall hold a Class 2 Cannabis Processor license. A
cannabis processor may also be referred to as a “cannabis product
manufacturing facility.”

“Cannabis product” means a product containing cannabis or
cannabis extracts and other ingredients intended for human
consumption or use, including a product intended to be applied to the
skin or hair, edible products, ointments, and tinctures. Cannabis
products do not include: (1) cannabis by itself; or (2) cannabis extract
by itself.

“Cannabis resin” means the resin extracted from any part of the
plant Genus Cannabis L. and any compound, manufacture, salt,
derivative, mixture, or preparation of such resin, processed and used in
accordance with P.L. , c. (C. ) (pending before the Legislature
as this bill). “Cannabis resin” does not include hashish as defined in
N.J.S.2C:35-2 and applied to any offense or civil violation set forth in
chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or
P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined in section 2 of

“Cannabis retailer” means any licensed person or entity that
purchases cannabis from cannabis growers and cannabis items from
cannabis processors or cannabis wholesalers, and sells these to
consumers from a retail store. This person or entity shall hold a
Class 4 Cannabis Retailer license.

“Cannabis testing facility” means an independent, third-party entity
meeting accreditation requirements established by the commission that
is licensed to analyze and certify cannabis items for compliance with
applicable health, safety, and potency standards.

“Cannabis wholesaler” means any licensed person or entity that
sells cannabis items or cannabis paraphernalia for the purpose of resale
either to another cannabis wholesaler or to a cannabis retailer. This
person or entity shall hold a Class 3 Cannabis Wholesaler license.

“Consumer” means a person 21 years of age or older who
purchases, acquires, owns, holds, or uses cannabis items for personal
use by a person 21 years of age or older, but not for resale to others.

“Consumption” means the act of ingesting, inhaling, or otherwise
introducing cannabis items into the human body.

“Delivery” means the transportation of cannabis items and
related supplies to a consumer. “Delivery” also includes the use by
a licensed cannabis retailer of any third party technology platform
to receive, process, and fulfill orders by consumers, provided that
any physical acts in connection with filling the order and delivery
shall be accomplished by a certified cannabis handler performing
work for or on behalf of the licensed cannabis retailer.

“Department” means the Department of Health.

"Director" means the Director of the Office of Minority,
Disabled Veterans, and Women Cannabis Business Development in
the Cannabis Regulatory Commission.

“Executive director” means the executive director of the
Cannabis Regulatory Commission.

“Financial consideration” means value that is given or received
either directly or indirectly through sales, barter, trade, fees,
charges, dues, contributions, or donations.

“Household” means a housing unit and any place in or around a
housing unit.

“Housing unit” means a house, an apartment, a mobile home, a
group of rooms, or a single room that is occupied as separate living
quarters, in which the occupants live and eat separately from any
other persons in the building and which have direct access from the
outside of the building or through a common hall.

“Immature cannabis plant” means a cannabis plant that is not
flowering.

“Impact zone” means any local governmental entity, based on
past criminal marijuana enterprises contributing to higher
concentrations of law enforcement activity, unemployment, and
poverty within parts of or throughout the entity, that:

(1) has a population of 120,000 or more according to the most
recently compiled federal decennial census as of the effective date
of P.L. , c. (C. ) (pending before the Legislature as this bill); or

(2) ranks in the top 33 percent of local governmental entities in
the State for marijuana- or hashish-related arrests for violation of
paragraph (4) of subsection a. of N.J.S.2C:35-10 in the calendar
year next preceding the effective date of P.L. , c. (C. )
(pending before the Legislature as this bill); has a crime index total
of 1,000 or higher based upon the indexes listed in the most
recently issued annual Uniform Crime Report by the Division of
State Police as of that effective date; and has a local governmental
entity average annual unemployment rate that ranks in the top 15
percent of all local governmental entities for the calendar year next
preceding that effective date, based upon average annual
unemployment rates estimated for the relevant calendar year by the
Office of Research and Information in the Department of Labor and
Workforce Development.

“Jake Honig Compassionate Use Medical Cannabis Act” includes
all provisions of P.L.2009, c.307 (C.24:6I-1 et al.), as amended and
supplemented by P.L. , c. (C. ) (pending before the Legislature
as Assembly Committee Substitute combining Assembly Bill No. 10
and the previous Assembly Committee Substitute for Assembly Bill
Nos. 3740 and 3437), as well as all provisions of P.L.2009, c.307 (C.24:6I-1 et al.) in effect on the date next preceding the effective date of P.L. , c. (C. ) (pending before the Legislature as Assembly Committee Substitute combining Assembly Bill No. 10 and the previous Assembly Committee Substitute for Assembly Bill Nos. 3740 and 3437) until the date those provisions are amended or supplemented.

“License” includes a conditional license issued pursuant to an abbreviated application process, after which the conditional license holder has a limited period of time in which to become subsequently, fully licensed by satisfying all of the remaining conditions for licensure which were not required for the issuance of the conditional license, except when the context of the provisions of P.L. , c. (C. ) (pending before the Legislature as this bill) otherwise intend to only apply to a license and not a conditional license.

“Licensee” means a person or entity that holds a license issued under P.L. , c. (C. ) (pending before the Legislature as this bill) that is designated as either a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor license, a Class 3 Cannabis Wholesaler license, or a Class 4 Cannabis Retailer license, and includes a person or entity that holds a conditional license for a designated class, except when the context of the provisions of P.L. , c. (C. ) (pending before the Legislature as this bill) otherwise intend to only apply to a person or entity that holds a license and not a conditional license.

“Licensee representative” means an owner, director, officer, manager, employee, agent, or other representative of a licensee, to the extent that the person acts in a representative capacity.

“Local governmental entity” means a municipality.

“Mature cannabis plant” means a cannabis plant that is not an immature cannabis plant.

“Medical cannabis” means cannabis dispensed to registered qualifying patients pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.), as both are amended and supplemented by P.L. , c. (C. ) (pending before the Legislature as Assembly Committee Substitute combining Assembly Bill No. 10 and the previous Assembly Committee Substitute for Assembly Bill Nos. 3740 and 3437), and includes medical marijuana dispensed under those acts prior to the provisions of P.L. , c. (C. ) (pending before the Legislature as Assembly Committee Substitute combining Assembly Bill No. 10 and the previous Assembly Committee Substitute for Assembly Bill Nos. 3740 and 3437) taking effect.

“Microbusiness” means a person or entity licensed by the commission as a cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer that may only, with respect to its business operations, and capacity and quantity of product: (1)
employ no more than 10 employees; (2) operate a cannabis
establishment occupying an area of no more than 2,500 square feet,
and in the case of a cannabis grower, grow cannabis on an area no
more than 2,500 square feet measured on a horizontal plane and
grow above that plane not higher than 24 feet; (3) possess no more
than 1,000 cannabis plants each month; (4) acquire and process, in
the case of a cannabis processor, no more than 1,000 pounds of
cannabis in dried form in each month; (5) acquire for resale, in the
case of a cannabis wholesaler, no more than 1,000 pounds of
cannabis in dried form, or the equivalent amount in any other form,
or any combination thereof, each month; and (6) acquire for retail
sale, in the case of a cannabis retailer, no more than 1,000 pounds
of cannabis in dried form, or the equivalent amount in any other
form, or any combination thereof, each month.

“Noncommercial” means not dependent or conditioned upon the
provision or receipt of financial consideration.

“Premises” or “licensed premises” includes the following areas
of a location licensed under P.L. , c. (C. ) (pending before
the Legislature as this bill): all public and private enclosed areas at
the location that are used in the business operated at the location,
including offices, kitchens, rest rooms, and storerooms; all areas
outside a building that the commission has specifically licensed for
the production, processing, wholesale sale, or retail sale of cannabis
items; and, for a location that the commission has specifically
licensed for the production of cannabis outside a building, the entire
lot or parcel that the licensee owns, leases, or has a right to occupy.

“Processes” means the processing, compounding, or conversion
of cannabis into cannabis products or cannabis extracts. “Processes”
does not include packaging or labeling.

“ Produces” means the manufacture, planting, cultivation,
growing or harvesting of cannabis. “ Produces” does not include the
drying of cannabis by a cannabis processor, if the cannabis
processor is not otherwise producing cannabis; or the cultivation
and growing of an immature cannabis plant by a cannabis
processor, cannabis wholesaler, or cannabis retailer if the cannabis
processor, cannabis wholesaler, or cannabis retailer purchased or
otherwise received the plant from a licensed cannabis grower.

“Public place” means any place to which the public has access
that is not privately owned; or any place to which the public has
access where alcohol consumption is not allowed, including, but not
limited to, a public street, road, thoroughfare, sidewalk, bridge,
alley, plaza, park, playground, swimming pool, shopping area,
public transportation facility, vehicle used for public transportation,
parking lot, public library, or any other public building, structure, or
area.

“Radio” means a system for transmitting sound without visual
images, and includes broadcast, cable, on-demand, satellite, or
internet programming. “Radio” includes any audio programming
downloaded or streamed via the Internet.
“Significantly involved person” means a person or entity who holds at least a five percent investment interest in a proposed or licensed cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer, or who is a decision making member of a group that holds at least a 20 percent investment interest in a proposed or licensed cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer in which no member of that group holds more than a five percent interest in the total group investment interest, and the person or entity makes controlling decisions regarding the proposed or licensed cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer operations.

“Television” means a system for transmitting visual images and sound that are reproduced on screens, and includes broadcast, cable, on-demand, satellite, or internet programming. “Television” includes any video programming downloaded or streamed via the Internet.

“THC” means delta-9-tetrahydrocannabinol, the main psychoactive chemical contained in the cannabis plant.

“Unreasonably impracticable” means that the measures necessary to comply with the regulations require such a high investment of risk, money, time, or any other resource or asset that the operation of a cannabis establishment is not worthy of being carried out in practice by a reasonably prudent businessperson.

4. (New section) Personal Use of Cannabis or Cannabis Resin. Notwithstanding any other provision of law, the following acts are not unlawful and shall not be an offense or a basis for seizure or forfeiture of assets under N.J.S.2C:64-1 et seq. or other applicable law for persons 21 years of age or older:

a. Possessing, displaying, purchasing, or transporting: cannabis paraphernalia; one ounce (28.38 grams) or less of cannabis; the equivalent of one ounce (28.38 grams) or less of cannabis infused product in solid, liquid, or concentrate form, based upon an equivalency calculation for different product forms set by the commission in its regulations, and for which the commission may utilize research conducted in other states on the issue of product equivalency calculations when setting this equivalency; or five grams (0.176 ounces) or less of cannabis resin. Possessing, displaying, purchasing, or transporting at any one time any amount of cannabis or cannabis resin in an amount greater than as permitted pursuant to this subsection, or an infused product in solid, liquid, or concentrate form with more than the equivalency permitted pursuant to this subsection shall be considered a violation of the “Comprehensive Drug Reform Act of 1987,” P.L.1987, c.106 (N.J.S.2C:35-1 et al.), and subject the person to a civil penalty or prosecution as if the person possessed, displayed, purchased, or transported marijuana or hashish in violation of that act;

b. Transferring without remuneration: one ounce (28.38 grams) or less of cannabis; the equivalent of one ounce (28.38 grams) or
less of cannabis infused product in solid, liquid, or concentrate form, based upon the equivalency calculation for different product forms set by the commission pursuant to subsection a. of this section; or five grams (0.176 ounces) or less of cannabis resin to a person who is of legal age for purchasing cannabis items, provided that such transfer is for non-promotional, non-business purposes. Transferring at any one time any amount of cannabis or cannabis resin in an amount greater than as permitted pursuant to this subsection, or an infused product in solid, liquid, or concentrate form with more than the equivalency permitted pursuant to this subsection, or to a person who is not of legal age to purchase cannabis items, shall be considered a violation of the “Comprehensive Drug Reform Act of 1987,” P.L.1987, c.106 (N.J.S.2C:35-1 et al.), and subject the person to prosecution as if the person distributed marijuana or hashish in violation of that act, unless the transfer to a person who is not of legal age was done by a cannabis establishment licensed pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill), or an employee or agent thereof, in which case it is a civil violation and the civil penalty set forth in subsection b. of section 6 of P.L. , c. (C. ) (pending before the Legislature as this bill) shall apply;

c. Consumption of a lawfully possessed cannabis item, provided that nothing in this section shall permit a person to smoke or otherwise consume any cannabis item in a public place. This prohibition includes the smoking of a cannabis item in any public place pursuant to law that prohibits the smoking of tobacco, including N.J.S.2C:33-13 and the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.), and any indoor public place, as that term is defined in section 3 of P.L.2005, c.383 (C.26:3D-57), or portion thereof, even if the smoking of tobacco is otherwise permitted in that place or portion thereof pursuant to the “New Jersey Smoke-Free Air Act”; except that the smoking of a cannabis item shall be permitted in a cannabis consumption area as set forth in section 72 of P.L. , c. (C. ) (pending before the Legislature as this bill), and may be permitted by the person or entity that owns or controls a hotel, motel, or other lodging establishment as defined in section 1 of P.L.1967, c.95 (C.29:4-5) in up to 20 percent of its guest rooms. The smoking of a cannabis item may also be prohibited or otherwise regulated in multifamily housing that is a multiple dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3), as decided by the person or entity that owns or controls the multifamily housing. Any penalties that may be assessed for the smoking of tobacco where prohibited under the “New Jersey Smoke-Free Air Act” shall be applicable to the smoking of cannabis where prohibited. Concerning the consumption of any cannabis item, other than by smoking: a person or entity that owns or controls a property, except for multifamily housing that is a multiple dwelling as defined in section 3 of
P.L.1967, c.76 (C.55:13A-3), may prohibit or otherwise regulate the consumption of cannabis items on or in that property, including a casino hotel facility as defined in section 19 of P.L.1977, c.110 (C.5:12-19) with respect to a hotel property, a casino as defined in section 6 of P.L.1977, c.110 (C.5:12-6), or casino simulcasting facility authorized pursuant to the “Casino Simulcasting Act,” P.L.1992, c.19 (C.5:12-191 et al.); and a local governmental entity may enact an ordinance making it an unlawful act for any person 21 years of age or older to consume, other than by smoking, any cannabis item in a public place, including any indoor public place as that term is defined in section 3 of P.L.2005, c.383 (C.26:3D-57), or portion thereof, and providing a civil penalty for a violation in accordance with section 47 of P.L. , c. (C. ) (pending before the Legislature as this bill); and
d. Assisting another person who is of legal age for purchasing cannabis items in any of the acts described in subsections a. through c. of this section.

5. (New section) Lawful Operation of Cannabis Establishments.
Notwithstanding any other provision of law, the following acts are not unlawful and shall not be a criminal offense or a basis for seizure or forfeiture of assets under N.J.S.2C:64-1 et seq. or other applicable law for persons 21 years of age or older:
 a. manufacture, possession, or purchase of cannabis paraphernalia or the sale of cannabis paraphernalia to a person who is 21 years of age or older;
 b. possessing, displaying, or transporting cannabis items; purchase of cannabis from a cannabis cultivation facility; purchase of cannabis items from a cannabis product manufacturing facility; or sale of cannabis items to consumers, if the person conducting the activities described in this subsection has obtained a current, valid license to operate as a cannabis retailer or is acting in his capacity as an owner, employee, or agent of a licensed cannabis retailer;
 c. cultivating, harvesting, processing, packaging, transporting, displaying, or possessing cannabis; delivery or transfer of cannabis to a cannabis testing facility; selling cannabis to a cannabis cultivation facility, a cannabis product manufacturing facility, or a cannabis retailer; or the purchase of cannabis from a cannabis cultivation facility, if the person conducting the activities described in this subsection has obtained a current, valid license to operate a cannabis cultivation facility or is acting in his capacity as an owner, employee, or agent of a licensed cannabis cultivation facility;
 d. packaging, processing, transporting, manufacturing, displaying, or possessing cannabis items; delivery or transfer of cannabis items to a cannabis testing facility; selling cannabis items to a cannabis retailer or a cannabis product manufacturing facility; the purchase of cannabis from a cannabis cultivation facility; or the purchase of cannabis items from a cannabis product manufacturing facility, if the person conducting the activities described in this...
subsection has obtained a current, valid license to operate a cannabis
product manufacturing facility or is acting in his capacity as an
owner, employee, or agent of a licensed cannabis product
manufacturing facility;

  e. possessing, cultivating, processing, repackaging, storing,
transporting, displaying, transferring, or delivering cannabis items if
the person has obtained a current, valid license to operate a cannabis
testing facility or is acting in his capacity as an owner, employee, or
agent of a licensed cannabis testing facility; and

  f. leasing or otherwise allowing the use of property owned,
occupied, or controlled by any person, corporation, or other entity
for any of the activities conducted lawfully in accordance with
subsections a. through e. of this section.

6. (New section) Prohibition of Persons Under the Legal Age
Purchasing Cannabis or Cannabis Resin.

  a. No licensee, either directly or indirectly by an agent or
employee, shall sell, offer for sale, distribute for commercial
purpose at no cost or minimal cost, give, or furnish, to a person
under 21 years of age, any cannabis items.

  b. Any licensee or employee or agent of a licensee who allows
a person under the age of 21 to procure cannabis items which,
pursuant to section 4 of P.L. _, c. (C. _) (pending before the
Legislature as this bill) are not unlawful for persons 21 years of age
or older to procure for personal use, shall be subject to a civil
penalty of not less than $250 for the first violation; $500 for the
second violation; and $1,000 for the third and each subsequent
violation; in addition, subject to a hearing, a licensee’s license may
be revoked. The penalties provided for in this subsection shall be
recovered by a summary proceeding pursuant to the "Penalty
10 et seq.).

  c. The establishment of all of the following facts by a licensee,
employee, or agent, allowing any such person under the age of 21 to
procure cannabis items shall constitute a defense to any violation of
the provisions of subsections a. and b. of this section:

(1) That the purchaser of the cannabis item falsely represented,
by producing either a United States passport; driver’s license or
non-driver identification card issued by the New Jersey Motor
Vehicle Commission; a similar card issued pursuant to the laws of
another state; or United States military identification card, that the
person was of legal age to make the purchase; and

(2) That the sale or distribution was made in good faith, relying
upon the production of the identification in paragraph (1) of this
subsection and in the reasonable belief that the purchaser or
recipient was actually of legal age to make the purchase.

  d. It shall be unlawful for a person under the age of 21 to
attempt to purchase, or acquire a cannabis item, even if such
cannabis items may be legally purchased by persons at or above the
legal age for purchasing cannabis items.
For purposes of this subsection, purchasing a cannabis item includes accepting a cannabis item, and acquiring a cannabis item incudes consuming a cannabis item.

e. It shall be unlawful for a person under the age of 21 to present or offer to a cannabis establishment or the cannabis establishment’s agent or employee any written or oral evidence of age or other personal identifying information that is false, fraudulent, or not actually the person’s own, including the use of a driver’s license or other government-issued form of identification in violation of section 1 of P.L.1983, c.565 (C.2C:21-2.1), N.J.S.2C:21-17, section 5 of P.L.2003, c.184 (C.2C:21-17.2), or section 6 of P.L.1968, c.313 (C.33:1-81.7), for the purpose of:

(1) Purchasing, attempting to purchase, or otherwise procuring or attempting to procure cannabis items; or

(2) Gaining access to a cannabis establishment.

f. Except as permitted by the commission by rule or regulation, or as necessary on an emergency basis, a person under legal age for purchasing cannabis items may not enter or attempt to enter any portion of a licensed premises that is posted or otherwise identified as being prohibited to the use of persons under legal age for purchasing cannabis items, unless accompanied by and supervised by a parent or legal guardian.

g. Any person under the legal age to purchase cannabis, who knowingly possesses without legal authority or who knowingly consumes any cannabis item, in any school, public conveyance, public place, place of public assembly, or motor vehicle, shall be guilty of a violation as set forth in section 1 of P.L.1979, c.264 (C.2C:33-15). Any person under the legal age to purchase cannabis, who knowingly possesses without legal authority or who knowingly consumes, any cannabis item on private property shall be guilty of a municipal violation as set forth in section 1 of P.L.2000, c.33 (C.40:48-1.2).

h. The prohibitions of this section do not apply to a person under the legal age for purchasing cannabis items who is acting under the direction of the commission or under the direction of State or local law enforcement agencies for the purpose of investigating possible violations of the laws prohibiting the sale of cannabis items to persons who are under the legal age for purchasing cannabis items.

i. The prohibitions of this section do not apply to a person under the legal age for purchasing cannabis items who is acting under the direction of a licensee for the purpose of investigating possible violations by employees of the licensee of laws prohibiting sales of cannabis items to persons who are under the legal age for purchasing cannabis items.

7. (New section) Creation, Powers, and Duties of the Cannabis Regulatory Commission.
The Cannabis Regulatory Commission is hereby created in, but not of, the Department of the Treasury, to oversee the development, regulation, and enforcement of activities associated with the personal use of cannabis pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill), and assume responsibility from the Department of Health for the further development and expansion, regulation, and enforcement of activities associated with the medical use of cannabis pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:61-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.).

a. (1) The commission shall consist of five members: one of whom shall be the chair, appointed by the Governor with the advice and consent of the Senate; two of whom shall be appointed by the Governor with the advice and consent of the Senate; one of whom shall be appointed by the Governor upon the recommendation of the Senate President; and one of whom shall be appointed by the Governor upon the recommendation of the Speaker of the General Assembly. All five members shall be residents of this State. At least one member shall be a State representative of a national organization or State branch of a national organization with a stated mission of studying, advocating, or adjudicating against minority historical oppression, past and present discrimination, unemployment, poverty and income inequality, and other forms of social injustice or inequality, and all five members shall possess education, training, or experience with legal, policy, or criminal justice issues, corporate or industry management, finance, securities, or production or distribution, medicine or pharmacology, or public health, mental health, or substance use disorders. Concerning the appointment of the initial chair and the other two initial members requiring the advice and consent of the Senate, the Senate shall exercise its authority within 30 days after the nomination for appointment of the initial chair or another initial member has been submitted to the Senate, and if no action has been taken within the 30-day period, the nomination shall be deemed confirmed. If the Governor does not make an initial appointment of a member recommended by the Senate President or Speaker of the General Assembly within 30 days of being presented with a recommendation, the person so recommended may file an order to show cause in Superior Court to obtain a writ of mandamus compelling the Governor to appoint the person.

(2) The chair and the other members shall serve for terms of five years; provided that for the two other members first appointed by the Governor with the advice and consent of the Senate, one shall be appointed for a term of four years, and one shall be appointed for a term of three years. The chair and the other members shall serve in their respective capacities throughout their entire term and until their successors shall have been duly appointed and qualified. Any vacancy in the commission occurring for any reason other than the
expiration of a term shall be filled for the unexpired term only in
the same manner as the original appointment.

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

(4) The members of the commission, at the commission’s first
meeting when called by the chair, shall elect, by a majority of the
total authorized membership of the commission, one of the
members, other than the chair, to serve as vice-chair for the ensuing
year. A vice-chair shall thereafter be elected annually in the same
manner. The vice-chair shall be empowered to carry out all of the
responsibilities of the chair during the chair’s absence,
disqualification, or inability to serve.

(5) A majority of the total authorized membership of the
commission shall be required to establish a quorum, and a majority
of the total authorized membership of the commission shall be
required to exercise its powers at any meeting thereof.

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

(7) Any member of the commission may be removed from office
by the Governor, for cause, upon notice and opportunity to be heard at
a public hearing. Any member of the commission shall automatically
forfeit the member’s office upon conviction for any crime.

b. (1) The commission may establish, and from time to time
alter, a plan of organization, and employ personnel as it deems
necessary under the direct supervision of a full-time executive
director for the commission. The plan of organization shall include
the Office of Minority, Disabled Veterans, and Women Cannabis
Business Development established by section 9 of P.L. .

(c. (C. ) (pending before the Legislature as this bill).

(a) The executive director shall be appointed by the Governor
with the advice and consent of the Senate. The executive director
shall serve at the pleasure of the appointing Governor during the
Governor’s term of office and until a successor has been duly
appointed and qualified. Any vacancy in the office occurring for
any reason other than the expiration of a term shall be filled for the
unexpired term only in the same manner as the original
appointment. The executive director shall receive an annual salary
to be fixed and established by the Governor, which shall be at an
amount not to exceed the annual salary of a member of the
commission not serving as chair, as set forth in paragraph (3) of
subsection a. of this section.

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

(ii) If, as a result of the transfer of duties and responsibilities from the Department of Health to the commission in accordance with P.L. , c. (C. ) (pending before the Legislature as this bill) and the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) on or after the effective date of P.L. , c. (C. ) (pending before the Legislature as Assembly Committee Substitute combining Assembly Bill No. 10 and the previous Assembly Committee Substitute for Assembly Bill Nos. 3740 and 3437), the commission needs to employ an individual to fill a position, employees of the department who performed the duties of the position to be filled shall be given a one-time right of first refusal offer of employment with the commission, and such employees may be removed by the commission for cause or if deemed unqualified to hold the position, notwithstanding any other provision of law to the contrary. A department employee who becomes employed by the commission shall retain as an employee of the commission the seniority, and all rights related to seniority, that the employee had with the department as of the last day of employment with the department; provided, however, that such seniority and seniority rights shall be retained only by an employee who was transferred from employment with the department to employment with the commission, and shall not be retained by an employee who was removed from employment with the department due to layoff procedures or who resigned from a position with the department prior to being hired by the commission.

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

(3) The commission may incur additional expenses within the limits of fund available to it in order to carry out its duties, functions, and powers under P.L. , c. (C. ) (pending before the Legislature as this bill), the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), and P.L.2015, c.158 (C.18A:40-12.22 et al.).

With respect to the activities of the commission, neither the President of the Senate or Speaker of the General Assembly shall be permitted to appear or practice or act in any capacity whatsoever before the commission regarding any matter whatsoever, nor shall any member of the immediate family of the Governor, President of the Senate, or Speaker of the General Assembly be permitted to so practice or appear in any capacity whatsoever before the commission regarding any matter whatsoever. As used in this subsection, “immediate family” means the spouse, domestic partner,
or partner in a civil union couple, and any dependent child or
stepchild, recognized by blood or by law, of the Governor,
President of the Senate, or Speaker of the General Assembly, or of
the spouse, domestic partner, or partner in a civil union couple
residing in the same household as the Governor, President of the
Senate, or Speaker of the General Assembly.

8. (New section) Powers and Duties of the Cannabis
Regulatory Commission Concerning Personal Use of Cannabis;
Reporting on Commission’s Activities.

a. The Cannabis Regulatory Commission shall have all powers
necessary or proper to enable it to carry out the commission’s
duties, functions, and powers under P.L. , c. (C. ) (pending
before the Legislature as this bill). The jurisdiction, supervision,
duties, functions, and powers of the commission extend to any
person who buys, sells, produces, processes, transports, or delivers
any cannabis items within this State.

b. The duties, functions and powers of the commission shall
include the following:

(1) To regulate the purchase, sale, production, processing,
transportation, and delivery of cannabis items in accordance with
the provisions of P.L. , c. (C. ) (pending before the Legislature as
this bill);

(2) To grant, refuse, suspend or cancel licenses or conditional
licenses for the sale, processing, or production of cannabis items, or
other licenses in regard to cannabis items, and to permit, in the
commission’s discretion, the transfer of a license between persons;

(3) To investigate and aid in the prosecution of every violation
of the statutory laws of this State relating to cannabis items and to
cooperate in the prosecution of offenders before any State court of
competent jurisdiction;

(4) To adopt, amend, or repeal regulations as necessary to carry
out the intent and provisions of P.L. , c. (C. ) (pending before
the Legislature as this bill);

(5) To exercise all powers incidental, convenient, or necessary
to enable the commission to administer or carry out the provisions
of P.L. , c. (C. ) (pending before the Legislature as this bill), or
any other law of this State that charges the commission with a duty,
function, or power related to cannabis. Powers described in this
paragraph include, but are not limited to:

(a) Issuing subpoenas;

(b) Compelling attendance of witnesses;

(c) Administering oaths;

(d) Certifying official acts;

(e) Taking depositions as provided by law;

(f) Compelling the production of books, payrolls, accounts,
papers, records, documents, and testimony; and

(g) Establishing fees in addition to the application, licensing,
and renewal fees, provided that any fee established by the
commission is reasonably calculated not to exceed the cost of the
activity for which the fee is charged;

(6) To adopt rules regulating and prohibiting cannabis growers,
cannabis processors, cannabis wholesalers, and cannabis retailers
from advertising cannabis items in a manner that is appealing to
minors; that promotes excessive use; that promotes illegal activity;
or that otherwise presents a significant risk to public health and
safety; and

(7) To regulate the use of cannabis items for scientific,
pharmaceutical, manufacturing, mechanical, industrial, and other
purposes.

c. The powers of the commission further include the power to
purchase, seize, possess, and dispose of cannabis items. The
commission may purchase, possess, seize, or dispose of cannabis
items as is necessary to ensure compliance with and enforcement of
the provisions of P.L. , c. (C. ) (pending before the Legislature
as this bill), and any rule adopted pursuant thereto. Any State
officer, board, commission, corporation, institution, department, or
other State body, and any local officer, board, commission,
institution, department, or other local government body, that is
permitted by the statutory laws of this State to perform a duty,
function, or power with respect to a cannabis item, may purchase,
possess, seize, or dispose of the cannabis item as the State officer,
board, commission, corporation, institution, department or other
State body, or the local officer, board, commission, institution,
department, or other local government body, considers necessary to
ensure compliance with and enforce the applicable statutory law or
any rule adopted under the applicable statutory law.

d. (1) (a) Within 180 days after the effective date of this
section, which takes effect immediately upon enactment of P.L. ,
c. (C. ) (pending before the Legislature as this bill), and
notwithstanding the provisions of the “Administrative Procedure
Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the
commission, after consultation with the Attorney General, State
Treasurer, Commissioner of Health, and Commissioner of Banking
and Insurance, shall, immediately upon filing proper notice with the
Office of Administrative Law, adopt rules and regulations prepared
by the commission necessary or proper to enable it to carry out the
commission’s duties, functions, and powers with respect to
overseeing the development, regulation, and enforcement of
activities associated with the personal use of cannabis pursuant to
P.L. , c. (C. ), and assume responsibility from the
Department of Health for the further development and expansion,
regulation, and enforcement of activities associated with the
medical use of cannabis pursuant to the “Jake Honig Compassionate
Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and

(b) The initial rules and regulations adopted pursuant to
subparagraph (a) of this paragraph shall be in effect for a period not
to exceed one year after the date of filing with the Office of
Administrative Law. These rules and regulations shall thereafter be
adopted, amended, or readopted, and any subsequent rules and
regulations adopted, amended, or readopted, by the commission in
accordance with the requirements of the “Administrative Procedure
Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), after consultation with
other department heads, as the commission deems appropriate.

(2) On the date of adoption of the initial rules and regulations
pursuant to subparagraph (a) of paragraph (1) of this subsection, the
provisions of P.L. , c. (C. ) (pending before the Legislature
as this bill) shall become operative, other than those provisions
which were operative immediately upon enactment, and subsequent
to the date of adoption the commission shall determine the first date
thereafter on which retail sales of personal use cannabis items may
occur, which latter date shall not be more than 180 days after the
provisions of P.L. , c. (C. ) (pending before the Legislature
as this bill) became operative based upon the commission’s
adoption of its initial rules and regulations. The commission shall
provide every alternative treatment center deemed to be licensed for
personal use cannabis activities pursuant to section 7 of P.L.2009,
c.307 (C.24:6I-7), as amended by P.L. , c. (C. ) (pending
before the Legislature as Assembly Committee Substitute combining
Assembly Bill No. 10 and the previous Assembly Committee
Substitute for Assembly Bill Nos. 3740 and 3437), and every person
or entity issued licenses or conditional licenses by the commission
with at least 30 days’ notice of the date determined to be the first
date on which retail sales of personal use cannabis items may occur.

e. (1) The commission shall biannually report to the Governor
and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) to the
Legislature, regarding the commission’s regulation and enforcement
activities associated with the personal use of cannabis pursuant to
P.L. , c. (C. ), and the medical use of cannabis pursuant to the
“Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009,
The biannual report shall include, but is not limited to, information on:

(a) the number of criminal arrests or charges for obtaining or
possessing marijuana or hashish in violation of paragraph (4) of
subsection a. of N.J.S.2C:35-10, or for manufacturing, distributing,
or possessing or having under control with the intent to distribute
marijuana or hashish in violation of paragraph (12) of subsection b.
of N.J.S.2C:35-5, cataloged by race, ethnicity, gender, and age;

(b) the number of motor vehicle stops by law enforcement
involving violations of R.S.39:4-50, or section 5 of P.L.1990, c.103
(C.39:3-10.13) concerning operators of commercial motor vehicles,
for driving under the influence of cannabis or marijuana, or
suspicion thereof, cataloged by race, ethnicity, gender, and age;

(c) the total number of personal use cannabis licenses and
medical use cannabis permits issued since the distribution of the
previous report to the Governor and Legislature, as well as the
number for each class of license and permit issued, and the total
number and type of applicants that submitted applications for
licenses and permits and whether they were approved, reapproved,
or denied;

(d) the data compiled by the Office of Minority, Disabled
Veterans, and Women Cannabis Business Development pursuant to
subsection f. of section 9 of P.L. , c. (C. ) (pending before
the Legislature as this bill) about participation in the lawful
operation of cannabis establishments by persons from socially and
economically disadvantaged communities, including minority
owned, disabled veterans’ owned, and women’s owned licensing
and business development in the personal use cannabis and medical
use cannabis marketplaces, and the data shall include the office’s
analysis of the total number of licenses and permits applied for and
issued since the distribution of the previous report to the Governor
and Legislature compared with the total number of minority owned,
disabled veterans’ owned, and women’s owned businesses that
submitted applications for licenses and permits and whether they
were approved, reapproved, or denied; and

(e) the total amount of tax revenue generated by the State-level
taxes on personal use cannabis collected by the State pursuant to
section 18 of P.L. , c. (C. ) (pending before the Legislature
as this bill), and any optional local tax thereon collected by a local
governmental entity pursuant to section 19 of that act (C. ).

(2) Beginning on the third anniversary of the commission’s first
organizational meeting called by the commission chair pursuant to
paragraph (4) of subsection a. of section 7 of P.L. , c. (C. )
(pending before the Legislature as this bill), a public research
university, as defined in section 3 of P.L.1994, c.48 (C.18A:3B-3),
designated by the Governor shall engage in a study, reviewing the
commission’s organization, and regulation and enforcement
activities, with a focus on the commission’s effectiveness as
established and operating as a full time commission pursuant to
P.L. , c. (C. ) (pending before the Legislature as this bill)
and whether a better execution of the laws concerning the personal
use of cannabis and medical use of cannabis could be more
effectively managed, and more efficiently promoted through a
reorganization of the commission, consolidation of the commission
within the Department of the Treasury or another Executive Branch
department, change to a part-time commission, or the transfer of
some or all of the commission’s operations elsewhere within the
Executive Branch, to begin on the fifth anniversary of the
commission’s first organizational meeting. The findings of the
university’s study shall be issued in a report, presented to the
Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
19.1), to the Legislature, after which the Governor and Legislature
shall take any administrative and legislative action, respectively,
concerning the continuation, modification, or abolition of the
commission or its operations as recommended in the findings of the study.

9. (New section) Office of Minority, Disabled Veterans, and Women Cannabis Business Development; Establishment; Powers and Duties.
   a. There is hereby established in the commission an Office of Minority, Disabled Veterans, and Women Cannabis Business Development. The office shall be under the immediate supervision of a director. The director of the office shall be appointed by the Governor, and shall serve at the pleasure of the appointing Governor during the Governor’s term of office and until a successor has been duly appointed and qualified. Any vacancy in the office occurring for any reason other than the expiration of a term shall be filled for the unexpired term only in the same manner as the original appointment. The director shall receive an annual salary as provided by law which shall be at an amount not to exceed the annual salary of the executive director of the commission.
   b. (1) The office shall establish and administer, under the direction of the commission, unified practices and procedures for promoting participation in the lawful operation of cannabis establishments and medical cannabis alternative treatment centers by persons from socially and economically disadvantaged communities, including by prospective and existing ownership of minority owned and women’s owned businesses, as these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans’ businesses as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), to be licensed as personal use cannabis establishments under P.L. , c. (C. ) (pending before the Legislature as this bill) or issued permits for activities concerning the medical use of cannabis under the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.). These unified practices and procedures shall include the certification and subsequent recertification at regular intervals of a business as a minority owned or women’s owned business, or a disabled veterans’ business, in accordance with eligibility criteria and a certification application process established by the commission through regulation in consultation with the office.
   (2) The office shall conduct advertising, promotional campaigns, and disseminate information to the public to increase awareness for participation in the lawful operation of cannabis establishments and medical cannabis alternative treatment centers by persons from socially and economically disadvantaged communities, including by prospective and existing ownership of certified minority owned and women’s owned businesses, and disabled veterans’ businesses, concerning the qualifications and application processes for licenses and permits pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill) or the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009,
c.307 (C.24:6I-1 et al.). The office shall sponsor seminars and informational programs, as well as provide information on its Internet website, directed toward those persons and prospective and existing certified businesses which are useful to persons seeking practical information on personal use cannabis or medical cannabis business management, marketing, and other matters.

c. (1) The office shall develop, recommend, and implement policies, practices, protocols, standards, and criteria designed to promote the formulation and participation in the lawful operation of cannabis establishments by persons from socially and economically disadvantaged communities, including by prospective or existing ownership of certified minority owned and women’s owned businesses, and disabled veterans’ businesses, the effectiveness of which measures shall be assessed by considering whether those measures have resulted in not less than 30 percent of the total number of licenses issued by the commission for personal use cannabis establishments under P.L. , c. (C. ) (pending before the Legislature as this bill), and not less than 30 percent of the new permits issued for activities concerning the medical use of cannabis under the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) on or after the effective date of P.L. , c. (C. ) (pending before the Legislature as Assembly Committee Substitute combining Assembly Bill No. 10 and the previous Assembly Committee Substitute for Assembly Bill Nos. 3740 and 3437) being issued to businesses certified in accordance with the certification process established by the office pursuant to paragraph (1) of subsection b. of this section. Of the resulting total number of licenses issued for personal use cannabis establishments and new permits issued for activities concerning the medical use of cannabis, the effectiveness of the office’s policies, practices, protocols, standards, and criteria shall be further assessed by considering whether those measures have resulted in not less than 15 percent of the licenses and permits being issued to certified minority owned businesses, and not less than 15 percent of the licenses and permits being issued to certified women’s owned and disabled veterans’ businesses.

(2) The office shall periodically analyze the number of licenses and permits issued by the commission and compare that analysis to the number of minority owned and women’s owned businesses, and disabled veterans’ businesses, that submitted applications for licenses and permits. The office shall make good faith efforts to establish, maintain, and enhance the measures designed to promote the formulation and participation in the lawful operation of cannabis establishments by persons from socially and economically disadvantaged communities consistent with the standards set forth in paragraph (1) of this subsection, and to coordinate and assist the commission with respect to its incorporation of these licensing measures into the application and review process for issuing licenses for personal use cannabis establishments under P.L. ,
c. (C. ) (pending before the Legislature as this bill), and for issuing permits for activities concerning the medical use of cannabis under the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) on or after the effective date of P.L. , c. (C. ) (pending before the Legislature as Assembly Committee Substitute combining Assembly Bill No. 10 and the previous Assembly Committee Substitute for Assembly Bill Nos. 3740 and 3437), as set forth in paragraph (4) of subsection a. of section 16 of P.L. , c. (C. ) (pending before the Legislature as this bill).

d. The office may review the commission’s measures regarding participation in the lawful operation of cannabis establishments by persons from socially and economically disadvantaged communities, minority owned and minority owned and women’s owned businesses, and disabled-veteran’s businesses, and make recommendations for the improvement thereof. The office may consult with experts or other knowledgeable individuals in the public or private sector on any aspect of its mission.

e. The office shall make recommendations to the commission on relevant policy and implementation matters concerning participation in the lawful operation of cannabis establishments by persons from socially and economically disadvantaged communities, including by prospective or existing ownership of minority owned and women’s owned businesses, and disabled veterans’ businesses, as the office deems appropriate.

f. The office shall prepare information regarding its activities pursuant to this section addressing participation in the lawful operation of cannabis establishments by persons from socially and economically disadvantaged communities, including by minority owned and women’s owned business development, and disabled veterans’ business development, in the retail cannabis and medical cannabis marketplaces to be incorporated by the commission in its biannual report to the Governor and the Legislature pursuant to subsection e. of section 8 of P.L. , c. (C. ) (pending before the Legislature as this bill).

10. (New section) Pre-Interest or Pre-Employment Restrictions on Cannabis Regulatory Commission Members and Employees.

a. No person shall be appointed to or employed by the commission if, during the period commencing three years prior to appointment or employment, the person held any direct or indirect interest in, or any employment by, any holder of, or applicant for, a cannabis license or permit pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill), or the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or which is an entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment; provided, however, that notwithstanding any other provision of P.L. , c. (C. )
(pending before the Legislature as this bill) to the contrary, any
such person may be appointed to or employed by the commission if
the person’s prior interest in any such license or permit holder,
applicant, or entity involving a certified cannabis handler would
not, in the opinion of the commission, interfere with the objective
discharge of the person’s obligations of appointment or
employment, but in no instance shall any person be appointed to or
employed by the commission if the person’s prior interest in such
license or permit holder, applicant, or entity involving a certified
cannabis handler constituted a controlling interest in that license or
permit holder, or entity; and provided further, however, that
notwithstanding any other provision of P.L. , c. (C.        )
(pending before the Legislature as this bill) to the contrary, any
such person may be employed by the commission in a secretarial or
clerical position if, in the opinion of the commission, the person’s
previous employment by, or interest in, any license or permit
holder, or entity involving a certified cannabis handler, would not
interfere with the objective discharge of the person’s employment
obligations.

b. Prior to appointment or employment, each member of the
commission and each employee of the commission shall swear or
affirm that he possesses no interest in any business or organization
issued a license or permit by the commission, or interest in any
business or organization that employs or uses a certified cannabis
handler to perform work for or on behalf of a licensed cannabis
establishment.

c. (1) Each member of the commission shall file with the State
Ethics Commission a financial disclosure statement listing all assets
and liabilities, property and business interests, and sources of
income of the member and the member’s spouse, domestic partner,
or partner in a civil union couple, as the case may be, and shall also
provide to the State Ethics Commission in the same financial
disclosure statement a listing all assets and liabilities, property and
business interests, and sources of income of each dependent child or
stepchild, recognized by blood or by law, of the member, or of the
spouse, domestic partner, or partner in a civil union couple residing
in the same household as the member. Each statement shall be
under oath and shall be filed at the time of appointment and
annually thereafter.

(2) Each employee of the commission, except for secretarial and
clerical personnel, shall file with the State Ethics Commission a
financial disclosure statement listing all assets and liabilities,
property and business interests, and sources of income of the
employee and the employee's spouse, domestic partner, or partner in
a civil union couple, as the case may be. Such statement shall be
under oath and shall be filed at the time of employment and
annually thereafter. Notwithstanding the provisions of subsection
(n) of section 10 of P.L.1971, c.182 (C.52:13D-21), only financial
disclosure statements filed by a commission employee who is in a
11. (New section) Restrictions on Cannabis Regulatory Commission Members and Employees.
   a. The “New Jersey Conflicts of Interest Law,” P.L.1971, c.182 (C.52:13D-12 et seq.) shall apply to members of the commission and to all employees of the commission, except as herein specifically provided.
   b. (1) The commission shall promulgate and maintain a Code of Ethics that is modeled upon the Code of Judicial Conduct of the American Bar Association, as amended and adopted by the Supreme Court of New Jersey.
   (2) The Codes of Ethics promulgated and maintained by the commission shall not be in conflict with the laws of this State, except, however, that the Code of Ethics may be more restrictive than any law of this State.
   c. The Codes of Ethics promulgated and maintained by the commission, and any amendments or restatements thereof, shall be submitted to the State Ethics Commission for approval. The Codes of Ethics shall include, but not be limited to, provisions that:
      (1) No commission member or employee shall be permitted to enter and engage in any activities, nor have any interest, directly or indirectly, in any cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer issued its license by the commission in accordance with P.L. , c. (C. ) (pending before the Legislature as this bill), or any alternative treatment center issued its permit by the commission in accordance with the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), except in the course of the member’s or employee’s duties.
      (2) No commission member or employee shall solicit or accept employment from any personal use cannabis license holder or medical cannabis permit holder, or from any applicant for a license or permit, or any entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment, for a period of two years after termination of service with the commission, except as otherwise provided in section 12 of P.L. , c. (C. ) (pending before the Legislature as this bill).
      (3) No commission member or employee shall act in the member’s or employee’s official capacity in any matter wherein the member, employee, or the member’s or employee’s spouse, domestic partner, or partner in a civil union couple, or child, parent, or sibling has a direct or indirect personal financial interest that might reasonably be expected to impair the member’s or employee’s objectivity or independence of judgment.
      (4) No commission member or employee shall act in the member’s or employee’s official capacity in a matter concerning any personal use cannabis license holder or medical cannabis permit
holder, or any applicant for a license or permit, or any entity that
employs or uses a certified cannabis handler to perform work for or
on behalf of a licensed cannabis establishment, and who is the
employer of a spouse, domestic partner, or partner in a civil union
couple, or child, parent, or sibling of the commission member or
employee when the fact of the employment of the spouse, domestic
partner, or partner in a civil union couple, or child, parent, or
sibling might reasonably be expected to impair the objectivity and
independence of judgment of the commission member or employee.

(5) No spouse, domestic partner, or partner in a civil union
couple, or child, parent, or sibling of a commission member shall be
employed in any capacity by any personal use cannabis license
holder or medical cannabis permit holder, or any applicant for a
license or permit, or any entity that employs or uses a certified
cannabis handler to perform work for or on behalf of a licensed
cannabis establishment, nor by any holding, intermediary, or
subsidiary company thereof.

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

d. No commission member or employee shall have any interest,
direct or indirect, in any personal use cannabis license holder or
medical cannabis permit holder, or any applicant for a license or
permit, or any entity that employs or uses a certified cannabis
handler to perform work for or on behalf of a licensed cannabis
establishment, during the member’s term of office or employee’s
term of employment.

e. Each commission member and employee shall devote his
entire time and attention to his duties and shall not pursue any other
business or occupation or other gainful employment; provided,
however, that secretarial and clerical personnel may engage in such
other gainful employment as shall not interfere with their duties to
the commission, unless otherwise directed; and provided further,
however, that other employees of the commission may engage in
such other gainful employment as shall not interfere or be in
conflict with their duties to the commission or division, upon
approval by the commission, as the case may be.

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

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

(a) Use the member’s or employee’s official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for office;

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

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

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

12. (New section) Post-Service Restrictions on Cannabis Regulatory Commission Members and Employees.

a. No member of the commission shall hold any direct or indirect interest in, or be employed by, any holder of, or applicant for, a personal use cannabis license or medical cannabis permit pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill), or the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or which is an entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment, for a period of two years commencing on the date that membership on the commission terminates.

b. (1) No employee of the commission may acquire any direct or indirect interest in, or accept employment with, any personal use cannabis license holder or medical cannabis permit holder, or any applicant for a license or permit, or any entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment, for a period of two years commencing at the termination of employment with the commission, except that a secretarial or clerical employee of the commission may accept such employment at any time after the termination of employment with the commission. At the end of two years and for a period of two years thereafter, a former employee
who held a policy-making management position at any time during
the five years prior to termination of employment may acquire an
interest in, or accept employment with, any personal use cannabis
license holder or medical cannabis permit holder, or any applicant
for a license or permit, or any entity that employs or uses a certified
cannabis handler to perform work for or on behalf of a licensed
cannabis establishment, upon application to, and the approval of,
the commission, upon a finding that the interest to be acquired or
the employment will not create the appearance of a conflict of
interest and does not evidence a conflict of interest in fact.

(2) Notwithstanding the provisions of this subsection, if the
employment of a commission employee, other than an employee
who held a policy-making management position at any time during
the five years prior to termination of employment, is terminated as a
result of a reduction in the workforce at the commission, the
employee may, at any time prior to the end of the two-year period,
accept employment with any personal use cannabis license holder
or medical cannabis permit holder, or any applicant for a license or
permit, or any entity that employs or uses a certified cannabis
handler to perform work for or on behalf of a licensed cannabis
establishment, upon application to, and the approval of, the
commission, upon a finding that the employment will not create the
appearance of a conflict of interest and does not evidence a conflict
of interest in fact. The commission shall take action on an
application within 30 days of receipt and an application may be
submitted to the commission prior to or after the commencement of
the employment.

c. No commission member or employee shall represent any
person or party other than the State before or against the
commission for a period of two years from the termination of office
or employment with the commission.

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

13. (New section) Liability For Interest, Employment, and
Ethics Violations By Applicant for Cannabis License or Permit,
License or Permit Holder, and Cannabis Regulatory Commission
Members and Employees; Enforcement by State Ethics
Commission.

a. (1) No holder of, or applicant for, a personal use cannabis
license or medical cannabis permit pursuant to P.L. , c. (C. )
(pending before the Legislature as this bill), or the “Jake Honig
Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
(C.24:6I-1 et al.), or entity that employs or uses a certified cannabis
handler to perform work for or on behalf of a licensed cannabis
establishment shall employ or offer to employ, or provide, transfer,
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or sell, or offer to provide, transfer, or sell any interest, direct or
indirect, in any personal use cannabis license holder or medical
cannabis permit holder to any person restricted from such
transactions by the provisions of sections 10 through 12 of P.L. ,
c. (C. ) (pending before the Legislature as this bill).

(2) The commission may deny an application, or revoke or
suspend a license or permit holder’s license or permit, for
committing a violation of this subsection, as well as impose a civil
penalty of not less than $500 nor more than $10,000, which penalty
may be collected in a summary proceeding pursuant to the “Penalty

b. (1) A member or employee of the commission who makes
or causes to be made a political contribution prohibited under
subsection f. of section 11 of P.L. , c. (C. ) (pending before
the Legislature as this bill) is guilty of a crime of the fourth degree,
but notwithstanding the provisions of subsection b. of N.J.S.2C:43-
3, a fine not to exceed $200,000 may be imposed.

(2) A member or employee of the commission who willfully
violates any other provisions in sections 10 through 12 of P.L. ,
c. (C. ) (pending before the Legislature as this bill) is guilty of
a disorderly persons offense.

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

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

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

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

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

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

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

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

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

g. "Interest" means (1) the ownership or control of more than 10 percent of the profits or assets of a firm, association, or partnership, or more than 10 percent of the stock in a corporation for profit other than a professional service corporation organized under the "Professional Service Corporation Act," P.L.1969, c.232 (C. 14A:17-1 et seq.); or (2) the ownership or control of more than 1 percent of the profits of a firm, association, or partnership, or more than 1 percent of the stock in any corporation, (a) which is the holder of, or an applicant for, a casino license or in any holding or intermediary company with respect thereto, as defined by the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), or (b) which is the holder of, or an applicant for, a license concerning the personal use of cannabis or a permit concerning the medical use of cannabis, issued pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. ______, c. (C. ______) (pending before the Legislature as this bill), or the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or any holding or intermediary company with respect thereto, or (c) which is an entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment.
or any holding or intermediary company with respect to that entity. The provisions of this act governing the conduct of individuals are applicable to shareholders, associates or professional employees of a professional service corporation regardless of the extent or amount of their shareholder interest in such a corporation.

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

i. "Member of the immediate family" of any person means the person's spouse, domestic partner, partner in a civil union couple, child, parent or sibling residing in the same household.

(cf: P.L.1987, c.432, s.2)

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

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

(1) any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters affecting casino activity, or personal use cannabis or medical cannabis activity subject to the "New Jersey Cannabis Regulatory and Expungement Aid Modernization Act," P.L. , c. (C. ) (pending before the Legislature as this bill) or the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.); any special State officer or employee with responsibility for matters affecting casino activity, or personal use cannabis or medical cannabis activity subject to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C. ) (pending before the Legislature as this bill) or the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.); the Governor; any member of the Legislature or the President of the Senate; the Speaker of the General Assembly; any full-time member of the Judiciary; any full-time professional employee of the Office of the Governor, or the Legislature; members of the Casino Reinvestment Development Authority; members of the Cannabis Regulatory Commission; the head of a principal department; the assistant or deputy heads of a principal department, including all assistant and deputy commissioners; the head of any division of a principal department; or

(2) (a) any member of the governing body, or the municipal judge or the municipal attorney of a municipality wherein a casino is located; any member of or attorney for the planning board or zoning board of adjustment of a municipality wherein a casino is located, or any professional planner, or consultant regularly employed or retained by such planning board or zoning board of adjustment;
(b) any member of the governing body, or the municipal judge
or the municipal attorney of a municipality wherein a cannabis
grower, cannabis processor, cannabis wholesaler, or cannabis
retailer, issued its license in accordance with the “New Jersey
Cannabis Regulatory and Expungement Aid Modernization Act,”
P.L. , c. (C. ) (pending before the Legislature as this bill), is
located, or wherein an alternative treatment center, issued its permit
in accordance with the “Jake Honig Compassionate Use Medical
Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or deemed to be
licensed for personal use cannabis activities pursuant to section 7 of
P.L.2009, c.307 (C.24:6I-7), or otherwise issued a license therefor
by the commission in accordance with the “New Jersey Cannabis
Regulatory and Expungement Aid Modernization Act,” is located.

b. (1) No State officer or employee, nor any person, nor any
member of the immediate family of any State officer or employee,
or person, nor any partnership, firm or corporation with which any
such State officer or employee or person is associated or in which
he has an interest, nor any partner, officer, director or employee
while he is associated with such partnership, firm, or corporation,
shall hold, directly or indirectly, an interest in, or hold employment
with, or represent, appear for, or negotiate on behalf of, any holder
of, or applicant for, a casino license, or any holding or intermediary
company with respect thereto, in connection with any cause,
application, or matter, except as provided in section 3 of P.L.2009,
c.26 (C.52:13D-17.3), and except that ](1) ](a) a State officer or
employee other than a State officer or employee included in the
definition of person, and ](2) ](b) a member of the immediate
family of a State officer or employee, or of a person, may hold
employment with the holder of, or applicant for, a casino license if,
in the judgment of the State Ethics Commission, the Joint
Legislative Committee on Ethical Standards, or the Supreme Court,
as appropriate, such employment will not interfere with the
responsibilities of the State officer or employee, or person, and will
not create a conflict of interest, or reasonable risk of the public
perception of a conflict of interest, on the part of the State officer or
employee, or person. No special State officer or employee without
responsibility for matters affecting casino activity, excluding those
serving in the Departments of Education, Health [and Senior
Services], and Human Services and the Commission on Higher
Education, shall hold, directly or indirectly, an interest in, or
represent, appear for, or negotiate on behalf of, any holder of, or
applicant for, a casino license, or any holding or intermediary
company with respect thereto, in connection with any cause,
application, or matter. However, a special State officer or employee
without responsibility for matters affecting casino activity may hold
employment directly with any holder of or applicant for a casino
license or any holding or intermediary company thereof and if so
employed may hold, directly or indirectly, an interest in, or
represent, appear for, or negotiate on behalf of, that employer, except as otherwise prohibited by law.

(2) No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, or derive any remuneration, payment, benefit or any other thing of value for any services, including but not limited to consulting or similar services, from any holder of, or applicant for, a license, permit, or other approval to conduct Internet gaming, or any holding or intermediary company with respect thereto, or any Internet gaming affiliate of any holder of, or applicant for, a casino license, or any business, association, enterprise or other entity that is organized, in whole or in part, for the purpose of promoting, advocating for, or advancing the interests of the Internet gaming industry generally or any Internet gaming-related business or businesses in connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (1) a State officer or employee other than a State officer or employee included in the definition of person, and (2) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a license, permit, or other approval to conduct Internet gaming, or any holding or intermediary company with respect thereto, or any Internet gaming affiliate of any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person.

(3) No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a license concerning the personal use of cannabis or a permit concerning the medical use of cannabis, issued
pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. 2009, c. 307 (C.24:61-1 et al.), or any holding or intermediary company with respect thereto, or which is an entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment, in connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer or employee other than a State officer or employee included in the definition of person, and (b) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a personal use cannabis license or medical cannabis permit, or an entity that employs or uses a certified cannabis handler if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person. No special State officer or employee without responsibility for matters affecting personal use cannabis or medical cannabis activity, excluding those serving in the Departments of Education, Health, and Human Services and the Commission on Higher Education, shall hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a personal use cannabis license or medical cannabis permit, or any holding or intermediary company with respect thereto, or an entity that employs or uses a certified cannabis handler in connection with any cause, application, or matter. However, a special State officer or employee without responsibility for matters affecting personal use cannabis or medical cannabis activity may hold employment directly with any holder of or applicant for a personal use cannabis license or medical cannabis permit, or any holding or intermediary company thereof, or an entity that employs or uses a certified cannabis handler, and if so employed may hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, that employer, except as otherwise prohibited by law.

c. No person or any member of his immediate family, nor any partnership, firm or corporation with which such person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm or corporation, shall, within two years next subsequent to the termination of the office or employment of such person, hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holder of, or applicant for, a
license concerning the personal use of cannabis or a permit concerning the medical use of cannabis, issued pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C. ) (pending before the Legislature as this bill), or the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or any holding or intermediary company with respect thereto, or any entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment, in connection with any cause, application or matter, or any holding or intermediary company with respect to such holder of, or applicant for, a casino license, personal use cannabis license, or medical cannabis permit, in connection with any phase of [casino] development, permitting, licensure or any other matter whatsoever related to casino, personal use cannabis, or medical cannabis activity, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that:

(1) a member of the immediate family of a person may hold employment with the holder of, or applicant for, a casino license, or the holder of, or applicant for, a license concerning the personal use of cannabis or a permit concerning the medical use of cannabis, issued pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C. ) (pending before the Legislature as this bill), or the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or any entity that employs or uses a certified cannabis handler if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the person and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the person;

(2) (a) an employee who is terminated as a result of a reduction in the workforce at the agency where employed, other than an employee who held a policy-making management position at any time during the five years prior to termination of employment, may, at any time prior to the end of the two-year period, accept employment with the holder of, or applicant for, a casino license, personal use cannabis license, or medical cannabis permit, or with an entity that employs or uses a certified cannabis handler if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the employee. In no case shall the restrictions of this subsection apply to a secretarial or clerical employee.

(b) (i) Nothing herein contained shall alter or amend the post-employment restrictions applicable to members and employees of the Casino Control Commission and employees and agents of the
Division of Gaming Enforcement pursuant to paragraph (2) of subsection e. [(2)] of section 59 and to section 60 of P.L.1977, c.110 (C.5:12-59 and C.5:12-60); [and]

(ii) Nothing herein contained shall alter or amend the post-service or post-employment restrictions applicable to members and employees of the Cannabis Regulatory Commission pursuant to paragraph (2) of subsection c. of section 11 and to section 12 of P.L. , c. (C. ) (pending before the Legislature as this bill); and

(3) any partnership, firm or corporation engaged in the practice of law or in providing any other professional services with which any person included in paragraph (1) of subsection a. of this section, or a member of the immediate family of that person, is associated, and any partner, officer, director or employee thereof, other than that person, or immediate family member, may represent, appear for or negotiate on behalf of any holder of, or applicant for, a casino license, personal use cannabis license, or medical cannabis permit, or any entity that employs or uses a certified cannabis handler in connection with any cause, application or matter or any holding company or intermediary company with respect to such holder of, or applicant for, a casino license, personal use cannabis license, or medical cannabis permit, or entity, in connection with any phase of [casino] development, permitting, licensure or any other matter whatsoever related to casino or cannabis or medical marijuana activity, and that person or immediate family member shall not be barred from association with such partnership, firm or corporation, if for a period of two years next subsequent to the termination of the person's office or employment, the person or immediate family member (a) is screened from personal participation in any such representation, appearance or negotiation; and (b) is associated with the partnership, firm or corporation in a position which does not entail any equity interest in the partnership, firm or corporation. The exception provided in this paragraph shall not apply to a former Governor, Lieutenant Governor, Attorney General, member of the Legislature, person included in paragraph (2) of subsection a. of this section, or to the members of their immediate families.

d. This section shall not apply to the spouse of a State officer or employee, which State officer or employee is without responsibility for matters affecting casino, personal use cannabis, or medical cannabis activity, who becomes the spouse subsequent to the State officer's or employee's appointment or employment as a State officer or employee and who is not individually or directly employed by a holder of, or applicant for, a casino license, personal use cannabis license, or medical cannabis permit, or any entity that employs or uses a certified cannabis handler, or any holding or intermediary company thereof.
e. The Joint Legislative Committee on Ethical Standards and the State Ethics Commission, as appropriate, shall forthwith determine and publish, and periodically update, a list of those positions in State government with responsibility for matters affecting casino, personal use cannabis, and medical cannabis activity.

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

(2) No person shall solicit or accept, directly or indirectly, any complimentary service or discount from any holder of, or applicant for, a license concerning the personal use of cannabis or a permit concerning the medical use of cannabis, issued pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. [ ], c. (C. ) (pending before the Legislature as this bill), or the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or any entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment, which the person knows or has reason to know is other than a service or discount that is offered to members of the general public in like circumstance.

g. No person shall influence, or attempt to influence, by use of his official authority, the decision of the [commission] Casino Control Commission or the investigation of the [division] Division of Gaming Enforcement in any application for casino licensure, or the decision of the Cannabis Regulatory Commission in any application for a personal use cannabis license or medical cannabis permit, or in any proceeding to enforce the provisions of this act or the regulations of [the] either commission. Any such attempt shall be promptly reported to the Attorney General; provided, however, that nothing in this section shall be deemed to proscribe a request for information by any person concerning the status of any application for licensure or permitting, or any proceeding to enforce the provisions of this act or the regulations of [the] either commission.

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

In addition, for violations of subsection c. of this section occurring after the effective date of P.L.2005, c.382, a civil penalty of not less than $500 nor more than $10,000 shall be imposed upon a former State officer or employee or former special State officer or employee of a State agency in the Executive Branch upon a finding of a violation by the State Ethics Commission, which penalty may

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

16. (New section) Regulation of Cannabis.
   a. The commission shall adopt rules and regulations, pursuant to subsection d. of section 8 of P.L. , c. (C. ) (pending before the Legislature as this bill), which shall be consistent with the intent of P.L. , c. (C. ) (pending before the Legislature as this bill). Such regulations shall not prohibit the operation of cannabis establishments, either expressly or through regulations that make their operation unreasonably impracticable. The commission may create an expert task force to make recommendations to the commission about the content of such regulations. Such regulations shall include:
   (1) Procedures for the application, issuance, denial, renewal, suspension, and revocation of a license or conditional license to operate a cannabis establishment. Such procedures shall include a periodic evaluation of whether the number of each class of cannabis establishment is sufficient to meet the market demands of the State, a result of which is the commission’s authority to make requests for new applications and issue additional licenses as it deems necessary to meet those demands;
   (2) Application, licensure, and renewal of licensure fees;
   (3) Incorporation of the licensing goals for applicants for licensure who are New Jersey residents established in P.L. , c. (C. ) (pending before the Legislature as this bill). The commission shall make good faith efforts to meet these goals. Qualifications for licensure shall be directly and demonstrably related to the operation of a cannabis establishment, provided that the commission shall make licenses available to as diverse a group as possible, including, but not limited to, requirements that no license of any kind shall be issued to a person under the legal age to purchase cannabis items;
   (4) Incorporation of the licensing measures established by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development pursuant to paragraph (1) of subsection c. of section 9 of P.L. , c. (C. ) (pending before the Legislature as this bill) to promote the licensing of persons from socially and economically disadvantaged communities, and minority owned and women’s owned businesses, as these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans’ businesses as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2). The commission shall coordinate with the office with respect to the incorporation of these licensing measures;
   (5) Security requirements for cannabis establishments;
   (6) Requirements to prevent the sale or diversion of cannabis items to persons under the legal age to purchase cannabis items, including, but not limited to, requirements that:
(a) All licensees and licensee representatives, before permitting entrance to a cannabis establishment and selling or serving cannabis items to any person, shall require such person to produce one of the following pieces of identification:

(i) The person’s passport;
(ii) The person’s motor vehicle driver’s license, whether issued by New Jersey or by any other state, provided the license displays a picture of the person;
(iii) A New Jersey identification card issued by the New Jersey Motor Vehicle Commission;
(iv) A United States military identification card; or
(v) Any other identification card issued by a state that bears a picture of the person, the name of the person, the person’s date of birth, and a physical description of the person;

(b) No cannabis establishment shall employ persons under 18 years of age nor shall any cannabis retailer allow persons under the legal age to purchase cannabis items, other than a person employed by the retailer, to enter or remain on the premises of a cannabis retailer unless accompanied by a parent or legal guardian;

(c) Packaging and branding regulations to prevent marketing of cannabis items and cannabis paraphernalia to people under the legal age to purchase cannabis items;

(7) Labeling and packaging requirements for cannabis items sold or distributed by a cannabis establishment, including, but not limited to, requirements that:

(a) Cannabis items and cannabis paraphernalia are not packaged, branded, or marketed using any statement, illustration, or image that:

(i) Includes false statements;
(ii) Promotes over-consumption;
(iii) Depicts a child or other person under legal age consuming cannabis items; or
(iv) Includes objects, such as toys, characters, or cartoon characters suggesting the presence of a person under the legal age to purchase cannabis items, or any other depiction designed in any manner to be especially appealing to persons under the legal age to purchase cannabis items;

(b) Ensure cannabis items are packaged in child-resistant containers or packaging;

(c) Cannabis items warning labels adequately inform consumers about safe cannabis use and warn of the consequences of misuse or overuse;

(d) Labeling rules that mandate clear identification of health and safety information, including, but not limited to:

(i) Net weight;
(ii) Production date and expiration date;
(iii) An ingredient list that includes, but is not limited to, all ingredients used to manufacture the cannabis product and a list of all potential allergens contained within the product;
(iv) Strain or type of cannabis, listed by scientific terms, if available, and generic or “slang” names;
(v) Whether the product requires refrigeration;
(vi) Growth method (whether dirt grown, hydroponic, or otherwise) and an indication whether the cannabis was grown using all-organic materials, and a complete list of any nonorganic pesticides, fungicides and herbicides used during the cultivation of the cannabis;
(vii) Serving size, the total number of servings, and a statement regarding the percentage of THC contained in the cannabis product and in each serving. For example: “The serving size of active THC in this product is X mg. This product contains X servings of cannabis, and the total amount of active THC in this product is X mg.”;
(viii) Warning labels that include, but are not limited to, one or more of the following:
-- “This product contains cannabis”;
-- “This product is infused with cannabis”;
-- “This product is intended for use by adults 21 years of age or older. Keep out of the reach of children”;
-- “The intoxicating effects of this product may be delayed by two or more hours”;
-- “There may be health risks associated with the consumption of this product, including for women who are pregnant, breastfeeding, or planning on becoming pregnant”;
-- “Do not drive a motor vehicle or operate heavy machinery while using cannabis”;
(e) Labeling rules that mandate the source of the cannabis items, including, but not limited to, the license number of the cannabis cultivation facility where the cannabis used to produce the cannabis item was grown, the license number of the cannabis product manufacturing facility that produced the cannabis item, and the license number of the cannabis retailer that sold the cannabis item and the production batch and lot numbers of the cannabis items;
(8) Health and safety regulations and standards for the manufacture and sale of cannabis products and the cultivation of cannabis, including, but not limited to, requirements that:
(a) Establish accreditation and licensure criteria for cannabis testing facilities;
(b) The commission issue licenses for a sufficient number of cannabis testing facilities, if those facilities meet the requirements for licensure, in order to ensure testing of cannabis items produced and sold in the State;
(c) Every licensed cannabis cultivation facility and cannabis product manufacturing facility shall permit representatives of cannabis testing facilities to make scheduled and unscheduled visits to facilities in order to obtain random samples of cannabis items, in a quantity established by the commission, to be transported to cannabis testing facilities for inspection and testing to certify
compliance with health, safety, and potency standards adopted by
the commission. Any sample remaining after testing shall be
destroyed or returned to the licensee;
   (d) Prescribe methods of producing, processing, and packaging
cannabis items; conditions of sanitation; safe handling
requirements; approved pesticides and pesticide testing
requirements; and standards of ingredients, quality, and identity of
cannabis items produced, processed, packaged, or sold by cannabis
establishments;
   (e) Establish accreditation and licensing criteria for responsible
cannabis server and seller training and certification programs for
cannabis retailer employees;
   (f) Provide that no licensed cannabis establishment or employee
of a cannabis establishment shall consume, or allow to be
consumed, any cannabis items on the establishment’s premises,
except permitted in a cannabis consumption area as set forth in
section 72 of P.L. , c. (C. ) (pending before the Legislature
as this bill);
   (g) Set appropriate dosage, potency, and serving size limits for
cannabis and other cannabis items, provided that a standardized
serving of cannabis shall be no more than 10 milligrams of active
THC and no individual edible retail product unit for sale shall
contain more than 100 milligrams of active THC, and that cannabis
and other cannabis item packaging prevent children from access;
   (h) Require that each single standardized serving of cannabis in
a multiple-serving edible cannabis product is physically demarked
in a way that enables a reasonable person to determine how much of
the product constitutes a single serving of active THC, and that each
standardized serving of cannabis shall be easily separable to allow
an average person 21 years of age or older to physically separate,
with minimal effort, individual servings of the product;
   (i) Require that, if it is impracticable to clearly demark every
standardized serving of cannabis or to make each standardized
serving easily separable in an edible cannabis product, the product
shall contain no more than 10 milligrams of active THC per unit of
sale;
   (j) Establish screening, hiring, training, and supervising
requirements for retail store employees and others who manufacture
or handle cannabis items;
   (k) Promote general sanitary requirements for the handling,
storage, and disposal of cannabis items, and the maintenance of
cannabis establishments;
   (l) Provide for rigorous auditing, inspection, and monitoring of
cannabis establishments for compliance with health and safety rules
and regulations;
   (m) Require the implementation of security requirements for
retail outlets and premises where cannabis items are produced or
processed, and safety protocols for cannabis establishments and
their employees;
(n) Prescribe reasonable restrictions on the manner, methods, and means by which licensees shall transport cannabis items within the State; and

(o) Establish procedures for identification, seizure, confiscation, destruction, or donation to law enforcement for training purposes of all cannabis or cannabis products produced, processed, sold, or offered for sale within this State which do not conform in all respects to the standards prescribed by P.L. , c. (C. ) (pending before the Legislature as this bill);

(9) Restrictions on the advertising and display of cannabis items and cannabis paraphernalia, including, but not limited to, requirements that:

(a) Restrict advertising of cannabis items and cannabis paraphernalia in ways that target or are designed to appeal to individuals under the legal age to purchase cannabis items, including, but not limited to depictions of a person under 21 years of age consuming cannabis, or, includes objects, such as toys, characters, or cartoon characters suggesting the presence of a person under 21 years of age, or any other depiction designed in any manner to be especially appealing to a person under 21 years of age;

(b) No licensed cannabis establishment shall advertise any cannabis items or cannabis paraphernalia on television, or radio between the hours of 6:00am and 10:00pm;

(c) No licensed cannabis establishment shall engage in advertising unless it has reliable evidence that at least 71.6 percent of the audience for the advertisement is reasonably expected to be 21 years of age or older;

(d) No licensed cannabis establishment may engage in advertising or marketing directed towards location-based devices, including but not limited to cellular phones, unless the marketing is a mobile device application installed on the device by the owner of the device who is 21 years of age or older and includes a permanent and easy opt-out feature and warnings that the use of cannabis products is restricted to persons 21 years of age or older;

(e) No licensed cannabis establishment may sponsor a charitable, sports, musical, artistic, cultural, social, or other similar event or engage in advertising at or in connection with such an event unless it has reliable evidence that no more than 20 percent of the audience at the event is reasonably expected to be under the legal age to purchase cannabis items;

(f) All advertisements shall contain the following warning: “This product contains cannabis. For use only by adults 21 years of age or older. Keep out of the reach of children.”;

(g) No licensed cannabis establishment shall place or maintain, or cause to be placed or maintained, an advertisement of cannabis items or cannabis paraphernalia in any form or through any medium whatsoever within 200 feet of an elementary or secondary school grounds.
For the purposes of this section, a noncommercial message shall not be considered an advertisement. This section also shall not apply to advertisements within the premises of a cannabis retailer.

(10) A requirement that only cannabis items and cannabis paraphernalia are available for sale at a cannabis establishment;

(11) Procedures for the commission to conduct announced and unannounced visits to cannabis establishments to make, or cause to be made, such investigations as it shall deem proper in the administration of P.L. , c. (C. ) (pending before the Legislature as this bill) and any other laws which may hereafter be enacted concerning cannabis, or the manufacture, distribution or sale thereof, including the inspection and search of premises for which the license is sought or has been issued, of any building containing the same, of licensed buildings, examination of the books, records, accounts, documents and papers of the licensees or on the licensed premises;

(a) The commission shall be authorized, after adequate notice to the owner or the agent of the owner, to make an examination of the books and may at any time make an examination of the premises of any person licensed under P.L. , c. (C. ) (pending before the Legislature as this bill) for the purpose of determining compliance with P.L. , c. (C. ) (pending before the Legislature as this bill) and the rules of the commission. The commission shall not require the books of any licensee to be maintained on the premises of the licensee;

(b) The commission may, at any time, examine the books and records of any cannabis licensee, and may appoint auditors, investigators and other employees that the commission considers necessary to enforce its powers and perform its duties;

(c) During any inspection of a licensed premises, the commission may require proof that a person performing work at the premises is 18 years of age or older. If the person does not provide the commission with acceptable proof of age upon request, the commission may require the person to immediately cease any activity and leave the premises until the commission receives acceptable proof of age; and

(d) The commission shall not be required to obtain a search warrant to conduct an investigation or search of licensed premises;

(12) Record keeping requirements, including, but not limited to, the following:

(a) The obligation of every cannabis grower to keep a complete and accurate record of all sales of cannabis flowers, cannabis leaves, and immature cannabis plants, and a complete and accurate record of the number of cannabis flowers produced, the number of ounces of cannabis leaves produced, the number of immature cannabis plants produced, and the dates of production; and the obligation of every cannabis establishment to keep a complete and accurate record of all sales of cannabis, and a complete and accurate record of the number of ounces of cannabis items sold, provided
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that cannabis retailers shall not retain personally identifying
information about persons 21 years of age or older who purchase

(c) Such records shall be kept and maintained for two years and
the records shall be in such form and contain such other information
as the commission may require; and

(c) The commission may at any time, with adequate notice,

(b) Licensees shall submit the results of this inspection and
testing to the commission on a form developed by the commission;
and

(c) If a representative sample inspected and tested under this
section does not meet the applicable standards adopted by the
commission, the entire lot from which the sample was taken shall be
destroyed;

(13) Procedures for inspecting samples of cannabis items,
including:

(a) On a schedule determined by the commission, every licensed

cannabis grower and processor shall submit representative samples
of cannabis, useable cannabis, or cannabis-infused products
produced or processed by the licensee to an independent, third-party
testing laboratory meeting the accreditation requirements
established by the commission, for inspection and testing to certify
compliance with standards adopted by the commission. Any sample
remaining after testing shall be destroyed by the laboratory or
returned to the licensee;

(b) Licensees shall submit the results of this inspection and
testing to the commission on a form developed by the commission;
and

(c) If a representative sample inspected and tested under this
section does not meet the applicable standards adopted by the
commission, the entire lot from which the sample was taken shall be
destroyed;

(14) Establishing the number of cannabis retailers:

(a) Assuming there are sufficient qualified applicants for
licensure, the commission shall issue a sufficient number of Class 4
Retailer licenses to meet the market demands of the State, and
giving regard to geographical and population distribution
throughout the State; and

(b) the provision of adequate access to licensed sources of
useable cannabis and cannabis products to discourage purchases
from the illegal market; and

(15) Civil penalties for the failure to comply with regulations
adopted pursuant to this section.

b. In order to ensure that individual privacy is protected, the
commission shall not require a consumer to provide a cannabis retailer
with personal information other than government-issued identification
to determine the consumer’s age, and a cannabis retailer shall not
collect and retain any personal information about consumers other than
information typically acquired in a financial transaction conducted by
the holder of a Class C retail license concerning alcoholic beverages as
c. Once regulations are adopted pursuant to subsection a. of this section, but prior to the commencement of the application process, the commission shall conduct a series of information sessions in every county in New Jersey to educate residents of New Jersey about the responsibilities, opportunities, requirements, obligations, and processes for application for a license to operate a cannabis establishment. The commission shall conduct an appropriate number of information sessions in each county considering the population of each county, but no fewer than two information sessions in each county. The commission shall publicize the day, time, location, and agenda of these information sessions broadly through television, radio, Internet, print, and local agencies.

d. The commission shall:

   (1) Examine available research, and may conduct or commission new research or convene an expert task force, to investigate the influence of cannabis on the ability of a person to drive a vehicle and on the concentration of delta-9 tetrahydrocannabinol in a person's blood, in each case taking into account all relevant factors; and

   (2) Report, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), the results of the research to the Legislature and make recommendations to the Legislature regarding legislation or other legislative action as the commission deems necessary.

17. (New section) Tracking System.

a. The commission shall develop and maintain a system for tracking the transfer of cannabis items between licensed premises.

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

   (1) Preventing the diversion of cannabis items to criminal enterprises, gangs, cartels, and other states;

   (2) Preventing persons from substituting or tampering with cannabis items;

   (3) Ensuring an accurate accounting of the production, processing, and sale of cannabis items;

   (4) Assisting the Director of the Division of Taxation with the collection of taxes for the purpose of being distributed as described in subsection g. of section 18 of P.L. , c. (C. ) (pending before the Legislature as this bill);

   (5) Ensuring that laboratory testing results are accurately reported; and

   (6) Ensuring compliance with the rules and regulations adopted under the provisions of P.L. , c. (C. ) (pending before the Legislature as this bill), and any other law of this State that charges the commission with a duty, function, or power related to cannabis.

c. The system developed and maintained under this section shall be capable of tracking, at a minimum:
1. (1) The propagation of immature cannabis plants and the
production of cannabis by a cannabis processor;
(2) The processing of cannabis by a cannabis processor;
(3) The receiving, storing, and delivering of cannabis items by a
cannabis wholesaler;
(4) The sale of cannabis items by a cannabis retailer to a
consumer;
(5) The purchase and sale of cannabis items between licensees;
(6) The transfer of cannabis items between licensed premises;
(7) The amount of taxes imposed upon the retail sale of cannabis
items; and
(8) Any other information that the commission determines is
reasonably necessary to accomplish the duties, functions, and
powers of the commission.

18. (New section) Taxation; Business Treatment.
a. There is imposed a tax at the rate of 5.375 percent upon the
receipts from the retail sale of cannabis items by a cannabis retailer
to retail customers who are 21 years of age or older. The tax
imposed by this section shall be in addition to the tax imposed
pursuant to the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-
1 et seq.).
b. The commission shall regularly review the tax rate imposed
under this section and make recommendations to the Legislature as
appropriate regarding adjustments that would further the goals of
discouraging use, particularly by those under 21 years of age;
undercutting illegal market prices; and maximizing taxation
revenue.
c. (1) The tax imposed pursuant to this section shall be
collected from the customer at the point of sale and remitted to the
Director of the Division of Taxation by the cannabis retailer. If the
customer is given any sales slip, invoice, receipt, or other statement
or memorandum of the price paid or payable, the tax shall be stated,
charged, and shown separately on the document.
(2) Every cannabis retailer required to collect the tax imposed
by this section shall be personally liable for the tax imposed,
collected, or required to be collected under this section. Any
cannabis retailer shall have the same right with respect to collecting
the tax from the customer, or with respect to non-payment of the tax
by the customer, as if the tax were a part of the purchase price of
the cannabis or cannabis product, and payable at the same time;
provided, however, that the director shall be joined as a party in any
action or proceeding brought to collect the tax.
d. (1) Except as otherwise provided in the “New Jersey
Cannabis Regulatory and Expungement Aid Modernization Act,”
P.L. , c. (C. ) (pending before the Legislature as this bill),
the director shall collect and administer the tax imposed pursuant to
this section in the same manner as the tax imposed pursuant to the
“Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.). In
carrying out the provisions of the “New Jersey Cannabis Regulatory
and Expungement Aid Modernization Act,” P.L. 2009, c. (C )
(pending before the Legislature as this bill), the director shall have
all of the powers and authority granted in P.L.1966, c.30
(C.54:32B-1 et seq.).

(2) The tax shall be reported and paid to the director on a
monthly basis, in a manner prescribed by the director.
e. Except as otherwise provided in the “New Jersey Cannabis
Regulatory and Expungement Aid Modernization Act,” P.L. 2009,
c. (C ) (pending before the Legislature as this bill), the tax
imposed pursuant to this section shall be governed by the provisions
of the “State Uniform Tax Procedure Law,” R.S.54:48-1 et seq.
f. No tax established by this section shall be levied upon
medical cannabis dispensed pursuant to the “Jake Honig
Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
g. The tax revenue collected pursuant to this section shall be
deposited by the director into the “Cannabis Regulatory and
Expungement Aid Modernization Fund” established pursuant to
section 71 of P.L. 2009, c. (C ) (pending before the Legislature as
this bill), and shall be used to fund the commission’s operations as
well as to defray costs, in an amount determined by the Legislature in
the annual appropriations act or any other act, associated with the
filing and review of applications for persons seeking expedited
expungement relief pursuant to section 38 of P.L. 2009, c. (C )
(pending before the Legislature as this bill) for being charged with,
convicted of, or adjudicated delinquent for offenses associated with
marijuana or hashish as set forth in that section, which occurred prior
to the date that section and other sections of the “New Jersey
Cannabis Regulatory and Expungement Aid Modernization Act,”
P.L. 2009, c. (C ) (pending before the Legislature as this bill)
become operative, based upon the commission’s adoption of the
initial rules and regulations pursuant to subparagraph (a) of
paragraph (1) of subsection d. of section 8 of that act, concerning
the legal personal use cannabis marketplace, and any remaining
revenue shall be deposited in the State’s General Fund.
h. With respect to the business treatment of cannabis
establishments:

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

(2) As used in this paragraph, “economic incentive” includes,
but is not limited to, operating as a certified seller in a designated
enterprise zone established pursuant to the "New Jersey Urban
Enterprise Zones Act." P.L.1983, c.303 (C.52:27H-60 et al.), or a
UEZ-impacted business district established pursuant to P.L.2001,
c.347 (C.52:27H-66.2 et al.).
(a) (i) A person or entity issued a license to operate as a cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer shall not be eligible for a State or local economic incentive.

(ii) The issuance of a license to operate as a cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer to a person or entity that has been awarded a State or local economic incentive shall invalidate the right of the person or entity to benefit from the economic incentive as of the date of issuance of the license.

(b) (i) A property owner, developer, or operator of a project to be used, in whole or in part, as a cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer shall not be eligible for a State or local economic incentive during the period of time that the economic incentive is in effect.

(ii) The issuance of a license to operate as a cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer at a location that is the subject of a State or local economic incentive shall invalidate the right of a property owner, developer, or operator to benefit from the economic incentive as of the date of issuance of the license.

i. As used in this section:

“Cannabis items” means the same as that term is defined in section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill).

“Cannabis retailer” means the same as that term is defined in section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill).

“Director” means the Director of the Division of Taxation in the Department of the Treasury.

19. (New section) Local Cannabis Taxation.

a. A municipality may adopt an ordinance imposing a tax on the sale of cannabis items by a cannabis establishment that is located in the municipality. At the discretion of the local governmental entity, the tax may be imposed on: retail sales by a cannabis retailer to retail customers who are 21 years of age or older; receipts from the sale of cannabis items from one cannabis establishment to another cannabis establishment; or any combination thereof. Each municipality shall set its own rate or rates, but in no case shall a rate exceed two percent of the receipts from each sale. A tax imposed by ordinance pursuant to this section shall be in addition to any other tax imposed by law.

b. A tax imposed by ordinance pursuant to this section shall be collected and remitted to the municipality by the cannabis establishment. Each cannabis establishment required to collect a tax imposed by ordinance pursuant to this section shall be personally liable for the tax imposed, collected, or required to be collected. A cannabis establishment shall have the same right in respect to collecting the tax from a customer as if the tax were a part of the sale and payable at the same time.
c. (1) A tax imposed by ordinance pursuant to this section shall be separately stated from the purchase price and other taxes on a receipt of sale.

(2) No cannabis establishment required to collect a tax imposed by ordinance pursuant to this section shall advertise or hold out to any person or to the public in general, in any manner, directly or indirectly, that the tax will not be separately charged and stated to the customer or that the tax will be refunded to the customer.

d. All revenues collected from a tax imposed by ordinance pursuant to this section shall be remitted to the chief financial officer of the municipality in a manner prescribed by the local governmental entity. The chief financial officer shall collect and administer any tax imposed by ordinance pursuant to this section. The municipality shall enforce the payment of delinquent taxes imposed by ordinance pursuant to this section in the same manner as provided for municipal real property taxes.

e. No tax imposed by ordinance pursuant to this section shall be levied upon medical cannabis dispensed pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

f. As used in this section:

“Cannabis establishment” means the same as that term is defined in section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill).

“Cannabis items” means the same as that term is defined in section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill).

“Cannabis retailer” means the same as that term is defined in section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill).

20. (New section) Local Governmental Entity Regulations or Ordinances.

a. A local governmental entity may enact ordinances or regulations, not in conflict with the provisions of P.L. , c. (C. ) (pending before the Legislature as this bill):

(1) governing the time, location, manner, and number of cannabis establishments; and

(2) establishing civil penalties for violation of an ordinance or regulation governing the time, location, and manner of a cannabis establishment that may operate in such local governmental entity.

b. A local governmental entity may prohibit the operation of any one or more classes of cannabis establishment within the jurisdiction of the local governmental entity through the enactment of an ordinance, and this prohibiting ordinance shall apply throughout the local governmental entity, even if that local governmental entity or parts thereof fall within any district, area, or other geographical jurisdiction for which land use planning, site planning, zoning requirements or other development authority is exercised by an
independent State authority, commission, instrumentality, or agency
pursuant to the enabling legislation that governs its duties, functions,
and powers, even if this development authority is expressly stated or
interpreted to be exclusive thereunder; the local prohibiting ordinance
applies, notwithstanding the provisions of any independent State
authority law to the contrary. Only an ordinance to prohibit one or
more classes of cannabis establishment enacted pursuant to the
specific authority to do so by this section shall be valid and
enforceable; any ordinance enacted by a local governmental entity
prior to the effective date of this section addressing the issue of
prohibiting one or more types of cannabis-related activities within
the jurisdiction of the local governmental entity is null and void,
and that entity may only prohibit the operation of one or more
classes of cannabis establishment by enactment of a new ordinance
based upon the specific authority to do so by this section. The
failure of a local governmental entity to enact an ordinance
prohibiting the operation of one or more classes of cannabis
establishment within 180 days following the adoption of the
commission’s initial rules and regulations pursuant to subparagraph
(a) of paragraph (1) of subsection d. of section 8 of
P.L. , c. (C. ) (pending before the Legislature as this bill),
shall result in any class of cannabis establishment that is not
prohibited from operating within the local governmental entity as
being permitted to operate therein as follows: the growing,
cultivating, processing, and selling and reselling of cannabis and
cannabis items by a cannabis grower, cannabis processor, or
cannabis wholesaler shall be permitted uses in all industrial zones
of the local governmental entity; and the selling of cannabis items
to consumers from a retail store by a cannabis retailer shall be a
conditional use in all commercial zones or retail zones, subject to
meeting the conditions set forth in any applicable zoning ordinance
or receiving a variance from one or more of those conditions in
accordance with the “Municipal Land Use Law,” P.L.1975, c.291
(C.40:55D-1 et seq.). At the end of a five-year period following the
initial failure of a local governmental entity to enact an ordinance
prohibiting the operation of one or more classes of cannabis
establishment, and every five-year period thereafter following a
failure to enact a prohibiting ordinance, the local governmental
entity shall again be permitted to prohibit the future operation of
any one or more classes of cannabis establishment through the
enactment of an ordinance, but this ordinance shall be prospective
only and not apply to any cannabis establishment operating in the
local governmental entity prior to the enactment of the ordinance.

c. (1) When the commission receives an application for initial
licensing or renewal of an existing license for any cannabis
establishment pursuant to section 21 of P.L. , c. (C. )
(pending before the Legislature as this bill), or endorsement for a
cannabis consumption area pursuant to section 72 of P.L. ,
c. (C. ) (pending before the Legislature as this bill), the
commission shall provide, within seven days, a copy of the application to the local governmental entity in which the establishment or consumption area is to be located, unless the local governmental entity has prohibited the operation of the particular class of cannabis establishment for which licensure is sought, or in the case of an application seeking a consumption area endorsement, prohibited the operation of cannabis retailers. The local jurisdiction shall determine whether the application complies with local restrictions on time, location, manner, and the number of cannabis businesses. The local jurisdiction shall inform the commission whether the application complies with local restrictions on time, location, manner, and the number of cannabis businesses. 

(2) A local governmental entity may impose a separate local licensing or endorsement requirement as a part of its restrictions on time, location, manner, and the number of cannabis businesses. A local governmental entity may decline to impose any local licensing or endorsement requirements, but a local jurisdiction shall notify the commission that it either approves or denies each application forwarded to it.

21. (New section) Application For License or Conditional License.

a. Each application for an annual license to operate a cannabis establishment, or conditional license for a proposed cannabis establishment, shall be submitted to the commission. A separate license or conditional license shall be required for each location at which a cannabis establishment seeks to operate. Renewal applications for another annual license may be filed up to 90 days prior to the expiration of the establishment’s license. A conditional license shall not be renewed, but replaced with an annual license upon the commission’s determination of qualification for the annual license, or otherwise expire, as set forth in paragraph (2) of subsection b. of this section.

b. (1) Regarding the application for and issuance of annual licenses, the commission shall:

(a) begin accepting and processing applications within 30 days after the commission’s initial rules and regulations have been adopted pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 8 of P.L. , c. (C. ) (pending before the Legislature as this bill);

(b) forward, within seven days of receipt, a copy of each application to the local governmental entity in which the applicant desires to operate the cannabis establishment; and

(c) review the qualifications for the applicable license class, set forth in section 22, 24, 25, or 26 of P.L. , c. (C. ) (pending before the Legislature as this bill) for which the applicant seeks licensure, and not more than 90 days after the receipt of an application, make a determination as to whether the application is
approved or denied, or that the commission requires more time to adequ-ately review the application:

(i) if the application is approved, upon collection of the license fee, issue an annual license to the applicant no later than 30 days after giving notice of approval of the application unless the commission finds the applicant is not in compliance with regulations for annual licenses enacted pursuant to the provisions of paragraph (1) of subsection d. of section 8 of P.L. , c. (C. ) (pending before the Legislature as this bill) or the commission is notified by the relevant local governmental entity that the applicant is not in compliance with ordinances and regulations made pursuant to the provisions of section 20 of P.L. , c. (C. ) (pending before the Legislature as this bill) and in effect at the time of application, provided, if a local governmental entity has enacted a numerical limit on the number of cannabis establishments and a greater number of applicants seek licenses, the commission shall solicit and consider input from the local governmental entity as to the local governmental entity’s preference or preferences for licensure; or

(ii) if the application is denied, notify the applicant in writing of the specific reason for its denial.

(2) Regarding the application for and issuance of conditional licenses, the commission shall:

(a) begin accepting and processing applications from applicants within 30 days after the commission’s initial rules and regulations have been adopted pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 8 of P.L. , c. (C. ) (pending before the Legislature as this bill), and ensure that at least 35 percent of the total licenses issued for each class of cannabis establishment are conditional licenses, which 35 percent figure shall also include any conditional license issued to an applicant which is subsequently replaced by the commission with an annual license due to that applicant’s compliance for the annual license pursuant to subsubparagraph (i) of subparagraph (d) of this paragraph;

(b) forward, within seven days of receipt, a copy of each application to the local governmental entity in which the applicant desires to operate a proposed cannabis establishment; and

(c) review the following qualifications for a conditional license:

(i) that the application include at least one significantly involved person who has resided in this State for at least two years as of the date of the application;

(ii) a listing included with the application, showing all persons with a financial interest who also has decision making authority for the proposed cannabis establishment detailed in the application;

(iii) proof that the significantly involved person and any other person with a financial interest who also has decision making authority for the proposed cannabis establishment is 21 years of age or older;
(iv) the name, address, date of birth, and resumes of each executive officer and all other persons with a financial interest who also has decision making authority for the proposed cannabis establishment, as well as a photocopy of their driver’s licenses or other government-issued form of identification, plus background check information in a form and manner determined by the commission; concerning the background check, an application shall be denied if any person has any disqualifying conviction pursuant to subparagraph (c) of paragraph (4) of subsection a. of section 22, 24, 25, or 26, based upon the applicable class of cannabis establishment for which the application was submitted, unless the commission determines pursuant to subsubparagraph (ii) of those subparagraphs that the conviction should not disqualify the application;

(v) proof that each person with a financial interest who also has decision making authority for the proposed cannabis establishment has, for the immediately preceding taxable year, an adjusted gross income of no more than $200,000 or no more than $400,000 if filing jointly with another, or has, at any time in the past five taxable years, received federal or State financial assistance;

(vi) a certification that each person with a financial interest who also has decision making authority for the proposed cannabis establishment does not have any financial interest in an application for an annual license under review before the commission or a cannabis establishment that is currently operating with an annual license;

(vii) the federal and State tax identification numbers for the proposed cannabis establishment, and proof of business registration with the Division of Revenue in the Department of the Treasury;

(viii) information about the proposed cannabis establishment, including its legal name, any registered alternate name under which it may conduct business, and a copy of its articles of organization and bylaws;

(ix) the business plan and management operation profile for the proposed cannabis establishment;

(x) the plan by which the applicant intends to obtain appropriate liability insurance coverage for the proposed cannabis establishment; and

(xi) any other requirements established by the commission pursuant to regulation; and

(d) not more than 30 days after the receipt of an application, make a determination as to whether the application is approved or denied, or that the commission requires more time to adequately review the application:

(i) if the application is approved, upon collection of the conditional license fee, issue a conditional license to the applicant, which is non-transferable for its duration, no later than 30 days after giving notice of approval of the application, unless the commission finds the applicant is not in compliance with regulations for conditional licenses enacted pursuant to the provisions of paragraph
1 (1) of subsection d. of section 8 of P.L. , c. (C. ) (pending
2 before the legislature as this bill) or the commission is notified by
3 the relevant local governmental entity that the applicant is not in
4 compliance with ordinances and regulations made pursuant to the
5 provisions of section 20 of P.L. , c. (C. ) (pending before
6 the Legislature as this bill) and in effect at the time of application,
7 provided, if a local governmental entity has enacted a numerical
8 limit on the number of marijuana cannabis establishments and a
9 greater number of applicants seek licenses, the commission shall
10 solicit and consider input from the local governmental entity as to
11 the local governmental entity’s preference or preferences for
12 licensure. For each license issued, the commission shall also
13 provide the approved licensee with documentation setting forth the
14 remaining conditions to be satisfied under section 22, 24, 25, or 26
15 of P.L. , c. (C. ) (pending before the Legislature as this
16 bill), based upon the applicable class of cannabis establishment for
17 which the conditional license was issued, and which were not
18 already required for the issuance of that license, to be completed
19 within 120 days of issuance of the conditional license. If the
20 commission subsequently determines during that 120-day period
21 that the conditional licensee is in compliance with all applicable
22 conditions and is implementing the plans, procedures, protocols,
23 actions, or other measures set forth in its application, the
24 commission shall replace the conditional license by issuing an
25 annual license, which will expire one year from its date of issuance;
26 if the conditional licensee is not in compliance with all applicable
27 conditions or not implementing the plans, procedures, protocols,
28 actions, or other measures set forth in its application, the
29 conditional license shall automatically expire at the end of the 120-
30 day period; or
31 (ii) if the application is denied, notify the applicant in writing of
32 the specific reason for its denial, and provide with this written
33 notice a refund of 80 percent of the application fee submitted with
34 the application;
35 (3) a commission decision concerning the approval, re-approval,
36 or denial of a license or conditional license made pursuant to this
37 section shall be considered a final agency action for the purposes of
38 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
39 seq.) and shall be subject only to judicial review as provided in the
40 Rules of Court.
41 c. The commission shall require all applicants for cannabis
42 licenses, other than applicants issued a conditional license for any
43 form of cannabis establishment or issued either a conditional or
44 annual license for an establishment that is a microbusiness pursuant
45 to subsection f. of this section, to submit an attestation signed by a
46 bona fide labor organization stating that the applicant has entered
47 into a labor peace agreement with such bona fide labor
48 organization. The maintenance of a labor peace agreement with a
49 bona fide labor organization by a licensed cannabis establishment,
other than an establishment that is a microbusiness, shall be an ongoing material condition of the establishment’s license. The submission of an attestation and maintenance of a labor peace agreement with a bona fide labor organization by an applicant issued a conditional license for a cannabis establishment, other than an establishment that is a microbusiness, shall be a requirement for final approval for an annual license. Failure to enter, or to make a good faith effort to enter, into a collective bargaining agreement within 200 days of the opening of a licensed cannabis establishment, other than an establishment that is a microbusiness, shall result in the suspension or revocation of the establishment’s license.

d. (1) Each license application shall be scored and reviewed based upon a point scale with the commission determining the amount of points, the point categories, and the system of point distribution by regulation. The commission shall rank all applicants, from the most to the least points, according to the point system. The commission may, pursuant to a process set forth in regulation, adjust the point system or utilize a separate point system and rankings with respect to the review of an application for which a conditional license is sought. If two or more eligible applicants have the same number of points, those applicants shall be grouped together and, if there are more eligible applicants in this group than the remaining number of licenses available, the commission shall utilize a public lottery to determine which applicants receive a license or conditional license, as the case may be.

(2) In ranking applications, the commission shall give priority to the following:

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

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

(c) Applicants that submit an attestation affirming that they will use best efforts to utilize union labor in the construction or retrofit of the facilities associated with their cannabis business.

(d) Applicants who are a current resident of an impact zone or who present a plan to employ a select number of employees who reside in an impact zone pursuant to paragraph (2) of subsection e. of this section, regardless of where the cannabis establishment is, or is intended to be, located;

e. (1) The commission shall also prioritize applications on the basis of impact zones, for which past criminal marijuana enterprises contributed to higher concentrations of law enforcement activity, unemployment, and poverty within parts of or throughout these zones. An “impact zone” means any local governmental entity that:

(a) has a population of 120,000 or more according to the most recently compiled federal decennial census as of the effective date
of P.L. , c. (C. ) (pending before the Legislature as this bill); or

(b) (i) ranks in the top 33 percent of local governmental entities in the State for marijuana- or hashish-related arrests for violation of paragraph (4) of subsection a. of N.J.S.2C:35-10 in the calendar year next preceding the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill);

(ii) has a crime index total of 1,000 or higher based upon the indexes listed in the most recently issued annual Uniform Crime Report by the Division of State Police as of that effective date; and

(iii) has a local governmental entity average annual unemployment rate that ranks in the top 15 percent of all local governmental entities in the State for the calendar year next preceding that effective date, based upon average annual unemployment rates estimated for the relevant calendar year by the Office of Research and Information in the Department of Labor and Workforce Development.

(2) In ranking applications with respect to impact zones, the commission shall give priority to the following:

(a) An applicant who is a current resident of an impact zone and has resided therein for three or more consecutive years at the time of making the application. To the extent possible, at least 25 percent of the total licenses issued to applicants for a cannabis establishment license shall be awarded to applicants who have resided in an impact zone for three or more consecutive years at the time of making the application, regardless of where the cannabis establishment is, or is intended to be, located.

(b) An applicant who presents a plan, attested to, to employ 25 percent of employees who reside in an impact zone, of whom at least 25 percent shall reside in the impact zone nearest to the location, or intended location, of the cannabis establishment; failure to meet the requisite percentages of employees from an impact zone within 90 days of the opening of a licensed cannabis establishment shall result in the suspension or revocation of a license or conditional license, as applicable, issued based on an application with an impact zone employment plan.

f. (1) The commission shall ensure that at least 10 percent of the total licenses issued for each class of cannabis establishment are designated for and only issued to microbusinesses, and that at least 25 percent of the total licenses issued be issued to microbusinesses. The determination of the percentage for each class of license issued to microbusinesses shall include the number of conditional licenses issued to microbusinesses for each class, as the percentage of conditional licenses issued for each class pursuant to subparagraph (a) of paragraph (2) of subsection b. of this section shall not be mutually exclusive of the percentage of licenses issued to microbusinesses pursuant to this paragraph. The maximum fee assessed by the commission for issuance or renewal of a license designated and issued to a microbusiness shall be no more than half
the fee applicable to a license of the same class issued to a person
or entity that is not a microbusiness. A license designated and
issued to a microbusiness shall be valid for one year and may be
renewed annually.

(2) A microbusiness shall meet the following requirements:
   (a) 100 percent of the ownership interest in the microbusiness
       shall be held by current New Jersey residents who have resided in
       the State for at least the past two consecutive years;
   (b) at least 51 percent of the owners, directors, officers, or
       employees of the microbusiness shall be residents of the local
       governmental entity in which the microbusiness is located, or to be
       located, or a local governmental entity bordering the local
       governmental entity in which the microbusiness is located, or to be
       located;
   (c) concerning business operations, and capacity and quantity
       restrictions:
       (i) employ no more than 10 employees;
       (ii) operate a cannabis establishment occupying an area of no
           more than 2,500 square feet, and in the case of a cannabis grower,
           grow cannabis on an area no more than 2,500 square feet measured
           on a horizontal plane and grow above that plane not higher than 24
           feet;
       (iii) possess no more than 1,000 cannabis plants each month;
       (iv) in the case of a cannabis processor, acquire and process no
           more than 1,000 pounds of cannabis in dried form each month;
       (v) in the case of a cannabis wholesaler, acquire for resale no
           more than 1,000 pounds of cannabis in dried form, or the equivalent
           amount in any other form, or any combination thereof, each month;
           and
       (vi) in the case of a cannabis retailer, acquire for retail sale no
           more than 1,000 pounds of cannabis in dried form, or the equivalent
           amount in any other form, or any combination thereof, each month.
   (d) no owner, director, officer, or other person with a financial
       interest who also has decision making authority for the
       microbusiness shall hold any financial interest in any other licensed
       cannabis establishment, whether or not a microbusiness;
   (e) no owner, director, officer, or other person with a financial
       interest who also has decision making authority for a licensed
       cannabis establishment, whether or not a microbusiness, shall hold
       any financial interest in a microbusiness;
   (f) the microbusiness shall not sell or transfer the license issued
       to it; and
   (g) the microbusiness shall comply with such other requirements
       as may be established by the commission by regulation.

22. (New section) Class 1 Cannabis Grower license.
   A cannabis grower shall have a Class 1 Cannabis Grower license
   issued by the commission for the premises at which the cannabis is
   grown or cultivated. The commission shall determine the maximum
number of licenses, of which at least 35 percent shall be conditional
licenses issued pursuant to subparagraph (a) of paragraph (2) of
subsection b. of section 21 of P.L. , c. (C. ) (pending before
the Legislature as this bill), and at least 25 percent of the total
number of licenses and conditional licenses shall be designated for
and only issued to microbusinesses pursuant subsection f. of that
section. Providing there exist qualified applicants, the commission
shall issue a sufficient number of licenses to meet the market
demands of the State, and may, as authorized by paragraph (1) of
subsection a. of section 16 of P.L. , c. (C. ) (pending before
the Legislature as this bill), make requests for new applications for
additional licenses as it deems necessary to meet those demands.

a. To hold a Class 1 Cannabis Grower license under this
section, an applicant:

(1) Shall apply for a license in the manner described in section
21 of P.L. , c. (C. ) (pending before the Legislature as
this bill);

(2) Shall have at least one significantly involved person who has
resided in this State for at least two years as of the date of the
application, and provide proof that this person and any other person
with an investment interest who also has decision making authority
for the cannabis grower listed on an application submitted under
section 21 of P.L. , c. (C. ) (pending before the
Legislature as this bill) is 21 years of age or older;

(3) Shall meet the requirements of any rule or regulation
adopted by the commission under subsection b. of this section; and

(4) Shall provide for each of the following persons to undergo a
criminal history record background check: any owner, other than an
owner who holds less than a five percent investment interest in the
cannabis grower or who is a member of a group that holds less than
a 20 percent investment interest in the cannabis grower and no
member of that group holds more than a five percent interest in the
total group investment, and who lacks the authority to make
controlling decisions regarding the cannabis grower’s operations;
any director; any officer; and any employee.

(a) Pursuant to this provision, the commission is authorized to
exchange fingerprint data with and receive criminal history record
background information from the Division of State Police and the
Federal Bureau of Investigation consistent with the provisions of
applicable federal and State laws, rules, and regulations. The
Division of State Police shall forward criminal history record
background information to the commission in a timely manner
when requested pursuant to the provisions of this section;

(b) Each person shall submit to being fingerprinted in
accordance with applicable State and federal laws, rules, and
regulations. No check of criminal history record background
information shall be performed pursuant to this section unless a
person has furnished his written consent to that check. A person
who refuses to consent to, or cooperate in, the securing of a check
of criminal history record background information shall prevent the
application from being further considered for a grower’s license.
Each person shall bear the cost for the criminal history record
background check, including all costs of administering and
processing the check;

c (i) With respect to determining whether any conviction of a
person contained in the criminal history record background check
should disqualify an applicant for a Class 1 Cannabis Grower
license, the commission shall not take into consideration any prior
conviction involving a controlled dangerous substance or controlled
substance analog as set forth in paragraph (11) or (12) of subsection
b., or subparagraph (b) of paragraph (11) of subsection b. of
N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of
N.J.S.2C:35-10, or any similar indictable offense under federal law,
this State’s law, or any other state’s law. Additionally, the
commission shall not take into consideration any other prior
conviction, unless that conviction is for an indictable offense under
federal law, other than a conviction for conduct involving cannabis
or cannabis resin that is authorized by P.L. , c. (C. )
(pending before the Legislature as this bill), or under this State’s
law, or any other state’s law that is substantially related to the
qualifications, functions, or duties for which the license is required,
and not more than five years have passed since the date of that
conviction. In determining which indictable offenses are
substantially related to the qualifications, functions, or duties for
which the license is required, the commission shall at least consider
any conviction involving fraud, deceit, or embezzlement, and any
conviction for N.J.S.2C:35-6, employing a minor in a drug
distribution scheme, or similar indictable offense in this or another
jurisdiction involving the use of a minor to dispense or distribute a
controlled dangerous substance or controlled substance analog;

(ii) The commission may approve an applicant for a Class 1
Cannabis Grower license after conducting a thorough review of any
previous conviction of a person that substantially related to the
qualifications, functions, or duties for which the license is required
that is contained in the criminal history record background
information, and this review shall include examining the nature of
the indictable offense, the circumstances at the time of committing
the offense, and evidence of rehabilitation since conviction. If the
commission determines that the reviewed conviction should not
disqualify the applicant, the applicant may be approved so long as
the applicant is otherwise qualified to be issued the license; and

(d) Upon receipt and review of the criminal history record
background information from the Division of State Police and the
Federal Bureau of Investigation, the commission shall provide
written notification to the applicant of the qualification for or
disqualification for a Class 1 Cannabis Grower license.

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

(e) The Division of State Police shall promptly notify the
commission in the event that a person who was the subject of a
criminal history record background check conducted pursuant to
this section is convicted of a crime or offense in this State after the
date the background check was performed. Upon receipt of that
notification, the commission shall make a determination regarding
the continued eligibility for the applicant, or following application,
for the licensee, to hold a Class 1 Cannabis Grower license.

b. The commission shall adopt rules and regulations that:
(1) Require a cannabis grower to annually renew the Class 1
Cannabis Grower license;
(2) Establish application, licensure, and renewal of licensure
fees for cannabis growers in accordance with paragraph (2) of
subsection a. of section 16 of P.L. , c. (C. ) (pending before
the Legislature as this bill);
(3) Require cannabis produced by cannabis growers to be tested
in accordance with P.L. , c. (C. ) (pending before the
Legislature as this bill);
(4) Require cannabis growers to submit, at the time of applying
for or renewing a license under P.L. , c. (C. ) (pending
before the Legislature as this bill), a report describing the
applicant’s or licensee’s electrical and water usage; and
(5) Require a cannabis grower to meet any public health and
safety standards, industry best practices, and all applicable
regulations established by the commission by rule or regulation
related to the production of cannabis or the propagation of
immature cannabis plants and the seeds of the plant Genus Cannabis
L. within the plant family Cannabaceae. The commission may
regulate the number of immature cannabis plants that may be
possessed by a cannabis grower licensed under this section; the size
of the grow canopy a cannabis grower licensed under this section
uses to grow immature cannabis plants; and the weight or size of
shipments of immature cannabis plants made by a cannabis grower
licensed under this section.

c. Fees adopted under subsection b. of this section:
(1) Shall be in the form of a schedule that imposes a greater fee
for premises with more square footage or on which more mature
cannabis plants are grown; and
(2) Shall be deposited in the “Cannabis Regulatory and
Expungement Aid Modernization Fund” established under section
71 of P.L. , c. (C. ) (pending before the Legislature as
this bill).

d. (1) The commission shall issue or deny issuance of a Class
1 Cannabis Grower license or conditional license in accordance
with the procedures set forth in section 21 of P.L. , c. (C. )
(pending before the Legislature as this bill).
(2) The commission may suspend or revoke a Class 1 Cannabis Grower license or conditional license to operate as a cannabis cultivation facility for cause, which shall be considered a final agency action for the purposes of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only to judicial review as provided in the Rules of Court.

e. A person who has been issued a license or conditional license shall display the license or conditional license at the premises at all times when cannabis is being produced.

f. As required by the commission in regulation, a licensee or conditional licensee shall report required changes in information about the licensee to the commission within the time specified by the commission.

23. (New section) Grow Canopies for Licensed Cannabis Growers.

a. Subject to subsection b. of this section, the commission shall adopt rules or regulations restricting the size of mature cannabis plant grow canopies at premises for which a license has been issued to a cannabis grower pursuant to P.L._, c. (C._) (pending before the Legislature as this bill).

b. When adopting rules and regulations under this subsection, the commission shall consider whether to:

(1) Limit the size of mature cannabis plant grow canopies for premises where cannabis is grown outdoors and for premises where cannabis is grown indoors in a manner calculated to result in premises that produce the same amount of harvested cannabis leaves and harvested cannabis flowers, regardless of whether the cannabis is grown outdoors or indoors;

(2) Adopt a tiered system under which the permitted size of a cannabis growers' mature cannabis plant grow canopy increases at the time of licensure renewal, except that the permitted size of a cannabis growers' mature cannabis plant grow canopy may not increase following any year during which the commission disciplined the cannabis growers for violating a provision of or a rule adopted under a provision of P.L._, c. (C._) (pending before the Legislature as this bill); provided, that at the time of adoption, any growing or cultivation square footage previously approved or authorized for an alternative treatment center that was issued a permit prior to the effective date of P.L. _, c. (C._) (pending before the Legislature as Assembly Committee Substitute combining Assembly Bill No. 10 and the previous Assembly Committee Substitute for Assembly Bill Nos. 3740 and 3437), or that was issued a permit on or after that effective date pursuant to an application submitted prior to that effective date, shall not be reduced, but the commission’s adopted tier system shall apply to the growing or cultivation square footage of that alternative treatment center thereafter;
(3) Take into consideration the market demand for cannabis items in this State, the number of persons applying for a license pursuant to sections 22, 24, 25, and 26 of P.L.   , c.   (pending before the Legislature as this bill), and to whom a license has been issued pursuant to those sections, and whether the availability of cannabis items in this State is commensurate with the market demand.

c. This section shall not apply to premises for which a license has been issued to a cannabis grower pursuant to section 22 of P.L.   , c.   (pending before the Legislature as this bill), if the premises is used only to propagate immature cannabis plants.

24. (New section) Class 2 Cannabis Processor license.

A cannabis processor shall have a Class 2 Cannabis Processor license issued by the commission for the premises at which the cannabis product is produced. The commission shall determine the maximum number of licenses, of which at least 35 percent shall be conditional licenses issued pursuant to subparagraph (a) of paragraph (2) of subsection b. of section 21 of P.L.   , c.   (pending before the Legislature as this bill), and at least 25 percent of the total number of licenses and conditional licenses shall be designated for and only issued to microbusinesses pursuant to subsection f. of that section. Providing there exist qualified applicants, the commission shall issue a sufficient number of licenses to meet the market demands of the State, and may, as authorized by paragraph (1) of subsection a. of section 16 of P.L.   , c.   (pending before the Legislature as this bill), make requests for new applications for additional licenses as it deems necessary to meet those demands.

a. To hold a Class 2 Cannabis Processor license under this section, an applicant:

(1) Shall apply for a license in the manner described in section 21 of P.L.   , c.   (pending before the Legislature as this bill);

(2) Shall have at least one significantly involved person who has resided in this State for at least two years as of the date of the application, and provide proof that this person and any other person with an investment interest who also has decision making authority for the cannabis processor listed on an application submitted under section 21 of P.L.   , c.   (pending before the Legislature as this bill) is 21 years of age or older;

(3) Shall meet the requirements of any rule or regulation adopted by the commission under subsection b. of this section; and

(4) Shall provide for each of the following persons to undergo a criminal history record background check: any owner, other than an owner who holds less than a five percent investment interest in the cannabis processor or who is a member of a group that holds less than a 20 percent investment interest in the cannabis processor and
no member of that group holds more than a five percent interest in
the total group investment, and who lacks the authority to make
controlling decisions regarding the cannabis processor’s operations;
any director; any officer; and any employee.

(a) Pursuant to this provision, the commission is authorized to
exchange fingerprint data with and receive criminal history record
background information from the Division of State Police and the
Federal Bureau of Investigation consistent with the provisions of
applicable federal and State laws, rules, and regulations. The
Division of State Police shall forward criminal history record
background information to the commission in a timely manner
when requested pursuant to the provisions of this section;

(b) Each person shall submit to being fingerprinted in
accordance with applicable State and federal laws, rules, and
regulations. No check of criminal history record background
information shall be performed pursuant to this section unless a
person has furnished his written consent to that check. A person
who refuses to consent to, or cooperate in, the securing of a check
of criminal history record background information shall prevent the
application from being further considered for a processor license.
Each person shall bear the cost for the criminal history record
background check, including all costs of administering and
processing the check;

(c) (i) With respect to determining whether any conviction of a
person contained in the criminal history record background check
should disqualify an applicant for a Class 2 Cannabis Processor
license, the commission shall not take into consideration any prior
conviction involving a controlled dangerous substance or controlled
substance analog as set forth in paragraph (11) or (12) of subsection
b., or subparagraph (b) of paragraph (10) of subsection b. of
N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of
N.J.S.2C:35-10, or any similar indictable offense under federal law,
this State’s law, or any other state’s law. Additionally, the
commission shall not take into consideration any other prior
conviction, unless that conviction is for an indictable offense under
federal law, other than a conviction for conduct involving cannabis
or cannabis resin that is authorized by P.L. , c. (C. )
(pending before the Legislature as this bill), or under this State’s
law, or any other state’s law that is substantially related to the
qualifications, functions, or duties for which the license is required,
and not more than five years have passed since the date of that
conviction. In determining which indictable offenses are
substantially related to the qualifications, functions, or duties for
which the license is required, the commission shall at least consider
any conviction involving fraud, deceit, or embezzlement, and any
conviction for N.J.S.2C:35-6, employing a minor in a drug
distribution scheme, or similar indictable offense in this or another
jurisdiction involving the use of a minor to dispense or distribute a
controlled dangerous substance or controlled substance analog;
(ii) The commission may approve an applicant for a Class 2 Cannabis Processor license after conducting a thorough review of any previous conviction of a person that substantially related to the qualifications, functions, or duties for which the license is required that is contained in the criminal history record background information, and this review shall include examining the nature of the indictable offense, the circumstances at the time of committing the offense, and evidence of rehabilitation since conviction. If the commission determines that the reviewed conviction should not disqualify the applicant, the applicant may be approved so long as the applicant is otherwise qualified to be issued the license; and

(d) Upon receipt and review of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the commission shall provide written notification to the applicant of the qualification for or disqualification for a Class 2 Cannabis Processor license. If the applicant is disqualified because the commission determined that a person has a disqualifying conviction pursuant to the provisions of this section, the conviction that constitutes the basis for the disqualification shall be identified in the written notice.

(e) The Division of State Police shall promptly notify the commission in the event that an individual who was the subject of a criminal history record background check conducted pursuant to this section is convicted of a crime or offense in this State after the date the background check was performed. Upon receipt of that notification, the commission shall make a determination regarding the continued eligibility for the applicant, or following application, for the licensee, to hold a Class 2 Cannabis Processor license.

b. The commission shall adopt rules that:

(1) Require a cannabis processor to annually renew the Class 2 Cannabis Processor license;

(2) Establish application, licensure, and renewal of licensure fees for cannabis processors in accordance with paragraph (2) of subsection a. of section 16 of P.L. , c. (C. ) (pending before the Legislature as this bill);

(3) Require cannabis produced by cannabis processors to be tested in accordance with P.L. , c. (C. ) (pending before the Legislature as this bill); and

(4) Require a cannabis processor to meet any public health and safety standards, industry best practices, and all applicable regulations established by the commission by rule or regulation related to the processing of cannabis.

(1) Shall be in the form of a schedule that imposes a greater fee for premises with more square footage; and

(2) Shall be deposited in the “Cannabis Regulatory and Expungement Aid Modernization Fund” established under section
d. (1) The commission shall issue or deny issuance of a Class 2 Cannabis Processor license or conditional license in accordance with the procedures set forth in section 21 of P.L. , c. (C. ) (pending before the Legislature as this bill).

(2) The commission may suspend or revoke a Class 2 Cannabis Processor license or conditional license to operate as a cannabis production facility for cause, which shall be considered a final agency action for the purposes of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only to judicial review as provided in the Rules of Court.

e. A person who has been issued a license or conditional license shall display the license or conditional license at the premises at all times when cannabis is being processed.

f. As required by the commission in regulation, a licensee or conditional licensee shall report required changes in information about the licensee to the commission within the time specified by the commission.

25. (New section) Class 3 Cannabis Wholesaler license.

A cannabis wholesaler shall have a Class 3 Cannabis Wholesaler license issued by the commission for the premises at which the cannabis is warehoused. The commission shall determine the maximum number of licenses, of which at least 35 percent shall be conditional licenses issued pursuant to subparagraph (a) of paragraph (2) of subsection b. of section 21 of P.L. , c. (C. ) (pending before the Legislature as this bill), and at least 25 percent of the total number of licenses and conditional licenses shall be designated for and only issued to microbusinesses pursuant subsection f. of that section. Providing there exist qualified applicants, the commission shall issue a sufficient number of licenses to meet the market demands of the State, and may, as authorized by paragraph (1) of subsection a. of section 16 of P.L. , c. (C. ) (pending before the Legislature as this bill), make requests for new applications for additional licenses as it deems necessary to meet those demands.

a. To hold a Class 3 Cannabis Wholesaler license under this section, an applicant:

(1) Shall apply for a license in the manner described in section 21 of P.L. , c. (C. ) (pending before the Legislature as this bill);

(2) Shall have at least one significantly involved person who has resided in this State for at least two years as of the date of the application, and provide proof that this person and any other person with an investment interest who also has decision making authority for the cannabis wholesaler listed on an application submitted under section 21 of P.L. , c. (C. ) (pending before the Legislature as this bill) is 21 years of age or older;
(3) Shall meet the requirements of any rule or regulation adopted by the commission under subsection b. of this section; and

(4) Shall provide for each of the following persons to undergo a criminal history record background check: any owner, other than an owner who holds less than a five percent investment interest in the cannabis wholesaler or who is a member of a group that holds less than a 20 percent investment interest in the cannabis wholesaler and no member of that group holds more than a five percent interest in the total group investment, and who lacks the authority to make controlling decisions regarding the cannabis wholesaler’s operations; any director; any officer; and any employee.

(a) Pursuant to this provision, the commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable federal and State laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this section;

(b) Each person shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this section unless a person has furnished his written consent to that check. A person who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall prevent the application from being further considered for a wholesaler’s license. Each person shall bear the cost for the criminal history record background check, including all costs of administering and processing the check;

(c) (i) With respect to determining whether any conviction of a person contained in the criminal history record background check should disqualify an applicant for a Class 3 Cannabis Wholesaler license, the commission shall not take into consideration any prior conviction involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State’s law, or any other state’s law. Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is for an indictable offense under federal law, other than a conviction for conduct involving cannabis or cannabis resin that is authorized by P.L. 2019, c. 1 (pending before the Legislature as this bill), or under this State’s law, or any other state’s law that is substantially related to the qualifications, functions, or duties for which the license is required, and not more than five years have passed since the date of that conviction. In determining which indictable offenses are
substantially related to the qualifications, functions, or duties for which the license is required, the commission shall at least consider any conviction involving fraud, deceit, or embezzlement, and any conviction for N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or similar indictable offense in this or another jurisdiction involving the use of a minor to dispense or distribute a controlled dangerous substance or controlled substance analog;

(ii) The commission may approve an applicant for a Class 3 Cannabis Wholesaler license after conducting a thorough review of any previous conviction of a person that substantially related to the qualifications, functions, or duties for which the license is required that is contained in the criminal history record background information, and this review shall include examining the nature of the indictable offense, the circumstances at the time of committing the offense, and evidence of rehabilitation since conviction. If the commission determines that the reviewed conviction should not disqualify the applicant, the applicant may be approved so long as the applicant is otherwise qualified to be issued the license; and

(d) Upon receipt and review of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the commission shall provide written notification to the applicant of the qualification for or disqualification for a Class 3 Cannabis Wholesaler license.

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

(e) The Division of State Police shall promptly notify the commission in the event that an individual who was the subject of a criminal history record background check conducted pursuant to this section is convicted of a crime or offense in this State after the date the background check was performed. Upon receipt of that notification, the commission shall make a determination regarding the continued eligibility for the applicant, or following application, for the licensee to hold a Class 3 Cannabis Wholesaler license.

b. The commission shall adopt rules that:

(1) Require a cannabis wholesaler to annually renew the Class 3 Cannabis Wholesaler license;

(2) Establish application, licensure, and renewal of licensure fees for cannabis wholesalers in accordance with paragraph (2) of subsection a. of section 16 of P.L. , c. (C. ) (pending before the Legislature as this bill);

(3) Require cannabis warehoused by cannabis wholesalers to be tested in accordance with P.L. , c. (C. ) (pending before the Legislature as this bill); and

(4) Require a cannabis wholesaler to meet any public health and safety standards, industry best practices, and all applicable
regulations established by the commission by rule or regulation related to the warehousing of cannabis.

c. Fees adopted under subsection b. of this section:
(1) Shall be in the form of a schedule that imposes a greater fee for premises with more square footage; and
(2) Shall be deposited in the “Cannabis Regulatory and Expungement Aid Modernization Fund” established under section 71 of P.L. , c. (C. ) (pending before the Legislature as this bill).

d. (1) The commission shall issue or deny issuance of a Class 3 Cannabis Wholesaler license or conditional license in accordance with the procedures set forth in section 21 of P.L. , c. (C. ) (pending before the Legislature as this bill).
(2) The commission may suspend or revoke a Class 3 Cannabis wholesaler license or conditional license to operate as a cannabis wholesaler for cause, which shall be considered a final agency action for the purposes of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only to judicial review as provided in the Rules of Court.

e. A person who has been issued a license or conditional license shall display the license or conditional license at the premises at all times when cannabis is being warehoused.

f. As required by the commission in regulation, a licensee or conditional licensee shall report required changes in information about the licensee to the commission within the time specified by the commission.

26. (New section) Class 4 Cannabis Retailer license.

A cannabis retailer shall have a Class 4 Cannabis Retailer license issued by the commission for the premises at which the cannabis is retailed. The commission shall determine the maximum number of licenses, of which at least 35 percent shall be conditional licenses issued pursuant to subparagraph (a) of paragraph (2) of subsection b. of section 21 of P.L. , c. (C. ) (pending before the Legislature as this bill), and at least 25 percent of the total number of licenses and conditional licenses shall be designated for and only issued to microbusinesses pursuant subsection f. of that section. Providing there exist qualified applicants, the commission shall issue a sufficient number of licenses to meet the market demands of the State, and may, as authorized by paragraph (1) of subsection a. of section 16 of P.L. , c. (C. ) (pending before the Legislature as this bill), make requests for new applications for additional licenses as it deems necessary to meet those demands.

a. To hold a Class 4 Cannabis Retailer license under this section, a cannabis retailer:
(1) Shall apply for a license in the manner described in section 21 of P.L. , c. (C. ) (pending before the Legislature as this bill);
(2) Shall have at least one significantly involved person who has resided in this State for at least two years as of the date of the application, and provide proof that this person and any other person with an investment interest who also has decision making authority for the cannabis retailer listed on an application submitted under section 21 of P.L. , c. (pending before the Legislature as this bill) is 21 years of age or older;

(3) Shall meet the requirements of any rule adopted by the commission under subsection b. of this section; and

(4) Shall provide for each of the following persons to undergo a criminal history record background check: any owner, other than an owner who holds less than a five percent investment interest in the cannabis retailer or who is a member of a group that holds less than a 20 percent investment interest in the cannabis retailer and no member of that group holds more than a five percent interest in the total group investment, and who lacks the authority to make controlling decisions regarding the cannabis retailer’s operations; any director; any officer; and any employee.

(a) Pursuant to this provision, the commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable federal and State laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this section;

(b) Each person shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this section unless a person has furnished his written consent to that check. A person who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall prevent the application from being further considered for a retailer’s license. Each person shall bear the cost for the criminal history record background check, including all costs of administering and processing the check;

(c) (i) With respect to determining whether any conviction of a person contained in the criminal history record background check should disqualify an applicant for a Class 4 Cannabis Processor license, the commission shall not take into consideration any prior conviction involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State’s law, or any other state’s law. Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is for an indictable offense under
federal law, other than a conviction for conduct involving cannabis
or cannabis resin that is authorized by P.L. , c. (C. )
(pending before the Legislature as this bill), or under this State’s
law, or any other state’s law that is substantially related to the
qualifications, functions, or duties for which the license is required,
and not more than five years have passed since the date of that
conviction. In determining which indictable offenses are
substantially related to the qualifications, functions, or duties for
which the license is required, the commission shall at least consider
any conviction involving fraud, deceit, or embezzlement, and any
conviction for N.J.S.2C:35-6, employing a minor in a drug
distribution scheme, or similar indictable offense in this or another
jurisdiction involving the use of a minor to dispense or distribute a
controlled dangerous substance or controlled substance analog;
(ii) The commission may approve an applicant for a Class 4
Cannabis Retailer license after conducting a thorough review of any
previous conviction of a person that substantially related to the
qualifications, functions, or duties for which the license is required
that is contained in the criminal history record background
information, and this review shall include examining the nature of
the indictable offense, the circumstances at the time of committing
the offense, and evidence of rehabilitation since conviction. If the
commission determines that the reviewed conviction should not
disqualify the applicant, the applicant may be approved so long as
the applicant is otherwise qualified to be issued the license; and
(d) Upon receipt and review of the criminal history record
background information from the Division of State Police and the
Federal Bureau of Investigation, the commission shall provide
written notification to the applicant of the qualification for or
disqualification for a Class 4 Cannabis Retailer license.
If the applicant is disqualified because the commission
determined that a person has a disqualifying conviction pursuant to
the provisions of this section, the conviction that constitutes the
basis for the disqualification shall be identified in the written
notice.
(e) The Division of State Police shall promptly notify the
commission in the event that an individual who was the subject of a
criminal history record background check conducted pursuant to
this section is convicted of a crime or offense in this State after the
date the background check was performed. Upon receipt of that
notification, the commission shall make a determination regarding
the continued eligibility for the applicant, or following application,
for the licensee, to hold a Class 4 Cannabis Retailer license.

b. The commission shall adopt rules that:
(1) Require a cannabis retailer to annually renew the Class 4
Cannabis Retailer license;
(2) Establish application, licensure, and renewal of licensure
fees for a cannabis retailer in accordance with paragraph (2) of
subsection a. of section 16 of P.L. , c. (C. ) (pending before
the Legislature as this bill);

(3) Require cannabis sold by a cannabis retailer to be tested in
accordance with P.L. , c. (C. ) (pending before the
Legislature as this bill); and

(4) Require a cannabis retailer to meet any public health and
safety standards, industry best practices, and all applicable
regulations established by the commission by rule related to the sale
of cannabis.

c. Fees adopted under subsection b. of this section:

   (1) Shall be in the form of a schedule that imposes a greater fee
for premises with more square footage; and

   (2) Shall be deposited in the “Cannabis Regulatory and
Expungement Aid Modernization Fund” established under section
71 of P.L. , c. (C. ) (pending before the Legislature as
this bill).

d. (1) The commission shall issue or deny issuance of a Class
4 Cannabis Retailer license or conditional license in accordance
with the procedures set forth in section 21 of P.L. , c. (C. )
(pending before the Legislature as this bill).

   (2) The commission may suspend or revoke a Class 4 Cannabis
Retailer license or conditional license to operate as a cannabis
retailer for cause, which shall be considered a final agency action
for the purposes of the "Administrative Procedure Act," P.L.1968,
c.410 (C.52:14B-1 et seq.) and shall be subject only to judicial
review as provided in the Rules of Court.

e. A person who has been issued a license or conditional
license shall display the license or conditional license at the
premises at all times when cannabis is being retailed.

f. As required by the commission in regulation, a licensee or
conditional licensee shall report required changes in information
about the licensee to the commission within the time specified by
the commission.

g. Subject to receiving an endorsement pursuant to section 72
of P.L. , c. (C. ) (pending before the Legislature as this bill):

   (1) A licensed cannabis retailer may operate a cannabis
consumption area at which the on-premises consumption of
cannabis items either obtained from the retailer, or brought by a
person to the consumption area, may occur.

   (2) Each licensed cannabis retailer may operate only one
cannabis consumption area.

   (3) The cannabis consumption area shall be either (a) an indoor,
structurally enclosed area of the licensed cannabis retailer that is
separate from the area in which retail sales of cannabis items occur
or (b) an exterior structure on the same premises as the retailer,
either separate from or connected to the retailer.

   (4) A Class 4 Cannabis Retailer licensee that has been approved
for a cannabis consumption area endorsement may transfer cannabis
items purchased by a person in its retail establishment to the person
in its cannabis consumption area. The Class 4 Cannabis Retailer licensee shall not transfer to the consumption area an amount of cannabis items that exceed the limits established by the commission.

27. (New section) Cannabis Handlers.
   a. An individual who performs work for or on behalf of a person who holds a license classified pursuant to section 22, 24, 25, or 26 of P.L., c. (C.) (pending before the Legislature as this bill) shall have a valid certification issued by the commission under this section if the individual participates in:
      (1) the possession, securing, or selling of cannabis items at the premises for which the license has been issued; or
      (2) the recording of the possession, securing, or selling of cannabis items at the premises for which the license has been issued; or
      (3) the delivery of cannabis items.
   b. A person who holds a license classified pursuant to section 22, 24, 25, or 26 of P.L., c. (C.) (pending before the Legislature as this bill) shall verify that an individual has a valid certification issued under this section before allowing the individual to perform any work described in subsection a. of this section at the premises for which the license has been issued.
   c. The commission shall issue certifications to qualified applicants to perform work described in this section. The commission shall adopt rules and regulations establishing: the qualifications for performing work described in this section; the terms of a certification issued under this section; procedures for applying for and renewing a certification issued under this section; and reasonable application, issuance, and renewal fees for a certification issued under this section.
   d. The commission may require an individual applying for a certification under this section to successfully complete a course, made available by or through the commission, in which the individual receives training on: checking identification; detecting intoxication; handling cannabis items; statutory and regulatory provisions relating to cannabis; and any matter deemed necessary by the commission to protect the public health and safety. The commission or other provider may charge a reasonable fee for the course.

   The commission shall not require an individual to successfully complete the course more than once, except that the commission may adopt regulations directing continuing education training on a prescribed schedule.

   As part of a final order suspending a certification issued under this section, the commission may require a holder of a certification to successfully complete the course as a condition of lifting the suspension and as part of a final order revoking a certification issued under this section, the commission shall require an individual
to successfully complete the course prior to applying for a new certification.

e. (1) Each individual applying for a certification under this section shall undergo a criminal history record background check. The commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable federal and State laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this subsection.

(2) Each individual shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this subsection unless the individual has furnished written consent to that check. Any individual who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall prevent the application from being further considered for a certification. Each individual shall bear the cost for the criminal history record background check, including all costs of administering and processing the check.

(3) Upon receipt and review of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the commission shall provide written notification to the individual of the qualification for or disqualification for a certification. If the individual is disqualified because of a disqualifying conviction as set forth in subsection f. of this section, the conviction that constitutes the basis for the disqualification shall be identified in the written notice.

(4) The Division of State Police shall promptly notify the commission in the event that an individual who was the subject of a criminal history record background check conducted pursuant to this subsection is convicted of a crime in this State after the date the background check was performed. Upon receipt of that notification, the commission shall make a determination regarding the continued eligibility to hold a certification.

f. The commission may suspend, revoke, or refuse to issue or renew a certification if the individual who is applying for or who holds the certification: violates any provision of P.L. , c. (C. ) (pending before the Legislature as this bill) or any rule or regulation adopted under P.L. , c. (C. ) (pending before the Legislature as this bill); makes a false statement to the commission; refuses to cooperate in any investigation by the commission; or if the individual is convicted of a crime in this State, another state, or under federal law, except that the commission may not consider a conviction for the manufacture or delivery of marijuana if the date of the conviction is two or more
years before the date of the application or renewal, or if the date of any other criminal conviction is more than 10 years before the date of the application or renewal.

g. A certification issued under this section is a personal privilege and permits work described under this section only for the individual who holds the certification.

h. In addition to the requirements for regulations set forth in paragraph (1) of subsection d. of section 8 of P.L. , c. (C. ) (pending before the Legislature as this bill) the commission shall enact regulations to allow for a cannabis retailer to engage in delivery of cannabis items by a certified cannabis handler performing work for or on behalf of a cannabis retailer, and which regulations shall include, but not be limited to, the following requirements:

(1) A cannabis retailer may only deliver cannabis items to a physical address in this State.

(2) Deliveries shall be made only to a legal consumer by a certified cannabis handler who is an employee of a cannabis retailer or an approved contractor vendor for a cannabis retailer.

(3) A cannabis retailer shall not deliver to an address located on land owned by the federal government or any address on land or in a building leased by the federal government.

(4) A cannabis retailer shall staff each delivery vehicle with a certified cannabis handler who is an employee of the cannabis retailer who shall be at least 18 years of age, or use an approved contract vendor whose delivery employees shall be at least 18 years of age.

(5) All deliveries of cannabis items shall be made in person. A delivery of cannabis items shall not be made through the use of an unmanned vehicle.

(6) Each certified cannabis handler shall carry a copy of the cannabis employee or contract vendor identification card. The cannabis handler shall present the identification card upon request to State and local law enforcement, and State and local regulatory authorities and agencies.

(7) Each certified cannabis handler shall have access to a secure form of communication with the cannabis retailer, such as a cellular telephone, at all times that a delivery vehicle contains cannabis items.

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

(9) Delivery vehicles shall be equipped with a secure lockbox in a secured cargo area, which shall be used for the sanitary and secure transport of cannabis items.
(10) A certified cannabis handler shall not leave cannabis items in an unattended delivery vehicle unless the vehicle is locked and equipped with an active vehicle alarm system.

(11) A delivery vehicle shall contain a Global Positioning System (GPS) device for identifying the geographic location of the delivery vehicle. The device shall be either permanently or temporarily affixed to the delivery vehicle while the delivery vehicle is in operation, and the device shall remain active and in the possession of the certified cannabis handler at all times during delivery. At all times, the cannabis retailer shall be able to identify the geographic location of all delivery vehicles that are making deliveries for the cannabis retailer and shall provide that information to the commission upon request.

(12) Upon request, a cannabis retailer shall provide the commission with information regarding any vehicles used for delivery, including the vehicle’s make, model, color, Vehicle Identification Number, license plate number, and vehicle registration.

(13) Each cannabis retailer or contract vendor of a cannabis retailer shall maintain current hired and non-owned automobile liability insurance sufficient to insure all vehicles used for delivery of cannabis in the amount of not less than $1,000,000 per occurrence or accident.

(14) Each cannabis retailer shall ensure that vehicles used to deliver cannabis bear no markings that would either identify or indicate that the vehicle is used to deliver cannabis items.

(15) Each cannabis retailer shall ensure that deliveries are completed in a timely and efficient manner.

(16) While making deliveries, a certified cannabis handler shall only travel from the cannabis retailer’s licensed premises to the delivery address; from one delivery address to another delivery address; or from a delivery address back to the cannabis retailer’s licensed premises. A cannabis handler shall not deviate from the delivery path described in this paragraph, except in the event of emergency or as necessary for rest, fuel, or vehicle repair stops, or because road conditions make continued use of the route or operation of the vehicle unsafe, impossible, or impracticable.

(17) The process of delivery begins when the certified cannabis handler leaves the cannabis retailer licensed premises with the cannabis items for delivery. The process of delivering ends when the cannabis handler returns to the cannabis retailer’s licensed premises after delivering the cannabis item to the consumer.

(18) Each cannabis retailer shall maintain a record of each delivery of cannabis items in a delivery log, which may be written or electronic. For each delivery, the log shall record:

(a) The date and time that the delivery began and ended;
(b) The name of the certified cannabis handler;
(c) The cannabis items delivered;
(d) The lot number of the cannabis; and
(e) The signature of the consumer who accepted delivery.

(19) A cannabis retailer shall report any vehicle accidents, diversions, losses, or other reportable events that occur during delivery to the appropriate State and local authorities, including the commission.


a. (1) For a period of 18 months after the date determined by the commission pursuant to paragraph (2) of subsection d. of section 8 of P.L. , c. (C. ) (pending before the Legislature as this bill), to be the first date on which retail sales of personal use cannabis items may occur, it shall be unlawful for any owner, part owner, stockholder, officer, or director of any corporation, or any other person interested in any cannabis cultivation facility, cannabis testing facility, cannabis product manufacturing facility, or cannabis wholesaler, to conduct, own either in whole or in part, or be directly or indirectly interested in the retailing of any cannabis in this State, and such interest shall include any payments or delivery of money or property by way of loan or otherwise accompanied by an agreement to sell the product of said cannabis cultivation facility, cannabis testing facility, cannabis product manufacturing facility, or cannabis wholesaler. During this 18-month period, the holder of a Class 1 Cannabis Grower license to operate a cannabis cultivation facility or a Class 2 Cannabis Processor license to operate a cannabis product manufacturing facility may hold one other license to operate another cannabis establishment, other than a Class 3 Cannabis Wholesaler license to operate a cannabis wholesaler or a Class 4 Cannabis Retailer license to operate a cannabis retailer; and the holder of a Class 3 Cannabis Wholesaler license to operate a cannabis wholesaler shall be limited to just that one license.

(2) For a period of 18 months after the date determined by the commission pursuant to paragraph (2) of subsection d. of section 8 of P.L. , c. (C. ) (pending before the Legislature as this bill), to be the first date on which retail sales of personal use cannabis items may occur, it shall be unlawful for any owner, part owner, stockholder, officer, or director of any corporation, or any other person interested in any retailing of any cannabis to conduct, own either whole or in part, or to be a shareholder, officer or director of a corporation or association, directly or indirectly, interested in any cannabis cultivation facility, cannabis testing facility, cannabis product manufacturing facility, or cannabis wholesaler.

(3) (a) (i) The provisions of paragraphs (1) and (2) of this subsection shall not apply to an alternative treatment center that was issued a permit prior to the effective date of P.L. , c. (C. ) (pending before the Legislature as Assembly Committee Substitute combining Assembly Bill No. 10 and the previous Assembly Committee Substitute for Assembly Bill Nos. 3740 and 3437) or that was issued a permit after that effective date pursuant to an application submitted prior to that effective date, that is deemed,
pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), to
concurrently hold a Class 1 Cannabis Grower license, a Class 2
Cannabis Processor license, a Class 3 Cannabis Wholesaler license,
and a Class 4 Cannabis Retail license, plus an additional Class 4
Cannabis Retail license for each satellite dispensary that was
approved prior to that act’s effective date or approved after that
effective date pursuant to an application submitted prior to that
date.

(ii) For each alternative treatment center deemed to have
licenses pursuant to subsubparagraph (i) of this subparagraph, the
commission shall not require the submission of an application for
licensure, as the application requirement is deemed satisfied by the
alternative treatment center’s previously approved permit
application to the Department of Health pursuant to section 7 of
P.L.2009, c.307 (C.24:6I-7), but the alternative treatment center
shall not begin to operate as any class of cannabis establishment
until the alternative treatment center has submitted a written
approval for a proposed cannabis establishment from the local
governmental entity in which the proposed establishment is to be
located, which approval is based on a determination that the
proposed establishment complies with the local governmental
entity’s restrictions on the time, location, manner, and number of
establishments enacted pursuant to section 20 of P.L. ,
c. (C. ) (pending before the Legislature as this bill);
additionally, on or after the date determined by the commission
pursuant to paragraph (2) of subsection d. of section 8 of that act to
be the first date on which retail sales of personal use cannabis may
occur, the alternate treatment center shall not engage in the retail
sale of cannabis until it has certified to the commission that it has
sufficient quantities of medical cannabis and medical cannabis
products available to meet the reasonably anticipated need of
registered qualifying patients. The commission shall issue the
initial license to the alternative treatment center for a cannabis
establishment of the appropriate class upon receipt of the local
governmental entity’s approval. The commission shall begin
accepting local governmental entity approvals from alternative
treatment centers within 30 days after the adoption of the
commission’s initial rules and regulations pursuant to subparagraph
(a) of paragraph (1) of subsection d. of section 8 of P.L. ,
c. (C. ) (pending before the Legislature as this bill).

(iii) An alternative treatment center issued a license for a
cannabis establishment shall be authorized to use the same premises
for all activities authorized under P.L. , c. (C. ) (pending
before the Legislature as this bill) and the “Jake Honig
Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1
et al.), without being required to establish or maintain any
physical barriers or separations between operations related to the
medical use of cannabis and operations related to personal use
cannabis, provided that the alternative treatment center shall be
required to certify to the commission that the alternative treatment center has sufficient quantities of medical cannabis and medical cannabis products available to meet the reasonably anticipated treatment needs of registered qualifying patients as a condition of selling personal use cannabis at retail.

(b) Beginning on a date determined by the commission, to be not later than one year from the date determined by the commission pursuant to paragraph (2) of subsection d. of section 8 of P.L. , c. (C. ) (pending before the Legislature as this bill) as the first date on which retail sales of personal use cannabis items may occur, an alternative treatment center deemed to have licenses and issued initial licenses pursuant to subparagraph (a) of this paragraph shall certify to the commission, within a period of time, as determined by the commission, prior to the date on which a license issued to the alternative treatment center is set to expire, the continued material accuracy of the alternative treatment center’s previously approved permit application to the Department of Health pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), and its compliance with the provisions of P.L. , c. (C. ) (pending before the Legislature as this bill) as required by the commission for its operations concerning personal use cannabis, and this certification shall be supplemented with a new written approval from the local governmental entity in which the alternative treatment center is operating as a cannabis establishment for which the initial license was issued, approving the continued operations as a cannabis establishment. The commission shall renew the license of the alternative treatment center based upon a review of the certification and supporting local governmental entity’s continued approval. This license renewal process shall thereafter be followed for each expiring license issued to the alternative treatment center.

b. (1) Following the 18 month period set forth in subsection a. of this section, a license holder shall be authorized to concurrently hold a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor license, a Class 3 Cannabis Wholesaler license, and a Class 4 Cannabis Retail license, provided that no license holder shall be authorized to concurrently hold more than one license of each class, except for an alternative treatment center that was deemed, during the 18 month period, to have an additional Class 4 Cannabis Retail license for each satellite dispensary pursuant to subsubparagraph (i) of subparagraph (a) of paragraph (3) of subsection a. of this section.

(2) A license holder may submit an application for a license of any type that the license holder does not currently hold prior to the expiration of the 18 month period set forth in subsection a. of this section, provided that no license shall be awarded to the license holder during the 18 month period if issuance of the license would violate the restrictions set forth in subsection a. of this section concerning the classes of licenses that may be concurrently held during that 18 month period.
Employers, Driving, Minors and Control of Property.

Nothing in P.L. , c. (C. ) (pending before the Legislature as this bill):

a. Requires an employer to amend or repeal, or affect, restrict or preempt the rights and obligations of employers to maintain a drug and alcohol free workplace or require an employer to permit or accommodate the use, consumption, being under the influence, possession, transfer, display, transportation, sale, or growth of cannabis or cannabis items in the workplace or to affect the ability of employers to have policies prohibiting cannabis use or intoxication by employees during work hours. No employer shall refuse to hire or employ any person or shall discharge from employment or take any adverse action against any employee with respect to compensation, terms, conditions, or other privileges of employment because that person does or does not smoke or use cannabis items, unless the employer has a rational basis for doing so which is reasonably related to the employment, including the responsibilities of the employee or prospective employee.

b. Is intended to allow driving under the influence of cannabis items or driving while impaired by cannabis items or to supersede laws related to driving under the influence of marijuana or cannabis items or driving while impaired by marijuana or cannabis items.

c. Is intended to permit the transfer of cannabis items, with or without remuneration, to a person under the age of 21 or to allow a person under the age of 21 to purchase, possess, use, transport, grow, or consume cannabis items, unless the person is under the age of 21, but at least 18 years of age, and an employee of a cannabis establishment acting in the person’s employment capacity.

d. Shall, consistent with subsection c. of section 4 of P.L. , c. (C. ) (pending before the Legislature as this bill), prohibit a person or entity that owns or controls a property, including a casino hotel facility as defined in section 19 of P.L.1977, c.110 (C.5:12-19), from prohibiting or otherwise regulating the consumption, use, display, transfer, distribution, sale, or transportation of cannabis items on or in that property, or portion thereof, including a hotel property that is a casino hotel facility as defined in section 19 of P.L.1977, c.110 (C.5:12-19), a casino as defined in section 6 of P.L.1977, c.110 (C.5:12-6), or casino simulcasting facility authorized pursuant to the “Casino Simulcasting Act,” P.L.1992, c.19 (C.5:12-191 et al.), provided that a person or entity that owns or controls multifamily housing that is a multiple dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3) may only prohibit or otherwise regulate the smoking, but not other consumption, of cannabis items, and further provided that local governmental entities may not prohibit possession or consumption of cannabis items by a person 21 years of age or older as permitted by section 4 of P.L. , c. (C. ) (pending before the Legislature as this bill).
e. Is intended to permit any person to possess, consume, use, display, transfer, distribute, sell, transport, or grow cannabis items in a school, hospital, detention facility, adult correctional facility, and youth correction facility.

f. Is intended to permit the smoking of cannabis items in any place that any other law prohibits the smoking of tobacco, including N.J.S.2C:33-13 and the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.). Any fines or civil penalties that may be assessed for the smoking of tobacco in designated places shall be applicable to the smoking of cannabis items.


Nothing in P.L. , c. (C. ) (pending before the Legislature as this bill) shall be construed:

a. to limit any privileges or rights of a registered qualifying patient, designated caregiver, institutional caregiver, or alternative treatment center as provided in the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-12.22 et al.) concerning the medical use of cannabis;

b. to authorize an alternative treatment center to dispense cannabis to or on behalf of a person who is not a registered qualifying patient, unless that alternative treatment center is deemed to be licensed to engage in the retail sale of cannabis pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the commission following receipt of a local governmental entity’s written approval for a cannabis retailer pursuant to subparagraph (a) of paragraph (3) of subsection a. of section 28 of P.L. , c. (C. ) (pending before the Legislature as this bill), or otherwise has applied for a license, and been approved and issued a license by the commission pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill) to simultaneously operate as a cannabis retailer, and the alternative treatment center has certified to the commission that it has sufficient quantities of medical cannabis and medical cannabis products available to meet the reasonably anticipated treatment needs of registered qualifying patients as a condition of selling personal use cannabis at retail;

c. to authorize an alternative treatment center to purchase or acquire cannabis or cannabis products in a manner or from a source not permitted under the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.), unless that alternative treatment center is deemed to be licensed to engage in the retail sale of cannabis pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the commission following receipt of a local governmental entity’s written approval for a cannabis retailer pursuant to subparagraph (a) of paragraph (3) of subsection a. of section 28 of P.L. , c. (C. ) (pending before the Legislature as this bill), or otherwise has applied for a license, and been
approved and issued a license by the commission pursuant to P.L., c. (C.) (pending before the Legislature as this bill) to simultaneously operate as a cannabis establishment, and the alternative treatment center has certified to the commission that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products available to meet the reasonably anticipated treatment needs of registered qualifying patients as a condition of being authorized to purchase or acquire cannabis or cannabis products;

d. to authorize an alternative treatment center issued a permit under section 7 of P.L.2009, c.307 (C.24:6I-7) to operate on the same premises as a cannabis license holder or applicant for a license, unless that alternative treatment center is deemed to be licensed to engage in the retail sale of cannabis pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the commission following receipt of a local governmental entity’s written approval for a cannabis retailer pursuant to subparagraph (a) of paragraph (3) of subsection a. of section 28 of P.L., c. (C.) (pending before the Legislature as this bill), or otherwise has applied for a license, and been approved and issued a license by the commission pursuant to P.L., c. (C.) (pending before the Legislature as this bill) to simultaneously operate as a cannabis establishment, and the alternative treatment center has certified to the commission that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products available to meet the reasonably anticipated treatment needs of registered qualifying patients as a condition of operating on the same premises; or

e. to discharge the Department of Health from its duties to regulate medical cannabis pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.) prior to the establishment of the commission and its initial promulgation of rules and regulations to oversee the development, regulation, and enforcement of activities associated with the personal use of cannabis pursuant to P.L., c. (C.) (pending before the Legislature as this bill), and to assume responsibility from the department for the further development and expansion, regulation, and enforcement of activities associated with the medical use of cannabis pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.).

31. (New section) Medical Cannabis – Additional Regulatory Requirements.

An alternative treatment center issued a permit under section 7 of P.L.2009, c.307 (C.24:6I-7) shall, as a condition of engaging in operations associated with personal use cannabis, after being deemed to be licensed pursuant to that section and issued a license
by the commission following receipt of a local governmental entity’s written approval for a cannabis retailer pursuant to subparagraph (a) of paragraph (3) of subsection a. of section 28 of P.L. , c. (C. ) (pending before the Legislature as this bill), or otherwise issued a license by the commission pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill) to simultaneously operate as a cannabis establishment, shall certify to the commission that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products available, to meet the reasonably anticipated treatment needs of registered qualifying patients.

32. (New section) Limitations.

The provisions of P.L. , c. (C. ) (pending before the Legislature as this bill) shall not be construed:

a. To amend or affect in any way any State or federal law pertaining to employment matters;

b. To amend or affect in any way any State or federal law pertaining to landlord-tenant matters;

c. To prohibit a recipient of a federal grant or an applicant for a federal grant from prohibiting the manufacture, delivery, possession, or use of cannabis items to the extent necessary to satisfy federal requirements for the grant;

d. To prohibit a party to a federal contract or a person applying to be a party to a federal contract from prohibiting the manufacture, delivery, possession, or use of cannabis items to the extent necessary to comply with the terms and conditions of the contract or to satisfy federal requirements for the contract;

e. To require a person to violate a federal law; or

f. To exempt a person from a federal law or obstruct the enforcement of a federal law.

33. N.J.S.2C:35-2 is amended to read as follows:

2C:35-2. As used in this chapter:

"Administer" means the direct application of a controlled dangerous substance or controlled substance analog, whether by injection, inhalation, ingestion, or any other means, to the body of a patient or research subject by: (1) a practitioner (or, in his presence, by his lawfully authorized agent), or (2) the patient or research subject at the lawful direction and in the presence of the practitioner.

"Agent" means an authorized person who acts on behalf of or at the direction of a manufacturer, distributor, or dispenser but does not include a common or contract carrier, public warehouseman, or employee thereof.

"Controlled dangerous substance" means a drug, substance, or immediate precursor in Schedules I through V, any substance the distribution of which is specifically prohibited in N.J.S.2C:35-3, in section 3 of P.L.1997, c.194 (C.2C:35-5.2), in section 5 of
P.L.1997, c.194 (C.2C:35-5.3), in section 2 of P.L.2011, c.120 (C.2C:35-5.3a), or in section 2 of P.L.2013, c.35 (C.2C:35-5.3b), and any drug or substance which, when ingested, is metabolized or otherwise becomes a controlled dangerous substance in the human body. When any statute refers to controlled dangerous substances, or to a specific controlled dangerous substance, it shall also be deemed to refer to any drug or substance which, when ingested, is metabolized or otherwise becomes a controlled dangerous substance or the specific controlled dangerous substance, and to any substance that is an immediate precursor of a controlled dangerous substance or the specific controlled dangerous substance. The term shall not include distilled spirits, wine, malt beverages, as those terms are defined or used in R.S.33:1-1 et seq., or tobacco and tobacco products, or cannabis or cannabis resin as defined in section 3 of P.L_, c. (C_) (pending before the Legislature as this bill).

The term, wherever it appears in any law or administrative regulation of this State, shall include controlled substance analogs.

"Controlled substance analog" means a substance that has a chemical structure substantially similar to that of a controlled dangerous substance and that was specifically designed to produce an effect substantially similar to that of a controlled dangerous substance. The term shall not include a substance manufactured or distributed in conformance with the provisions of an approved new drug application or an exemption for investigational use within the meaning of section 505 of the "Federal Food, Drug and Cosmetic Act," 52 Stat. 1052 (21 U.S.C. s.355).

"Counterfeit substance" means a controlled dangerous substance or controlled substance analog which, or the container or labeling of which, without authorization, bears the trademark, trade name, or other identifying mark, imprint, number, or device, or any likeness thereof, of a manufacturer, distributor, or dispenser other than the person or persons who in fact manufactured, distributed, or dispensed the substance and which thereby falsely purports or is represented to be the product of, or to have been distributed by, such other manufacturer, distributor, or dispenser.

"Deliver" or "delivery" means the actual, constructive, or attempted transfer from one person to another of a controlled dangerous substance or controlled substance analog, whether or not there is an agency relationship.

"Dispense" means to deliver a controlled dangerous substance or controlled substance analog to an ultimate user or research subject by or pursuant to the lawful order of a practitioner, including the prescribing, administering, packaging, labeling, or compounding necessary to prepare the substance for that delivery. "Dispenser" means a practitioner who dispenses.

"Distribute" means to deliver other than by administering or dispensing a controlled dangerous substance or controlled substance analog. "Distributor" means a person who distributes.
"Drugs" means (a) substances recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, or any supplement to any of them; and (b) substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; and (c) substances (other than food) intended to affect the structure or any function of the body of man or other animals; and (d) substances intended for use as a component of any article specified in subsections (a), (b), and (c) of this section; but does not include devices or their components, parts, or accessories.

"Drug or alcohol dependent person" means a person who as a result of using a controlled dangerous substance or controlled substance analog or alcohol has been in a state of psychic or physical dependence, or both, arising from the use of that controlled dangerous substance or controlled substance analog or alcohol on a continuous or repetitive basis. Drug or alcohol dependence is characterized by behavioral and other responses, including but not limited to a strong compulsion to take the substance on a recurring basis in order to experience its psychic effects, or to avoid the discomfort of its absence.

"Hashish" means the resin extracted from any part of the plant Genus Cannabis L. and any compound, manufacture, salt, derivative, mixture, or preparation of such resin. “Hashish” does not include cannabis resin as defined in section 3 of P.L., c. (C.) (pending before the Legislature as this bill) which is extracted in accordance with the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L., c. (C.) (pending before the Legislature as this bill), for use in a cannabis item as defined in that section.

"Manufacture" means the production, preparation, propagation, compounding, conversion, or processing of a controlled dangerous substance or controlled substance analog, either directly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container, except that this term does not include the preparation or compounding of a controlled dangerous substance or controlled substance analog by an individual for his own use or the preparation, compounding, packaging, or labeling of a controlled dangerous substance: (1) by a practitioner as an incident to his administering or dispensing of a controlled dangerous substance or controlled substance analog in the course of his professional practice, or (2) by a practitioner (or under his supervision) for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale.

"Marijuana" means all parts of the plant Genus Cannabis L., whether growing or not; the seeds thereof, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds, except those containing resin extracted from the plant L;
but shall not include the mature stalks of the plant, fiber produced
from the stalks, oil, or cake made from the seeds of the plant, any
other compound, manufacture, salt, derivative, mixture, or
preparation of mature stalks, fiber, oil, or cake, or the sterilized
seed of the plant which is incapable of germination]. “Marijuana”
does not include cannabis as defined in section 3 of P.L. ,
c. (C. ) (pending before the Legislature as this bill) which is
cultivated and processed in accordance with the “New Jersey
Cannabis Regulatory and Expungement Aid Modernization Act,”
P.L. , c. (C. ) (pending before the Legislature as this bill),
for use in a cannabis item as defined in that section.

"Narcotic drug" means any of the following, whether produced
directly or indirectly by extraction from substances of vegetable
origin, or independently by means of chemical synthesis, or by a
combination of extraction and chemical synthesis:
(a) Opium, coca leaves, and opiates;
(b) A compound, manufacture, salt, derivative, or preparation of
opium, coca leaves, or opiates;
(c) A substance (and any compound, manufacture, salt,
derivative, or preparation thereof) which is chemically identical
with any of the substances referred to in subsections (a) and (b),
except that the words "narcotic drug" as used in this act shall not
include decocainized coca leaves or extracts of coca leaves, which
extracts do not contain cocaine or ecogine.

"Opiate" means any dangerous substance having an addiction-
forming or addiction-sustaining liability similar to morphine or
being capable of conversion into a drug having such addiction-
forming or addiction-sustaining liability. It does not include, unless
specifically designated as controlled pursuant to the provisions of
section 3 of P.L.1970, c.226 (C.24:21-3), the dextrorotatory isomer
of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan).
It does include its racemic and levorotatory forms.

"Opium poppy" means the plant of the species Papaver
somniferum L., except the seeds thereof.
"Person" means any corporation, association, partnership, trust,
other institution or entity, or one or more individuals.
"Plant" means an organism having leaves and a readily
observable root formation, including, but not limited to, a cutting
having roots, a rootball or root hairs.
"Poppy straw" means all parts, except the seeds, of the opium
poppy, after mowing.
"Practitioner" means a physician, dentist, veterinarian, scientific
investigator, laboratory, pharmacy, hospital, or other person
licensed, registered, or otherwise permitted to distribute, dispense,
conduct research with respect to, or administer a controlled
dangerous substance or controlled substance analog in the course of
professional practice or research in this State.
(a) "Physician" means a physician authorized by law to practice
medicine in this or any other state and any other person authorized
by law to treat sick and injured human beings in this or any other state.

(b) "Veterinarian" means a veterinarian authorized by law to practice veterinary medicine in this State.

c) "Dentist" means a dentist authorized by law to practice dentistry in this State.

d) "Hospital" means any federal institution, or any institution for the care and treatment of the sick and injured, operated or approved by the appropriate State department as proper to be entrusted with the custody and professional use of controlled dangerous substances or controlled substance analogs.

e) "Laboratory" means a laboratory to be entrusted with the custody of narcotic drugs and the use of controlled dangerous substances or controlled substance analogs for scientific, experimental, and medical purposes and for purposes of instruction approved by the Department of Health.

"Production" includes the manufacture, planting, cultivation, growing, or harvesting of a controlled dangerous substance or controlled substance analog.

"Immediate precursor" means a substance which the Division of Consumer Affairs in the Department of Law and Public Safety has found to be and by regulation designates as being the principal compound commonly used or produced primarily for use, and which is an immediate chemical intermediary used or likely to be used in the manufacture of a controlled dangerous substance or controlled substance analog, the control of which is necessary to prevent, curtail, or limit such manufacture.

"Residential treatment facility" means any facility licensed and approved by the Department of Human Services and which is approved by any county probation department for the inpatient treatment and rehabilitation of drug or alcohol dependent persons.

"Schedules I, II, III, IV, and V" are the schedules set forth in sections 5 through 8 of P.L.1970, c.226 (C.24:21-5 through 24:21-8) and in section 4 of P.L.1971, c.3 (C.24:21-8.1) and as modified by any regulations issued by the Director of the Division of Consumer Affairs in the Department of Law and Public Safety pursuant to the director's authority as provided in section 3 of P.L.1970, c.226 (C.24:21-3).

"State" means the State of New Jersey.

"Ultimate user" means a person who lawfully possesses a controlled dangerous substance or controlled substance analog for his own use or for the use of a member of his household or for administration to an animal owned by him or by a member of his household.

"Prescription legend drug" means any drug which under federal or State law requires dispensing by prescription or order of a licensed physician, veterinarian, or dentist and is required to bear the statement "Rx only" or similar wording indicating that such drug may be sold or dispensed only upon the prescription of a
licensed medical practitioner and is not a controlled dangerous
substance or stramonium preparation.
"Stramonium preparation" means a substance prepared from any
part of the stramonium plant in the form of a powder, pipe mixture,
cigarette, or any other form with or without other ingredients.
"Stramonium plant" means the plant Datura Stramonium Linne,
including Datura Tatula Linne.
(cf: P.L.2013, c.35, s.1)

34. N.J.S.2C:35-5 is amended to read as follows:
2C:35-5. Manufacturing, Distributing or Dispensing. a. Except
as authorized by P.L.1970, c.226 (C.24:21-1 et seq.), it shall be
unlawful for any person knowingly or purposely:
(1) To manufacture, distribute or dispense, or to possess or have
under his control with intent to manufacture, distribute or dispense,
a controlled dangerous substance or controlled substance analog; or
(2) To create, distribute, or possess or have under his control
with intent to distribute, a counterfeit controlled dangerous
substance.

b. Any person who violates subsection a. with respect to:
(1) Heroin, or its analog, or coca leaves and any salt, compound,
derivative, or preparation of coca leaves, and any salt, compound,
derivative, or preparation thereof which is chemically equivalent or
identical with any of these substances, or analogs, except that the
substances shall not include decocainized coca leaves or extractions
which do not contain cocaine or ecogine, or 3,4-
methylenedioxyamphetamine or 3,4-
methylenedioxymphetamine, in a quantity of five ounces or more
including any adulterants or dilutants is guilty of a crime of the first
degree. The defendant shall, except as provided in N.J.S.2C:35-12,
be sentenced to a term of imprisonment by the court. The term of
imprisonment shall include the imposition of a minimum term
which shall be fixed at, or between, one-third and one-half of the
sentence imposed, during which the defendant shall be ineligible for
 parole. Notwithstanding the provisions of subsection a. of
N.J.S.2C:43-3, a fine of up to $500,000 may be imposed;
(2) A substance referred to in paragraph (1) of this subsection,
in a quantity of one-half ounce or more but less than five ounces,
including any adulterants or dilutants is guilty of a crime of the
second degree;
(3) A substance referred to paragraph (1) of this subsection in a
quantity less than one-half ounce including any adulterants or
dilutants is guilty of a crime of the third degree except that,
notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
fine of up to $75,000 may be imposed;
(4) A substance classified as a narcotic drug in Schedule I or II
other than those specifically covered in this section, or the analog of
any such substance, in a quantity of one ounce or more including
any adulterants or dilutants is guilty of a crime of the second degree;

(5) A substance classified as a narcotic drug in Schedule I or II other than those specifically covered in this section, or the analog of any such substance, in a quantity of less than one ounce including any adulterants or dilutants is guilty of a crime of the third degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to $75,000 may be imposed;

(6) Lysergic acid diethylamide, or its analog, in a quantity of 100 milligrams or more including any adulterants or dilutants, or phencyclidine, or its analog, in a quantity of 10 grams or more including any adulterants or dilutants, is guilty of a crime of the first degree. Except as provided in N.J.S.2C:35-12, the court shall impose a term of imprisonment which shall include the imposition of a minimum term, fixed at, or between, one-third and one-half of the sentence imposed by the court, during which the defendant shall be ineligible for parole. Notwithstanding the provisions of subsection a. of N.J.S.2C:43-3, a fine of up to $500,000 may be imposed;

(7) Lysergic acid diethylamide, or its analog, in a quantity of less than 100 milligrams including any adulterants or dilutants, or where the amount is undetermined, or phencyclidine, or its analog, in a quantity of less than 10 grams including any adulterants or dilutants, or where the amount is undetermined, is guilty of a crime of the second degree;

(8) Methamphetamine, or its analog, or phenyl-2-propanone (P2P), in a quantity of five ounces or more including any adulterants or dilutants is guilty of a crime of the first degree. Notwithstanding the provisions of subsection a. of N.J.S.2C:43-3, a fine of up to $300,000 may be imposed;

(9) (a) Methamphetamine, or its analog, or phenyl-2-propanone (P2P), in a quantity of one-half ounce or more but less than five ounces including any adulterants or dilutants is guilty of a crime of the second degree;

(b) Methamphetamine, or its analog, or phenyl-2-propanone (P2P), in a quantity of less than one-half ounce including any adulterants or dilutants is guilty of a crime of the third degree except that notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to $75,000 may be imposed;

(10) (a) Marijuana in a quantity of 25 pounds or more including any adulterants or dilutants, or 50 or more marijuana plants, regardless of weight, or hashish in a quantity of five pounds or more including any adulterants or dilutants, is guilty of a crime of the first degree. Notwithstanding the provisions of subsection a. of N.J.S.2C:43-3, a fine of up to $300,000 may be imposed;
(b) Marijuana in a quantity of five pounds or more but less than
25 pounds including any adulterants or dilutants, or 10 or more but
fewer than 50 marijuana plants, regardless of weight, or hashish in a
quantity of one pound or more but less than five pounds, including
any adulterants and dilutants, is guilty of a crime of the second
degree;

(11) Marijuana in a quantity of more than one ounce but less than five pounds including any adulterants or dilutants, or
hashish in a quantity of more than five grams but less than one pound including any adulterants or dilutants, is guilty of a
crime of the third degree except that, notwithstanding the provisions
of subsection b. of N.J.S.2C:43-3, a fine of up to $25,000.00 may be imposed;

(12) Marijuana in a quantity of less than one ounce or less including any adulterants or dilutants, or hashish in a
quantity of less than five grams or less including any adulterants
or dilutants, is guilty of a crime of the fourth degree; but
distribution of, or possessing or having under control with intent to
distribute this amount of marijuana or hashish is presumed to be the
lawful transfer or intended transfer of cannabis or cannabis resin in
accordance with the “New Jersey Cannabis Regulatory and
Expungement Aid Modernization Act,” P.L. , c. (C. )
(pending before the Legislature as this bill) and this distribution, or
possessing or having under control with intent to distribute, alone
does not constitute reasonable articulable suspicion of an act subject
to prosecution as a crime of the fourth degree pursuant to this
paragraph;

(13) Any other controlled dangerous substance classified in
Schedule I, II, III or IV, or its analog, is guilty of a crime of the
third degree, except that, notwithstanding the provisions of
subsection b. of N.J.S.2C:43-3, a fine of up to $25,000.00 may be imposed; or

(14) Any Schedule V substance, or its analog, is guilty of a
crime of the fourth degree except that, notwithstanding the
provisions of subsection b. of N.J.S.2C:43-3, a fine of up to
[$25,000.00] $25,000 may be imposed.

c. Where the degree of the offense for violation of this section
depends on the quantity of the substance, the quantity involved
shall be determined by the trier of fact. Where the indictment or
accusation so provides, the quantity involved in individual acts of
manufacturing, distribution, dispensing or possessing with intent to
distribute may be aggregated in determining the grade of the
offense, whether distribution or dispensing is to the same person or
several persons, provided that each individual act of manufacturing,
distribution, dispensing or possession with intent to distribute was
committed within the applicable statute of limitations.
(cf: P.L.2000, c.136, s.1)
35. N.J.S.2C:35-10 is amended to read as follows:

2C:35-10. Possession, Use or Being Under the Influence, or Failure to Make Lawful Disposition.

a. It is unlawful for any person, knowingly or purposely, to obtain, or to possess, actually or constructively, a controlled dangerous substance or controlled substance analog, unless the substance was obtained directly, or pursuant to a valid prescription or order form from a practitioner, while acting in the course of his professional practice, or except as otherwise authorized by P.L.1970, c.226 (C.24:21-1 et seq.). Any person who violates this section with respect to:

(1) A controlled dangerous substance, or its analog, classified in Schedule I, II, III or IV other than those specifically covered in this section, is guilty of a crime of the third degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to $35,000.00 may be imposed;

(2) Any controlled dangerous substance, or its analog, classified in Schedule V, is guilty of a crime of the fourth degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to $15,000.00 may be imposed;

(3) Possession of more than 50 grams of marijuana, including any adulterants or dilutants, or more than five grams of hashish is guilty of a crime of the fourth degree, except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to $25,000.00 may be imposed but if the amount possessed is one ounce (28.38 grams) or less, the possession is presumed to be the lawful possession of cannabis in accordance with the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C. ) (pending before the Legislature as this bill) and this possession alone does not constitute reasonable articulable suspicion of possession of marijuana subject to the $50 civil penalty pursuant to this paragraph. Possession of five grams or less of hashish is a civil penalty of $50, but if the amount possessed is one ounce (28.38 grams) or less, the possession is presumed to be the lawful possession of cannabis resin in accordance with the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C. ) (pending before the Legislature as this bill) and this possession alone does not constitute reasonable articulable suspicion of possession of hashish subject to the $50 civil penalty pursuant to this paragraph. The penalties provided for in this paragraph shall be collected pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding before the municipal court having jurisdiction. A penalty recovered under the provisions of this paragraph shall be recovered by and in the name of the State by the local municipality.
The penalty shall be paid into the treasury of the municipality in which the violation occurred for the general use of the municipality.

Any person who commits any offense defined in this section while on any property used for school purposes which is owned by or leased to any elementary or secondary school or school board, or within 1,000 feet of any such school property or a school bus, or while on any school bus, and who is not sentenced to a term of imprisonment, shall, in addition to any other sentence which the court may impose, be required to perform not less than 100 hours of community service.

b. Any person who uses or who is under the influence of any controlled dangerous substance, or its analog, for a purpose other than the treatment of sickness or injury as lawfully prescribed or administered by a physician is a disorderly person.

In a prosecution under this subsection, it shall not be necessary for the State to prove that the accused did use or was under the influence of any specific drug, but it shall be sufficient for a conviction under this subsection for the State to prove that the accused did use or was under the influence of some controlled dangerous substance, counterfeit controlled dangerous substance, or controlled substance analog, by proving that the accused did manifest physical and physiological symptoms or reactions caused by the use of any controlled dangerous substance or controlled substance analog.

c. Any person who knowingly obtains or possesses a controlled dangerous substance or controlled substance analog in violation of subsection a. of this section and who fails to voluntarily deliver the substance to the nearest law enforcement officer is guilty of a disorderly persons offense. Nothing in this subsection shall be construed to preclude a prosecution or conviction for any other offense defined in this title or any other statute.

(cf: P.L.1997, c.181, s.6)

36. N.J.S 2C:36-1 is amended to read as follows:

2C:36-1. Drug paraphernalia, defined; determination.

As used in this act, "drug paraphernalia" means all equipment, products and materials of any kind which are used or intended for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, ingesting, inhaling, or otherwise introducing into the human body a controlled dangerous substance, controlled substance analog or toxic chemical in violation of the provisions of chapter 35 of this title. It shall include, but not be limited to:

[a.] (1) kits used or intended for use in planting, propagating, cultivating, growing or harvesting of any species of plant which is a controlled dangerous substance or from which a controlled dangerous substance can be derived;
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[b.] (2) kits used or intended for use in manufacturing, compounding, converting, producing, processing, or preparing controlled dangerous substances or controlled substance analogs;

c. (3) isomerization devices used or intended for use in increasing the potency of any species of plant which is a controlled dangerous substance;

d. (4) testing equipment used or intended for use identifying, or in analyzing the strength, effectiveness or purity of controlled dangerous substances or controlled substance analogs;

e. (5) scales and balances used or intended for use in weighing or measuring controlled dangerous substances or controlled substance analogs;

f. (6) dilutants and adulterants, such as quinine hydrochloride, mannitol, mannite, dextrose and lactose, used or intended for use in cutting controlled dangerous substances or controlled substance analogs;

g. (7) separation gins and sifters used or intended for use in removing twigs and seeds from, or in otherwise cleaning or refining marijuana;

h. (8) blenders, bowls, containers, spoons and mixing devices used or intended for use in compounding controlled dangerous substances or controlled substance analogs;

i. (9) capsules, balloons, envelopes and other containers used or intended for use in packaging small quantities of controlled dangerous substances or controlled substance analogs;

j. (10) containers and other objects used or intended for use in storing or concealing controlled dangerous substances, controlled substance analogs or toxic chemicals;

k. (11) objects used or intended for use in ingesting, inhaling, or otherwise introducing marijuana, cocaine, hashish, hashish oil, nitrous oxide or the fumes of a toxic chemical into the human body, such as (a) metal, wooden, acrylic, glass, stone, plastic, or ceramic pipes with or without screens, permanent screens, hashish heads, or punctured metal bowls; (b) water pipes; (c) carburetion tubes and devices; (d) smoking and carburetion masks; (e) roach clips, meaning objects used to hold burning material, such as a marijuana cigarette, that has become too small or too short to be held in the hand; (f) miniature cocaine spoons, and cocaine vials; (g) chamber pipes; (h) carburetor pipes; (i) electric pipes; (j) air-driven pipes; (k) chillums; (l) bongs; (m) ice pipes or chillers; (n) compressed gas containers, such as tanks, cartridges or canisters, that contain food grade or pharmaceutical grade nitrous oxide as a principal ingredient; (o) chargers or charging bottles, meaning metal, ceramic or plastic devices that contain an interior pin that may be used to expel
compressed gas from a cartridge or canister; and [(16)] (p) tubes, balloons, bags, fabrics, bottles or other containers used to concentrate or hold in suspension a toxic chemical or the fumes of a toxic chemical.

(b) In determining whether or not an object is drug paraphernalia, the trier of fact, in addition to or as part of the proofs, may consider the following factors:

[a.] (1) (a) statements by an owner or by anyone in control of the object concerning its use;

[b.] (b) the proximity of the object of illegally possessed controlled dangerous substances, controlled substance analogs or toxic chemicals;

[c.] (c) the existence of any residue of illegally possessed controlled dangerous substances, controlled substance analogs or toxic chemicals on the object;

[d.] (d) direct or circumstantial evidence of the intent of an owner, or of anyone in control of the object, to deliver it to persons whom he knows intend to use the object to facilitate a violation of this act; the innocence of an owner, or of anyone in control of the object, as to a direct violation of this act shall not prevent a finding that the object is intended for use as drug paraphernalia;

[e.] (e) instructions, oral or written, provided with the object concerning its use;

[f.] (f) descriptive materials accompanying the object which explain or depict its use;

[g.] (g) national or local advertising whose purpose the person knows or should know is to promote the sale of objects intended for use as drug paraphernalia;

[h.] (h) the manner in which the object is displayed for sale;

[i.] (i) the existence and scope of legitimate uses for the object in the community; and

[j.] (j) expert testimony concerning its use.

(2) If an object appears to be for use, intended for use, or designed for use with cannabis or cannabis items in accordance with the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C. ) (pending before the Legislature as this bill), the object is presumed to be a lawful cannabis paraphernalia as defined in section 3 of that act (C. ), and does not alone constitute reasonable articulable suspicion that the object is a drug paraphernalia, notwithstanding that the object could also be used with marijuana, hashish, or another illegal controlled substance or controlled substance analog, unless the owner or anyone in control of the object was in possession of marijuana, hashish, or another illegal controlled dangerous substance or controlled substance analog, or the object was in proximity of marijuana, hashish, or another illegally possessed controlled dangerous substance or controlled substance analog to
indicate its use, intended use, or design for use with that controlled
dangerous substance or controlled substance analog.
(cf: P.L.2007, c.31, s.2)

37. (New section) Dismissal of Small Amount Marijuana Cases.
On the date that the provisions of P.L. , c. (C. ) (pending
before the Legislature as this bill) become operative based upon the
Cannabis Regulatory Commission’s adoption of the initial rules and
regulations, pursuant to subparagraph (a) of paragraph (1) of
subsection d. of section 8 of that act, concerning the legal personal
use cannabis marketplace, any current pending charges or current
prosecutions that have not yet resulted in a conviction, that are
based on a violation of paragraph (4) of subsection a. of
N.J.S.2C:35-10 for obtaining or possessing one ounce (28.38
grams) or less of marijuana, or five grams or less of hashish, and
which act would have been presumed to be a lawful act associated
with cannabis or cannabis resin in accordance with
P.L. , c. (C. ) (pending before the Legislature as this bill),
shall no longer be further investigated and prosecuted by any law
enforcement agency, or the Attorney General, a county prosecutor,
or a municipal prosecutor. These non-prosecutable charges and
cases shall be expeditiously dismissed, which may be accomplished
by appropriate action by a law enforcement agency, or on a motion
to the court with jurisdiction over a case, or the court’s own motion.

38. (New section) a. Notwithstanding any other provision of
law to the contrary, beginning on the date that the provisions of
P.L. , c. (C. ) (pending before the Legislature as this bill)
become operative based upon the Cannabis Regulatory
Commission’s adoption of the initial rules and regulations, pursuant
to subparagraph (a) of paragraph (1) of subsection d. of section 8 of
that act, concerning the legal personal use cannabis marketplace, the
following persons may file a petition for an expedited expungement
at any time:
(1) any person who has been charged with, convicted of, or
adjudicated delinquent for any number of offenses which if
committed by an adult would constitute unlawful distribution of, or
possessing or having under control with intent to distribute, one
ounce (28.38 grams) or less of marijuana or five grams or less of
hashish in violation of paragraph (12) of subsection b. of N.J.S.2C:35-
5, and whose past violation would have been presumed to be a
lawful act associated with cannabis or cannabis resin in accordance
with P.L. , c. (C. ) (pending before the Legislature as this bill);
(2) any person who has been charged with, convicted of, or
adjudicated delinquent for any number of offenses which if
committed by an adult would constitute obtaining or possessing one
ounce (28.38 grams) or less of marijuana or five grams or less of
hashish in violation of paragraph (4) of subsection a. of N.J.S.2C:35-
10, and whose past violation would have been presumed to be a
lawful act associated with cannabis or cannabis resin in accordance with P.L. , c. (C. ) (pending before the Legislature as this bill); or

(3) any person who has been charged with, convicted of, or adjudicated delinquent for any number of offenses which if committed by an adult would constitute using or possessing with intent to use drug paraphernalia for use with marijuana or hashish pursuant to N.J.S.2C:36-2, and whose past violation would have been presumed to be a lawful act associated with cannabis or cannabis resin in accordance with P.L. , c. (C. ) (pending before the Legislature as this bill).

b. The provisions of N.J.S.2C:52-7 through N.J.S.2C:52-14 shall not apply to the petition and the court, upon review of the petition, shall immediately grant an expedited expungement for each charge, conviction, or adjudication of delinquency pursuant to this section.

c. No fee shall be charged for an expedited expungement pursuant to this section.

d. The petition shall be submitted to the Judiciary Ombudsman for the vicinage within which the most recent charge, conviction, or adjudication of delinquency included in the petition occurred. Upon receipt of a person’s petition for an expedited expungement, the Judiciary Ombudsman shall, in accordance with section 39 of P.L. , c. (C. ) (pending before the Legislature as this bill):

(1) review the petition;

(2) obtain all relevant records from the appropriate entities pertaining to the petition; and

(3) verify the person’s eligibility for an expedited expungement pursuant to this section.

e. Upon verification of the person’s eligibility for an expedited expungement, the Judiciary Ombudsman shall transmit the expungement petition together with the records and the verification to the court. The court shall review the petition, records, and verifications and shall immediately grant the expungement. The court shall provide copies of the expungement order and records to the person who is the subject of the petition.

f. Any public employee, or public agency that provides information or records pursuant to this section shall be immune from criminal and civil liability as a result of an act of commission or omission by that person or entity arising out of and in the course of participation in, or assistance with, in good faith, an expedited expungement. The immunity shall be in addition to and not in limitation of any other immunity provided by law.

39. (New section) a. The Administrative Director of the Courts shall require the Judiciary Ombudsman in each vicinage to assist persons with the filing of a petition for expedited expungement pursuant to section 38 of P.L. , c. (C. ) (pending before the Legislature as this bill).
The Judiciary Ombudsman shall provide assistance to the person with:

(1) obtaining the necessary records from the appropriate municipal, county, or State government agencies for completion of the expedited expungement petition; and

(2) preparing and filing the expedited expungement petition using the expungement e-filing system established pursuant to section 41 of P.L. , c. (C. ) (pending before the Legislature as this bill); and

(3) shall maintain and provide information to any person upon request about legal services programs Statewide and in each county which may be available to assist the person with the expedited expungement petition pursuant to section 38 of P.L. , c. (C. ) (pending before the Legislature as this bill).

b. Upon issuance of an expedited expungement order by a court, the Judiciary Ombudsman for the vicinage within which that court is located shall provide the person who is the subject of the petition with a copy of the expedited expungement court order and all relevant records from the appropriate entities pertaining to the expedited expungement order.

40. (New section) The Administrative Director of the Courts shall develop and maintain a multilingual public awareness campaign to promote awareness of the expedited expungement program and the expungement e-filing system established pursuant to sections 38 through 41 of P.L. , c. (C. ) (pending before the Legislature as this bill).

The public awareness campaign shall, at a minimum, utilize electronic and print media and shall make available electronically on an Internet website a petition form and a list of the supporting information necessary for an expungement, including an expedited expungement pursuant to section 38 of P.L. , c. (C. ) (pending before the Legislature as this bill), using the expungement e-filing system.

The petition and supporting information shall be made available in English, Spanish and any other language that is the primary language of 10 percent or more of the registered voters in the State.

The Administrative Director of the Courts shall report to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) to the Legislature, no later than one year after the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill), on the activities and accomplishments of the public awareness campaign.

41. (New section) a. No later than six months after the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill), the Administrative Office of the Courts shall develop and maintain a Statewide expungement e-filing system for the administration of expungement petitions pursuant to
N.J.S.2C:52-1 et seq. As used in this section "expungement e-filing system" shall mean a Statewide integrated system that includes, but is not limited to, electronic filing, electronic service of process, electronic document management, electronic case management and electronic financial management.

b. Upon implementation of the Statewide expungement e-filing system, no fee shall be charged for the filing of an expungement application and accompanying petition pursuant to N.J.S.2C:52-1 et seq.

c. Notwithstanding the provisions of any other law to the contrary, the Supreme Court, Superior Court and the various municipal courts, including joint municipal courts, shared municipal courts and central municipal courts, when authorized by the Supreme Court by administrative directive or other means, may establish and maintain systems to accept expungement applications and petitions.

d. After the implementation of the Statewide expungement e-filing system established pursuant to this section, the Administrative Director of the Courts shall submit an annual report to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) to the Legislature, on the operation, maintenance, and administration of the Statewide expungement e-filing system including any recommendations as to legislative changes or improvements to effectuate the purposes of sections 38 through 41 of P.L. , c. (C. ) (pending before the Legislature as this bill). The report shall assist policymakers in determining whether the expungement e-filing system should be modified or expanded. The report shall include statistics regarding the number of applicants; the number of expungements processed; the number of expungement orders issued; and any other relevant information at the discretion of the Administrative Director of the Courts.

42. N.J.S.2B:12-31 is amended to read as follows:

2B:12-31. Suspension of driving privileges. a. (1) [If] (a) Except as provided in subparagraph (b) of this paragraph, if a defendant charged with a disorderly persons offense, a petty disorderly persons offense, a violation of a municipal ordinance, or a violation of any other law of this State for which a penalty may be imposed fails to appear at any scheduled court proceeding after written notice has been given to said defendant pursuant to the Rules of Court, a municipal court may order the suspension of the person's driving privileges or nonresident reciprocity privilege or prohibit the person from receiving or obtaining driving privileges until the pending matter is adjudicated or otherwise disposed of, except by dismissal for failure of defendant to appear.

(b) A municipal court shall not suspend or revoke a defendant’s driving privileges if the pending matter set forth in subparagraph (a) of this paragraph involves:
(i) distribution of, or possessing or having under control with intent to distribute, one ounce (28.38 grams) or less of marijuana or five grams or less of hashish in violation of paragraph (12) of subsection b. of N.J.S.2C:35-5;

(ii) obtaining or possessing one ounce (28.38 grams) or less of marijuana or five grams or less of hashish in violation of paragraph (4) of subsection a. of N.J.S.2C:35-10; or

(iii) using or possessing with intent to use drug paraphernalia for use with marijuana or hashish in violation of N.J.S.2C:36-2.

(2) If a defendant sentenced to pay a fine or costs, make restitution, perform community service, serve a term of probation, or do any other act as a condition of that sentence fails to do so, a municipal court may order the suspension of the person's driving privileges or nonresident reciprocity privilege or prohibit the person from receiving or obtaining driving privileges until the terms and conditions of the sentence have been performed or modified.

b. Prior to any action being taken pursuant to the provisions of this section, the defendant shall be given notice of the proposed action and afforded an opportunity to appear before the court to contest the validity of the proposed action.

c. The municipal court shall notify the Division of New Jersey Motor Vehicles Vehicle Commission of any action taken pursuant to the provisions of this section.

d. Any action taken by a municipal court pursuant to this section shall be in addition to any other remedies which are available to the court and in addition to any other penalties which may be imposed by the court.

e. (1) When a defendant whose license has been suspended pursuant to subsection a. of this section satisfies the requirements of that subsection, the municipal court shall forward to the Division of New Jersey Motor Vehicles Vehicle Commission a notice to restore the defendant's driving privileges.

(2) There shall be included in the fines and penalties imposed by a court on a defendant whose license has been suspended pursuant to subsection a. of this section, the following:

(a) A fee of $3.00 which shall be transferred to the Division of New Jersey Motor Vehicles Vehicle Commission;

(b) A penalty of $10.00 for the issuance of the failure to appear notice; and

(c) A penalty of $15.00 for the order of suspension of defendant's driving privileges.

(cf: N.J.S.2B:12-31)

43. N.J.S.2C:35-16 is amended to read as follows:

2C:35-16. a. In addition to any disposition authorized by this title, the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43), or any other statute indicating the dispositions that can be ordered for an adjudication of delinquency, and notwithstanding the
provisions of subsection c. of N.J.S.2C:43-2, a person convicted of
or adjudicated delinquent for a violation of any offense defined in
this chapter or chapter 36 of this title shall forthwith forfeit his right
to operate a motor vehicle over the highways of this State for a
period to be fixed by the court at not less than six months or more
than two years which shall commence on the day the sentence is
imposed unless the court finds compelling circumstances
warranting an exception or except as provided in subsection e. of
this section. For the purposes of this section, compelling
circumstances warranting an exception exist if the forfeiture of the
person's right to operate a motor vehicle over the highways of this
State will result in extreme hardship and alternative means of
transportation are not available. In the case of a person who at the
time of the imposition of sentence is less than 17 years of age, the
period of any suspension of driving privileges authorized herein,
including a suspension of the privilege of operating a motorized
bicycle, shall commence on the day the sentence is imposed and
shall run for a period as fixed by the court of not less than six
months or more than two years after the day the person reaches the
age of 17 years. If the driving privilege of any person is under
revocation, suspension, or postponement for a violation of any
provision of this title or Title 39 of the Revised Statutes at the time
of any conviction or adjudication of delinquency for a violation of
any offense defined in this chapter or chapter 36 of this title, any
revocation, suspension, or postponement period imposed herein
shall commence as of the date of termination of the existing
revocation, suspension, or postponement.

b. If forfeiture or postponement of driving privileges is ordered
by the court pursuant to subsection a. of this section, the court shall
collect forthwith the New Jersey driver's license or licenses of the
person and forward such license or licenses to the Chief
Administrator of the New Jersey Motor Vehicle Commission along
with a report indicating the first and last day of the suspension or
postponement period imposed by the court pursuant to this section.
If the court is for any reason unable to collect the license or licenses
of the person, the court shall cause a report of the conviction or
adjudication of delinquency to be filed with the Chief
Administrator. That report shall include the complete name,
address, date of birth, eye color, and sex of the person and shall
indicate the first and last day of the suspension or postponement
period imposed by the court pursuant to this section. The court shall
inform the person orally and in writing that if the person is
convicted of personally operating a motor vehicle during the period
of license suspension or postponement imposed pursuant to this
section, the person shall, upon conviction, be subject to the
penalties set forth in R.S.39:3-40. A person shall be required to
acknowledge receipt of the written notice in writing. Failure to
receive a written notice or failure to acknowledge in writing the
receipt of a written notice shall not be a defense to a subsequent
charge of a violation of R.S.39:3-40. If the person is the holder of a driver's license from another jurisdiction, the court shall not collect the license but shall notify forthwith the Chief Administrator who shall notify the appropriate officials in the licensing jurisdiction. The court shall, however, in accordance with the provisions of this section, revoke the person's non-resident driving privilege in this State.

c. In addition to any other condition imposed, a court may in its discretion suspend, revoke or postpone in accordance with the provisions of this section the driving privileges of a person admitted to supervisory treatment under N.J.S.2C:36A-1 or N.J.S.2C:43-12 without a plea of guilty or finding of guilt.

d. After sentencing and upon notice to the prosecutor, a person subject to suspension or postponement of driving privileges under this section may seek revocation of the remaining portion of any suspension or postponement based on compelling circumstances warranting an exception that were not raised at the time of sentencing. The court may revoke the suspension or postponement if it finds compelling circumstances.

e. The forfeiture or postponement of driving privileges set forth in subsection a. of this section shall not apply to any person convicted of or adjudicated delinquent for an offense which if committed by an adult would constitute:

(1) distribution of, or possessing or having under control with intent to distribute, one ounce (28.38 grams) or less of marijuana or five grams or less of hashish in violation of paragraph (12) of subsection b. of N.J.S.2C:35-5;

(2) obtaining or possessing one ounce (28.38 grams) or less of marijuana or five grams or less of hashish in violation of paragraph (4) of subsection a. of N.J.S.2C:35-10; or

(3) using or possessing with intent to use drug paraphernalia for use with marijuana or hashish in violation of N.J.S.2C:36-2.

(cf: P.L.2008, c.84, s.2)

44. The title of P.L.1981, c.197 is amended to read as follows: AN ACT concerning the unauthorized bringing of alcoholic beverages or cannabis items onto school premises, and supplementing chapter 33 of Title 2C of the New Jersey Statutes.

(cf: P.L.1981, c.197, title)

45. Section 1 of P.L.1981, c.197 (C.2C:33-16) is amended to read as follows:

1. Any person of legal age to purchase alcoholic beverages or cannabis items, who knowingly and without the express written permission of the school board, its delegated authority, or any school principal, or as authorized pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et seq.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) to engage in the medical use of cannabis, brings or possesses any
alcoholic beverages or cannabis items on any property used for
school purposes which is owned by any school or school board, is
guilty of a disorderly persons offense. For purposes of this section,
an alcoholic beverage includes powdered alcohol as defined by
R.S.33:1-1, and a cannabis item includes any item available for
lawful consumption pursuant to the “New Jersey Cannabis
Regulatory and Expungement Aid Modernization Act,” P.L.____, c. (C.____) (pending before the Legislature as this bill).
(cf: P.L.1981, c.197, s.1)

46. R.S.40:48-1 is amended to read as follows:
40:48-1. Ordinances; general purpose. The governing body of
every municipality may make, amend, repeal and enforce
ordinances to:
Finances and property. 1. Manage, regulate and control the
finances and property, real and personal, of the municipality;
Contracts and contractor's bonds. 2. Prescribe the form and
manner of execution and approval of all contracts to be executed by
the municipality and of all bonds to be given to it;
Officers and employees; duties, terms and salaries. 3. Prescribe
and define, except as otherwise provided by law, the duties and
terms of office or employment, of all officers and employees; and to
provide for the employment and compensation of such officials and
employees, in addition to those provided for by statute, as may be
deemed necessary for the efficient conduct of the affairs of the
municipality;
Fees. 4. Fix the fees of any officer or employee of the
municipality for any service rendered in connection with his office
or position, for which no specific fee or compensation is provided.
In the case of salaried officers or employees, such fee shall be paid
into the municipal treasury;
Salaries instead of fees; disposition of fees. 5. Provide that any
officer or employee receiving compensation for his services, in
whole or in part by fees, whether paid by the municipality or
otherwise, shall be paid a salary to be fixed in the ordinance, and
thereafter all fees received by such officer or employee shall be
paid into the municipal treasury;
Maintain order. 6. Prevent vice, drunkenness and immorality; to
preserve the public peace and order; to prevent and quell riots,
disturbances and disorderly assemblages; to prohibit the
consumption of alcoholic beverages or cannabis items by underage
persons on private property pursuant to section 1 of P.L.2000, c.33
(C.40:48-1.2);
Punish beggars; prevention of loitering. 7. Restrain and punish
drunkards, vagrants, mendicants and street beggars; to prevent
loitering, lounging or sleeping in the streets, parks or public places;
Auctions and noises. 8. Regulate the ringing of bells and the
crying of goods and other commodities for sale at auction or
otherwise, and to prevent disturbing noises;
Swimming; bathing costume; prohibition of public nudity. 9. Regulate or prohibit swimming or bathing in the waters of, in, or bounding the municipality, and to regulate or prohibit persons from appearing upon the public streets, parks and places clad in bathing costumes or robes, or costumes of a similar character; regulate or prohibit persons from appearing in a state of nudity upon all lands within its borders which are under the jurisdiction of the State including, without limitation, all lands owned by, controlled by, managed by or leased by the State;

Prohibit annoyance of persons or animals. 10. Regulate or prohibit any practice tending to frighten animals, or to annoy or injure persons in the public streets;

Animals; pounds; establishment and regulation. 11. Establish and regulate one or more pounds, and to prohibit or regulate the running at large of horses, cattle, dogs, swine, goats and other animals, and to authorize their impounding and sale for the penalty incurred, and the costs of impounding, keeping and sale; to regulate or prohibit the keeping of cattle, goats or swine in any part of the municipality; to authorize the destruction of dogs running at large therein;

Hucksters. 12. Prescribe and regulate the place of vending or exposing for sale articles of merchandise from vehicles;

Building regulations; wooden structures. 13. Regulate and control the construction, erection, alteration and repair of buildings and structures of every kind within the municipality; and to prohibit, within certain limits, the construction, erection or alteration of buildings or structures of wood or other combustible material;

Inflammable materials; inspect docks and buildings. 14. Regulate the use, storage, sale and disposal of inflammable or combustible materials, and to provide for the protection of life and property from fire, explosions and other dangers; to provide for inspections of buildings, docks, wharves, warehouses and other places, and of goods and materials contained therein, to secure the proper enforcement of such ordinance;

Dangerous structures; removal or destruction; procedure. 15. Provide for the removal or destruction of any building, wall or structure which is or may become dangerous to life or health, or might tend to extend a conflagration; and to assess the cost thereof as a municipal lien against the premises;

Chimneys and boilers. 16. Regulate the construction and setting up of chimneys, furnaces, stoves, boilers, ovens and other contrivances in which fire is used;

Explosives. 17. Regulate, in conformity with the statutes of this State, the manufacture, storage, sale, keeping or conveying of gunpowder, nitroglycerine, dynamite and other explosives;

Firearms and fireworks. 18. Regulate and prohibit the sale and use of guns, pistols, firearms, and fireworks of all descriptions;
Soft coal. 19. Regulate the use of soft coal in locomotives, factories, power houses and other places; Theaters, schools, churches and public places. 20. Regulate the use of theaters, cinema houses, public halls, schools, churches, and other places where numbers of people assemble, and the exits therefrom, so that escape therefrom may be easily and safely made in case of fire or panic; and to regulate any machinery, scenery, lights, wires and other apparatus, equipment or appliances used in all places of public amusement;

Excavations. 21. Regulate excavations below the established grade or curb line of any street, not greater than eight feet, which the owner of any land may make, in the erection of any building upon his own property; and to provide for the giving of notice, in writing, of such intended excavation to any adjoining owner or owners, and that they will be required to protect and care for their several foundation walls that may be endangered by such excavation; and to provide that in case of the neglect or refusal, for 10 days, of such adjoining owner or owners to take proper action to secure and protect the foundations of any adjacent building or other structure, that the party or parties giving such notice, or their agents, contractors or employees, may enter into and upon such adjoining property and do all necessary work to make such foundations secure, and may recover the cost of such work and labor in so protecting such adjacent property; and to make such further and other provisions in relation to the proper conduct and performance of said work as the governing body or board of the municipality may deem necessary and proper;

Sample medicines. 22. Regulate and prohibit the distribution, depositing or leaving on the public streets or highways, public places or private property, or at any private place or places within any such municipality, any medicine, medicinal preparation or preparations represented to cure ailments or diseases of the body or mind, or any samples thereof, or any advertisements or circulars relating thereto, but no ordinance shall prohibit a delivery of any such article to any person above the age of 12 years willing to receive the same;

Boating. 23. Regulate the use of motor and other boats upon waters within or bounding the municipality;

Fire escapes. 24. Provide for the erection of fire escapes on buildings in the municipality, and to provide rules and regulations concerning the construction and maintenance of the same, and for the prevention of any obstruction thereof or thereon;

Care of injured employees. 25. Provide for the payment of compensation and for medical attendance to any officer or employee of the municipality injured in the performance of his duty;

Bulkheads and other structures. 26. Fix and determine the lines of bulkheads or other works or structures to be erected, constructed or maintained by the owners of lands facing upon any navigable
water in front of their lands, and in front of or along any highway or
public lands of said municipality, and to designate the materials to
be used, and the type, height and dimensions thereof;

Life guard. 27. Establish, maintain, regulate and control a
lifeguard upon any beach within or bordering on the municipality;

Appropriation for life-saving apparatus. 28. Appropriate
moneys to safeguard people from drowning within its borders, by
location of apparatus or conduct of educational work in harmony
with the plans of the United States volunteer life-saving corps in
this State;

Fences. 29. Regulate the size, height and dimensions of any
fences between the lands of adjoining owners, whether built or
erected as division or partition fences between such lands, and
whether the same exist or be erected entirely or only partly upon the
lands of any such adjoining owners, or along or immediately
adjacent to any division or partition line of such lands. To provide,
in such ordinance, the manner of securing, fastening or shoring such
fences, and for surveying the land when required by statute, and to
prohibit in any such ordinance the use at a height of under 10 feet
from the ground, of any device, such as wire or cable, that would be
dangerous to pedestrians, equestrians, bicyclists, or drivers of off-
the-road vehicles, unless that device is clearly visible to pedestrians,
equestrians, bicyclists or drivers of off-the-road vehicles. In the
case of fences thereafter erected contrary to the provisions thereof,
the governing body may provide for a penalty for the violation of
such ordinance, and in the case of such fence or fences erected or
existing at the time of the passage of any such ordinance, may
provide therein for the removal, change or alteration thereof, so as
to make such fence or fences comply with the provisions of any
such ordinance;

Advertise municipality. 30. Appropriate funds for advertising
the advantages of the municipality;

Government Energy Aggregation Programs. 31. Establish
programs and procedures pursuant to which the municipality may
act as a government aggregator pursuant to sections 40 through 43
of P.L.1999, c.23 (C.48:3-89 through C.48:3-92), section 45 of
P.L.1999, c.23 (C.48:3-94), and sections 1, 2 and 6 of P.L.2003,
c.24 (C.48:3-93.1 through C.48:3-93.3). Notwithstanding the
provisions of any other law, rule or regulation to the contrary, a
municipality acting as a government aggregator pursuant to
P.L.1999, c.23 (C.48:3-49 et al.) shall not be deemed to be a public
utility pursuant to R.S.40:62-24 or R.S.48:1-1 et seq. or be deemed
to be operating any form of public utility service pursuant to
R.S.40:62-1 et seq., to the extent such municipality is solely
engaged in the provision of such aggregation service and not
otherwise owning or operating any plant or facility for the
production or distribution of gas, electricity, steam or other product
as provided in R.S.40:62-12;
Joint municipal action on consent for the provision of cable television service. 32. Establish programs and procedures pursuant to which a municipality may act together with one or more municipalities in granting municipal consent for the provision of cable television service pursuant to the provisions of the "Cable Television Act," P.L.1972, c.186 (C.48:5A-1 et seq.) as amended and supplemented. Notwithstanding the provisions of any other law, rule or regulation to the contrary, two or more municipalities acting jointly pursuant to the provisions of P.L.1972, c.186 (C.48:5A-1 et seq.) shall not be deemed a public utility pursuant to R.S.48:1-1 et seq., to the extent those municipalities are solely engaged in granting municipal consent jointly and are not otherwise owning or operating any facility for the provision of cable television service as provided in P.L.1972, c.186 (C.48:5A-1 et seq.);

Private cable television service aggregation programs. 33. Establish programs and procedures pursuant to which a municipality may employ the services of a private aggregator for the purpose of facilitating the joint action of two or more municipalities in granting municipal consent for the provision of cable television service provided that any such municipality shall adhere to the provisions of the "Cable Television Act," P.L.1972, c.186 (C.48:5A-1 et seq.) as amended and supplemented, and to the provisions of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.) as amended and supplemented. Notwithstanding the provisions of any other law, rule or regulation to the contrary, a municipality that employs the services of a private aggregator pursuant to the provisions of P.L.1972, c.186 (C.48:5A-1 et seq.) shall not be deemed a public utility pursuant to R.S.48:1-1 et seq., to the extent that the municipality is solely engaged in employing the services of a private aggregator for the purpose of facilitating the joint action of two or more municipalities in granting municipal consent and is not otherwise owning or operating any facility for the provision of cable television service as provided in P.L.1972, c.186 (C.48:5A-1 et seq.);

Protective Custody. 34. Provide protective custody to persons arrested for operating a motor vehicle under the influence of alcoholic beverages, cannabis items as defined in section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill), any chemical substance, or any controlled dangerous substance in violation of R.S.39:4-50 as provided in section 1 of P.L.2003, c.164 (C.40:48:1.3);

Private Outdoor Video Surveillance Camera Registry. 35. Establish a private outdoor video surveillance camera registry and allow voluntary registration of private outdoor video surveillance cameras as provided in P.L.2015, c.142 (C.40:48:1.6 et al.).

(cf: P.L.2015, c.142, s.3)
47. (New section) A municipality may enact an ordinance making it unlawful for any person who is of legal age and consumes, other than by smoking, a cannabis item available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. 2019, c. (pending before the Legislature as this bill), in any public place as defined in section 3 of that act (pending before the Legislature as this bill), or as prohibited by the owner or person responsible for the operation of the public place, and the person may be subject to a civil penalty of up to $200, which shall be recovered in a civil action by a summary proceeding in the name of the municipality pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.). The municipal court and the Superior Court shall have jurisdiction of proceedings for the enforcement of the penalty provided by this section.

48. The title of P.L.1979, c.264 is amended to read as follows: **AN ACT** concerning certain alcoholic beverage and cannabis item offenses by persons under the legal age to purchase alcoholic beverages and cannabis items, and supplementing chapter 33 of Title 2C of the New Jersey Statutes. (cf: P.L.1979, c.264, title)

49. Section 1 of P.L.1979, c.264 (C.2C:33-15) is amended to read as follows:

1. a. (1) Any person under the legal age to purchase alcoholic beverages who knowingly possesses without legal authority or who knowingly consumes any alcoholic beverage in any school, public conveyance, public place, or place of public assembly, or motor vehicle, is guilty of a disorderly persons offense, and shall be fined not less than $500.

   (2) (a) Any person under the legal age to purchase cannabis items who knowingly possesses without legal authority any cannabis item, the amount of which may be lawfully possessed by a person of the legal age to purchase cannabis items pursuant to section 4 of P.L., c. (pending before the Legislature as this bill), in any school, public conveyance, public place, or place of public assembly, or motor vehicle, unless authorized to engage in the medical use of cannabis pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12,22 et al.), is: for a first offense, subject to a civil penalty of $100; for a second offense, subject to a civil penalty of $200; and for a third or subsequent offense, guilty of a disorderly persons offense, and shall be fined not less than $500. The civil penalties provided for in this subparagraph shall be collected pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding before the municipal court having jurisdiction. A civil penalty recovered under the provisions of this
subparagraph shall be recovered by and in the name of the State by
the local municipality. This civil penalty shall be paid into the
treasury of the municipality in which the violation occurred for the
general use of the municipality.

(b) Any person under the legal age to purchase cannabis items
who knowingly possesses without legal authority any cannabis
item, the amount of which exceeds what may be lawfully possessed
by a person of the legal age to purchase cannabis items pursuant to
section 4 of P.L. , c. (C. ) (pending before the Legislature as
this bill), or who knowingly consumes any cannabis item in any
school, public conveyance, public place, or place of public
assembly, or motor vehicle, unless authorized to engage in the
medical use of cannabis pursuant to the “Jake Honig Compassionate
Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-
1 et al.) or
P.L.2015, c.158 (C.18A:40-12,22 et al.), is guilty of a disorderly
persons offense, and shall be fined not less than $500.

b. Whenever this offense is committed in a motor vehicle, the
court shall, in addition to the sentence authorized for the offense,
suspend or postpone for six months the driving privilege of the
defendant. Upon the conviction of any person under this section,
the court shall forward a report to the New Jersey Motor Vehicle
Commission stating the first and last day of the suspension or
postponement period imposed by the court pursuant to this section.
If a person at the time of the imposition of a sentence is less than 17
years of age, the period of license postponement, including a
suspension or postponement of the privilege of operating a
motorized bicycle, shall commence on the day the sentence is
imposed and shall run for a period of six months after the person
reaches the age of 17 years.

If a person at the time of the imposition of a sentence has a valid
driver's license issued by this State, the court shall immediately
collect the license and forward it to the commission along with the
report. If for any reason the license cannot be collected, the court
shall include in the report the complete name, address, date of birth,
eye color, and sex of the person as well as the first and last date of
the license suspension period imposed by the court.

The court shall inform the person orally and in writing that if the
person is convicted of operating a motor vehicle during the period
of license suspension or postponement, the person shall be subject
to the penalties set forth in R.S.39:3-40. A person shall be required
to acknowledge receipt of the written notice in writing. Failure to
receive a written notice or failure to acknowledge in writing the
receipt of a written notice shall not be a defense to a subsequent
charge of a violation of R.S.39:3-40.

If the person convicted under this section is not a New Jersey
resident, the court shall suspend or postpone, as appropriate, the
non-resident driving privilege of the person based on the age of the
person and submit to the commission the required report. The court
shall not collect the license of a non-resident convicted under this
section. Upon receipt of a report by the court, the commission shall notify the appropriate officials in the licensing jurisdiction of the suspension or postponement.

c. In addition to the general penalty prescribed for a disorderly persons offense, the court may require any person who violates this act to participate in an alcohol or drug abuse education or treatment program, authorized by the Division of Mental Health and Addiction Services in the Department of [Human Services] Health, for a period not to exceed the maximum period of confinement prescribed by law for the offense for which the individual has been convicted.

d. Nothing in this act shall apply to possession of alcoholic beverages by any such person while actually engaged in the performance of employment pursuant to an employment permit issued by the Director of the Division of Alcoholic Beverage Control, or for a bona fide hotel or restaurant, in accordance with the provisions of R.S.33:1-26, or while actively engaged in the preparation of food while enrolled in a culinary arts or hotel management program at a county vocational school or [post secondary] post-secondary educational institution; and nothing in this section shall apply to possession of cannabis items by any such person while actually engaged in the performance of employment by a cannabis establishment as permitted pursuant to the “New Jersey Cannabis Regulatory and Expungement Modernization Act,” P.L. , c. (C. ) (pending before the Legislature as this bill).

e. The provisions of section 3 of P.L.1991, c.169 (C.33:1-81.1a) shall apply to a parent, guardian or other person with legal custody of a person under 18 years of age who is found to be in violation of this section.

f. An underage person and one or two other persons shall be immune from prosecution under this section if:

(1) one of the underage persons called 9-1-1 and reported that another underage person was in need of medical assistance due to alcohol consumption or the consumption of a cannabis item;

(2) the underage person who called 9-1-1 and, if applicable, one or two other persons acting in concert with the underage person who called 9-1-1 provided each of their names to the 9-1-1 operator;

(3) the underage person was the first person to make the 9-1-1 report; and

(4) the underage person and, if applicable, one or two other persons acting in concert with the underage person who made the 9-1-1 call remained on the scene with the person under the legal age in need of medical assistance until assistance arrived and cooperated with medical assistance and law enforcement personnel on the scene.
The underage person who received medical assistance also shall be immune from prosecution under this section.

g. For purposes of this section, an alcoholic beverage includes powdered alcohol as defined by R.S. 33:1-1, and a cannabis item includes any item available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. __, c. __ (pending before the Legislature as this bill).

(cf: P.L.2015, c.137, s.3)

50. The title of P.L.2000, c.33 is amended to read as follows:

AN ACT concerning possession and consumption of alcoholic beverages or cannabis items by underaged persons, supplementing Title 40 of the Revised Statutes and amending R.S.40:48-1.

(cf: P.L.2000, c.33, title)

51. Section 1 of P.L.2000, c.33 (C.40:48-1.2) is amended to read as follows:

1. a. A municipality may enact an ordinance making it unlawful for any person under the legal age who, without legal authority, knowingly possesses or knowingly consumes an alcoholic beverage or a cannabis item, other than by smoking, on private property, unless authorized to engage in the medical use of cannabis pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

(1) The ordinance shall provide that a violation involving alcoholic beverage activity shall be punished by a fine of $250 for a first offense and $350 for any subsequent offense.

(2) The ordinance shall provide that a violation involving cannabis activity shall be punished as follows:

(a) If the cannabis item possessed is an amount which may be lawfully possessed by a person of the legal age to purchase cannabis items pursuant to section 4 of P.L. __, c. __ (pending before the Legislature as this bill): for a first offense, a civil penalty of $100; for a second offense, a civil penalty of $200; and for a third or subsequent offense, a fine of $350. The civil penalties provided for in this subparagraph shall be collected pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding before the municipal court having jurisdiction. A penalty recovered under the provisions of this subparagraph shall be recovered by and in the name of the municipality.

(b) If the cannabis item possessed is an amount that exceeds what may be lawfully possessed by a person of the legal age to purchase cannabis items pursuant to section 4 of P.L. __, c. __ (pending before the Legislature as this bill), or if any
cannabis item is consumed: for a first offense, a fine of $250; and
for a second or subsequent offense, a fine of $350.

b. The ordinance shall provide that the court may, in addition
to the fine authorized for this offense, suspend or postpone for six
months the driving privilege of the defendant. Upon the conviction
of any person and the suspension or postponement of that person's
driver's license, the court shall forward a report to the Division of
New Jersey Motor Vehicles Vehicle Commission stating the first
and last day of the suspension or postponement period imposed by
the court pursuant to this section. If a person at the time of the
imposition of a sentence is less than 17 years of age, the period of
license postponement, including a suspension or postponement of
the privilege of operating a motorized bicycle, shall commence on
the day the sentence is imposed and shall run for a period of six
months after the person reaches the age of 17 years.

If a person at the time of the imposition of a sentence has a valid
driver's license issued by this State, the court shall immediately
collect the license and forward it to the Division commission
along with the report. If for any reason the license cannot be
collected, the court shall include in the report the complete name,
address, date of birth, eye color, and sex of the person, as well as
the first and last date of the license suspension period imposed by
the court.

The court shall inform the person orally and in writing that if the
person is convicted of operating a motor vehicle during the period
of license suspension or postponement, the person shall be subject
to the penalties set forth in R.S.39:3-40. A person shall be required
to acknowledge receipt of the written notice in writing. Failure to
receive a written notice or failure to acknowledge in writing the
receipt of a written notice shall not be a defense to a subsequent
charge of a violation of R.S.39:3-40.

If the person convicted under such an ordinance is not a New
Jersey resident, the court shall suspend or postpone, as appropriate,
the non-resident driving privilege of the person based on the age of
the person and submit to the Division commission the required
report. The court shall not collect the license of a non-resident
convicted under this section. Upon receipt of a report by the court,
the Division commission shall notify the appropriate officials in
the licensing jurisdiction of the suspension or postponement.

c. (1) No ordinance shall prohibit an underaged person from
consuming or possessing an alcoholic beverage in connection with a
religious observance, ceremony, or rite or consuming or possessing
an alcoholic beverage in the presence of and with the permission of
a parent, guardian or relative who has attained the legal age to
purchase and consume alcoholic beverages.

(2) As used in this section:
“Alcoholic beverage” includes powdered alcohol as defined by
R.S.33:1-1.
“Guardian” means a person who has qualified as a guardian of the underaged person pursuant to testamentary or court appointment.

“Cannabis items” includes any item available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C. ) (pending before the Legislature as this bill).

“Relative” means the underaged person's grandparent, aunt or uncle, sibling, or any other person related by blood or affinity.

d. No ordinance shall prohibit possession of alcoholic beverages by any such person while actually engaged in the performance of employment by a person who is licensed under Title 33 of the Revised Statutes, or while actively engaged in the preparation of food while enrolled in a culinary arts or hotel management program at a county vocational school or [post secondary] post-secondary educational institution, and no ordinance shall prohibit possession of cannabis items by any such person while actually engaged in the performance of employment by a cannabis establishment as permitted pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C. ) (pending before the Legislature as this bill); however, no ordinance enacted pursuant to this section shall be construed to preclude the imposition of a penalty under this section, R.S.33:1-81, or any other section of law against a person who is convicted of unlawful alcoholic beverage activity or unlawful cannabis activity on or at premises licensed for the sale of alcoholic beverages or cannabis items.

(cf: P.L.2000, c.33, s.1)

52. The title of P.L.2009, c.133 is amended to read as follows:

AN ACT concerning persons under the legal age to possess and consume alcoholic beverages or cannabis items, amending P.L.1979, c.264, and supplementing P.L.2000, c.33 (C.40:48-1.2 et al.).

(cf: P.L.2009, c.133, title)

53. Section 2 of P.L.2009, c.133 (C.40:48-1.2a) is amended to read as follows:

2. a. An underage person and one or two other persons shall be immune from prosecution under an ordinance authorized by section 1 of P.L.2000, c.33 (C.40:48-1.2) prohibiting any person under the legal age who, without legal authority, knowingly possesses or knowingly consumes an alcoholic beverage or cannabis item on private property if:

(1) one of the underage persons called 9-1-1 and reported that another underage person was in need of medical assistance due to alcohol consumption or the consumption of a cannabis item;

(2) the underage person who called 9-1-1 and, if applicable, one or two other persons acting in concert with the underage person
who called 9-1-1 provided each of their names to the 9-1-1 operator;

(3) the underage person was the first person to make the 9-1-1 report; and

(4) the underage person and, if applicable, one or two other persons acting in concert with the underage person who made the 9-1-1 call remained on the scene with the person under the legal age in need of medical assistance until assistance arrived and cooperated with medical assistance and law enforcement personnel on the scene.

b. The underage person who received medical assistance as provided in subsection a. of this section also shall be immune from prosecution under an ordinance authorized by section 1 of P.L.2000, c.33 (C.40:48-1.2).

(cf: P.L.2009, c.133, s.2)

54. Section 1 of P.L.1983, c.565 (C.2C:21-2.1) is amended to read as follows:

1. a. A person who knowingly sells, offers or exposes for sale, or otherwise transfers, or possesses with the intent to sell, offer or expose for sale, or otherwise transfer, a document, printed form or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency and which could be used as a means of verifying a person's identity or age or any other personal identifying information is guilty of a crime of the second degree.

b. A person who knowingly makes, or possesses devices or materials to make, a document or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency and which could be used as a means of verifying a person's identity or age or any other personal identifying information is guilty of a crime of the second degree.

c. A person who knowingly exhibits, displays or utters a document or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency and which could be used as a means of verifying a person's identity or age or any other personal identifying information is guilty of a crime of the third degree. A violation of N.J.S.2C:28-7, constituting a disorderly persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15), R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case where the person uses the personal identifying information of another to illegally purchase an alcoholic beverage or for using the personal identifying information of another to misrepresent his age for the purpose of obtaining tobacco or other consumer product denied to persons under [18] 21 years of age shall not, except as otherwise set forth in this subsection, constitute an offense under this subsection if the actor received only that benefit or service and did not perpetrate or attempt to perpetrate any additional injury or fraud on another. If
the personal identifying information of another is used to illegally obtain any cannabis item available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill), the person shall be subject to a civil penalty of $50. The civil penalty provided for in this subsection shall be collected pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding before the municipal court having jurisdiction. A civil penalty recovered under the provisions of this subsection shall be recovered by and in the name of the State by the local municipality. The penalty shall be paid into the treasury of the municipality in which the violation occurred for the general use of the municipality.

d. A person who knowingly possesses a document or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency and which could be used as a means of verifying a person's identity or age or any other personal identifying information is guilty of a crime of the fourth degree. A violation of N.J.S.2C:28-7, constituting a disorderly persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15), R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case where the person uses the personal identifying information of another to illegally purchase an alcoholic beverage or for using the personal identifying information of another to misrepresent his age for the purpose of obtaining tobacco or other consumer product denied to persons under years of age shall not, except as otherwise set forth in this subsection, constitute an offense under this subsection if the actor received only that benefit or service and did not perpetrate or attempt to perpetrate any additional injury or fraud on another. If the personal identifying information of another is used to obtain any cannabis item available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill), the person shall be subject to a civil penalty of $50. The penalty provided for in this subsection shall be collected pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding before the municipal court having jurisdiction. A penalty recovered under the provisions of this subsection shall be recovered by and in the name of the State by the local municipality. The penalty shall be paid into the treasury of the municipality in which the violation occurred for the general use of the municipality.

e. In addition to any other disposition authorized by this Title, the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43), or any other statute indicating the dispositions that may be ordered for an adjudication of delinquency, and, notwithstanding the provisions of subsection c. of N.J.S.2C:43-2, every person convicted of or adjudicated delinquent or penalized for a violation of any offense
defined in this section shall forthwith forfeit his right to operate a
motor vehicle over the highways of this State for a period to be
fixed by the court at not less than six months or more than two
years which shall commence on the day the sentence is imposed. In
the case of any person who at the time of the imposition of the
sentence is less than 17 years of age, the period of the suspension of
driving privileges authorized herein, including a suspension of the
privilege of operating a motorized bicycle, shall commence on the
day the sentence is imposed and shall run for a period as fixed by
the court of not less than six months or more than two years after
the day the person reaches the age of 17 years. If the driving
privilege of any person is under revocation, suspension, or
postponement for a violation of any provision of this Title or Title
39 of the Revised Statutes at the time of any conviction or
adjudication of delinquency for a violation of any offense defined in
this chapter or chapter 36 of this Title, the revocation, suspension,
or postponement period imposed herein shall commence as of the
date of termination of the existing revocation, suspension or
postponement.

The court before whom any person is convicted of, or
adjudicated delinquent or penalized for a violation of any offense
defined in this section shall collect forthwith the New Jersey
driver's license or licenses of that person and forward the license or
licenses to the Chief Administrator of the New Jersey Motor
Vehicle Commission along with a report indicating the first and last
day of the suspension or postponement period imposed by the court
pursuant to this section. If the court is for any reason unable to
collect the license or licenses of the person, the court shall cause a
report of the conviction or adjudication of delinquency to be filed
with the director. The report shall include the complete name,
address, date of birth, eye color and sex of the person and shall
indicate the first and last day of the suspension or postponement
period imposed by the court pursuant to this section. The court
shall inform the person orally and in writing that if the person is
convicted of personally operating a motor vehicle during the period
of license suspension or postponement imposed pursuant to this
section, the person shall, upon conviction, be subject to the
penalties set forth in R.S.39:3-40. A person shall be required to
acknowledge receipt of the written notice in writing. Failure to
receive a written notice or failure to acknowledge in writing the
receipt of a written notice shall not be a defense to a subsequent
charge of a violation of R.S.39:3-40. If the person is the holder of a
driver's license from another jurisdiction, the court shall not collect
the license, but shall notify forthwith the director who shall notify
the appropriate officials in that licensing jurisdiction. The court
shall, however, in accordance with the provisions of this section,
revoke the person's non-resident driving privileges in this State.

In addition to any other condition imposed, a court, in its
discretion, may suspend, revoke or postpone the driving privileges
of a person admitted to supervisory treatment under N.J.S.2C:36A-1
or N.J.S.2C:43-12 without a plea of guilty or finding of guilt.
(cf: P.L.2005, c.224, s.1)

55. N.J.S.2C:21-17 is amended to read as follows:

2C:21-17. Impersonation; Theft of identity; crime.

a. A person is guilty of a crime if the person engages in one or
more of the following actions by any means including, but not
limited to, the use of electronic communications or an Internet
website:

(1) Impersonates another or assumes a false identity and does an
act in such assumed character or false identity for the purpose of
obtaining a benefit for himself or another or to injure or defraud
another;

(2) Pretends to be a representative of some person or
organization and does an act in such pretended capacity for the
purpose of obtaining a benefit for himself or another or to injure or
defraud another;

(3) Impersonates another, assumes a false identity or makes a
false or misleading statement regarding the identity of any person,
in an oral or written application for services, for the purpose of
obtaining services;

(4) Obtains any personal identifying information pertaining to
another person and uses that information, or assists another person
in using the information, in order to assume the identity of or
represent himself as another person, without that person's
authorization and with the purpose of fraudulently obtain or attempt
to obtain a benefit or services, or avoid the payment of debt or other
legal obligation or avoid prosecution for a crime by using the name
of the other person; or

(5) Impersonates another, assumes a false identity or makes a
false or misleading statement, in the course of making an oral or
written application for services, with the purpose of avoiding
payment for prior services. Purpose to avoid payment for prior
services may be presumed upon proof that the person has not made
full payment for prior services and has impersonated another,
assumed a false identity or made a false or misleading statement
regarding the identity of any person in the course of making oral or
written application for services.

As used in this section:

"Benefit" means, but is not limited to, any property, any
pecuniary amount, any services, any pecuniary amount sought to be
avoided or any injury or harm perpetrated on another where there is
no pecuniary value.


c. A person who violates subsection a. of this section is guilty
of a crime as follows:

(1) If the actor obtains a benefit or deprives another of a benefit
in an amount less than $500 and the offense involves the identity of
one victim, the actor shall be guilty of a crime of the fourth degree 
except that a second or subsequent conviction for such an offense 
constitutes a crime of the third degree; or 

(2) If the actor obtains a benefit or deprives another of a benefit 
in an amount of at least $500 but less than $75,000, or the offense 
involves the identity of at least two but less than five victims, the 
actor shall be guilty of a crime of the third degree; or 

(3) If the actor obtains a benefit or deprives another of a benefit 
in the amount of $75,000 or more, or the offense involves the 
identity of five or more victims, the actor shall be guilty of a crime 
of the second degree.

d. A violation of N.J.S.2C:28-7, constituting a disorderly 
persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15), 
R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case 
where the person uses the personal identifying information of 
another to illegally purchase an alcoholic beverage or for using the 
personal identifying information of another to misrepresent his age 
for the purpose of obtaining tobacco or other consumer product 
denied to persons under [19] 21 years of age shall not, except as 
otherwise set forth in this subsection, constitute an offense under 
this section if the actor received only that benefit or service and did 
not perpetrate or attempt to perpetrate any additional injury or fraud 
on another. If the personal identifying information of another is 
used to obtain any cannabis item available for lawful consumption 
pursuant to the “New Jersey Cannabis Regulatory and Expungement 
Aid Modernization Act,” P.L. . c. (C. ) (pending before the 
Legislature as this bill), the person shall be subject to a civil penalty 
of $50. The civil penalty provided for in this subsection shall be 
collected pursuant to the “Penalty Enforcement Law of 1999,” 
P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding 
before the municipal court having jurisdiction. A civil penalty 
recovered under the provisions of this subsection shall be recovered 
by and in the name of the State by the local municipality. The 
penalty shall be paid into the treasury of the municipality in which 
the violation occurred for the general use of the municipality.

e. The sentencing court shall issue such orders as are necessary 
to correct any public record or government document that contains 
false information as a result of a theft of identity. The sentencing 
court may provide restitution to the victim in accordance with the 

(cf: P.L.2013, c.241, s.1)

56. Section 5 of P.L.2003, c.184 (C.2C:21-17.2) is amended to 
read as follows:

5. a. A person is guilty of a crime of the second degree if, in 
obtaining or attempting to obtain a driver's license, birth certificate 
or other document issued by a governmental agency which could be 
used as a means of verifying a person's identity, age or any other 
personal identifying information, that person knowingly exhibits,
displays or utters a document or other writing which falsely
purports to be a driver’s license, birth certificate or other document
issued by a governmental agency or which belongs or pertains to a
person other than the person who possesses the document.

b. Notwithstanding the provisions of N.J.S.2C:1-8 or any other
law, a conviction under this section shall not merge with a
conviction of any other criminal offense, nor shall such other
conviction merge with a conviction under this section, and the court
shall impose separate sentences upon each violation of this section
and any other criminal offense.

c. A violation of N.J.S.2C:28-7, constituting a disorderly
persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15),
R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case
where the person uses the personal identifying information of
another to illegally purchase an alcoholic beverage or for using the
personal identifying information of another to misrepresent his age
for the purpose of obtaining tobacco or other consumer product
denied to persons under [18] 21 years of age shall not, except as
otherwise set forth in this subsection, constitute an offense under
this section if the actor received only that benefit or service and did
not perpetrate or attempt to perpetrate any additional injury or fraud
on another. If the personal identifying information of another is
used to obtain any cannabis item available for lawful consumption
pursuant to the “New Jersey Cannabis Regulatory and Expungement
Aid Modernization Act,” P.L. . , c. (C. ) (pending before the
Legislature as this bill), the person shall be subject to a civil penalty
of $50. The civil penalty provided for in this subsection shall be
collected pursuant to the “Penalty Enforcement Law of 1999,”
P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding
before the municipal court having jurisdiction. A civil penalty
recovered under the provisions of this subsection shall be recovered
by and in the name of the State by the local municipality. The
penalty shall be paid into the treasury of the municipality in which
the violation occurred for the general use of the municipality.
(cf: P.L.2005, c.224, s.4)

57. The title of P.L.1968, c.313 is amended to read as follows:
AN ACT relating to the establishing of proof of age for purposes of
purchasing alcoholic beverages or cannabis items in certain
cases. (cf: P.L.1968, c.313, title)

58. Section 6 of P.L.1968, c.313 (C.33:1-81.7) is amended to
read as follows:
6. It shall be unlawful for the owner of an identification card,
as defined by this act, to transfer said card to any other person for
the purpose of aiding such person to secure alcoholic beverages or
cannabis items available for lawful consumption pursuant to the
“New Jersey Cannabis Regulatory and Expungement Aid
Modernization Act.” P.L.    , c.   (C.        ) (pending before the
Legislature as this bill). Any person who shall transfer such
identification card for the purpose of aiding such transferee to
obtain alcoholic beverages shall be guilty of a misdemeanor
disorderly persons offense and, upon conviction thereof, shall be
sentenced to pay a fine of not more than $300.00, or undergo
imprisonment for not more than 60 days. Any person not entitled
thereto who shall have unlawfully procured or have issued or
transferred to him, as aforesaid, identification card or any person
who shall make any false statement on any card required by
subsection (c) hereof to be signed by him shall be guilty of a
misdemeanor disorderly persons offense and, upon conviction
thereof, shall be sentenced to pay a fine of not more than $300.00,
or undergo imprisonment for not more than 60 days.
(cf: P.L.1968, c.313, s.6)

59. The title of P.L.1991, c.169 is amended to read as follows:
AN ACT concerning the retail sale of alcoholic beverages or
cannabis items, amending R.S.33:1-81 and P.L.1979, c.264 and
supplementing chapter 1 of Title 33 of the Revised Statutes.
(cf: P.L.1991, c.169, title)

60. Section 3 of P.L.1991, c.169 (C.33:1-81.1a) is amended to
read as follows:
3. A parent, guardian or other person having legal custody of a
person under 18 years of age found in violation of R.S.33:1-81 or
section 1 of P.L.1979, c.264 (C.2C:33-15) with respect to
purchasing, possessing, or consuming any alcoholic beverage or
cannabis item available for lawful consumption pursuant to the
“New Jersey Cannabis Regulatory and Expungement Aid
Modernization Act.” P.L.    , c.   (C.        ) (pending before the
Legislature as this bill) shall be notified of the violation in writing.
The parent, guardian or other person having legal custody of a
person under 18 years of age shall be subject to a fine in the amount
of $500.00 upon any subsequent violation of R.S.33:1-81 or section
1 of P.L.1979, c.264 (C.2C:33-15) on the part of such person if it is
shown that the parent, guardian or other person having legal
custody failed or neglected to exercise reasonable supervision or
control over the conduct of the person under 18 years of age.
(cf: P.L.1991, c.169, s.3)

61. Section 2 of P.L.1970, c.226 (C.24:21-2) is amended to read
as follows:
2. As used in this act:
"Administer" means the direct application of a controlled
dangerous substance, whether by injection, inhalation, ingestion, or
any other means, to the body of a patient or research subject by: (1)
a practitioner (or, in the practitioner's presence, by the practitioner's
lawfully authorized agent), or (2) the patient or research subject at
the lawful direction and in the presence of the practitioner.

"Agent" means an authorized person who acts on behalf of or at
the direction of a manufacturer, distributor, or dispenser but does
not include a common or contract carrier, public warehouseman, or
employee thereof.

"Commissioner" means the Commissioner of Health.

"Controlled dangerous substance" means a drug, substance, or
immediate precursor in Schedules I through V of article 2 of
P.L.1970, c.226 (C.24:21-1 et seq.). The term shall not include
distilled spirits, wine, malt beverages, as those terms are defined or
used in R.S.33:1-1 et seq., or tobacco and tobacco products.

"Counterfeit substance" means a controlled dangerous substance
which, or the container or labeling of which, without authorization,
bears the trademark, trade name, or other identifying mark, imprint,
number or device, or any likeness thereof, of a manufacturer,
distributor, or dispenser other than the person or persons who in fact
manufactured, distributed, or dispensed such substance and which
thereby falsely purports or is represented to be the product of, or to
have been distributed by, such other manufacturer, distributor, or
dispenser.

"Deliver" or "delivery" means the actual, constructive, or
attempted transfer from one person to another of a controlled
dangerous substance, whether or not there is an agency relationship.

"Director" means the Director of the Division of Consumer
Affairs in the Department of Law and Public Safety.

"Dispense" means to deliver a controlled dangerous substance to
an ultimate user or research subject by or pursuant to the lawful
order of a practitioner, including the prescribing, administering,
packaging, labeling, or compounding necessary to prepare the
substance for that delivery.

"Dispenser" means a practitioner who dispenses.

"Distribute" means to deliver other than by administering or
dispensing a controlled dangerous substance.

"Distributor" means a person who distributes.

"Division" means the Division of Consumer Affairs in the
Department of Law and Public Safety.

"Drug Enforcement Administration" means the Drug
Enforcement Administration in the United States Department of
Justice.

"Drugs" means (a) substances recognized in the official United
States Pharmacopoeia, official Homeopathic Pharmacopoeia of the
United States, or official National Formulary, or any supplement to
any of them; and (b) substances intended for use in the diagnosis,
cure, mitigation, treatment, or prevention of disease in man or other
animals; and (c) substances (other than food) intended to affect the
structure or any function of the body of man or other animals; and
(d) substances intended for use as a component of any article
specified in subsections (a), (b), and (c) of this section; but does not include devices or their components, parts or accessories.

"Hashish" means the resin extracted from any part of the plant \textit{Genus Cannabis L.} and any compound, manufacture, salt, derivative, mixture, or preparation of such resin. "Hashish" does not include cannabis resin as defined in section 3 of P.L. , c. (pending before the Legislature as this bill) which is extracted in accordance with the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (pending before the Legislature as this bill), for use in a cannabis item as defined in that section.

"Marihuana" means all parts of the plant \textit{Genus Cannabis L.}, whether growing or not; the seeds thereof; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds, except those containing resin extracted from the plant; but shall not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

"Marihuana" does not include cannabis as defined in section 3 of P.L. , c. (pending before the Legislature as this bill) which is cultivated and processed in accordance with the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (pending before the Legislature as this bill), for use in a cannabis item as defined in that section.

"Manufacture" means the production, preparation, propagation, compounding, conversion, or processing of a controlled dangerous substance, either directly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container, except that this term does not include the preparation or compounding of a controlled dangerous substance by an individual for the individual's own use or the preparation, compounding, packaging, or labeling of a controlled dangerous substance: (1) by a practitioner as an incident to the practitioner's administering or dispensing of a controlled dangerous substance in the course of the practitioner's professional practice, or (2) by a practitioner (or under the practitioner's supervision) for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale.

"Narcotic drug" means any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:

(a) Opium, coca leaves, and opiates;
(b) A compound, manufacture, salt, derivative, or preparation of opium, coca leaves, or opiates;
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(c) A substance (and any compound, manufacture, salt, derivative, or preparation thereof) which is chemically identical with any of the substances referred to in subsections (a) and (b), except that the words "narcotic drug" as used in this act shall not include deccocainized coca leaves or extracts of coca leaves, which extracts do not contain cocaine or ecgonine.

"Official written order" means an order written on a form provided for that purpose by the Attorney General of the United States or his delegate, under any laws of the United States making provisions therefor, if such order forms are authorized and required by the federal law, and if no such form is provided, then on an official form provided for that purpose by the division. If authorized by the Attorney General of the United States or the division, the term shall also include an order transmitted by electronic means.

"Opiate" means any dangerous substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having such addiction-forming or addiction-sustaining liability. It does not include, unless specifically designated as controlled under section 3 of this act, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). It does include its racemic and levorotatory forms.

"Opium poppy" means the plant of the species Papaver somniferum L., except the seeds thereof.

"Person" means any corporation, association, partnership, trust, other institution or entity, or one or more individuals.

"Pharmacist" means a registered pharmacist of this State.

"Pharmacy owner" means the owner of a store or other place of business where controlled dangerous substances are compounded or dispensed by a registered pharmacist; but nothing in this chapter contained shall be construed as conferring on a person who is not registered or licensed as a pharmacist any authority, right, or privilege that is not granted to the person by the pharmacy laws of this State.

"Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

"Practitioner" means a physician, dentist, veterinarian, scientific investigator, laboratory, pharmacy, hospital, or other person licensed, registered, or otherwise permitted to distribute, dispense, conduct research with respect to, or administer a controlled dangerous substance in the course of professional practice or research in this State.

(a) "Physician" means a physician authorized by law to practice medicine in this or any other state.

(b) "Veterinarian" means a veterinarian authorized by law to practice veterinary medicine in this State.

(c) "Dentist" means a dentist authorized by law to practice dentistry in this State.
(d) "Hospital" means any federal institution, or any institution for the care and treatment of the sick and injured, operated or approved by the appropriate State department as proper to be entrusted with the custody and professional use of controlled dangerous substances.

(e) "Laboratory" means a laboratory to be entrusted with the custody of narcotic drugs and the use of controlled dangerous substances for scientific, experimental, and medical purposes and for purposes of instruction approved by the Department of Health.

"Production" includes the manufacture, planting, cultivation, growing, or harvesting of a controlled dangerous substance.

"Immediate precursor" means a substance which the division has found to be and by regulation designates as being the principal compound commonly used or produced primarily for use, and which is an immediate chemical intermediary used or likely to be used in the manufacture of a controlled dangerous substance, the control of which is necessary to prevent, curtail, or limit such manufacture.

"Substance use disorder involving drugs" means taking or using a drug or controlled dangerous substance, as defined in this chapter, in association with a state of psychic or physical dependence, or both, arising from the use of that drug or controlled dangerous substance on a continuous basis. A substance use disorder is characterized by behavioral and other responses, including, but not limited to, a strong compulsion to take the substance on a recurring basis in order to experience its psychic effects, or to avoid the discomfort of its absence.

"Ultimate user" means a person who lawfully possesses a controlled dangerous substance for the person's own use or for the use of a member of the person's household or for administration to an animal owned by the person or by a member of the person's household.

(cf: P.L.2017, c.131, s.65)

62. R.S.24:5-18 is amended to read as follows:

24:5-18. For the purposes of this subtitle a drug or device shall also be deemed to be misbranded:

a. If its labeling is false or misleading in any particular.

b. If in package form unless it bears a label containing the name and place of business of the manufacturer, packer, or distributor.

c. If any word, statement or other information required by or under authority of this subtitle to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements or designs in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.
d. If it is for use by man and contains any quantity of the
narcotic or hypnotic substance alpha-eucaine, barbituric acid, beta-
eucaine, bromal, cannabis other than as defined in section 3 of
P.L. . . c. (C. ) (pending before the Legislature as this bill),
carbromal, chloral, coca, cocaine, codeine, heroin, marihuana,
morphine, opium, paraldehyde, peyote, or sulphonmethane; or any
chemical derivative of such substance, which derivative has been by
the Department of Health of the State of New Jersey after
investigation found to be, and by regulations under this subtitle
designated as, habit forming; unless its label bears the name and
quantity or proportion of such substance, or derivative and in
juxtaposition therewith, the statement "Warning--May be habit
forming."

e. If it is a drug and is not designated solely by a name
recognized in an official compendium, unless its label bears (1) the
common or usual name of the drug, if such there be; and (2) in case
it is fabricated from 2 or more ingredients, the common or usual
name of each active ingredient, including the kind and quantity or
proportion of any alcohol, and also including, whether active or not,
the name and quantity or proportion of any bromides, ether,
chloroform, acetalanilid, acetphanetidin, antipyrine, atropine,
hycosine, hyoscyamine, arsenic, digitalis, digitalis
gluscoides, mercury, ouabain, strophanthin, strychnine, thyroid, or
any derivative or preparation of any such substances, contained
therein; provided, that to the extent that compliance with the
requirements of clause (2) of this paragraph is impracticable,
exemptions may be established by regulations promulgated by the
State department.

f. Unless its labeling bears (1) adequate directions for use; and
(2) such adequate warnings against use in those pathological
conditions or by children where its use may be dangerous to health,
or against unsafe dosage or methods or duration of administration
or application, in such manner and form, as are necessary for the
protection of users; provided, that where any requirement of clause
(1) of this paragraph, as applied to any drug or device, is not
necessary for the protection of the public health, the Department of
Health of the State of New Jersey may promulgate regulations
exempting such drug or device from such requirement.

g. If it purports to be a drug the name of which is recognized in
an official compendium, unless it is packaged and labeled as
prescribed therein; provided, that the method of packing may be
modified with the consent of the State department. Whenever a
drug is recognized in both the United States Pharmacopoeia and the
Homeopathic Pharmacopoeia of the United States it shall be subject
to the requirements of the United States Pharmacopoeia unless it is
labeled and offered for sale as a homeopathic drug, in which case it
shall be subject to the provisions of the Homeopathic
Pharmacopoeia of the United States and not to those of the United
States Pharmacopoeia.
h. If it has been found by the Department of Health of the State of New Jersey to be a drug liable to deterioration, unless it is packaged in such form and manner, and its label bears a statement of such precautions, as the Department of Health of the State of New Jersey may by regulations require as necessary for the protection of the public health. No such regulation shall be established for any drug recognized in an official compendium until the State department shall have informed the appropriate body charged with the revision of such compendium of the need for such packaging or labeling requirements and such body shall have failed within a reasonable time to prescribe such requirements.

i. (1) If it is a drug and its container is so made, formed or filled as to be misleading; or (2) if it is an imitation of another drug; or (3) if it is offered for sale under the name of another drug.

j. If it is dangerous to health when used in the dosage, or with the frequency or duration prescribed, recommended, or suggested in the labeling thereof.

k. If it is a depressant or stimulant drug as defined pursuant to law and not in the possession or control of a person specified by law as entitled to possession or control of such depressant or stimulant drug. Any depressant or stimulant drug misbranded under the preceding sentence shall be deemed dangerous or fraudulent for purposes of marking and detaining under the provisions of section 24:4-12 of this Title.

(cf: P.L.1966, c.314, s.8)

63. (New section) Consumer Protections.

a. Individuals and licensed cannabis establishments shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including but not limited to civil liability or disciplinary action by a business, occupational, or professional licensing board or bureau, solely for conduct permitted under P.L. , c. (C.) (pending before the Legislature as this bill).

b. The presence of cannabinoid metabolites in the bodily fluids of a person engaged in conduct permitted under P.L. , c. (C.) (pending before the Legislature as this bill) by the following:

(1) a student, employee, or tenant, shall not form the basis for refusal to enroll or employ or lease to or otherwise penalize that person, unless failing to do so would put the school, employer, or landlord in violation of federal law or cause it to lose a federal contract or funding; and

(2) a patient shall not constitute the use of an illicit substance resulting in denial of medical care, including organ transplant, and a patient’s use of cannabis items may only be considered with respect to evidence-based clinical criteria;

(3) a parent or legal guardian of a child or newborn infant, or a pregnant woman shall not form the sole or primary basis for any action or proceeding by the Division of Child Protection and Permanency, or any successor agencies.
64. (New section) a. Law enforcement agencies in this State shall not cooperate with or provide assistance to the government of the United States or any agency thereof in enforcing the “Controlled Substances Act,” 21 U.S.C. 801 et seq., solely for actions consistent with P.L. , c. (C. ) (pending before the Legislature as this bill), except pursuant to a valid court order.

b. No agency or subdivision of an agency of this State may refuse to perform any duty under P.L. , c. (pending before the Legislature as this bill) on the basis that manufacturing, distributing, dispensing, possessing, or using any cannabis item or marijuana is prohibited by federal law.

c. The commission may not revoke or refuse to issue or renew a license pursuant to section 22, 24, 25, or 26 of P.L. , c. (pending before the Legislature as this bill) on the basis that manufacturing, distributing, dispensing, possessing, or using any cannabis item or marijuana is prohibited by federal law.

65. (New section) Contract Enforceability.

No contract shall be unenforceable on the basis that manufacturing, distributing, dispensing, possessing, or using any cannabis item or marijuana is prohibited by federal law. No contract entered into by a licensee, its employees, or its agents as permitted pursuant to a valid license issued by the commission, or by those who allow property to be used by a licensee, its employees, or its agents as permitted pursuant to a valid license issued by the commission, shall be deemed unenforceable on the basis that the actions or conduct permitted pursuant to the license are prohibited by federal law.

66. (New section) Criminal Investigation.

a. None of the following shall, individually or in combination, constitute reasonable articulable suspicion of a crime:

(1) The odor of cannabis or burnt cannabis;

(2) The possession of or the suspicion of possession of marijuana or hashish without evidence of quantity in excess of any amount that would exceed the amount of cannabis or cannabis resin which may be lawfully possessed pursuant to section 4 of P.L., c. (pending before the Legislature as this bill), as the possession of that amount is presumed, pursuant to paragraph (4) of subsection a. of N.J.S.2C:35-10, to be the lawful possession of cannabis or cannabis resin in accordance with the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L., c. (pending before the Legislature as this bill); or

(3) The possession of marijuana or hashish without evidence of quantity in excess of any amount that would exceed the amount of cannabis or cannabis resin which may be lawfully possessed pursuant to section 4 of P.L., c. (pending before the Legislature as this bill), in proximity to any amount of cash or currency, as the possession of that amount is presumed, pursuant to
paragraph (4) of subsection a. of N.J.S.2C:35-10, to be the lawful
possession of cannabis or cannabis resin in accordance with the
“New Jersey Cannabis Regulatory and Expungement Aid
Modernization Act,” P.L. , c. (C. ) (pending before the
Legislature as this bill).

b. Subsection a. of this section shall not apply when a law
enforcement officer is investigating whether a person is driving
under the influence of a cannabis item or marijuana or driving while
impaired by a cannabis item or marijuana in violation of R.S.39:4-
50, or section 5 of P.L.1990, c.103 (C.39:3-10.13) concerning
operators of commercial motor vehicles.

67. Section 2 of P.L.1981, c.512 (C.39:4-50.4a) is amended to
read as follows:

2. a. Except as provided in subsection b. of this section, the
municipal court shall revoke the right to operate a motor vehicle of
any operator who, after being arrested for a violation of R.S.39:4-50
or section 1 of P.L.1992, c.189 (C.39:4-50.14), shall refuse to
submit to a test provided for in section 2 of P.L.1966, c.142
(C.39:4-50.4) when requested to do so, for not less than seven
months or more than one year unless the refusal was in connection
with a second offense under this section, in which case the
revocation period shall be for two years or unless the refusal was in
connection with a third or subsequent offense under this section in
which case the revocation shall be for ten years. A conviction or
administrative determination of a violation of a law of a
substantially similar nature in another jurisdiction, regardless of
whether that jurisdiction is a signatory to the Interstate Driver
License Compact pursuant to P.L.1966, c.73 (C.39:5D-1 et seq.),
shall constitute a prior conviction under this section.

The municipal court shall determine by a preponderance of the
evidence whether the arresting officer had probable cause to believe
that the person had been driving or was in actual physical control of
a motor vehicle on the public highways or quasi-public areas of this
State while the person was under the influence of intoxicating
liquor or a narcotic, hallucinogenic, or habit-producing drug or
cannabis item as defined in section 3 of P.L. , c. (C. )
(pending before the Legislature as this bill) or marijuana; whether
the person was placed under arrest, if appropriate, and whether he
refused to submit to the test upon request of the officer; and if these
elements of the violation are not established, no conviction shall
issue. In addition to any other requirements provided by law, a
person whose operator's license is revoked for refusing to submit to
a test shall be referred to an Intoxicated Driver Resource Center
established by subsection (f) of R.S.39:4-50 and shall satisfy the
same requirements of the center for refusal to submit to a test as
provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2) in
connection with a first, second, third or subsequent offense under
this section that must be satisfied by a person convicted of a
commensurate violation of this section, or be subject to the same penalties as such a person for failure to do so. For a first offense, the revocation may be concurrent with or consecutive to any revocation imposed for a conviction under the provisions of R.S.39:4-50 arising out of the same incident. For a second or subsequent offense, the revocation shall be consecutive to any revocation imposed for a conviction under the provisions of R.S.39:4-50. In addition to issuing a revocation, except as provided in subsection b. of this section, the municipal court shall fine a person convicted under this section, a fine of not less than $300 or more than $500 for a first offense; a fine of not less than $500 or more than $1,000 for a second offense; and a fine of $1,000 for a third or subsequent offense. The person also shall be required to install an ignition interlock device pursuant to the provisions of P.L.1999, c.417 (C.39:4-50.16 et al.).

b. For a first offense, the fine imposed upon the convicted person shall be not less than $600 or more than $1,000 and the period of license suspension shall be not less than one year or more than two years; for a second offense, a fine of not less than $1,000 or more than $2,000 and a license suspension for a period of four years; and for a third or subsequent offense, a fine of $2,000 and a license suspension for a period of 20 years when a violation of this section occurs while:

(1) on any school property used for school purposes which is owned by or leased to any elementary or secondary school or school board, or within 1,000 feet of such school property;

(2) driving through a school crossing as defined in R.S.39:1-1 if the municipality, by ordinance or resolution, has designated the school crossing as such; or

(3) driving through a school crossing as defined in R.S.39:1-1 knowing that juveniles are present if the municipality has not designated the school crossing as such by ordinance or resolution.

A map or true copy of a map depicting the location and boundaries of the area on or within 1,000 feet of any property used for school purposes which is owned by or leased to any elementary or secondary school or school board produced pursuant to section 1 of P.L.1987, c.101 (C.2C:35-7) may be used in a prosecution under paragraph (1) of this subsection.

It shall not be relevant to the imposition of sentence pursuant to paragraph (1) or (2) of this subsection that the defendant was unaware that the prohibited conduct took place while on or within 1,000 feet of any school property or while driving through a school crossing. Nor shall it be relevant to the imposition of sentence that no juveniles were present on the school property or crossing zone at the time of the offense or that the school was not in session.

(cf: P.L.2009, c.201, s.5)

68. Section 1 of P.L.1983, c.307 (C.39:4-51a) is amended to read as follows:
1. a. A person shall not consume an alcoholic beverage or cannabis item as defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill) while operating a motor vehicle. A passenger in a motor vehicle shall not consume an alcoholic beverage or cannabis item while the motor vehicle is being operated. This subsection shall not apply with respect to the consumption of an alcoholic beverage, to a passenger of a charter or special bus operated as defined under R.S.48:4-1 or a limousine service.

b. A person shall be presumed to have consumed an alcoholic beverage or cannabis item in violation of this section if an unsealed container or package of an alcoholic beverage or cannabis item is located in the passenger compartment of the motor vehicle, the contents of the alcoholic beverage or cannabis item have been partially consumed and the physical appearance or conduct of the operator of the motor vehicle or a passenger may be associated with the consumption of an alcoholic beverage or cannabis item. For the purposes of this section, the term "unsealed" shall mean a container or package with its original seal broken, or a container or package that is not the original container or package such as a glass [or], cup, box, bag, or wrapping.

c. For the first offense, a person convicted of violating this section shall be fined [[$200.00] $200] and shall be informed by the court of the penalties for a second or subsequent violation of this section. For a second or subsequent offense, a person convicted of violating this section shall be fined [[$250.00] $250] or shall be ordered by the court to perform community service for a period of 10 days in such form and on such terms as the court shall deem appropriate under the circumstances.

(cf: P.L.1999, c.356, s.20)

69. Section 6 of P.L.2000, c.83 (C.39:4-51b) is amended to read as follows:

6. a. All occupants of a motor vehicle located on a public highway, or the right-of-way of a public highway, shall be prohibited from possessing any open or unsealed container or package of an alcoholic beverage [container] or cannabis item as defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill). This subsection shall not apply with respect to the possession of an alcoholic beverage, to a passenger of a charter or special bus operated as defined under R.S.48:4-1 or a limousine service.

b. A person shall not be deemed to be in possession of an opened or unsealed container or package of an alcoholic beverage [container] or cannabis item pursuant to this section if such container or package is located in the trunk of a motor vehicle, behind the last upright seat in a trunkless vehicle, or in the living quarters of a motor home or house trailer. For the purposes of this
section, the term "open or unsealed" shall mean a container or package with its original seal broken, or a container or package that is not the original container or package such as a glass container, cup, box, bag, or wrapping.

c. For a first offense, a person convicted of violating this section shall be fined $200 and shall be informed by the court of the penalties for a second or subsequent violation of this section. For a second or subsequent offense, a person convicted of violating this section shall be fined $250 or shall be ordered by the court to perform community service for a period of 10 days in such form and on such terms as the court shall deem appropriate under the circumstances.

(cf: P.L.2000, c.83, s.6)

70. (New section) For two years next following the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill), the Police Training Commission in the Department of Law and Public Safety shall reimburse the expenses incurred by any county or municipality for the training costs associated with the attendance and participation of a police officer from its law enforcement unit, as those terms are defined in section 2 of P.L.1961, c.56 (C.52:17B-67), in a program provided by an approved school, also defined in that section, which trains and certifies the police officer as a Drug Recognition Expert for detecting, identifying, and apprehending drug-impaired motor vehicle operators. A municipality or county seeking reimbursement shall apply to the commission, itemizing the costs, with appropriate proofs, for which reimbursement is requested and provide a copy of the certificate issued to the police officer to indicate the officer’s successful completion of the program. If the municipality’s or county’s reimbursement request is approved, the commission shall provide the reimbursement from the “Law Enforcement Officers Training and Equipment Fund” established pursuant to section 9 of P.L.1996, c.115 (C.2C:43-3.3) or monies provided to the commission for its use pursuant to section 3 of P.L.1967, c.252 (C.52:17B-71.1).

71. (New section) Cannabis Regulatory and Expungement Aid Modernization Fund.

a. All fees and penalties collected by the commission, and all tax revenues collected by the Director of the Division of Taxation pursuant to the provisions of P.L. , c. (C. ) (pending before the Legislature as this bill) and the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:61-1 et al.), shall be deposited in a special nonlapsing fund which shall be known as the “Cannabis Regulatory and Expungement Aid Modernization Fund.”

b. Monies in the fund shall be used by the commission to oversee the development, regulation, and enforcement of activities associated with the personal use of cannabis pursuant to P.L. ,
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1. (C. ), and assume responsibility from the Department of
2. Health for the further development and expansion, regulation, and
3. enforcement of activities associated with the medical use of
4. cannabis pursuant to the “Jake Honig Compassionate Use Medical
6. c.158 (C.18A:40-12.22 et al.), as well as to defray costs, in an
7. amount determined by the Legislature in the annual appropriations act
8. or any other act, associated with the filing and review of applications
9. for persons seeking expedited expungement relief pursuant to section
10. 38 of P.L. , c. (C. ) (pending before the Legislature as this
11. bill) for being charged with, convicted of, or adjudicated delinquent
12. for offenses associated with marijuana or hashish as set forth in that
13. section, which occurred prior to the date that section and other
14. sections of the “New Jersey Cannabis Regulatory and Expungement
15. Aid Modernization Act,” P.L. , c. (C. ) (pending before the
16. Legislature as this bill) become operative, based upon the
17. commission’s adoption of the initial rules and regulations pursuant
18. to subparagraph (a) of paragraph (1) of subsection d. of section 8 of
19. that act, concerning the legal personal use cannabis marketplace,
20. and any remaining revenue shall be deposited in the State’s General
22.
23. 72. (New section) Cannabis Consumption Area.
24. a. (1) A local governmental entity may authorize, through the
25. enactment of an ordinance, the operation of locally endorsed
26. cannabis consumption areas by cannabis retailers and alternative
27. treatment centers within its jurisdiction, at which areas the on-
28. premises consumption of personal use, medical use, or both
29. personal use and medical use cannabis may occur.
30. (2) As further specified in subsection h. of this section, an
31. endorsed cannabis consumption area shall be either: (a) an indoor,
32. structurally enclosed area of a cannabis retailer or alternative
33. treatment center that is separate from the area in which retail sales
34. of cannabis items or the dispensing of medical cannabis occurs; or
35. (b) an exterior structure on the same premises as the cannabis
36. retailer or alternative treatment center, either separate from or
37. connected to the retailer or center.
38. b. (1) If a local governmental entity authorizes the operation of
39. cannabis consumption areas, it may adopt an approval requirement
40. that complies with the requirements of P.L. , c. (C. ) (pending
41. before the Legislature as this bill).
42. (2) Notwithstanding the provisions of this subsection, a local
43. governmental entity shall not allow a cannabis consumption area
44. endorsement to a cannabis retailer or alternative treatment center
45. that is within 1,000 feet of a boundary with an adjoining jurisdiction
46. that does not permit retail cannabis establishments in its boundaries.
47. c. The commission may issue a cannabis consumption area
48. endorsement only to a cannabis retailer or an alternative treatment
49. center that has a permit to dispense medical cannabis to registered
qualifying patients in accordance with the “Jake Honig
Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
(C.24:6I-1 et al.), or is also deemed to have, pursuant to section 7 of
P.L.2009, c.307 (C.24:6I-7) one or more Class 4 Cannabis Retailer
licenses, and has been issued a license by the commission following
receipt of written approval of the local governmental entity for
operation of a cannabis retailer pursuant to subparagraph (a) of
paragraph (3) of subsection a. of section 28 of P.L., c. (C. )
pending before the Legislature as this bill), or has otherwise been
issued one or more such licenses by the commission pursuant to
P.L., c. (C. ) (pending before the Legislature as this bill).

An endorsement to a cannabis retailer shall only permit the
consumption of personal use cannabis at the retailer’s consumption
area. An endorsement to an alternative treatment center shall only
permit the consumption of medical cannabis at the center’s
consumption area, unless the alternative treatment center is also
issued a Class 4 Cannabis Retail license, in which case that
alternative treatment center may permit the consumption of both
personal use and medical use cannabis at the center’s consumption
area.

d. Applications for an endorsement pursuant to this section
shall be made to the commission on forms prepared and furnished
by the commission and shall set forth such information as the
commission may require. Each application shall be verified by the
oath or affirmation of such person or persons as the commission
may prescribe. The endorsement is conditioned upon approval by a
local governmental entity. An applicant is prohibited from
operating a cannabis consumption area without State and local
approval. If the applicant does not receive approval from the local
governmental entity within one year from the date of State
approval, the State endorsement expires and may not be renewed.
If an application is denied by the local governmental entity or the
approval of the local governmental entity is revoked, the
commission shall revoke the State endorsement. Any person
aggrieved by the local denial of an endorsement application may
request a hearing in the Superior Court of the county in which the
person’s application was filed. The request for a hearing shall be
filed within 30 days of the denial of the endorsement application.
The person shall serve a copy of his request for a hearing upon the
appropriate officer for the local governmental entity that denied the
application. The hearing shall be held and a record made thereof
within 30 days of the receipt of the application for a hearing. No
formal pleading and no filing fee shall be required for the hearing.

e. (1) The commission shall deny a State endorsement if the
premises on which the applicant proposes to conduct its business
does not meet the requirements of P.L., c. (C. ) (pending
before the Legislature as this bill) or the “Jake Honig
Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
(C.24:6I-1 et al.), as applicable, or for reasons set forth in this
section. The commission may revoke or deny an endorsement renewal, or reinstatement, or an initial endorsement for good cause.

(2) For purposes of this subsection "good cause" means:
(a) the endorsed licensee or applicant has violated, does not meet, or has failed to comply with any of the terms, conditions, or provisions of this section, any rules promulgated pursuant to this section, or any supplemental local law, rules, or regulations;
(b) the endorsed licensee or applicant has failed to comply with any special terms or conditions that were placed on its endorsement pursuant to an order of the commission or local governmental entity; or
(c) the premises have been operated in a manner that adversely affects the public health or the safety of the immediate neighborhood in which the establishment is located.

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

f. The cannabis consumption area endorsement is valid for one year and may be renewed annually upon the renewal of the cannabis retail licensee’s license or the alternative treatment center’s permit or retail license. The commission shall establish by rule the amount of the application fee and renewal fee for the endorsement which shall not exceed the administrative cost for processing and reviewing the application.

g. The commission shall maintain a list of all cannabis consumption areas in the State and shall make the list available on its website.

h. A cannabis consumption area on the premises of a cannabis retailer or alternative treatment center may be indoors or outdoors, and shall be designated by conspicuous signage indicating whether it may be used for the on-premises consumption of personal use or medical use cannabis, or both.

(1) An indoor consumption area shall be a structurally enclosed area within a cannabis retailer or alternative treatment center that is separated by solid walls or windows from the area in which retail sales of cannabis or the dispensing of medical cannabis occurs, shall only be accessible through an interior door after first entering the retailer or center, and shall comply with all ventilation requirements applicable to cigar lounges, as that term is defined in section 3 of P.L.2005, c.383 (C.26:3D-57), in order to permit indoor smoking that is the equivalent of smoking tobacco not in violation of the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.). Any consumption of cannabis items or medical cannabis shall not be visible from outside the cannabis retailer or alternative treatment center.

(2) An outdoor consumption area shall be an exterior structure on the same premises as the cannabis retailer or alternative
treatment center, that is either separate from or connected to the
retailer or center and that is not required to be completely enclosed,
but shall have enough walls, fences, or other barriers to prevent any
view of persons consuming personal use cannabis items or medical
cannabis from any sidewalk or other pedestrian or non-motorist
right-of-way, as the case may be, within the consumption area, and
with respect to any consumption by smoking, the cannabis retailer
or alternative treatment center operating the outdoor consumption
area shall ensure that any smoking does not result in migration,
seepage, or recirculation of smoke to any indoor public place or
workplace, as those terms are defined in section 3 of P.L.2005,
c.383 (C.26:3D-57).

i. An endorsed cannabis retail licensee or alternative treatment
center and its employees, subject to any regulations for cannabis
consumption areas promulgated by the commission, may:

(1) permit a person to bring medical or retail cannabis, medical
or retail cannabis concentrate, a medical cannabis-infused product,
or a retail cannabis-infused product into a cannabis consumption
area; or

(2) allow distribution of free samples of medical or retail
cannabis, medical or retail cannabis concentrate, medical cannabis-
infused products, or retail cannabis-infused products in the
consumption area.

An endorsed cannabis retail licensee or alternative treatment
center and its employees shall not sell alcohol, including fermented
malt beverages or malt, vinous, or spirituous liquor, sell tobacco or
nicotine products, or allow the consumption of alcohol or tobacco
or nicotine products on premises, or operate as a retail food
establishment. An endorsed cannabis retail licensee or alternative
treatment center shall also not allow on-duty employees of the
establishment to consume any medical or retail cannabis, medical or
retail cannabis concentrate, medical cannabis-infused products, or
retail cannabis-infused products in the establishment.

j. A cannabis consumption area and its employees shall admit
into the cannabis retailer or alternative treatment center only
patrons who are at least 21 years of age, and shall require each
patron to produce a form of government-issued identification that
may be accepted, pursuant to subparagraph (a) of paragraph (6) of
subsection a. of section 16 of P.L. , c. (C. ) (pending before
the Legislature as this bill), in order to enter and be sold or served
cannabis items or medical cannabis.

k. (1) A cannabis retailer or alternative treatment center
operating a cannabis consumption area shall limit a patron to no
more than the sales limit set by the commission. A cannabis retailer
or alternative treatment center operating a cannabis consumption
area shall not engage in multiple sales transactions to the same
patron during the same business day when the establishment's
employee knows or reasonably should have known that the sales
transaction would result in the patron possessing more than the
sales limit established by the commission. A patron may leave the
consumption area with any product that he does not consume.
(2) When a patron leaves a cannabis consumption area, the
establishment shall destroy any remaining unconsumed retail
cannabis, retail cannabis concentrate, retail cannabis-infused
products, or medical cannabis that is not taken by a patron pursuant
to paragraph (1) of this subsection.
 1. A cannabis consumption area and its employees:
   (1) shall operate the establishment in a decent, orderly, and
   respectable manner and shall not serve any patron who displays any
   visible signs of intoxication;
   (2) may remove an individual from the establishment for any
   reason, including a patron who displays any visible signs of
   intoxication;
   (3) shall not knowingly permit any activity or acts of disorderly
   conduct; and
   (4) shall not permit rowdiness, undue noise, or other
   disturbances or activity offensive to the average citizen or to the
   residents of the neighborhood in which the consumption area is
   located.
  m. A cannabis consumption area and all of its employees who
   work at the endorsed premises shall successfully complete any
   responsible vendor training program established in regulation by the
   commission.
  n. A cannabis consumption area shall provide, if required by
   the commission, information regarding the safe consumption of
   cannabis at the point of sale to all patrons who make a purchase.
  o. The information required by this section shall be maintained
   on the endorsed premises for inspection by State and local
   endorsing authorities and law enforcement.
  p. If an emergency requires law enforcement, firefighters,
   emergency medical services providers, or other public safety
   personnel to enter a cannabis consumption area, employees of the
   establishment shall cease all on-site sales and prohibit on-site
   consumption until such personnel have completed their
   investigation or services and have left the premises.

73. (New section) Consuming, including by smoking, any
cannabis item available for lawful consumption pursuant to the
"New Jersey Cannabis Regulatory and Expungement Aid
Modernization Act," P.L. , c. (C. ) (pending before the
Legislature as this bill), is prohibited in any area of any building of,
on the grounds of, or in any facility owned, leased, or controlled by,
any public or private institution of higher education or a related
entity thereof, regardless of whether the area or facility is an indoor
place or is outdoors. As used in this subsection “related entity”
includes, but is not limited to, the foundation, auxiliary services
corporation, or alumni association, or any subsidiary thereof, of an
institution of higher learning. Any penalties that may be assessed
for the smoking of tobacco where prohibited under the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.), shall be applicable to the consumption of cannabis items where prohibited by this section.

74. (New section) Severability.
If any clause, sentence, paragraph, section, or part of P.L. , c. (C. ) (pending before the Legislature as this bill) shall be adjudged by any court of competent jurisdiction to be unconstitutional or otherwise invalid, that judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section, or part thereof directly involved in the controversy in which the judgment shall have been rendered.

75. This act shall take effect as follows:
a. sections 1 through 3, 7 through 17, 20, 23, 29, 32, 41, 46 and 47, 50 through 53, 61 and 62, 70, 73, and 74 shall take effect immediately;
b. sections 4 through 6, 18 and 19, 21 and 22, 24 through 28, 30 and 31, 33 through 40, 42 through 45, 48 and 49, 54 through 60, 63 through 69, 71, and 72 shall take effect immediately, but shall only become operative upon adoption of the commission’s initial rules and regulations pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 8 of P.L. , c. (C. ) (pending before the Legislature as this bill); and
c. The Attorney General, Commissioner of Health, and Commissioner of Banking and Insurance, and once constituted and organized, the Cannabis Regulatory Commission, may take such anticipatory administrative action as may be necessary to effectuate the provisions of P.L. , c. (C. ) (pending before the Legislature as this bill).

STATEMENT

This bill, titled the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” primarily concerns the development, regulation, and enforcement of activities associated with the personal use, by persons 21 years of age or older, of legal cannabis or cannabis resin (the terms provided to distinguish the legalized products from illegal marijuana or hashish). This would be accomplished through the creation of a new regulating entity, the Cannabis Regulatory Commission, to be located in but not of the Department of the Treasury. This commission would additionally assume responsibility from the Department of Health for the further development and expansion, regulation, and enforcement of activities associated with the medical use of cannabis pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,”
The bill also addresses criminal justice issues relating to the impact of the State’s prior approach to the illegal marijuana market, most notably in establishing a new expedited expungement process for persons previously charged with, convicted of, or adjudicated delinquent for any number of offenses involving (1) unlawful distribution of, or possessing with intent to distribute, small amounts of marijuana or hashish, (2) possession of small amounts of marijuana or hashish, or (3) using or possessing with intent to use drug paraphernalia for marijuana or hashish, all acts which would have been presumed lawful acts associated with cannabis or cannabis resin in accordance with the bill.

Cannabis Regulatory Commission
The commission would consist of five, full-time members. At least one member would be a State representative of a national organization or State branch of such an organization with a stated mission of studying, advocating, or adjudicating against forms of social injustice or inequality, and additionally all members would possess education, training, or experience with: legal, policy, or criminal justice issues; corporate or industry management, finance, securities, or production or distribution; medicine or pharmacology; or public health, mental health, or substance use disorders. The chair and two other members would be appointed by the Governor with the advice and consent of the Senate, the fourth member would be appointed by the Governor upon the recommendation of the Senate President, and the fifth member would be appointed by the Governor upon the recommendation of the Speaker of the General Assembly. All five would serve terms of five years (although the initial terms would include one four-year term and one three-year term in order to stagger reappointments). The chair would be provided a salary not to exceed $141,000, and the other members provided a salary not to exceed $125,000.

With respect to the personal use of cannabis (and leaving the details on the revised regulation of medical cannabis to the aforementioned Assembly Committee Substitute), the general duties, functions, and powers of the commission would include:

1. Regulating the purchase, sale, production, processing, packaging, transportation, and delivery of cannabis items – a broadly defined term which incorporates all cannabis, cannabis products, and cannabis extracts;

2. Granting, refusing, suspending, or cancelling licenses or conditional licenses for the sale, production, and processing of cannabis items. As further detailed below with respect to licensing activities, a “conditional license” is a type of license that would be issued by the commission pursuant to an abbreviated application
process, after which the conditional license holder has a limited period of time in which to become fully licensed by satisfying all of the remaining conditions for full licensure which were not required for the issuance of the conditional license;

(3) Investigating and aiding in the prosecution of violations of law relating to cannabis items;

(4) Taking regulatory actions to prohibit advertising of cannabis items in a manner that is appealing to minors, that promotes excessive use, or that promotes illegal activity; and

(5) Regulating the use of cannabis items for scientific, pharmaceutical, manufacturing, mechanical, industrial, and other purposes.

The commission would be charged with establishing a plan of organization, and employing personnel as it deemed necessary to operate under the direct supervision of a full-time executive director. The new executive director position would be filled by the Governor with the Senate’s advice and consent. Because the commission would be assuming responsibility from the Department of Health concerning the regulation of medical cannabis, the bill would permit, based on the transfer of responsibility, employees of the department who performed the duties of any position to be filled by the commission a one-time right of first refusal offer of employment. Any department employee who became employed by the commission would retain seniority, and all rights related to seniority, that the employee had with the department as of the last day of employment with the department.

One mandatory aspect to the commission’s organization plan would be the inclusion of an Office of Minority, Disabled Veterans, and Women Cannabis Business Development, operating under the supervision of a director appointed by the Governor. This office would establish and administer, under the direction of the commission, unified practices and procedures for promoting participation in the lawful operation of cannabis businesses by persons from socially and economically disadvantaged communities, including by prospective and existing minority owned and women’s owned businesses, as these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans’ businesses as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), to be licensed as personal use cannabis establishments under the bill or issued permits for activities concerning the medical use of cannabis under the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.).

These unified practices and procedures would include a business’ certification and subsequent recertification at regular intervals as a minority owned or women’s owned business, or a disabled veterans’ business, in accordance with eligibility criteria and a certification application process established by the commission in consultation with the office. The office would develop,
recommend, and implement policies, standards, and criteria designed to promote the formulation and participation in the lawful operation of cannabis businesses by persons from socially and economically disadvantaged communities. The effectiveness of these methods would be measured by whether the office’s actions resulted in not less than 30 percent of the total number of licenses issued by the commission for personal use establishments, and not less than 30 percent of all new permits issued by the commission for activities concerning the medical use of cannabis, being issued to businesses certified by the office; their effectiveness would be further assessed by considering whether the actions resulted in not less than 15 percent of licenses and permits being issued to certified minority owned businesses, and not less than 15 percent of licenses and permits being issued to certified women’s owned and disabled veterans’ businesses. The office, in support of these efforts, would conduct advertising and promotional campaigns, as well as sponsor seminars and informational programs, directed toward those persons and prospective and existing certified businesses, which would address personal use or medical cannabis business management, marketing, and other practical business matters.

Ethical and Conflicts-of-Interest Considerations for the Commission, its Employees, and Other Parties

The members of the commission and all commission employees would be subject to ethical and conflicts-of-interest restrictions, addressing activities engaged in prior to, during, and following service with the commission. For instance, a person generally could not be a member or employee of the commission if, during the period commencing three years prior to appointment or employment, the person held any direct or indirect interest in, or any employment by, a holder of or applicant for a cannabis license or permit issued pursuant to this bill or the “Jake Honig Compassionate Use Medical Cannabis Act,” unless the person’s prior interest would not, in the opinion of the commission, interfere with the person’s obligations of appointment or employment; and generally, for a period of two years commencing from the date that a member’s or employee’s service terminates, that former member or employee would not be permitted to hold any direct or indirect interest in, or any employment by, a holder of or applicant for a cannabis license or permit (this two-year post-service restriction would not apply to secretarial or clerical employees).

At the time of commencing service, each member and employee, with the exception of secretarial and clerical employees, would be required to file a financial disclosure statement with the State Ethics Commission, listing all assets and liabilities, property and business interests, and sources of income of the person, and the person’s spouse, domestic partner, or partner in a civil union couple. Additionally, commission members would have to supply the same information for each dependent child or stepchild of the member, or
of the spouse, domestic partner, or partner in a civil union couple residing in the same household as the member.

The members and employees would generally be subject to the “New Jersey Conflicts of Interest Law,” P.L.1971, c.182 (C.52:13D-12 et seq.), as well as a Code of Ethics promulgated by the commission that is modeled upon the Code of Judicial Conduct of the American Bar Association, as amended and adopted by the New Jersey Supreme Court. All members and employees would be prohibited from using any official authority to interfere with or affect the result of an election or nomination for office, coerce or advise any person to contribute anything of value to another person or organization for political purposes, or take active part in any political campaign. For the commission members, the executive director of the commission, and any other employee holding a supervisory or policy-making management position, the bill also provides a prohibition on making any political contributions as that term is defined in “The New Jersey Campaign Contributions and Expenditures Reporting Act,” P.L.1973, c.83 (C.19:44A-1 et seq.).

The “New Jersey Conflicts of Interest Law” is also amended to establish restrictions on various State officers or employees, the Governor and full-time professionals employed in the Governor’s Office, the President of the Senate and Speaker of the General Assembly, full-time members of the Judiciary, and municipal officers in which licensed or permitted cannabis entities are located. These restrictions concern not only their own activities, but the activities of their associated partnerships, firms, or corporations, and their family members in connection with either employment or another interest in, or representation of, current license or permit holders or applicants. The restrictions are similar to the restrictions on these people and businesses under the current law concerning casino licensees and applicants, and casino-related activities, and include a general prohibition on employment, representation, appearance for, or negotiation on behalf of, any license or permit holder or applicant in connection with any cause, application, or matter, and these restrictions can carry over into the post-employment or post-service period following the departure of a person from State or local employment or office.

The ethical and conflicts-of-interest restrictions would be enforced by the State Ethics Commission, and any person found to have committed a violation would be subject to a civil penalty of not less than $500 or more than $10,000. Additionally, any willful violation of the restrictions similar to the restrictions concerning casino licensees and applicants that are applicable to the above State or municipal elected, appointed, or employed persons, their associated partnerships, firms, or corporations, and their family members would be considered a disorderly persons offense, punishable by a term of imprisonment of up to six months, a fine of up to $1,000, or both.
If the Cannabis Regulatory Commission found that a license holder, permit holder, or applicant for a license or permit, had committed a violation involving a commission member or employee with respect to pre-service activities, activities during service, or post-service activities, that license or permit holder or applicant would be subject to a civil penalty of not less than $500 or more than $10,000, and possible license or permit revocation or suspension, or denial of an application, as applicable.

**Licensing of Cannabis Establishments**

The bill would establish four classes of licensed establishments: a Class 1 Cannabis Grower license, for facilities involved in growing and cultivating cannabis; a Class 2 Cannabis Processor license, for facilities involved in the manufacturing, preparation, and packaging of cannabis items; a Class 3 Wholesaler license, for facilities involved in obtaining and selling cannabis items or cannabis paraphernalia for later resale by other licensees; and a Class 4 Cannabis Retailer license, for locations at which cannabis items and paraphernalia are sold to consumers. The commission would determine the maximum number of licenses for each class based upon market demands, and would be authorized to make requests for new license applications as it deemed necessary to meet those demands.

The commission would be responsible for reviewing each application for a full, annual license, or application for a conditional license, intended to be issued and then subsequently replaced with a full license. In accordance with the bill, at least 35 percent of the total licenses issued for each class would be conditional licenses. Either a full license or conditional license would only be issued for applications which presented an ownership structure that includes a “significantly involved person,” being someone who holds at least a five percent investment interest or is a member of a group who holds at least a 20 percent investment interest and would have authority to make controlling decisions about the cannabis establishment; this person would additionally have to be a resident of New Jersey for at least two years as of the date of application. Another requirement, applicable only to a conditional license, would be that the significantly involved person and any other person with a financial interest who also has decision making authority for a proposed cannabis establishment could only have, for the immediately preceding taxable year, an adjusted gross income of no more than $200,000 or no more than $400,000 if filing jointly with another, or had, at any time in the past five taxable years, received federal or State financial assistance. For purposes of calculating the 35 percent figure for conditional licenses, the figure would include any conditional license issued to an applicant that was subsequently replaced with a full, annual license (which process is further detailed below).

Additionally, at least 10 percent of the total licenses issued for each license class, and at least 25 percent of the overall total...
number of licenses issued would be designated for and only issued
to “microbusinesses.” A microbusiness is described in the bill as
employing no more than 10 employees, and: possessing no more
than 1,000 cannabis plants each month; operating an establishment
occupying an area of no more than 2,500 square feet, and in the
case of a cannabis grower, growing on an area no more than 2,500
square feet measured on a horizontal plane and growing above that
plane not higher than 24 feet; in the case of a cannabis processor,
acquiring and processing no more than 1,000 pounds of cannabis in
dried form each month; in the case of a cannabis wholesaler,
acquiring for resale no more than 1,000 pounds of cannabis in dried
form, or the equivalent amount in any other form, or any
combination thereof, each month; and in the case of a cannabis
retailer, acquiring for retail sale no more than 1,000 pounds of
cannabis in dried form, or the equivalent amount in any other form,
or any combination thereof, each month. For this subset of the four
classes of cannabis establishments, 100 percent of the ownership
would have to involve New Jersey residents who have resided in the
State for at least two years.

The 10 percent per class, and 25 percent overall, of
microbusiness-designated licenses issued would include the number
of conditional licenses issued for each class, as these two categories
are not considered mutually exclusive of one another.

When processing applications, the commission would also
incorporate the licensing efforts developed by the Office of
Minority, Disabled Veterans, and Women Cannabis Business
Development designed to promote the formulation and participation
in the lawful operation of cannabis businesses by persons from
socially and economically disadvantaged communities.

Additionally, the commission would prioritize applications for
licensure using two other factors.

One factor would be based on “impact zones,” which are
identified under the bill as any municipality (referred to as a “local
governmental entity” in the bill) that: (1) has a population of
120,000 or more according to the most recently compiled federal
decennial census as of the bill taking effect; or (2) ranks in the top
33 percent of local governmental entities in the State for small
amount marijuana possession arrests in the calendar year next
preceding the bill taking effect; has a crime index total of 1,000 or
higher based upon the indexes listed in the most recently issued
annual Uniform Crime Report by the Division of State Police, as of
the bill taking effect; and has an annual average unemployment rate
that ranks in the top 15 percent of all local governmental entities in
the State in the calendar year next preceding the bill taking effect.

Concerning impact zones, the commission would prioritize any
application that: included a person who is a current resident of an
impact zone and had resided therein for three or more consecutive
years at the time of making the application (to the extent possible
the commission would grant at least 25 percent of the total licenses
issued, regardless of license class, to such applicants); or included a plan to employ 25 percent of employees who reside in an impact zone. The second prioritization would be based upon a point system used to rank applications, which gave higher rankings to an applicant for meeting one of the following conditions for its labor environment: being a party to a collective bargaining agreement with a labor organization that currently represents, or is actively seeking to represent cannabis workers in New Jersey; being a party to a collective bargaining agreement with a labor organization that currently represents cannabis workers in another state; or submitting an attestation affirming that the applicant will use best efforts to utilize union labor in the construction or retrofit of the facilities associated with the cannabis establishment.

The commission would require that an applicant for licensure, other than an applicant seeking to operate a microbusiness of any class or seeking a conditional license, submit an attestation signed by a bona fide labor organization stating that the applicant entered into a labor peace agreement with such bona fide organization. The maintenance of an agreement would be an ongoing material condition of a full, annual license, unless the business was a microbusiness. Submission of proof of an agreement from an applicant originally issued a conditional license would be a requirement for final approval granting full licensure. Failure to enter, or to make a good faith effort to enter, into a collective bargaining agreement within 200 days of the opening of a cannabis establishment would result in the suspension or revocation of a license.

Any applicant for a license or conditional license would have to provide proof for each person with any investment interest as being 21 years of age or older, and each of the following persons associated with the applied-for cannabis establishment would be subject to a criminal history record background check: any owner, other than an owner who holds less than a five percent investment interest or who is a member of a group that holds less than a 20 percent investment interest, and who has no authority for making controlling business decisions; any director; any officer; and any employee. With respect to qualification or disqualification for licensure based on the background check, the commission would be prohibited from considering any prior convictions involving the manufacturing, distribution or possession with intent to distribute, or simple possession of, small amounts of marijuana or hashish under the laws of this or another state, or under federal law, or any other prior conviction, unless less than five years have passed since convicted and the conviction involved fraud, deceit, embezzlement, employing a minor in a drug distribution scheme, or some other conviction “substantially related to the qualifications, functions, or duties for which the license is required,” as determined by the commission. Such a conviction would not be an automatic disqualifier, as the commission would still have the authority to
issue a license or conditional license to an applicant which included a person with a “substantially related” conviction, after examining the nature of the offense associated with the conviction, the circumstances at the time of committing the offense, and evidence of rehabilitation since conviction.

With respect to the application for a full license, the commission would complete its review for license approval or denial within 90 days of the submission of the application, unless the commission determined that more time is required. If approved, a license would be issued by the commission not later than 30 days after it gave notice of the approval, unless the applicant was subsequently found to not be in compliance with relevant regulations or local regulating ordinances applicable to the applicant’s business operations. An issued license would expire after one year, but could be renewed following submission of a new application, in which the applicant would detail aspects of the cannabis licensee’s operations and ongoing compliance measures as part of the renewal process.

With respect to the application for a conditional license, the commission would complete an expedited review for approval or denial within 30 days, unless the commission determined that more time is required. If approved, a conditional license would be issued by the commission not later than 30 days after it gave notice of the approval, unless the applicant was subsequently found to not be in compliance with relevant regulations or local regulating ordinances applicable to conditionally licensed operations. The applicant would not need to be in compliance with every aspect of the regulatory requirements expected for full licensure in order to obtain a conditional license, but would need to provide sufficient plans for actions to be taken to eventually achieve compliance for full licensure. During a 120-day period following issuance of the conditional license, if the commission determined that the conditional licensee was in compliance with all plans and other measures necessary to achieve full licensure, it would replace the conditional license with a full, annual license, dated to expire one year from its date of issuance and which could be subsequently renewed; if the conditional licensee was not in compliance as needed for full licensure, the conditional license would automatically expire at the end of the 120-day period.

Certification of Cannabis Handlers

In addition to the above described licensing requirements, any individual who performed work for or on behalf of any class of licensee (or conditional licensee) would need to have a valid certification issued by the commission, in order to participate in: the possession, securing, or selling of cannabis items at the licensed premises; the recording of the possession, securing, or selling of cannabis items at that premises; or the home delivery of cannabis items and related supplies to a retail consumer. The commission could require that anyone applying for a handler certification successfully complete a one-time course which provides training on
checking identification, detecting intoxication, the proper handling
of cannabis items, and statutory and regulatory provisions relating
to cannabis. A person seeking a certification would also be subject
to a criminal history record background check; a person would be
disqualified for any criminal conviction which is less than 10 years
old as of the time of making the application, unless the conviction
was for the manufacturing or delivery of marijuana, in which case it
would only apply if less than two years old.

Transition to Legal Market for Cannabis Items

The commission, within 180 days after the bill is signed into law,
and after consultation with the Attorney General, State Treasurer,
Commissioner of Health, and Commission of Banking and
Insurance, would, upon filing proper notice with the Office of
Administrative Law, and notwithstanding the provisions of the
“Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), immediately adopt rules and regulations it prepared that are
necessary and proper to enable it to carry out the commission’s
duties, functions, and powers with respect to activities associated
with the personal use of cannabis or cannabis resin under this bill
and with the medical use of cannabis under the “Jake Honig
Compassionate Use Medical Cannabis Act.” These initial rules and
regulations would be in effect for a period not to exceed one year
after the date of filing, and thereafter be adopted, amended, or
readopted, and any subsequent rules and regulations adopted,
amended, or readopted, in accordance with the “Administrative
Procedure Act.”

The commission would begin accepting and processing
applications for licenses and conditional licenses within 30 days
after the commission’s initial rules and regulations have been
adopted. Also, at the time of initial adoption, provisions of the bill
concerning the lawful operations of licensed cannabis growers,
processors, wholesalers, and retailers would become operative to
permit those cannabis establishments issued licenses by the
commission to commence work in growing, cultivating, processing,
and packaging cannabis and cannabis items, as well as cannabis
paraphernalia, for future retail sales which would not yet be
authorized.

Also becoming operative at this time would be provisions, linked
to provisions contained in the aforementioned Assembly Committee
Substitute, which would deem every current medical cannabis
alternative treatment center issued a permit prior to the effective
date of that substitute bill, or issued a permit after the effective date
pursuant to a permit application submitted prior to that date, to
concurrently hold a Class 1 Cannabis Grower license, a Class 2
Cannabis Processor license, a Class 3 Cannabis Wholesaler license,
and a Class 4 Cannabis Retail license, plus an additional Class 4
Cannabis Retail license for each satellite dispensary that was
approved prior to the effective date of the substitute bill, or
approved after the effective date pursuant to an application
submitted prior to that date. However, any such deemed alternative
treatment center could not engage in any preparatory work to
incorporate personal use cannabis items into its operations, and thus
simultaneously function as cannabis establishments and to
eventually, if opted for, engage in retail sales, until it submitted
written approval to operate as one or more classes of a cannabis
establishment from the local governmental entity in which the
establishment is to be located, and the commission in turn issues an
actual license or licenses.

Prior to and during this transition phase leading up to eventual
retail sales, every local governmental entity would have the option
to authorize and regulate the time, place, manner, and number of
establishments operating within its jurisdiction, in a manner
consistent with the bill’s regulation of cannabis establishments, or
alternatively enact an ordinance to prohibit such operations by any
one or more classes of establishments. Only an ordinance to
prohibit one or more classes of cannabis establishment enacted
pursuant to the specific authority to do so by the bill would be valid
and enforceable: any ordinance enacted prior to the bill’s effective
date addressing the issue of prohibition within the jurisdiction of a
local governmental entity would be null and void, and that entity
could only prohibit the operation of one or more classes of cannabis
establishment by enactment of a new ordinance in accordance with
the bill’s provisions.

The failure of a local governmental entity to enact an ordinance
prohibiting such operations within 180 days following the
commission’s initial adoption of rules and regulations would result
in any class of cannabis establishment that is not prohibited from
operating within the local jurisdiction as being permitted to operate
therein for a period of five years as follows: the growing,
cultivating, processing, and selling and reselling of cannabis and
cannabis items by a cannabis grower, cannabis processor, or
cannabis wholesaler would be permitted uses in all industrial zones
of the local governmental entity; and the selling of cannabis items
to consumers from a retail store by a cannabis retailer would be a
conditional use in all commercial zones or retail zones, subject to
meeting the conditions set forth in any applicable zoning ordinance
or receiving a variance from one or more of those conditions in
accordance with the “Municipal Land Use Law,” P.L.1975, c.291
(C.40:55D-1 et seq.). At the end of any five-year period following
a failure to enact a local ordinance, the local governmental entity
could revisit the issue of prohibition, but any ordinance would be
prospective only and not apply to any cannabis establishment
operating within the local jurisdiction subject to the ordinance.

If a local governmental entity allowed the operation of cannabis
establishments, a copy of each license application submitted to the
commission for an establishment to be located within that local
jurisdiction would be provided to the local governmental entity,
which in turn would inform the commission whether the application
complies with its local regulatory scheme, and which could be the basis for a denial of an application if not in compliance.

Lastly, during the time that local governmental entities are acting to regulate or prohibit cannabis activities, and applications are being processed and licensed cannabis establishments starting operations or medical alternative treatment centers starting preparatory work to incorporate personal use cannabis items into their operations, the commission would determine the first date on which retail sales of personal use cannabis items may occur. This date would be no more than 180 days after the adoption of the commission’s initial rules and regulations, and the commission would provide at least 30 days’ notice of the date to every licensed cannabis establishment and alternative treatment center deemed to be a licensed cannabis establishment. On that date and thereafter, legal retail sales and consumption of personal use cannabis items would begin; provided, that in order for an alternative treatment center to engage in retail personal use sales, it would be required to first certify to the commission that it has sufficient quantities of medical cannabis and medical cannabis products available to meet the reasonably anticipated treatment needs of registered qualifying patients.

Once retail sales have begun, there would be a prohibition on any one licensee having a complete “vertical integration,” from grower to retailer, on its cannabis operations for a period of 18 months. During this time, the bill would not permit a licensed grower, processor, or wholesaler to also be a licensed retailer, and vice versa, plus a grower or processor could only concurrently hold two licenses, and a wholesaler would be limited to just one license; these restrictions would not apply to a medical alternative treatment center deemed to possess one of each type of cannabis license class as described above (and thus the treatment centers would have complete “vertical integration” during this 18-month period). Following the 18-month period, a license holder could concurrently hold one, but not more than one, of each type of license class in order to establish a “vertical integration” of cannabis operations.

As to those alternative treatment centers deemed from the onset to hold every class of cannabis license and actually issued licenses based upon local approval, after a period no greater than one year from the date that retail sales have begun, all such centers, in order to continue their operations concerning personal use cannabis, would be required to submit a certification, prior to the date that a cannabis license was set to expire, as to the continued material accuracy of their previously approved medical permit application to the Department of Health, and their compliance with the provisions of this bill as required by the commission. The certification would also need to be supported by a new written approval from the local governmental entity in order for the commission to renew a license for continued personal use operations.
Cannabis Consumption Areas

A licensed cannabis retailer, or an alternative treatment center that has a permit to dispense medical cannabis pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act” may apply to the commission seeking an endorsement to operate a cannabis consumption area at which the on-premises consumption of personal use or medical cannabis could occur. Along with the commission’s endorsement, the local governmental entity in which the consumption area would operate would also review the application and have to provide a local endorsement.

An endorsed cannabis retailer could only allow the consumption of personal use cannabis at its consumption area. An alternative treatment center could only allow the consumption of medical cannabis at its consumption area, unless it was also deemed during the transition period to the legal cannabis market (see above) to have one or more Class 4 Cannabis Retailer licenses and actually issued a license or licenses, or had otherwise been issued such a license by the commission, in which case both personal use and medical cannabis could be consumed.

An on-premises consumption area could either be indoors or outdoors. An indoor consumption area would be a structurally enclosed area within a cannabis retailer or alternative treatment center that is separated by solid walls or windows from the area in which retail sales of cannabis or the dispensing of medical cannabis occurs, would only be accessible through an interior door after first entering the retailer or center, and would need to comply with all ventilation requirements applicable to cigar lounges under the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.). An outdoor consumption area would be an exterior structure on the same premises as the cannabis retailer or alternative treatment center, that is either separate from or connected to the retailer or center and that is not required to be completely enclosed, but would need to have enough walls, fences, or other barriers to prevent any view of persons consuming personal use cannabis items or medical cannabis from any sidewalk or other pedestrian or non-motorist right-of-way; and with respect to any consumption by smoking at an outdoor area, the cannabis retailer or alternative treatment center would need to ensure that any smoking does not result in migration, seepage, or recirculation of smoke to any indoor public place or workplace.

Taxation and Other Business Treatment of Cannabis Establishments

The bill would impose a State-level tax at the rate of 5.375 percent on the retail sale of cannabis items. This tax would be imposed in addition to the State sales and use tax, which presently is imposed at the rate of 6.625 percent. Cannabis retailers would be required to collect the tax at the point of sale and remit the monies to the Division of Taxation in the Department of the Treasury, and the tax would have to be reported and paid on a monthly basis. The
revenue from the State-level tax would be deposited into a new fund, referred to as the “Cannabis Regulatory and Expungement Aid Modernization Fund.” This fund would be used to pay for the operational costs of the commission, as well as to defray costs, in an amount determined by the Legislature, associated with the filing and review of expedited expungement applications, a new process established by the bill for persons previously arrested, charged, or convicted for distribution or possession of small amounts of marijuana or hashish, or possession or using drug paraphernalia for marijuana or hashish, which past act would have been presumed to be lawful possession of cannabis or cannabis resin in accordance with the bill (further discussed below).

The bill would also permit any local governmental entity to adopt an ordinance that authorized a local tax. This tax could be imposed on sales that occur within the local governmental entity: between cannabis retailers and customers; between a cannabis establishment that holds any class of cannabis license and another cannabis establishment that holds any class of cannabis license; or any combination thereof. The local governmental entity would have discretion to set the rate or rates of the local-level tax, but the rate could not exceed two percent of the receipts from each sale. The seller would be required to collect the tax and remit the monies to the chief financial officer of the local governmental entity, in a manner to be set by the local governmental entity.

Neither the State-level or local-level tax would apply to medical cannabis dispensed pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act.”

Concerning other business treatment of any licensed establishment:

1. A cannabis grower would be prohibited from operating or being located on any land that is valued, assessed, or taxed as an agricultural or horticultural use pursuant to the “Farmland Assessment Act of 1964,” P.L.1964, c.48 (C.54:4-23.1 et seq.);
2. A property owner, developer, or operator of a project to be used, in whole or in part, as any class of cannabis establishment would not be eligible for a State or local economic incentive during the period of time that the economic incentive is in effect;
3. The issuance of a license to operate as any class of cannabis establishment to a person or entity that has been awarded a State or local economic incentive would invalidate the right of the person or entity to benefit from the economic incentive as of the date of issuance of the license; and
4. The issuance of a license to operate as any class of cannabis establishment at a location that is the subject of a State or local economic incentive would invalidate the right of a property owner, developer, or operator to benefit from the economic incentive as of the date of issuance of the license.

**Legalized, Decriminalized, and Prohibited Activities Concerning the Consumption of Personal Use Cannabis Items**
Once the provisions for the lawful personal use of cannabis items become operative and retail sales of cannabis items have begun, the following acts would not be an offense under the “New Jersey Code of Criminal Justice,” Title 2C of the New Jersey Statutes, for a person 21 years of age or older:

(1) Possessing, purchasing, or transporting: cannabis paraphernalia; one ounce or less of cannabis; the equivalent of one ounce or less of cannabis infused product in solid, liquid, or concentrate form, based upon an equivalency calculation for different product forms set by the commission in its regulations, and for which the commission may utilize research conducted in other states on the issue of product equivalency calculations when setting this equivalency; or five grams or less of cannabis resin;

(2) Transferring any cannabis item in any amount described above to another person 21 years of age or older, so long as the transfer is for non-promotional, non-business purposes; and

(3) Consuming any lawfully acquired cannabis item, provided that nothing in the bill is intended to permit a person to smoke or otherwise consume a cannabis item in a public place, other than a designated consumption area as detailed above.

A person possessing, purchasing, transporting, or transferring to another at any one time any cannabis or resin in an amount greater than as permitted, or an infused product in solid, liquid, or concentrate form with more than the equivalency permitted would generally be considered a violation of the “Comprehensive Drug Reform Act of 1987,” P.L.1987, c.106 (N.J.S.2C:35-1 et al.), and subject the person to a civil penalty or prosecution as if the person possessed, purchased, transported, or transferred illegal marijuana or hashish in violation of that act. In addition to establishing the legalized amounts of possession for personal use cannabis items, the bill would decriminalize the possession of illegal marijuana or hashish. Possession of more than 50 grams of marijuana, or more than five grams of hashish would be reduced from a crime of the fourth degree to a disorderly persons offense (punishable by imprisonment for up to six months, a fine of up to $1,000, or both). Possession of 50 grams or less of marijuana, or five grams or less of hashish would be reduced from a disorderly persons offense to a civil penalty of $50.

With respect to consumption, the smoking of a cannabis item would be prohibited in any place pursuant to law that prohibits the smoking of tobacco, including the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.), as well as any “indoor public place” as defined in that act (even if such a place is otherwise permitted to allow the smoking of tobacco), except that smoking would be permitted in a designated consumption area or in up to 20 percent of the guest rooms of a hotel, motel, or other lodging establishment as permitted by the person or entity that owns or controls that establishment. The smoking of cannabis items could also be prohibited in private multifamily housing, as decided
by the person or entity that owns or controls the housing. Any fines or civil penalties that could be assessed for the smoking of tobacco where prohibited under the “New Jersey Smoke-Free Air Act” would be applicable to the smoking of cannabis where prohibited under this bill.

As to consumption other than by smoking: a person or entity that owns or controls a property, except for multifamily housing, could prohibit or otherwise regulate consumption on or in that property, and a local governmental entity would be empowered to enact an ordinance making it unlawful for any person 21 years of age or older to consume any cannabis item in a public place, and provide for a civil penalty of up to $200 per violation. The bill would also prohibit consumption in any area of any building of, on the grounds of, or in any facility owned, leased, or controlled by, any public or private institution of higher education or a related entity thereof, regardless of whether the area or facility is an indoor place or outdoors, and the penalty provisions of the “New Jersey Smoke-Free Air Act” would be applicable for a violation.

Mere possession of a cannabis item on elementary or secondary school property by a person of legal age to purchase such item, without proper permission, would be guilty of a disorderly persons offense, as is the case currently with respect to the possession of alcohol (punishable by imprisonment for up to six months, a fine of up to $1,000, or both). Additionally, similar to the statutory law’s treatment of the possession of an “open container” of alcohol, or consumption of alcohol, while operating or a passenger in a motor vehicle, the bill would amend relevant laws in Title 39 of the Revised Statutes to make it a motor vehicle offense to possess an “open container” or “open package” of a cannabis item, or to consume a cannabis item, in a motor vehicle. A first offense would be a fine of $200, and a subsequent offense would be a fine of $250 plus imposition of a period of community service, the same penalties applied to violations involving an alcoholic beverage.

Regarding the possession or consumption of a cannabis item by a person under the legal age to purchase cannabis, the bill expands the current laws addressing underage possession or consumption of alcoholic beverages to include cannabis items, although different penalties would apply:

- for possession, in a public place, of an amount that may be lawfully possessed by a person of legal age to purchase cannabis items, a first offense would be a civil penalty of $100, and a second offense would be a civil penalty of $200. Only a third or subsequent offense would be a disorderly persons offense, which is the same as a first or subsequent offense for possession of an alcoholic beverage; for possession, in a public place, of an amount of cannabis items that exceeds what may be lawfully possessed, or public consumption of cannabis items, an offense is graded as a disorderly persons offense (the same as possession or consumption of an alcoholic beverage);
-for possession, on private property, of an amount that may be
lawfully possessed by a person of legal age to purchase cannabis
items, a first offense would be a civil penalty of $100, and a second
offense would be a civil penalty of $200. Only a third or subsequent
offense would be a municipal fine of $350, which is the same as a
first or subsequent offense for possession of an alcoholic beverage
on private property; for possession, on private property, of an
amount of cannabis items that exceeds what may be lawfully
possessed, or consumption on private property, a first offense would
be a municipal fine of $250, and a second or subsequent offense
would be a municipal fine of $350 (the same penalties as applicable
to possession or consumption of an alcoholic beverage).

It would also be unlawful, generally punishable as a $50 civil
penalty, for an underage person to present a false identification in
order to enter a cannabis establishment or obtain cannabis items;
this would differ than using a false identification with respect to
alcoholic beverages, which is expressly noted in State law as not
classifying an offense and therefore carries with it no statutory
punishment.

Expedited Expungements and Other Criminal Justice Relief

Expedited expungements would be available to persons who
were charged with, convicted of, or adjudicated delinquent for any
number of offenses involving (1) unlawful distribution of, or
possessing with intent to distribute, small amounts of marijuana or
hashish, (2) possession of small amounts of marijuana or hashish, or
(3) using or possessing with intent to use drug paraphernalia for
marijuana or hashish, which acts would have been presumed to be
lawful acts associated with cannabis or cannabis resin in accordance
with the bill. There would be no waiting period before becoming
eligible for the expedited expungement, and the Judiciary
Ombudsman in each vicinage would assist persons with the filing of
expungement petitions, for which no filing fees would be charged.
The Administrative Office of the Courts would also develop an
expungement e-filing system, to be used in the future for all
expungement filings, which upon implementation would result in no
more fees being charged by the Judiciary for any expungement
filings.

As to other criminal justice relief, a person charged with any
violation based on the above described three categories of offenses
could not have his or her driving privileges suspended or forfeited,
or delayed if the person is less than 17 years old, for failing to
appear at any scheduled court proceeding, or as an additional
punishment after conviction for such offenses; such a suspension,
forfeiture, or delay is normally an action available to a court based
on failing to appear or following conviction.

Law Enforcement Training

The bill provides that for two years next following the bill taking
effect, the Police Training Commission, in the Department of Law
and Public Safety, would reimburse the expenses incurred by any
county or municipality for the training costs associated with the
to the attendance and participation of a police officer in a Drug
Recognition Expert program for detecting, identifying, and
apprehending drug-impaired motor vehicle operators.

**Reporting Requirements by the Commission**

The commission would biannually report to the Governor and
Legislature regarding the commission’s regulation and enforcement
activities associated with the personal use of cannabis pursuant to the
bill and the medical use of cannabis pursuant to the “Jake Honig
Compassionate Use Medical Cannabis Act.” The biannual report
would include information on: the number of criminal arrests or
charges for small amount marijuana or hashish possession or
distribution, cataloged by race, ethnicity, gender, and age; the number
of motor vehicle stops by law enforcement for driving under the
influence of cannabis or marijuana, or suspicion thereof, cataloged by
race, ethnicity, gender, and age; the total number of personal use
cannabis licenses and medical use cannabis permits issued since the
distribution of the previous report to the Governor and Legislature, as
well as the number for each class of license and permit issued; the total
number and type of applicants that submitted applications for licenses
and permits and whether they were approved, reapproved, or denied,
plus data compiled by the Office of Minority, Disabled Veterans, and
Women Cannabis Business Development about participation in the
lawful operation of cannabis businesses by persons from socially and
economically disadvantaged communities, as well as minority owned,
disabled veterans’ owned, and women’s owned business
development in the personal use cannabis and medical use cannabis
marketplaces; and the total amount of tax revenue generated by the
State-level taxes on personal use cannabis collected by the State, and
any optional local-level tax thereon collected by local governmental
entities.

**Review of the Commission by a Public Research University**

Lastly, beginning on the third anniversary of the commission’s
first organizational meeting, one of the State’s public research
universities, designated by the Governor, would engage in a study
of the commission’s organization, and regulation and enforcement
activities, with a focus on the commission’s effectiveness as
established and operating pursuant to the bill, and whether a better
execution of the laws concerning the personal use of cannabis and
medical use of cannabis could be more effectively managed, and
more efficiently promoted through a reorganization of the
commission, consolidation of the commission within the
Department of the Treasury or another Executive Branch
department, change to a part-time commission, or the transfer of
some or all of the commission’s operations elsewhere within the
Executive Branch. Any study recommendations would be designed
to take effect beginning on the fifth anniversary of the
commission’s first meeting. The university’s findings would be
issued in a report to the Governor and Legislature, after which they
would take any administrative and legislative action, respectively, concerning the continuation, modification, or abolition of the commission or its operations as recommended by the university.